ILJIN Hysolus

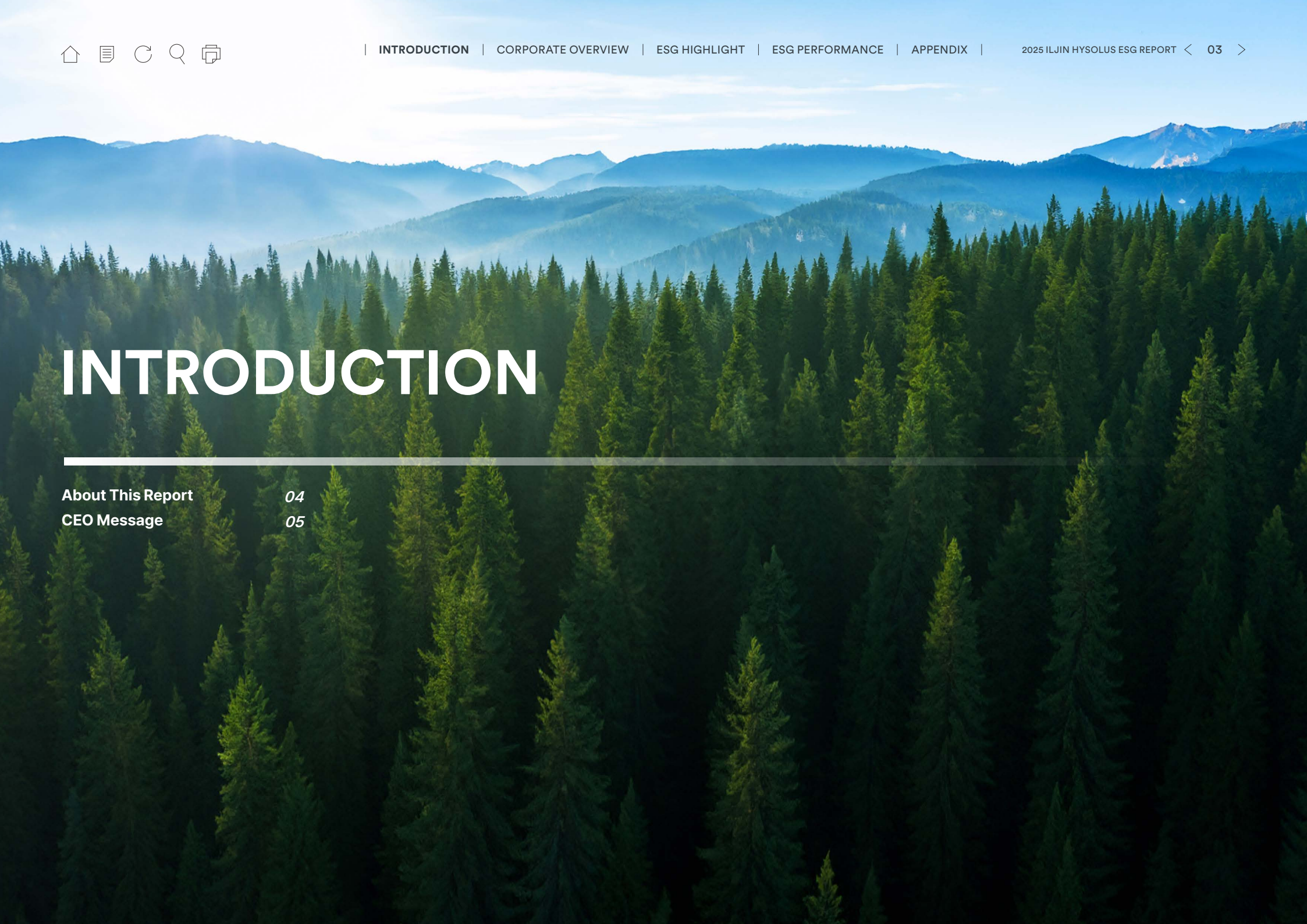
2025 ILJIN HYSOLUS ESG REPORT

ECO-FRIENDLY MOBILITY SOLUTIONS

CONTENTS

INTERACTIVE USER GUIDE This report is published as an interactive PDF, featuring shortcuts for easy access to related pages.

