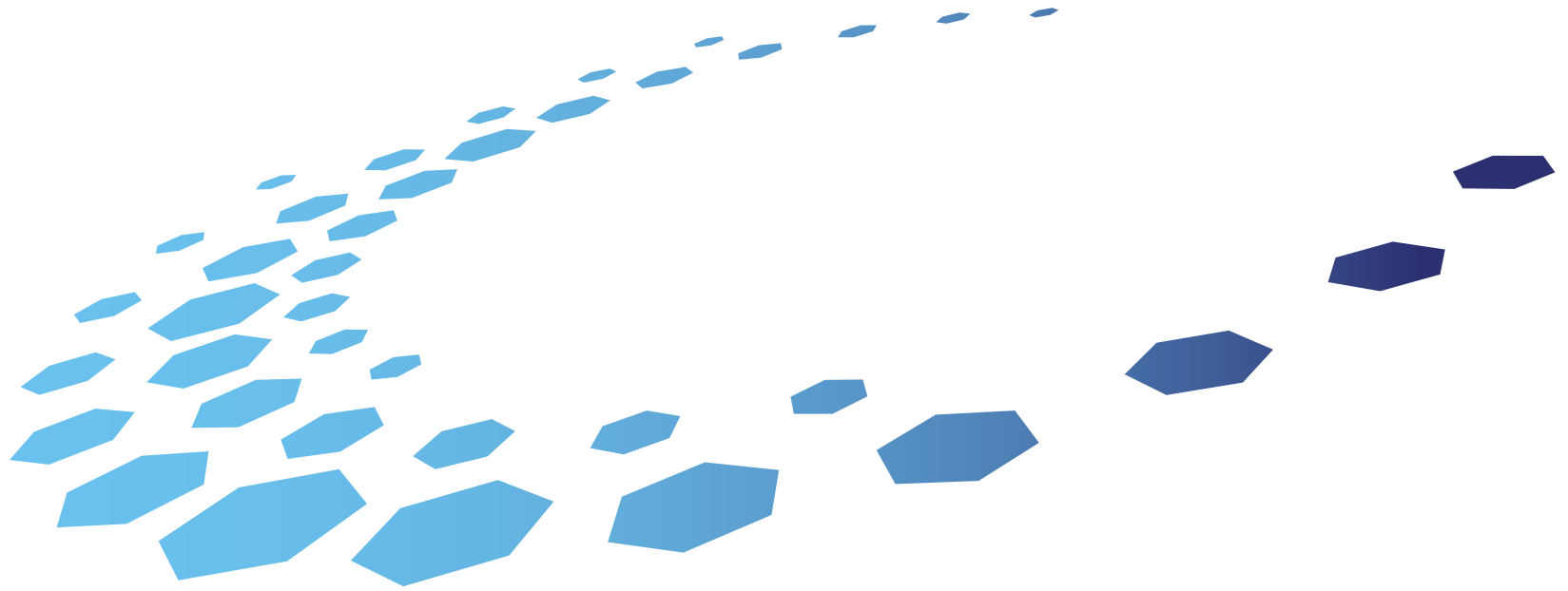


2025 Sustainability Report

HYOSUNG CHEMICAL

Hyosung Chemical Sustainability Report



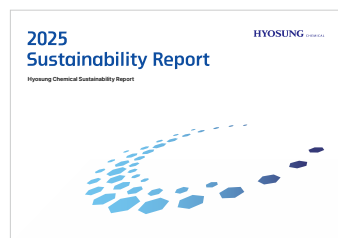
ABOUT THIS REPORT

COVER STORY

Hyosung Chemical declares a new beginning for sustainable growth through innovative energy and connectivity that symbolize a blue future.

As reflected in the cover of this report, we are striving to create a cleaner and safer world and a more connected and sustainable future for all, guided by a deep sense of environmental responsibility, cutting-edge technology, and the power of collaboration.

Amid constant changes and challenges, we continue to pursue creative innovation for a sustainable society, customer trust, and future generations, placing ESG principles at its core.



Overview

To actively engage with its stakeholders and share our sustainability efforts, Hyosung Chemical has communicated its progress through the Hyosung Group Sustainability Report, published annually since 2018, following the Group's first report in 2012. The 2025 Hyosung Chemical Sustainability Report marks the company's tenth report and its second standalone edition. Through this report, we aim to transparently disclose our sustainability activities and achievements across the economic, social, and environmental dimensions, and strengthen engagement with our stakeholders.

Reporting Principles

The 2025 Hyosung Chemical Sustainability Report has been prepared in accordance with GRI Standards 2021. To address key industry-specific issues, we referred to the SASB Industry Standards. In addition, external sustainability initiatives and frameworks such as TCFD and ISO26000 were considered in the selection of issues to respond to the interests and expectations of various stakeholders.

External Assurance

To ensure transparency and reliability, the contents and data of this report have been subject to third-party assurance by BSI Group Korea, an independent external assurance provider, in accordance with the AA1000AS (Moderate Level, Type 2) assurance standard. The assurance opinion provided by the assurer can be found in the Appendix of this report, "Third-Party Assurance Statement."

Reporting Frequency

The reporting frequency of this sustainability report is annual, and this edition was released in June 2026.

Reporting Period and Scope

This report covers the period from January 1, 2025, to December 31, 2025. For data items requiring trend analysis, figures from the past three years are included. Some qualitative activities and performance also include information up to May 2026. Financial performance has been prepared on a consolidated basis in accordance with K-IFRS (Korean International Financial Reporting Standards), including the subsidiaries of Hyosung Chemical. The scope of qualitative performance reporting is limited to Hyosung Chemical's domestic operations, excluding its subsidiaries. In contrast, quantitative performance reporting includes data from both domestic operations and subsidiaries that together account for 100% of Hyosung Chemical's consolidated sales, including Hyosung Vina Chemicals Co., Ltd. and Hyosung Film (Quzhou) Co., Ltd. In 2025, the Neochem PU, our specialty gas business unit, was transferred to Hyosung TNC under a business transfer agreement and is therefore excluded from this report. For any discrepancies arising from differences in reporting scope or changes to previously disclosed figures, footnotes have been provided to explain the reasons and resulting adjustments.

Report Inquiry

Department	Hyosung Chemical ESG Management Team
Address	235, Banpo-daero, Seocho-gu, Seoul, Republic of Korea
Website	www.hyosungchemical.com/kr
Email	esg_chem@hyosung.com

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INTRODUCTION



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Business Value-Chain

CEO Message

To our valued stakeholders,

Over the past year, Hyosung Chemical has advanced various ESG initiatives, driven by the active participation of our employees and the strong support of stakeholders. In particular, we have focused our efforts on improving process efficiency, enhancing energy savings, strengthening occupational safety and health management systems, and refining the supply chain risk monitoring system. At the same time, some of these activities remain at an early stage or are limited to specific business sites and units. Accordingly, this report aims to transparently share both our progress and current limitations.

Today, across global value chains, the importance of ESG issues such as addressing climate change, enhancing resource efficiency, and protecting human rights is growing. Amid accelerating supply chain restructuring and a rapidly changing regulatory environment, sustainability has become a critical determinant of long-term competitiveness, going beyond corporate social responsibility. In response to these changes, we are progressively embedding sustainability throughout our management practices and strengthening the foundation for responsible growth.

1. Advancing Carbon Neutrality and Energy Transition

In line with the government's 2035 NDC (Nationally Determined Contribution) for greenhouse gas emissions reduction, we are reshaping our mid-to-long-term greenhouse gas reduction roadmap based on our business characteristics and facility conditions. Currently, we are focusing on emissions reduction through energy savings and process efficiency enhancement, while renewable energy adoption remains at an early stage. We will continue to strengthen our climate change response capabilities by gradually expanding investment in facility improvement and the adoption of renewable energy.

2. Building a Reliable Supply Chain and Collaborative Eco system

We are gradually building a supply chain management system to strengthen sustainability across the entire value chain. For key ESG issues within the supply chain, such as human rights, safety, and the environment, we will start by reviewing high-priority areas based on partner companies' commitment

to the Supplier Code of Conduct and further expand the scope of application by refining management standards and procedures tailored to our business characteristics. Furthermore, we will continuously expand social value through collaborative partnership programs and engagement with local communities, while fostering a collaborative ecosystem that creates shared value with our stakeholders.

3. Fostering a Human-Centered Safety Culture and an Inclusive Workplace

Building a safe workplace for all employees is a fundamental responsibility. To this end, we are strengthening our safety and health management system aimed at zero accidents, and implementing specific action plans for each workplace, including risk assessments, safety and health training, and facility improvements. Noting that progress in some safety indicators has been slow, we will transparently disclose the results and continuously make improvements. In addition, we will utilize the acquisition and maintenance of safety and health certifications not merely for promotional purposes, but as a means to objectively assess the actual level of our systems.

Hyosung Chemical will advance sustainability based on realistic and responsible goals, centered on the two pillars of "innovation that delivers environmental performance" and "fulfillment of social responsibility." Rather than relying on overstated rhetoric or showcasing unverified achievements, we will transparently disclose our current status and challenges and faithfully implement step-by-step goals and action plans. We will consistently share the results along with specific indicators and examples in future reports.

We are committed to advancing sustainable innovation and growing together with stakeholders based on trust, while fulfilling our responsibilities to future generations. We deeply appreciate the continued trust and cooperation of our employees and all stakeholders. Moving forward, we will practice responsible ESG management by setting realistic yet challenging goals and faithfully disclosing our progress and outcomes.

Thank you.

“Journey of Innovation and
Responsibility for a Sustainable Future”



Hyosung Chemical / CEO **Cheon-seok Lee**

Company Profile

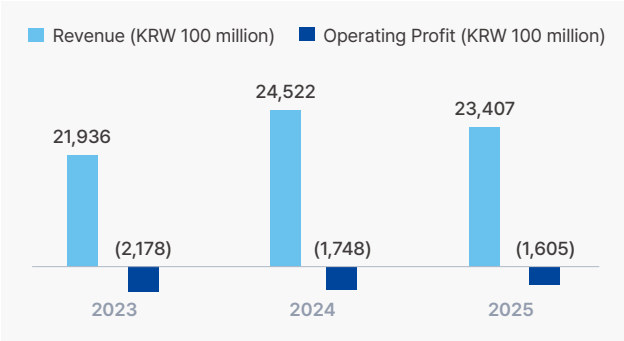
General status

Hyosung Chemical, the first company in Korea to develop and commercialize PET bottle chips in 1979, has continued to grow under its mission: “Enhance and enrich the quality of life for humanity with its leading technology and management capability.”

We are constantly striving to offer products and services that maximize value for customers by empowering our “best talent” to leverage “leading technology” and “management capability,” enhancing the quality of life for humanity.

Company name	Hyosung Chemical Corporation
CEO	Cheon-seok Lee
Headquarters	235, Banpo-daero, Seocho-gu, Seoul, Republic of Korea
Domestic Business Sites	Seoul Headquarters, Yongyeon Plant, Gumi Plant, Oksan Plant, Anyang Plant
Overseas Business Sites	Hyosung Vina Chemicals Co., Ltd. (Vietnam) Hyosung Film(Quzhou) Co., Ltd. (China)
Number of Employees (Consolidated basis)	1,496

Three-Year Financial Highlights (Consolidated basis)



Business Areas

Petrochemicals Division (PP/DH-Yongyeon, Vietnam, POK-Yongyeon)

PP (Polypropylene) is a synthetic resin produced through the polymerization of propylene and is one of the most widely used plastic raw materials in daily life. Polyketone is a next-generation material for future industrial applications that Hyosung Chemical successfully commercialized for the first time in the world, offering excellent properties including chemical resistance and impact resistance.

Film Division (FILM-Yongyeon, Gumi, China, OPTICAL FILM-Yongyeon, Oksan)

PET (Polyethylene Terephthalate) film, known for its excellent mechanical properties, is used in a wide range of industries, from packaging to electronics and electrical applications.

NY (Nylon) film is used in a wide range of differentiated products, including food packaging, pharmaceuticals and adhesives, and lithium-ion batteries.

TAC (Tri-Acetyl Cellulose) film is applied as a sustainable material for LCD polarizer protection and has entered the automotive display market.

Other Division (MEMBRANE-Anyang)

Membrane provides comprehensive water treatment solutions to address water scarcity using hollow fiber membrane technology with 0.03μm pore size.

2025 ESG Rating

Rating Agency	Rating
EcoVadis	Gold
KCGS	A
CDP Climate Change	A-
CDP Water Security	B

2025 ESG Awards

Organization	Detail
Ministry of Agriculture, Food and Rural Affairs Ministry of Oceans and Fisheries Large and Small Business, Agriculture, and Fisheries Cooperation Foundation	Rural ESG Practice Recognition System
Ministry of Health and Welfare, Korea National Council on Social Welfare	CSR in the Community

Initiative Memberships

Participating Initiatives	Korea Responsible Care Council (KRCC)
---------------------------	---------------------------------------

Key Certifications

Status	Business Site
ISO 14001(Environmental Management System)	Yongyeon, Gumi, Oksan, Vietnam, China
KOSHA-MS(Occupational Safety and Health Management System)	Yongyeon(PP/DH, POK)
ISO 45001(Occupational Safety and Health Management System)	Gumi, Vietnam, China
ISO 9001(Quality Management System)	Yongyeon, Gumi, Oksan, Vietnam, China
IATF 16949(Automotive Quality Management System)	Yongyeon (POK)
FSSC 22000(Food Safety Management System)	Gumi
Family-Friendly Certification	Companywide

Performance Highlights

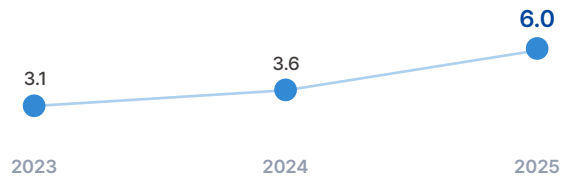
Key Sustainability Indicators

ENVIRONMENT

Water Recycling Rate

[Unit: %]

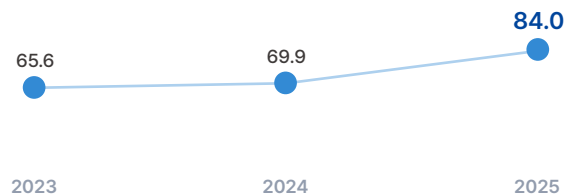
Water recycling rate at domestic sites increased for three consecutive years, contributing to water resource efficiency



Waste Recycling Rate

[Unit: %]

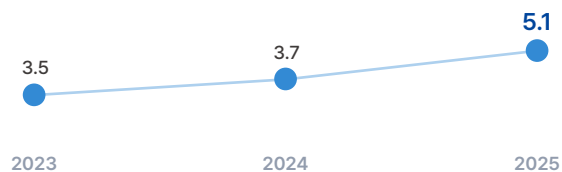
Waste recycling rate at domestic sites increased for three consecutive years, contributing to resource circularity



Recycled Raw Material Input Rate

[Unit: %]

Use of recycled materials in domestic product manufacturing increased for three consecutive years, accelerating the transition to a circular economy

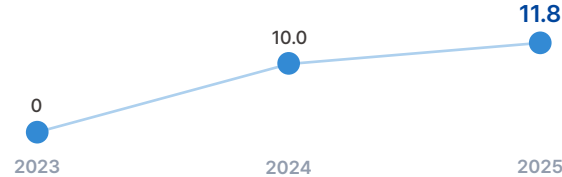


SOCIAL

Female Executive Ratio

[Unit: %]

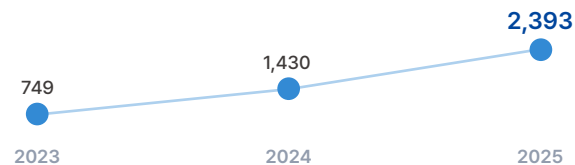
Operated female leadership development programs to enhance gender diversity and continuously increased the percentage of female executives



Social Value Created

[Unit: KRW 1 million]

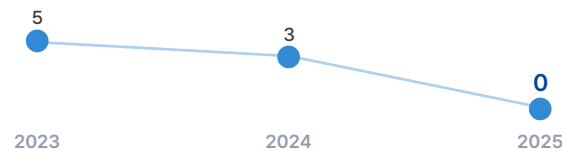
Measured and disclosed social value created across diverse areas, including employment, environment, and social contribution, expanding positive social impact



Work-related Injuries and Ill Health (Suppliers)

[Unit: Cases]

Strengthened supplier health and safety management systems and implemented preventive risk management activities, achieving zero industrial accidents

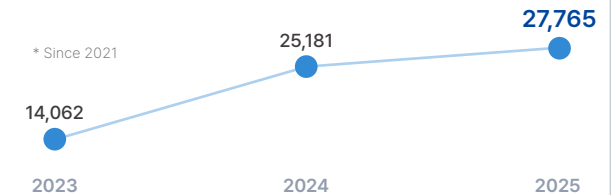


BUSINESS

Expected Cumulative* Economic Impact of Smart Factories

[Unit: KRW 1 million]

Continuously operated smart factories to improve energy efficiency, quality, and productivity, generating expected economic benefits

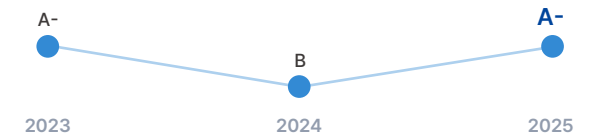


Improvement in ESG External Ratings

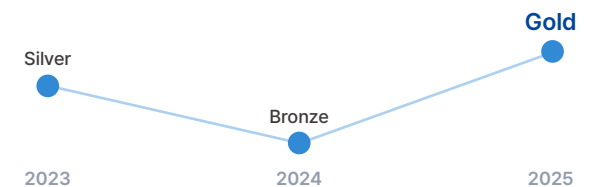
[Unit: Rating]

Continuously improved external ESG ratings, strengthening sustainable competitiveness aligned with global stakeholder expectations

CDP Climate Change

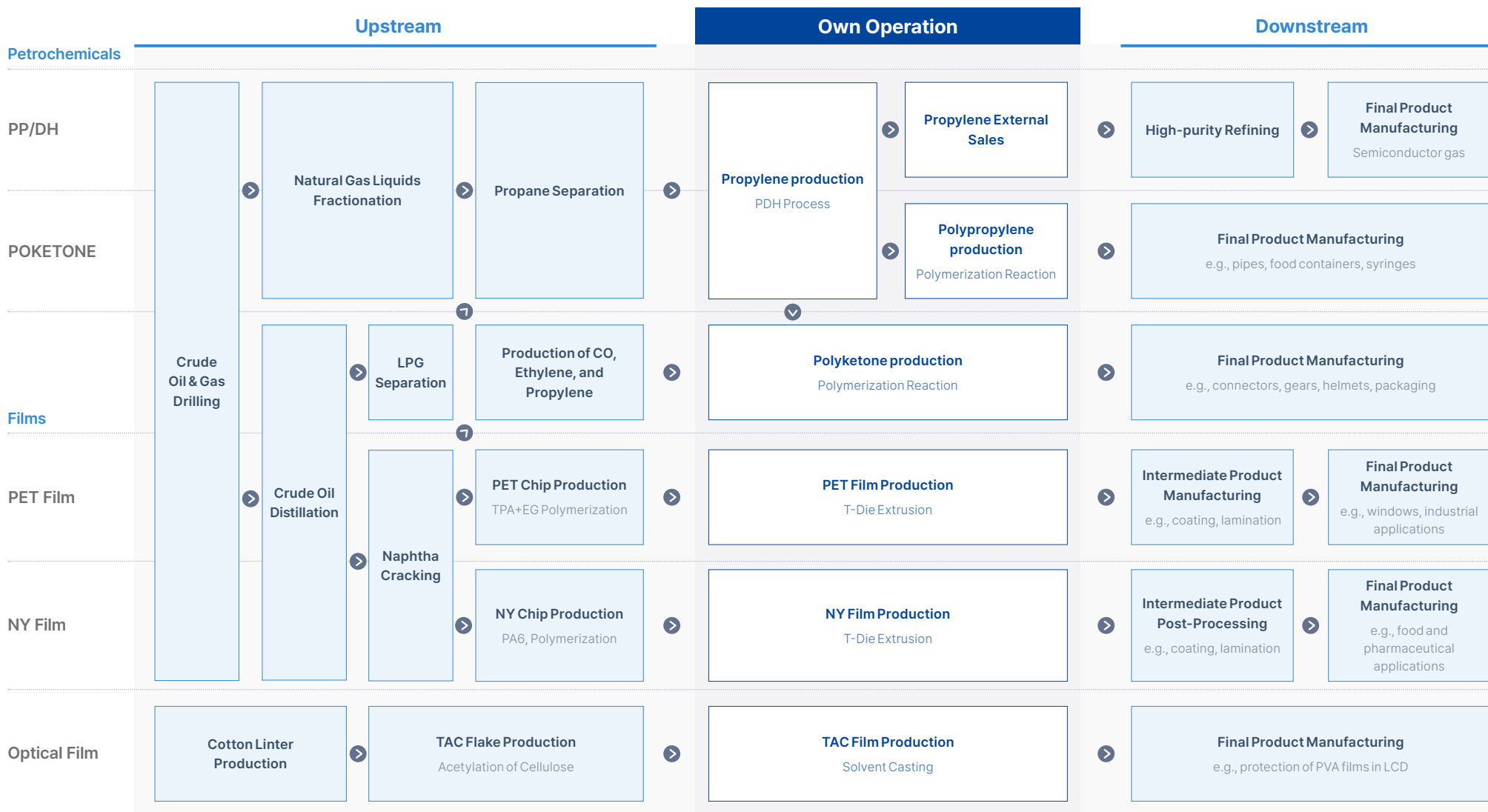


EcoVadis (Size: L, Scope: Group)



Business Value-Chain

Hyosung Chemical has established an extensive value chain that encompasses everything from petrochemical-based basic materials to high-value products such as high-performance films. We deliver sustainable solutions across all stages of this value chain—from raw material sourcing and material production to processing and application—serving as a key supplier of essential materials for various industries.



GENERAL DISCLOSURE

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Materiality Assessment

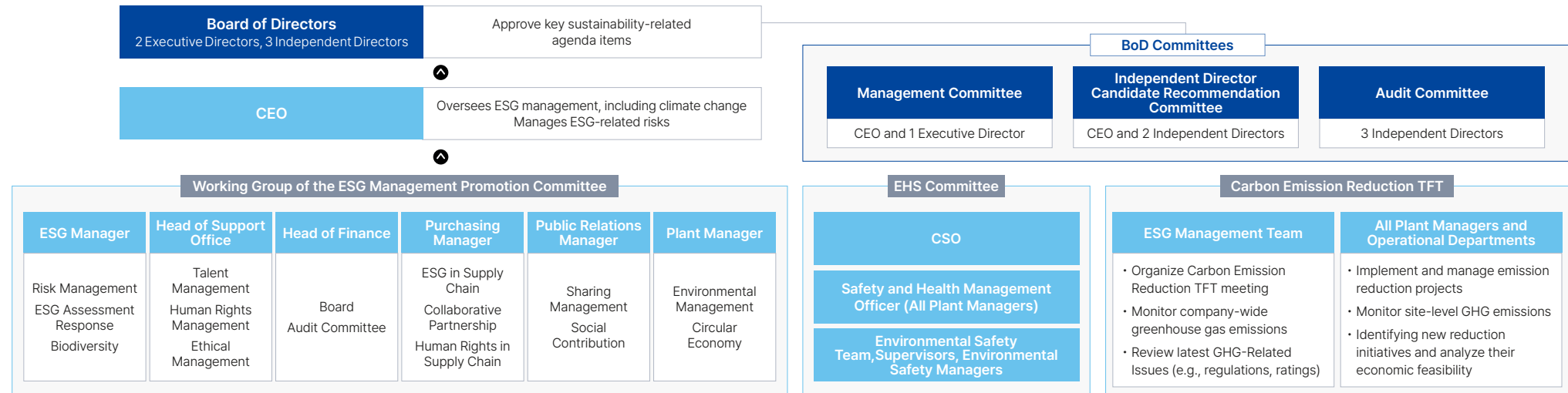
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ESG Policies Overview

Sustainability Leadership

Governance and Strategy

Sustainable Governance Framework



Board Composition

Hyosung Chemical enhances the independence and transparency of its Board of Directors by maintaining a board structure in which independent directors account for more than half of the total Board members and play a central role in Board operations. At present, the Board consists of five members in total, including two executive directors (Cheon-seok Lee and Bang-hyun Kim) and three independent directors (Ok-ryul Song, Kwang-koo Lee, and Nam-kyu Kang). The independent directors were appointed following a review of disqualification criteria under the Commercial Act and other applicable laws and regulations. They comprise three professionals with expertise in accounting, economics, and law, bringing professionalism and accountability across a wide range of areas, including management oversight, auditing, and risk management. In response to a rapidly changing business environment, we aim to leverage the CEO's practical experience and expertise in Board operations to enhance the efficiency and speed of strategic decision-making. Accordingly, at the Board meeting held on October 31, 2025, CEO Cheon-seok Lee was appointed Chair of the Board with the unanimous approval of all directors. Candidates for director are nominated by the Board of Directors (for executive directors) and the Independent Director Candidate Recommendation Committee (for independent directors) and are elected at the General Meeting of Shareholders. The Board currently operates three committees: the Audit Committee, the Independent Director Candidate Recommendation Committee, and the Management Committee.

Board Governance Structure and Responsibilities

The Board of Directors receives updates on major ESG-related matters from the ESG Management Promotion Committee, the EHS Committee, and the Carbon Emission Reduction TFT on a quarterly basis through regular or ad hoc reporting. In addition, the Board reviews and approves ESG strategic targets and key performance at least once a year. As the highest governing body with final approval authority over ESG strategies, policies, and objectives, the Board holds ultimate responsibility for ESG-related material impacts. The ESG Management Promotion Committee deliberates and resolves agenda items concerning environmental, social, and governance matters. The EHS Committee, which is responsible for managing environmental, health, and safety risks, and the Carbon Emission Reduction TFT integrate and coordinate major deliberations and resolutions before reporting to the Board when necessary. Through this structure, we operate an ESG governance system that seamlessly connects the Board, committees, and dedicated organizations. The Audit Committee under the Board conducts audits of financial statements and the internal accounting control system. To ensure thorough review of agenda items, members are provided with relevant materials in advance of committee meetings and, when necessary, receive in-person briefings. Furthermore, key internal matters are shared on an ongoing basis. The Management Committee reviews and approves management directives and detailed policies for major risk areas, including foreign exchange risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and investments exceeding available liquidity. At the Board meeting held in the first quarter of 2025, the Board reviewed and approved the results of the material topic selection for the ESG Sustainability Report.

Sustainability Leadership

Governance and Strategy

Board Independence and Conflict of Interest Prevention

In accordance with Article 24 of the Articles of Incorporation, Hyosung Chemical may establish a Board of Directors consisting of up to nine members, and directors are appointed at the General Meeting of Shareholders. Candidates for executive directors are recommended by the Board of Directors, while candidates for independent directors are recommended by the Independent Director Candidate Recommendation Committee and appointed through a resolution of the General Meeting of Shareholders. To ensure independence from management and controlling shareholders, independent directors constitute more than half of the total number of directors (60% as of March 2026). In addition, disqualification requirements in accordance with relevant laws and regulations, such as the Commercial Act, are reviewed when appointing independent directors. The Company further strengthens the independence and expertise of the Board of Directors by selecting independent directors from among experts with professionalism and accountability in various fields, including management, finance, law, auditing, and risk management. Furthermore, where shareholder proposals related to the election of directors are submitted in accordance with applicable laws and regulations, such proposals are duly submitted as agenda items for the General Meeting of Shareholders in accordance with prescribed procedures. We enhance the fairness and transparency of the candidate recommendation and appointment process by providing advance notice of matters related to director appointments in written or electronic form at least three weeks prior to the General Meeting of Shareholders.

Key ESG Reports to the Board and Independent Director Training¹

We conducted specialized training for the Board of Directors during 2025–2026 to enhance the sustainability-related competencies of independent directors.

Training Date	Training Provider	Participants (Independent Directors)	Key Topic
February 2025	Company	Ji-won Lim, Hyung-soon Park, and Ok-ryul Song	Common Characteristics of Leading Global Companies in Sustainability
January 2026	Company	Ji-won Lim, Hyung-soon Park, and Ok-ryul Song	Corporate Human Rights Management: From Labor and Human Rights to the Supply Chain

1. The training was conducted prior to the appointment of the current Board members.

Board Diversity and Expertise

Hyosung Chemical has established a Board of Directors composed of three independent directors with expertise in diverse fields, including accounting and finance, law, technology, and management, in accordance with applicable laws and regulations. This composition enables the Board to ensure independent and professional decision-making across overall management, as well as audit and risk management functions. In addition, in line with its Corporate Governance Charter and governance best practice code, Hyosung Chemical has established an institutional framework that enables independent directors to perform their duties objectively and independently, with access to support from employees and external experts whenever necessary.

To enhance the effectiveness of independent directors' decision-making, the department responsible for board operations provides agenda materials in advance and arranges briefings and on-site reports by relevant departments when required. Independent directors are also regularly updated on key management issues and business developments. Furthermore, through visits to domestic and overseas business sites and annual training programs, the Company continuously strengthens independent directors' expertise and accountability with respect to industry trends, business status, and key risk issues.

BSM: Board Skill Matrix

Category	Executive Director			Independent Director		Ratio	
	Cheon-seok Lee (CEO)	Bang-hyun Kim (Executive)	Ok-ryul Song (Independent)	Kwang-koo Lee (Independent)	Nam-kyu Kang (Independent)		
Board Competency	Management/ Leadership	●	●	●	●	●	5/5
	Economy/ Industry	●	●	●	●	●	5/5
	M&A/Capital Market	●	●	●	●	●	5/5
	Sales/Marketing	●	●		●	●	4/5
	R&D/Industrial Technology	●	●				2/5
	Accounting/ Finance	●	●	●	●	●	5/5
	Laws and Regulations/ Public Policy			●	●	●	3/5
	Environment and Culture/Social Contribution	●	●	●	●	●	5/5
	Risk Management/ ESG Strategy	●	●	●	●	●	5/5
	Global Business	●	●	●	●	●	5/5
Profile	Affiliated Committee	Independent Director Candidate Recommendation Committee Management Committee (Representative Member)	Management Committee	Independent Director Candidate Recommendation Committee (Chair), Management Committee	Audit Committee (Representative Member)	Independent Director Candidate Recommendation Committee, Audit Committee	1.6 Committees Per Director
	Independence			●	●	●	
	Appointed Date	Mar. 17, '22	Mar. 19, '26	Mar. 16, '23	Mar. 19, '26	Mar. 19, '26	
	Tenure	Mar. 31, '26 – Mar. 30, '29	Mar. 31, '26 – Mar. 30, '29	Mar. 31, '25 – Mar. 30, '27	Mar. 31, '26 – Mar. 30, '29	Mar. 31, '26 – Mar. 30, '29	
	Date of Birth (Age)	Jun. 10, 1964 (Age 62)	Mar. 5, 1962 (Age 64)	Nov. 12, 1969 (Age 56)	Jul. 19, 1957 (Age 68)	Jun. 21, 1975 (Age 50)	Average age : 60
Gender	Male	Male	Male	Male	Male	5 Males	

Sustainability Leadership

Governance and Strategy

ESG Management Promotion Committee

Hyosung Chemical operates its sustainability governance through the ESG Management Promotion Committee, chaired by the CEO. The Committee convenes on a quarterly basis, and comprises representatives from key functional areas, including EHS (Environment, Health and Safety), planning, HR, purchasing, and communication, who review and advance ESG strategic initiatives within their respective areas of responsibility. Key agenda items and outcomes discussed by the Committee are regularly reported to the Board of Directors (at least once a year) for review and approval at the highest level of governance.

Key ESG Management Promotion Committee Agenda Items

In 2025, the ESG Management Promotion Committee deliberated on a total of six agenda items, including risk management monitoring, the establishment of a sustainable supply chain, and revisions to the Supplier Code of Conduct. The outcomes of these deliberations were reported to the Board of Directors, which reviewed the appropriateness of ESG strategies and policy directions.

Key Agenda Items Reported by Quarter

Meeting Date	Key Agenda Items
April 3, 2025 (Q1 2025 Board Meeting)	- Results of sustainability material topic selection - KCGS evaluation follow-up action list
June 27, 2025	2024 key risk management monitoring
September 26, 2025	Promotion of a sustainable supply chain
December 19, 2025	- Report on 2025 key risk management status - Report on revisions to the Supplier Code of Conduct
March 24, 2026	- Report on 2025 sustainability material topic selection - Report on mid- to long-term safety and health roadmap implementation progress

Targets and Performance

Embedding Sustainability Through Internal Communication

Hyosung Chemical publishes internal ESG newsletters to share updates on ESG initiatives and related trends, key ESG terms, and expert columns. We also strive to embed sustainability through various initiatives, including providing ESG training content to our suppliers.

Training for Sustainability Competency Enhancement

To enhance the effective implementation of sustainability initiatives and the achievement of sustainability targets, we provide online ESG training programs for all employees in addition to mandatory compliance training. Furthermore, eight employees in the procurement department responsible for subcontracting transactions completed separate training on the Fair Trade Act. The following additional training programs were conducted in 2025.

Key Training Topics

Category	Course Title		Date	Hour
All Employees	ESG	Sustainability and Circular Economy	June 2025	1
		Climate Crisis and Carbon Neutrality	June 2025	1
	Compliance	Case Study on Ethical Management	August 2025	1
		Case Study on Fair Trade Act	August 2025	1
	Human Rights	Human Rights Management	July 2025	1
	Security	Information Security Training	July 2025	1
Purchasing Team	Supply Chain	Case Study on Fair Trade Act	November 2025	1

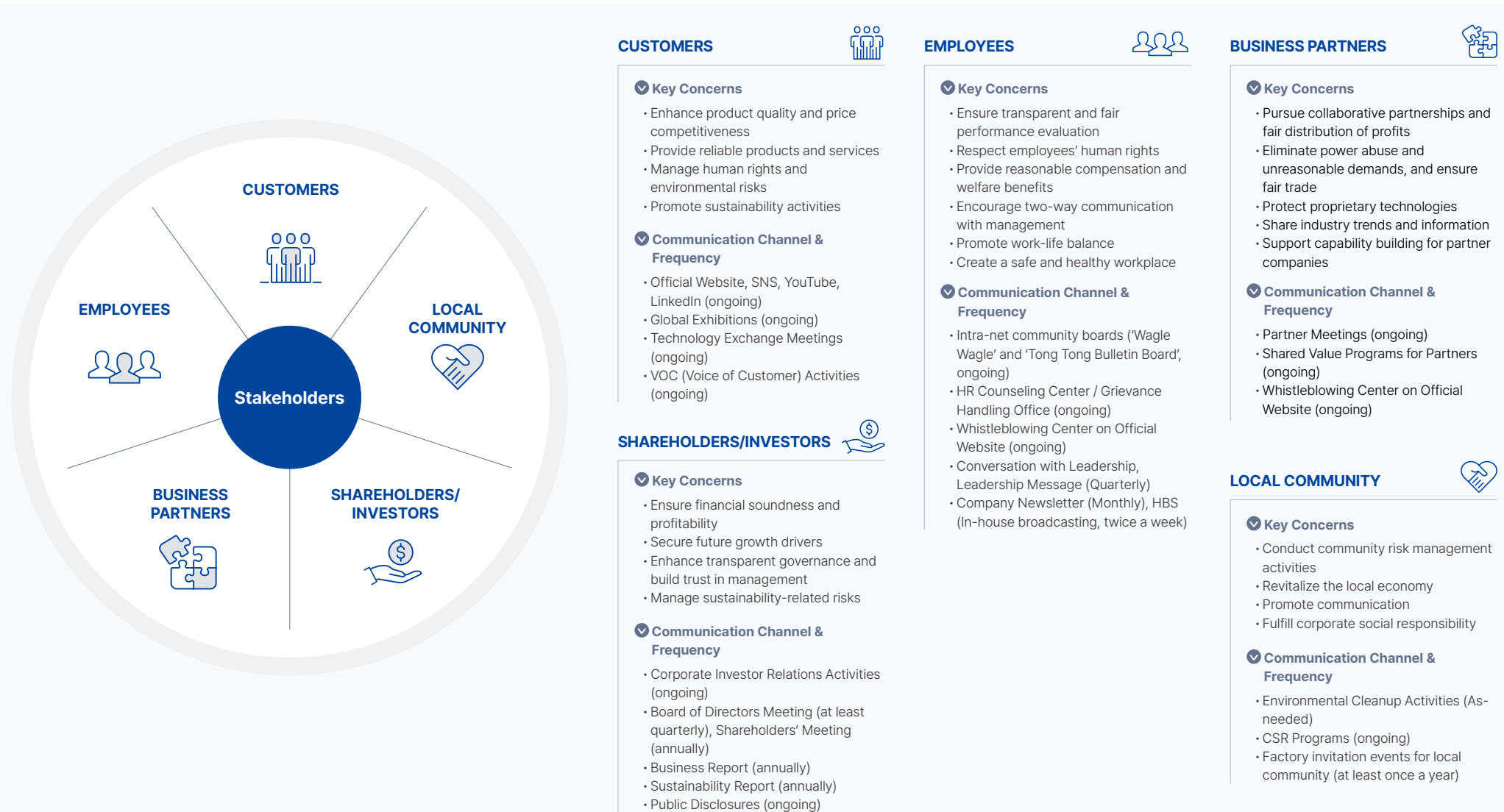
Advanced Training for Sustainability Competency Enhancement

We delivered practical training on climate change to members of the Carbon Emission Reduction TFT and provided training on supply chain ESG management to the Purchasing, HR, Safety and Health, and Environmental Safety teams.

Course Title	Date	Hour
1. Practical Training on Climate Change	January 2025	16
2. Supply Chain ESG Management	February 2025	16

Stakeholder Engagement

Hyosung Chemical recognizes the importance of engaging with diverse stakeholders who both influence and are influenced by its sustainability efforts. The Company operates various online and offline communication channels to engage with key stakeholders, including customers, employees, suppliers, shareholders and investors, and local communities, and to reflect their input in its management activities. The insights obtained through these communications are actively incorporated into improvement initiatives.



Materiality Assessment

Double Materiality Assessment Process

Hyosung Chemical conducts a Double Materiality Assessment to ensure the sustainable operation of its business and to identify and manage material impacts, risks, and opportunities arising from its business activities. The assessment selects material topics in accordance with the reporting topic selection principles of the GRI¹ Standards 2021 and is conducted based on the Materiality Assessment Implementation Guidance provided by the EFRAG². It evaluates both the impacts of Hyosung Chemical's operations on the environment and society (Impact Materiality) and the financial impacts of external factors on the Company (Financial Materiality). This process has been conducted to establish a foundation for future compliance with the ESRS³. The identified material topics are also incorporated into the enterprise risk management system for ongoing management. Through this Sustainability Report, Hyosung Chemical discloses the status of risk management related to the selected material topics.



1. GRI: Global Reporting Initiative

2. EFRAG: European Financial Reporting Advisory Group

3. ESRS: European Sustainability Reporting Standards

Materiality Assessment

Double Materiality Assessment Results

Hyosung Chemical has identified impacts, risks, and opportunities for the key topics evaluated through the Double Materiality Assessment, as shown in the table below, and evaluated the level of impact for each topic by comprehensively considering financial relevance and the implementation difficulty of response strategies. Among these, the risks and opportunities of the four topics assessed as material topics (Occupational Safety and Health / Management of Hazardous Chemicals in Products / Greenhouse Gas Emissions Reduction / Building a Sustainable Supply Chain) will continue to be managed as key risks and opportunities in alignment with the enterprise risk management system. In particular, for items identified as risks, we will develop appropriate action plans and strive to turn these risks into opportunities.

* In response to the rapidly changing business environment, we reanalyzed sustainability issues and conducted a Double Materiality Assessment in 2025. As a result, compared to the previous year, "Response to Environmental Regulation" was excluded and "Sustainable Supply Chain" was added, resulting in the selection of a total of four material topics.

Detailed Results of Double Materiality Assessment (Material Topics)

Category	Issue	Identification of Impacts, Risks, and Opportunities	Financial Impact	Environmental/Social Impact	Positive/Negative	Actual/potential	PU	Scope of Impact			Affected Parties	Period	Response Strategy	Impact (Financial Relevance)
								Up	Own	Down				
Society	Occupational Safety and Health	- Potential severe impacts on human life, local communities, and the environment in the event of major accidents at chemical and process facilities - Safety and health performance as a key determinant of operational stability and stakeholder trust - Long-term opportunities through proactive safety enhancement, including accident prevention, operational stability, improved productivity, and a stronger organizational culture	4	5	Negative	Actual	All		●	●	Employees and Local Communities	Short-term	- Strengthening safety and health risk reviews, integrated management, and major accident prevention activities across all sites through the EHS Committee - Operating PTW (Permit-to-Work), LOTO (Lock-out/Tag-out), and SOP (Standard Operating Procedure) systems for high-risk tasks and equipment, including confined space entry, work at height, and chemical handling - Regular safety and health training for all employees and contractors, risk assessments, and expanded investment in workplace improvement initiatives	- Workers' compensation costs, fines, and operational shutdown losses resulting from major accidents and industrial accidents - Revenue decline, penalty costs, and customer loss due to production disruptions, delivery delays, and increased quality defects - Potential increase in long-term financial burdens, including higher insurance premiums, talent attrition, community complaints, and permitting delays, depending on incident severity - Cost savings from accident prevention and reduced injury rates, including lower workers' compensation insurance premiums, improved productivity and quality, and reduced rework and scrap
Environment	Management of Hazardous Chemicals in Products (Environmental Impact Management)	- Failure to properly manage hazardous chemicals, resulting in significant adverse impacts on customer and consumer health, environmental pollution, and community complaints. - Compliance with global regulations (e.g., REACH) and responsiveness to customer requirements directly influencing corporate credibility	4	5	Negative	Actual	All	●	●	●	Supply Chain, Customers, and End Customers	Short-term	- Monitoring domestic and international chemical regulations and operating a proactive response system, with related issues reported to the EHS Committee - Expansion of low-hazard and eco-certified product lineup	- Long-term risks of revenue decline and margin erosion resulting from exclusion from key customers' certifications or approved vendor lists - Additional R&D, CAPEX, and OPEX burdens associated with the development, testing, certification, and facility conversion of alternative substances, with potential recovery through higher selling prices and market expansion driven by eco-friendly and high value-added products - Reduced legal and reputational risks and positive long-term impacts on enterprise value through regulatory compliance and proactive response measures
Environment	Greenhouse Gas Emissions Reduction	- Delayed emission reduction investments resulting in increased costs, production constraints, and reputational risks due to rising emission allowance prices and stricter regulations - Proactive emissions reduction creating opportunities for customer acquisition, improved ESG ratings, access to green finance, and expansion into low-carbon product markets	3	3	Negative	Actual	All		●		Market, Local Community, Government Agencies	Long-term	- Refining greenhouse gas inventory, setting emission and intensity targets, and reviewing science-based reduction targets (e.g., SBTi) - Identifying and investing in emission reduction projects, including process efficiency improvement (heat integration, recovery/recycling, optimal operating conditions), fuel switching, and facility improvements - Applying ICP (Internal Carbon Pricing) in investment decision-making through analysis of carbon costs, including emissions trading and carbon taxes - Identifying Scope 3 reduction initiatives through collaboration with key customers and across the supply chain	- Short-term increases in CAPEX and OPEX associated with emissions allowance costs, carbon taxes, and investments in emission reduction facilities, with expected cost savings from improved energy efficiency - Potential long-term declines in profitability and asset value associated with high-carbon-emitting facilities and products - Opportunities to reduce financing costs and create new revenue streams through the transition to low-carbon processes and products and the use of green finance and ESG bonds
Society	Building a Sustainable Supply Chain	- Securing suppliers with strong ESG performance leading to opportunities for stable procurement, enhanced quality competitiveness, and collaborative ESG performance - Enhanced ESG performance across the supply chain creating opportunities to build a responsible value chain and strengthen brand trust	3	4	Positive	Potential	All	●	●		Supply Chain	Long-term	- Promoting shared growth agreements, supplier re-evaluation including EHS and ethics, and expansion of green procurement - Obtaining suppliers' commitment to the Supplier Code of Conduct and providing ESG risk analysis and improvement support - Diversifying key raw material and equipment suppliers and operating a global supply chain risk management system	- Increased operating costs for supplier assessment, training, consulting, and supply chain management systems - Minimized production disruptions and enhanced long-term revenue and profitability stability through a stable supply chain

Materiality Assessment

Double Materiality Assessment

Detailed Results of Double Materiality Assessment (Other Key Topics)

Category	Issue	Identification of Impacts, Risks, and Opportunities	Financial Impact	Environmental/Social Impact	Positive/Negative	Actual/Potential	PU	Scope of Impact			Affected Parties	Period	Response Strategy	Impact (Financial Relevance)
								Up	Own	Down				
Environment	Water Pollutant Management	- Inadequate wastewater load management in chemical and petrochemical processes posing risks of environmental regulatory violations, community complaints, and operational constraints at business sites	1	2	Negative	Actual	All		●		Local Communities, Government Agencies	Short-term	- Managing a zero environmental regulatory violation target, with major issues deliberated by the EHS Committee - Continuously identifying environmental, health and safety improvement items, with reporting to the EHS Committee for management	- Potential costs arising from water pollution-related fines, litigation, community complaints, and operational suspensions - Increased investment in wastewater treatment facility expansion and upgrades, and higher operating costs, including chemicals, electricity, and labor
Environment	Waste Management	- Reduction and recycling of process and by-product waste, including catalysts, sludge, and packaging materials, resulting in waste treatment cost savings and improved responsiveness to circular economy demands.	1	2	Negative	Actual	All		●		Waste Treatment Operators	Short-term	- Establishing a resource circulation network in collaboration with external specialists in recycling and waste management and managing waste recycling rate KPIs - Conducting regular evaluations of waste treatment operators and review of risks and accident cases by the EHS Committee	- Waste treatment cost savings through reduced waste generation and expanded recycling - Additional revenue generation through recycling and raw material substitution effects - Improper waste management resulting in direct losses and revenue decline due to environmental incidents, penalties, litigation, and operational suspensions
Environment	Circular Economy	- Growing demand from customers and global brands for recycled and renewable materials, creating opportunities for increased demand for recycled PP, films, polyketone, and other recycled products - Delayed transition to recycled products posing risks of reduced competitiveness of the existing product portfolio and exclusion from new projects and supply chains.	2	2	Positive	Actual	All	●	●	●	Markets, Supply Chain, Customers	Long-term	- Identifying products and processes suitable for recycled and recyclable materials and quantifying environmental performance through LCA (Life Cycle Assessment) and environmental certifications - Developing PP and film products using recycled materials and expanding the circular economy product portfolio through the recycled compound business - Developing waste plastic collection and recycling models and circular resource systems in collaboration with customers and suppliers	- Reduced raw material costs through the use of recycled materials and improved resource efficiency - Loss of market share and revenue in eco-friendly markets resulting from insufficient response to circular economy trends
Environment	Improvement of Resource Use Efficiency	- Enhanced resource efficiency through improved process yield and reduced loss and scrap, leading to lower environmental impacts and improved productivity - Low resource efficiency and excessive loss posing risks of profitability decline due to increased environmental charges, regulatory compliance costs, and reduced cost competitiveness	2	2	Positive	Actual	All	●	●		Markets, Supply Chain	Short-term	- Continuously improving resource-use intensity through strengthened management of process yield, loss, and scrap, and improvements to equipment and operating standards - Reporting resource-use efficiency targets and performance to the ESG Management Promotion Committee	- Cost savings through reduced consumption of raw and sub-materials - Increased investment and project costs associated with process and equipment efficiency improvements - Reduced profitability due to additional costs for environmental regulatory compliance and declining price competitiveness resulting from inadequate resource efficiency
Environment	Air Pollutant Management	- Inadequate management of combustion and process gas emissions leading to social and environmental impacts, including violations of the Clean Air Conservation Act, concerns over local residents' health, complaints, and conflicts - Emission reduction and real-time monitoring creating opportunities to enhance regulatory compliance capabilities and strengthen community trust	1	2	Negative	Actual	All		●		Local Communities	Short-term	- Monitoring emissions and operating a zero regulatory violation target - Regularly reviewing key air pollution issues through the EHS Committee	- Cost and revenue losses due to air pollution-related fines, surcharges, and business suspension orders - Increased investment and maintenance costs for new and improved pollution prevention facilities - Enhanced long-term revenue stability through securing permits, facility expansion, and local community acceptance driven by emission reduction performance
Environment	Climate Change Risk Response and Management	- Transition risks related to carbon neutrality, climate disclosure, and financing requirements resulting in impacts across business portfolios, facilities, supply chains, and working environments - Systematic climate risk analysis and response creating opportunities to enhance long-term business continuity and resilience	1	2	Negative	Potential	All		●		Government Agencies, Investors	Long-term	- Climate risk (physical and transition) assessment and scenario analysis for key sites led by the Carbon Emission Reduction TFT - Obtaining insurance coverage against natural disasters and establishing emergency response manuals and BCP (Business Continuity Plan) - Leveraging green finance, ESG bonds, and government support programs linked to investments in GHG reduction, energy efficiency, and eco-friendly products	- Mitigated financial impacts through insurance coverage and BCPs by partially offsetting recovery costs and business disruption losses from climate disasters - Increased costs due to compliance with climate- and carbon-related regulations, disclosures, and facility transitions - Reduced capital raising costs and secured funding for new business initiatives through ESG- and climate-related financing and investment

Materiality Assessment

Double Materiality Assessment

Detailed Results of Double Materiality Assessment (Other Key Topics)

Category	Issue	Identification of Impacts, Risks, and Opportunities	Financial Impact	Environmental/Social Impact	Positive/Negative	Actual/potential	PU	Scope of Impact			Affected Parties	Period	Response Strategy	Impact (Financial Relevance)
								Up	Own	Down				
Society	Enhanced Community Engagement	- Deteriorating relationships with local communities surrounding chemical manufacturing sites, posing risks of increased community complaints, conflicts, political and administrative pressure, and operational constraints - Shared growth with local communities through tailored social contribution initiatives in environmental protection, safety, education, and welfare, leading to enhanced community acceptance and trust	1	1	Negative	Actual	All		●		Local Communities	Short-term	- Operating social contribution programs supporting environmental protection, safety, education, youth, and vulnerable groups in communities near business sites - Managing social contribution performance through the ESG Management Promotion Committee	- Enhanced community trust contributing to stable regulatory approvals, facility expansion, and operations, while supporting a long-term revenue base - Increased social contribution expenditures - Reduced indirect costs and operational disruption risks through fewer complaints, conflicts, and legal disputes
Society	Talent Acquisition & Development	- Securing and retaining skilled professionals in manufacturing, facilities, R&D, and EHS as a key driver of productivity, quality, and ESG responsiveness - Strengthened human rights, diversity, employee welfare, and training policies creating opportunities for top talent attraction, reduced turnover, and improved organizational culture	2	2	Positive	Actual	All		●		Employees	Short-term	- HR and Talent Development functions operating training programs on sustainability, environment, human rights, and ethics, and mechanisms, including human rights impact assessments and labor-management consultation - Operating tailored career development and leadership development programs for key functions, including manufacturing, facilities, safety and health, environment, and R&D - Promoting a human rights management culture through human rights impact assessments, corrective actions, and awareness-raising campaigns	- Increased labor and operating costs associated with expanded training, employee welfare, and talent development programs - Improved productivity, product quality, revenue, and profitability through attraction and retention of key talent - Increased costs and lost business opportunities resulting from reduced productivity, quality issues, and weakened ESG responsiveness due to workforce shortages
Society	Supplier Health & Safety	- Supplier safety incidents in construction, maintenance, and logistics operations posing risks of reputational damage, as accidents caused by supplier negligence may still be perceived as the responsibility of the principal contractor - Improved supplier health and safety performance leading to enhanced ESG performance across the supply chain	1	3	Negative	Actual	All	●	●		Supply Chain	Short-term	- Applying ESG criteria, including safety, health, and environmental requirements, in supplier contracting and evaluation processes, and expanding supplier ESG assessments - Regular review of supplier-related safety issues by the EHS Committee	- Increased costs and revenue losses resulting from work stoppages, delivery delays, and legal liability caused by supplier safety accidents - Increased management and support costs related to supplier training, inspections, and support - Improved production planning and delivery reliability through enhanced supply chain safety, supporting long-term revenue and business stability
Society	Communication Oriented Management (Transparent Communication, Teamwork Culture)	- Insufficient internal communication on ESG, safety, ethics, and other emerging issues leading to weakened organizational health, including conflicts, resistance, compliance violations, and moral hazard - Transparent information sharing and a participatory communication culture creating opportunities for greater adaptability to change, execution capability, and collaboration	1	2	Positive	Actual	All		●		Employees	Short-term	- Providing ESG, safety, and ethics-related information through internal portals, training programs, and briefing sessions, and promoting employee feedback collection - Operating suggestion programs and organizational culture campaigns promoting mutual respect and ethical conduct	- Reduced indirect costs associated with conflicts, inefficiencies, and rework resulting from improved effective internal communication - Increased operational costs associated with organizational culture programs and communication systems - Improved productivity and quality, and reduced issue-related costs through enhanced collaboration and innovation
Society	Government Policy & Regulatory Response	- Insufficient response to changes in government policies and regulations related to climate, energy, environment, safety, labor, disclosure, and chemicals, resulting in impacts on business continuity, permits, and regulatory approvals - Proactive response to policy and regulatory changes creating opportunities for new businesses, government support programs, and policy financing	1	1	Negative	Actual	All		●		Government Agencies	Short-term	- Operating TF to respond to key policy and regulatory changes related to carbon neutrality, RE100, the Serious Accidents Punishment Act, and chemical management, while integrating R&D and capital investment planning - Strengthening collaboration with government agencies, local authorities, and relevant institutions, and proactively utilizing certifications, support programs, and policy financing	- Risk of increased direct costs and reduced revenue resulting from business suspension, administrative fines, and damages due to non-compliance with policies and regulations - Increased compliance costs associated with system implementation, workforce, consulting, and R&D for regulatory response - Reduced investment and operating costs through government support, tax incentives, and policy financing, and creation of new business opportunities
Governance	Ethics/ Compliance Management	- Violations of laws and regulations related to corruption, collusion, fair trade, environment, and safety resulting in loss of stakeholder trust and adverse impacts on ESG assessments - Enhanced ethics and compliance performance creating opportunities for transparent management and strengthened trust in corporate governance	1	1	Negative	Actual	All		●		Government Agencies, Investors	Short-term	- Review of ESG, compliance, and ethics-related risks led by the ESG Management Promotion Committee and the Legal Compliance Team - Conducting ethics, compliance, and fair trade training for all employees and operating reporting, investigation, and corrective action processes for violations	- Prevention of costs and revenue losses associated with fines, litigation expenses, damages, and business restrictions resulting from legal and regulatory violations - Increased costs associated with the establishment and operation of compliance management systems, including training, internal controls, and investigations - Improved access to capital and more favorable commercial terms through transparent management and enhanced ESG ratings

ESG Policies Overview

Hyosung Chemical has established its policies and guidelines with reference to international initiatives and various regulations in order to prevent potential issues that may arise in its relationships with stakeholders.