Cover page | Table of Contents | Previous page | Search within the Report | Related Page



INTRODUCTION

About This Report

Report Overview

Iljin Hysolus has published the '2025 Sustainability Report', which outlines the Company's sustainability management performance, strategies, and implementation plans for 2024. This report transparently discloses Iljin Hysolus's sustainability management activities and performance across environmental, social, and governance (ESG) areas to stakeholders, including customers, suppliers, investors, and local communities. Through this report, Iljin Hysolus aims to communicate openly with stakeholders and continue its journey toward sustainable growth.

Reporting Standards

This report has been prepared in accordance with the GRI (Global Reporting Initiative) Standards 2021. Financial information included in the report has been prepared in compliance with K-IFRS (Korean International Financial Reporting Standards). In addition, the report has been prepared with reference to the UN SDGs (United Nations Sustainable Development Goals) and the TCFD (Task Force on Climate-related Financial Disclosures) framework.

Reporting Period

This report covers Iljin Hysolus's financial and non-financial performance for the period from January 1 to December 31, 2024. For certain non-financial performance indicators that may have a material impact on stakeholder decision-making, data through May 2025 have been included where relevant. To enable trend analysis, selected data for the period from 2022 to 2024 are also presented.

Reporting Boundary

The reporting boundary of this report includes ESG management activities and performance of Iljin Hysolus's domestic business sites. Financial information is disclosed on a consolidated basis in accordance with the requirements of K-IFRS. Non-financial information covers all domestic business sites. Environmental data are reported for headquarters, the Wanju plant, and the R&D Center. Where the reporting scope is limited to certain sites due to constraints in data collection, the data coverage has been indicated separately.

Assurance of the Report

This report has undergone assurance by BSI, an independent third-party assurance provider, to ensure its accuracy, objectivity, and reliability. The assurance was conducted in accordance with the AA1000 standards at a Type 2, moderate level, and the assurance statement can be found in the Appendix of this report. The financial Statements were audited by Daejoo Accounting Corporation, and independent audit firm.

Cautionary Statement Regarding Forward-looking Information

Certain information in this report, including plans and goals, may contain forward-looking statements based on assumptions and expectations as of the date of publication. Such statements are subject to various risks and uncertainties, and actual results may differ materially depending on future changes in business conditions and the external environment. Iljin Hysolus undertakes no obligation to update or revise forward-looking statements.

Report Inquiries

Department in charge EHS Team, HR¡¤General Affairs Team
E-mail choongo.kim@iljin.co.kr, junyoung.kim@iljin.co.kr
Address 97-46, Wanjusan-dan 5-ro, Bongdong-eup, Wanju-gun, Jeollabuk-do, Republic of Korea
Publication Date December 2025

HOW TO USE THIS REPORT

This report is published as an interactive PDF, featuring shortcuts for easy access to related pages.

Homepage

CEO Message

Dear Valued Customers and Stakeholders,

Iljin Hysolus is contributing to addressing climate change, one of the most pressing global challenges facing humanity, while preparing for a sustainable future through environmentally responsible management. The company pioneered the world's first hydrogen storage system and has achieved the world's largest mass-production record. Building on our accumulated technology and expertise, we continue to maintain a strong leadership position in the global eco-friendly mobility and transportation industries.

Over the past year, we have continued to expand our sustainability efforts across the entire value chain, going beyond product quality. In line with our vision of "Leading Player in Clean Mobility Hydrogen Storage & Transport Solution," we have systematically pursued strategic initiatives across each area of ESG management to enhance our competitiveness and move closer to becoming a global leader in the field.

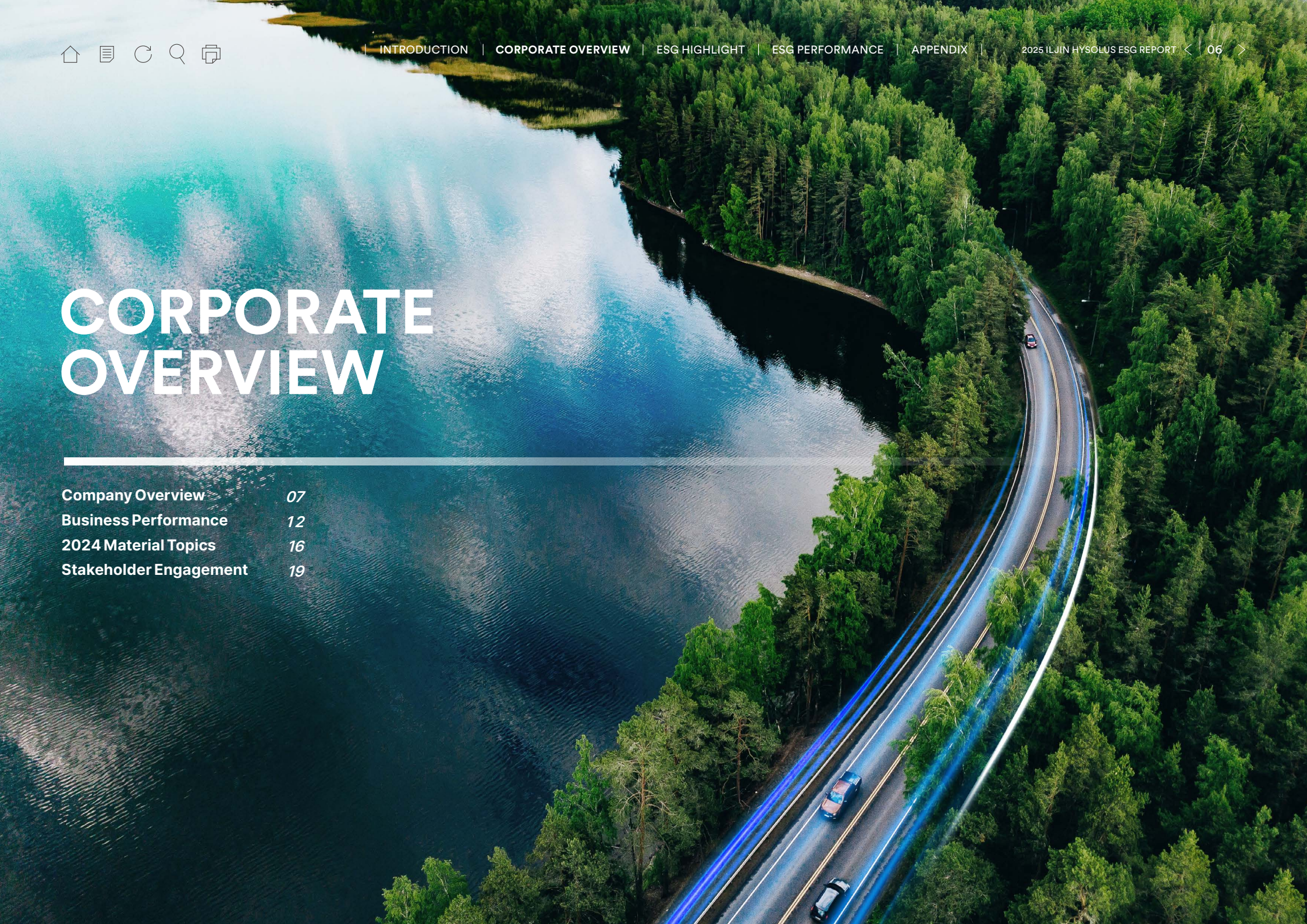
Building on these accomplishments, Iljin Hysolus aims to evolve beyond a component supplier into a company that drives sustainable mobility and transportation solutions. To this end, we are expanding ESG management practices across the Company in alignment with the Ten Principles of the UNGC (United Nationals Global Compact) and international standards on environmental, social, and governance management. These efforts are being translated into concrete actions, including respect for human rights, ensuring occupational safety, compliance with laws and regulations, and transparent and responsible corporate operations. Through these initiatives, we strive to meet the expectations of our stakeholders.