[ESG Policy](#)

Policy Name (Revision Date)	Key Contents				Scope of Application	Responsible Party
Policy to Support the Elimination of Forced Labor and Human Trafficking (February 10, 2023)	- General Principles on Support the Elimination of Forced Labor and Human Trafficking				Employees (Recommended for business partners and customers)	CEO
Advertising and Marketing Ethics Policy (February 10, 2023)	- Principles - Training and Communication	- Monitoring and Reporting			Employees (Recommended for business partners and customers)	CEO
Diversity and Inclusion Policy (February 10, 2023)	- General Principles	- Scope of Management			Employees (Recommended for business partners and customers)	CEO
Anti-Corruption Policy (February 10, 2023)	- Core Principles - Anti-Corruption	- Prohibition of Gifts and Hospitality - Prohibition of Facilitation Payments	- Community Engagement and Charitable Donations - Anti-Corruption Through Third Parties	- Accounting and Record Keeping - Reporting and Support	Employees (Recommended for business partners and customers)	CEO
Conflict and Responsible Minerals Policy(February 10, 2023)	- Management Philosophy	- Guidelines			Employees (Recommended for business partners and customers)	CEO
Anti-Deforestation Policy(February 10, 2023)	- Policy				Employees (Recommended for business partners and customers)	CEO
Biodiversity Policy(February 10, 2023)	- Biodiversity Guidelines				Employees (Recommended for business partners and customers)	CEO
Code of Ethics(February 10, 2023)	- Compliance with Laws and Regulations - Customer Centric Management	- Responsibility to Shareholders - Respect for Employees	- Employee Compliance Management - Collaborative Partnership with Business Partners	- CSR (Corporate Social Responsibility) Management	Employees	CEO
Practical Guidelines on Code of Ethics (February 10, 2023)	- Compliance with Laws and Regulations - Customer-Centric Management	- Responsibility to Shareholders - Respect for Employees	- Employee Compliance Management - Collaborative Partnership	- CSR (Corporate Social Responsibility)	Employees	CEO
Human Rights Management Policy(June 23, 2025)	- General Principles - Responsibility for Human Rights Management	- Human Rights Education	- Redress for Human Rights Violations - Human Rights Risk Management System		Employees (Recommended for business partners and customers)	CEO
Redress Manual for Human Rights Violations(March 16, 2023)	- Overview of Redress Procedure	- Corrective Actions			Employees	CEO
Strategic Goods Export Control Policy(February 10, 2023)	- Management Philosophy	- Guidelines			Employees (Recommended for business partners and customers)	CEO
Anti-Discrimination and Harassment Policy(February 10, 2023)	- General Principles	- Prevention and Management of Discrimination and Harassment			Employees (Recommended for business partners and customers)	CEO
Environmental Management Policy(February 10, 2023)	- Environmental Management Philosophy - Environmental Management Guidelines	- Implementation of the Product Environmental Management Guidelines	- Implementation of the Production Environmental Management Guidelines - Implementation of the Environmental Management Guidelines in Business Operations		Employees (Recommended for business partners and customers)	CEO
Supplier Code of Conduct(December 19, 2025)	- ESG Risk Assessments and Due Diligence		- Code of Conduct (Ethical Management, Human Rights and Labor, Safety and Health, and Environment)		Business partners	CEO
Sustainable Supply Chain Policy(June 13, 2025)	- General Principles - Environmentally Responsible Procurement - Supply Chain Climate Change Response	- Supply Chain Human Rights and Labor - Support for Supply Chain Capacity Building	- Supply Chain ESG Risk Identification - Actions for Supply Chain ESG Risks - Supply Chain ESG Risk Due Diligence Scope and Procedure	- Grievance Redress Mechanism Establishment - Monitoring	Employees (Recommended for business partners and customers)	CEO

ENVIRONMENTAL



20	Product Hazard Management
23	Business for Environmental Sustainability
25	Climate Change Response
31	Environmental Impact Reduction
38	Resource Circulation System Operation
40	Smart Factory Development & Operation
42	Biodiversity

Product Hazard Management

Governance and Strategy

Hyosung Chemical's product hazard management governance consists of CEO, PU heads, plant managers, and working-level departments. The QA (Quality Assurance) team, the working-level department, establishes and implements product hazard management plans to identify and address non-compliance issues. Each plant manager monitors the hazard management system for all products shipped from their plant. PU heads oversee the hazard management of products manufactured at all plants under their PU. The CEO holds ultimate responsibility for the hazard management of all products manufactured by Hyosung Chemical, regardless of PU.

We conduct reasonable and efficient inspections of incoming raw materials and finished products for the presence of environmentally hazardous substances to ensure that their impacts on human health and the environment remain within established limits.

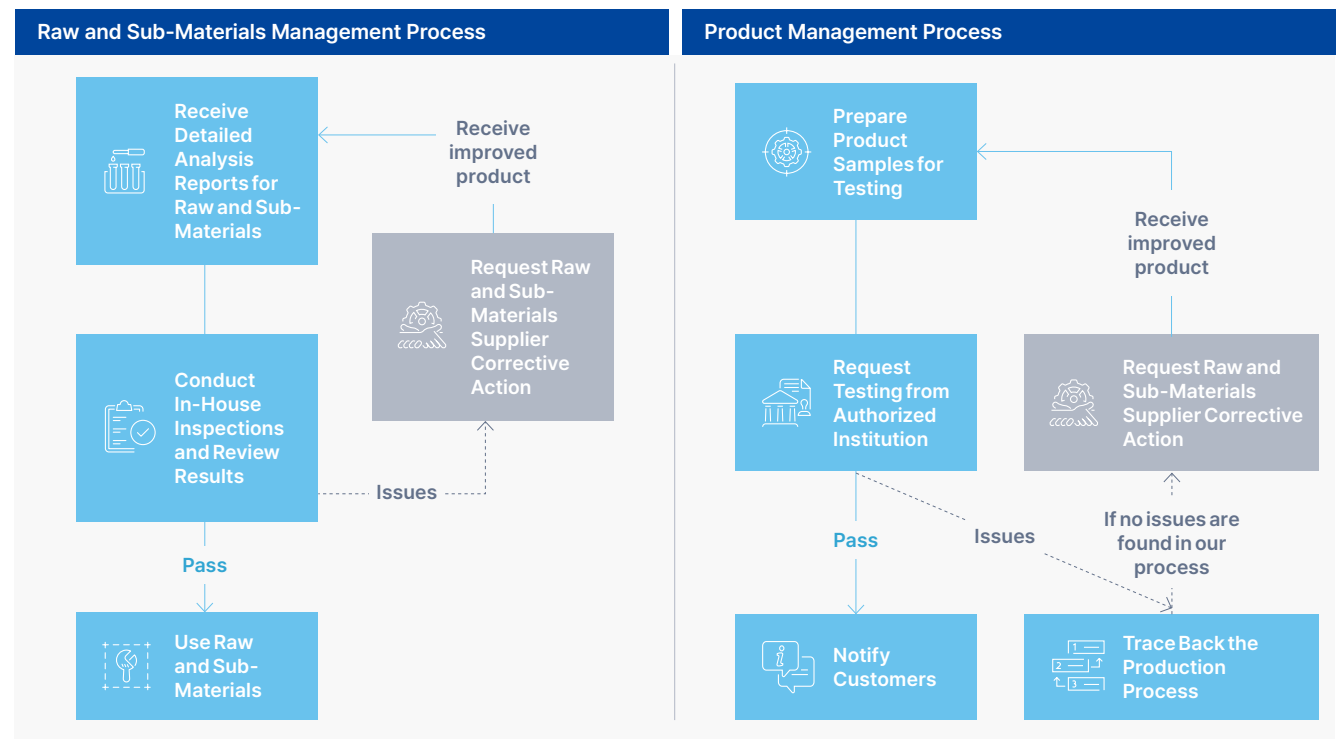
GOVERNANCE STRUCTURE

CEO	Oversee product hazard management company-wide
PU Head	Hold full responsibility and authority for hazard management within their respective PU
Plant Manager	Take charge of the hazard management system
QA Team	- Monitor raw materials and products for hazards - Conduct product hazard analyses - Provide internal training on hazardous substances - Receive and disseminate non-compliance issues

Risk Management

Product Hazard Management Process

We manage hazardous substance risks throughout the entire product lifecycle to ensure that our products do not adversely impact human health and the environment. From raw material receipt through production and shipment, we conduct thorough inspections of whether environmentally hazardous substances are present in the materials used and finished products. We also continuously verify compliance with applicable laws, regulations, and customer requirements. We maintain certifications and verifications from authorized institutions, providing objective assurance of our hazardous substance management system. Along with these verification results, we transparently share information with customers, including certifications verifying the absence of hazardous substances in products, records of compliance with relevant regulations, and MSDS (Material Safety Data Sheet). Through these efforts, we systematically manage product hazard risks and strive to maintain the trust of our customers and the market.



Product Hazard Management

Targets and Performance

PP/DH PU

Hyosung Chemical manages hazardous substances in its PP products in accordance with international chemical regulations and safety standards. We issue confirmation letters to customers verifying that our PP products do not contain substances classified as SVHC¹. SVHCs are substances that may pose significant risks to human health or the environment. They typically include those that are carcinogenic, toxic to reproduction, or persistent in the environment.

We designate an Only Representative in Europe to comply with European chemical regulations. The Only Representative is an authorized representative responsible for chemical substance registration and regulatory compliance on behalf of non-EU companies. Through this arrangement, we ensure compliance with the EU REACH² Regulation.

In addition, we verify through accredited external testing laboratories that our PP products do not contain substances restricted under the RoHS³ Directive. RoHS is a European regulation that restricts the use of specific hazardous substances, including lead, mercury, cadmium, and hexavalent chromium. Test results confirm that these substances are not contained in our PP products.

Our PP products have been evaluated for safety in food-contact applications and comply with the FDA⁴ food-contact safety standards and the Commission Regulation (EU) No 10/2011 on plastic materials and articles intended to come into contact with food. These standards assess the potential migration of hazardous substances from the products into food during contact.

Furthermore, we comply with NSF⁵ certification and WRAS⁶ standards, taking into account product usage environments. These standards evaluate the hygiene and safety of products that come into contact with water or food. Through these hazard management activities, we ensure that our PP products comply with relevant laws and standards, while providing related information to customers.



PP Products

1. Substances of Very High Concern
2. Registration-Evaluation-Authorization and Restriction of Chemicals
3. Restriction of Hazardous Substances
4. Food and Drug Administration
5. National Sanitation Foundation
6. Water Regulations Advisory Scheme

Film PU

The Film PU produces PET and NY films, both of which are used as food packaging materials. Accordingly, compliance with hygiene and hazardous substance regulations applicable to materials that come into direct contact with food is a key management priority. Both films undergo regular assessments by authorized third-party institutions to verify their suitability for food-contact applications.

PET film and NY film are evaluated annually to ensure compliance with domestic and international food-related regulatory standards, including those of the MFDS (Ministry of Food and Drug Safety) in Korea. The MFDS is a government authority responsible for regulating and supervising the safety of food consumed by the public, as well as the containers and packaging materials used for food to protect human health. These evaluations are a preventive process to assess in advance the potential migration of hazardous substances into food.

The Gumi plant, which produces NY film, has obtained and maintains FSSC 22000 (Food Safety System Certification), an internationally recognized standard that formally verifies food safety management systems. This certification is a third-party assessment system that evaluates whether food safety is systematically managed throughout the entire process, from raw material management to production and shipment.

In addition, PET film and NY film are regularly evaluated for compliance with FDA standards, with verification procedures conducted every three years. The most recent evaluation was completed in 2025. The FDA is a U.S. government agency responsible for regulating the safety of food and food-contact materials distributed within the country.

In addition, we conduct annual evaluations for RoHS compliance, phthalate-free status, and halogen-free status. RoHS is a standard that restricts the use of specific hazardous substances in electrical and electronic products and serves as a reference indicator for verifying the absence of restricted hazardous chemicals in materials. Phthalates, which are used in certain plastics, are subject to management due to concerns regarding their potential impacts on human health. The halogen-free requirement verifies the absence of halogen-based substances, which may generate hazardous gases during combustion.

All of these evaluation results are transparently shared with customers. Through these efforts, we clearly communicate whether each product complies with relevant hazardous substance regulations and maintain continuous customer communication based on fact-based information sharing.



PET Film and NY Film

Product Hazard Management

Targets and Performance

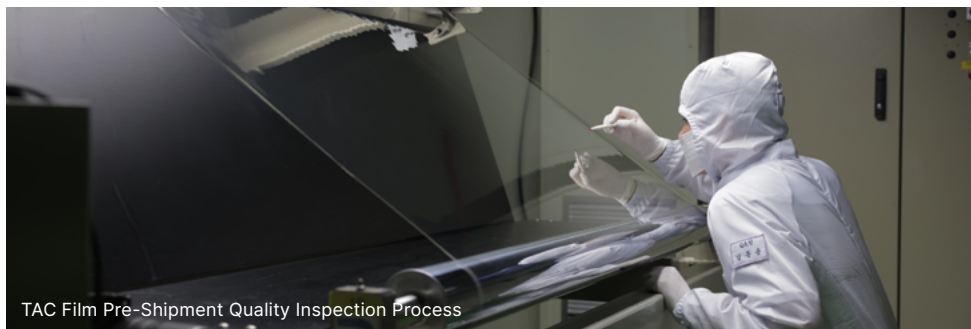
Optical Film PU

Hyosung Chemical carefully manages the entire production process of TAC film, a key material used in displays, to prevent the occurrence of hazardous foreign substances in our products. From raw material selection to production and shipment, each stage is carefully monitored for the potential risks of contamination by hazardous substances. Compliance with relevant regulations and customer requirements serves as the basis for our management practices.

We regularly monitor TAC film for substances regulated under RoHS¹, which restricts the use of specific hazardous substances such as cadmium, lead, and mercury. RoHS is an EU regulation established to reduce the impact of electrical and electronic products on human health and the environment by controlling the use of substances that are toxic or may accumulate in the human body. In addition, we manage and monitor a wide range of substances, including halogens, SVHC², phthalates, and conflict minerals. We also maintain relevant certifications to demonstrate compliance with applicable standards and requirements. SVHC refers to Substances of Very High Concern designated under the EU chemicals management framework. These substances may cause serious health or environmental impacts, such as carcinogenicity or persistence in the human body, and are therefore subject to transparent management and disclosure requirements.

We provide transparent information on the hazardous substance content of our TAC film products in response to customer requests. In addition to regularly providing such information on an annual basis, we also provide relevant test results and supporting documentation whenever requested by customers. Through these efforts, we support customers in evaluating product safety and managing compliance requirements effectively.

Furthermore, it has been demonstrated through testing that no emission of 35 types of VOCs³ was detected from TAC film. VOCs are substances that readily evaporate into the air even at room temperature and may affect indoor air quality or the working environment, making their management necessary. Based on these evaluation results, TAC film has obtained "Low VOC" certification, confirming its hazardous substance management performance throughout the product use phase.



TAC Film Pre-Shipment Quality Inspection Process

1. Restriction of Hazardous Substances
2. Substances of Very High Concern

3. Volatile Organic Compounds

POK Business Division

We conduct hazardous substance management for chemicals used in its Poketone™ products in accordance with global regulatory standards. This management is intended to verify compliance with international regulations and to provide the results to customers.

We conduct regular hazardous substance testing for Poketone™ products based on SVHC regulated under the EU chemicals management framework. The POK Business Division obtained SVHC-free test certificates in February, June, and November 2025, as well as in February 2026. Whenever the SVHC list is updated, we provide customers with test reports for all Poketone™ products supplied to customers. If the SVHC list is further updated in the second half of 2026, we plan to issue and share test reports for all Poketone™ products currently on the market with customers.

We also conduct management activities in response to increasingly stringent global regulations on PFAS⁴. PFAS are substances that are difficult to degrade in the natural environment and may accumulate in the human body and the environment. As a result, regulatory authorities and customers around the world are increasingly requiring the management of PFAS use. To proactively address these requirements, we obtained Non-PFAS certification in July 2025. In addition, we manage hazardous substances in accordance with RoHS standards applicable to electrical, electronic, and industrial products. We obtained RoHS test reports for cadmium, lead, and mercury in January and July 2025, as well as January 2026. We also secured test results confirming compliance with requirements related to eight types of phthalates and halogen-free status, and provided these results to customers.

We do not limit our hazardous substance management results to internal use but also provide relevant test reports in response to changes in regulatory requirements or customer requests. Going forward, we will continue to monitor key chemical regulations applicable to Poketone™ products and provide customers with relevant information based on test reports.



Poketone™ Products

4. Per- and Polyfluoroalkyl Substances

Business for Environmental Sustainability

Governance and Strategy

GOVERNANCE STRUCTURE



Petrochemical products are identified as a key factor affecting environmental sustainability, and Hyosung Chemical operates its business based on these products. Accordingly, we recognize the environmental impacts inherent in our industry and have made environmental sustainability a key management priority by implementing strategies to minimize such impacts.

We aim to manage environmental impacts across the entire product life cycle, from raw material sourcing through manufacturing, use, and disposal. In particular, we are focusing on reducing greenhouse gas emissions from our key products, including POKETONE™. Through our PCR-PP (Post-Consumer Recycled Polypropylene)¹ business, which utilizes waste plastics as raw materials, we are establishing a circular resource system and reducing environmental burdens by expanding the use of recycled materials. Furthermore, to address water scarcity and water pollution risks, we are operating a membrane-based water treatment system business to enhance water resource efficiency across industries. We are also expanding our sustainable product portfolio through TAC (Tri-Acetyl Cellulose)² film produced using bio-based raw materials.

Through these business activities, we are going beyond short-term reduction of environmental impacts and are establishing and operating a sustainability management system that systematically addresses environmental, resource, and climate change risks. Through this approach, we seek to build a sustainable future in which both the environment and our business can grow in harmony.

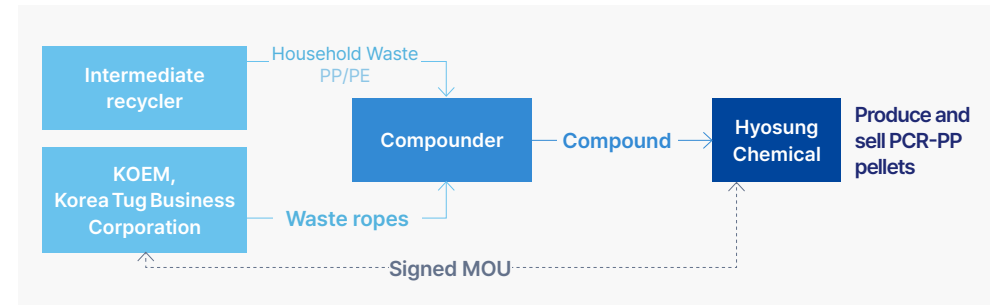
1. Recycled polypropylene (PP) made from waste plastics

2. Polymeric chemical compound used as a material for fibers and films

Targets and Performance

Building Waste Recycling System through PCR-PP Business

PCR-PP Production Process Overview



Hyosung Chemical signed an MOU (Memorandum of Understanding) with the KOEM (Korea Marine Environment Management Corporation) and the Korea Tug Business Corporation to collect waste polypropylene (PP) ropes generated from tugboats. These ropes are compounded with household PP/PE waste to produce PCR-PP pellets, which are then used to manufacture products for specific applications such as automotive parts.

In 2025, we recycled approximately 7 tons of discarded reusable containers and produced and sold 10 tons of PCR-PP pellets for general consumer goods applications. In addition, we sold 1,700 tons of PCR-PP pellets manufactured from approximately 100 tons of marine waste to pallet manufacturers. For the relaxation of regulations governing the use of PCR-PP, we also participated in the 2025 pilot project for establishing standards for recycled PP materials, organized by the MFDS under the Food Additives Code. Through the project, we successfully verified the safety and effectiveness of recycling discarded reusable containers. As a result, in March 2026, the MFDS announced a revision to the Standards and Specifications for Utensils, Containers and Packages, expanding the scope of physically recycled plastic materials permitted for use in food-contact utensils, containers, and packaging from PET to include PP.

To meet growing customer demand for increased recycled content, we are developing high-content PCR-PP containing over 80% recycled materials. Raw material input and final product traceability are strictly managed under the GRS (Global Recycled Standard)³ certification system and we are renewing our GRS certification on an annual basis.



PCR-PP GRS Certificate

3. Certification awarded to products with a minimum of 20% recycled content

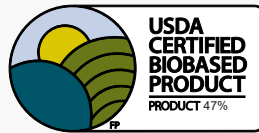
Business for Environmental Sustainability

Targets and Performance

Bio-Based TAC Film

TAC film used in the display industry is a "bio-based film" whose primary raw material is cotton linter. Bio-based films can partially or fully replace petroleum-based raw materials, which generate greenhouse gas emissions during production. In addition, plant-based raw materials used in bio-based films have a lower negative environmental impact than petroleum-based materials when disposed of. In other words, TAC film contributes to reducing negative environmental impacts such as greenhouse gas emissions and environmental pollution throughout its lifecycle, from production to disposal.

TAC film has been recognized by the United States Department of Agriculture (USDA) as a bio-based film with 47% bio-based carbon content, and holds the BioPreferred® Program certification in the "Film-Semi-Durable" category.



BioPreferred® Program Certification Mark

Membrane-based Water Treatment System to Mitigate Water Resource Risks

Hyosung Chemical's membrane-based water treatment system helps mitigate water-related risks such as water scarcity and pollution by purifying water for reuse and improving the quality of domestic and industrial wastewater. At the core of the system is hollow fiber membrane technology, which effectively removes contaminants, E. coli, and pathogenic protozoa, allowing only clean and safe water to pass through. The system incorporates pressurized membrane filtration and two-stage submerged membrane filtration technologies and is recognized as New Technology by the Ministry of Environment.

The pressurized hollow fiber membrane technology helps mitigate water scarcity risks by enabling water purification for potable use and water reuse for alternative water sourcing. Similarly, the submerged hollow fiber membrane technology is applied for the same purposes, helping address water shortages. In addition, it is used in the treatment of wastewater, thereby helping to reduce water pollution risks.

In 2025, we expanded the pressurized hollow-fiber membrane system at a wastewater reuse facility that reuses effluent from the Bakdal Wastewater Treatment Plant in Anyang. The reclaimed water is used to supply water for odor control facilities at the wastewater treatment plant. Through both the existing and expanded membranes, a total of 1,590 tons per day of water is conserved by reusing treated wastewater effluent. In 2026, we plan to install membrane systems at the Gangpyeong and Topyeong Water Treatment Plants in Jeju, which produce domestic and drinking water.

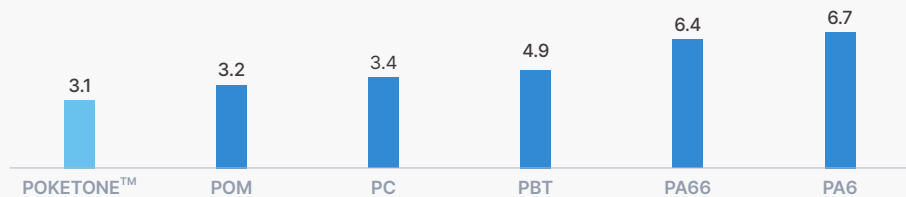
POKETONE™ for a Low-Carbon Future

Based on one year of production data, we analyzed the environmental impacts of POKETONE™ from raw material extraction to product shipment using an LCA (Life Cycle Assessment). As shown in the table below, the results indicate that POKETONE™ generates lower greenhouse gas emissions from raw material extraction through product shipment compared to other engineering plastics and competing materials.

Cradle-to-Gate¹ GHG Emissions

* Source of data for other plastics: PLASTICS EUROPE's Eco-profiles data

[Unit: kg CO₂-eq/kg]



1. Cradle-to-Gate refers to the life cycle stage from raw material extraction to product shipment

In 2025, we reviewed the replacement of ethylene, the primary raw material used in POKETONE™, with bio-based ethylene derived from used cooking oil (UCO) to reduce the cradle-to-gate GHG emissions of POKETONE™ on a per-kilogram basis. As a result of producing and testing a small quantity of POKETONE™ made with bio-based ethylene, it was confirmed that the cradle-to-gate GHG emissions of POKETONE™ could be reduced to 2.8 kg CO₂-eq/kg. We plan to continue our efforts to reduce GHG emissions generated during the production of POKETONE™.

Environmental Impact Analysis of Products

We participated in the Ministry of Environment's LCA support program and conducted a life cycle assessment of the environmental impacts of PP, packaging PET film, and TAC film. In November 2025, the Ministry of Environment carried out an additional project with the same scope, and we participated with our industrial PET film and optical PET film products.

Production Teams, Equipment Engineering Teams, and Environmental Safety Teams at the Yongyeon and Gumi plants collaborated to collect process data, and in April 2026, completed the quantification of product carbon footprint, soil and water acidification impacts, and ecotoxicity impacts. We plan to respond to stakeholder inquiries regarding product carbon footprint using this dataset when such requests are received.

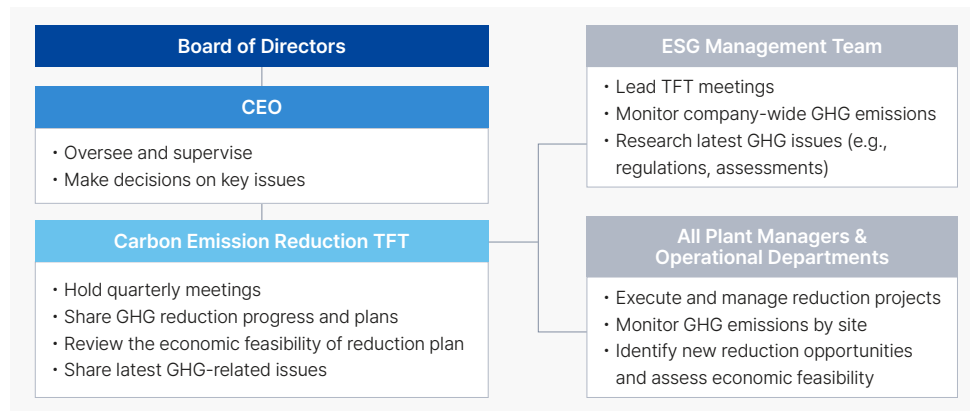
Climate Change Response

Governance

Hyosung Chemical regularly reports agenda items related to climate change and carbon neutrality to the Board of Directors. As the highest governing body, the Board oversees and monitors key reported issues, including environmental management performance, major risks, and response activities, and is committed to strengthening the environmental management system.

We established and are operating a Carbon Emission Reduction TFT at the company-wide level to respond to the climate change crisis. On a quarterly basis, plant managers from each site, operational department representatives, and the ESG Management Team convene to share greenhouse gas emission reduction performance and plans. The ESG Management Team, which serves as the coordinating department, oversees the committee and consolidates information on emission reduction performance and plans. All matters discussed in the meetings are reported to the CEO, who provides overall oversight of Hyosung Chemical's greenhouse gas emissions status.

GOVERNANCE STRUCTURE



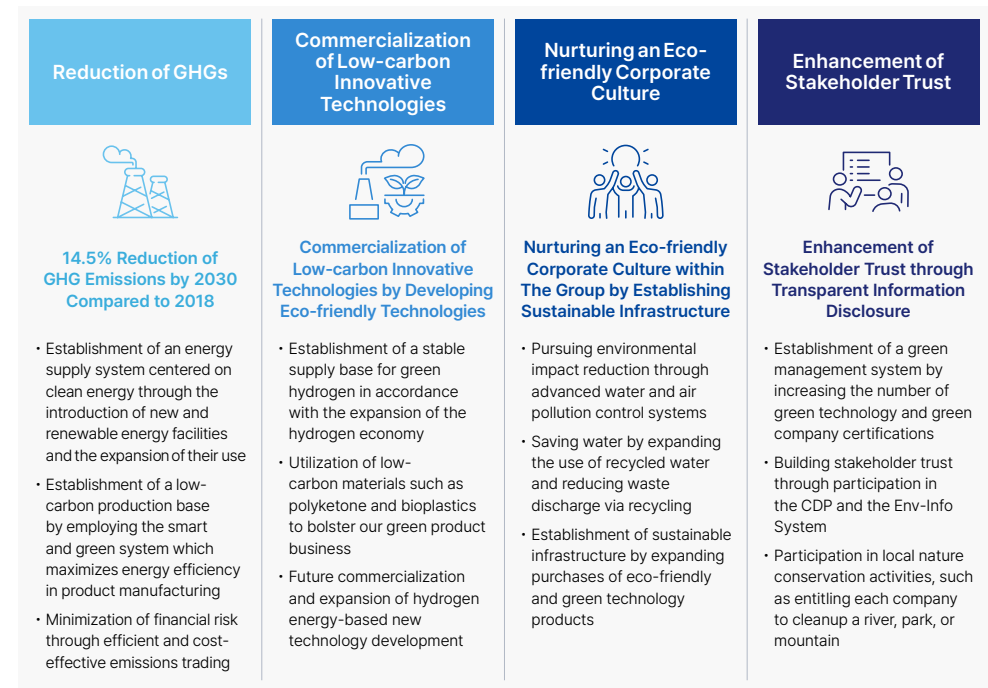
Key Agenda Item by Carbon Emission Reduction TFT Meeting

Meeting Date	Key Agenda
March 2025	• Sharing the 2024 CDP Climate Change results and future action plan
June 2025	• Sharing the results of the Ministry of Environment's LCA support program (PP, TAC film, and packaging PET film)
September 2025	• Estimated emissions allowance cancellation based on projected 2025 emissions • Phase 4 (2026–2030) emissions allowance allocation (Plan)
December 2025	• Expected emissions allowance surplus/shortfall by PU site in 2025 • Sharing 2025 CDP Climate Change results and future action plans
March 2026	• Phase 4 (2026–2030) emissions allowance allocation and expected surplus/shortfall

Strategy

Green Management Vision 2030

Hyosung Chemical has established Green Management Vision 2030 to become an environmentally friendly company that leads the way to a better life for humanity. We have set four key goals: greenhouse gas reduction, development and expansion of eco-friendly technologies and markets, fostering a sustainability-oriented corporate culture, and enhancing stakeholder trust. We have developed and are operating a company-wide climate change response strategy by defining detailed initiatives under each goal.



Implementation of Internal Carbon Pricing

Once a year, Hyosung Chemical establishes an internal carbon price, representing the cost of emitting 1 tCO₂-eq of GHG, and communicates it to all departments. The purpose is to ensure that the internal carbon price based on GHG emissions is incorporated into facility investment reviews in addition to the existing economic feasibility analysis.

For new or expanded facilities expected to increase GHG emissions compared with pre-investment levels, the internal carbon price is added as a cost in the economic feasibility evaluation. Conversely, for facilities expected to reduce GHG emissions, the internal carbon price is reflected as a monetary benefit in the economic feasibility evaluation. For example, at the quarterly Carbon Emission Reduction TFT meetings, the person in charge of each business division shares the monetary benefits of the identified emission reduction measures after reflecting the internal carbon price.

Climate Change Response

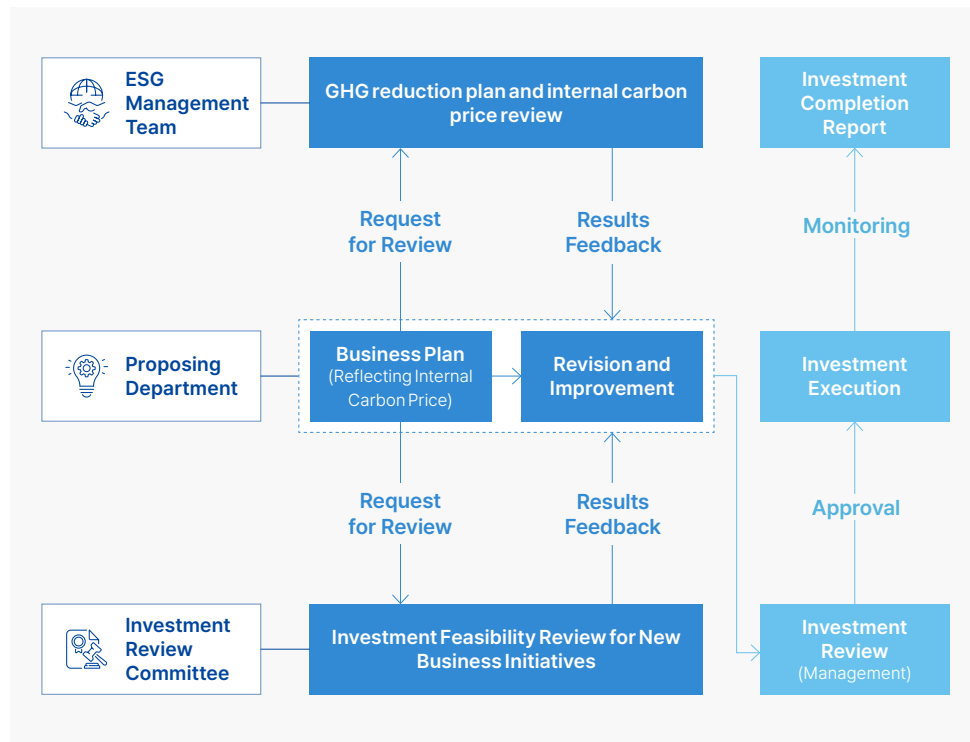
Strategy

Investment Decision-Making Process

Hyosung Chemical incorporates ESG (Environmental, Social, and Governance) factors into its investment decision-making process to proactively respond to environmental and social issues related to climate change. Since 2022, we have conducted feasibility reviews that reflect greenhouse gas reduction plans and internal carbon pricing into our investment review process. In addition, we evaluate all investment proposals for their potential environmental and social impacts during the approval process.

Following investment execution, we monitor each individual case to ensure implementation in accordance with the business plan, and continuously enhance our review system to translate our sustainability commitments into action.

We strengthen our capabilities for sustainable growth and future risk management through a systematic review and post-investment management process that incorporates ESG factors into investment screening and decision-making process.



Setting Scope 1 and 2 GHG Emissions Reduction Targets

Hyosung Chemical is making various efforts across its business operations to minimize climate change impacts. To align with the national GHG reduction target for the industrial sector announced in 2021, we have set an internal goal to reduce GHG emissions from our domestic operations by more than 14.5% by 2030 compared to 2018 levels and are working toward achieving this target. In addition, we are currently reviewing an upward revision of our reduction targets in line with the 2035 national GHG targets announced in November 2025.

MID- TO LONG-TERM SCOPE 1 AND 2 GHG EMISSIONS REDUCTION REVIEW

[Unit: thousand tCO₂-eq]

Tasks for review	Key Details	2030 Target Reduction
Energy Efficiency Improvement	Plant upgrades, power-saving facility operation, waste heat recovery, thermal efficiency enhancement, etc.	16
Steam Consumption Reduction	Waste heat recovery based on in-process energy diagnostics	9
Hydrogen Combined Heat and Power (CHP) Generation	Hydrogen-fueled power generation to replace LNG	56
CCUS ¹	Amine-based CO ₂ Capture Technology, Water Solubility-based CO ₂ Capture Technology	100
Total		181

1. Carbon Capture, Utilization, and Storage

Scope 3 GHG Emissions Calculation

Scope 3 GHG Emissions are all indirect emissions that occur outside a company's owned or controlled operations but are associated with its activities. The need to calculate Scope 3 emissions is increasing due to evolving global disclosure and assessment standards, as well as growing demands from customers and investors. In response, we calculate Scope 3 emissions for our domestic operations once a year. Upon completion of the calculation, the results are verified by a third-party organization to enhance data accuracy and consistency. The verified data are utilized for ESG assessments, including the CDP (Carbon Disclosure Project) and EcoVadis, as well as for responding to customer inquiries. In April–May 2026, we completed the calculation and verification of our 2025 Scope 3 emissions for our domestic operations.

Climate Change Response

Risk Management

Analysis of Climate-Related Risks and Opportunities

Hyosung Chemical systematically manages the impacts of climate change on its business activities by identifying climate-related risks and opportunities and continuously enhancing its response framework. We conduct comprehensive analysis of stakeholder requirements and changes in domestic and global policy, market, and technology environments to identify transition risks, physical risks, and opportunity factors. In addition, we evaluate the financial impacts of these factors on costs, revenue, investments, and access to capital. In particular, strengthened GHG regulations, rising carbon prices, and increasing customer demand for low-carbon products may act as key transition risks for our company. These factors could potentially lead to higher emissions trading costs, expanded facility investments, and changes in business transactions. On the other hand, managing emissions through process efficiency improvements and product carbon footprint reduction can create opportunities, including revenue generation from surplus emissions allowances and increased sales driven by demand for low-carbon and eco-friendly products. For example, our assessment of the financial impacts associated with projected emissions allowance surpluses and deficits for 2025–2026, identified as a transition risk and opportunity, indicates that surplus emissions allowances are expected to be generated. Based on the application of the internal carbon price to the projected volume of surplus allowances available for sale, we estimate that approximately KRW 400 million in revenue could be generated over the two-year period.

Taking these risks and opportunities into comprehensive consideration, Hyosung Chemical has established key response measures, including achieving its GHG reduction targets, expanding the use of renewable energy, developing low-carbon products, and enhancing climate-related disclosures. We are also continuously monitoring and managing the impact of climate change response on corporate value and financial stability in the mid-to-long term.

FINANCIAL IMPACT AND RESPONSE STRATEGIES BY RISK/OPPORTUNITY

Risk/Opportunity Type			Time Frame ¹	Financial Impacts	Response
Transition Risks	Policy/ Regulation	• Rising domestic emission permit prices • Stricter global carbon regulations (e.g., EU CBAM²)	Mid- to long-term	• Increased annual emissions allowance purchase costs due to rising carbon prices and increased emissions • Potential carbon tax payments resulting from the expansion of the EU CBAM to plastics and organic chemical products	• Managing site-level emissions reduction based on GHG reduction targets • Establishing emissions allowance procurement plans and forecasting and managing allowance costs
	Technology	• Growing demand for low-carbon technologies and products	Mid- to long-term	• Increased annual certification and consulting costs resulting from the need to calculate and verify the carbon footprint of each product • Increased mid- to long-term CAPEX (Capital Expenditures) for low-carbon process transition	• Establishing an LCA-based product carbon footprint assessment system • Expanding development and investment in low-carbon and recycled-material products, including PCR-PP
	Market	• Increased stakeholder pressure to reduce emissions and expand the use of renewable energy	Mid- to long-term	• Risk of reduced sales from key customers or limitations on new orders due to failure to meet customers' carbon reduction requirements • Increased costs to maintain business relationships and price reduction pressure due to insufficient renewable energy transition	• Identifying emissions reduction initiatives through Carbon Reduction TFT meetings • Providing product carbon footprint information • Renewable electricity transition through REC (Renewable Energy Certificate) purchases and expanded on-site generation
	Reputation	• Heightened investor interest in climate action	Mid-term	• Potential decline in institutional investor participation due to lower ESG ratings • Potential increase in financing costs due to lower credit ratings or ESG-linked financing conditions	• Enhanced disclosure of sustainability information to internal and external stakeholders • Enhanced ESG rating management and stakeholder engagement
Physical Risks	Acute	• Frequent extreme weather events (e.g., heatwaves, typhoons, floods, heavy snowfall)	Short-term	• Increased facility restoration costs and short-term revenue losses due to natural disasters • Delivery delays and revenue losses due to logistics disruptions	• Facility upgrades and emergency response systems for extreme weather events • BCP (Business Continuity Plan) development and insurance enrollment
	Chronic	• Rising average temperatures	Long-term	• Increased annual OPEX (Operating Expenses) due to higher heating and cooling energy consumption resulting from rising average temperatures • Reduced productivity due to deteriorating working conditions	• Introducing high-efficiency heating and cooling systems and strengthening energy management • Improving working conditions and strengthening occupational safety management
Opportunities	Product/ Service	• Rising demand for sustainable products • Growth of the environmentally friendly products market	Mid- to long-term	• Increased sales of sustainable products, including POKETONE™ and TAC films • New revenue generation through expanded PCR-PP sales	• Enhancing sustainability competitiveness through product carbon footprint reduction • Expanding customer-tailored low-carbon product portfolio
	Market	• Revenue generation through participation in the emissions trading scheme	Short-term	• Revenue generation from surplus emissions allowance sales through emissions reductions • Energy cost savings through cost-effective emissions reductions	• Continuing emissions reductions through process optimization and energy transition • Enhancing emissions allowance management system

1. Time Frame: ① Short-term: Within 1 year / ② Mid-term: 1–5 years / ③ Long-term: Beyond 5 years

2. Carbon Border Adjustment Mechanism

Climate Change Response

Risk Management

Climate Change Scenario Analysis

Hyosung Chemical conducts physical climate risk scenario analysis in accordance with the TCFD (Climate-related Financial Disclosures) recommendations to assess the potential financial impacts of climate change-related risks and support proactive risk management. To evaluate the impacts of various climate hazards, we perform in-depth analysis using two SSP (Shared Socioeconomic Pathways) scenarios defined by the KMA (Korea Meteorological Administration) and the IPCC's Sixth Assessment Report. The analysis assesses the impacts of key climate hazards, including extreme temperatures such as heatwaves and cold waves, as well as changes in precipitation and average temperatures across all business sites. The scope of analysis covers domestic facilities owned and operated by Hyosung Chemical, including the Yongyeon Plant, Oksan Plant, and Gumi Plant. Based on this comprehensive scenario analysis, we plan to establish site-specific response strategies reflecting the characteristics of each facility and continuously enhance our climate risk management framework.

Physical Risk Scenario Analysis

For physical risk analysis, we applied the four SSP scenarios presented in the IPCC Sixth Assessment Report. The assessment was conducted using a conservative approach by focusing on SSP5-8.5, a high-emissions scenario representing the most severe climate change impacts, while also analyzing SSP1-2.6, a low-carbon emissions scenario. Based on the results of this analysis, we will further identify the extent of climate change impacts and incorporate the findings into site-specific climate risk response strategies and the development of mid- to long-term climate risk management planning.

Scenario	Assumptions and Description
SSP1-2.6	- Sustainable development pathway based on advances in renewable energy technologies and international cooperation - Average global temperature increase of 1.8°C and sea-level rise of 30–60 cm projected by 2100
SSP5-8.5	- Development pathway characterized by continued reliance on fossil fuels and a strong emphasis on economic growth - Rapid increase in GHG emissions throughout the century, resulting in 2050 emissions reaching approximately twice the current level - Average global temperature increase of more than 4.4°C and sea-level rise of 60–110 cm projected by 2100

Physical Risk Scenario Analysis Results

Based on the SSP1-2.6 and SSP5-8.5 scenario analyses, we identified the number of heatwave days as a common high-risk factor across all business sites, including the Yongyeon, Gumi, and Oksan plants, beginning in 2025. Under the SSP5-8.5 scenario in particular, the annual number of heatwave days is projected to increase to as many as 125 days by 2100, indicating a significant intensification of extreme heat conditions over the long term. In contrast, the SSP1-2.6 scenario shows a relatively limited increase in average temperatures, resulting in substantial differences in climate impacts between the two scenarios. In addition, the Gumi and Oksan plants were assessed as having high cold-wave variability during the mid-term period. The results indicate the need to strengthen facility resilience and operational management by considering both heatwave and cold-wave risks.

PHYSICAL RISK ASSESSMENT RESULTS TABLE

Low :  Medium :  High : 

Category	Climate Indicator	Yongyeon (Ulsan)					Gumi					Oksan				
		2025	2030	2040	2050	2100	2025	2030	2040	2050	2100	2025	2030	2040	2050	2100
SSP1-2.6	No. of Heatwave Days	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High
	Average Temperature	Low	Low	Low	Medium	High	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
	No. of Cold Wave Days	Low	Low	Low	Low	Low	Low	High	High	High	High	Medium	High	High	High	High
	Precipitation Intensity	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
SSP5-8.5	No. of Heatwave Days	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High
	Average Temperature	Low	Low	Low	Medium	High	Low	Low	Low	Low	High	Low	Low	Low	Low	High
	No. of Cold Wave Days	Low	Low	Low	Low	Low	High	Medium	High	High	Low	High	High	High	High	Low
	Precipitation Intensity	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low

* High: >2× baseline, Medium: 1–2×, Low: ≤ baseline | Baseline: change vs. 2019 (based on recent 10-year climate trends and IPCC global average temperature rise)

Climate Change Response

Risk Management

Response Strategies Based on Physical Risk Analysis Results

Hyosung Chemical plans to respond to climate change by establishing response measures for each risk identified through scenario analysis and monitoring their implementation in alignment with the Company's enterprise risk management framework.