Going forward, Iljin Hysolus will continue to strengthen its environmental performance by responding to climate change, reducing environmental impacts, and expanding eco-friendly product portfolios. We will enhance our environmental management systems to proactively address potential risks and further strengthen compliance management to ensure sustainable business operations.

Eco-friendly mobility and transportation represent a shared global challenge as well as a new opportunity that must be addressed collaboratively. Through continuous technological innovation and the advancement of ESG management, Iljin Hysolus will contribute to environmental protection, social value creation, and sustainable growth.

We sincerely appreciate your continued trust and support, and we remain committed to fulfilling our role as a reliable partner in building a better future together.

Chief Executive Officer of Iljin Hysolus
Sung-Mo Yang



CORPORATE OVERVIEW

Company Overview

Company Overview

Company Profile

In response to climate change and carbon reduction goals, the hydrogen economy is expanding rapidly, and Iljin Hysolus is strengthening its competitiveness as a leading player in the hydrogen transportation and storage sector. Our high-pressure Type 4 hydrogen cylinder technology accumulated over the past two decades has been recognized for its technological excellence both domestically and internationally. We have commercialized Korea's first carbon-composite hydrogen tube trailer and are expanding our product portfolio from passenger vehicles to commercial vehicles, drones, rail, and marine applications. Leveraging this technological capability and product quality, Iljin Hysolus continues to secure a competitive edge across the domestic and global hydrogen economy value chain.

Key Company Information and Financial Performance

(As of December 2024)

Company Name	**Iljin Hysolus Co., Ltd.**
Date of Establishment **November 2, 2012**	Chief Executive Officer **Sung-Mo Yang**
Number of Employees **212**	Main Business **Hydrogen Storage Systems and Solutions**
Total Shares Outstanding **36,313,190**	Financial Position Total Assets : KRW **342.5** billion Capital : KRW **18.1** billion
Operating Performance Revenue : KRW **79.2** billion EBITDA : - KRW **3** billion Current Income : KRW **1.81** billion	Corporate Credit Rating **A+**
Address	**Headquarter, Wanju plant** | 97-46, Wanjusan-dan 5-ro, Bongdong-eup, Wanju-gun, Jeollabuk-do, Republic of Korea **Environment team** | 905-17 Mannyeon-ro, Jeongnam-myeon, Hwaseong-si, Gyeonggi-do, Republic of Korea **R&D Center** | 650¡©651 Janggu-ri, Bongdong-eup, Wanju-gun, Jeollabuk-do, South Korea **Seoul office** | 45 Mapo-daero, Mapo-gu, Seoul, Republic of Korea

Corporate History

History

1990's

1999. Establishment of the Korea Composite Research Institute

2000's

2003. Initiation of Type 4 tank development

2009. Mass production of CNG BUS modules

2010's

2012. Change of company name to Iljin Composite Materials

2014. Mass production of Hyundai Motors FCEV (LMFC) tanks

2016. Sample supply of hydrogen fuel tanks to Europe

2018. Mass production of Hyundai Motor FCEV (FE) tanks

2020's

2020. Mass production of Hyundai Motors hydrogen electric bus hydrogen tank modules

2021. Change of company name to Iljin Hysolus
- **May**: Certification of tube trailer cylinders
- **September**: Listing on the Korea Exchange (KOSPI)

2022. Mass production of Hyundai Motor hydrogen electric truck hydrogen tank modules
- **August**: Completion of the Research Center