Risk Category	Response Direction
Heatwaves	Mitigating heatwave risks through outdoor worker protection guidelines and work schedule adjustments, while enhancing operational stability through cooling equipment inspections and insulation reinforcement of storage tanks
Rising Average Temperatures	Minimizing increases in operating costs through a review of cooling water management standards and the adoption of energy-efficient equipment, while enhancing heat stress response systems
Cold Waves	Maintaining operational continuity through enhanced freeze protection facilities and winter emergency response procedures, while strengthening inventory and supply chain management to mitigate raw material supply disruptions
Precipitation Intensity	Managing flood risks through enhanced drainage capacity and protection of low-lying facilities, while preventing environmental accidents through strengthened chemical spill prevention inspections

Climate Response Procedures

Hyosung Chemical systematically incorporates climate change risks into its investment strategy development. We assess climate-related risks across various areas, including energy, infrastructure, and workforce recruitment, and establish specific response measures for potential risks such as industrial water shortages, power supply disruptions, and challenges throughout the supply chain and sales process, including raw material procurement and product distribution.

We have established site-specific disaster prevention systems in collaboration with government authorities as part of our mid- to long-term disaster preparedness framework. We also continue to strengthen our operational infrastructure through cooperation with local communities.

In addition, to protect the health and safety of employees in response to climate change, we have expanded on-site rest areas and heating and cooling facilities and support improvements to the working environments of our business partners. Through these efforts, we seek to safeguard the health and safety of not only our employees but also our broader stakeholders.

We will continue to strengthen our systematic climate adaptation and response strategies across all areas of management to prepare for a wide range of climate change-related risks, while further enhancing operational execution capabilities.

CLIMATE RESPONSE STRATEGIES BY DISASTER TYPE

Disaster Type	Key Risks	Response Measures
Typhoon	Risks of human casualties, damage to buildings and facilities, and waste generation and environmental pollution caused by strong winds and heavy rainfall	Preventive inspections based on weather forecasts (including flood control materials, drainage systems, pumps, temporary structures, and storage conditions of environmental pollutants), implementation of emergency work shifts or operational suspension when necessary, plant perimeter patrols and immediate drainage of flooded areas, and post-typhoon inspection and restoration of buildings, electrical and gas systems, stormwater facilities, and potential environmental pollutant leaks
Flood	Risks of product and material deterioration or damage, flooding of machinery and equipment, water and soil contamination, and structural collapse	Continuous monitoring of weather and precipitation, inspection of drainage channels and manholes and removal of obstructions, relocation of products, materials, and hazardous substances to safe locations, preparation of flood prevention resources such as levees, sandbags, and backup pumps, suspension of non-essential operations and real-time facility monitoring during flood warnings, rapid drainage of flooded areas, and post-flood inspection and restoration of facilities, drainage systems, and potential pollutant leaks
Fire	Risks of human casualties and damage to buildings, structures, machinery, and equipment caused by electrical short circuits, overloads, leakage currents, improperly extinguished cigarettes, flammable vapors, and welding sparks	Inspection of electrical systems and wiring and prevention of overloading, operation of designated smoking areas, removal of combustible materials prior to welding and cutting activities, training on the use of fire extinguishers and hydrants, activation of verbal alarms and emergency alarm systems upon fire detection, rapid initial fire suppression using fire extinguishers, and prevention of secondary fires through shutdown of electrical distribution panels and gas supply systems
Earthquake	Risks of human casualties, facility damage, and environmental accidents caused by ground shaking and cracking, building collapse, damage to gas and electrical systems, and oil tank and pipeline failures	Protection in safe locations (e.g., under a desk) during earthquakes, shutdown of flammable equipment such as heaters and electric appliances, isolation of water, gas, and electrical systems, leak prevention through shutdown of oil tank and pipeline valves, and post-earthquake inspection and corrective actions for buildings and electrical, gas, water, and oil facilities
Pollutant Leakage	Risks of equipment contamination, environmental pollution, and business disruption resulting from the leakage of waste oil, petroleum products, or hazardous substances due to improper transportation, storage, handling, or natural disasters	Use of durable containers and designated storage areas for waste oil and hazardous substances, designation of responsible personnel and prohibition of handling by unauthorized personnel, installation of storage areas in elevated locations, immediate reporting of leaks and control of surrounding operations, spill containment and emergency response actions by responsible personnel, notification of relevant authorities when necessary, and prevention of recurrence through accident investigation, corrective action planning, and employee training
Safety Accident	Risks of personal injury or fatalities caused by falls from height, electric shock, falling objects, slips and trips, and unsafe operation of machinery or forklifts	Installation of stable work platforms and use of safety harnesses for work at height, use of double-insulated electrical equipment connected through residual current circuit breakers (RCCBs), prohibition of simultaneous work at upper and lower levels (or use of protective shelves, falling object prevention nets, and personal protective equipment when unavoidable), installation of guards on rotating machinery and inspection after power shutdown, designation of dedicated forklift operators and inspection of safety devices, immediate accident reporting, site control, and notification of emergency services and hospitals, and development of recurrence prevention measures following accident investigations, and employee training

Climate Change Response

Targets and Performance

2025 Scope 1 and Scope 2 GHG Emissions Reduction Performance

In 2025, Hyosung Chemical achieved a total reduction of 1,197 tCO₂-eq through various greenhouse gas emissions reduction projects.

The PP/DH PU reduced low-pressure steam consumption by optimizing the operation of the low-pressure steam desuperheater and decreased electricity consumption by shutting down an unnecessary cooling tower following the installation of cooling water supply piping. The Film PU optimized operating conditions by lowering cooling water supply pressure through the installation of an inverter and reduced electricity consumption by changing the operation of cooling water pumps from two units to a single unit. The Optical Film PU lowered the operating load of air compressors and air dryers within the process and reduced electricity consumption by recovering and reusing waste heat from the machine room. The POK Business Division also reduced steam consumption by improving Flare Stack operating procedures during the winter season.

EMISSIONS REDUCTION PERFORMANCE BY PU [Unit: tCO₂-eq]

PU, Division	Reduction Method Classification		Total Emissions Reduction
	Electricity Savings	Steam Savings	
PP/DH	357	486	843
Film	209	35	244
Optical Film	95	-	95
POK	5	10	15
Total	666	531	1,197

2026–2027 Scope 1 and Scope 2 GHG Emissions Reduction Plan

We are currently implementing and reviewing various initiatives with the goal of reducing GHG emissions by 5,636 tCO₂-eq during the 2026–2027 period.

Representatives from each PU are actively working to identify new emissions reduction opportunities and assess their economic feasibility. The results are shared at the Carbon Emission Reduction TFT meetings held on a quarterly basis. A total of 15 emissions reduction initiatives are currently underway or planned, and we will continue to identify and develop new opportunities to further reduce GHG emissions in the future.

EMISSIONS REDUCTION PLAN BY PU [Unit: tCO₂-eq]

PU, Division	Reduction Method Classification		Total Emissions Reduction
	Fuel Savings	Electricity Savings	
PP/DH	5,452	-	5,452
Film	-	26	26
Optical Film	-	30	30
POK	-	128	128
Total	5,452	184	5,636

2025 EMISSIONS REDUCTION PERFORMANCE DETAILS [Unit: tCO₂-eq]

PU, Division	Emissions Reduction Initiative	Description	Total GHG Emissions Reduction
PP/DH	Optimization of Low-Pressure Steam Desuperheater Operations	Reduction of low-pressure steam consumption through production process condition optimization	843
	Cooling Water Supply Optimization	Shutdown of unnecessary cooling tower through installation of cooling water supply piping	
Film	Optimization of Cooling Tower Cooling Water Pump Efficiency	Operating condition optimization by reducing cooling water supply pressure through inverter installation	244
	Pump operation optimization	Reduction of electricity consumption by changing pump operation from two units to one unit	
	4 Other Initiatives	Optimization of steam consumption, temperature, and airflow	
Optical Film	Optimization of Air Compressor Operation	Reduction of electricity consumption through reduced operating load of air compressors and air dryers	95
	Waste Heat Recovery from the Machinery Room	Reduction of electricity consumption by reusing waste heat from the machinery room as a heat source for process temperature control	
POK	Flare stack Operation Improvement	Optimization of steam consumption for freeze prevention	15
	Extruder Die Plate Standardization	Reduction of electricity consumption through die plate standardization and reduced die plate cleaning frequency	
Total			1,197

Environmental Impact Reduction

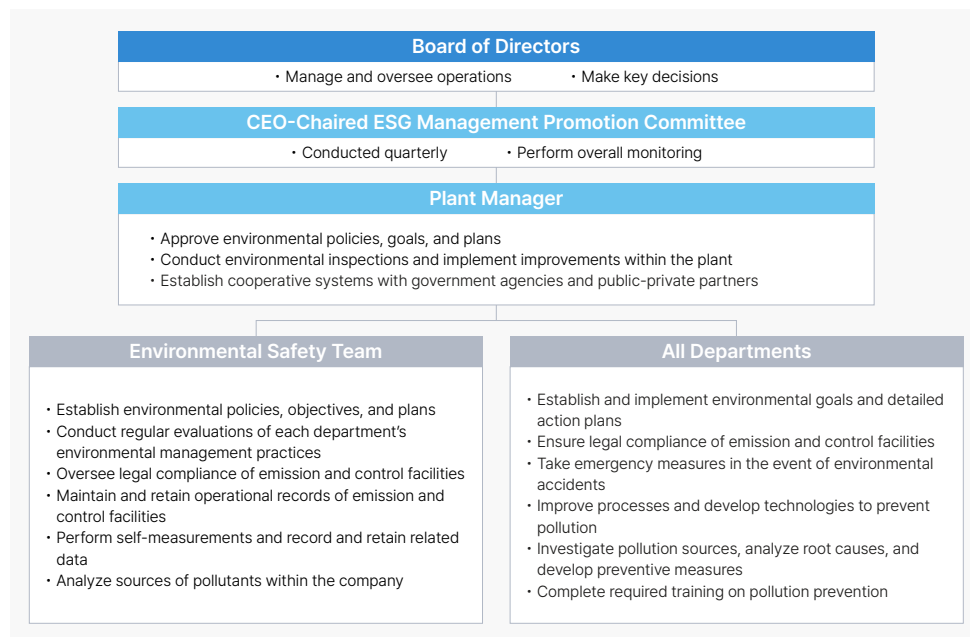
Governance

Hyosung Chemical has established and operates a governance framework that clearly defines responsibilities and roles across all aspects of environmental management, enabling the systematic implementation of activities aimed at reducing environmental impacts. The EHS (Environment, Health and Safety) Team regularly collects and reviews environmental management performance, key issues, improvement measures, and future action plans. These matters are reported on a quarterly basis to the ESG Management Promotion Committee chaired by the CEO.

In addition, when significant environmental issues arise or urgent response is required, we operate an ad hoc reporting system that enables matters to be reported directly to the CEO outside of the regular reporting cycle, facilitating prompt decision-making. Through this approach, we enhance our responsiveness to environmental risks while strengthening management-level oversight and supervision.

Among the matters reported to the ESG Management Promotion Committee, key issues deemed to be of high managerial significance or expected to have company-wide implications are escalated to the Board of Directors. Through this reporting and decision-making structure, we continue to advance our environmental management governance beyond operational-level management by linking environmental impact reduction activities to our highest decision-making body.

GOVERNANCE STRUCTURE



Strategy

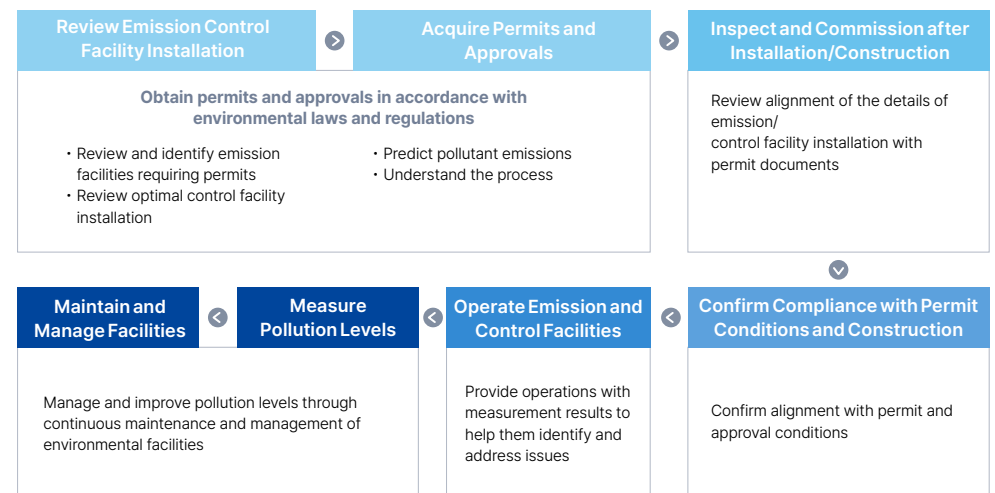
Environmental Management Process

Hyosung Chemical has established an environmental management system based on ISO 14001 (Environmental Management System) and systematically manages the environmental impacts that may arise throughout its business activities. To ensure consistency and effective implementation of company-wide environmental management, we operate an Environment and Safety Management Manual. Based on this manual, we have established internal standards and procedures covering all aspects of environmental management, including the Environment, Health and Safety (EHS) Management Regulation, Environmental Impact Assessment Regulation, Environmental Operation Management Regulation, Waste Management Guideline, and Hazardous Chemical Substance Management Guideline.

These regulations and guidelines are communicated across all business sites and operational departments to ensure that they are fully understood and complied with. In particular, when introducing new facilities, modifying production processes, or changing raw and sub-materials, we conduct environmental impact assessments to proactively identify and evaluate potential environmental risks. Where necessary, we incorporate proper management measures into operations to address such risks.

We continuously monitor compliance with environmental laws, regulations, and internal standards, and reflect findings identified during operations in our environmental management activities to support ongoing improvements. Through this environmental management process, we maintain and operate a fundamental framework for preventing environmental pollution while continuously managing and mitigating the environmental impacts arising from our business operations.

PROCESS FLOWCHART



Environmental Impact Reduction

Risk Management

Managing Environmental Regulatory Compliance

Hyosung Chemical operates an environmental law and regulatory compliance system that reflects evolving business and operational conditions and stakeholder expectations in order to minimize environmental impacts arising from its business activities and ensure full compliance with applicable environmental laws and regulations. We continuously monitor the enactment and revision of domestic environmental laws and regulations and identify applicable regulatory requirements. Based on this process, we conduct environmental compliance assessments on a semiannual basis. Environmental regulatory compliance assessments are led by designated personnel at each business site and department and cover a comprehensive range of environmental laws and regulations relevant to our business operations, including those related to air emissions, water quality, waste, chemicals, noise and vibration, and odor. During the assessment process, we comprehensively review compliance with legal requirements, the adequacy of permits and approvals, adherence to emission and treatment standards, and the effectiveness of recordkeeping and management systems. Where deficiencies are identified, we establish improvement plans and continuously monitor their implementation. Through this preventive management approach, we strive to prevent regulatory violations and maintain a robust environmental compliance management system.

In accordance with the Clean Air Conservation Act, we regularly monitor compliance with the installation and operational requirements for emission facilities, as well as emission standards for air pollutants at each emission outlet. At key business sites, TMS (Tele-Monitoring System) is installed and operated to manage air pollutant emissions in real time. In addition, we apply internal standards that are more stringent than legal requirements to prevent air pollution. In response to the Water Environment Conservation Act, we monitor the compliance of wastewater discharge facilities and wastewater pollutant discharges with applicable legal requirements and discharge standards. Wastewater is managed through either in-house treatment or by lawful outsourcing to licensed contractors. In addition, we have established internal management standards at approximately 80% of the legal limits to further strengthen water environmental management. With respect to the Wastes Control Act, we monitor the entire process of classification, storage, and treatment of both general and designated waste, manage waste generation and disposal records through the Allbaro System, and conduct regular inspections of outsourced waste treatment contractors. Furthermore, in accordance with the Chemical Substances Control Act and Act on Registration and Evaluation of Chemical Substances, we manage standards for the handling and storage of hazardous chemicals and mitigate chemical-related risks through the maintenance and updating of MSDS (Material Safety Data Sheet) and the provision of regular safety training. In addition, in accordance with the Malodor Prevention Act and the Noise and Vibration Control Act, we regularly conduct self-monitoring of odor emissions and occupational environment measurements.

Through these environmental regulatory compliance activities, we aim to go beyond mere compliance with environmental laws and regulations by proactively preventing environmental risks and enhancing stakeholder trust. We will continue to respond proactively to changes in environmental laws and regulations and further advance our environmental management capabilities through the continuous cycle of monitoring, evaluation, and improvement.

CHECKLIST AND RESPONSE STRATEGY BY APPLICABLE LAW

Applicable Law	Examples of Checklist Items	Response Strategy
Clean Air Conservation Act	- Air pollutants subject to registration - Compliance with air pollutant limits at each emission point - Permits and reporting status of emission facility installation - Applicable standards for specific air pollutants - Increase or decrease in air pollutant emissions	- Establish internal emission standards that are stricter than legal requirements to prevent air pollutants - Operate a real-time monitoring system by installing TMS (Tele-Monitoring System, Stack Emissions Monitoring System) at major facilities
Water Environment Conservation Act	- Permit status of water pollutants, wastewater discharge facilities, and water - Compliance with discharge limits by water pollutant - Maintenance of records on outsourced wastewater treatment	- Operate in-house wastewater treatment facilities or outsource the process to minimize impacts on water quality in the surrounding areas - Set internal standards at 80% of legal emission limits for tighter control
Wastes Control Act	- Compliance with waste treatment standards - Designated waste classification - Regulatory eligibility of waste transport and treatment vendors	- Manage general and designated industrial waste by entering treatment records into the Allbaro system, Korea's national online waste tracking platform - Conduct regular inspections to ensure that outsourced waste processors legally store and treat waste
Chemical Substances Control Act	- Compliance with personal protective equipment (PPE) requirements when handling hazardous chemicals - Proper labeling of Storage cabinets and containers - Completion of safety training on hazardous chemicals for managers, workers, and handlers	- Obtain the MSDS (Material Safety Data Sheet) from suppliers, confirm regulatory applicability, and proceed with chemical purchases only after securing safety management approval - Update the MSDS every two years under the supervision of the responsible department to reduce legal risks - Provide company-wide training for chemical handlers on K-REACH, the Chemical Substances Control Act (CCA), and MSDS management
Act on Registration and Evaluation of Chemicals	- Reflection of regulatory and usage changes in client-facing chemical information - Compliance with safety labeling standards for manufactured and imported products	
Malodor Prevention Act	Permit and approval status of designated odor substances and odor emission facilities within the plant	
Noise and Vibration Control Act	Compliance with noise and vibration emission standards at the plants	Conduct semiannual occupational environment monitoring to measure noise levels affecting both employees and the surrounding areas

Environmental Impact Reduction

Risk Management

Water Management

Hyosung Chemical systematically manages water-related environmental impacts that may arise from its business operations by regularly identifying and assessing water risks at each business site using Aqueduct 4.0, a water risk assessment tool developed by the WRI (World Resources Institute), a globally recognized institution. Aqueduct provides a globally standardized framework for analyzing water-related risks and delivers assessment results based on a comprehensive evaluation of regional water supply and demand, as well as environmental and regulatory factors.

The water risk assessment utilized by Hyosung Chemical comprises a composite indicator that includes water quantity risk, water quality risk, regulatory risk, and reputational risk. Through this approach, we go beyond simply managing water consumption and comprehensively identify potential water-related risks that could affect our business site operations.

Water Stress, one of the key indicators provided by Aqueduct, measures the ratio of actual water demand to annually available water resources within a specific region. A higher Water Stress score indicates a greater level of exposure to water scarcity. In general, Water Stress levels are categorized as Low–Medium (10–20%), Medium–High (20–40%), and High (40–80%). Regions classified in the High category suggest a greater need for systematic water resource management to support the continuity of business operations.

Based on the results of these water risk assessments, we proactively respond to changes in local water resource conditions and maintain a continuous management system to minimize the impact of our business operations on water resources.

KEY WATER RISK AND STRESS BY SITE

Category	Banpo Headquarters (Seoul)	Yongyeon Plant (Ulsan)	Gumi Plant (Gumi)	Oksan Plant (Cheongju)
Water Risk	Low ~ Medium	Medium ~ High	Low ~ Medium	Low ~ Medium
Water Stress	As of 2026	Medium ~ High	Medium ~ High	Medium ~ High
	2030 Projection	Medium ~ High	Medium ~ High	Medium ~ High

2025 WATER WITHDRAWAL AND CONSUMPTION AT HIGH WATER STRESS SITES

Business Site	Water Withdrawal		Water Consumption	
	Water Withdrawal [t]	Percentage of Total Water Withdrawal Across Domestic Business Sites [%]	Water Consumption [t]	Share of Total Water Consumption Across Domestic Business Sites [%]
Oksan Plant	143,550	3.8	112,860	3.8

Water Resource Risks/Opportunities and Response Strategies

Hyosung Chemical recognizes water pollution and water scarcity-related risks and opportunities as key environmental issues to systematically manage potential environmental and financial impacts associated with water resource management. In particular, we identify non-compliance with wastewater pollutant discharge standards as a key risk, recognizing it as a significant issue that could result in legal sanctions and financial losses. We discharge industrial wastewater in accordance with the Water Environment Conservation Act administered by the Ministry of Environment. Failure to comply with applicable regulatory requirements may result in administrative penalties, including fines, surcharges, and suspension of operations.

Such administrative penalties may extend beyond short-term cost burdens and result in mid- to long-term financial impacts, including production disruptions, reduced revenue, and damage to corporate reputation. In particular, in cases of significant regulatory violations as defined by applicable laws and regulations, surcharges of up to 5% of annual revenue may be imposed. As of 2025, we reported separate-basis revenue of KRW 1,339,352 million, which may result in a maximum surcharge of approximately KRW 66,968 million based on the applicable legal provisions. Recognizing these potential financial impacts, we manage water-related risks as one of our key environmental risks.

In response, we have established and operate a systematic management system to proactively prevent water quality risks throughout our operations. We operate an internal monitoring system that enables daily tracking of key indicators directly related to water quality, including process water consumption, wastewater generation, and concentrations of major pollutants in wastewater. This system allows for prompt response in the event of abnormalities. In addition, under the supervision of the EHS (Environment, Health and Safety) Team, we conduct self-monitoring of wastewater pollutants at least semiannually to regularly verify compliance with legal discharge standards. The monitoring results are reviewed and managed in accordance with our internal management criteria.

Meanwhile, we recognize water-related risks not only as a management challenge but also as a source of new business opportunities. As water scarcity becomes increasingly severe worldwide due to changing precipitation patterns and the growing frequency of droughts caused by climate change, demand for advanced water treatment technologies continues to expand. To address these changes, we possess membrane-based water treatment technologies.

Going forward, we plan to gradually expand revenue from our membrane business through capacity expansion and broader application of membrane technologies in response to increasing water scarcity and tightening environmental regulations. Through these efforts, we aim to strengthen our ability to address water-related risks while continuously creating new growth opportunities by providing environmentally sustainable water treatment solutions.



Environmental Impact Reduction

Risk Management

Setting Environmental Performance KPIs

Hyosung Chemical has established and operates environmental performance KPIs to systematically manage environmental impacts and continuously enhance its environmental management performance. Departments responsible for ESG management prepare annual performance management plans based on the ESG KPI Guidelines developed and provided by the HR Team. These guidelines include both quantitative and qualitative indicators covering environmental (E), social (S), and governance (G) areas. Among them, indicators directly linked to environmental management implementation are structured as environmental performance metrics for environmental management-related departments. In accordance with the guidelines, each department establishes and manages detailed KPIs tailored to the nature of its specific responsibilities.

Environmental performance KPIs serve as a key management tool for implementing Hyosung Chemical's environmental management objectives and environmental impact reduction strategies at the operational level. Environmental management-related departments establish performance indicators focused on key environmental issues that may arise throughout business operations, including compliance with environmental regulations, pollutant emission levels, resource use efficiency, and environmental accident prevention performance. Through these indicators, we continuously monitor environmental risks and implement ongoing improvement activities.

For example, the EHS Team, which is responsible for continuously monitoring pollutant emissions and managing environmental facilities, has established key performance indicators such as the number of environmental regulatory violations, pollutant emission levels, and compliance with legal emission standards. These KPIs are used to regularly assess environmental operational performance at each business site, proactively identify potential non-compliance risks, and evaluate the effectiveness of environmental impact reduction initiatives. Through the establishment and operation of environmental performance indicators based on our ESG management KPI framework, we manage our environmental management activities in a performance-oriented manner.

2025 KEY ENVIRONMENTAL PERFORMANCE TARGETS AND RESULTS

Category		Unit	2025 Target	2025 Performance
GHG Emissions	Scope1	tCO ₂ e	288,318	173,048
	Scope2		408,450	330,162
	Total		696,768	503,210
Energy Consumption		TJ	14,022	10,661
Waste Generation	Designated Waste	t	845	826
	General Waste		15,587	10,793
	Total		16,432	11,619
Water Withdrawal	Municipal Water	t	58,000	56,141
	Groundwater		30,000	78
	Industrial Water		6,150,000	3,537,470
	Reclaimed Wastewater		232,000	229,005
	Total		6,470,000	3,822,695

Conducting Environmental Impact Assessment

Hyosung Chemical continuously identifies and assesses actual and potential environmental impacts arising from its business activities to systematically manage the environmental impacts of its operations. We identify environmental impact factors throughout the entire value chain—from the use of raw and sub-materials to production processes, facility operations, and product distribution—and evaluate their significance to determine material environmental impacts requiring focused management. We conduct regular environmental impact assessments every four years and additionally conduct ad hoc assessments when special circumstances arise that may create or alter environmental impacts, such as process modifications, facility expansions, changes to environmental management systems, or the enactment and revision of relevant environmental laws and regulations.

Environmental impact assessments are conducted by designated environmental assessment personnel within each department. Based on the characteristics of departmental activities and operational tasks, the responsible personnel identify and evaluate environmental impacts through both quantitative and qualitative assessments. The evaluation process comprehensively considers various environmental aspects, including air emissions, water quality, soil, waste, noise and vibration, and chemical usage, to analyze the likelihood and severity of potential environmental impacts. Each department prepares an environmental impact assessment report summarizing the evaluation results and submits it to the Environmental Safety Team for review.

The Environmental Safety Team, which oversees and manages the environmental impact assessment process, comprehensively reviews the assessment results submitted by each department and analyzes the environmental impact characteristics associated with individual raw materials, products, processes, and facilities to determine the significance of each environmental impact. Based on these assessments, improvement initiatives aimed at mitigating or preventing significant environmental impacts are identified and implementation plans are developed to be incorporated into operational practices. In addition, we continuously monitor the implementation and effectiveness of corrective actions to maintain and strengthen the level of environmental impact management. The results of environmental impact assessments and related follow-up actions serve as key inputs for the operation of our environmental management system and the continuous improvement of its environmental performance.

ENVIRONMENTAL IMPACT ASSESSMENT TARGET

Category	Assessment Target
Transportation and Handling	Environmental impacts from the transportation and handling of raw and sub-materials, process consumables, packaging materials, products/semi-finished products, wastewater, and waste
Storage and Warehousing	Environmental impacts from the storage and handling of raw and sub-materials, process consumables, packaging materials, products/semi-finished products, wastewater, and waste
Production	Environmental impacts from the use of raw and sub-materials, process consumables, equipment, and utilities
Packaging and Receiving	Environmental impacts from the packaging and receiving of products and semi-finished products
Analysis	Environmental impacts from the analysis of raw and sub-materials, products, and semi-finished products
Maintenance and Repair	Environmental impacts from the maintenance of process consumables, equipment, utilities, facilities, and buildings
Improvement and Expansion	Environmental impacts from the improvement and expansion of equipment, utilities, facilities, and buildings
Development and Modification	Environmental impacts from the development and modification of products and semi-finished products
Office Operations	Environmental impacts from office operations

Environmental Impact Reduction

Targets and Performance

Environmental Training

Hyosung Chemical conducts systematic environmental and chemical safety training on a regular basis for employees and on-site contractor personnel, reflecting the characteristics of its operations involving hazardous chemicals. All employees and contractor personnel who handle hazardous chemicals or perform related tasks are required to complete “Hazardous Chemical Employee Training” on an annual basis. In addition, employees and contractor personnel directly responsible for handling hazardous chemicals are required to attend “Hazardous Chemical Handler Training” every two years in accordance with applicable regulations. Through these training programs, we seek to proactively prevent environmental and safety risks associated with chemical handling and continuously enhance on-site response capabilities.

As of 2025, a total of 685 employees and contractor personnel completed Hazardous Chemical Employee Training, while 102 personnel completed Hazardous Chemical Handler Training. All training programs are designed to meet the mandatory requirements stipulated by applicable regulations and cover practical topics such as the properties of hazardous chemicals, safe handling procedures, and emergency response measures in the event of accidents. In particular, case-based training is provided alongside the regular training programs to enable on-site workers to apply the training content to their actual work, enhancing the effectiveness of the training.

In addition, in 2025, we provided dedicated training on our overall chemical management system to employees responsible for chemical management across the Company, including those from the Environmental Safety Team and the Purchasing Team. The training focused on key requirements under the K-REACH (Act on Registration and Evaluation of Chemical Substances) and the CCA (Chemical Substances Control Act), as well as management standards for MSDS (Material Safety Data Sheets) and chemical management procedures applicable during the introduction and procurement of chemicals. The objective of the training was to enhance employees’ understanding of relevant regulations and strengthen their capabilities in on-site chemical management and chemical procurement management.

In addition, we provide training on the use of our internal e-CMS (Chemical Management System) to enhance employees’ understanding of procedures related to the registration, modification, and history management of chemical information, while continuously improving system utilization. Through these efforts, we strengthen our ability to systematically manage chemical substances across our business sites and continuously monitor compliance with applicable regulations.

In addition, we continuously monitor changes to hazardous chemical substance lists as well as enactments and amendments of laws and regulations related to chemical management in Korea and overseas. The monitoring results are shared on a monthly basis with the Environmental Safety personnel across all business sites, enabling each site to promptly incorporate the latest regulatory requirements and continuously enhance its chemical management practices.

Waste Management

Hyosung Chemical has established and operates a clear framework of roles and responsibilities to systematically manage the entire waste management process, from waste generation and storage to transportation and disposal. Each team leader appoints a waste manager within their respective department, who is in charge of monitoring daily waste management activities. Waste managers continuously monitor and supervise the types and quantities of both general and designated waste generated by their respective teams and track waste generation trends based on the characteristics of operational activities. Based on these monitoring results, they also develop and implement waste reduction measures, including process improvements, enhanced waste segregation practices, and the elimination of unnecessary sources of waste. In addition, they maintain a cooperative framework among relevant departments to effectively address issues arising throughout the waste management process and establish joint response measures whenever necessary.

The Environmental Safety Team at each business site serves as the central department responsible for the overall management of waste treatment activities and oversees all external waste-related affairs. The Team ensures that both general and designated waste generated at each site are handled and disposed of in compliance with applicable laws and regulations. In addition, the Team accurately records and manages waste transfer, receipt, and treatment information through the Allbaro System, Korea’s electronic waste tracking and information management platform. Through this system, the Company transparently monitors the movement and treatment status of waste and verifies the appropriateness of waste treatment.

We also strengthen our management and oversight of external waste disposal contractors. We regularly verify whether the contractors properly store, transport, and treat waste in accordance with applicable laws and regulations. For waste disposal contractors that have performed services for us at least once within the past two years, regular inspections are conducted on a biennial basis. Newly added contractors are subject to ad hoc inspections to evaluate their initial management practices and to closely review their compliance with relevant regulatory requirements.



Training for Chemical Management Personnel

Environmental Impact Reduction

Targets and Performance

Air Pollution Control

Hyosung Chemical operates a comprehensive air pollution prevention system that manages the entire process from emission source identification and monitoring to emission reduction activities to systematically control air pollutants generated from its business sites. All air emission facilities are assigned unique emission outlet identification numbers and are managed accordingly, enabling the Company to continuously monitor the types and concentrations of pollutants emitted from each emission outlet.

The Environmental Safety Team regularly inspects the operating status and conditions of each air emission facility and conducts self-monitoring of air pollutants in accordance with the legally prescribed schedule. Monitoring results are submitted to the relevant authorities within the designated reporting deadlines each month through the SEMS (Stack Emission Management System), enabling transparent management of air emission data. In addition, major air emission facilities are equipped with TMS (Tele Monitoring System) that continuously monitors the concentrations of key air pollutants, including particulate matter and nitrogen oxides (NOx), in real time. Through these efforts, we have established a management system that enables us to proactively identify potential exceedances of regulatory limits and implement prompt corrective actions.

In order to contribute to improving local air quality, Yongyeon Plants 1 and 2 entered into a “Voluntary Agreement on Fine Dust and Total Air Pollutant Reduction Management” with the Nakdong River Basin Environmental Office. The agreement, which is being implemented over a two-year period beginning in 2025, includes the establishment and implementation of site-specific reduction targets for key air pollutants that contribute to dust formation. Under the agreement, the plants have set a target to reduce emissions of particulate matter, nitrogen oxides (NOx), and sulfur oxides (SOx) by 10% compared with 2023 levels. To achieve these targets, the Plants are implementing various process improvement initiatives, including the operation of low-NOx burners and enhanced combustion efficiency management.

Meanwhile, in 2025, the Film PU Gumi Plant installed eight additional IoT (Internet of Things) monitoring devices for its air pollution control facilities to enable more precise management of facility operating conditions. These devices collect key operational data from emission facilities and air pollution control facilities—including electrical current, temperature, and differential pressure—in real time and periodically transmit the data to the Korea Environment Corporation. The system supports continuous verification of the proper operation of pollution control facilities. Including one device that had already been installed, the plant currently operates a total of nine IoT monitoring devices. Through this system, the Plant continuously monitors air pollutant emission conditions and the operational status of pollution control facilities, enabling a prompt response to any abnormal conditions.



Photo of IoT Installation at the Gumi Plant

Odor Reduction

Each of Hyosung Chemical's business sites operates a continuous odor management system to minimize environmental impacts associated with odors that may arise from process operations and wastewater treatment. All sites conduct regular self-monitoring of odor on a monthly or quarterly basis and review the results to identify the causes of odor generation and implement necessary corrective actions. Through these monitoring and improvement activities, we continuously manage potential odor-generating areas and seek to minimize the impacts on the surrounding environment.

In particular, the PP/DH PU business site operates an automatic deodorant spraying system to effectively reduce odors generated from its wastewater treatment facility. The system is designed to automatically dispense deodorizing agents at predetermined intervals using timer settings. Timer intervals are flexibly adjusted according to seasonal temperatures and the frequency of odor generation, enabling efficient management of the amount of deodorizing agent applied.

In addition, we continuously monitor the potential for odor generation throughout the wastewater treatment process and carry out on-site management activities, including the additional application of deodorizing agents when necessary. The status of odor management at each business site is regularly reviewed through internal inspections, and where improvement needs are identified, prompt corrective actions are taken to maintain the level of odor management.

Noise Reduction and Mitigation Measures

Hyosung Chemical systematically implements noise management and mitigation measures to minimize the impact of noise that may arise during business operations on employees and the areas surrounding its business sites. Protective covers are installed on equipment with a high potential for noise generation, while equipment modifications and soundproofing measures are implemented in parallel to prevent unnecessary noise propagation. In addition, we conduct regular occupational environment monitoring twice a year to assess noise levels in employee work areas and around our business sites. Based on the monitoring results, we continuously manage areas requiring improvement.

In addition, we conduct site-specific noise reduction activities that reflect the characteristics of each business site and the operating conditions of its equipment. In 2025, the POK Business Division reduced friction-related noise by applying lubricant and performing maintenance on equipment with a high potential for noise generation. The Optical Film PU also identified noise from motor belts during equipment inspections and replaced the belts to eliminate the source of potential noise before it could affect operations.

In addition to our noise reduction activities, we are strengthening measures to protect employees. We provide guidance on the use of personal protective equipment to minimize noise exposure for employees working in areas where noise is generated. In 2025, the Film PU installed “Wear Earplugs” signage in areas where ultrasonic cleaners are used to encourage the consistent use of personal protective equipment. Going forward, we will continue to implement comprehensive noise management activities, including equipment management, occupational environment monitoring, and guidance on the use of personal protective equipment, while considering both employee safety and the protection of the areas surrounding our business sites.

Environmental Impact Reduction

Targets and Performance

Chemical Management

Hyosung Chemical strictly complies with all applicable legal requirements throughout chemical management to prevent environmental pollution and chemical accidents and to protect the safety and health of its employees. All chemicals handled at our business sites are systematically managed throughout their entire lifecycle, from procurement and use to disposal, thereby minimizing environmental impacts and supporting stable business operations.

We have established an E-CMS (Electronic Chemical Management System) to centrally manage all chemicals handled across our business sites. Before purchasing any chemical, we obtain an MSDS (Material Safety Data Sheet) from the supplier to review the substance's hazardous properties, regulatory applicability, and handling and storage precautions. The information is registered and managed in the E-CMS, and purchases are made only after confirming compliance with applicable legal requirements.

When introducing a new chemical substance, we determine its suitability for use through an internal review process and a pre-use risk assessment. We evaluate its potential impacts on human health and the environment along with process compatibility, the availability of alternative substances, and the likelihood of accidents to eliminate or minimize risk factors in advance.

When hazardous chemicals are delivered to our business sites, we conduct safe receiving procedures under the supervision of the manager in charge. Information on quantities received, quantities handled, and inventory levels is recorded and managed in the Chemical Inventory Register, and actual usage and inventory levels are regularly monitored. Through these measures, we prevent excessive chemical inventories and management omissions and reduce environmental and safety risks through reasonable inventory management.

We monitor risk factors associated with hazardous chemical handling facilities in real time. We conduct regular inspections of chemical storage containers to assess corrosion, sealing conditions, and the proper functioning of safety valves and leak detection systems. Any abnormal signs identified during inspections are addressed immediately. In addition, the latest MSDSs are maintained at all hazardous chemical handling facilities, and appropriate labels are affixed to individual containers to clearly indicate the characteristics of each substance and the necessary handling precautions, thereby preventing improper handling.

To prepare for emergency situations such as chemical spills and fires, we establish emergency response scenarios and conduct regular response drills and training based on these scenarios. We disseminate the key contents of the chemical accident prevention management plan and provide recurring training on the contents of MSDSs for hazardous chemicals, appropriate handling methods, and response procedures for process abnormalities, enabling prompt and systematic responses in the event of an actual accident.

Reduction of Hazardous Chemical Usage

Hyosung Chemical's polypropylene (PP) production process consists of two main stages. The first stage is the Dehydrogenation (DH) process, in which propane is used as a raw material to produce propylene. Chlorine (Cl₂), a hazardous chemical, is used in the DH process. Because chlorine may affect human health and the environment above certain concentrations, its handling and use are strictly managed in accordance with applicable laws and regulations, including the Chemical Substances Control Act. By improving the operational efficiency of the DH process, we reduced chlorine consumption by approximately 32%, from 22.5 tons in 2024 to 15.2 tons in 2025.

Water Pollution Prevention

Hyosung Chemical has established and operates a systematic water pollution prevention management system to minimize the impact of water pollution arising from business operations on the surrounding environment and local communities. Depending on process characteristics and site-specific conditions, each business site either operates its own wastewater treatment facility or entrusts wastewater treatment to licensed external specialized companies in accordance with applicable laws and regulations. All wastewater treatment processes are strictly managed in accordance with applicable legal requirements and our internal management standards.

We go beyond merely complying with applicable legal effluent discharge standards by establishing internal management criteria at 80% of the applicable legal limits for key water pollutants, including BOD (Biological Oxygen Demand) and TOC (Total Organic Carbon). We regularly monitor and inspect the entire wastewater treatment process and take immediate action whenever abnormal signs are identified to prevent pollutants from being released into the external environment.

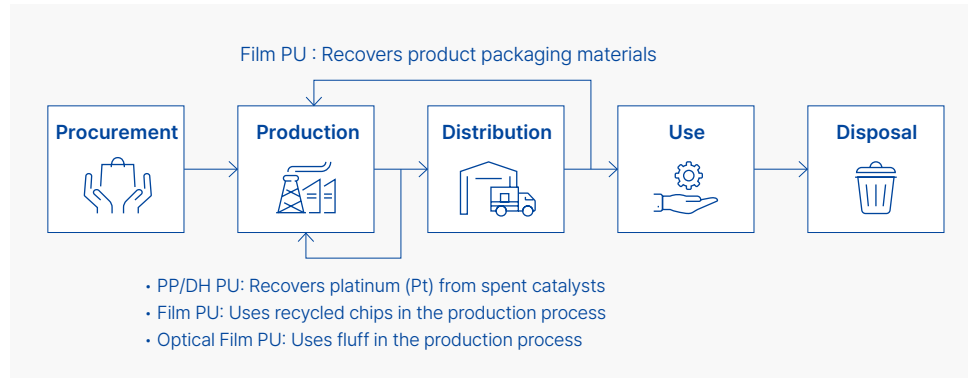
In addition, we continue to implement on-site management activities to prevent accidents and strengthen emergency response capabilities. In 2025, we installed emergency contact signs near major stormwater manholes at our Gumi Plant to enable a rapid response in the event of a water pollution accident involving the release of pollutants through stormwater. This established a system that enables on-site personnel to immediately contact the relevant departments in the event of an accident, further strengthening our initial response capabilities.

In addition, we provide training on accident reporting procedures and response measures to contractors whose construction and operational activities present a relatively higher risk of water pollution accidents. Through this training, we support contractor personnel in recognizing the risks associated with water pollution accidents and responding promptly and accurately in the event of an accident, enhancing the overall level of water pollution accident prevention across our business sites.

Resource Circulation System Operation

Governance and Strategy

RESOURCE CIRCULATION STRUCTURE



Hyosung Chemical has established resource circularity as one of its key environmental strategies to minimize the consumption of finite natural resources and sustain an industrial foundation for future generations. To this end, we have established and operate a company-wide resource circulation system that ensures the efficient use of resources throughout the entire product lifecycle—from production and distribution to use and disposal—while enabling waste generated during these processes to be reused as valuable resources. Resource circulation strategies are developed and implemented under our company-wide environmental management system, and each business unit establishes and implements action plans that reflect its process and product characteristics.

Our resource circulation system consists of two main types. The first is an internal circulation system in which waste resources generated after production but before product shipment are returned to the raw and sub-material stage and reintroduced into the production process. The Optical Film PU reuses fluff, a waste generated during the TAC film production process, as a raw material and feeds it back into the same production process. The Film PU recycles process waste generated during the production of PET film and nylon film to produce recycled chips, which are then used in the production process. The PP/DH PU operates a circulation system in which regenerated catalysts produced by recovering platinum, a precious metal, from spent process catalysts are reused in the production process. This internal circulation system contributes to improving resource efficiency while reducing the environmental impacts of waste.

The second is an external circulation system in which products are recovered after shipment but before final disposal for reuse in the production and distribution stages. The Film PU operates a system to recover and reuse cores, pallets, pads, and paper tubes used for product packaging. Through this system, we reduce the use of single-use packaging materials and minimize waste generation during logistics processes. These recovery and reuse activities are conducted in collaboration with suppliers and logistics partners and are managed in accordance with internal standards for recovery quality and reuse safety.

We regularly review the performance of our resource circulation system and will continue to strengthen our resource circulation management system.

Targets and Performance

Reusing TAC Film Production Waste

Hyosung Chemical's Optical Film PU operates a resource circulation system that reuses waste generated during the production process instead of simply disposing of it. This system operates by reintroducing a certain proportion of a process by-product known as "Fluff" at the raw material input stage.

Fluff is a type of waste generated during the TAC (Tri-Acetyl Cellulose) film production process. It is produced by sorting and shredding offcuts that inevitably occur during manufacturing, as well as TAC film that cannot be used as a product due to factors such as thickness or appearance. The Optical Film PU manages the recycling ratio of Fluff within a range that does not affect product quality or process stability, taking into account its physical properties and quality. Fluff reintroduced into the production process is managed in accordance with internal standards, and its use and input ratio are adjusted according to process conditions and product characteristics.

As of 2025, the Optical Film PU's Fluff usage amounted to a total of 3,496 tons, representing the reuse of waste generated during the TAC film production process within the same production process. Through this in-process recycling, we reduce the volume of waste requiring external treatment and enhance resource use efficiency.

Film Recycled Chip Input

Hyosung Chemical's Film PU operates an internal resource circulation system in which process by-products and defective products generated during film production are not simply disposed of as waste but are instead recycled and reused as raw materials through a recycling process. Through this system, we reduce the amount of waste generated during production and promote the efficient use of resources.

The film production process includes a stretching process in which film sheets are stretched in both the machine direction and the transverse direction to achieve the required thickness and physical properties. During this process, portions of the film edges must be used to securely hold the film in the equipment. After stretching, these edge portions are cut off because they no longer meet the quality requirements for the final product. In addition, before shipment of the final product, a cutting process is carried out to precisely adjust the width and length of the film in accordance with customer requirements, during which a certain amount of cutting by-product is generated. Defective film that does not meet quality standards during the production process is also classified as waste.

We do not discharge such cutting by-products and defective films externally but instead recycle them through internal processes. First, waste generated during the film production process is fed into the Crusher process, where it is crushed into a uniform size before being transferred to the Recycling process. In the Recycling process, the crushed waste is refined and processed to produce Recycle Chips that can be reused as raw materials for film production. The Recycle Chips produced in this way are reintroduced into the actual film production process together with virgin raw materials, provided that they meet quality standards.

Through this resource circulation system, we recycle internal waste generated during the film production process as raw materials. As of 2025, we used a total of 29,075 tons of Recycle Chips in the film production process. We plan to continue maintaining and managing the related facilities and production processes to ensure the stable recycling of waste generated during the film production process.

Resource Circulation System Operation

Targets and Performance

Recovering Platinum (Pt) Catalysts

Hyosung Chemical operates a waste resource circulation system to properly manage process by-products and spent catalysts generated during the polypropylene (PP) production process and to reuse them as resources. Through this system, we focus on enhancing resource use efficiency and minimizing the external outflow of precious metal resources.

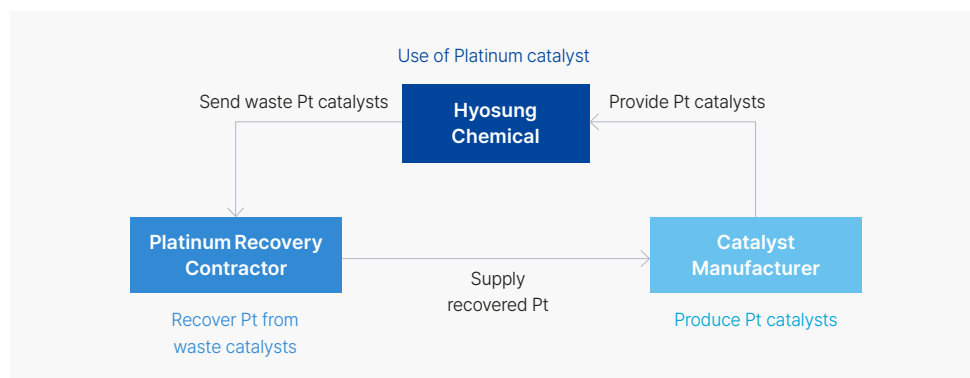
Our polypropylene (PP) production process consists of two main stages. The first is the DH (Dehydrogenation) process, in which propylene is produced from propane as a raw material, and the second is the PP (Polypropylene Polymerization) process, in which polypropylene is produced using propylene as a raw material. In the DH process, a catalyst with platinum (Pt) as the primary active component is used to enhance reaction efficiency.

The platinum catalyst used in the DH process gradually loses its activity during long-term operation. To maintain process stability and product quality, we replace the entire catalyst approximately every five years. This replacement generates spent catalyst, which is not treated as general waste but is instead classified as a managed waste resource containing valuable metals and systematically managed.

We transfer the generated spent platinum catalyst to a specialized waste treatment company holding the required permits and licenses. Approximately 99% of the platinum is recovered through this company. The recovered platinum then undergoes a separate recovery and refining process before being delivered to the catalyst manufacturer for recycling as a raw material for new catalysts. Through this process, we have established a management system that enables the circular use of platinum resources.

We will continue to review the recovery potential and recyclability of waste resources generated during our operations and maintain and strengthen our resource management practices from a circular economy perspective.

PLATINUM CIRCULAR SYSTEM



Recovering Product Packaging Materials

Hyosung Chemical's Film PU operates a resource circulation system for packaging materials to reduce the amount of waste resources generated during product manufacturing and delivery and to improve resource use efficiency. During the delivery of PET film and nylon film products to customers, various types of packaging materials are used, including FRP (Fiber Reinforced Plastics) cores, wooden pallets, plastic pallets, pads, and paper tubes. Although these packaging materials are generally discarded after use, we systematically assess their physical condition and reusability and recover and reuse them to minimize waste generation.

We apply different recovery and reuse methods depending on the characteristics and intended use of packaging materials. First, FRP cores used for winding film are highly durable materials that can be reused multiple times and are directly collected from customers. The recovered FRP cores are cleaned and inspected at our facilities before being returned to the production and delivery process as reusable packaging materials. Through this process, we extend the service life of packaging materials and reduce the resource input associated with the use of new packaging materials.

Pallets and pads used for the safe transportation and storage of film products are recovered and managed through specialized external recovery vendors. These vendors classify the recovered pallets and pads into Grades A, B, and C based on the extent of damage and structural integrity. We select pallets and pads classified as Grade A, which are the most suitable for reuse, purchase them from the recovery vendors, and reuse them for product packaging and transportation.

In addition, we operate a phased reuse system for paper tubes used in the storage and transportation of film products. We conduct an initial in-house screening process to identify used paper tubes that retain their structural integrity and secure quantities suitable for reuse. The selected paper tubes are then processed and refurbished by an external processing company before being reused in the film packaging process. This process helps extend the service life of paper-based packaging materials and reduce the generation of waste paper.

In this way, our Film PU recognizes packaging materials not as single-use consumables but as managed resources and continuously operates a recovery-sorting-reuse system.

2025 PACKAGING MATERIAL RECOVERY PERFORMANCE

Category	Usage Quantity [units]	Recovery Quantity [units]	Recovery Rate [%]
FRP Core	893	769	86.1
Pallet	71,936	42,177	58.6
Pad	332,073	140,370	42.3
Paper Tube	109,850	12,177	11.1

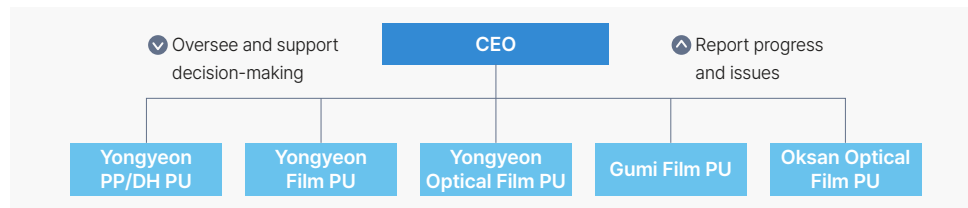
Smart Factory Development & Operation

Governance

Smart Factory Day

Hyosung Chemical operates “Smart Factory Day” meetings to reduce energy costs and improve product quality through smart factory operations. The meetings are held monthly under the leadership of the PU Head and quarterly under the leadership of the CEO. During the meetings, representatives from each plant share the progress and future plans of key analysis tasks, and the feedback and improvement measures identified are incorporated into data-driven analysis and decision-making. Through this process, we enhance operational efficiency and continuously improve business performance.

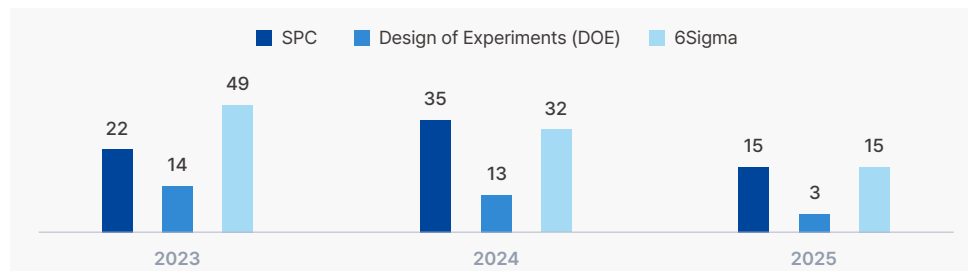
SMART FACTORY DAY COUNCIL



Statistics-Based Process Improvement Training

To enhance the performance of our smart factory operations, we conduct annual statistical process analysis training for engineers, team leaders, and plant managers across all plants. Through this training, we strengthen employees' data-driven decision-making capabilities and contribute to improving management efficiency by enhancing product quality and reducing costs through process improvements.

2023-2025 THREE-YEAR TREND¹ IN PARTICIPANTS IN STATISTICAL PROCESS IMPROVEMENT TRAINING (TRAINING CONDUCTED TWICE ANNUALLY IN 2023-2024, ONCE IN 2025)



1. The 2024 training participant figure has been revised to reflect the current reporting scope, as the 2024 Sustainability Report included Hyosung Neochem.

Strategy

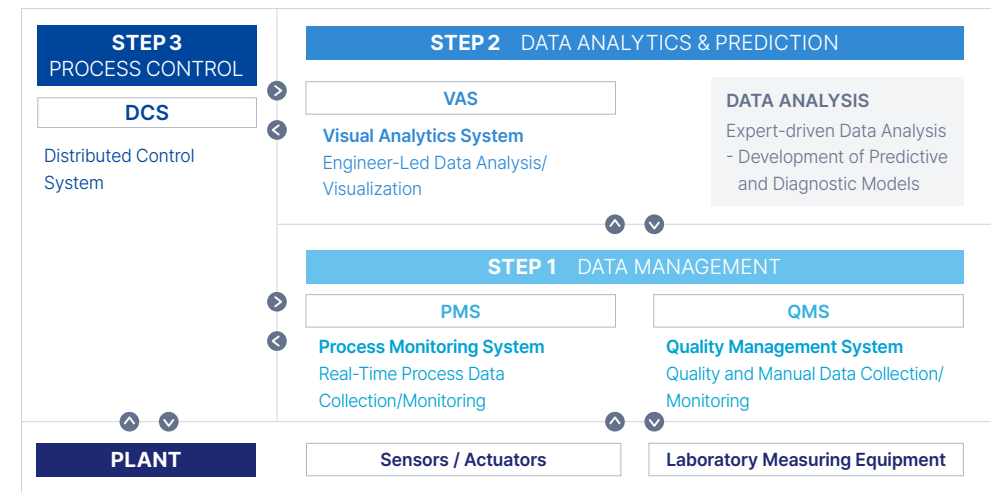
Building Smart Factory for Sustainable Business

We have established and operate the PMS (Process Monitoring System), QMS (Quality Management System), and VAS (Visual Analytics System) to enable real-time connectivity of key manufacturing process resources and support prompt and accurate decision-making based on collected data. Through these systems, we enhance visibility across the entire manufacturing process and continuously strengthen our quality management system.

Based on this smart manufacturing infrastructure, we have reached Level 4 (Transparency) of the six-level Industrie 4.0 Maturity Index². In addition, our Yongyeon and Oksan plants, which produce optical films, have reached Level 5 (Predictive Capacity), establishing an advanced data-driven process operation system.

We also assign dedicated personnel at each plant to improve work productivity and enhance energy efficiency, while identifying and implementing key analysis tasks. In addition, we continuously monitor the outcomes of these tasks to enhance operational efficiency and the effectiveness of improvement activities.

STRUCTURE OF HYOSUNG CHEMICAL'S SMART FACTORY PLATFORM



2. Based on the German Industry 4.0 Maturity Index presented by the German National Academy of Science and Engineering (acatech) in 2017
 Stage 1: Computerization → Computerization of equipment and operations and introduction of a digital foundation
 Stage 2: Connectivity → Connectivity, communication, and data integration among equipment and systems
 Stage 3: Visibility → Data visibility and visualization
 Stage 4: Transparency → Understanding causes and correlations, and analysis-based interpretation
 Stage 5: Predictive Capacity → Predictability and prediction of future conditions
 Stage 6: Adaptability → Autonomous response and adaptation, approaching autonomous operation

Smart Factory Development & Operation

Targets and Performance

2025 Key Analysis Task Progress and Estimated Annual Economic Impact

Hyosung Chemical successfully completed a total of 10 key analysis tasks, generating an estimated annual economic impact of approximately KRW 2.5 billion. Specifically, KRW 1.9 billion is expected from enhanced quality competitiveness, and KRW 0.6 billion from the implementation of FDC¹(Fault Detection and Classification). As a result, we have achieved a cumulative estimated economic impact of approximately KRW 27.7 billion from key analysis tasks between 2021 and 2025.

1. Quality and productivity management method for detecting and classifying defects through process data analysis

Category	Completed Tasks
PP/DH	Activate the PP-2 catalyst and stabilize PP-1 film haze (Yongyeon)
	Improve TD solution preparation line in 100 μm double-sided coating through coating process optimization (Yongyeon)
Film	Improve width loss through analysis of the optimal width combination pattern algorithm (Yongyeon)
	Improve PET mill roll transfer marks and PET holes through winder equipment optimization (Gumi)
Optical Film	Establish an early equipment anomaly detection system and improve winding quality for coating thin-film products (Yongyeon)
	Establish an early equipment anomaly detection system and improve product quality through thickness quality improvement (Oksan)
Total: 10	

CASE STUDY

AI-Based Width Combination Automation at Yongyeon Film Plant

In the film production process, width combination is a key step that determines product loss. Traditionally, this task has been performed manually by production personnel, resulting in outcomes that varied depending on the experience of the individual responsible. In addition, inventory status, sales trends, and specification compatibility were not fully taken into account during order entry, repeatedly leading to the accumulation of unnecessary inventory. To address these issues, we developed an AI algorithm-based width combination automation system and implemented it in the Film Production Information Management System (FPIMS). The system automatically calculates the most efficient width combinations and enables users to identify additional available specifications at a glance. In addition, we enhanced the system interface to allow sales personnel to check inventory status and sales turnover when submitting production requests. Improved width combination efficiency reduces product loss and directly enhances production yield. It also reduces the number of semi-finished products required to process the same orders, thereby improving production line efficiency. Furthermore, we plan to expand the system to other sites, including the Gumi and China plants, and expect it to significantly reduce the repetitive manual workload of production personnel.

2026 Key Analysis Tasks and AI Utilization Enhancement Plan

In 2026, we aim to accelerate AI-based manufacturing innovation and maximize business performance by expanding the key analysis tasks validated between 2021 and 2025 and AI implementation achievements across domestic and overseas plants and key business functions. To this end, we plan to further expand our smart factory operations based on the following three strategic directions.

2026 SMART FACTORY OPERATION PLAN: 2025 AI ADOPTION SUCCESS CASES → MAXIMIZING AI IMPLEMENTATION PERFORMANCE IN 2026

Film Yongyeon Plant

AI-Based Width Combination Automation



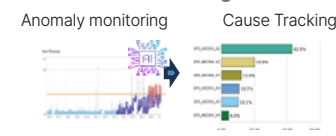
PPDH Yongyeon Plant

AI-Based Quality/Process Optimization



Optical Film Yongyeon Plant

AI-Based Equipment/Process Monitoring



1 Horizontal Deployment of Validated Tasks

Horizontal Deployment Tasks

- AI-based width combination automation
- Quality & process optimization/equipment & process monitoring

Deployment Direction

- Domestic validation → phased rollout to all domestic and overseas plants
- Transfer based on 2025 success cases

2 AI Application Expansion Across Core Operations

AI Application Expansion Areas

- Advancement of existing quality/process/energy tasks
- New expansion into production planning/ equipment/ logistics areas

Expected Impact

- Transition from individual tasks to company-wide integrated operating system
- Contribution to business performance

3 Strengthening Company-Wide AI Utilization Capabilities

AI Capability Enhancement Details

- VAS-based data analysis/AI process operation
- Expansion of AI integration with SPC/DOE/Six Sigma

Overseas Plant Capability Enhancement

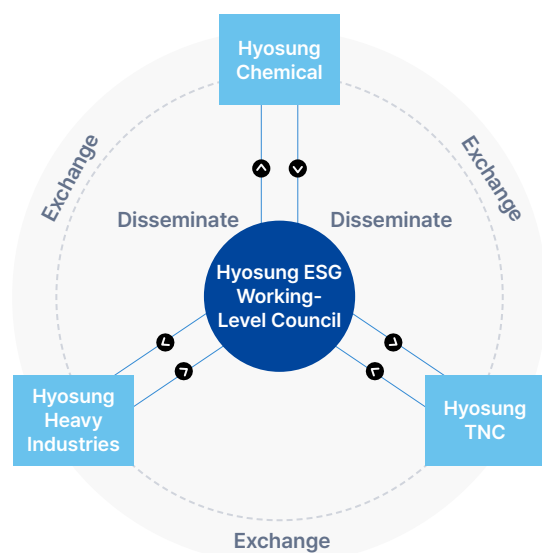
- AI-Based advancement of traditional quality training
- Establishment of an AI operational system for overseas plants

Biodiversity

Governance

Biodiversity/Deforestation Prevention Policy

Hyosung Chemical recognizes biodiversity conservation, closely linked to climate change, as a major environmental issue and has implemented internal policies to address it. We have also established a working-level council composed of ESG Teams from each Hyosung Group affiliate to discover issues and monitor progress through close consultation.



Strategy and Risk Management

Biodiversity Risk Management

In accordance with the Wildlife Protection and Management Act, Hyosung Chemical assessed biodiversity risks around its major sites by identifying endangered species in the surrounding areas. Our analysis was based on the IUCN Red List and the Korea Ministry of Environment's List of Endangered Species. No endangered species habitats were found in our sites.

We remain committed to conserving biodiversity around our operations and minimizing negative impacts through stakeholder engagement and training.

NUMBER OF ENDANGERED SPECIES IN THE AREA BY BUSINESS SITE

[Unit: No.]

Region	Nationally Designated Endangered Species	IUCN Red List ¹
Seocho-gu, Seoul	7	78
Nam-gu, Ulsan	7	100
Cheongju-si	51	30
Gumi-si	57	30

1. Endangered species were identified based on the International Union for Conservation of Nature (IUCN) Red List, including Critically Endangered (CR), Endangered (EN), and Vulnerable (VU) species found within a 25 km radius of each site.

Collaborative Partnership Initiatives for Farming and Fishing Communities

Hyosung Chemical has steadily pursued collaborative partnership initiatives with farming and fishing communities. Designed to promote balanced development between urban and rural areas, these initiatives support biodiversity, environmental improvement, education, and welfare.

We and other key Hyosung Group affiliates hold monthly joint reviews to set direction and refine project details, ensuring responsible management. Through these efforts, we enhance quality of life in rural areas while advancing the value of biodiversity. We remain committed to growing with local communities through sustainable collaborative partnership initiatives.

KEY BIODIVERSITY ACTIVITIES

Key Activity	Partner Agencies	Project Details	Mid-term qualitative Goal (~2028)	Mid-term quantitative Goal (~2028)	Long-term Goal (~2030)
Seagrass Restoration and Marine Forest Creation	Ministry of Oceans and Fisheries, Korea Fisheries Resources Agency	Provide habitats and enhance the marine environment through seagrass restoration	Complete Wando sea forest creation and establish local management system	Create a 159ha sea forest by planting four seagrass colonies in Wando tidal flats	Create new regional sea forests
DMZ Forest Restoration	Korea National Arboretum	Restoration of degraded forest areas in the DMZ and provide support to local farming communities	Expand restoration efforts for degraded forest areas in the DMZ	Restore 1,500m ² of degraded land and plant 59,500 native Plants	Restore forest ecosystems in restored degraded areas
Winter Migratory Bird Protection	Gimhae City	Protect winter migratory birds by providing food	Maintain wintering migratory bird population at Gimhae Hwapocheon Wetland	-	Increase the number of winter migratory birds under care and protection
Endangered Insect Restoration Support	National Institute of Ecology	Support the restoration of endangered species: jewel beetles and giant water bugs	Increase endangered insect populations	-	Increase the release of endangered insect populations into the wild

Biodiversity

Targets and Performance

DMZ Forest Ecosystem Conservation Activities

Hyosung Chemical has continued its DMZ forest ecosystem conservation activities since signing an MOU with the Korea National Arboretum in September 2024. This project was designed to restore native plants in areas with severe forest damage within major military zones near the DMZ (Demilitarized Zone), stabilizing the ecosystem and contributing to the revitalization of the local economy by entrusting the cultivation of native plants to local farmers. On September 23, 2025, we conducted the DMZ Forest Degraded Area Restoration Activity at a site for the recovery of the remains of Korean War soldiers within the Civilian Control Zone in Yanggu-gun, Gangwon Province. This activity involved the participation of the Korea National Arboretum, the Army's 21st Infantry Division, and Yanggu-gun as a public-private-military collaboration. A total of 24,500 native plants of seven species, including *Festuca parvigluma*, *Prunella vulgaris*, and *Sedum kamtschaticum*, were planted on a 600 m² site damaged by the recovery of human remains. From 2026, the project will be expanded to the Hyosung Group and carried out on a larger scale at the Group level.



Winter Migratory Bird Protection Activities

Since 2023, Hyosung Chemical has conducted annual feeding support activities to help endangered and nationally designated natural monument species, such as cinereous vultures, greater white-fronted geese, and whooper swans, successfully overwinter in Korea. In January 2026, Hyosung employees visited the Hwapocheon Wetland Ecological Park in Gimhae to participate in a hands-on feeding activity using domestically sourced agricultural and livestock products. In 2025, a total of 11,883 birds of 38 species arrived at the Hwapocheon Wetland. Each year from November to March, large numbers of winter migratory birds fly to the Korean Peninsula to overwinter. However, many frequently suffer from exhaustion and starvation due to a lack of food. We will continue to engage in these efforts for migratory bird protection.



Biodiversity

Targets and Performance

Seagrass Meadow Restoration Project

Hyosung Chemical is carrying out a seagrass meadow restoration project to help revive marine ecosystems. Seagrass is a crucial underwater plant and a source of blue carbon absorption, generating oxygen through photosynthesis and offering vital habitats for marine life. In May 2025, Hyosung employees visited Wando, Jeollanam-do, to participate in an eelgrass (marine algae) forest restoration activity. A total of 300 kg of *Sargassum fulvellum*, 300 kg of *Undaria pinnatifida*, and 400 kg of *Ecklonia cava*, three species of marine algae, were planted in the 159-hectare marine forest in Donggo-ri, Sinji-myeon, Wando-gun. This activity also contributed to creating an income base for fishermen through the restoration of fisheries resources. We will continue to carry out this project to restore fisheries resources and the marine ecosystem.

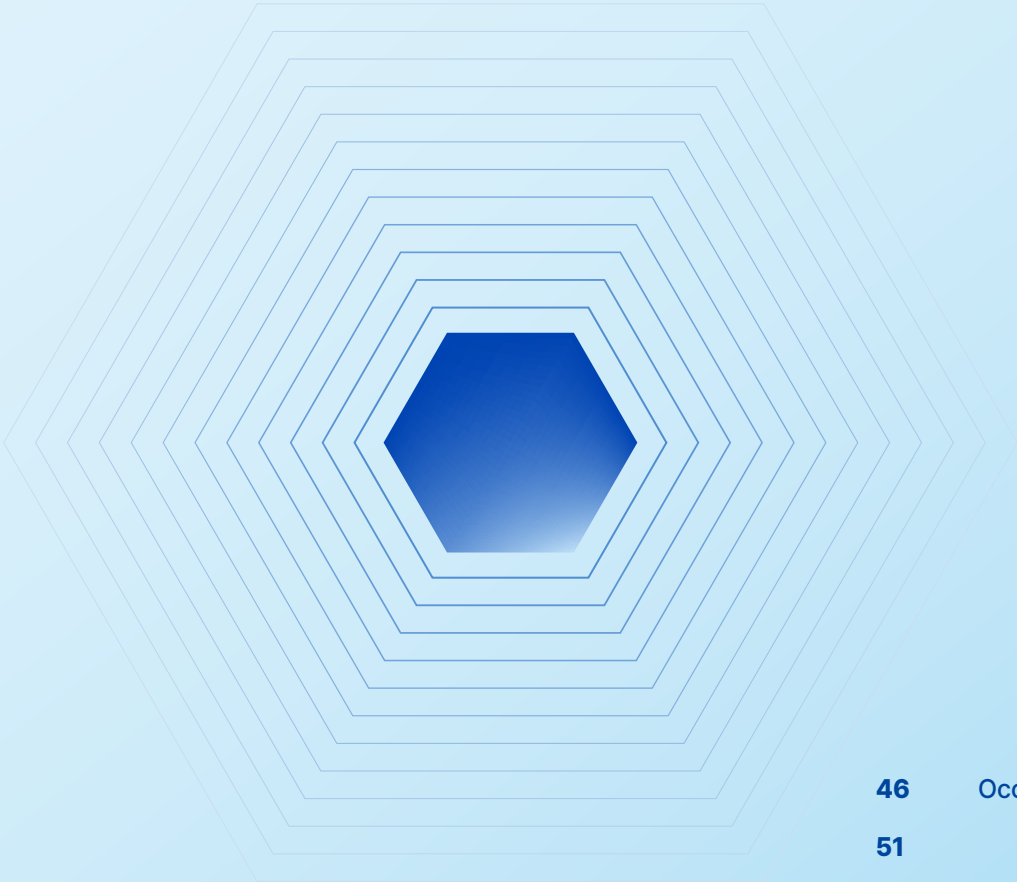


Artificial Insect Breeding Activity

Hyosung Chemical is promoting artificial breeding and release activities to conserve endangered insect species and secure biodiversity. In June 2025, Hyosung employees visited the vicinity of Pyochungsa Temple in Miryang, Gyeongsangnam-do, a major habitat for these insects, to conduct a release event for adult jewel beetles. In 2025, we artificially bred and maintained 98 giant water bugs, of which 20 were released; artificially bred and maintained 204 jewel beetles, of which 6 were released; and introduced dung beetles for the first time, with 39 currently being artificially bred and maintained and no release record to date. We plan to contribute to the establishment of a sustainable ecosystem through the recovery of the endangered insect populations.



SOCIAL



46	Occupational Safety and Health Enhancement
51	Sustainable Supply Chain
54	Communication Oriented Management
56	Respect for Human Rights of Employees
61	Talent Acquisition & Development
66	Local Community

Occupational Safety and Health Enhancement

Governance

Safety and Health Management Policy

At Hyosung Chemical, safety and health are our highest priority in all management decisions. We are committed to creating a safe and healthy work environment through continuous improvement and preventive measures, with the ultimate goal of achieving zero accidents and zero injuries.

 Strengthening Responsible Management	Hyosung Chemical employees manage EHS (Environment, Health, and Safety) objectives based on performance and establish a system that ensures they are implemented at the workplace without fail.
 Accident Prevention	We proactively manage potential risk factors through risk assessments of all processes, equipment, and operations, and comply with applicable laws and regulations to prevent industrial accidents, chemical accidents, and environmental accidents.
 Securing Competitiveness	We predict risks through AI utilization and data-driven decision-making and continuously enhance the efficiency and accuracy of EHS management.
 Establishing a Safety Culture	We establish a voluntary and sustainable safety culture through education and communication involving both employees and business partners.
 Sustainable Future	We practice ESG management and pursue a sustainable future through the efficient use of resources and energy and the development of environmentally friendly processes and technologies.

EHS Committee

Hyosung Chemical holds monthly EHS Committee meetings chaired by the CEO to review the environmental, health, and safety management status of all sites and to inspect the implementation of preventive targets and performance. In 2025, a total of 54 improvement items were submitted to the committee, all 54 (100%) of which were fully addressed.

Decision-Making and Implementation Framework

Hyosung Chemical has designated a Chief Safety Officer (CSO) reporting directly to the CEO and systematically operates its safety and health functions through dedicated organizations and personnel, including a Chief Safety and Health Officer (CSHO) overseeing each business site, the Environmental Safety Team, supervisors, and Environmental Safety Managers. The Board of Directors regularly receives reports on and approves key policies, including the establishment and approval of safety and health plans and the review and approval of safety and health budget plans and performance, while the CEO, as the management representative, reports the related plans and performance to the Board of Directors. The CSO oversees compliance monitoring of the Serious Accidents Punishment Act and the EHS Committee, while the Safety and Health Team oversees and manages safety- and health-related operations. Each business site appoints a CSHO (all plant managers) who assumes overall responsibility for plant safety and health, while the Occupational Safety and Health Committee deliberates on relevant matters and discusses site-related issues. The Environmental Safety Team operates chemical and environmental management and the Environment, Health, and Safety management system, while supervisors (Team Leaders and Unit Leaders) carry out site-based safety management, including inspections of hazardous machinery and equipment, guidance on the use of personal protective equipment, and emergency response in the event of industrial accidents. Based on this multi-layered safety and health management organization across all business sites, including Yongyeon, Gumi, Oksan, and Anyang, we systematically continue company-wide safety and health planning, implementation, and performance management.

Safety & Health Organization



Occupational Safety and Health Enhancement

Strategy

Mid- to Long-term Roadmap for Safety and Health

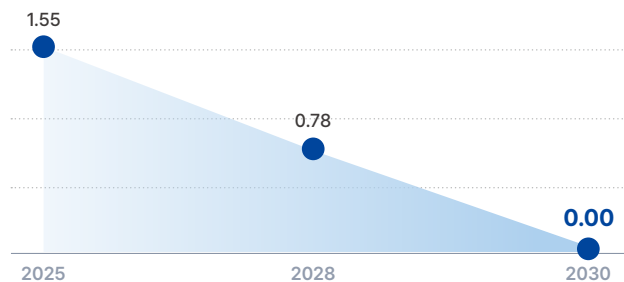
Hyosung Chemical is implementing a mid- to long-term roadmap for safety and health management, aiming to achieve an LTIFR¹ of zero by 2030.

1. LTIFR (Lost Time Injury Frequency rate)=(No. of lost-time injuries requiring one or more days away from work or medical treatment × 1,000,000) / Total hours worked

2030 Safety and Health Roadmap

Core Values	Safe Working Environment ~2025	Enhanced Safety Cooperation ~2028	Embedded Safety Culture ~2030
Strategic Tasks	- Reinforce internal work standards and revise risk assessments - Introduce expert risk assessor certification - Strengthen Safety Guardian activities during regular maintenance - Strengthen proactive emergency response training	- Eliminate on-site hazards through risk assessment training - Win-Win Cooperation Fund Project for partner companies - Support partner training and strengthen safety evaluations - Ensure consistent safety management across primary and subcontractors	- Expand safety awards to promote safety culture - Introduce a digital safety management system - Provide safety culture content and services - Establish a global-standard safety system

LTIFR Reduction Target



2025 Key Achievements

Hyosung Chemical's mid- to long-term safety and health roadmap has the ultimate goal of gradually reducing the LTIFR for employees and contractor employees. It also aims to establish a global-level safety and health culture in which all members voluntarily identify and improve hazardous and risk factors. In 2025, we focused on strengthening safety capabilities by achieving 100% of our annual safety and health training attendance target of 8,926 cumulative participants and completing all 212 emergency response drills.

Training Participation Status in Accordance with Safety and Health Laws and Regulations

Category	Training Name	No. of Participants	Training Hours	Frequency	Target
1	New Employee Training	18	16 hours	Once upon hiring	New Employees
2	Special Safety Training	19	16 hours	Once upon hiring or job change	New Employees and Employees with Job Changes
3	Job Change Training	17	2 hours	Once upon job change	Employees with Job Changes
4	Regular Safety & Health Training	7,801	24 hours/year	Monthly	All Employees
5	Supervisor Training	125	16 hours/year	Annually	Supervisors
6	Hazardous Chemical Worker Training	767	2 hours/year	Annually	All On-site Employees
7	Hazardous Chemical Handlers Training	179	16 hours/2 years	Every 2 years	Direct Handlers

* Key Training Content by Training Program

① New Employee / Job Task Change Training: MSDS (Material Safety Data Sheets), emergency response procedures in the event of an accident, and 9 other topics

② Special Safety Training: Applicable work content among 38 designated tasks, including work inside chemical equipment tanks

③ Regular Safety & Health Training: Occupational safety/industrial accident prevention, occupational health/health hazard prevention, and 6 other topics

④ Supervisor Training: Determination/instruction of standard safe work procedures, fostering safety & health training capabilities, including communication and instructional skills, and 11 other topics

⑤ Hazardous Chemical Worker Training: Management of chemical hazards and safety, and 2 other topics.

⑥ Hazardous Chemical Handlers Training: Standards for hazardous chemical handling facilities, self-inspections, and 6 other topics.

Response to the Serious Accidents Punishment Act and Five Improvement Plans

In 2025, Hyosung Chemical conducted a company-wide assessment of compliance with the 13 mandatory obligations under the Serious Accidents Punishment Act. While the overall system, including the safety and health management policy, budget, personnel, risk assessments, and emergency response manual, has been operating stably, the assessment identified the need for improvements in five areas: collection of workers' opinions, safety and health training, emergency response drills, the roles of safety organizations, and the scope of risk assessments. We have designated these as our five key improvement initiatives and are implementing them in phases by establishing two-way communication channels, providing site-centered training by professional instructors, expanding complex disaster scenario drills, clarifying safety roles and responsibilities (R&R) in blind spots, and expanding the company-wide risk assessment system.

Items	Improvement Plan
Collection of Worker Opinions	Operate a two-way email communication channel and provide feedback on actions taken
Safety & Health Training	Establish a professional instructor pool, conduct site-based case training, and foster a worker-led learning and sharing system
Emergency Response Drills	Expand complex disaster scenario drills, regularize unannounced inspections, and review emergency response times
Safety Organization Role Management	Clarify safety R&R by organization and strengthen operational department-led response capabilities
Risk Assessment	Expand risk assessments to non-production facilities and external activities, and establish a company-wide integrated risk management system

Occupational Safety and Health Enhancement

Risk Management

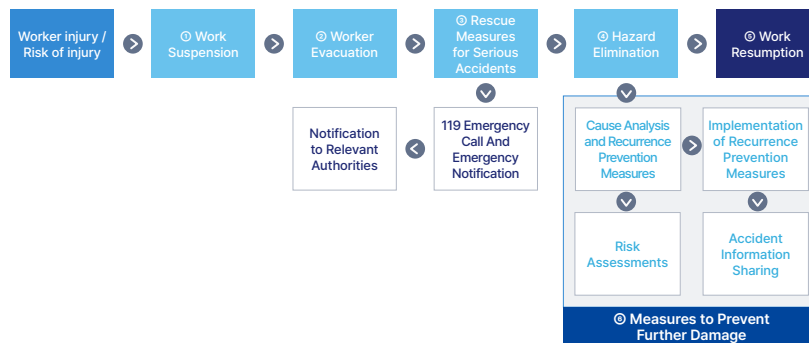
Emergency Response System Management

In 2025, Hyosung Chemical re-established its emergency response system and has been operating it to ensure that, as soon as an emergency such as a hazardous material leak, fire, explosion, or a serious industrial accident is detected, the site is immediately controlled and reporting and information dissemination take place without delay. The initial discoverer immediately notifies the control room and the site manager of the situation, after which the information is promptly shared with the plant manager and the CEO to enable rapid decision-making. In particular, when signs of a serious industrial accident involving a fatality or the risk of multiple casualties are detected, the Chief Safety Officer (CSO) and the safety and health organization are immediately activated to assess the scale of the accident and give priority to measures to prevent the spread of further damage. At the same time, we promptly notify the relevant government authorities, fire and emergency response agencies, and neighboring business sites ahead of the statutory deadline to ensure that external cooperation and rescue and emergency response activities proceed without delay. Following an accident, we promptly investigate the cause and establish measures to prevent recurrence, helping prevent risks across the entire workplace at an early stage.

Emergency Response System

Category	Reporting & Dissemination Methods	Deadline	Reporting & Dissemination Details
Report	Initial Report	Phone	Immediately upon accident recognition
	Ad-hoc Report	Phone / Written	Upon situation changes / additional information
	Comprehensive Report	Written	After the situation is resolved
Dissemination	Relevant Team Leader	Messenger / Phone	Immediately upon accident recognition
	Management Team Leader/ Headquarters	SMS / Messenger	Immediately upon dissemination
			Accident details
			Changes and additional information
			Detailed accident circumstances, initial response measures, recurrence prevention measures, future plans, etc.
			Accident details
			Sharing of disseminated information

Accident Investigation System



Occupational Health and Safety Management System (OHSMS) Certification

Hyosung Chemical operates a safety and health management system to prevent industrial accidents and ensure compliance with occupational safety and health regulations. The company also implements the PSM (Process Safety Management)¹ system in accordance with the Occupational Safety and Health Act.

1. Safety management system designed to prevent major industrial accidents through the systematic management of chemical substances and process risks in industrial workplaces

Site	PU, Division	Certification Status	PSM
Yongyeon Plant 1	PP/DH	KOSHA-MS	S
Yongyeon Plant 2	POK	KOSHA-MS	S
Yongyeon Plant 3	Film	-	-
	Optical Film	-	M+
Gumi Plant	Film	ISO 45001	S
Oksan Plant	Optical Film	-	S

Safety and Health Team Internal Audits of Partner Companies

Hyosung Chemical conducts an annual internal audit in accordance with PSM and KOSHA-MS requirements to systematically assess the occupational health and safety performance of all business sites. In 2025, under the supervision of the Safety and Health Team Leader, document reviews and on-site audits were conducted from September to October at all Hyosung Chemical plants, including the Yongyeon Plant, Gumi Plant, Oksan Plant, and M-PJT. A total of 124 nonconformities (93 CRs and 31 IRs) were identified. By audit category, the highest proportion of nonconformities was found in on-site audits (47%), followed by process risk assessments (14%) and process operation education and training (10%). The major findings included inadequate blocking of pipe flange sections, insufficient management of downstream valve opening after safety valves, and failure to conduct risk assessment training. Going forward, the Safety and Health Team will share the audit results with the audited teams and continuously verify and report the submission and implementation of improvement plans, enhancing the effectiveness of internal audits.

Risk Assessment Enhancement

In 2025, Hyosung Chemical systematically organized the work standards across all plants and conducted a total of 1,762 risk assessments, including job risk assessments, process risk assessments, and other risk assessments. Through these efforts, we enhanced the safety of the working environment by identifying and improving potential risk factors within our business sites in advance. As a representative improvement case, a risk assessment conducted in the process of Optical Film PU (Yongyeon) identified the possibility of static electricity being generated during inspection work on the upper part of hazardous chemical tanks. To mitigate the risk posed by static electricity, worker-dedicated static electricity discharge rods were installed at each hazardous chemical handling tank to enable the prompt removal of static electricity from workers' bodies. Through these measures, we further enhanced the safety of the working environment and established a safety management system that prioritizes worker safety.

Occupational Safety and Health Enhancement

Targets and Performance: Employees

Follow-up Management Based on Employee Health Examination Results

From May to August 2025, Hyosung Chemical conducted general, special, and pre-placement health examinations for a total of 491 Yongyeon Plant employees at Dongkang Hospital. As a result of the examinations, a total of 290 employees were identified as having abnormal findings or requiring observation. Among them, two employees classified as D1 (occupational disease findings) were provided with protective equipment and guidance on its use, and a hearing conservation program was implemented. The remaining employees were provided with follow-up management measures, including medical treatment and health counseling.

As the follow-up management opinion for the two D1 cases was classified as "follow-up examination (provision of protective equipment and guidance on its use, and follow-up examination required within one year)," they are not subject to the submission of a follow-up management results report under Article 132, Paragraph 5 of the Occupational Safety and Health Act.

PU	Category	Employees with Abnormal Findings			Employees Requiring Observation				Total
		D1 Occupational disease	DN Disease	D2 General	C1 Occupational disease	CN Disease	C2 General	C No Classification	
PPDH	Special / Pre-placement	2	4	2	20	21	28	-	77
	General	-	-	15	-	-	-	44	59
POK	Special Pre-placement	-	3	-	-	3	10	-	16
	General	-	-	3	-	-	-	19	22
Film	Special	-	3	2	-	20	14	-	39
	General	-	-	8	-	-	-	26	34
OPT Film	Special Pre-placement	-	2	1	-	6	13	-	22
	General	-	-	2	-	-	-	19	21
Total		2	12	33	20	50	65	108	290

Survey of Musculoskeletal Risk Factors in Tasks

In November 2025, we conducted a survey on musculoskeletal risk factors for tasks across all processes at the Yongyeon Plant. The survey was carried out using a relevant checklist, and as a result of the review, all processes were determined not to correspond to tasks with musculoskeletal risk factors, and the survey was completed at the checklist stage.

We protect the musculoskeletal health of our employees by eliminating potential risk factors through continuous process improvement, conducting periodic risk factor surveys, and carrying out ad-hoc surveys when work-related musculoskeletal disorders occur.

Inspection of AEDs and Oxygen Respirators

In January and July 2025, Hyosung Chemical conducted regular inspections of AEDs (Automated External Defibrillators) and oxygen respirators across all business sites at the Yongyeon Plant. A total of 9 AEDs and 13 oxygen respirators deployed at Plant 1 (PP C/R, DH C/R, Logistics Team), Plant 2 (Health Management Room, OSBL C/R, POK C/R), and Plant 3 (Optical Film, Film Water Membrane Room, and Film Logistics Team) were inspected item by item, including charging status, electrode pad expiration dates, replacement of consumables, and operational condition. In addition, pressure levels and charging deadlines for each device were recorded and verified.

We are continuously monitoring the operational status of each device, consumable expiration dates, charging deadlines, and pressure levels and conducting proactive replacement prior to expiration to maintain a continuous operational system that enables immediate response in the event of an emergency.

Forklift Safety Inspection at Business Sites

In July 2025, as part of the Environmental Safety Manager's inspection items, forklift safety inspections were conducted across all business sites in the Yongyeon, Gumi, and Oksan Plants. As a result of the inspection, a total of 13 areas requiring improvement were identified. By inspection category, the required improvements were classified into 5 cases for lighting and signaling devices, 3 cases for driver protection and exterior conditions, 2 cases for forklift performance and recording devices, and 3 cases for others. All identified items were fully addressed within the inspection period, and on-site improvements were implemented, including the installation of reverse warning lights, replacement of black boxes, and updates to work plans. The PP, DH and POK sites were confirmed to have no issues in all items.

Inspection Details by Forklift Inspection Item

Inspection Item	Inspection details
㉠ Lighting and Signaling Devices	Headlights, Taillights, Rear Camera, and Warning Lights
㉡ Safety Structures	Cracks and Bolt Loosening in Head Guard and Backrest
㉢ Braking and Steering Systems	Foot Brake, Parking Brake, Steering Wheel
㉣ Loading/Unloading and Hydraulic Systems	Fork Operation and Hydraulic Hose Leakage
㉤ Driver Protection and Exterior Condition	Seat Belt, Safety Door, and Reflective Tape
㉥ Performance and Recording Devices	Black Box (Dashcam) and Speed Limiting Device
㉦ Others	Work Plan Availability and Operation by Qualified Operators

Confined Space Survey by Plant

In 2025, Hyosung Chemical conducted a comprehensive plant-by-plant review of confined spaces across the Yongyeon Plants 1, 2, and 3, the Gumi Plant, and the Oksan Plant. Confined spaces are defined as areas with limited oxygen circulation, such as tanks, pipelines, underground spaces, and manholes. In consideration of recent accident cases, gas storage and handling areas, electrical rooms, and slurry sediment storage areas were additionally included in the management scope. Through this review, the number of managed confined spaces increased by a total of six locations, including two wastewater pits at Yongyeon Plant 3, three electrical rooms, and one non-point source pollution reduction facility, bringing the total number of confined spaces across all business sites to 1,127.

In addition, carbon dioxide (CO₂), carbon monoxide (CO), and hydrogen sulfide (H₂S) were designated as hazardous gases based on the characteristics of substances handled at each plant, and corresponding gas measurement standards were established. Hazardous gases requiring further evaluation (e.g., chlorine) were separately identified by plant. Through the revision of the confined space safety work guidelines, we are reflecting the updated status and maintaining a periodic re-evaluation system to systematically manage hazardous factors and risk conditions during confined space operations across all sites.

Smoking Cessation Clinic Operation

From March to November 2025, we implemented a smoking cessation program linked with the Ulsan Nam-gu Public Health Center mobile smoking cessation clinic for 10 employees at the Yongyeon Plant. A professional smoking cessation counselor visited the workplace every 2–3 weeks and conducted face-to-face counseling for 8 weeks, followed by continuous follow-up management through telephone counseling for up to 6 months. Smoking cessation aids (patches and gum) and behavioral reinforcement materials were provided, and progress evaluations at 3 months and 6 months (exhaled carbon monoxide testing and urine nicotine testing) were conducted. As a result, 3 out of 10 participants were ultimately confirmed as successful in smoking cessation.

We are continuously operating the mobile smoking cessation clinic program in cooperation with the public health center to encourage voluntary smoking cessation participation among employees. In addition, we are making efforts to expand a smoke-free workplace culture for the prevention of cardiovascular and cerebrovascular diseases and the establishment of a health-oriented working environment.

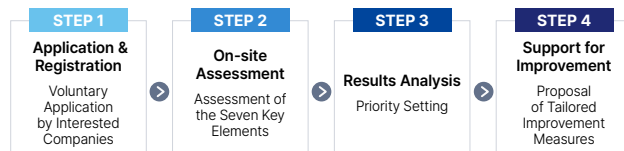
Occupational Safety and Health Enhancement

Targets and Performance: Partner Companies

Safety and Health Management System Consulting

Hyosung Chemical provides customized consulting to help its partner companies establish and continuously operate their own safety and health management systems. The consulting is conducted based on the KOSHA (Korea Occupational Safety and Health Agency)'s Guide for Supporting the Establishment of Safety and Health Management Systems in Small-Scale Workplaces and utilizes a partner company safety and health level assessment tool developed in-house to enhance the consistency and effectiveness of the assessment. The program is operated on an application basis for on-site partner companies that wish to participate, encouraging voluntary participation and fostering an autonomous safety culture among partner companies.

The consulting assesses on-site safety and health management based on seven key elements: (1) identification of hazardous factors, (2) elimination, substitution, and control, (3) management leadership, (4) worker participation, (5) emergency response planning, (6) contracting, outsourcing, and commissioning, and (7) establishment of safety and health plans. Based on the assessment results, we develop recommendations for improvement and propose practical improvement measures tailored to each partner company according to priorities reflecting severity weighting. Through this process, we support our partner companies in identifying their own areas for improvement and strengthening their capability to implement systematic improvements.



Strengthening Safety Communication with On-Site Partner Companies

Hyosung Chemical operates a monthly safety and health council for its on-site partner companies in accordance with Article 64 of the Occupational Safety and Health Act and Article 79 of its Enforcement Rules. The council is attended by the Safety and Health Officer, representatives of on-site partner companies, and personnel in charge to discuss safety and health issues, share accident cases and establish measures to prevent recurrence, disseminate amendments to laws and regulations, and collect suggestions from partner companies.

In 2025, a total of 74 cases were received (an average of six per month), and all were addressed by January 2026, achieving a 100% action completion rate. All cases across nine categories, including traffic safety, facilities, and process safety, were resolved within the designated timeframe.

Power Tool Inspection for On-Site Partner Companies

In October 2025, Hyosung Chemical conducted a comprehensive on-site inspection of portable electric machinery and tools used by its on-site partner companies at each plant. The inspection was systematically carried out based on six common inspection criteria, including wire insulation, residual current devices, double insulation structures, grounding terminals of electrical outlets, and multi-outlet extensions, as well as seven purpose-specific inspection criteria, including the storage of damaged blades, the condition of safety guards, and the operation of automatic electric shock prevention devices.

As a result of the inspection, we identified a total of 24 items requiring improvement across all business sites, including Yongyeon Plants 1, 2, and 3, the Gumi Plant, and the Oksan Plant, and addressed all 24 items (100%) within the inspection period. The most common finding was damaged power cable insulation (13 cases), followed by damaged housings, unsecured safety guards, and inadequate grounding.

Award for Outstanding Partner Companies

Hyosung Chemical conducts an annual safety and health level assessment for its on-site partner companies operating at its plants to encourage them to voluntarily enhance their safety management capabilities and promote a strong safety culture. We conducted a comprehensive safety management assessment covering 10 evaluation criteria for 23 on-site partner companies operating at our plants. Based on the assessment results, we presented incentive awards funded through the Win-Win Cooperation Fund in April 2025 to the top two companies selected as Grade A in safety management. The first-place recipient, Jusol Industry, achieved an accident-free record, including near-miss accidents, while performing high-risk operations such as receiving and preparing stabilizers for the PP process, transporting waste, handling heavy materials, and working in high-temperature environments. The second-place recipient, Dongsan ENG, likewise maintained an accident-free record while carrying out electrical and instrumentation work, routine maintenance at Plant 1, and DH/UT overhaul operations. Through this award program, we enhance the morale of employees at outstanding partner companies while encouraging other partner companies to benchmark their safety management practices, contributing to the overall improvement of safety standards across all on-site partner companies.

Joint Safety Inspection with Partner Companies

In accordance with Article 82 of the Enforcement Rules of the Occupational Safety and Health Act, Hyosung Chemical operates a joint inspection team consisting of one representative each from the principal employer, the relevant contractor, and employees to conduct safety inspections of partner company workplaces at least once every quarter. During the inspections, we focus on verifying the proper use of PPE (personal protective equipment), compliance with safety procedures, identification of hazardous factors, and the safety management practices of partner companies.

In 2025, we identified a total of 169 hazardous factors across all plants and PUs. We completed corrective actions for all identified items, achieving a 100% improvement rate. By site, we identified 48 hazardous factors at the Gumi Plant, 41 at the Oksan Plant (OF), and 34 at PP/DH. We also completed immediate corrective actions for all identified hazardous factors and non-conformities and continue to enhance the safety standards of partner company workplaces through prompt follow-up management.

Providing Safety Information to Partner Companies

In accordance with Article 65 of the Occupational Safety and Health Act, Hyosung Chemical provides all partner companies with safety and health information when entering into contracts. The Environmental, Safety and Health Manual for Partner Companies, distributed at the beginning of each year, systematically contains essential safety and health information for on-site operations, including workplace information, emergency alarm systems and evacuation procedures, response procedures for hazardous situations, standards for wearing PPE in process areas, the types and hazards of hazardous chemicals handled, response procedures for chemical exposure, waste segregation and disposal methods, guidance on general and special health examinations, and instructions for preparing safety work plans for partner companies. Partner companies are required to keep the manual and provide prior training to their employees before commencing work. In addition, in accordance with Article 79 of the Enforcement Rules of the Occupational Safety and Health Act, we hold a safety and health council meeting once every month. During the meetings, we share accident cases from other companies, provide information on hazardous chemicals such as MSDS (Material Safety Data Sheets), review near-miss statistics and improvement cases, and collect and address suggestions from partner companies to continuously enhance on-site safety management. Through these activities, we strengthen safety awareness among partner company employees and make a meaningful contribution to the prevention of serious industrial accidents.

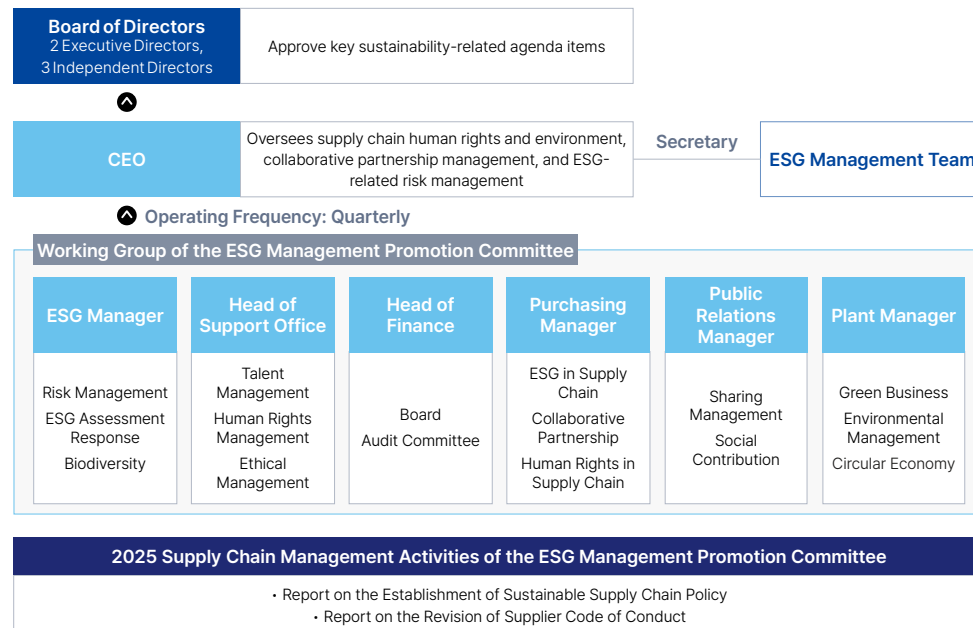
Sustainable Supply Chain

Governance

Supply Chain Management Governance

Hyosung Chemical recognizes supply chain management as a key area of business for enhancing corporate sustainability. We manage major supply chain matters by reporting the status, plans, and key agenda items related to supply chain management to the ESG Management Promotion Committee chaired by the CEO on a quarterly basis. The Committee reviews and manages matters including the selection of key suppliers, supplier re-evaluations, and the selection of shared value partners. Going forward, its scope will be expanded to include management activities related to supply chain due diligence from a company-wide supply chain management perspective, rather than by individual business divisions.

Supply chain management is one of the most important business functions for creating value across our overall operations, and we communicate major issues with the CEO through the Weekly Management Meeting whenever they arise. While the ESG Management Promotion Committee, led by the ESG Management Team, oversees sustainability-related issues, the Weekly Management Meeting, managed by the Corporate Strategy Office, is responsible for the overall management of company operations. Through this consultative body, we communicate with the CEO on a weekly or biweekly basis. In particular, amid the significant impact of the 2026 U.S.–Iran war on the domestic petrochemical industry, we were able to maintain a sustainable supply of raw materials by responding to rapidly changing business conditions.



Strategy

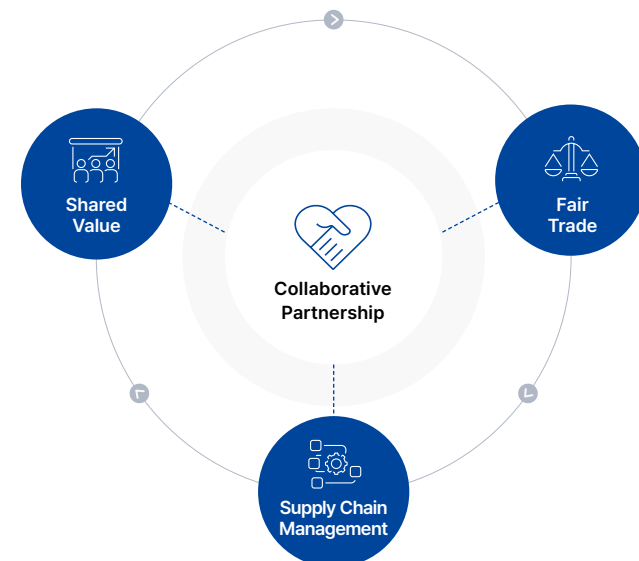
Sustainable Supply Chain Policy

[Sustainable Supply Chain Policy](#)

Hyosung Chemical strives to enhance sustainability across its supply chain by establishing the Sustainable Supply Chain Policy to fulfill its corporate social responsibility for human rights and environmental issues that may arise throughout the value chain. The Policy was established with reference to internationally recognized standards, including those of the International Labour Organization (ILO), the Organisation for Economic Co-operation and Development (OECD) Guidelines, and the EU Corporate Sustainability Due Diligence Directive (CSDDD).

We define our supply chain as encompassing stakeholders throughout the entire lifecycle, from the procurement of raw and sub-materials to manufacturing, transportation, and distribution until products and services are delivered, thereby ensuring that no blind spots arise in supply chain management. The Procurement Department assesses risks when selecting new suppliers and reflects the results in the evaluation process. For key partner companies, we conduct annual supplier re-evaluations to identify, prevent, eliminate, and mitigate actual and potential risks.

We are committed to minimizing the environmental impact of our operations by pursuing green procurement. The Procurement Department actively seeks products that contain fewer hazardous substances, generate less waste, or consume fewer resources, while also identifying opportunities to transition to recycled or bio-based materials. Additionally, to reduce GHG emissions, we manage Scope 1, Scope 2, and Scope 3 emissions, with plans to continuously expand the scope of our emissions management.



Sustainable Supply Chain

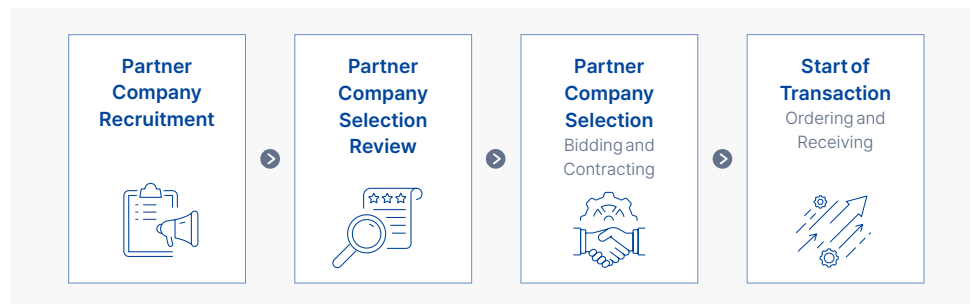
Risk Management

Strengthening Supply Chain Risk Assessment

Hyosung Chemical strives to establish fair and transparent criteria for partner company selection and conducts registration assessments for all new partner companies as part of its supply chain risk management. When registering new partner companies, we evaluate not only traditional criteria such as quality, delivery, price, and business performance, but also compliance with environmental and safety legal requirements, as well as the level of ethical management in areas including human rights and labor.

In addition, we conduct annual re-evaluations of existing partner companies and implement differentiated follow-up measures based on the evaluation results.

Partner Company Selection Process



Assessment Criteria and Scoring

Criteria	Business Performance	Human Rights Management	Environmental and Safety Assessment
Scoring	50	30	20

Follow-up Actions by Evaluation Result

90 and above	80 and above	70 and above	60 and above	Below 60
Grant priority in contract allocation and exemption from re-evaluation the following year	Grant priority in contract allocation	Business relationship maintenance	Warning issuance and placement under close supervision; special review within three months	Business relationship suspension

Key Supplier Selection through Supply Chain Mapping and Screening

In accordance with the Sustainable Supply Chain Policy, Hyosung Chemical manages supply chain ESG risks by selecting key suppliers for management. In addition to transaction volume and supplier substitutability, the Procurement Department conducts supply chain mapping of key suppliers and screens their sustainability by assessing environmental and human rights risks, regional and country risks, suppliers' compliance and regulatory violation history, and ESG management systems to determine whether they fall into a high-risk category. For suppliers identified as high risk, due diligence is conducted to mitigate risks. In addition to providing recommendations for improvement, we also implement BCP (Business Continuity Plan) management to help secure a sustainable supply chain.

In 2025, we selected 18 suppliers as key suppliers for management and verified their supply chain risks. We are continuing the selection of key suppliers for management in 2026.

2025 Supply Chain ESG Risk Assessment

2025 Supply Chain ESG Risk Assessment	Performance
Selection of Key Suppliers for Management	18 suppliers
Document-Based Due Diligence	45 suppliers
On-site Due Diligence	1 supplier

Supplier Code of Conduct Revision

[Supplier Code of Conduct Policy](#)

Hyosung Chemical revised its Supplier Code of Conduct to fulfill its corporate social responsibility and promote sustainable development not only within the Company but also across all companies throughout the value chain. The revision clearly defined the scope of application by expanding its coverage to the entire value chain and broadened the Code to encompass participation in ESG assessments and due diligence. In 2025, 36 partner companies signed the Supplier Code of Conduct. We will continue to work together with our partner companies to achieve sustainable business operations.

Sustainable Supply Chain

Risk Management

Establishing Fair Trade Practices

Hyosung Chemical strives for sustainable supply chain management by mitigating risks related to fair trade and maintaining order through regular supplier re-evaluations.

Ensuring Supply Chain Reliability

We periodically re-evaluate registered suppliers every year to systematically assess various aspects, including financial stability, quality, and delivery performance. Through this process, we enhance the reliability and transparency of the supply chain.

Establishing a Fair Trade Culture

Based on the results of supplier re-evaluations, we provide specific feedback and requests for improvement to suppliers requiring improvement. We focus on maintaining sound and fair trading relationships.

Strengthening Sustainable Partnerships

We foster outstanding suppliers as long-term partners, and

when risks are identified, we respond promptly to strengthen supply chain sustainability.

Legal and Ethical Compliance

During the re-evaluation process, we periodically verify compliance with legal and ethical requirements, including ESG (Environmental, Social, and Governance) standards and the Subcontracting Act to uphold the principles of fair trade.

Strengthening the Foundation for Competitiveness

Based on the evaluation results, we implement strategic improvements to enhance supply chain competitiveness and continuously improve the efficiency of the overall supply chain.

Compliance with Fair Trade Responsibilities

Hyosung Chemical continuously strives to establish systematic operations and an internal culture to fulfill and uphold its fair trade responsibilities.

Strengthening Internal Policies and Regulations

We continuously strengthen our internal regulations and management systems based on fair trade laws and ethical management guidelines. We regularly conduct training for employees to enhance their understanding and implementation of relevant policies. In 2025, all members of the Purchasing Team completed training on fair trade and subcontracting.

Proactive Monitoring and Self-Inspection

To prevent the occurrence of unfair practices in advance, we monitor the entire transaction process and conduct self-inspections. Through this, we detect even minor potential violations early and take prompt corrective measures.

Expanding Ethical Management Training for Employees

We continuously expand fair trade and ethical management training for employees to raise awareness and encourage

voluntary compliance. We also provide specialized training for new employees and employees in key positions.

Operating Internal Reporting and Consultation Channels

We operate internal reporting and consultation channels for employees and stakeholders to ensure prompt and transparent handling of fair trade-related inquiries and violations.

Promoting a Fair Trade Culture

We foster a culture of fair competition and transparent transactions across all business activities and actively encourage partner companies to comply with fair trade principles, thereby enhancing trust across the industry.

Targets and Performance

Collaborative Partnership

Hyosung Chemical regards shared value with its partner companies as a core management philosophy and operates various collaborative partnership policies and support programs. Based on regular communication with suppliers and the collection of their feedback, we continue to strengthen practical cooperation measures, including customized technical support, consulting for quality and environmental improvements, and financial and educational support to help address management challenges. In addition, we are committed to establishing a fair and transparent trading environment while building long-term partnerships based on mutual trust.

Going forward, we plan to expand our collaborative partnership programs so that all of our partner companies can grow together and to play a leading role in ESG-based sustainable supply chain management and the development of the industrial ecosystem.

Collaborative Partnership Support Programs

Support Programs	Support Details	No. of Beneficiaries
Safety and Health	- Safety manager appointment - Safety equipment purchase - Safety Incentive	- 17 - 2 - 2
Occupational Environment	- Portable air conditioner purchase for rest areas and other facilities - Provision of PCs	- 4 - 10
Market Access Expansion	- Payment guarantee fees to secure credit	- 27
Business Capabilities	- Production equipment design and manufacturing costs	- 1
Productivity	- Raw material tanks for production automation	- 1
ESG Management	- GRS ¹ certification costs for partner companies	- 1

1. GRS(Global Recycled Standard): An international certification standard for products made from recycled materials. As a global benchmark for environmental sustainability, GRS certifies products based on a comprehensive evaluation of the use of recycled materials, social and environmental responsibility throughout the production process, and transparent supply chain and traceability systems.

Preferential Payment Terms for Designated Shared Value Partners

We objectively verify the performance and reliability of outstanding partner companies through regular evaluations and apply differentiated payment terms based on the results. We provide outstanding partner companies with preferential payment terms, including early payment, to support their financial liquidity and business stability. This policy is part of our collaborative partnership initiatives designed to encourage partner companies to voluntarily improve quality, delivery performance, and ethical management, while fostering long-term trust and creating shared value with them. In 2025, we selected five partner companies, improving their cash flow and reducing their interest burden. Going forward, we will continue to expand various preferential policies to provide practical support for outstanding partner companies and promote a fair trading environment.

Communication Oriented Management

Governance and Strategy

C-Cube System Upgrade

Since introducing the C-Cube System in 2019, Hyosung Chemical has embedded the 4A+1A process and has been conducting Real VOC analysis through multi-dimensional data collection. Our ultimate goal is to identify customers' unmet needs and even issues they have not yet recognized, and to deliver meaningful solutions. C-Cube activities also contribute to the discovery of new eco-friendly projects and the enhancement of brand value.

The C-Cube System is a Big Data Platform applied across all functions, including sales, quality, marketing, and production. All records are accumulated in a database and utilized for data analysis. By establishing PU-specific management categories and importance levels, along with specialized keyword analysis functions, we enable operations optimized for the characteristics of each business.

In 2025, we launched C-Cube 2.0, transitioning from the previous simple case-count inquiry method to an AI-based VOC automatic summarization and report generation system. We completed the rollout in the second half of 2025 by integrating business trip reporting and VOC input into a single C-Cube 2.0 system, thereby eliminating duplicate tasks and improving data quality. By applying Vision AI and the GPT-4.1 engine, we continue to enhance the quality of text extraction from image-based VOCs and multilingual summarization.



Capture

Registering and Capturing VOC in a Timely Manner

- Register consultation details within D+3 days
- Register VOC collected each week in C-Cube
- Enter text directly or attach photos/images



Refine

Refining and Standardizing VOC with AI

- Automatically extract text from images/photos
- Provide both a Korean summary and the original text
- Evaluate the business impact (importance) of each case
- Standardize by customer, competitor, product attributes, and other categories



Utilize

Utilizing Refined VOC in Business Operations

- Check VOC from other subsidiaries/PUs
- Prepare for consultations quickly and effectively using the AI chatbot
- Instantly search for the required VOC using search keywords
- Identify trends through weekly and monthly summary reports

Activities to Promote a Communication Culture

Hyosung Chemical conducts online training using communication campaign videos to promote employee communication and continues its efforts to foster a communication culture in the workplace.

Encouraging Participation through Campaign Merchandise

To encourage employee participation in the campaign, we handed out campaign merchandise (mouse pads and leaflets) featuring messages on the importance of communication and practical ways to put it into practice.



Dialogue with the CEO

Hyosung Group regularly holds a "Chi-Mac (Chicken and Beer) TIME" event, where top management and employees freely share their concerns and opinions, promoting communication and strengthening relationships within the organization. By directly listening to and reflecting diverse voices and suggestions from the workplace, the Group is laying the foundation for sustainable growth through communication that breaks down barriers.



Risk Management

Quality Response Process

Upon receiving customer complaints regarding product safety or quality, Hyosung Chemical promptly investigates the root cause and establishes preventive measures to avoid recurrence. If the issue is found to be attributable to our fault, we initiate a compensation process to strengthen customer trust and satisfaction.

Customer complaints related to product quality are handled through a four-step process. In the first step, the sales team receives and records the customer's complaint. In the second step, relevant departments, such as Quality Assurance and Production, collaborate to identify the root cause of the issue. In the third step, an official response is provided to the customer. If the issue is found to be attributable to Hyosung Chemical, the compensation method and amount are discussed and agreed upon with the customer. Finally, in the fourth step, the complaint is formally closed, and the effectiveness of the implemented preventive measures is reviewed to ensure recurrence is avoided.

Additionally, we regularly hold technology exchange meetings with our customers to directly hear and understand their needs. These customer requests are recorded in the C-Cube system so that employees can incorporate them into their daily operations.

Customer Complaint Handling Process

Step	Detail	Team in Charge
Receipt	Receive and log a quality complaint from a customer	Sales
Action	Investigate the root cause, develop and implement preventive actions	Quality Assurance (QA) and other production-related teams
Compensation Plan Discussion	Discuss and agree on a compensation plan with the customer	Customer Service (CS)-related teams, including Customer Technical Support and Technical Support (TS) teams
Closure	Evaluate the effectiveness of preventive measures	QA and production-related teams

Communication Oriented Management

Risk Management

Communication and Operational Processes to Enhance Customer Value

Hyosung Chemical operates various communication channels and systematic work processes to enhance customer value. First, to promptly identify and respond to customer requirements, we have established a VOC (Voice of Customer) system to collect and analyze customer opinions and suggestions in real time. In addition, we regularly conduct customer satisfaction surveys and questionnaires to directly identify areas for service improvement, and based on the results, we continuously enhance product quality and service levels. From a work process perspective, we have established customer response manuals and standardized processes for each responsible department to ensure prompt and consistent responses to customer inquiries and requests. We also provide efficient solutions to complex or specialized requirements through cross-departmental collaboration. Furthermore, we hold regular working-level meetings and workshops with customers to actively reflect customers' opinions on actual usage environments from the early stages of product development and communicate transparently from the selection of improvement tasks to the sharing of results. Throughout every process, we place the highest priority on customer-centered work values and mutual trust, with the core goal of delivering satisfaction and value that customers can genuinely experience.

Webinar

Hyosung Chemical regularly holds webinars to strengthen real-time communication and technical information sharing with customers. Through these webinars, we transparently provide a wide range of information, including product features and benefits, application cases, and the latest industry trends, while responding promptly to customers' questions and requests. Customers participating in the webinars can ask questions directly to experts and immediately obtain the information they need for their work. Based on their feedback, we actively incorporate customer opinions to continuously enhance the quality of our products and services. Going forward, we will continue to expand our online communication platforms, including webinars, to create new customer value and enhance customer satisfaction.

Targets and Performance

Improving Customer Access to Information

Hyosung Chemical is putting customer-centric management into practice by comprehensively improving packaging bag designs and sizes to enhance not only product quality but also customers' actual usage environment and convenience of information access. The POK Business Division has improved packaging bag designs and sizes to enhance customer safety, information accessibility, and practicality throughout the entire process, from product delivery to use. Environment- and safety-related information has been expanded and displayed in multiple languages, and the packaging bags are now available in customer-requested sizes.

Enhanced Packaging Bag Information with Consideration for User Safety and the Environment

- Previously, the packaging bags were limited to displaying the logo and non-hazardous information. The redesigned packaging includes detailed information, such as POK's GHG emission index, key advantages including efficiency and durability, and processing precautions.
- Safety and usage warnings on the back of the packaging have been expanded from Korean only to multiple languages, including English and Chinese, to better serve global customers.

Customized Packaging Sizes to Enhance Customer Convenience

- For Big Bags, the size has been changed to a 1,000 kg capacity, reflecting customer requests and transportation and storage efficiency.

Continuous Improvement of Packaging Design and Size

- Improved packaging designs were promptly introduced based on external consulting experts' opinions and on-site feedback, enhancing customer value.

Closer Communication with Customers Through Global Exhibitions

Hyosung Chemical actively gathers inquiries from prospective customers and feedback from partner companies through various communication channels, including global exhibitions, regular seminars, and the VOC system. Through a team-based professional response system and the sharing of customized application cases, we further enhance our customer-tailored services. We also take the lead in realizing customer-centric management by fostering continuous communication and expanding collaboration with domestic and international customers.

POK Seminars and Enhanced Communication with Customers During K-Show and K-Fair

- 42 POK Business Division meetings, more than 50 customer consultations, and inquiries from prospective customers, etc.
- Sharing application cases, including the use of Hot Runner products, with partner companies in industries such as EVs and food.
- Categorizing customer requests and inquiries and providing tailored responses by clearly defining team-specific roles and responsibilities.

Strengthening Global Customer Communication Platforms and Marketing

- Regularizing regional POK seminars (Korea, China, Europe, and the Americas) to identify prospective customers and expand partnerships
- Planning to expand the operation of booths at global exhibitions once a year while continuing customer-centric marketing strategies

Practicing Communication Oriented Management

At Hyosung Chemical, the CEO establishes a plan at the beginning of each month to hold "CEO Luncheon and Tea Time" sessions with operational teams to strengthen communication not only with management, including executives and team leaders, but also with all employees. Through these sessions, employees can communicate directly with the CEO in an informal setting about matters they would normally find difficult to report to management. This enables the CEO to listen to the candid opinions of frontline employees on VOC (Voice of Customer), VOCC (Voice of Customer's Customer), VOCO (Voice of Competitor), VOP (Voice of Partner), and VOM (Voice of Market), while ensuring that even the smallest pieces of information are treated as important.

Respect for Human Rights of Employees

Governance

Human Rights Governance

Hyosung Chemical strives to respect the human rights of not only its employees but also various stakeholders throughout its business operations. In June 2025, we strengthened our Human Rights Management Policy by revising and further formalizing our human rights policy to ensure that human rights management is practiced throughout our management activities. In addition, we identify stakeholders who are vulnerable to human rights risks and continuously assess and manage them to improve respect for their human rights.

While human rights management is one of the most important aspects of sustainability management, it is also challenging to manage effectively in practice. Accordingly, we integrated governance into the ESG Management Promotion Committee, chaired by the CEO, to conduct monitoring and improvement activities at least once every quarter. This process has been enhanced by going beyond discussions centered on the HR function to involving all business functions in reviewing related issues and establishing and disseminating relevant guidelines, ensuring that human rights management is addressed throughout the Company. Furthermore, we are reviewing the establishment of a Group-level council led by the ESG and HR functions to ensure that human rights management is addressed and continuously improved across the Group.

Mid- to Long-Term Roadmap for Human Rights Management

Hyosung Group has unified its human rights management policy across its affiliates and established common goals and standards. Based on this framework, the Group has advanced its human rights management approach by having each affiliate establish detailed implementation strategies tailored to its business characteristics. In line with the Group-wide mid- to long-term roadmap established in 2026, Hyosung Chemical is developing its detailed implementation strategy and will complete it within 2026.

Hyosung Group Human Rights Management Implementation Framework

Principles and Governance	Operate Group-wide human rights policies and standards and designate responsible personnel and departments
	Status CEO Declaration on Human Rights Management Human Rights Management Policy and Supplementary Policies 
Operation and Internalization	Integrate human rights principles into the work procedures of each department and conduct training and campaigns to promote consideration of human rights in daily operations.
	Status Online Human Rights Training Pledge of Compliance with Supplier Code of Conduct 
Human Rights Risk Assessment and Response	Assess human rights risks through regular human rights impact assessments and operate channels for ongoing grievance handling and reporting.
	Status Annual Human Rights Impact Assessment Whistleblowing Center HR Counseling Center 
Reporting and Disclosure	Report key human rights issues to the Board of Directors and management and actively communicate with stakeholders.
	Status Sustainability Report Publication Disclosure on the Company Website 

Hyosung Group Common Mid- and Long-term Human Rights Management Goals

	2027 Short-term Goals	2029 Mid-term Goals	2031 Long-term Goals
Principles and Governance	Designate human rights personnel for each participating company and operate a regular Group working-level council	Document role-sharing for human rights management and collaboration procedures for each participating company	Establish annual human rights management plans and review the previous year's implementation results for each participating company
Operation and Internalization	Conduct anti-discrimination, anti-harassment, and anti-retaliation pledges for managers, and provide in-person training on organizational management measures	Review and improve work procedures for human rights risk-related tasks and provide training for personnel in charge	Conduct company-wide human rights protection campaigns
Human Rights Risk Assessment and Response	Improve human rights impact assessment questions and evaluation methods	Manage the results of human rights impact assessments and grievance and reporting cases through an improvement task management register	Conduct pilot human rights assessments for at least one overseas subsidiary and one key partner company.
Reporting and Disclosure	Each participating company reports human rights management activities at least once a year to the Board of Directors and ESG Management Promotion Committee	Publicly disclose the implementation status of human rights improvement initiatives and key outcomes	Obtain third-party assurance for the Hyosung Group Human Rights Management Report and publicly disclose the report

Strategy

Human Rights Management Strategy

 Human Rights Management Policy

Establishing Hyosung Chemical Human Rights Management System

Based on the Group's founding philosophy of "Respect for Humanity," Hyosung Chemical has established a human rights management system and formulated a Human Rights Policy in accordance with international standards, including the Universal Declaration of Human Rights (UDHR) and the UN Guiding Principles on Business and Human Rights (UNGPs). The policy is publicly available on the Company's website. We encourage compliance with this policy not only by our domestic and overseas employees but also by all external stakeholders, including partner companies, distributors, and customers.

Compliance with International Human Rights Standards

Through our Human Rights Policy, we actively ensure compliance with global human rights standards, including Principle 1 (Businesses should support and respect the protection of internationally proclaimed human rights) of the UNGC (UN Global Compact) Ten Principles, the Universal Declaration of Human Rights, the ILO Core Conventions, the OECD Guidelines for Multinational Enterprises, and the EU Corporate Sustainability Due Diligence Directive.

Human Rights Impact Assessment and Risk Management

Since 2022, we have worked with an external consulting firm to annually review and improve our internal checklist for human rights impact assessments. Through this process, we prevent human rights violations and respond promptly to identified risks.

Human Rights Management Training, Grievance Handling, and Monitoring

We regularly conduct human rights management training as required by domestic law and has established and operates grievance handling and remedy processes. In addition, we monitor and manage our human rights management performance through the ESG Management Promotion Committee.

Strengthening Partner Company and Supply Chain Ethics

We have developed and distributed a Code of Conduct for partner companies across our supply chain to protect human rights, including the prohibition of child labor, forced labor, and human trafficking, and obtains signed pledges from them.

Continuous Improvement

We continuously update our relevant policies to reflect global human rights management trends and requirements while strengthening a culture of respect for human rights.

Respect for Human Rights of Employees

Strategy

Human Rights Training

Hyosung Chemical conducts various human rights training programs every year to enhance employees' awareness of human rights, establish human rights management throughout the organization, and foster a culture of respect for human rights. All employees receive training on a wide range of human rights-related topics, including the prevention of discrimination and harassment, disability awareness and diversity, prevention of sexual harassment, anti-corruption, and fair trade.

Training for Retiring Employees

To support employees' successful career transitions, we provide reemployment support training for employees approaching retirement. We will continue to operate systematic reemployment support programs to help retiring employees adapt smoothly to society and take on new challenges.

HR Counseling Center

We actively collect employees' grievances and concerns and develop practical solutions to create a healthy working environment where employees can focus on their work. By listening to employees' diverse opinions and suggestions and continuously identifying improvement measures, we strive to foster a sound labor-management culture based on mutual respect and consideration. Going forward, we will continue to build trust through communication and cultivate an organizational culture in which everyone can grow together.

Human Rights Violation Redress Procedure

Reporting	Reporter or victim
Receipt	Registered in the Human Rights Violation Reporting Book
Consultation & Reporting	Human Rights Management Officer receives the human rights violation report and reports the facts of the case
Investigation	Case investigated within 7 days of receipt
Committee Deliberation and Approval	Dismissal, recommendations for correction and action
Correction & Action	Corrective measures and recommendations are implemented
Reporting & Disclosure	The case is reported to top management and disclosed as necessary

Risk Management

Human Rights Risk Assessment System

Based on the fundamental principles of its Human Rights Management Policy, Hyosung Chemical has established a human rights risk management system and regularly assesses human rights risks related to the working environment, working conditions, workforce management, occupational safety, local communities, and customers.

Implementation of Human Rights Impact Assessments

Hyosung Chemical conducts annual human rights impact assessments based on the Business and Human Rights Reporting and Assessment Directive provided by the National Human Rights Commission of Korea. To enhance the expertise of the assessments and conduct multi-faceted analyses, our certified labor attorney and external professional institutions collaborate to identify stakeholders vulnerable to human rights risks, derive key findings, and implement improvement measures. In 2025, we revised our Human Rights Management Policy to clarify the roles and responsibilities for human rights management and establish a human rights risk management system to ensure that risk improvement measures are implemented. In addition, the revised policy explicitly stipulates the obligation to report and publicly disclose the results of human rights risk management, thereby strengthening the policy to ensure that human rights risks are effectively managed in practice rather than limiting improvements to policy revisions.

Human Rights Risk Management System

STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
Assessment Criteria Development	Assessment Target Selection	Document Review	On-site Inspection	Independent Third-party Assessment	Improvement Plan Request

Handling of Human Rights Grievances and Redress Actions

We operate a secure grievance handling channel to ensure that employees and external stakeholders can safely report human rights issues. Employees may file reports through the HR Counseling Center on our groupware system, while external stakeholders can use the Whistleblowing Center on our official website. Reported human rights violation cases are promptly investigated in accordance with the redress procedure. Throughout the process, the identity of the reporter and the details of the report are kept strictly confidential, and protection is provided against any form of retaliation.

2025 Activities/Achievements 1 case received 1 case processed

Identifying Key Stakeholders and Potential Risks

Stakeholders	Potential Risks
Employees	- Risk of occupational accidents and serious accidents related to processes and facilities - Health rights violations due to shift work and long working hours - Discrimination and harassment in recruitment, promotion, and performance evaluation processes - Personal rights violations, including sexual harassment, verbal abuse, and occupational harassment
Partner Companies and Supply Chain Workers	- Risk of safety accidents and poor working conditions in subcontracting, outsourced services, and raw/sub-material and component supply chains - International standards violations, including forced labor and child labor - Fair trade and labor-related rights violations, including failure to execute written contracts and delays in payment
Local Communities and Nearby Residents	- Health and livelihood harm caused by environmental pollution, including chemical spills and air, water, noise, and odor pollution - Living environment deterioration and safety risks driven by plant expansion and increased logistics vehicle traffic - Conflicts and loss of trust due to the failure to reflect local residents' opinions
Customers and End Consumers	- Safety and health violations caused by product defects or hazardous substances - Misuse/abuse resulting from insufficient information on product use - Inadequate protection of personal information, including inquiries and complaints
Shareholders and Investors	- Financial losses and reputational risks due to human rights violations or serious accidents - Information asymmetry due to the non-disclosure or limited disclosure of human rights and ESG information
Vulnerable Groups (Non-regular Employees, Dispatched Workers, and On-site Contractors, etc.)	- Discrimination in wages, benefits, and training opportunities based on employment type, nationality, etc. - Limited access to safety and health, and human rights information, and communication challenges - Reluctance to report human rights violations due to concerns about retaliation

Respect for Human Rights of Employees

Risk Management

Risk Analysis Through Human Rights Impact Assessments

Hyosung Chemical identified non-regular employees, dispatched workers, and in-house subcontractor workers as vulnerable groups through human rights impact assessments and risk analyses conducted over several years. To broaden the visible scope of its human rights management across various stakeholders and enhance its practical effectiveness, we conducted a human rights impact assessment in 2025 that included in-house subcontractors directly engaged within our business operations, where risk improvement could be more readily implemented. Compared with previous years, the assessment was redesigned to facilitate responses and consisted of a checklist covering 12 areas for 551 stakeholders, including employees at all business sites. Among them, 249 respondents, including workers from in-house subcontractors identified as a vulnerable group, provided responses to the assessment. Through a detailed analysis of the results, we assessed the current status of our human rights management using various indicators and identified directions for improving human rights management and corresponding action items. Going forward, we plan to expand the scope of human rights risk management to our overseas business sites and extend the coverage of our human rights impact assessments to include suppliers in addition to the stakeholders currently being assessed.

Human Rights Impact Assessment Results and Identified Improvement Tasks

Assessment Areas	Risk Rating ¹	Key Risk	Key Improvement Areas Identified
Human Rights Management System	Medium	- Insufficient awareness regarding partner company's implementation of human rights management - Insufficient awareness of grievance reporting channel's anonymity, identity protection, and prohibition of retaliation	- Enhancing partner companies' awareness of human rights management through partner company human rights management training and assessments, and internally sharing related activities - Establishing and internally disclosing policies and operational measures for grievance reporting channels and protection measures (e.g., anonymity assurance)
Prohibition of Discrimination	Low	- Perceived experience of unfair discrimination in performance evaluation, promotion, compensation, and training opportunities - Perceived experience of discrimination between non-regular and regular employees	- Establishing a fair performance- and job-based evaluation and compensation system and strengthening communication with employees - Reviewing measures to prevent discrimination based on employment type and sharing improvement measures
Prohibition of Forced and Child Labor	Medium	- Insufficient awareness of employment contract and guardian consent procedures when employing workers aged 15–18 - Absence or insufficient awareness of standards and measures prohibiting child labor	- Establishing and documenting employment procedures for workers aged 15–18 and standards and measures prohibiting child labor - Enhancing employee awareness through training on relevant regulations and implementation practices
Working Conditions	Low	- Negative perception and experience of working more than 52 hours per week - Concern over payment below the minimum wage and non-payment of overtime and holiday work allowances	- Establishing reasonable measures, including compensation, for overtime during peak periods - Improving overtime and holiday work request and approval processes, promoting related procedures and standards, and providing manager training
Ensuring Occupational Safety and Health	Low	- Insufficient awareness of separate safety and health measures for vulnerable workers (daily laborers, people with disabilities, minor workers, etc.) - Insufficient awareness of protection facilities and support systems	- Specifying safety and health measures for vulnerable workers and strengthening on-site implementation - Establishing related protective facilities and support systems, and promoting them to employees and encouraging participation
Information Protection	Medium	- Insufficient awareness regarding the establishment of an information protection system for partner companies and customers - Insufficient awareness of intellectual property right management	- Documenting information protection and intellectual property management systems, and improving operational procedures - Strengthening employee awareness and accountability through information protection and intellectual property training
Occupational Sexual Harassment	Low	- Experience and perception of verbal sexual harassment (lewd remarks, sexual jokes, etc.) - Insufficient awareness of sexual harassment reporting process and measures	- Strengthening occupational sexual harassment prevention training and expanding case-based training - Providing detailed guidance on reporting procedures and response measures, and reducing reporting barriers through refresher training
Occupational Harassment	Medium	- Experience and perception of verbal abuse and inappropriate forms of address - Perceived unnecessary pressure to work overtime - Insufficient awareness regarding the operation of occupational harassment reporting and response procedures	- Strengthening occupational harassment prevention and leadership training for managers and supervisors - Enhancing employees' awareness of occupational harassment and response capabilities through training on reporting procedures and protective measures
Ethical Management	Medium	- Insufficient awareness of corruption reporting process - Insufficient awareness regarding the inclusion of anti-corruption and ethical management requirements in contracts with partner companies	- Strengthening internal communication and training on the corruption reporting process (channels, protective measures, and procedures) - Specifying anti-corruption and ethical management requirements in partner company contracts and evaluations, and providing training for relevant employees
Customer Safety (Product Management)	Low	- Insufficient awareness regarding the provision of product and service information in local languages - Insufficient awareness regarding the provision of clear information on prices and product composition	- Establishing standards for the provision of product and service information (language, expression, channels, etc.) and internally sharing them - Strengthening product information labeling and communication to protect customers' right to know, and sharing related activities
Environmental Management	Low	- Insufficient awareness regarding the consideration of environmental impacts and the conduct of environmental impact assessments in business and product development - Insufficient awareness regarding the disclosure of environmental information	- Systematizing and sharing environmental management activities, including environmental impact assessments and GHG and pollutant reduction - Regularly disclosing key environmental information (goals, performance, and activities) and strengthening internal communication
Local Communities and Others	High	- Insufficient awareness regarding local communities' human rights and property rights (e.g., forced relocation, unjust enrichment) - Insufficient awareness regarding the disclosure of the company's ESG management activities and financial information	- Documenting and disclosing company policies and activities to protect the human rights and property rights of local communities - Strengthening ongoing communication and promotion of ESG management and disclosure activities for employees

1. The risk rating is determined based on the proportion of negative responses, including "Don't know."

Respect for Human Rights of Employees

Risk Management

Human Rights Impact Assessment Improvements and Mitigation Measures Compared with the Previous Year

Human Rights Management System

In 2024, structural limitations were identified, including deficiencies in the performance management and grievance handling systems. In 2025, specific risks were identified through surveys, including insufficient awareness of human rights management among partner companies and insufficient awareness of grievance reporting channels, and these findings were linked to action items for training, evaluation, and policy disclosure.

Non-Discrimination

In 2024, no explicit cases of discrimination were identified, although limitations in scope and methodology were recognized. In 2025, perceptions of discrimination in performance, promotion, compensation, and training, as well as between regular and non-regular employees, were formalized as risks, and improvement directions were proposed, including refinement of the performance- and job-based evaluation and compensation system.

Forced and Child Labor

In 2024, compliance with domestic regulations was reviewed, and limitations were identified in relation to the absence of human rights impact assessments for overseas operations and the supply chain. In 2025, insufficient awareness of employment procedures for workers aged 15–18 and of standards and measures to prevent child labor was identified as key risks, and action items were identified to establish and document relevant standards and enhance awareness through training.

Working Conditions and Occupational Safety

In 2024, legal compliance- and certification-based reviews were conducted, and deficiencies in the protection system for vulnerable workers were identified. In 2025, experience- and perception-based risks were identified, including long working hours, concerns over unpaid wages, and low awareness of protective measures and facilities for vulnerable workers, and action items were linked to improvements in overtime compensation, related processes, and the refinement of protective measures for vulnerable workers.

Information Protection, Intellectual Property Rights, and Supply Chain

In 2024, compliance with domestic regulations was reviewed, and limitations were identified in relation to the lack of inspections of overseas operations and the supply chain. In 2025, insufficient awareness of information security systems of partner companies (customers) and intellectual property rights management among employees was identified as a risk, and directions were identified for formalizing the management system and strengthening training.

Occupational Sexual Harassment, Occupational Harassment, and Ethical Management

In 2024, the review remained at the system and policy level. In 2025, on the other hand, risks related to organizational culture and reporting systems were specified, including verbal sexual harassment, abusive language and inappropriate forms of address, coercion of overtime work, and insufficient awareness of the corruption reporting process, and action items were identified to strengthen prevention, reporting, and ethics training for managers and employees. As this category represents risks that can directly and adversely affect employees' working conditions, an employee psychological counseling program was introduced in 2025 and has been in operation to prevent and mitigate such risks.

Customer Safety, Environment, and Local Community

In 2024, recommendations were provided on compliance with applicable regulations, complaint handling, and the need to strengthen overseas operations, the supply chain, impact assessments, and information disclosure. In 2025, risks were specified related to the provision of product and service information, consideration of environmental impacts and information disclosure, and insufficient awareness of local residents' human rights and property rights, as well as ESG and disclosure requirements. Improvement directions were identified, including the refinement of information provision standards, environmental and ESG information disclosure, and the formalization and disclosure of local community human rights protection activities.

Key Improvement Cases

In 2025, Hyosung Chemical established new initiatives and is operating them to enhance the protection of employee human rights.

Childbirth Incentive

We provide childbirth incentive upon the birth of a child to an employee or their spouse to help address the low birth rate issue and alleviate employees' financial burden. To ensure systematic implementation, we have newly established a childbirth category within the congratulatory and condolence payment regulations.

Compensation for Workload Sharing During Parental Leave

We operate a compensation system for employees who take on the duties of colleagues on parental leave. Compensation is calculated based on the proportion of workload assumed, and the system is designed to foster a culture in which colleagues jointly share temporary workforce gaps arising from parental leave. To support this system, employees are required to clearly specify replacement and shared duties, along with their respective workload proportions, in their work handover document prior to taking parental leave. Based on these details, we reasonably calculate and pay workload sharing compensation. This fosters a collaborative work environment that supports the use of parental leave among employees.

Transportation Expense Support for Regional Business Sites

We provide reimbursement of actual round-trip transportation expenses, up to twice per month, for office employees based in the Seoul metropolitan area who are assigned to regional business sites. This support is intended to enhance mobility convenience and improve livelihood stability for employees working at regional sites.

Human Rights Management Improvement Directions

Hyosung Chemical has established the following themes as its human rights management improvement directions and plans to continuously manage them going forward.

Enhancing Employee Awareness

Strengthening System Execution

Strengthening Human Rights Management for Subcontractors

1) Enhancing Employee Awareness

While policies and systems such as the prohibition of child labor and the protection of victims of occupational harassment are in place, low levels of employee awareness have been identified in several areas. In particular, under the local community category, a high proportion of "do not know" responses was observed for issues with no prior occurrences, such as infringement of residents' property rights and involvement in inappropriate forced evictions. To address this, we are enhancing employees' understanding of human rights policies and systems through training, communication, and promotional activities.

2) Strengthening System Execution

Although systems such as mandatory overtime management and overtime allowance payments are in place, certain areas have been identified where execution remains insufficient. We are strengthening monitoring and management to enhance the execution effectiveness of these systems.

3) Strengthening Human Rights Management for Subcontractors

We share our human rights management policies with subcontractors, who are stakeholders vulnerable to human rights risks, and continuously verify whether human rights violations are occurring. We also work collaboratively with subcontractors to enhance their human rights management by incorporating human rights criteria into contracting and evaluation processes.

Respect for Human Rights of Employees

Risk Management

Collective Agreements for the Promotion of Employee Human Rights

Hyosung Chemical operates under a collective agreement with priority given to protecting employees' human rights. The collective agreement is designed to respect the management rights and labor rights of employees, establish sound management order, stabilize working conditions, and promote their economic and social status and welfare. It includes provisions on fair personnel principles, such as probation, promotion, retirement age, awards, and non-discrimination. It also includes provisions on working conditions, including working hours, overtime work, holidays, and leave, as well as wages and bonuses. In addition, it covers employee welfare, including scholarship programs and housing stability support, occupational safety and health, including the working environment and industrial safety, and labor union activities and collective bargaining, thereby protecting employees' human rights and guaranteeing freedom of association.

In addition, we strengthen communication with employees by transparently sharing our management status through regular management briefings and meetings. Labor-management councils at each business site appoint grievance handling committee members to review grievances on a quarterly basis, promptly examine them, and implement improvement measures.

Equal Pay for Equal Work

Hyosung Chemical pays equal wages for the same level of the same job to all employees. There is no wage discrimination based on nationality, gender, disability, or other factors. We analyze the causes of wage gaps among employees each year through our Affirmative Action Employment Status and strive to uphold the principle of equal pay for equal work.

Targets and Performance

Employee Diversity and Inclusion

Hyosung Chemical does not discriminate in recruitment based on nationality, gender, or disability to promote workforce diversity, and discloses related workforce indicators annually through its Sustainability Report. The proportion of female employees in managerial positions and above, as well as quantitative targets, are managed through the Affirmative Action Implementation Plan and Result Report. In addition, there is no discrimination based on nationality, gender, or disability in promotions, compensation, or wages, and equal opportunities are provided to all executives and employees. We conduct annual training to raise awareness of diversity and discrimination, including occupational harassment prevention and disability awareness training, and strive to foster an inclusive workplace by improving accessibility, including the interior and exterior of accessible restrooms for employees with disabilities.

Labor Union Status

We have two labor unions organized for technical workers, and employees are free to join a labor union of their own choice. The Chemical Union has 181 members out of 181 workers (100%), and the Film Union has 263 members out of 274 workers (96%). We determine working conditions through separate collective bargaining with each labor union.

Labor-Management Council Status

We conduct labor-management council meetings once every quarter at each business site (Headquarters: for headquarters office employees; Yongyeon: Chemical and Film Labor-Management Councils; Gumi: Film Labor-Management Council; Oksan: Chemical and Film Labor-Management Councils).

Through these councils, we listen to employees' suggestions, implement improvements, and foster a labor-management culture based on mutual respect and consideration.

2025 Activities / Performance

HQ 4 sessions Yongyeon Film 4 sessions | Chemical 4 sessions

Oksan Film 4 sessions | Chemical 4 sessions Gumi Film 4 sessions

Work-Life Balance Through a Flexible Working Hours System

Hyosung Chemical implements a flexible working hours system to ensure employees' work-life balance. We operate a staggered working hours system, which allows employees to adjust their start and finish times within a range that includes core hours (10:00 a.m. to 3:00 p.m.), and a selective working hours system, which allows employees to adjust their daily working hours.

In addition, we manage working hours on a monthly basis through our electronic system and transparently provide overtime allowances for overtime work. Through these efforts, we strive to create a working environment that supports the sustainable growth of our employees.

2025 Activities / Achievements

Number of office employees using a flexible working hours system **199** (46%)

Introduction of Employee Counseling Program

We have operated an integrated psychological support program since October 2025 for employees, their spouses, and children to help address psychological issues arising from various sources of stress experienced by employees and support efficient work performance.

Usage in 2025

20 sessions

In addition to workplace stress, face-to-face, video, telephone, and chat counseling are available on a wide range of topics, including interpersonal relationships, psychological and emotional issues, family relationships, and legal, tax, and financial consultation. Counseling content is strictly protected in accordance with the principle of confidentiality and can be easily accessed via PC or mobile devices.

Talent Acquisition & Development

Governance and Strategy

Talent Management System and Goals

Hyosung Chemical practices the four core values of "Excellence," "Innovation," "Responsibility," and "Trust" in line with Hyosung Group's management philosophy — "Enhance and enrich the quality of life for humanity with its leading technology and management capability" — and aims to foster talent capable of growing into global leaders. To ensure that all employees internalize Hyosung Way, the Group's core values, and the "Way of Working" established based on those values and put them into practice in the workplace, we disseminate them through tailored training programs for each job level, including executives, team leaders, and team members. To help all employees internalize the "Way of Working" established based on these core values, we systematically operate education and training programs tailored to job level and job function so that employees clearly understand our management philosophy and policies and acquire the professional knowledge, skills, and sound attitudes required to perform their duties. In addition, to enable all employees to pursue a common direction and achieve shared goals, we develop, share, and provide learning materials on our key messages and policies to enhance employees' understanding of key management issues. Recognizing the importance of talent management in response to changes in the business environment and the expansion of its business sites, we plan to continuously advance our competency development and talent development system for specialized job functions and achieve meaningful results in workforce diversity and inclusion.

Hyosung Chemical Talent Model

Global Excellence	Innovation	Accountability	Integrity
			
Talent with Global Competitiveness and Outstanding Capabilities	Talent Who Challenges New Possibilities	Talent Who Acts with a Sense of Ownership	Talent Who Builds Trust with Colleagues at Work
Talent who continuously learns to develop the expertise needed to succeed in the highly competitive global market	Talent who approaches work from fresh perspectives, strives for effective solutions, and takes on difficult challenges with a positive mindset	Talent who takes responsibility until assigned tasks are completed and persistently rises to every challenge to deliver differentiated VIU (Value-in-Use) to customers	Talent who works fairly based on facts and principles, respects customers, and collaborates with colleagues to create a great workplace

Hyosung Chemical Recruitment Strategy

Diversity and Inclusion Policy

Hyosung Chemical strives to foster an organizational culture where talent from diverse backgrounds can express their creativity, engage fully in their work, drive innovation, and achieve high performance, while contributing to a society that embraces diversity and inclusion.

We recruit talent through fair and transparent recruitment procedures and strictly prohibit discrimination based on gender, race, ethnicity, nationality, cultural background, disability, age, gender identity, political or religious beliefs, or social status. We have established HR regulations to prevent recruitment fraud and corruption and operate interviewer training programs and interview manuals to prevent human rights violations, ensuring fair evaluations based on job competencies.

2026 Retention Target for Female Talent 115 employees
2026 Retention Target for Talent with Disabilities 19 employees

In addition, to prevent child labor during the recruitment process, we verify applicants' ages and assign recruitment management departments at all business sites to oversee the recruitment process and prevent unethical practices such as forced labor, human trafficking, and the retention of identity documents.

Talent Management Strategy

Performance Evaluation

Hyosung Chemical conducts annual relative performance evaluations for employees. Evaluations are classified into five grades, and salary increase rates are differentiated according to the evaluation grade. Individual interviews are conducted to enhance employees' acceptance of the evaluation process. To achieve the organization's mission and business objectives, we clearly present the direction for the efficient execution of invested capital and growth through KPI (Key Performance Indicator)-based evaluations and strengthen the performance management system through continuous feedback between leaders and teams. In addition, evaluation criteria are divided into performance evaluation based on the level of goal achievement and work attitude evaluation based on competency levels, enabling a long-term evaluation system based on coaching and development.

Strengthening Performance Management and Evaluation Monitoring

We operate an ongoing performance management system to ensure fair and transparent evaluations and support employee growth. A Performance Feedback process is conducted once every half year to strengthen the linkage between work performance and evaluation. During the first-half feedback, performance management feedback is provided, including reviews and coaching on performance status and adjustments to KPIs in response to changes in the business environment. During the second-half feedback, which is conducted after the evaluation, employees receive feedback on their evaluation results and may also request support for strengthening job competencies and express their preferences for future job assignments. Evaluators actively reflect this feedback in their work.

Autonomy and Responsibility-Based Work Attitude Evaluation

We conduct evaluations based on the core values of Hyosung Way and individual- and team-level behavioral standards to promote both autonomy and responsibility. Various evaluation results are analyzed from multiple perspectives to enhance objectivity, and customized feedback is provided with a focus on individual development and areas for improvement. In addition, to complement the one-way hierarchical evaluation structure and enhance fairness, we conduct multi-dimensional evaluations, including peer reviews and supervisor evaluations. The results of multi-dimensional evaluations on leadership and collaboration are used as reference materials during the evaluation process.

Fair Promotion System and Strategic Talent Development

We nurture future strategic talent through a comprehensive review of the competencies, character, leadership, foreign language proficiency, and other qualifications required for each organization and job level. We also provide diverse job assignment experiences and competency development opportunities to secure long-term talent competitiveness.

Talent Acquisition & Development

Strategy

Talent Development Strategy

Management Philosophy Dissemination

Hyosung Chemical develops and distributes learning materials on the four core values of “Hyosung Way” and its management policies to enhance employees’ understanding of key management issues and support all employees in pursuing a common direction and achieving shared goals.

In addition, we share our management philosophy and the roles and responsibilities of management through training programs tailored to each job level, including executives, team leaders, and team members.

Leadership Development

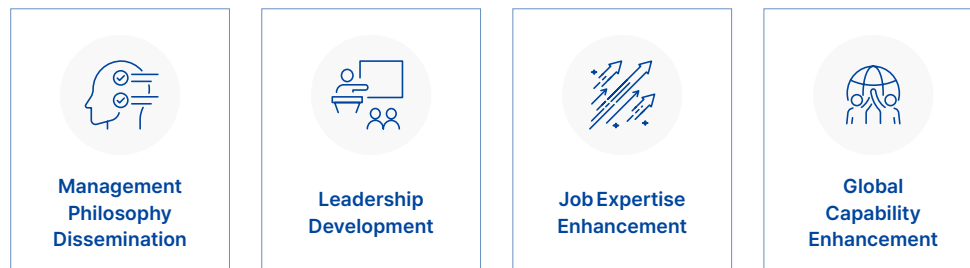
We have established and operate various training systems tailored to each job level to develop future business leaders who will drive our sustainable growth. We strengthen management capabilities to enable effective business management and operations and provide differentiated leadership capability development programs for each level to strengthen organizational capabilities for developing talent efficiently and improving organizational culture.

Job Expertise Enhancement

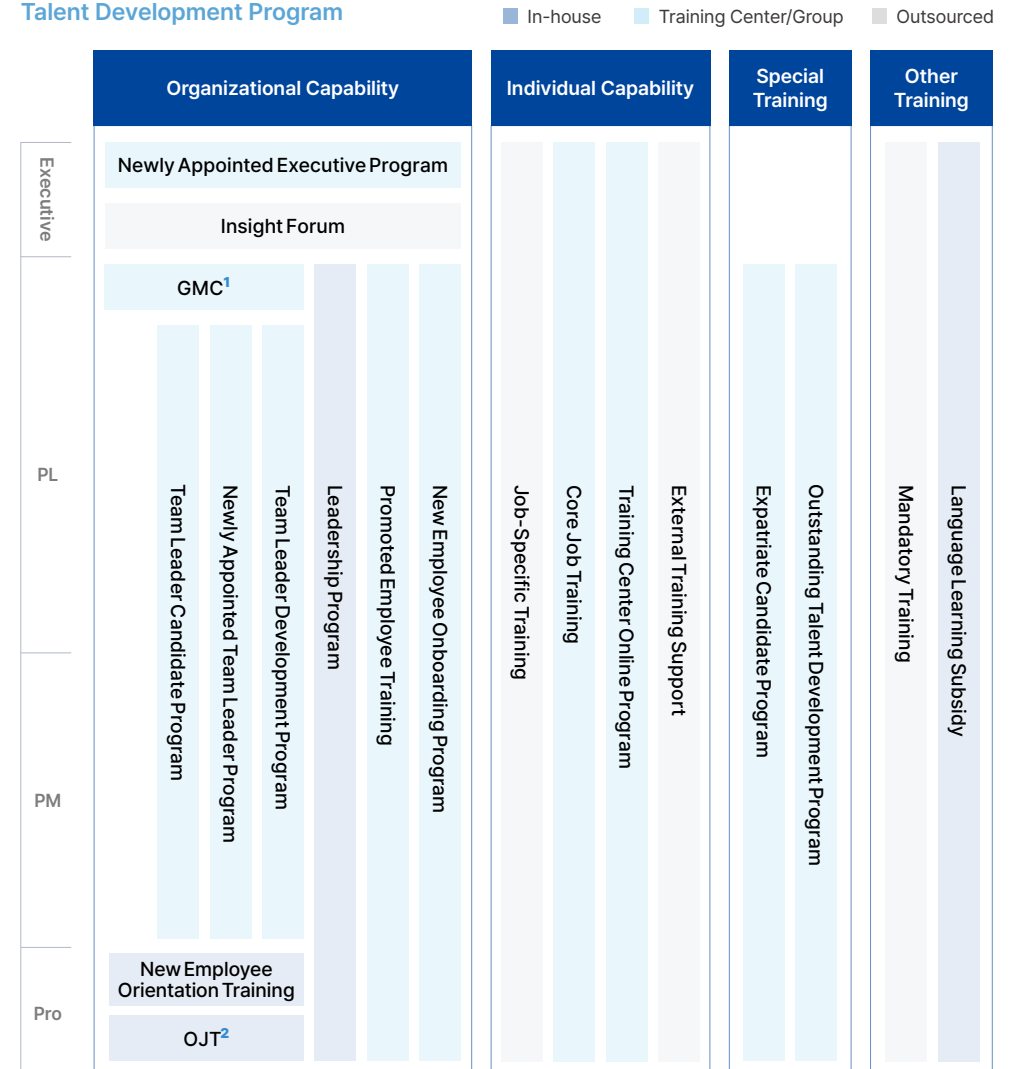
We support employees’ career development by providing progressive training programs across sales, production, research, and administrative job groups to enhance job competencies and ultimately realize value management through Global Excellence.

Global Capability Enhancement

Based on the training needs of our overseas subsidiaries, we provide training programs in job-related skills, language proficiency, and other areas for leaders, expatriates, and locally hired employees, while supporting the establishment of training systems to enable the sustainable growth of our overseas subsidiaries.



Talent Development Program



1. GMC : Global Management Course

2. OJT : On the Job Training

Talent Acquisition & Development

Strategy

Organizational Capability Training

Organizational capability training is part of Hyosung Chemical's strategy to realize its vision and key business objectives, with a focus on strengthening the roles and capabilities required at each job level. These programs foster leadership among executives and employees, enabling them to effectively perform their roles and continuously grow in their respective positions. Through customized leadership training by job level, we aim to cultivate team leaders and ultimately develop business leaders who will lead the organization.

GMC (Global Management Course)

GMC is a leadership development course designed to cultivate global talent. This program includes training in various management disciplines, including strategic management, marketing, human resources and organization, finance and accounting, and production management, as well as individual performance projects. It aims to broaden participants' business perspectives and develop them into future professional leaders equipped with strong management capabilities.

Insight Forum

We hold the Insight Forum as a series of special lectures for executives and team leaders in both online and offline formats, with attendance strongly encouraged. In 2025, a total of five sessions were held, providing executives and leaders with insights needed to establish sustainable future strategies.

Training for Promoted Executives and Employees

Each year, we provide customized training by job level for newly promoted executives and employees. Training for newly promoted executives focuses on strengthening their understanding of managerial roles, leadership, and management capabilities, while training for promoted employees provides customized learning centered on practical job application. Following the training, action plans are linked to business operations and their implementation is continuously monitored. The effectiveness of the training is also evaluated through satisfaction surveys of participants.

Development Training for Newly Appointed and Existing Team Leaders

Each year, newly appointed team leaders receive training on the fundamental roles and responsibilities required of managers, including performance and organizational management. In addition, team leader development training is provided to help team leaders build the capabilities required for effective team management.

In 2025, team leader development training on communication leadership was provided to team leaders across the Company.

New Employee Capability Development Program

We operate an onboarding program to help new employees quickly adapt and demonstrate their capabilities. New employee orientation training covers Hyosung's core values and history, business skills, and special lectures by distinguished speakers. This is followed by job-specific training and OJT (on-the-job training) to support practical job adaptation. In addition, newly hired experienced employees receive quarterly training on our organizational culture and internal systems to facilitate their rapid adaptation.

Individual Capability Development Training

We provide step-by-step training courses tailored to each job function, including sales, production, R&D, and management, to strengthen collaboration capabilities across all business divisions. Through these programs, employees develop expertise in their respective fields and ultimately build the capabilities required to perform as specialists. In addition, training programs covering common competencies, such as foreign languages and accounting, are provided to support employee growth both within and beyond their job functions.

Job-Specific Training

We plan and deliver customized job-specific training each year to help all employees strengthen the capabilities required for their respective roles. In 2025, we provided statistical process control training at the Yongyeon, Oksan, and Gumi sites to enhance problem-solving capabilities through process data analysis and the DMAIC methodology. At headquarters, we offered negotiation skills training for employees in sales functions to strengthen their strategic communication capabilities.

VOC Capability Development Training

Based on an understanding of proper VOC (Voice of Customer) management, we provide VOC capability development training for sales leaders, sales staff, and leaders in non-sales functions. In 2025, a total of 35 employees completed Hyosung Chemical's VOC training.

Advanced Job-Specific & Global Online Training

We provide online training covering 806 job-related courses and 437 global courses. Job-related courses include book learning, trend analysis, leadership, coaching, and industry-specific professional training, while global courses offer training in 13 languages, including English, Chinese, Japanese, and Vietnamese. All employees may enroll in and complete one job-related course and one global course each month.

ESG Training

To support sustainable management, we operate training programs covering ESG areas such as human rights, safety, environmental, and ethical management. We also provide advanced professional training for employees responsible for related functions to strengthen their capabilities. In addition, all employees receive training on the latest ESG trends and various ESG topics to enhance their understanding of our sustainability management and help prevent and mitigate ESG-related risks that may arise in the course of their work.

Talent Acquisition & Development

Risk Management

Talent Development Program

Hyosung Chemical offers job-specific training to all employees at Level 1 and above, organized by the Human Resources Team. Sales training includes negotiation skills (since 2024), while production/technical training covers Statistical Process Control (since 2020) and Six Sigma & Design of Experiments (since 2022), each offered annually. The sales training is designed to build core negotiation skills by helping employees understand key concepts and identify stakeholders' needs to influence counterpart behavior. The production and technical training enhances process capability analysis skills and the ability to interpret analysis results to support smart factory efficiency and builds foundational knowledge in process management to strengthen the ability to utilize data in the future.

At the Hyosung Group level, common training programs are provided by the Human Resources Development Center in line with the annual management policy. These include management training, such as accounting, as well as communication and VOC programs. After each training session, participants submit an outcome report and a satisfaction survey, which are shared with management and instructors to help tailor future programs more effectively to employee needs.

We support job-specific and language training based on employees' interests and cover the cost of one language proficiency test per year. Employees eligible for reemployment support services are also free to choose and take courses that suit their needs.

On-the-Job Training (OJT) for New Skilled Employees

We have expanded our talent development programs beyond office employees to include skilled employees, developing and operating customized training programs tailored to the characteristics of each job. For new skilled employees, we operate an OJT program before they are assigned to plant operations. The program consists of theoretical training, occupational safety and health training, and basic and advanced process training to help prevent safety accidents and enable employees to quickly acquire the capabilities required for on-site job performance. In addition, we provide practical training, including on-site training and pre-assignment job training. These programs are delivered directly by frontline supervisors (banjang) working in the plant, ensuring that the training is centered on practical know-how and real-world case studies from the field. New skilled employees also participate in OJT for approximately three months after being assigned to their positions, supporting their systematic adaptation to practical work and capability development.

Outstanding Talent Training

Hyosung Chemical provides training for high performers who consistently deliver strong performance in key roles, with the goal of developing them into future leaders. Selected based on recommendations from each business unit, these employees are granted opportunities to participate in language and job training programs, as well as seminars, regardless of the institution or subject.

Developing Female Talent and Leaders

We select and appoint talent fairly based on objective criteria such as work capability, expertise, and leadership, rather than gender, in order to secure competitive talent and develop them into managers. To this end, we set female employment targets by considering the industry average level and expand the recruitment of outstanding female talent from the recruitment stage through initiatives such as campus recruiting targeting female students and the placement of female interviewers. In addition, gender equality provisions are reflected in HR regulations and disciplinary rules to ensure that no disadvantages arise based on gender throughout the entire HR process, including recruitment, performance evaluation, and promotion. We also ensure through monitoring that employees are not disadvantaged in performance evaluations upon returning from maternity or parental leave. Female executives and female members participate in the Promotion (HR) Committee to enhance the balance of decision-making. Alongside these institutional measures, gender equality training is conducted for interviewers to raise awareness among employees, and a female representative is designated within the grievance handling department to ensure that issues related to female employees are addressed promptly and reliably.

Expatriate Candidate Training

We operate an overseas expatriate system to strengthen our competitiveness in the global market. To systematically develop outstanding global talent, we pre-select a pool of expatriate candidates and operate a training program designed to develop the competencies and qualifications required of expatriates.

Candidates who complete the training program are given priority consideration for expatriate rotation. Through this system, we enhance the operational capabilities of our overseas business sites and provide employees with opportunities for growth.

Targets and Performance

Compensation for Workload Sharing During Parental Leave

Hyosung Chemical operates a compensation system for employees who take on the duties of colleagues on parental leave. Compensation is calculated based on the proportion of workload assumed, and the system is designed to foster a culture in which colleagues jointly share temporary workforce gaps arising from parental leave. To support this system, employees are required to clearly specify replacement and shared duties, along with their respective workload proportions, in their work handover document prior to taking parental leave. Based on these details, we reasonably calculate and pay workload sharing compensation. This fosters a collaborative work environment that supports the use of parental leave among employees.

Employee Health Promotion Program

Hyosung Chemical recognizes the health of its employees as a core asset and operates a comprehensive health promotion program through a regular health checkup system and collaboration with external medical institutions. We conduct regular general health examinations for all employees and maintain a statutory health examination system, including pre-placement, special, periodic, and temporary health examinations, to detect and manage job-related health issues at an early stage based on job characteristics. Based on the examination results, we systematically implement follow-up measures such as changes in work assignments, adjustments to working hours, restrictions on night work, follow-up examinations, and health counseling.

To help protect the health of employees' families, we also operate a spouse health checkup support program. Regular comprehensive health examinations are provided for spouses above a certain age, strengthening the foundation for family health management.

To promote oral health, we provide support for employees' access to professional dental treatment and preventive oral healthcare services through a partnership with Yonsei University College of Dentistry Hospital.

In addition, we operate an employee counseling program that provides access to professional counseling in various areas, including work-related stress, personal psychological concerns, and legal and tax matters. The program has also been expanded to include employees' spouses and children, reflecting our commitment to helping employees address psychological concerns.

Through these initiatives, we continue to build an integrated health promotion system encompassing both physical and psychological health.

Talent Acquisition & Development

Targets and Performance

Creating a Great Work Place

Hyosung Chemical implements a monthly flexible working hours system, including staggered working hours and a selective working hours system, allowing employees to freely adjust their working hours within each month. We also operate a range of family-friendly programs to support work-life balance, including reduced working hours during pregnancy and childcare periods, parental leave, spousal paternity leave, and an in-house daycare center. In addition, we offer tuition support for employees' children. To promote work-life balance, we provide designated leave days and long-service leave for employees with 5, 10, 20, and 30 years of service. Employees are encouraged to combine these with annual leave for greater flexibility.

Policies and Programs

Category	Details
Paid Time Off (PTO)/Half-day PTO/Partial-day PTO	8-hour/4-hour/2-hour time off
Long-service Leave	3 to 5 days of paid leave with vacation allowance for long-term employees (for 5, 10, 20, and 30 years of service)
Designated Leave Days	Designate days off before/after public holidays to encourage extended vacation
Summer Vacation	5 days of paid vacation annually with vacation allowance
Prenatal Checkup Leave	1 to 4 days off per month depending on pregnancy stage
Reduced Hours During Pregnancy	2-hour daily reduction during early pregnancy (up to 12 weeks) or late pregnancy (after 32 weeks)
Reduced Hours for Childcare	Up to 3 years of reduced working hours for employees with children under age 12
Maternity / Spousal Paternity Leave	90 days for maternity leave; 20 days for spousal paternity leave
Fertility Treatment Leave	Paid/unpaid leave for infertility-related treatments and procedures
Parental Leave	Up to 18 months of leave available before or after childbirth (available to both parents)
Flexible Working Hours for Office Employees	Staggered/selective working hours systems

Welfare Programs Operation

Hyosung Chemical provides a range of welfare programs tailored to each stage of the employee lifecycle from employment to retirement, such as congratulatory and condolence support, loan assistance, tuition support, health checkups, and long-service awards. We also operate an exclusive online welfare mall to enhance employee satisfaction.

Welfare Programs

Category	Details
Congratulatory and Condolence Support	Monetary gifts, leave, and congratulatory or condolence wreathes/items provided for employees' and their family events
Short-term Loan Support	Low-interest loans offered to employees using internal funds
Tuition Support	Tuition and admission fees covered for employees' children in high school and university
Health Checkup Support	Comprehensive medical checkups provided for employees and their spouses aged 40 and above
Group Accident Insurance Support	Coverage for accidents, illnesses, hospitalization, dental treatment, and actual expense reimbursement
Education Support	Financial support for external training programs and language test fees
Vehicle Subsidy Support	Monthly allowance for personal vehicle use
Communication Expense Support	Monthly reimbursement for work-related mobile communication expenses (e.g., sales staff)
Birthday Gift Program	Gift certificates provided to employees and designated individuals such as their family members on birthdays
Company Foundation Day	Paid leave and gift certificates on company foundation day
In-house Club Support	Support for employee clubs to encourage leisure activities and organizational activation
Employee Welfare Mall	Operation of an affiliated welfare mall and official gift mall exclusively for employees
Resort Benefits	Access to various affiliated resort and recreational facilities
Commuting Support	Shuttle bus service provided for on-site employees and transportation allowance support at selected sites
Birth Incentive	Incentive provided to employees and their spouses upon childbirth
Workload Sharing Compensation	Workload sharing compensation provided to employees covering the duties of employees on parental leave
Psychological Counseling Support	Psychological counseling support for employees, their spouses, and children

Local Community

Governance and Strategy

Sharing Management Strategy

In today’s world, corporations are increasingly expected to take on responsibilities that go beyond their traditional roles of production and employment—actively addressing a broad range of societal challenges. Hyosung Chemical is committed to leading this change. Under the slogan “Together Through Sharing”, we pursue our vision of becoming “a company that enables beneficiaries to chart their own futures through education and sharing”. To realize this vision, we have established three key social contribution strategies: supporting vulnerable communities both at home and abroad, promoting culture and arts, and honoring patriots and veterans who served the nation.

Strategy to Communicate with Local Communities

Hyosung Chemical implements social contribution strategies designed to provide meaningful support to local stakeholders through continuous communication. In particular, we strive to proactively identify negative environmental and social impacts that our business activities may have on local communities. When such impacts are identified, we work in close collaboration with the community to develop and implement effective solutions, and we disclose the outcomes transparently.

Local Community Engagement at Our Business Sites

Hyosung Chemical has established dedicated teams at each business site to engage with the surrounding local communities. These teams regularly host community town halls and council meetings to actively listen to the voices of local residents, with all sites working to fulfill their corporate social responsibilities. We also make continuous efforts to identify and address any negative environmental or social impacts our operations may have on neighboring communities. Feedback collected through community councils and reporting channels is analyzed to identify issues with potential negative impacts. Each issue is then assessed and scored based on its severity and likelihood of occurrence. These scores are used to prioritize issues, develop tailored action plans, and implement necessary measures. The resulting plans are transparently shared with a wide range of local stakeholders, including local residents and public institutions. We also conduct regular monitoring and evaluation to track the progress and effectiveness of these action plans to improve our engagement with local communities.

2025 Social Contribution Performance

We measure our social contribution performance based on evaluation standards developed by external experts. Rather than focusing on one-time donations, we aim to calculate the social value created and manage its outcomes, ensuring that our social contribution activities bring tangible benefits to local communities.

2025	Investment	No. of Activities	Social Value	No. of Employees Participated	Total Volunteer Hours	No. of Beneficiaries
Performance by Theme	KRW Million	case	KRW Million	person	hours	person
Support for the Vulnerable	184	19	2,384	473	221	6,194
Patriots and Veterans	50	3	1	11	17	12,757
Year-end Donations	8	2	6	6	6	19
Culture and Arts	3	3	0	2	8	330
Eco-Friendly	0	2	2	29	31	0
Total	245	29	2,393	521	283	19,300

Together Through Sharing.

Vision	A company that enables beneficiaries to chart their own futures through education and sharing		
Strategy	Support for the Vulnerable	Support for Patriots and Veterans	Support for Culture and Arts
Mid- to Long-term KPI	 Foster a social environment that empowers beneficiaries to become self-reliant	 Expand long-term support programs	 Develop sustainable programs through ongoing communication with local stakeholders, rather than offering one-time support

Local Community

Targets and Performance

2025 Social Contribution Activities by Business Site

Hyosung Chemical is dedicated to advancing local communities and generating social value by carrying out region-specific social contribution activities at each of its business sites.

Headquarters (Seoul)

17 cases

- 13 for the Vulnerable
- 3 for Patriots and Veterans
- 1 for Culture and Arts

Oksan Site

5 cases

- 2 for Culture and Arts
- 1 for the Eco-Friendly
- 1 for Year-end Donation
- 1 for the Vulnerable

Gumi Site

1 cases

- 1 for the Vulnerable

Yongyeon Site

6 cases

- 4 for the Vulnerable
- 1 for the Eco-Friendly
- 1 for Year-end Donation

2025 Social Contribution Activities by Business Site (Details)

Site	Key Activities	Detailed Locations (Institutions)
1 Headquarters (Seoul) (17)	Donated goods to Goodwill Store	Goodwill Store (Eunpyeong Branch)
	Conducted cultural heritage preservation activities (volunteer activities at historic palaces)	Arumjigi Culture Keepers Foundation
	Sponsored Love Box containing daily necessities	Ahyun-dong Community Service Center, Seoul Southern Patriots and Veterans Affairs Office
	Supported welfare for Army personnel	ROK I Corps (Gwanggaeto Unit)
	Conducted a voluntary employee salary donation campaign	Plan International Korea
	Supported artists with disabilities and 11 other initiatives	Seoul Foundation for Arts and Culture
2 Yongyeon Site (6)	Conducted environmental cleanup activities near the plant	Local residents
	Donated goods to Goodwill Store	Vulnerable groups
	Supported vulnerable communities during the holiday season (matching)	Ulsan Community Chest of Korea
	Seonam-dong Community Social Security Council activities	Vulnerable groups in Seonam-dong
	Supported vulnerable communities during the holiday season (matching)	Ulsan Childcare Center, ChildFund Korea
3 Oksan Site (5)	Donated blood	Local residents
	Conducted environmental cleanup activities at the Oksan Industrial Complex	Cheongju City Integrated Industrial Complex Management Corporation, Oksan-myeon Entrepreneurs Association
	Conducted volunteer activities at nursing homes and community children's centers (in collaboration with the Cheongju Integrated Industrial Complex)	Oksan-myeon Community Child Center
	Sponsored a local cultural event (Oksan-myeon Hanmaeum Festival)	Oksan-myeon Residents' Autonomy Committee
	Provided local scholarships in collaboration with Oksan-myeon (matching)	Community Welfare Team at Oksan-myeon Administrative Welfare Center, Community Chest of Korea - Chungbuk
4 Gumi Site (1)	Sponsored an appreciation event for senior residents	Residents of Hojuk 1-ri and 2-ri, Oksan-myeon
	Donated goods to Goodwill Store	Vulnerable groups

Local Community

Targets and Performance



Employment Support for Career-Interrupted Women

Hyosung Chemical, together with the Hyosung Group, donated KRW 70 million to the Korea Women's Association. The donation was used to provide vocational training and employment support for middle-aged and older women whose careers had been interrupted. The two supported programs—the Home Care Worker Training Program and the Senior Care Convergence Specialist Program—provided job training to a total of 41 participants. Of them, 29 secured employment, achieving an employment rate of 71%.

Support for Artists with Disabilities

Since 2018, we have partnered with the Seoul Foundation for Arts and Culture to support the creative activities of artists with disabilities. In 2025, we sponsored "The Sensory Tale", a special exhibition on the theme of disability art held at the Hangaram Art Museum of the Seoul Arts Center. The exhibition featured the works of six artists, and the sponsorship fund was used to support the artists' creative activities and promotion.



Overseas Child Sponsorship Program for Employees

The Overseas Child Sponsorship Program is a social contribution initiative through which Hyosung Chemical employees voluntarily donate a portion of their salaries to support the education, nutrition, and environment of sponsored children in Vietnam. We match employees' donations through a matching grant. Our donations are used for various support activities, including renovating the kitchen facilities of a boarding elementary school in Mang Den Town, Kon Tum Province, Vietnam, supplying equipment, employee visits to the local site, and handover ceremonies. Through these efforts, we contribute to the healthy growth of children and the creation of a safe learning environment.

Welfare Benefits for Army Soldiers

Since 2010, Hyosung Chemical, together with the Hyosung Group, has maintained the "1 Company, 1 Barracks" sisterhood partnership with the Gwanggaeto Unit and has provided annual consolation donations. In 2025, we visited the Gwanggaeto Unit and delivered a total of KRW 50 million in consolation donations and welfare support funds for service members. The funds were used for military unit development and welfare support, including physical training equipment and outdoor basketball hoops. We have also supported welfare facilities such as a reading café and a laundry room.



Activities of Ulsan Seonam-dong Community Social Security Council

The Yongyeon Plant strengthens its ties with the local community by making annual donations to the "Sharing Angel, Good Company" Fund at the nearby Seonam-dong Community Service Center. In March 2021, employees were appointed as members of the Seonam-dong Community Social Security Council and have since attended the council's monthly meetings to discuss local welfare issues. Through continued donations and active participation in the council's activities, the plant contributes to improving the quality of life of local residents and plans to further expand its cooperation with the local community.

Environmental Cleanup Activities at Oksan Industrial Complex

In October 2025, the Oksan Plant actively participated in the Oksan Industrial Complex environmental cleanup activities organized by the Cheongju City Integrated Industrial Complex Management Corporation. Ahead of the Chuseok holiday, approximately 10 tenant companies in the Oksan Industrial Complex gathered to exchange warm greetings and took part in a joint cleanup activity lasting about one hour, contributing to the creation of a clean and vibrant industrial complex. Based on the spirit of solidarity and mutual growth with the local community members, the Oksan Plant will continue to participate in activities to improve the industrial complex environment.

GOVERNANCE



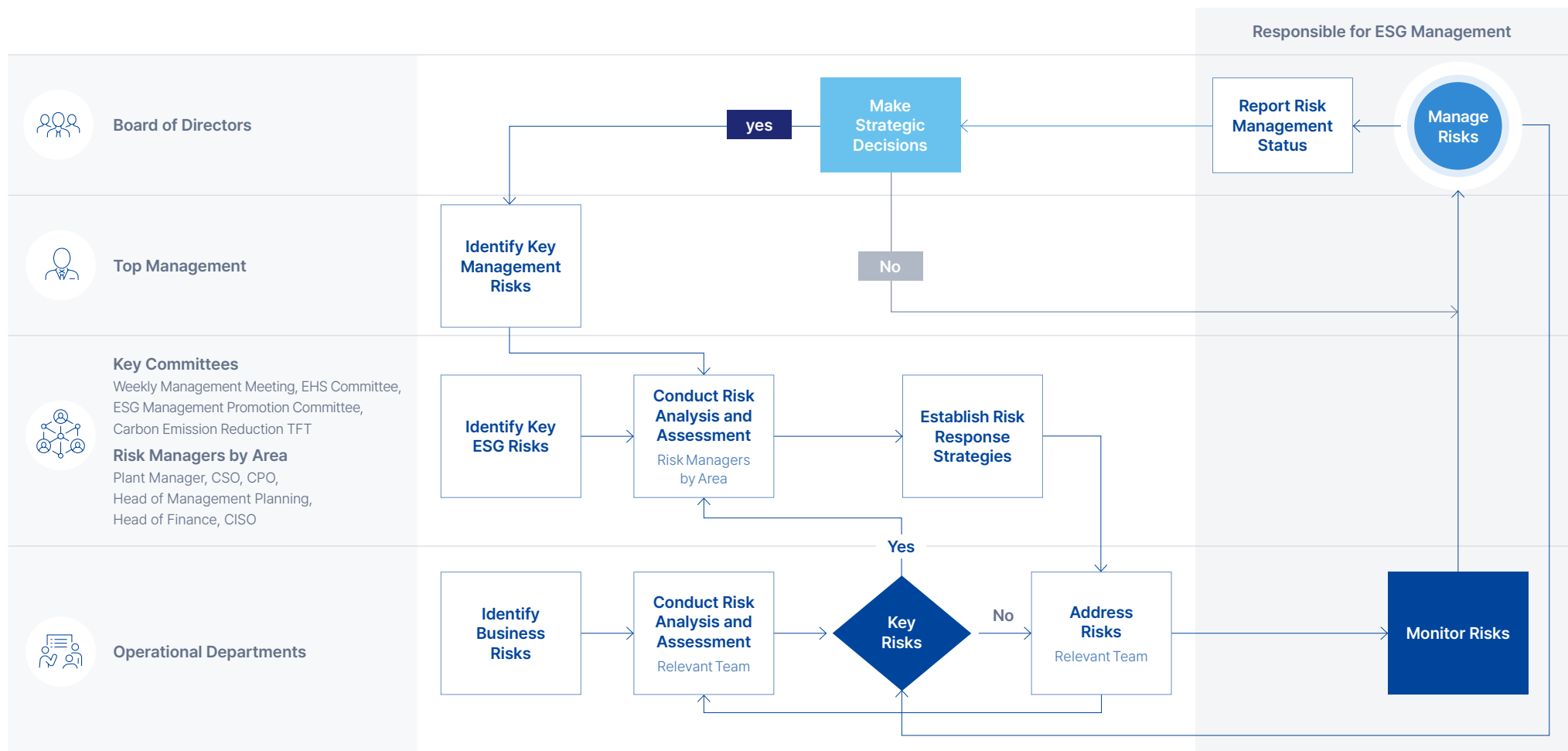
70	Enterprise Risk Management
72	Ethical Management
74	Information Security

Enterprise Risk Management

Enterprise Risk Management System

Enterprise Risk Management System Flowchart

Hyosung Chemical has established and manages a system for each risk area to address not only major ESG risks but also risks related to management and business operations. The Company consolidates the status of enterprise risk management and reports it to the Board of Directors. A risk manager is designated for each risk area to conduct regular risk management and reporting even in the absence of specific issues. Identified risks are assigned to the appropriate risk area so that they can be managed by the relevant risk manager.



Enterprise Risk Management

Enterprise Risk Management System

Risk Management Activities

Hyosung Chemical conducts risk management activities on a regular basis across its major business areas. In particular, the Company holds committee meetings at least quarterly to review and improve the progress, plans, and risks related to ESG management, carbon emissions, and safety and health. Business operation risks are reviewed on a weekly basis by consolidating key issues and risks across business areas, and are continuously managed by the Management Planning Team.

Category	Committee Name	Frequency	Chair
Committee	Weekly Management Meeting	Weekly	CEO
	ESG Management Promotion Committee	Quarterly	CEO
	Carbon Emission Reduction TFT	Quarterly	CEO
	EHS Committee	Monthly	CEO

In addition, each operational team continuously manages risks that may arise in day-to-day operations. The relevant team prioritizes and addresses identified risks based on their severity and likelihood of occurrence. The status of risk management is monitored company-wide by the ESG Management Team at least twice a year. Risks that are difficult for individual departments to manage are reviewed in collaboration with the Management Planning Team and reported to the CEO and the Board of Directors.

2025 Key Risks and Response Status

Relevant PU	Risk Type	Identified Risks	Risk Details	Cause Type	Responsible Department	Response Committee
 PP/DH	Strategic Risk	- Demand for GHG reduction - Weakened domestic competitiveness due to PDH capacity expansion in China	- Business risks due to external changes, including environmental regulations - New capacity expansion/intensified competition	- Market competition risk - Regulatory risk	- ESG Management Team - Management Strategy Office - PU Planning and Management Team	- Carbon Emission Reduction TFT - Weekly Management Meeting
	Operational Risk	- Delay in Gumi Plant production stabilization - Change in raw materials	- Production stabilization - Operational risks including raw material supply and intensified competition	- Production/process operation risk	- PU Planning and Management Team	- Weekly Management Meeting
 FILM	Strategic Risk	- Capacity expansion by Chinese competitors	- Business risks from external changes, including market changes and competitors' capacity expansion	- Market competition risk	- PU Planning and Management Team	- Weekly Management Meeting
	Financial Risk	- Increase in electricity and LNG prices - Reduced demand due to non-TAC adoption	- Cost changes - Risk of financial losses due to demand fluctuations	- Cost increase/profitability decline risk	- PU Planning and Management Team	- Weekly Management Meeting
 Optical FILM	Strategic Risk	- Delay in development of differentiated products	- Risks due to weakened future readiness, including delays in product differentiation	- Risk of delays in product portfolio development	- PU Planning and Management Team	- Weekly Management Meeting
	Financial Risk	- Increase in raw material prices - Decline in contract manufacturer quality	- Cost increase - Risk of financial losses due to quality deterioration	- Raw material/process management risk	- PU Planning and Management Team	- Weekly Management Meeting
 POK Business Division	Financial Risk	- Increase in raw material prices - Decline in contract manufacturer quality	- Cost increase - Risk of financial losses due to quality deterioration	- Raw material/process management risk	- PU Planning and Management Team	- Weekly Management Meeting

Ethical Management

Governance and Strategy

Ethical Management Governance System

Hyosung Chemical operates a dedicated organization led by the CEO to systematically promote ethical management. We continuously strive to ensure that the core values of ethical management are effectively embedded in all business activities, and the Legal Compliance Team oversees key activities. The Legal Compliance Team is comprised of professionals with a deep understanding of the Company as a whole, laying the foundation for the stable implementation of ethical management.

We have appointed ethical management managers within each operational department to work closely with the Legal Compliance Team and systematically manage implementation performance. Furthermore, we operate an independent internal audit system to ensure continuous and effective oversight from on-site operations to overall corporate management.

Ethical Management Organization System

We strive to ensure that the principles of ethical management are reflected in our business activities under the leadership of the CEO.



Strengthening Ethical Management

Hyosung Chemical has established the "Code of Ethics" and the "Code of Ethics Practical Guidelines" to promote transparent and principle-based management, providing clear standards to help all employees make sound judgments and ethical decisions. In addition, we continuously monitor global guidelines and legal and regulatory trends and regularly update our compliance standards, including those related to employee embezzlement and breach of trust, as well as whistleblower protection, strengthening ethical standards across the Company.

Furthermore, we continuously review and update key company-wide policies, including human rights management, anti-discrimination and harassment, and anti-corruption to further enhance our ethical management system. Since 2020, our CEO has participated in the "BEST (Business Ethics and Sustainability Management for Top Performance) Forum CEO Pledging Ceremony," hosted by the BEST ESG Forum, for six consecutive years, publicly demonstrating our commitment to ethical management both internally and externally.

Ethical Management Communication Channel Operation



Hyosung Chemical has established and operates a systematic ethical management system that allows reports of unethical conduct by Hyosung employees, including personnel misconduct, workplace bullying, and sexual harassment, whether occurring inside or outside the company. Employees can report such cases through the HR Counseling Center on the company's internal groupware and the Whistleblowing Center on our official website, while external stakeholders can submit reports via the Whistleblowing Center. To protect whistleblowers, we allow anonymous reporting and provide multiple reporting channels, including online anonymous counseling, email, and postal mail. Whistleblowers' personal information and the details of their reports are kept strictly confidential, and any disadvantage or retaliatory action resulting from reporting is strictly prohibited. In 2025, no reports were received.

Expansion of Ethical Management Awareness

Hyosung Chemical requires all new employees to familiarize themselves with its ethical management principles, the Code of Ethics, and the Code of Ethics Practical Guidelines upon joining the Company. They are also required to sign an Ethical Conduct Pledge and a No-Gift and Improper Solicitation Agreement to reinforce their commitment to ethical practices. We also enhance awareness of ethical management among our partner companies by collecting their signed Pledge of Compliance with the Supplier Code of Conduct. To effectively promote ethical awareness, we produce promotional videos and magazine-style content and distribute them through our internal groupware system. We also provide regular ethical management training annually to all employees.

2025 Key Ethical Management Activities

1. Mandated ethical management training for new and promoted employees
2. Selected departments with a high risk of conflicts of interest due to direct relationships with partner companies, and provided regular training on topics including subcontracting laws and contract violation cases
3. Provided training to sales departments on trade secret protection and violations, cases of embezzlement, bribery, and document forgery, as well as relevant laws such as the Fair Trade Act and the Fair Agency Transactions Act, to inform them of legally prescribed procedures and standards
4. Collected the "Partner Companies' Code of Conduct Compliance Agreement" from partner companies to ensure their alignment with our ethical management practices, including anti-corruption
5. Provided ethical training materials and venues for partner companies' employees
6. Offered ESG management consulting support to promote the awareness of ethical management throughout the entire supply chain

Ethical Management

Risk Management

Fair Trade Compliance Program

A Compliance Program (CP) is an internally operated system of monitoring, training, and oversight that enables companies to voluntarily comply with fair trade-related laws and regulations. It is designed to prevent losses resulting from legal violations and promote responsible management.

In June 2018, Hyosung Chemical adopted its Compliance Program (CP) through succession at the time of its corporate spin-off. Since then, the Company has updated its Fair Trade Compliance Manual annually to promote legal and ethical management among all employees and strengthen compliance with fair trade laws and regulations.

Roles and Responsibilities for CP Revision and Operation Framework

To ensure the successful establishment of the Compliance Program, the Compliance Officer appointed by the CEO periodically reviews and revises the program to reflect the enactment or amendment of fair trade-related laws and regulations. The Compliance Officer also establishes and implements company policies related to the program.

The Legal Compliance Team is responsible for operating the Compliance Program and minimizes risks through training and monitoring activities for all employees. In addition, the Compliance Officer appointed by the Board of Directors operates the Compliance Program and reports regularly to the Board of Directors and top management.

CP OPERATION FRAMEWORK



Strengthening Internal Monitoring and Follow-Up Management

Hyosung Chemical systematically operates regular audits, special audits, and whistleblower audits in accordance with its internal audit policies. The Company conducts operational assessments and audits across overall management activities, expands the scope of audits to include technical and quality areas, and ensures the independence and anonymity of the audit process.

For identified issues, appropriate measures, including warnings, disciplinary actions, and restitution, are taken according to their severity, and the results are reported to the CEO. The Audit Team periodically reviews the follow-up implementation status to prevent the recurrence of similar issues.

Internal Control over Financial Reporting (ICFR)

Hyosung Chemical has introduced and operates an Internal Control over Financial Reporting (ICFR) system to enhance the reliability of its financial statements. Through this system, the direction of internal accounting operations and related major issues are shared company-wide, and the Audit Committee secures audit independence by conducting sole in-person meetings with the external auditor. In addition, in 2025, the Company underwent a financial audit based on its consolidated ICFR (including overseas subsidiaries) and received an "unqualified opinion."

Planning for Operation Status Review	- Define key controls by reflecting quantitative and qualitative materiality based on the previous year's financial statements and update the Risk Control Matrix (RCM) - Discuss the proposed key controls with the external auditor
Assessment of Control Activities (Monthly)	- Review and evaluate the design of control activities - Assess the appropriateness of changes to organizations and business processes - Monitor the ICFR systems of overseas subsidiaries
Change Management (Quarterly)	Identify internal and external changes to assess their impact on the company's ICFR and review or establish relevant controls
Audit and Reporting of ICFR	- Audit by an audit firm on the company's design and operational evaluation - Report the results to the General Shareholders' Meeting, the Board of Directors, and the Audit Committee after completing internal accounting management operation status assessments

Targets and Performance

Company-wide Ethical Management Training

In August 2025, Hyosung Chemical conducted online training on ethical management and the Fair Trade Act for all employees to enhance compliance awareness.

NUMBER OF PARTICIPANTS WHO COMPLETED TRAINING IN 2025

Training Program	Participants (No.)			
	Korea	Vietnam (Vina)	China (Quzhou)	Total
1. Ethical Management	699	6	7	712
2. Fair Trade	719	6	7	732

Tailored Compliance Training by Job Function

In addition to company-wide training, we offer separate external training programs for employees in roles with a higher risk of unfair trade practices or unfair competition. In 2025, six members of the Purchasing Team attended the Fair Trade Act training, and two members of the Purchasing Team attended the Subcontracting Act training offered by the Fair Trade Training Center operated by the Korea Fair Trade Mediation Agency.

The training was conducted online and was structured from basic to advanced courses according to participants' experience and position. Going forward, the Company will continue to provide differentiated training to prevent work-related ethical issues and enhance its employees' ethical awareness.

Information Security

Governance and Strategy

Information Security Governance

Hyosung Chemical has appointed a Chief Information Security Officer (CISO) under the CEO to ensure the thorough protection of all corporate information, including personal information. The security department under the CISO is responsible for planning and operating company-wide information security and manages security awareness training for employees, as well as training for team security managers. The head of each department serves as the team security officer, while one employee from each department serves as the team security manager. Team security managers are responsible for supporting security-related activities, including disseminating security notices within their teams and reporting security issues when they occur.



Participation in Holding Company-Led Hyosung Group Security Committee (Centered on Management)

In August 2025, the Hyosung Group Security Committee was established, led by the holding company's security team and composed of the CEOs, executives responsible for security and IT, and CISOs of each Hyosung affiliate. The Security Committee aims to contribute to the Company's growth and enhance its external credibility by creating an environment in which the Company's information assets can be securely protected and utilized. The Committee holds regular meetings once every six months and has the authority to deliberate on and approve the Company's security policies, security budget, and major policies and systems related to information security and the protection of information assets.

Participation in Holding Company-Led Hyosung Group Security Council (Centered on Working-level Personnel)

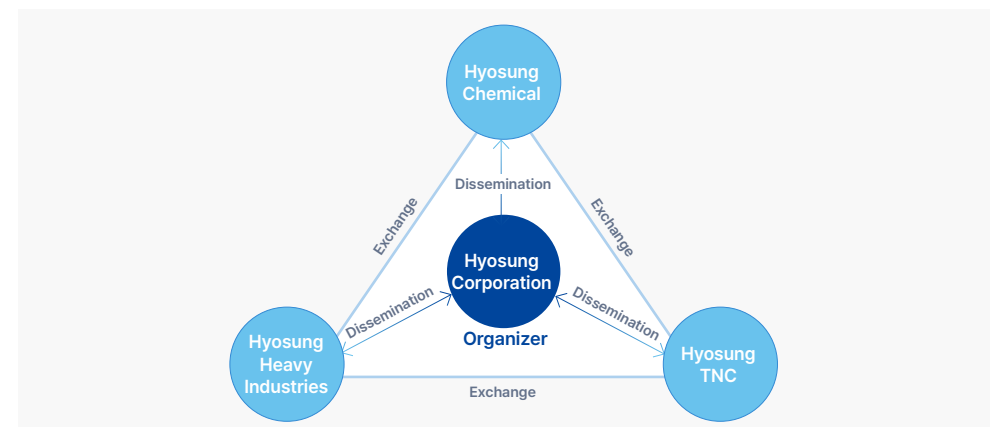
Hyosung Chemical participates in the Hyosung Group Security Council organized by the holding company's security team to identify information security issues and strengthen its security level by implementing identified improvements. The Security Council is attended by working-level security personnel from the holding company and each business company, including Hyosung Chemical, and is held regularly once a month.

Security Policies and Operational Standards

Hyosung Chemical applies and operates security policies and operational standards throughout the Company to protect all information assets and critical information and create an environment in which they can be protected and safely utilized. As the use of cloud services has recently increased, there was a need for operational standards to ensure their secure use without the risk of internal information leakage during the review, implementation, and operation of cloud services. Accordingly, in July 2025, we newly established the Cloud Information Security Operational Standards and plan to conduct preliminary assessments using a checklist based on these standards when introducing cloud services.

Table of Contents for Security Regulations		List of Operational Standards	
1. General Provisions	8. Information Security Assessment and Compliance Management	1. Personnel Security Operational Standards	6. Personal Information Protection Operational Standards
2. Information Security Policy Operations and Planning	9. Personal Information Protection	2. Information Asset Management Operational Standards	7. Physical Security Operational Standards
3. Information Security Organization	10. Physical Security	3. Business Continuity Operational Standards	8. IT Infrastructure Security Management Operational Standards
4. Personnel Security	11. Identity and Access Management	4. Security Incident Response Operational Standards	9. Security Disciplinary Action Operational Standards
5. Information Asset Classification and Control	12. Internet and Network Security	5. Information Security Compliance Assessment Operational Standards	10. Cloud Information Security Operational Standards (New)
6. Business Continuity Management	13. Information Systems Security		
7. Security Incident Response	14. User PC Security		

Security Committee and Security Council Structure



Information Security

Risk Management

Data Loss Prevention System Operation

Hyosung Chemical has established and operates a Data Loss Prevention (DLP) system to systematically protect and manage critical internal information. Through this system, we predefine critical information requiring security management and continuously monitor the potential leakage of key documents through external transmission channels, such as email and the Internet. All identified signs of information leakage are subject to thorough investigation. If materials containing critical information are transmitted externally without authorization, follow-up measures are taken against the relevant employees and the head of the respective organization in accordance with the Company's internal security regulations. In addition, we enable all internal and external stakeholders to report security incidents through the Information Protection Center and provide guidance on response procedures and response measures in the event of a security incident.

Access Control and Management

Hyosung Chemical has established and operates information security standards, including user account management, access control, and data encryption, to ensure that information can be securely used only by authorized users for authorized purposes. We apply dedicated security solutions to all major servers, including Windows servers, to control access permissions, record access and activity logs, and monitor the status of security configurations. In addition, we maintain records of account creation, modification, and deletion and analyze account usage to prevent unnecessary or excessive access privileges from being granted. We also clearly define password requirements for user accounts and strengthen access control by ensuring that access permissions are automatically revoked for long-term inactive accounts or in cases of personnel transfers or employee resignation.

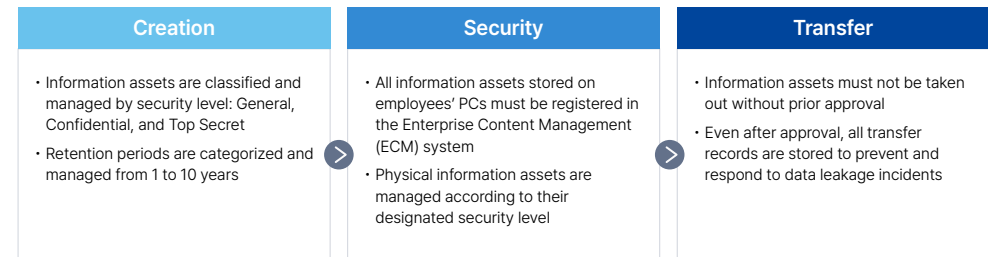
ECM System Introduction

We have established and operate Hi-Cloud, an Enterprise Content Management (ECM)¹ system, to improve the efficiency of information asset management and enhance our security level. Through this system, we centrally manage internal data and systematically establish and operate access permissions for each type of information, controlling unauthorized access and preventing the risk of information leakage in advance.

1. An integrated strategy and system for efficiently capturing, storing, managing, preserving, and delivering unstructured data, such as documents, emails, and images, across an enterprise

Security Management of Information Assets

Hyosung Chemical operates a systematic security management system covering the entire process for all tangible and intangible information assets, including printed materials and electronic documents, from creation and storage to external transfer.



Network Security Management

To strengthen network security, Hyosung Chemical blocks unauthorized external access and continuously monitors abnormal network traffic while implementing a 2-Factor Authentication system to prevent the leakage of account credentials. In addition, to prevent the unauthorized transfer of information assets and security incidents, we have introduced and systematically operate various security solutions, including security controls for company-designated PCs, document encryption, print management, and antivirus software.

Integrated Log Management and Security Control

Hyosung Chemical operates an integrated log management system to strengthen information security by centrally managing logs generated from various security infrastructure, including servers, network equipment, and firewalls. Collected log data are systematically managed through a centralized repository, based on which system anomalies and abnormal activities are continuously monitored. The team leader of each department reviews the log records generated within their respective department and registers their review comments in the system. The CISO then conducts a comprehensive review and grants final approval, ensuring accountability and transparency in the management process.

Information Security

Risk Management

Dissemination of Phishing Email Case

Hyosung Chemical strengthens preventive measures against various cyber threats by posting phishing email cases (spam emails intended to steal personal information such as account details) on the company intranet bulletin board three times a year. As phishing email attack methods become increasingly sophisticated, the cases are updated quarterly to reflect the latest trends. Along with the cases, we also share guidance on how to respond to suspected phishing emails and measures to prevent damage caused by phishing emails.

Posting Date	Case List
March 2025	Portal site impersonation, business partner impersonation, reply email spoofing, national tax service impersonation, credit card company impersonation, quotation disguise
June 2025	Portal site impersonation/disguise, business partner disguise, post office/National Tax Service impersonation, payroll statement disguise
September 2025	Portal site impersonation, internal system disguise, airline ticket impersonation, business partner and acquaintance impersonation, delivery-related disguise, payroll statement disguise

Sharing Smishing Prevention and Response Guidelines

Smishing, a combination of SMS (Short Message Service) and phishing, is a type of fraud that steals personal information through text messages. To help employees avoid falling victim to smishing, we shared the Five Rules for Smishing Prevention with all employees through the company intranet in July 2025. In addition, we also disseminated the Four Smishing Response Guidelines to help employees respond effectively when they suspect a smishing attack.

Dissemination of Security Threat Cases Across Affiliates and Employee Security Advisories

When a security threat case occurs at an affiliate, we share the details of the incident and the response on the company intranet so that other affiliates can refer to the case and prevent security incidents. We also share employee advisories to help employees respond appropriately if similar cases occur. In 2025, a total of two cases were shared.

Posting Date	Case Summary
April 2025	Attempted theft of overseas subsidiary transaction funds
July 2025	Attempted changes to overseas branch employees' bank accounts and payroll theft attempts

Cautionary Message For External Email Recipients

Hyosung Chemical has been displaying a cautionary message within external emails that fail sender server authentication since January 2026. This enables employees to immediately identify such emails amid the continued distribution of malicious emails disguised as external business partners or internal system notifications. We consider these emails to have a risk of forgery or tampering and display a cautionary message at the top of the email.

Personal Information Protection Policy Disclosure

Hyosung Chemical has established procedures and standards for the processing of personal information in accordance with Article 30 of the Personal Information Protection Act and discloses them on its website. We retain personal information within the retention and use period agreed upon at the time of collection or as required by applicable laws. For example, the retention period for personal information collected through customer inquiries is one year. Once the retention period expires or the purpose of processing has been fulfilled, we promptly destroy the personal information. In addition, through our Personal Information Protection Policy, we transparently disclose the categories of personal information collected and the purposes of processing for each case. For example, when a customer inquiry is submitted, the personal information collected includes name and email address, and the purposes of processing are user identification, responding to customer inquiries, and delivering notices.

Review of Self-Approved External Document Transfer Records

Hyosung Chemical requires employees to obtain approval from their team leaders before transferring internal documents outside the company for work or other business-related purposes. However, certain employees who have been authorized by their team leader and an executive are permitted to transfer internal documents outside the company without approval from a superior. We compile the self-approved external document transfer records of these authorized employees on a weekly basis and request their team leaders to review the records. The team leaders review the records for any signs of security violations and then report the results to the Chief Information Security Officer (CISO).

Information Security

Targets and Performance

Malicious Email Simulation Training

Since 2021, Hyosung Chemical has conducted malicious email simulation training (spam emails designed to distribute malware and induce system infection) twice a year, in the first and second halves of the year, for all employees with company email accounts. To address recent phishing trends leveraging generative AI technology, we conducted more sophisticated training in 2025 than in previous years. One of five internally developed malicious emails, such as requests to review payroll details or submit taxpayer supporting documents, was sent to each participant. If a recipient clicked a link contained in the email or opened an attached file, it was regarded as an act leading to malware infection. In the first half of 2025, 93 of the 720 participants (13%) performed actions regarded as malware infection during the simulation, while in the second half, 68 of the 656 participants (10%) did so.

After completing the simulation training, we announced the results and distributed the "Malicious Email Response Guide" to encourage employees to remain vigilant against malicious emails. We will continue to conduct malicious email simulation training on a regular basis in the future.

Information Security Training

We conduct information security training annually for all employees to raise security awareness and strengthen information security capabilities. In July 2025, 657 eligible participants attended a one-hour information security training session.

In response to recent large-scale personal data breach incidents, laws and regulations related to personal information protection have continued to be strengthened. To help employees understand the evolving regulatory requirements and recognize the importance of personal information protection, we conduct additional personal information protection training annually for employees who handle personal information of the company, external organizations, customers, and partner companies. In October 2025, 198 eligible participants attended a one-hour personal information protection training session.

Yongyeon Plant Security Inspection

We conduct regular inspections of production facility PCs at each business site to prevent risks such as the shutdown of our production facilities due to malware infections, including ransomware. In November 2025, we conducted a two-day on-site security inspection at the Yongyeon Plant, including the outsourced security service provider. A total of 99 items across the following five categories were inspected.

Inspection Categories (Number of Items)

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Personnel and Access Security (48): Collection and retention of Information Security Pledges upon employee onboarding and offboarding 2. PC Security (19): Controls over the removal of company business PCs and management of security seal stickers 3. Information Assets and Office Security (17): Storage of confidential documents in locked cabinets or safes | <ol style="list-style-type: none"> 4. Team Office Security (9): Deletion of confidential documents from shared meeting room PCs and continuous locking of server rooms 5. Equipment PC Security (6): Checks for malware infections, including ransomware, and isolation from external internet networks |
|--|---|

For each non-conformity identified during the inspection, we designated the department responsible for implementing corrective actions, and improvements are currently underway based on established improvement measures and scheduled completion dates.

Response to Ministry of Science and ICT Security Inspection

In response to continued cyberattacks targeting companies, the Ministry of Science and ICT conducted urgent security inspections of the IT assets of companies subject to CISO reporting requirements between September and December 2025. The inspection covered four areas: verification of IT asset inventories, including servers; identification of internet-connected assets; vulnerability assessments; and backup recovery drills. The inspection of Hyosung Chemical identified no issues requiring additional findings or further investigation by the Ministry of Science and ICT.

Inspection of Confidentiality Classification Marking on Internal Documents

Hyosung Chemical has established and operates internal document security guidelines. All documents classified as confidential are assigned one of three security classification levels, and the system ensures that the applicable security classification is displayed whenever a document is printed. To verify compliance with these guidelines, security managers at each business site conducted regular inspections once per quarter across all departments during the first through third quarters of 2025. The inspection results confirmed that all departments indicated the confidentiality classification on all internal confidential documents throughout the first through third quarters and complied with the guidelines. Accordingly, regular inspections were replaced by irregular, unannounced inspections beginning in the fourth quarter.

Information Security Electronic Pledge Collection

We collect written Information Security Pledges from all new employees upon joining the company to raise awareness of information security. However, because the pledges were collected in paper form, there were concerns about the loss or damage of the documents, and re-collecting the pledges after employment was cumbersome. To address these issues, beginning in 2025, we introduced an annual online Information Security e-Pledge for all executives and office employees across the company. In 2025, we collected electronic Information Security Pledges from 669 eligible participants.

Information Security Training for On-Site Partner Companies and Security Service Providers

In 2026, we conducted information security training for a total of 10 on-site partner companies and security firms at the Yongyeon Plant to strengthen internal security. The training was based on an information security training video developed for outsourced personnel, and upon completion of the training, participants submitted a pledge stating that they would not provide or disclose Hyosung Chemical's information to other companies or any third party. One of the pledge provisions states, "I agree to regular or irregular audits and inspections conducted by the relevant departments for the protection of the Company's confidential information." Based on this provision, we plan to include on-site partner companies and security firms in the scope of our internal information security inspections.

ESG DATA



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ESG Data

Reporting Scope

- The ESG data presented in this report include data from Hyosung Vina Chemicals Co., Ltd. and Hyosung Film (Quzhou) Co., Ltd., the major subsidiaries of Hyosung Chemical Corporation.
- Scope details: All business sites of Hyosung Chemical Corporation (Seoul Headquarters, Yongyeon Plants 1, 2, and 3, Gumi Plant, Oksan Plant, Anyang Plant, and Daejeon Plant), Hyosung Vina Chemicals Co., Ltd., and Hyosung Film (Quzhou) Co., Ltd.
- Notes: The Daejeon Plant was not operational in 2024 and 2025 and is therefore excluded from the data for those years. As Hyosung Film (Quzhou) Co., Ltd. commenced operations in December 2023, its data for 2023 are not reported.
- Cases that are not applicable or cannot be applied are indicated as "N/A," while cases for which data were not collected are indicated as "-". Additional notes for special cases are provided in footnotes under the relevant tables.

Major Consolidated Subsidiaries	Country
Hyosung Vina Chemicals Co., Ltd.	Vietnam
Hyosung Film(Quzhou) Co., Ltd.	China

1. To maintain consistency with the current business report, which discloses figures excluding the business unit transferred in 2025, revenue is disclosed in detail here. However, all intensity indicators for quantitative performance in this report are calculated using revenue that includes the transferred business unit.

* Source of revenue data: Current Business Report, p.31, "4. Sales and Order Status"

Financial Performance

Category	Subcategory 1	Subcategory 2	Unit	2023	2024	2025
Financial Statements (Consolidated)	Current Assets		KRW million	699,214	1,061,745	647,521
	Non-current Assets		KRW million	2,416,397	2,210,285	1,946,570
	Total Assets		KRW million	3,115,611	3,272,030	2,594,091
	Current Liabilities		KRW million	2,147,489	3,047,299	1,597,078
	Non-current Liabilities		KRW million	906,238	292,724	363,942
	Total Liabilities		KRW million	3,053,727	3,340,023	1,961,020
	Total Equity		KRW million	61,884	(67,993)	633,071
Comprehensive Income Statement	Sales ¹		KRW million	2,791,629	3,013,765	2,408,421
		Excluding Transferred Business Division	KRW million	2,193,606	2,452,220	2,340,718
		Transferred Business Division	KRW million	598,023	561,545	67,703
	Operating Income		KRW million	(217,797)	(174,810)	(160,500)
	Net Profit		KRW million	(346,912)	(325,724)	326,028
Corporate Tax by Country	Republic of Korea	Sales ¹	KRW million	2,011,884	1,927,309	1,339,352
		Excluding Transferred Business Division	KRW million	1,413,861	1,365,663	1,271,649
		Transferred Business Division	KRW million	598,023	561,546	67,703
		Profit Before Tax	KRW million	(203,642)	(192,643)	(80,330)
		Corporate Tax Expense	KRW million	(25,685)	(21,911)	58,878
		Tax Rate	%	23	23	23
		Effective Tax Rate	%	N/A	N/A	N/A
	Vietnam	Sales	KRW million	782,395	1,055,676	1,052,869
		Profit Before Tax	KRW million	(259,446)	(227,919)	(231,145)
		Corporate Tax Expense	KRW million	0	4,175	0
		Tax Rate	%	0	0	0
		Effective Tax Rate	%	N/A	N/A	N/A
	China	Sales	KRW million	380	41,392	45,711
		Profit Before Tax	KRW million	998	(11,628)	(9,185)
		Corporate Tax Expense	KRW million	698	(27)	21
		Tax Rate	%	25	25	25
		Effective Tax Rate	%	N/A	N/A	N/A

Environmental Performance

Greenhouse Gas Emissions^{1,2}

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Scope1	Total Direct Emissions			tCO ₂ eq	526,502	452,811	345,353
	Domestic			tCO ₂ eq	319,258	258,208	173,048
	Hyosung Vina Chemicals			tCO ₂ eq	207,244	193,028	169,692
	Hyosung Film(Quzhou)			tCO ₂ eq	N/A	1,576	2,613
	Biogenic CO ₂ Emissions			tCO ₂ eq	4	0	0
	Domestic			tCO ₂ eq	4	0	0
	Hyosung Vina Chemicals			tCO ₂ eq	0	0	0
	Hyosung Film(Quzhou)			tCO ₂ eq	N/A	0	0
Scope2	Total Indirect Emissions			tCO ₂ eq	1,041,505	1,069,462	769,839
	Domestic			tCO ₂ eq	548,088	529,726	330,162
	Hyosung Vina Chemicals			tCO ₂ eq	493,417	525,283	420,983
	Hyosung Film(Quzhou)			tCO ₂ eq	N/A	14,453	18,694
Scope 1,2 Total	Location-based			tCO ₂ eq	1,568,007	1,522,273	1,115,192
	Domestic			tCO ₂ eq	867,346	787,934	503,210
	Hyosung Vina Chemicals			tCO ₂ eq	700,661	718,311	590,675
	Hyosung Film(Quzhou)			tCO ₂ eq	N/A	16,029	21,307
	Emissions Intensity by Region (KRW-based)			tCO ₂ eq/KRW 100 million	56.1	50.3	45.7
	Domestic			tCO ₂ eq/KRW 100 million	43.1	40.9	37.6
	Hyosung Vina Chemicals			tCO ₂ eq/KRW 100 million	89.6	68.0	56.1
	Hyosung Film(Quzhou)			tCO ₂ eq/KRW 100 million	N/A	38.7	46.6
Scope3 (Domestic)	Total Emissions			tCO ₂ eq	2,151,029	2,055,260	1,344,777
	Upstream Emissions			tCO ₂ eq	1,344,304	1,340,875	914,265
	Category 1			tCO ₂ eq	1,251,563	1,252,534	856,358
	Category 2			tCO ₂ eq	70	55	99
	Category 3			tCO ₂ eq	86,189	82,296	53,919
	Category 4			tCO ₂ eq	1,556	1,165	1,452
	Category 5			tCO ₂ eq	4,513	4,494	2,175
	Category 6			tCO ₂ eq	413	331	263
	Downstream Emissions			tCO ₂ eq	806,725	714,385	430,511
	Category 9			tCO ₂ eq	65,292	53,076	43,957
	Category 12			tCO ₂ eq	741,433	661,309	386,555
	Emissions Intensity (KRW-based)			tCO ₂ eq/KRW 100 million	106.9	106.6	100.4

1. The greenhouse gas emissions are prepared based on the Guidelines for Reporting and Certification of Emissions under the Emissions Trading Scheme and the certified emissions submitted for the relevant reporting year in accordance with the Ministry of Environment's conformity assessment. Only CO₂, CH₄, and N₂O emissions are included. The total greenhouse gas emissions presented above may differ from the greenhouse gas emissions disclosed in the Business Report due to the truncation of decimal places at the site level.

2. For the overseas subsidiaries, Hyosung Vina Chemicals Co., Ltd. and Hyosung Film (Quzhou) Co., Ltd., country-specific electricity emission factors were applied. For steam used by Hyosung Film (Quzhou) Co., Ltd., the emission factor provided by the steam supplier was applied. All other emission factors were based on the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

Energy Consumption

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Energy Consumption	Total Energy Consumption			TJ	24,937	23,613	17,096
	Domestic			TJ	18,415	16,446	10,661
	Hyosung Vina Chemicals			TJ	6,522	7,032	6,251
	Hyosung Film(Quzhou)			TJ	N/A	135	184
	Energy Consumption Intensity (KRW-based)			TJ/KRW 100 million	0.89	0.78	0.70
	Domestic			TJ/KRW 100 million	0.92	0.85	0.80
	Hyosung Vina Chemicals			TJ/KRW 100 million	0.83	0.67	0.59
	Hyosung Film(Quzhou)			TJ/KRW 100 million	N/A	0.33	0.40
Non-renewable energy Consumption	Total Non-renewable Energy Consumption			TJ	24,935	23,607	17,088
	Domestic			TJ	18,413	16,444	10,660
	Fuel			TJ	6,449	5,070	3,436
	Electricity			TJ	11,529	11,069	6,899
	Heat			TJ	0	0	0
	Steam			TJ	435	305	325
	Hyosung Vina Chemicals			TJ	6,522	7,032	6,251
	Fuel			TJ	3,709	4,038	3,549
	Electricity			TJ	2,813	2,994	2,701
	Heat			TJ	0	0	0
	Steam			TJ	0	0	0
	Hyosung Film(Quzhou)			TJ	N/A	130	177
	Fuel			TJ	N/A	31	52
	Electricity			TJ	N/A	82	108
	Heat			TJ	N/A	0	0
	Steam			TJ	N/A	17	17
Renewable energy consumption	Total Renewable energy consumption			TJ	2.1	6.3	8.0
	Domestic			TJ	2.1	1.7	0.4
	Self-generation			TJ	2.1	1.7	0.4
	Purchased			TJ	0	0	0
	Hyosung Vina Chemicals			TJ	0	0	0
	Self-generation			TJ	0	0	0
	Purchased			TJ	0	0	0
	Hyosung Film(Quzhou)			TJ	N/A	4.6	7.6
	Self-generation			TJ	N/A	0	0
	Purchased			TJ	N/A	4.6	7.6
	Ratio of Renewable Energy Consumption			%	0.01	0.03	0.05
	Domestic			%	0.01	0.01	0.00
	Hyosung Vina Chemicals			%	0	0	0
	Hyosung Film(Quzhou)			%	N/A	3.40	4.12

Environmental Performance

Water Pollution Management

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Water Pollutant Emissions	Biochemical Oxygen Demand (BOD)			ton	17.4	18.2	16.8
	Domestic			ton	4.0	7.8	3.8
	Hyosung Vina Chemicals			ton	13.4	10.0	10.4
	Hyosung Film(Quzhou)			ton	N/A	0.4	2.6
	Chemical Oxygen Demand (COD)			ton	28.6	23.8	34.5
	Domestic			ton	0	0	0
	Hyosung Vina Chemicals			ton	28.6	22.4	26.7
	Hyosung Film(Quzhou)			ton	N/A	1.4	7.8
	Total Organic Carbon (TOC)			ton	12.0	18.6	10.7
	Domestic			ton	12.0	18.6	10.7
	Hyosung Vina Chemicals			ton	-	-	-
	Hyosung Film(Quzhou)			ton	N/A	0	0
	Suspended Solids (SS)			ton	18.1	34.4	50.8
	Domestic			ton	11.6	27.4	26.5
	Hyosung Vina Chemicals			ton	6.5	6.8	23.7
	Hyosung Film(Quzhou)			ton	N/A	0.2	0.5
	Total Nitrogen (T-N)			ton	8.4	16.0	19.3
	Domestic			ton	2.8	8.8	13.4
	Hyosung Vina Chemicals			ton	5.6	6.9	5.5
	Hyosung Film(Quzhou)			ton	N/A	0.3	0.4
	Total Phosphorus (T-P)			ton	1.4	1.9	2.0
	Domestic			ton	0.3	0.4	0.3
	Hyosung Vina Chemicals			ton	1.1	1.5	1.7
	Hyosung Film(Quzhou)			ton	N/A	0	0

Water Resources

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Water Withdrawal	Total Water Withdrawal			ton	11,675,194	11,544,173	8,133,202
	Domestic			ton	7,244,484	6,820,496	3,822,695
	Yongyeon Plant 1			ton	3,463,934	2,945,203	2,316,540
	Yongyeon Plant 2			ton	3,059,478	3,031,560	972,160
	Yongyeon Plant 3			ton	249,282	361,878	177,840
	Gumi Plant			ton	174,981	204,619	208,780
	Oksan Plant			ton	176,660	268,620	143,550
	Daejeon Plant			ton	111,332	0	0
	Headquarters, etc			ton	8,817	8,616	3,824
	Hyosung Vina Chemicals			ton	4,430,710	4,663,257	4,223,480
	Hyosung Film(Quzhou)			ton	N/A	60,420	87,027

Water Resources

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Water Withdrawal by Source	Total Municipal Water Withdrawal			ton	3,452,787	3,711,003	3,392,580
	Domestic			ton	66,564	61,119	56,141
	Yongyeon Plant 1			ton	19,869	17,523	12,588
	Yongyeon Plant 2			ton	9,540	10,395	10,560
	Yongyeon Plant 3			ton	9,405	12,144	18,388
	Gumi Plant			ton	6,497	6,570	6,570
	Oksan Plant			ton	4,745	5,940	4,290
	Daejeon Plant			ton	7,742	N/A	N/A
	Headquarters, etc			ton	8,766	8,547	3,746
	Hyosung Vina Chemicals			ton	3,386,223	3,589,464	3,249,412
	Hyosung Film(Quzhou)			ton	N/A	60,420	87,027
	Total Ground Water Withdrawal			ton	82,192	31,254	78
	Domestic			ton	82,192	31,254	78
	Yongyeon Plant 1			ton	0	0	0
	Yongyeon Plant 2			ton	31,482	31,185	0
	Yongyeon Plant 3			ton	0	0	0
	Gumi Plant			ton	0	0	0
	Oksan Plant			ton	0	0	0
	Daejeon Plant			ton	50,659	N/A	N/A
	Headquarters, etc			ton	51	69	78
	Hyosung Vina Chemicals			ton	0	0	0
	Hyosung Film(Quzhou)			ton	N/A	0	0
	Total Industrial Water Withdrawal			ton	6,868,830	6,483,407	3,537,470
	Domestic			ton	6,868,830	6,483,407	3,537,470
	Yongyeon Plant 1			ton	3,217,167	2,682,964	2,074,947
	Yongyeon Plant 2			ton	3,018,456	2,989,980	961,600
	Yongyeon Plant 3			ton	239,877	349,734	159,453
	Gumi Plant			ton	168,484	198,049	202,210
	Oksan Plant			ton	171,915	262,680	139,260
	Daejeon Plant			ton	52,931	N/A	N/A
	Headquarters, etc			ton	0	0	0
	Hyosung Vina Chemicals			ton	0	0	0
	Hyosung Film(Quzhou)			ton	N/A	0	0
	Total Reused Sewage Treatment Water Withdrawal			ton	1,271,385	1,318,509	1,203,073
	Domestic			ton	226,898	244,716	229,005
	Yongyeon Plant 1			ton	226,898	244,716	229,005
	Yongyeon Plant 2			ton	0	0	0
	Yongyeon Plant 3			ton	0	0	0
	Gumi Plant			ton	0	0	0
	Oksan Plant			ton	0	0	0
	Daejeon Plant			ton	0	N/A	N/A
	Headquarters, etc			ton	0	0	0
	Hyosung Vina Chemicals			ton	1,044,487	1,073,793	974,068
	Hyosung Film(Quzhou)			ton	N/A	0	0

Environmental Performance

Water Resources

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Wastewater Discharge	Total Wastewater Discharge			ton	2,202,308	2,363,430	1,583,371
	Domestic			ton	1,513,721	1,593,458	830,285
		Discharge to Sewer After Direct Treatment		ton	1,513,662	1,593,454	830,282
		Discharge After Third-Party Treatment		ton	59	4	3
	Hyosung Vina Chemicals			ton	688,587	753,291	721,233
		Discharge to Sewer After Direct Treatment		ton	688,587	753,291	721,233
		Discharge After Third-Party Treatment		ton	0	0	0
	Hyosung Film(Quzhou)			ton	N/A	16,681	31,853
		Discharge to Sewer After Direct Treatment		ton	N/A	0	0
		Discharge After Third-Party Treatment		ton	N/A	16,681	31,853
Water Consumption	Total Water Consumption			ton	9,472,886	9,180,743	6,549,830
	Domestic			ton	5,730,763	5,227,038	2,992,409
	Hyosung Vina Chemicals			ton	3,742,123	3,909,966	3,502,247
	Hyosung Film(Quzhou)			ton	N/A	43,739	55,174
Water Recycling and Reuse	Total Water Recycling and Reuse Amount			ton	1,271,385	1,318,509	1,203,073
	Domestic			ton	226,898	244,716	229,005
	Hyosung Vina Chemicals			ton	1,044,487	1,073,793	974,068
	Hyosung Film(Quzhou)			ton	N/A	0	0
	Ratio of Water Recycled			%	10.9	11.4	14.6
	Domestic			%	3.1	3.6	6.0
	Hyosung Vina Chemicals			%	23.6	23.0	23.1
	Hyosung Film(Quzhou)			%	N/A	0	0

Air Pollution Management

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Air Pollutant Emissions	Total Air Pollutant Emissions			ton	501	370	514
	Domestic			ton	329	226	191
	Hyosung Vina Chemicals			ton	172	141	317
	Hyosung Film(Quzhou)			ton	N/A	3	5
Air Pollutants	Total Particulate Matter (PM) Emissions			ton	57.6	70.0	95.6
	Domestic			ton	14.7	15.8	18.7
	Hyosung Vina Chemicals			ton	42.9	52.2	72.3
	Hyosung Film(Quzhou)			ton	N/A	2.0	4.6
	Total Nitrogen Oxides (NOx) Emissions			ton	335.2	204.9	334.2
	Domestic			ton	213.0	121.8	102.1
	Hyosung Vina Chemicals			ton	122.2	82.6	231.7
	Hyosung Film(Quzhou)			ton	N/A	0.5	0.4
	Total Sulfur Oxides (SOx) Emissions			ton	59.2	9.0	16.1
	Domestic			ton	52.0	2.9	2.9
	Hyosung Vina Chemicals			ton	7.2	6.1	13.1
	Hyosung Film(Quzhou)			ton	N/A	0	0.1
	Total Volatile Organic Compounds (VOCs) Emissions			ton	2.2	41.6	33.5
	Domestic ¹			ton	2.2	41.6	33.2
	Hyosung Vina Chemicals			ton	-	-	-
	Hyosung Film(Quzhou)			ton	N/A	0.0	0.3
	Total Hazardous Air Pollutants (HAPs) Emissions			ton	47.1	44.1	34.1
	Domestic			ton	47.1	44.1	34.1
	Hyosung Vina Chemicals			ton	-	-	-
	Hyosung Film(Quzhou)			ton	N/A	0	0
	Total HCFC(R-22) Emissions			ton	0	0	0
	Domestic			ton	0	0	0
	Hyosung Vina Chemicals			ton	-	-	-
	Hyosung Film(Quzhou)			ton	N/A	0	0
	Total CFC(R-11) Emissions			ton	0	0	0
	Domestic			ton	0	0	0
	Hyosung Vina Chemicals			ton	-	-	-
	Hyosung Film(Quzhou)			ton	N/A	0	0
	Total HCFC(R-123) Emissions			ton	0	0	0
	Domestic			ton	0	0	0
	Hyosung Vina Chemicals			ton	-	-	-
	Hyosung Film(Quzhou)			ton	N/A	0	0

1. Partial omissions identified in the previously reported 2024 performance data for Yongyeon Plant 3 and Oksan Plant have been corrected.

Environmental Performance

Waste Management

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Waste Generated	Total Waste Generated			ton	31,062	30,741	14,506
	Domestic			ton	29,396	28,760	11,619
	Hyosung Vina Chemicals			ton	1,666	1,981	2,468
	Hyosung Film(Quzhou)			ton	N/A	-	419
Designated (Hazardous) Waste Generated	Total Designated (Hazardous) Waste Generated			ton	6,201	6,387	2,414
	Domestic			ton	5,310	5,096	826
	Landfill			ton	30	2	5
	Incineration			ton	357	343	249
	Other			ton	3,722	3,685	0
	Recycling			ton	1,201	1,066	571
	Hyosung Vina Chemicals			ton	891	1,291	1,531
	Landfill			ton	0	0	0
	Incineration			ton	859	1,224	1,327
	Other ¹			ton	32	58	191
	Recycling ¹			ton	0	9	13
	Hyosung Film(Quzhou)			ton	N/A	-	58
	Landfill			ton	N/A	-	0
	Incineration			ton	N/A	-	58
	Other			ton	N/A	-	0
	Recycling			ton	N/A	-	0
Ordinary (Non-Hazardous) Waste Generated	Total Ordinary (Non-Hazardous) Waste Generated			ton	24,861	24,354	12,091
	Domestic			ton	24,086	23,664	10,793
	Landfill			ton	4,509	2,820	1,039
	Incineration			ton	721	667	564
	Other			ton	785	1,130	0
	Recycling			ton	18,071	19,047	9,190
	Hyosung Vina Chemicals			ton	775	690	937
	Landfill			ton	563	505	772
	Incineration			ton	0	0	0
	Other			ton	0	0	0
	Recycling			ton	212	185	166
	Hyosung Film(Quzhou)			ton	N/A	-	361
	Landfill			ton	N/A	-	0
	Incineration			ton	N/A	-	0
	Other			ton	N/A	-	0
	Recycling			ton	N/A	-	361

1. Errors identified in the calculation of the 2024 performance data reported in the previous year have been corrected.

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Waste Recycling	Waste Recycled			ton	19,484	20,307	10,301
	Domestic			ton	19,272	20,113	9,761
	Hyosung Vina Chemicals			ton	212	194	179
	Hyosung Film(Quzhou)			ton	N/A	-	361
	Ratio of Waste Recycled			%	62.7	66.1	71.0
	Domestic			%	65.6	69.9	84.0
	Hyosung Vina Chemicals			%	12.7	9.8	7.2
	Hyosung Film(Quzhou)			%	N/A	-	86.2

Chemical Management Status

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Consumption	Total Hazardous Chemical Consumption			ton	282,179	271,015	41,405
	Domestic			ton	281,086	269,565	40,140
	Hyosung Vina Chemicals ²			ton	1,093	1,450	1,265
	Hyosung Film(Quzhou)			ton	N/A	-	0
Emissions	Total Chemical Emissions			ton	461	484	406
	Domestic			ton	461	484	406
	Hyosung Vina Chemicals			ton	-	-	-
	Hyosung Film(Quzhou)			ton	N/A	-	-

2. Errors identified in the calculation of the 2023–2024 performance data reported in the previous year have been corrected.

Environmental Performance

Environmentally Friendly Vehicles

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Environmentally Friendly Vehicle Status ³	Total No. of Environmentally Friendly Vehicles Owned (Electric + Hydrogen)			Unit	3	3	3
	Domestic			Unit	3	3	3
	Hyosung Vina Chemicals			Unit	0	0	0
	Hyosung Film(Quzhou)			Unit	N/A	0	0
	Total No. of Vehicles Owned			Unit	114	133	129
	Domestic			Unit	86	93	89
	Hyosung Vina Chemicals			Unit	28	25	25
	Hyosung Film(Quzhou)			Unit	N/A	15	15
	Ratio of Environmentally Friendly Vehicle Ownership			%	2.6	2.3	2.3
	Domestic			%	3.5	3.2	3.4
	Hyosung Vina Chemicals			%	0	0	0
	Hyosung Film(Quzhou)			%	N/A	0	0

3. The previously reported 2023-2024 performance data has been corrected due to a change in the calculation method.

Eco-friendly Products

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Eco-Friendly Product Sales and Purchases ¹	Eco-Friendly Product Sales			KRW million	190,293	210,011	220,696
	Domestic			KRW million	190,293	210,011	220,696
	Hyosung Vina Chemicals			KRW million	0	0	0
	Hyosung Film(Quzhou)			KRW million	N/A	0	0
	Eco-Friendly Product Purchase			KRW million	20,336	32,201	35,224
	Domestic			KRW million	20,336	32,201	35,224
	Hyosung Vina Chemicals			KRW million	0	0	0
	Hyosung Film(Quzhou)			KRW million	N/A	0	0

1. Criteria for Eco-friendly Products and Services

- 1) Products and installation services with higher energy efficiency than existing products, such as LED lighting and high-efficiency certified equipment.
- 2) Products that have obtained '[Appendix 2] Major domestic and foreign environmental third-party certifications' of the Ministry of Environment's 'Eco-friendly management activity labeling and advertising guidelines' (e.g. Green Certification, USDA Biobased Product Labeling, GRS, ISCC, etc.)

Renewable Raw Materials Consumption

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Raw Materials Consumption	Total Raw Materials Consumption			ton	1,611,701	1,718,919	1,431,408
	Domestic			ton	989,452	944,780	638,231
	Renewable Raw Materials Consumption ²			ton	5,974	6,116	5,348
	Non-renewable Raw Materials Consumption ³			ton	983,478	938,664	632,883
	Hyosung Vina Chemicals			ton	622,249	774,139	770,343
	Renewable Raw Materials Consumption			ton	0	0	0
	Non-renewable Raw Materials Consumption			ton	622,249	774,139	770,343
	Hyosung Film(Quzhou)			ton	N/A	-	22,834
	Renewable Raw Materials Consumption			ton	N/A	-	0
	Non-renewable Raw Materials Consumption			ton	N/A	-	22,834
Recycled Raw Material ⁴	Total Recycled Raw Materials Consumption			ton	34,247	35,333	39,183
	Domestic			ton	34,247	35,333	32,571
	Hyosung Vina Chemicals			ton	0	0	0
	Hyosung Film(Quzhou)			ton	N/A	-	6,612
	Ratio of Recycled Raw Materials Consumption			%	2.1	2.1	2.7
	Domestic			%	3.5	3.7	5.1
	Hyosung Vina Chemicals			%	0	0	0
	Hyosung Film(Quzhou)			%	N/A	-	29.0

2. Renewable materials are substances that are rapidly replenished through ecological or agricultural processes.

Examples include bamboo- or hemp-based materials for textiles, and bio-based chips.

3. Non-renewable materials are derived from resources like coal, gas, metals, minerals, and crude oil, which are not regenerated within a short period of time.

4. Recycled materials are those that have undergone recycling processes, such as recycled chips.

Social Performance

Employees

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
No. of Employees ¹	Total No. of Employees			persons	1,707	1,887	1,496
		Domestic		persons	1,273	1,269	884
		Hyosung Vina Chemicals		persons	434	440	433
		Hyosung Film(Quzhou)		persons	N/A	178	179
By Gender	Male			persons	1,466	1,610	1,271
		Domestic		persons	1,123	1,112	778
		Hyosung Vina Chemicals		persons	343	345	340
		Hyosung Film(Quzhou)		persons	N/A	153	153
	Female			persons	241	277	225
		Domestic		persons	150	157	106
		Hyosung Vina Chemicals		persons	91	95	93
		Hyosung Film(Quzhou)		persons	N/A	25	26
By Age	Under 30			persons	541	570	416
		Domestic		persons	262	245	110
		Hyosung Vina Chemicals		persons	279	258	246
		Hyosung Film(Quzhou)		persons	N/A	67	60
	30-50			persons	897	1,041	857
		Domestic		persons	762	770	571
		Hyosung Vina Chemicals		persons	135	165	175
		Hyosung Film(Quzhou)		persons	N/A	106	111
	51 and Above			persons	269	276	223
		Domestic		persons	249	254	203
		Hyosung Vina Chemicals		persons	20	17	12
		Hyosung Film(Quzhou)		persons	N/A	5	8
By Employment Type	Permanent			persons	1,335	1,538	1,221
		Domestic		persons	1,202	1,200	862
		Hyosung Vina Chemicals		persons	133	195	225
		Hyosung Film(Quzhou)		persons	N/A	143	134
	Temporary			persons	372	349	275
		Domestic		persons	71	69	22
		Hyosung Vina Chemicals		persons	301	245	208
		Hyosung Film(Quzhou)		persons	N/A	35	45

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Permanent Employees By Job Category	Office			persons	619	759	552
		Domestic		persons	559	576	411
		Hyosung Vina Chemicals		persons	60	135	89
		Hyosung Film(Quzhou)		persons	N/A	48	52
	Skilled			persons	716	779	714
		Domestic		persons	643	624	451
		Hyosung Vina Chemicals		persons	73	60	136
		Hyosung Film(Quzhou)		persons	N/A	95	127
By Country	Permanent			persons	1,335	1,538	1,221
		Korea		persons	1,202	1,200	862
		Vietnam		persons	133	195	225
		China		persons	N/A	143	134
	Temporary			persons	372	349	275
		Korea		persons	71	69	22
		Vietnam		persons	301	245	208
		China		persons	N/A	35	45
No. of Workers Who Are Not Employees ²	Male			persons	461	477	442
		Domestic		persons	292	293	254
		Hyosung Vina Chemicals ³		persons	169	171	175
		Hyosung Film(Quzhou)		persons	N/A	13	13
	Female			persons	38	39	32
		Domestic		persons	17	17	11
		Hyosung Vina Chemicals ³		persons	21	22	21
		Hyosung Film(Quzhou)		persons	N/A	0	0

1. Prepared as of December 31, 2025. The number of employees decreased by 261 due to the sale of certain business units to group companies (NeoChem PU: 243 employees, Tank Terminal: 18 employees).

2. Workers Who Are Not Employees refer to outsourced, subcontracted, and dispatched workers working at the company's business sites who are classified as non-affiliated workers in the business report.

3. Errors identified in the calculation of the 2023-2024 performance data reported in the previous year have been corrected.

Social Performance

Employee Diversity

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
No. of Employees by Job Level	Executives			persons	22	25	23
		Domestic		persons	15	20	17
			Male	persons	15	18	15
			Female	persons	0	2	2
		Hyosung Vina Chemicals		persons	7	4	5
			Male	persons	7	4	5
			Female	persons	0	0	0
		Hyosung Film(Quzhou)		persons	N/A	1	1
			Male	persons	N/A	1	1
			Female	persons	N/A	0	0
	Managerial			persons	303	312	270
		Domestic		persons	232	231	179
			Male	persons	213	212	161
			Female	persons	19	19	18
		Hyosung Vina Chemicals		persons	71	74	85
			Male	persons	62	61	66
			Female	persons	9	13	19
		Hyosung Film(Quzhou)		persons	N/A	7	6
			Male	persons	N/A	6	5
			Female	persons	N/A	1	1
	Non-Managerial			persons	1,382	1,550	1,203
		Domestic		persons	1,026	1,018	688
			Male	persons	895	882	602
			Female	persons	131	136	86
		Hyosung Vina Chemicals		persons	356	362	343
			Male	persons	274	280	269
			Female	persons	82	82	74
		Hyosung Film(Quzhou)		persons	N/A	170	172
			Male	persons	N/A	146	147
			Female	persons	N/A	24	25
Female Employee Ratio by Job Level	Total			%	14.1	14.7	15.0
		Domestic		%	11.8	12.4	12.0
			Hyosung Vina Chemicals	%	21.0	21.6	21.5
			Hyosung Film(Quzhou)	%	N/A	14.0	14.5
	Executives			%	0	8.0	8.7
		Domestic		%	0	10.0	11.8
			Hyosung Vina Chemicals	%	0	0	0
			Hyosung Film(Quzhou)	%	N/A	0	0

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Female Employee Ratio by Job Level	Managerial			%	9.2	10.6	14.1
		Domestic		%	8.2	8.2	10.1
			Hyosung Vina Chemicals	%	12.7	17.6	22.4
			Hyosung Film(Quzhou)	%	N/A	14.3	16.7
	Non-managerial			%	15.4	15.6	15.4
		Domestic		%	12.8	13.4	12.5
			Hyosung Vina Chemicals	%	23.0	22.7	21.6
			Hyosung Film(Quzhou)	%	N/A	14.1	14.5
Board Gender Diversity	Male			persons	10	14	14
		Domestic		persons	5	4	4
			Hyosung Vina Chemicals	persons	5	5	5
			Hyosung Film(Quzhou)	persons	N/A	5	5
	Female			persons	0	1	1
		Domestic		persons	0	1	1
			Hyosung Vina Chemicals	persons	0	0	0
			Hyosung Film(Quzhou)	persons	N/A	0	0
	Board Age Diversity	Under 30		persons	0	0	0
			Domestic	persons	0	0	0
			Hyosung Vina Chemicals	persons	0	0	0
			Hyosung Film(Quzhou)	persons	N/A	0	0
		30-50		persons	0	0	0
			Domestic	persons	0	0	0
			Hyosung Vina Chemicals	persons	0	0	0
			Hyosung Film(Quzhou)	persons	N/A	0	0
	51 and Above			persons	10	15	15
		Domestic		persons	5	5	5
			Hyosung Vina Chemicals	persons	5	5	5
			Hyosung Film(Quzhou)	persons	N/A	5	5
Minority and Vulnerable Groups ¹	Total No. of Employees			persons	58	62	31
		Domestic		persons	55	52	21
			Hyosung Film(Quzhou)	persons	N/A	8	8
	Total Workforce Ratio			%	3.4	3.3	2.1
		Domestic		%	4.3	4.1	2.4
			Hyosung Vina Chemicals	%	0.7	0.5	0.5
			Hyosung Film(Quzhou)	%	N/A	4.5	4.5

1. The scope of minority and vulnerable groups includes persons with disabilities, veterans, and foreign nationals.

Social Performance

New Hires

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
New Hires	Total New Hires			persons	230	258	147
		Domestic		persons	151	138	29
		Hyosung Vina Chemicals		persons	79	72	69
		Hyosung Film(Quzhou)		persons	N/A	48	49
By Gender	Male New Hires			persons	195	213	136
		Domestic		persons	122	108	24
		Hyosung Vina Chemicals		persons	73	62	64
		Hyosung Film(Quzhou)		persons	N/A	43	48
	Female New Hires			persons	35	45	11
		Domestic		persons	29	30	5
		Hyosung Vina Chemicals		persons	6	10	5
		Hyosung Film(Quzhou)		persons	N/A	5	1
	Male New Hires Ratio			%	84.8	82.6	92.5
		Domestic		%	80.8	78.3	82.8
		Hyosung Vina Chemicals		%	92.4	86.1	92.8
		Hyosung Film(Quzhou)		%	N/A	89.6	98.0
	Female New Hires Ratio			%	15.2	17.4	7.5
		Domestic		%	19.2	21.7	17.2
		Hyosung Vina Chemicals		%	7.6	13.9	7.2
		Hyosung Film(Quzhou)		%	N/A	10.4	2
By Age	Under 30			persons	161	173	99
		Domestic		persons	92	93	14
		Hyosung Vina Chemicals		persons	69	68	64
		Hyosung Film(Quzhou)		persons	N/A	12	21
	30~50			persons	65	72	40
		Domestic		persons	55	36	10
		Hyosung Vina Chemicals		persons	10	4	5
		Hyosung Film(Quzhou)		persons	N/A	32	25
	51 and Above			persons	4	13	8
		Domestic		persons	4	9	5
		Hyosung Vina Chemicals		persons	0	0	0
		Hyosung Film(Quzhou)		persons	N/A	4	3
	Under 30 Ratio			%	70.0	67.1	67.3
		Domestic		%	60.9	67.4	48.3
		Hyosung Vina Chemicals		%	87.3	94.4	92.8
		Hyosung Film(Quzhou)		%	N/A	25.0	42.9

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
By Age	30~50 Ratio			%	28.3	27.9	27.2
		Domestic		%	36.4	26.1	34.5
		Hyosung Vina Chemicals		%	12.7	5.6	7.2
		Hyosung Film(Quzhou)		%	N/A	66.7	51.0
	51 and Above Ratio			%	1.7	5.0	5.4
		Domestic		%	2.6	6.5	17.2
		Hyosung Vina Chemicals		%	0	0	0
		Hyosung Film(Quzhou)		%	N/A	8.3	6.1
By Country	New Hires by Country						
		Korea		persons	151	138	29
		Vietnam		persons	79	72	69
		China			N/A	48	49
	New Hires Ratio by Country						
		Korea		%	65.7	53.5	19.7
		Vietnam		%	34.3	27.9	46.9
		China			N/A	18.6	33.3

Senior Management with Local Nationality Working on Site

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Senior Management ¹	Total Senior Management			persons	110	122	102
		Domestic		persons	92	97	79
		Hyosung Vina Chemicals		persons	18	18	16
		Hyosung Film(Quzhou)		persons	N/A	7	7
	Senior Management with Local Nationality			persons	92	100	82
		Domestic		persons	92	97	79
		Hyosung Vina Chemicals		persons	0	0	0
		Hyosung Film(Quzhou)		persons	N/A	3	3
	Senior Management with Local Nationality Ratio			%	83.6	82.0	80.4
		Domestic		%	100	100	100
		Hyosung Vina Chemicals		%	0	0	0
		Hyosung Film(Quzhou)		%	N/A	42.9	42.9

1. Senior management refers to positions at the team leader, department head, supervisor level, or higher.

Social Performance

Employee Turnover

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Employee Turnover	Total Turnover			persons	228	227	300
		Domestic		persons	154	144	174
			Voluntary Turnover	persons	100	97	64
			Transfers to Affiliated Companies	persons	8	18	58
			Involuntary Turnover ¹	persons	46	29	52
		Hyosung Vina Chemicals		persons	74	65	78
			Voluntary Turnover	persons	65	50	68
			Transfers to Affiliated Companies	persons	1	0	1
			Involuntary Turnover	persons	8	15	9
		Hyosung Film(Quzhou)		persons	N/A	18	48
			Voluntary Turnover	persons	N/A	14	47
			Transfers to Affiliated Companies	persons	N/A	0	1
			Involuntary Turnover	persons	N/A	4	0
Turnover Rate	Total Turnover Rate		%	13.4	12.0	20.1	
		Domestic	%	12.1	11.3	19.7	
		Hyosung Vina Chemicals	%	17.1	14.8	18.0	
		Hyosung Film(Quzhou)	%	N/A	10.1	26.8	
		Total Voluntary Turnover Rate	%	9.7	8.5	12.0	
			Domestic	%	7.9	7.6	7.2
			Hyosung Vina Chemicals	%	15.0	11.4	15.7
			Hyosung Film(Quzhou)	%	N/A	7.9	26.3
Turnover By Gender	Male Turnover		persons	187	195	253	
		Domestic	persons	123	122	137	
		Hyosung Vina Chemicals	persons	64	59	71	
		Hyosung Film(Quzhou)	persons	N/A	14	45	
	Female Turnover		persons	41	32	43	
		Domestic	persons	31	22	33	
		Hyosung Vina Chemicals	persons	10	6	7	
		Hyosung Film(Quzhou)	persons	N/A	4	3	
	Male Turnover Rate		%	12.8	12.1	19.9	
		Domestic	%	11.0	11.0	17.6	
		Hyosung Vina Chemicals	%	18.7	17.1	20.9	
		Hyosung Film(Quzhou)	%	N/A	9.2	29.4	
	Female Turnover Rate		%	17.0	11.6	19.1	
		Domestic	%	20.7	14.0	31.1	
		Hyosung Vina Chemicals	%	11.0	6.3	7.5	
		Hyosung Film(Quzhou)	%	N/A	16.0	11.5	

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
By Age	Under 30 Turnover			persons	106	105	139
	Domestic			persons	49	54	55
				persons	57	42	59
			Hyosung Film(Quzhou)	persons	N/A	9	25
	30-50 Turnover			persons	81	91	112
	Domestic			persons	66	61	75
				persons	15	21	15
			Hyosung Film(Quzhou)	persons	N/A	9	22
	51 and Above Turnover			persons	41	31	45
	Domestic			persons	39	29	40
				persons	2	2	4
			Hyosung Film(Quzhou)	persons	N/A	0	1
	Under 30 Turnover Rate			%	19.6	18.4	33.4
	Domestic			%	18.7	22.0	50.0
				%	20.4	16.3	24.0
			Hyosung Film(Quzhou)	%	N/A	13.4	41.7
	30-50 Turnover Rate			%	9.0	8.7	13.1
	Domestic			%	8.7	7.9	13.1
				%	11.1	12.7	8.6
			Hyosung Film(Quzhou)	%	N/A	8.5	19.8
	51 and Above Turnover Rate			%	15.2	11.2	20.2
	Domestic			%	15.7	11.4	19.7
				%	10.0	11.8	33.3
			Hyosung Film(Quzhou)	%	N/A	0	12.5
By Country	Turnover by Country						
	Korea			persons	154	144	170
	Vietnam			persons	74	65	78
	China			persons	N/A	18	48
	Turnover Rate by Country						
	Korea			%	12.1	11.3	19.2
	Vietnam			%	17.1	14.8	18.0
	China			%	N/A	10.1	26.8

1. Involuntary turnover: recommended resignation, dismissal, death, etc.

Social Performance

Employee Salary and Compensation

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Compensation for Entry-level Employees	Average Total Annual Compensation for Entry-level Employees						
		Domestic		KRW million	46	51	60
		Hyosung Vina Chemicals		KRW million	9	9	9
		Hyosung Film(Quzhou)		KRW million	N/A	9	9
	Ratio of Wages for Entry-level Male Employees Compared to the Local Legal Minimum Wage						
		Domestic		%	198	205	254
		Hyosung Vina Chemicals		%	304	276	281
		Hyosung Film(Quzhou)		%	N/A	408	396
	Ratio of Wages for Entry-level Female Employees Compared to the Local Legal Minimum Wage						
		Domestic		%	165	208	170
Female-to-Male Total Compensation Ratio by Job Level	Executives						
		Domestic		%	N/A	110	84.0
		Hyosung Vina Chemicals		%	N/A	N/A	N/A
		Hyosung Film(Quzhou)		%	N/A	N/A	N/A
	Managerial						
		Domestic		%	78.0	85.9	89.9
		Hyosung Vina Chemicals		%	46.9	44.6	44.6
		Hyosung Film(Quzhou)		%	N/A	16.3	26.2
	Non-managerial						
		Domestic		%	44.3	63.5	61.2
		Hyosung Vina Chemicals		%	101	96.7	101
Compensation for Highest-paid Individual	Total Compensation						
		Domestic		KRW million	251	262	348
		Hyosung Vina Chemicals		KRW million	192	167	179
		Hyosung Film(Quzhou)		KRW million	N/A	284	280
	Year-on-Year Increase in Total Compensation						
		Domestic		%	(8.4)	4.4	32.8
		Hyosung Vina Chemicals		%	(16.2)	(13.0)	7.1
		Hyosung Film(Quzhou)		%	N/A	N/A	(1.4)

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Compensation for Employees (Excluding the Highest-paid Individual)	Average Total Annual Compensation						
		Domestic		KRW million	72	72	83
		Hyosung Vina Chemicals ¹		KRW million	26	25	27
		Hyosung Film(Quzhou)		KRW million	N/A	19	19
	Median Total Annual Compensation						
		Domestic		KRW million	66	69	80
		Hyosung Vina Chemicals		KRW million	13	12	16
		Hyosung Film(Quzhou)		KRW million	N/A	17	18
	Median Year-on-Year Increase in Total Annual Compensation						
		Domestic		%	(1.4)	4.1	5.4
		Hyosung Vina Chemicals		%	(3.0)	(1.0)	6.5
		Hyosung Film(Quzhou)		%	N/A	N/A	5.9
	Ratio of the Highest-paid Individual's Total Compensation to All Employees (Excluding the Highest-paid Individual)						
		Domestic		%	349	364	419
		Hyosung Vina Chemicals		%	738	679	669
		Hyosung Film(Quzhou)		%	N/A	1,495	1,474

1. Errors identified in the calculation of the 2023–2024 performance data reported in the previous year have been corrected.

Social Performance

Retirement Pension

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Domestic	Total Retirement Pension Funds under Management (DB + DC)			KRW million	72,123	71,451	57,820
		DB (Defined Benefit) Pension Funds under Management		KRW million	70,810	69,978	56,159
		DC (Defined Contribution) Pension Funds under Management		KRW million	1,313	1,473	1,661
	Total No. of Members			persons	1,317	1,312	923
		DB Pension Plan Members		persons	1,115	1,088	711
		DC Pension Plan Members		persons	202	224	212

Labor Union

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Labor Union	No. of Employees Covered by Collective Bargaining Agreements ¹			persons	1,017	1,051	859
	Domestic			persons	643	661	465
	Hyosung Vina Chemicals			persons	374	390	394
	Hyosung Film(Quzhou)			persons	N/A	0	0
	Ratio of Employees Covered by Collective Bargaining Agreements to Total Employees			%	59.6	55.7	57.4
	Domestic			%	50.5	52.1	52.6
	Hyosung Vina Chemicals			%	86.2	88.6	91.0
	Hyosung Film(Quzhou)			%	N/A	0	0
	No. of Union Members			persons	1,009	1,003	847
	Domestic			persons	636	613	458
	Hyosung Vina Chemicals			persons	373	390	389
	Hyosung Film(Quzhou)			persons	N/A	0	0
	Union Membership Rate			%	99.2	95.4	98.6
	Domestic			%	98.9	92.7	98.5
	Hyosung Vina Chemicals			%	99.7	100	98.7
	Hyosung Film(Quzhou)			%	N/A	0	0

1. The collective bargaining agreement at Hyosung Chemical applies to skilled employees.

Social Performance

Maternity/Paternity Leave and Parental Leave

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Paternity Leave for Male Employees	No. of Employees on Paternity Leave			persons	69	59	35
		Domestic		persons	41	28	17
		Hyosung Vina Chemicals		persons	28	31	18
		Hyosung Film(Quzhou)		persons	N/A	0	0
	No. of Employees Returning to Work			persons	69	59	35
		Domestic		persons	41	28	17
		Hyosung Vina Chemicals		persons	28	31	18
		Hyosung Film(Quzhou)		persons	N/A	N/A	N/A
	Return Rate After Paternity Leave			%	100	100	100
		Domestic		%	100	100	100
		Hyosung Vina Chemicals		%	100	100	100
		Hyosung Film(Quzhou)		%	N/A	N/A	N/A
Parental Leave for Male Employees ¹	No. of Employees Entitled to Parental Leave			persons	234	123	148
		Domestic		persons	234	123	142
		Hyosung Vina Chemicals		persons	N/A	N/A	N/A
		Hyosung Film(Quzhou)		persons	N/A	0	6
	No. of Employees on Parental Leave			persons	5	13	24
		Domestic		persons	5	13	18
		Hyosung Vina Chemicals		persons	N/A	N/A	N/A
		Hyosung Film(Quzhou)		persons	N/A	0	6
	No. of Employees Returning to Work			persons	8	7	16
		Domestic		persons	8	7	10
		Hyosung Vina Chemicals		persons	N/A	N/A	N/A
		Hyosung Film(Quzhou)		persons	N/A	N/A	6
	No. of Employees with 12 Months or More of Service After Returning to Work			persons	2	8	5
		Domestic		persons	2	8	5
		Hyosung Vina Chemicals		persons	N/A	N/A	N/A
		Hyosung Film(Quzhou)		persons	N/A	N/A	N/A
	Return Rate After Parental Leave			%	88.9	100	100
		Domestic		%	88.9	100	100
		Hyosung Vina Chemicals		%	N/A	N/A	N/A
		Hyosung Film(Quzhou)		%	N/A	N/A	100
	Ratio of Employees Retained for 12 Months or More After Returning to Work			%	100	100	71.4
		Domestic		%	100	100	71.4
		Hyosung Vina Chemicals		%	N/A	N/A	N/A
		Hyosung Film(Quzhou)		%	N/A	N/A	N/A

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Maternity Leave for Female Employees	No. of Employees on Maternity Leave			persons	15	22	15
		Domestic		persons	8	5	3
		Hyosung Vina Chemicals		persons	7	17	10
		Hyosung Film(Quzhou)		persons	N/A	0	2
	No. of Employees Returning to Work			persons	14	20	13
		Domestic		persons	8	5	1
		Hyosung Vina Chemicals		persons	6	15	10
		Hyosung Film(Quzhou)		persons	N/A	N/A	2
	Return Rate After Maternity Leave			%	93.3	90.9	86.7
		Domestic		%	100	100	33.3
		Hyosung Vina Chemicals		%	85.7	88.2	100
		Hyosung Film(Quzhou)		%	N/A	N/A	100
Parental Leave for Female Employees ¹	No. of Employees Entitled to Parental Leave			persons	25	10	20
		Domestic		persons	25	10	19
		Hyosung Vina Chemicals		persons	N/A	N/A	N/A
		Hyosung Film(Quzhou)		persons	N/A	0	1
	No. of Employees on Parental Leave			persons	9	5	7
		Domestic		persons	9	5	6
		Hyosung Vina Chemicals		persons	N/A	N/A	N/A
		Hyosung Film(Quzhou)		persons	N/A	0	1
	No. of Employees Returning to Work			persons	4	10	5
		Domestic		persons	4	10	4
		Hyosung Vina Chemicals		persons	N/A	N/A	N/A
		Hyosung Film(Quzhou)		persons	N/A	N/A	1
	No. of Employees with 12 Months or More of Service After			persons	5	4	8
		Domestic		persons	5	4	8
		Hyosung Vina Chemicals		persons	N/A	N/A	N/A
		Hyosung Film(Quzhou)		persons	N/A	N/A	N/A
	Return Rate After Parental Leave			%	100	100	100
		Domestic		%	100	100	100
		Hyosung Vina Chemicals		%	N/A	N/A	N/A
		Hyosung Film(Quzhou)		%	N/A	N/A	100
	Ratio of Employees Retained for 12 Months or More After			%	100	100	80.0
		Domestic		%	100	100	80.0
		Hyosung Vina Chemicals		%	N/A	N/A	N/A
		Hyosung Film(Quzhou)		%	N/A	N/A	N/A

1. As Vietnam does not have a parental leave system, the 2023–2024 reported figures for Hyosung Vina Chemicals have been revised to N/A.

Social Performance

Employee Performance Evaluation

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Regular Performance Evaluation Status	Employees Subject to Performance Evaluation			persons	1,613	1,676	1,278
	Domestic			persons	1,202	1,200	820
	Hyosung Vina Chemicals			persons	411	422	411
	Hyosung Film(Quzhou)			persons	N/A	54	47
	Performance Evaluation Rate			%	94.5	88.8	85.4
	Domestic			%	94.4	94.6	92.8
	Hyosung Vina Chemicals			%	94.7	95.9	94.9
	Hyosung Film(Quzhou)			%	N/A	30.3	26.3
Regular Performance Evaluation for Male Employees	Employees Subject to Performance Evaluation			persons	1,400	1,426	1,082
	Domestic			persons	1,078	1,066	733
	Hyosung Vina Chemicals			persons	322	331	319
	Hyosung Film(Quzhou)			persons	N/A	29	30
	Performance Evaluation Rate			%	95.5	88.6	85.1
	Domestic			%	96.0	95.9	94.2
	Hyosung Vina Chemicals			%	93.9	95.9	93.8
	Hyosung Film(Quzhou)			%	N/A	19.0	19.6
Regular Performance Evaluation for Female Employees	Employees Subject to Performance Evaluation			persons	213	250	196
	Domestic			persons	124	134	87
	Hyosung Vina Chemicals			persons	89	91	92
	Hyosung Film(Quzhou)			persons	N/A	25	17
	Performance Evaluation Rate			%	88.4	90.3	87.1
	Domestic			%	82.7	85.4	82.1
	Hyosung Vina Chemicals			%	97.8	95.8	98.9
	Hyosung Film(Quzhou)			%	N/A	100	65.4
Regular Performance Evaluation for Executives	Executives Subject to Performance Evaluation			persons	22	25	23
	Domestic			persons	15	20	17
	Hyosung Vina Chemicals			persons	7	4	5
	Hyosung Film(Quzhou)			persons	N/A	1	1
	Performance Evaluation Rate			%	100	100	100
	Domestic			%	100	100	100
	Hyosung Vina Chemicals			%	100	100	100
	Hyosung Film(Quzhou)			%	N/A	100	100
Regular Performance Evaluation for Managerial employees	Employees Subject to Performance Evaluation			persons	292	304	260
	Domestic			persons	231	231	174
	Hyosung Vina Chemicals			persons	61	66	80
	Hyosung Film(Quzhou)			persons	N/A	7	6
	Performance Evaluation Rate			%	96.4	97.4	96.3
	Domestic			%	99.6	100	97.2
	Hyosung Vina Chemicals			%	85.9	89.2	94.1
	Hyosung Film(Quzhou)			%	N/A	100	100

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Regular Performance Evaluation for Non-Managerial employees	Employees Subject to Performance Evaluation			persons	1,299	1,347	1,013
	Domestic			persons	956	949	646
	Hyosung Vina Chemicals			persons	343	352	327
	Hyosung Film(Quzhou)			persons	N/A	46	40
	Performance Evaluation Rate			%	94.0	86.9	84.2
	Domestic			%	93.2	93.2	93.9
	Hyosung Vina Chemicals			%	96.3	97.2	95.3
	Hyosung Film(Quzhou)			%	N/A	27.1	23.3

Employee Training

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Employee Training Participation Status ¹	No. of Training Participants			persons	18,291	16,955	12,078
	Domestic			persons	15,791	14,542	10,120
	Hyosung Vina Chemicals ²			persons	2,500	1,841	1,754
	Hyosung Film(Quzhou)			persons	N/A	572	204
	Total Training Hours			hours	55,235	54,034	44,288
	Domestic			hours	39,241	41,414	28,577
	Hyosung Vina Chemicals ²			hours	15,994	6,900	10,081
	Hyosung Film(Quzhou)			hours	N/A	5,720	5,630
	Total Training Expenses			KRW million	919	914	748
	Domestic			KRW million	906	900	732
	Hyosung Vina Chemicals ²			KRW million	13	11	14
	Hyosung Film(Quzhou) ³			KRW million	N/A	2	3
	Average Training Hours per Employee (Total Training Hours / No. of Employees)			hours	32	29	30
	Domestic			hours	31	33	32
	Hyosung Vina Chemicals			hours	37	16	23
	Hyosung Film(Quzhou)			hours	N/A	32	31
	Average Training Expenses per Employee (Total Training Expenses / No. of Employees)			KRW	538,139	484,191	500,094
	Domestic			KRW	711,705	709,411	827,673
	Hyosung Vina Chemicals			KRW	29,041	25,494	32,049
	Hyosung Film(Quzhou)			KRW	N/A	12,415	14,525

1. This data represents the cumulative number of participants by training course.

2. Errors identified in the calculation of the 2023–2024 performance data reported in the previous year have been corrected.

3. Errors identified in the calculation of the 2024 performance data reported in the previous year have been corrected.

Social Performance

Employee Training

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Total Training Hours	Male Employees			hours	44,970	43,280	37,320
		Domestic		hours	31,440	32,497	23,789
		Hyosung Vina Chemicals ¹		hours	13,530	5,911	8,861
		Hyosung Film(Quzhou)		hours	N/A	4,872	4,670
	Female Employees			hours	10,266	10,755	6,968
		Domestic		hours	7,802	8,917	4,788
		Hyosung Vina Chemicals ¹		hours	2,464	990	1,220
		Hyosung Film(Quzhou)		hours	N/A	848	960
	Average Training Hours per Male Employee			hours	31	27	29
		Domestic		hours	28	29	31
		Hyosung Vina Chemicals		hours	39	17	26
		Hyosung Film(Quzhou)		hours	N/A	32	31
	Average Training Hours per Female Employee			hours	43	39	31
		Domestic		hours	52	57	45
		Hyosung Vina Chemicals		hours	27	10	13
		Hyosung Film(Quzhou)		hours	N/A	34	37
Training Hours by Job Level	Executives			hours	457	1,133	537
		Domestic		hours	361	1,089	510
		Hyosung Vina Chemicals ¹		hours	96	44	17
		Hyosung Film(Quzhou)		hours	N/A	0	10
	Managerial			hours	25,298	13,994	13,656
		Domestic		hours	23,712	12,967	12,034
		Hyosung Vina Chemicals ¹		hours	1,586	777	1,272
		Hyosung Film(Quzhou)		hours	N/A	250	350
	Non-managerial			hours	29,481	38,907	30,095
		Domestic		hours	15,169	27,358	16,033
		Hyosung Vina Chemicals ¹		hours	14,312	6,079	8,792
		Hyosung Film(Quzhou)		hours	N/A	5,470	5,270
	Average Training Hours per Executive			hours	21	45	23
		Domestic		hours	24	54	30
		Hyosung Vina Chemicals		hours	14	11	3
		Hyosung Film(Quzhou)		hours	N/A	0	10
	Average Training Hours per Managerial Employee			hours	83	45	51
		Domestic		hours	102	56	67
		Hyosung Vina Chemicals		hours	22	11	15
		Hyosung Film(Quzhou)		hours	N/A	36	58
	Average Training Hours per Non-managerial Employee			hours	21	25	25
		Domestic		hours	15	27	23
		Hyosung Vina Chemicals		hours	40	17	26
		Hyosung Film(Quzhou)		hours	N/A	32	31

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Participants by Training Course	Environmental Training			persons	1,215	1,213	777
		Domestic		persons	1,215	1,207	755
		Hyosung Vina Chemicals ¹		persons	0	0	15
		Hyosung Film(Quzhou)		persons	N/A	6	7
	Ethics and Anti-corruption Training			persons	1,233	1,274	712
		Domestic		persons	1,233	1,144	699
		Hyosung Vina Chemicals ¹		persons	0	124	6
		Hyosung Film(Quzhou)		persons	N/A	6	7
	Fair Trade Training			persons	1,131	1,156	732
		Domestic		persons	1,131	1,150	719
		Hyosung Vina Chemicals ¹		persons	0	0	6
		Hyosung Film(Quzhou)		persons	N/A	6	7
	Safety and Health Training			persons	3,646	2,229	2,381
		Domestic		persons	1,224	584	609
		Hyosung Vina Chemicals ¹		persons	2,422	1,645	1,594
		Hyosung Film(Quzhou)		persons	N/A	0	178
	Sexual Harassment Prevention Training			persons	1,222	1,209	834
		Domestic		persons	1,221	1,209	831
		Hyosung Vina Chemicals		persons	1	0	3
		Hyosung Film(Quzhou)		persons	N/A	0	0
	Disability Awareness and Diversity Training			persons	1,313	1,274	893
		Domestic		persons	1,312	1,274	893
		Hyosung Vina Chemicals		persons	1	0	0
		Hyosung Film(Quzhou)		persons	N/A	0	0
	Anti-Discrimination and Harassment Prevention Training			persons	1,337	1,205	826
		Domestic		persons	1,336	1,205	825
		Hyosung Vina Chemicals		persons	1	0	1
		Hyosung Film(Quzhou)		persons	N/A	0	0
	Information Security Training			persons	1,787	1,746	1,045
		Domestic		persons	1,787	1,746	958
		Hyosung Vina Chemicals ¹		persons	0	0	86
		Hyosung Film(Quzhou)		persons	N/A	0	1
	Sustainability Management Training			persons	1,242	1,136	766
		Domestic		persons	1,242	1,136	749
		Hyosung Vina Chemicals ¹		persons	0	0	15
		Hyosung Film(Quzhou)		persons	N/A	0	2
	Job Expertise Enhancement Training (For Specific Job Groups)			persons	107	210	105
		Domestic		persons	107	210	105
		Hyosung Vina Chemicals		persons	0	0	0
		Hyosung Film(Quzhou)		persons	N/A	0	0

1. Errors identified in the calculation of the 2023–2024 performance data reported in the previous year have been corrected.

Social Performance

Employee Training

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Participants by Training Course	Human Rights (General)			persons	1,228	1,172	770
		Domestic		persons	1,200	1,148	754
		Hyosung Vina Chemicals		persons	28	24	15
		Hyosung Film(Quzhou)		persons	N/A	0	1
		Retiree Training			persons	2	3
		Domestic		persons	2	3	1
		Hyosung Vina Chemicals		persons	0	0	0
		Hyosung Film(Quzhou)		persons	N/A	0	0

Suppliers

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Supplier Status	No. of Suppliers			No. of companies	1,019	1,088	1,112
	Domestic			No. of companies	759	762	700
	Hyosung Vina Chemicals			No. of companies	260	319	322
	Hyosung Film(Quzhou)			No. of companies	N/A	7	90
	Total Purchases from Suppliers			KRW million	2,040,864	2,222,517	2,557,489
	Domestic			KRW million	1,443,346	1,401,683	1,551,552
	Hyosung Vina Chemicals			KRW million	597,518	779,967	815,141
	Hyosung Film(Quzhou)			KRW million	N/A	40,867	190,796
	Total Purchases from Local Suppliers			KRW million	1,306,066	1,210,342	1,593,787
	Domestic			KRW million	1,282,249	1,144,830	1,382,870
	Hyosung Vina Chemicals			KRW million	23,817	24,834	26,409
	Hyosung Film(Quzhou)			KRW million	N/A	40,678	184,509
	Proportion of Purchases from Local Suppliers			%	64.0	54.5	62.3
	Domestic			%	88.8	81.7	89.1
	Hyosung Vina Chemicals			%	4.0	3.2	3.2
	Hyosung Film(Quzhou)			%	N/A	99.5	96.7
Major Suppliers	No. of Major Suppliers			No. of companies	47	59	52
	Domestic ¹			No. of companies	47	57	46
	Hyosung Vina Chemicals			No. of companies	0	0	0
	Hyosung Film(Quzhou)			No. of companies	N/A	2	6
	No. of Major Suppliers That Signed the Code of Conduct			No. of companies	35	41	36
	Domestic			No. of companies	35	41	36
	Hyosung Vina Chemicals			No. of companies	N/A	N/A	N/A
	Hyosung Film(Quzhou)			No. of companies	N/A	0	0

1. Major suppliers are domestic suppliers among registered suppliers, excluding small-scale suppliers with transactions of KRW 100 million or less, low-frequency suppliers, equipment/material suppliers, import distributors, and exclusive suppliers.

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Major Suppliers ¹	Major Supplier Code of Conduct Signing Rate			%	74.5	69.5	69.2
	Domestic			%	74.5	71.9	78.3
	Hyosung Vina Chemicals			%	N/A	N/A	N/A
	Hyosung Film(Quzhou)			%	N/A	0	0
	No. of Major Suppliers That Conducted ESG Assessments			No. of companies	47	57	45
	Domestic ²			No. of companies	47	57	45
	Hyosung Vina Chemicals			No. of companies	N/A	N/A	N/A
	Hyosung Film(Quzhou)			No. of companies	N/A	0	0
	Major Supplier ESG Assessment Rate			%	100	96.6	86.5
	Domestic			%	100	100	97.8
	Hyosung Vina Chemicals			%	N/A	N/A	N/A
	Hyosung Film(Quzhou)			%	N/A	0	0
	No. of Suppliers Identified with Actual/Potential ESG Risks			No. of companies	0	0	0
	Domestic			No. of companies	0	0	0
	Hyosung Vina Chemicals			No. of companies	N/A	N/A	N/A
	Hyosung Film(Quzhou)			No. of companies	N/A	N/A	N/A
	Percentage of Suppliers That Agreed to Improve Based on ESG Assessment Results			%	N/A	N/A	N/A
	Domestic			%	N/A	N/A	N/A
	Hyosung Vina Chemicals			%	N/A	N/A	N/A
	Hyosung Film(Quzhou)			%	N/A	N/A	N/A
	Percentage of Suppliers with Contracts Terminated Based on ESG Assessment Results			%	0	0	0
	Domestic			%	0	0	0
	Hyosung Vina Chemicals			%	N/A	N/A	N/A
	Hyosung Film(Quzhou)			%	N/A	N/A	N/A
New Suppliers	No. of New Suppliers			No. of companies	70	130	94
	Domestic			No. of companies	0	19	5
	Hyosung Vina Chemicals			No. of companies	70	110	71
	Hyosung Film(Quzhou)			No. of companies	N/A	1	18
	No. of New Suppliers That Conducted Prior ESG Assessments			No. of companies	0	0	0
	Domestic			No. of companies	N/A	0	0
	Hyosung Vina Chemicals			No. of companies	0	0	0
	Hyosung Film(Quzhou)			No. of companies	N/A	0	0
	New Supplier Prior ESG Assessment Rate			%	0	0	0
	Domestic			%	N/A	0	0
	Hyosung Vina Chemicals			%	0	0	0
	Hyosung Film(Quzhou)			%	N/A	0	0

2. Errors identified in the calculation of the 2023–2024 performance data reported in the previous year have been corrected.

Social Performance

Occupational Health and Safety

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Safety Management System	No. of Workers Who Are Not Employees			persons	330	285	456
	Domestic			persons	330	277	251
	Hyosung Vina Chemicals			persons	0	0	196
	Hyosung Film(Quzhou)			persons	N/A	8	9
	Total No. of Employees and Workers Who Are Not Employees (㉔)			persons	2,037	2,172	1,952
	Domestic			persons	1,603	1,546	1,135
	Hyosung Vina Chemicals			persons	434	440	629
	Hyosung Film(Quzhou)			persons	N/A	186	188
	No. of Workers Managed by the System among ㉔			persons	2,037	2,172	1,806
	Domestic			persons	1,603	1,546	1,181
	Hyosung Vina Chemicals			persons	434	440	437
	Hyosung Film(Quzhou)			persons	N/A	186	188
	No. of Workers Managed by an Internally Audited System among ㉔			persons	1,707	1,895	1,806
	Domestic			persons	1,273	1,269	1,181
	Hyosung Vina Chemicals			persons	434	440	437
	Hyosung Film(Quzhou)			persons	N/A	186	188
	No. of Workers at Occupational Health and Safety Management System-Certified Sites among ㉔			persons	1,273	1,455	1,369
	Domestic			persons	1,273	1,269	1,181
	Hyosung Vina Chemicals			persons	0	0	0
	Hyosung Film(Quzhou) ¹			persons	N/A	186	188
Employees	No. of Work-related Injuries and Ill Health			persons	6	10	7
	Domestic			persons	6	8	7
	Hyosung Vina Chemicals			persons	0	0	0
	Hyosung Film(Quzhou)			persons	N/A	2	0
	Rate of Work-related Injuries and Ill Health ²			%	0.35	0.53	0.47
	Domestic			%	0.47	0.63	0.79
	Hyosung Vina Chemicals			%	0	0	0
	Hyosung Film(Quzhou)			%	N/A	1.12	0
	No. of Fatalities as a Result of Work-related Injuries			persons	0	0	0
	Domestic			persons	0	0	0
	Hyosung Vina Chemicals			persons	0	0	0
	Hyosung Film(Quzhou)			persons	N/A	0	0
	Work-related Fatality Rate per Ten Thousand Employees ³			%	0	0	0
	Domestic			%	0	0	0
	Hyosung Vina Chemicals			%	0	0	0
	Hyosung Film(Quzhou)			%	N/A	0	0

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Employees	Total Work Hours			hours	4,279,404	4,728,005	3,913,895
	Domestic			hours	3,192,684	3,182,861	2,333,067
	Hyosung Vina Chemicals			hours	1,086,720	1,098,720	1,091,228
	Hyosung Film(Quzhou)			hours	N/A	446,424	489,600
	No. of Cases of Work-related Injuries and Ill Health			cases	6	9	6
	Domestic			cases	6	7	6
	Hyosung Vina Chemicals			cases	0	0	0
	Hyosung Film(Quzhou)			cases	N/A	2	0
	Frequency Rate ⁴			%	1.40	1.90	1.53
	Domestic			%	1.88	2.20	2.57
	Hyosung Vina Chemicals			%	0	0	0
	Hyosung Film(Quzhou)			%	N/A	4.48	0
	No. of Lost Time Injuries (LTI) – Incidents Requiring More Than 1 Day Off			cases	6	9	6
	Domestic			cases	6	7	6
	Hyosung Vina Chemicals			cases	0	0	0
	Hyosung Film(Quzhou)			cases	N/A	2	0
	Total Recordable Incident Rate (TRIR) ⁵			%	0.28	0.38	0.31
	Domestic			%	0.38	0.44	0.51
	Hyosung Vina Chemicals			%	0	0	0
	Hyosung Film(Quzhou)			%	N/A	0.9	0
	Lost Time Injury Frequency Rate (LTIFR) ⁶			%	1.40	1.90	1.53
	Domestic			%	1.88	2.20	2.57
	Hyosung Vina Chemicals			%	0	0	0
	Hyosung Film(Quzhou)			%	N/A	4.48	0
	Lost Workdays			days	122	615	266
	Domestic ¹			days	122	537	266
	Hyosung Vina Chemicals			days	0	0	0
	Hyosung Film(Quzhou)			days	N/A	78	0
	Lost Time Injury Severity Rate (LTISR) ⁷			%	28.5	130	68.0
	Domestic ¹			%	38.2	169	114
	Hyosung Vina Chemicals			%	0	0	0
	Hyosung Film(Quzhou)			%	N/A	175	0

1. Errors identified in the calculation of the 2024 performance data reported in the previous year have been corrected.

2. Rate of Work-related Injuries and Ill Health = (Total No. of individuals affected by work-related injuries and ill health / Total No. of workers) × 100

3. Work-related Fatality Rate per Ten Thousand Employees = (No. of work-related fatalities / Total No. of workers) × 10,000

4. Frequency Rate = (No. of cases of work-related injuries and ill health / Total work hours) × 1,000,000

5. Total Recordable Incident Rate (TRIR) = (Total No. of recordable incidents / Total work hours) × 200,000

6. Lost Time Injury Frequency Rate (LTIFR) = (No. of cases of Lost Time Injuries / Total work hours) × 1,000,000

7. Lost Time Injury Severity Rate (LTISR) = (No. of lost workdays / Total work hours) × 1,000,000

Social Performance

Occupational Health and Safety

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Workers Who are not Employees ¹	No. of Work-related Injuries and Ill Health			persons	5	3	0
	Domestic			persons	5	3	0
	Hyosung Vina Chemicals			persons	0	0	0
	Hyosung Film(Quzhou)			persons	N/A	0	0
	Rate of Work-related Injuries and Ill Health			%	1.52	1.05	0
	Domestic			%	1.52	1.08	0
	Hyosung Vina Chemicals			%	0	0	0
	Hyosung Film(Quzhou)			%	N/A	0	0
	No. of Fatalities as a Result of Work-related Injuries			persons	0	0	0
	Domestic			persons	0	0	0
	Hyosung Vina Chemicals			persons	0	0	0
	Hyosung Film(Quzhou)			persons	N/A	0	0
	Work-related Fatality Rate per Ten Thousand Employees			%	0	0	0
	Domestic			%	0	0	0
	Hyosung Vina Chemicals			%	0	0	0
	Hyosung Film(Quzhou)			%	N/A	0	0
	Total Work Hours			hours	827,640	713,944	1,136,588
	Domestic			hours	827,640	693,880	629,508
	Hyosung Vina Chemicals			hours	0	0	486,080
	Hyosung Film(Quzhou)			hours	N/A	20,064	21,000
	No. of Cases of Work-related Injuries and Ill Health			cases	5	3	0
	Domestic			cases	5	3	0
	Hyosung Vina Chemicals			cases	0	0	0
	Hyosung Film(Quzhou)			cases	N/A	0	0
	Frequency Rate			%	6.04	4.20	0
	Domestic			%	6.04	4.32	0
	Hyosung Vina Chemicals			%	0	0	0
	Hyosung Film(Quzhou)			%	N/A	0	0
	No. of Lost Time Injuries (LTI) – Incidents Requiring More Than 1 Day Off			cases	5	2	0
	Domestic			cases	5	2	0
	Hyosung Vina Chemicals			cases	0	0	0
	Hyosung Film(Quzhou)			cases	N/A	0	0
	Total Recordable Incident Rate (TRIR)			%	1.21	0.84	0
	Domestic			%	1.21	0.86	0
	Hyosung Vina Chemicals			%	0	0	0
	Hyosung Film(Quzhou)			%	N/A	0	0

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Workers Who are not Employees ¹	Lost Time Injury Frequency Rate (LTIFR)			%	6.04	2.80	0
	Domestic			%	6.04	2.88	0
	Hyosung Vina Chemicals			%	0	0	0
	Hyosung Film(Quzhou)			%	N/A	0	0
	Lost Workdays			days	74	20	0
	Domestic			days	74	20	0
	Hyosung Vina Chemicals			days	0	0	0
	Hyosung Film(Quzhou)			days	N/A	0	0
	Lost Time Injury Severity Rate (LTISR)			%	89.4	28.0	0
	Domestic			%	89.4	28.8	0
	Hyosung Vina Chemicals			%	0	0	0
	Hyosung Film(Quzhou)			%	N/A	0	0

1. Workers Who Are Not Employees refer to outsourced, subcontracted, and dispatched workers working at the company's business sites who are classified as non-affiliated workers in the business report.

Supplier Grievance Handling Process

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Supplier Complaints	No. of Complaints Received			cases	254	122	101
	Domestic			cases	233	108	77
	Hyosung Vina Chemicals			cases	21	14	24
	Hyosung Film(Quzhou)			cases	N/A	0	0
	No. of Complaints Resolved			cases	254	122	101
	Domestic ²			cases	233	108	77
	Hyosung Vina Chemicals			cases	21	14	24
	Hyosung Film(Quzhou)			cases	N/A	0	0
	Resolution Rate			%	100	100	100
	Domestic ²			%	100	100	100
	Hyosung Vina Chemicals			%	100	100	100
	Hyosung Film(Quzhou)			%	N/A	N/A	N/A

2. The 2023–2024 performance data reported in the previous year have been updated and corrected.

Social Performance

Community Engagement

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Social Contribution	Social Contribution Investment			KRW million	624	388	250
	Domestic			KRW million	619	377	245
	Hyosung Vina Chemicals			KRW million	5	11	5
	Hyosung Film(Quzhou)			KRW million	N/A	0	0
	No. of Social Contribution Programs			cases	50	42	30
	Domestic			cases	49	40	29
	Hyosung Vina Chemicals			cases	1	2	1
	Hyosung Film(Quzhou)			cases	N/A	0	0
	No. of Participating Employees			persons	633	1,508	880
	Domestic			persons	633	773	521
	Hyosung Vina Chemicals ¹			persons	0	365	359
	Hyosung Film(Quzhou) ²			persons	N/A	370	0
	Total Volunteer Hours			hours	226	390	283
	Domestic			hours	226	390	283
	Hyosung Vina Chemicals			hours	0	0	0
	Hyosung Film(Quzhou)			hours	N/A	0	0
	Amount of Social Value Created			KRW million	749	1,430	2,393
	Domestic			KRW million	749	1,430	2,393
	Hyosung Vina Chemicals			KRW million	-	-	-
	Hyosung Film(Quzhou)			KRW million	N/A	0	0

1. Errors identified in the calculation of the 2023–2024 performance data reported in the previous year have been corrected.

2. Errors identified in the calculation of the 2024 performance data reported in the previous year have been corrected.

Community Impact

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Status of Violations of Local Residents' Rights	Total No. of Incidents Involving Violations of the Rights of Local Residents			cases	0	0	0
	Domestic			cases	0	0	0
	Hyosung Vina Chemicals			cases	0	0	0
	Hyosung Film(Quzhou)			cases	N/A	0	0

Information Security

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Customer Privacy Protection	No. of Breaches of Customer Privacy			cases	0	0	0
	Domestic			cases	0	0	0
	Hyosung Vina Chemicals			cases	0	0	0
	Hyosung Film(Quzhou)			cases	N/A	0	0
	Total No. of Identified Leaks, Thefts, or Losses of Customer Data			cases	0	0	0
	Domestic			cases	0	0	0
	Hyosung Vina Chemicals			cases	0	0	0
	Hyosung Film(Quzhou)			cases	N/A	0	0

Minimum Notice Period for Operational Changes

Category	Subcategory 1	Subcategory 2	Subcategory 3	Unit	2023	2024	2025
Minimum Notice Period	By Country						
	Korea			days	0	0	0
	Vietnam			days	0	0	0
	China			days	N/A	30	30

Governance Performance

Employee Discrimination

Category	Subcategory	Unit	2023	2024	2025
No. of Incidents of Discrimination and Harassment		cases	0	0	0
	Domestic	cases	0	0	0
	Hyosung Vina Chemicals	cases	0	0	0
	Hyosung Film(Quzhou)	cases	N/A	0	0
Reviewed incidents of discrimination		cases	0	0	0
	Domestic	cases	0	0	0
	Hyosung Vina Chemicals	cases	0	0	0
	Hyosung Film(Quzhou)	cases	N/A	0	0

Corruption

Category	Subcategory	Unit	2023	2024	2025
No. of Whistleblowing Reports on Corruption		cases	0	0	1
	Domestic	cases	0	0	1
	Hyosung Vina Chemicals	cases	0	0	0
	Hyosung Film(Quzhou)	cases	N/A	0	0
No. of Disciplinary Actions for Corruption		persons	0	0	1
	Domestic	persons	0	0	1
	Hyosung Vina Chemicals	persons	0	0	0
	Hyosung Film(Quzhou)	persons	N/A	0	0
No. of Business Sites Assessed for Corruption Risks		sites	2	1	0
	Domestic	sites	1	1	0
	Hyosung Vina Chemicals	sites	1	0	0
	Hyosung Film(Quzhou)	sites	N/A	0	0
Percentage of Business Sites Assessed for Corruption Risks		%	20.0	10.0	0
	Domestic	%	11.1	12.5	0
	Hyosung Vina Chemicals	%	100	0	0
	Hyosung Film(Quzhou)	%	N/A	0	0

Governance Performance

Unfair Trade Practices

Category	Subcategory	Unit	2023	2024	2025
No. of Violations of Unfair Trade Practices		cases	0	0	0
	Domestic	cases	0	0	0
	Hyosung Vina Chemicals	cases	0	0	0
	Hyosung Film(Quzhou)	cases	N/A	0	0
Fines for Unfair Trade Practices		KRW million	0	0	0
	Domestic	KRW million	0	0	0
	Hyosung Vina Chemicals	KRW million	0	0	0
	Hyosung Film(Quzhou)	KRW million	N/A	0	0

Non-compliance with Laws and Regulations

Category	Subcategory 1	Subcategory 2	Unit	2023	2024	2025
No. of Violations of Legal and Voluntary Regulations Regarding Product and Service Information and Labeling			cases	0	0	0
	Domestic		cases	0	0	0
	Hyosung Vina Chemicals		cases	0	0	0
	Hyosung Film(Quzhou)		cases	N/A	0	0
No. of Violations of Legal and Voluntary Regulations Regarding Health and Safety Impacts of Products and Services			cases	0	0	0
	Domestic		cases	0	0	0
	Hyosung Vina Chemicals		cases	0	0	0
	Hyosung Film(Quzhou)		cases	N/A	0	0
No. of Violations of Legal and Voluntary Regulations Regarding Marketing Communication			cases	0	0	0
	Domestic		cases	0	0	0
	Hyosung Vina Chemicals		cases	0	0	0
	Hyosung Film(Quzhou)		cases	N/A	0	0
Cases of Monetary Sanctions			cases	9	12	7
	Domestic		cases	2	8	1
	Hyosung Vina Chemicals		cases	7	4	6
	Hyosung Film(Quzhou)		cases	N/A	0	0
Total Amount of Sanctions			KRW million	23	31	5,535
Domestic			KRW million	19	4	5,500
		Violations of Financial Regulations (Insider Trading, Monopolistic Practices, and Anti-competitive Behaviors, etc.)	KRW million	0	0	0
		Violations of Environmental Regulations	KRW million	0	1	0
		Others	KRW million	19	3	5,500
	Hyosung Vina Chemicals		KRW million	4	27	35
		Violations of Financial Regulations (Insider Trading, Monopolistic Practices, and Anti-competitive Behaviors, etc.)	KRW million	3	26	35
		Violations of Environmental Regulations	KRW million	1	1	0
		Others	KRW million	0	0	0
	Hyosung Film(Quzhou)		KRW million	N/A	0	0
		Violations of Financial Regulations (Insider Trading, Monopolistic Practices, and Anti-competitive Behaviors, etc.)	KRW million	N/A	0	0
		Violations of Environmental Regulations	KRW million	N/A	0	0
		Others	KRW million	N/A	0	0



APPENDIX

101	Certifications and Association Memberships
102	GRI Standards Index
104	SASB Index
105	TCFD Index
106	GHG Assurance Statement (Scope 1, 2)
107	GHG Assurance Statement (Scope 3)
108	Third-Party Assurance Statement

Certifications and Association Memberships

Business Site Certification Status

Category	Company Name	Business Site	PU, Division	Certification	Validity Period
Quality Management System	Hyosung Chemical	Yongyeon	PP/DH	ISO 9001	~Oct 18, '28
		Yongyeon	POK	ISO 9001	~Sep 13, '27
				IATF 16949	~Sep 13, '27
		Yongyeon, Gumi	Film	ISO 9001	~Aug 13, '28
		Yongyeon, Oksan	Optical Film	ISO 9001	~Jun 15, '27
	Hyosung Vina Chemicals Co., Ltd.	Vietnam	PP/DH	ISO 9001	~Jul 12, '27
	Hyosung Film(Quzhou) Co., Ltd.	China	Film	ISO 9001	~May 16, '27
Safety and Health Management System	Hyosung Chemical	Yongyeon	PP/DH	KOSHA MS	~Dec 18, '27
		Yongyeon	POK	KOSHA MS	~Jan 12, '28
		Gumi	Film	ISO 45001	~Mar 16, '28
	Hyosung Vina Chemicals Co., Ltd.	Vietnam	PP/DH	ISO 45001	~Jan 26, '29
	Hyosung Film(Quzhou) Co., Ltd.	China	Film	ISO 45001	~May 16, '27
Environmental Management System	Hyosung Chemical	Yongyeon	PP/DH	ISO 14001	~Oct 18, '28
		Yongyeon	POK	ISO 14001	~Aug 26, '27
		Yongyeon, Gumi	Film	ISO 14001	~Aug 13, '28
		Yongyeon, Oksan	Optical Film	ISO 14001	~Jun 15, '27
	Hyosung Vina Chemicals Co., Ltd.	Vietnam	PP/DH	ISO 14001	~Jul 12, '27
	Hyosung Film(Quzhou) Co., Ltd.	China	Film	ISO 14001	~May 16, '27
Food Safety Management System	Hyosung Chemical	Gumi	Film	FSSC 22000	~Mar 03, '29
Family-Friendly Management	Hyosung Chemical	Company-wide	-	Family-Friendly Certification	~Nov 30, '28

Initiatives and Association Memberships

Category	Company Name	Initiative/Association Name
Environmental Initiative	Hyosung Chemical	Korea Responsible Care Council
Association	Hyosung Chemical	Korea Chamber of Commerce and Industry
		Korea International Trade Association
		Korea Listed Companies Association
		Federation of Korean Industries
		Korea Enterprises Federation
		Korea Chemical Industry Association
		Korean Institute of Chemical Engineers
		Korea Display Industry Association
		Korea Packaging Association
		Korea Personnel Improvement Association
		Korea Exchange

GRI Standards Index

Statement of use	Hyosung Chemical reports the information for the period from January 1, 2025 to December 31, 2025, in accordance with the GRI Standards 2021.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	As of the publication date of this report, no applicable GRI Sector Standards are available.

GRI	Disclosure	Reporting Page & Location	Remarks	Omission
General Disclosures				
GRI 2: General Disclosure 2021	2-1 Organizational Details	Business Report p.3~9 1. Company Overview, 6		
	2-2 Entities Included in the Organization's Sustainability Reporting	2, 79		
	2-3 Reporting Period, Frequency, and Contact Point	2		
	2-4 Restatements of Information	2, 80~99		
	2-5 External Assurance	2, 106~109		
	2-6 Activities, Value Chain, and Other Business Relationships	6, 8		
	2-7 Employees	Business Report p.357-358 1. Status of Executives and Employees, 85		
	2-8 Workers who are not employees	Business Report p.357-358 1. Status of Executives and Employees, 85		
	2-9 Governance Structure and Composition	11		
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	2-12 Role of the Highest Governance Body in Overseeing the Management of Impacts	10		
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	2-17 Collective Knowledge of the Highest Governance Body	11		
	2-18 Evaluation of the Performance of the Highest Governance Body	-	Board performance evaluation not conducted	Information unavailable
	2-19 Remuneration Policies	Business Report p.359~360 2. Remuneration of Executives		
	2-20 Process to Determine Remuneration	Business Report p.359~360 2. Remuneration of Executives		
	2-21 Annual Total Compensation Ratio	89		
	2-22 Statement on Sustainable Development Strategy	5		
	2-23 Policy Commitments	18		
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	2-27 Compliance with Laws and Regulations	97, 99		
	2-28 Membership in Associations	101		
	2-29 Approach to Stakeholder Engagement	13		
	2-30 Collective Bargaining Agreements	60, 90		

GRI Standards Index

GRI	Disclosure	Reporting Page & Location	Remarks
Material Topic & Topic Standards			
GRI 3: Material Topics 2021	3-1 Process to Determine Material Topics	14	
	3-2 List of Material Topics	15~17	
Material Topic 1	Occupational Safety and Health Enhancement		
GRI 3: Material Topics 2021	3-3 Management of Material Topics	15~17	
GRI 403 Occupational Health and Safety	403-1 Occupational Health and Safety Management System	48	
	403-2 Hazard Identification, Risk Assessment, and Incident Investigation	48	
	403-3 Occupational Health Services	49	
	403-4 Worker Participation, Consultation, and Communication on Occupational Health and Safety	50	
	403-5 Worker Training on Occupational Health and Safety	47	
	403-6 Promotion of Worker Health	49, 64	
	403-7 Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	50	
	403-8 Workers Covered by an Occupational Health and Safety Management System	48, 95	
	403-9 Work-Related Injuries	95~96	
	403-10 Work-Related Ill Health	95~96	
Material Topic 2	Management of Hazardous Chemicals in Products		
GRI 3: Material Topics 2021	3-3 Management of Material Topics	15~17	
GRI 416 Customer Health and Safety	416-2 Incidents of Non-compliance Concerning the Health and Safety Impacts of Products and Services	99	
Material Topic 3	Greenhouse Gas Emissions Reduction		
GRI 3: Material Topics 2021	3-3 Management of Material Topics	15~17	
GRI 305 Emissions	305-1 Direct (Scope 1) GHG Emissions	80, 106	
	305-2 Energy Indirect (Scope 2) GHG Emissions	80, 106	
	305-3 Other indirect (Scope 3) GHG emissions	80, 107	
	305-4 GHG Emissions Intensity	80	
	305-5 Reduction of GHG Emissions	30	
Material Topic 4	Building a Sustainable Supply Chain		
GRI 3: Material Topics 2021	3-3 Management of Material Topics	15~17	
	308-1 New suppliers that were screened using environmental criteria	94	
	308-2 Negative environmental impacts in the supply chain and actions taken	52~53, 94	
	414-1 New suppliers that were screened using social criteria	94	
	414-2 Negative social impacts in the supply chain and actions taken	52~53, 94	

SASB Index

Sector: Chemicals

Category	Code	Indicator	Unit	Reporting Page or Content
Sustainability Disclosure Topics & Accounting Metrics				
Greenhouse Gas Emissions	RT-CH-110a.1	Gross global Scope 1 emissions	tCO ₂ -eq	p.80
		Percentage covered under emissions limiting regulations	%	100
	RT-CH-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	-	p.25~30
Air Quality	RT-CH-120a.1	NOx (excluding N ₂ O) emissions	tons	p.82
		SOx emissions	tons	p.82
		VOC (Volatile Organic Compounds) emissions	tons	p.82
		HAPs (Hazardous Air Pollutants) emissions	tons	p.82
Energy Management	RT-CH-130a.1	Total energy consumed	TJ	p.80
		Percentage grid electricity	%	100
		Percentage renewable	%	p.80
		Total self-generated energy	TJ	p.80
Water Management	RT-CH-140a.1	Total water withdrawn in regions with High or Extremely High Baseline Water Stress	tons	p.33
		Percentage of total water withdrawn in regions with High or Extremely High Baseline Water Stress	%	p.33
		Total water consumed in regions with High or Extremely High Baseline Water Stress	tons	p.33
		Percentage of total water consumed in regions with High or Extremely High Baseline Water Stress	%	p.33
	RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards and regulations	count	p.99
	RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	-	p.33
Hazardous Waste Management	RT-CH-150a.1	Amount of hazardous waste generated	tons	p.83
		Percentage of hazardous waste recycled	%	p.83
Community Relations	RT-CH-210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	-	p.66~68
Workforce Health & Safety	RT-CH-320a.1	Total recordable incident rate (TRIR) for direct employees and contract workers	%	p.95~96
		Fatality rate for direct employees and contract workers	%	p.95~96
	RT-CH-320a.2	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	-	p.46~50
Product Design for Use-phase Efficiency	RT-CH-410a.1	Revenue from products designed for use-phase resource efficiency	KRW	Not applicable
Safety & Environmental	RT-CH-410b.1	Percentage of products that contain Globally Harmonised System of Classification and Labelling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances	%	Insufficient information
		Percentage of such products that have undergone a hazard assessment	%	Not disclosed
	RT-CH-410b.2	Discussion of strategy to manage chemicals of concern	-	p.37
		Discussion of strategy to develop alternatives with reduced human or environmental impact	-	Insufficient information
Genetically Modified Organisms	RT-CH-410c.1	Percentage of products by revenue that contain genetically modified organisms (GMOs)	%	Not applicable
Management of the Legal & Regulatory Environment	RT-CH-530a.1	Discussion of corporate positions related to government regulations or policy proposals that address environmental and social factors affecting the industry	-	p.32
Operational Safety, Emergency Preparedness & Response	RT-CH-540a.1	Process Safety Incidents Count (PSIC)	count	Insufficient information
		Process Safety Total Incident Rate (PSTIR)	%	Insufficient information
		Process Safety Incident Severity Rate (PSISR)	%	Insufficient information
	RT-CH-540a.2	Number of transport incidents	count	Insufficient information
Activity Metrics				
-	RT-CH-000.A	Production by reportable segment	tons	Not disclosed

TCFD Index

TCFD Index

Category	Recommended Disclosures	Reporting Page
Governance	a. Describe the board's oversight of climate-related risks and opportunities.	25
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	25
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	27
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	27
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	28~29
Risk Management	a. Describe the organization's processes for identifying and assessing climate-related risks.	27
	b. Describe the organization's processes for managing climate-related risks.	25~26
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	27~29
Metrics and Targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	27~29
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	30, 80
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	25~26, 30

GHG Assurance Statement (Scope 1,2)

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by Hyosung Chemical Corporation (here after "Company" or "Hyosung Chemical") 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. 2026-64), 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 Chemical'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. 2026-165, 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 2.5% 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 CO₂-eq]

Yr 2025	Direct emissions(Scope 1)	Indirect emissions(Scope 2)	Total emissions
HYOSUNG CHEMICAL	173,048	330,162	503,205

* 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.

2026. 6. 04
Seoul, Republic of Korea



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

GHG Assurance Statement (Scope 3)

Introduction

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

Objective and Scope of Verification

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

- Organizational Boundary: Company's sites in Korea
- Reporting Boundary: Scope 3 (Other indirect emissions: Category 1, 2, 3, 4, 5, 6, 9, 12)
- Reporting Period: 2025.01.01 ~ 2025.12.31

Verification Approach

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

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

Conclusions

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

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

[Unit: ton CO₂eq]

Yr 2024	Upstream	Downstream	Total Emissions
HYOSUNG CHEMICAL CORPORATION sites in Korea	914,265	430,511	1,344,777

※ The above GHG emissions may differ by less than ± 1 tCO₂eq due to rounding to report as an integer.

OTHER INDIRECT EMISSIONS (SCOPE 3) OF HYOSUNG CHEMICAL CORPORATION IN YR. 2025 (DOMESTIC SITES)

[Unit: ton CO₂eq]

	Category	Upstream	Downstream	Total
1	Purchased goods and service	856,358		856,358
2	Capital goods	99		99
3	Fuel-and energy-related activities	53,919		53,919
4	Upstream transportation and distribution	1,452		1,452
5	Waste generated in operations	2,175		2,175
6	Business travel	263		263
9	Downstream transportation and distribution		43,957	43,957
12	End-of-life treatment of sold products		386,555	386,555
	Yr 2025 Total	914,265	430,511	1,344,777

※ The above GHG emissions may differ by less than ± 1 tCO₂eq due to rounding to report as an integer.

2026. 6. 04
Seoul, Republic of Korea



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

Third-Party Assurance Statement

To: The Stakeholders of Hyosung Chemical Co., Ltd.

Overview

The British Standards Institution (hereinafter referred to as the “Assurer”) was requested to verify the 2025 Hyosung Chemical Sustainability Report (hereinafter referred to as the “Report”). The Assurer is independent to Hyosung Chemical and has no major operational financial interest other than the assurance of the Report. This assurance opinion statement is intended to provide information related to the assurance of the Hyosung Chemical’s report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any other purpose. This assurance opinion statement is prepared based on the information presented by the Hyosung Chemical. The verification does not extend beyond such information and is solely based on it. In performing such verification, the Assurer has assumed that all such information is complete and accurate. Hyosung Chemical is responsible for managing the relevant information contained within the scope of assurance, operating the relevant internal control procedures, and for all information and claims contained in the Report. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to Hyosung Chemical only. The Assurer is responsible for providing Hyosung Chemical’s management team with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and to provide the information to all stakeholders of Hyosung Chemical. The Assurer will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person or party by whom the independent assurance opinion statement may be read.

Scope

The scope of engagement agreed upon with Hyosung Chemical includes the following:

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

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

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

Assurance Level and Type

The assurance level and type are as follows;

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

Description and Sources of Disclosures Covered

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

[Universal Standards]

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

[Topic Standards]

305-1~5, 308-1&2, 403-1~10, 414-1&2, 416-2

Methodology

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

- Validation of the materiality assessment and internal analytical process for determining assurance priorities, and a top-level review of issues that may be raised by external stakeholders in the context of sustainability.
- Discussion with managers and representatives on stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible departments.
- Verification of the sustainability strategy implementation process and supporting systems, including the generation, collection, and reporting of data across performance areas, as well as confirmation of the evidence supporting claims presented in the report
- Assessment of Hyosung Chemical’s reporting and management processes against the four principles of Inclusivity, Materiality, Responsiveness, and Impact as defined in the AA1000 Accountability Principles Standard (2018)
- On-site visit to Hyosung Chemical’s headquarters to confirm the effectiveness of data collection processes, internal control procedures, and management practices

Third-Party Assurance Statement

Limitations and Approach Used to Mitigate Limitations

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

Competency and Independence

professional institution that specializes in quality, health, safety, social and environmental management with over 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with Hyosung Chemical. The Assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have in-depth understanding of the BSI Group's assurance standard methodology.

Opinion Statement

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

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

Conclusions

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

Inclusivity: Stakeholder Engagement and Opinion

Hyosung Chemical has identified its key stakeholders as customers, employees, suppliers, shareholders and investors, and local communities. The company operates a range of communication channels and engagement frequencies tailored to each stakeholder group, and through its stakeholder engagement process, it gathers expectations and diverse perspectives from each core stakeholder group. The major issues identified through this process are reflected in sustainability-related decision-making, and the relevant process is disclosed through the report.

Materiality: Identification and reporting of material sustainability topics

Hyosung Chemical has established a Double Materiality Assessment process to identify issues that affect both sustainable management and business operations. By analyzing the internal and external environment across its business, the company selected relevant key sustainability topics from a wide range of issues. For these topics, a Double Materiality Assessment was conducted to evaluate both environmental and social impacts (Impact Materiality) and financial impacts (Financial Materiality). Through management review and reporting to the Board of Directors, four key material issues were identified and disclosed in the report.

Responsiveness: Responding to material sustainability topics and related impacts

Hyosung Chemical has reported on the "Double Materiality Assessment Results" for the key material issues and major issues identified through the Double Materiality Assessment. This includes an analysis of the impacts, risks and opportunities, scope of impact and affected stakeholders, response strategies, and financial relevance for each issue, all of which are disclosed in the report.

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

Hyosung Chemical has established a process to identify and assess the impacts of key material issues on the organization and its stakeholders. The analyses of impacts, risks, and opportunities related to these key material issues are utilized in decision-making for developing response strategies for each issue. This process is disclosed through the company's reports.

Third-Party Assurance Statement

Findings and Conclusions Concerning the Reliability and Quality of Specified Performance Information

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

GRI Topic Standards: 305-1~5, 308-1&2, 403-1~10, 414-1&2, 416-2

Recommendations and Opportunity for Improvement

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

- Hyosung Chemical is advised to establish and operate an ESG performance evaluation framework based on either board self-assessment or an independent third-party evaluation in order to enhance the effectiveness of the Board's sustainability responsibilities. The Board evaluation framework should cover oversight of sustainability strategies and targets, management of material ESG risks, performance monitoring, and Board capabilities. In addition, the results of the evaluation should be reflected in the following year's Board operating plan, improvements to committee functions, the review of the appointment and reappointment of Board members, and the linkage to director remuneration policies, thereby strengthening accountability for sustainability management.
- Hyosung Chemical needs to integrate ESG assessment into its new supplier registration process in order to enhance the effectiveness of supply chain ESG risk management. In particular, it is advisable for the company to upgrade its operating framework by systemizing a pre-assessment process based on environmental and social criteria so that potential ESG risks can be proactively identified, assessed, and managed from the supplier selection stage. In addition, the current scope of supply chain ESG assessment, which is primarily focused on key domestic suppliers, should be expanded on a phased and risk-based basis to the supply chains of overseas subsidiaries, particularly those of operations in Vietnam and China, thereby enhancing both the overall level of sustainability management and the consistency of the company's supply chain management framework.

GRI-Reporting

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

Issue Date: 16/06/2026

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

BSI representative



Sangwoo Nam, Lead Assurer(LCSAP)

Sustainability Framework and KPIs related to
Governance, Environmental and Social/People



Seonghwan Lim, Managing Director

BSI Group Korea Limited: 29, Insa-dong 5-gil, Jongno-gu, Seoul, South Korea
Hold Statement Number: SRA 826458



HYOSUNG CHEMICAL