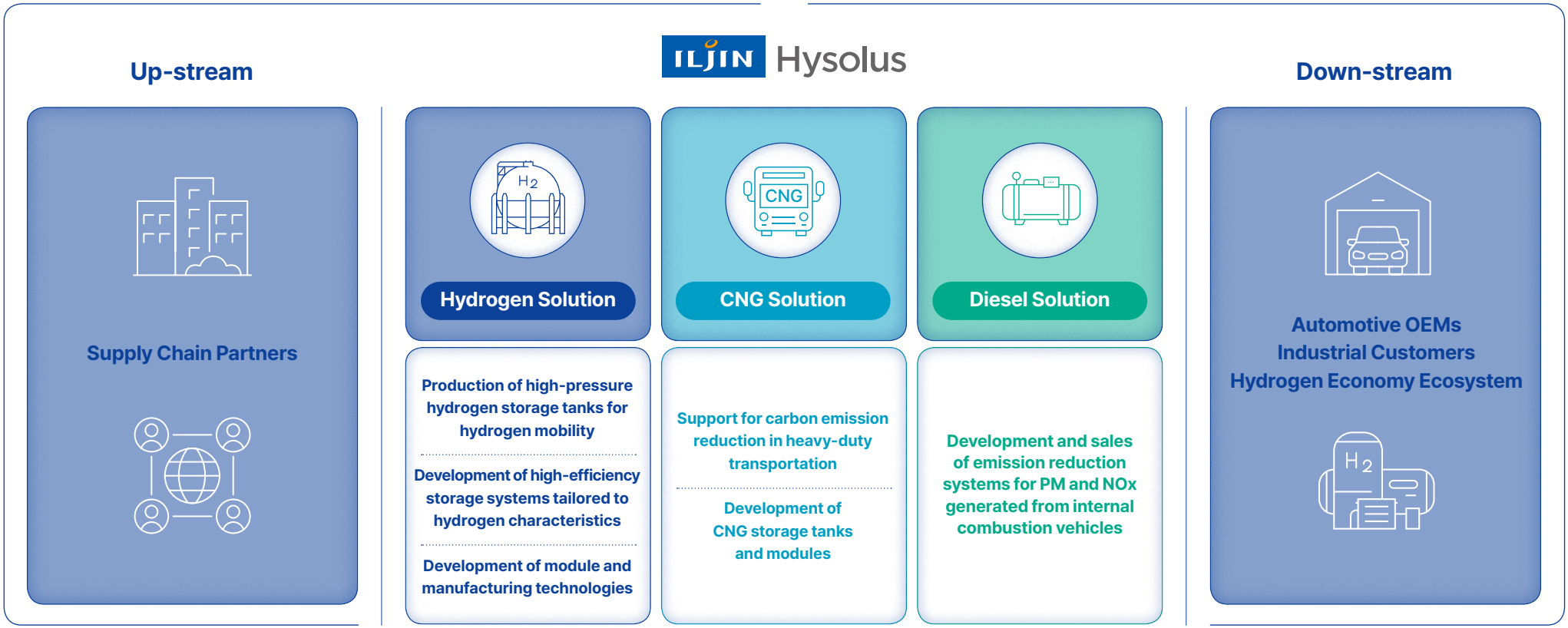
2024. Type 4 Hydrogen Transport Tube Trailer awarded the Top Innovation Technology Prize at H2 MEET 2024

Company Overview

Company Overview

Major Business Areas

Iljin Hysolus provides storage, transportation, and utilization solutions, with a focus on hydrogen storage and transport, enabling the transition from high-carbon fuels to environmentally friendly energy sources and contributing to the reduction of environmental pollution. The Company sources components and raw materials-including composite materials, valves, domes, DMS, and filters-from approximately 40 partner companies, and manufactures hydrogen tanks, CNG tanks, and PM and NOx reduction systems. These products are primarily supplied to automotive OEMs and industrial customers, supporting emission reduction programs for aging diesel vehicles and contributing to improved air quality. In addition, Iljin Hysolus supplies key components for commercial and passenger hydrogen vehicles, playing a leading role in the development of the hydrogen economy ecosystem during the transition to eco-friendly mobility.



Company Overview

Company Overview

High Hydrogen Storage Efficiency

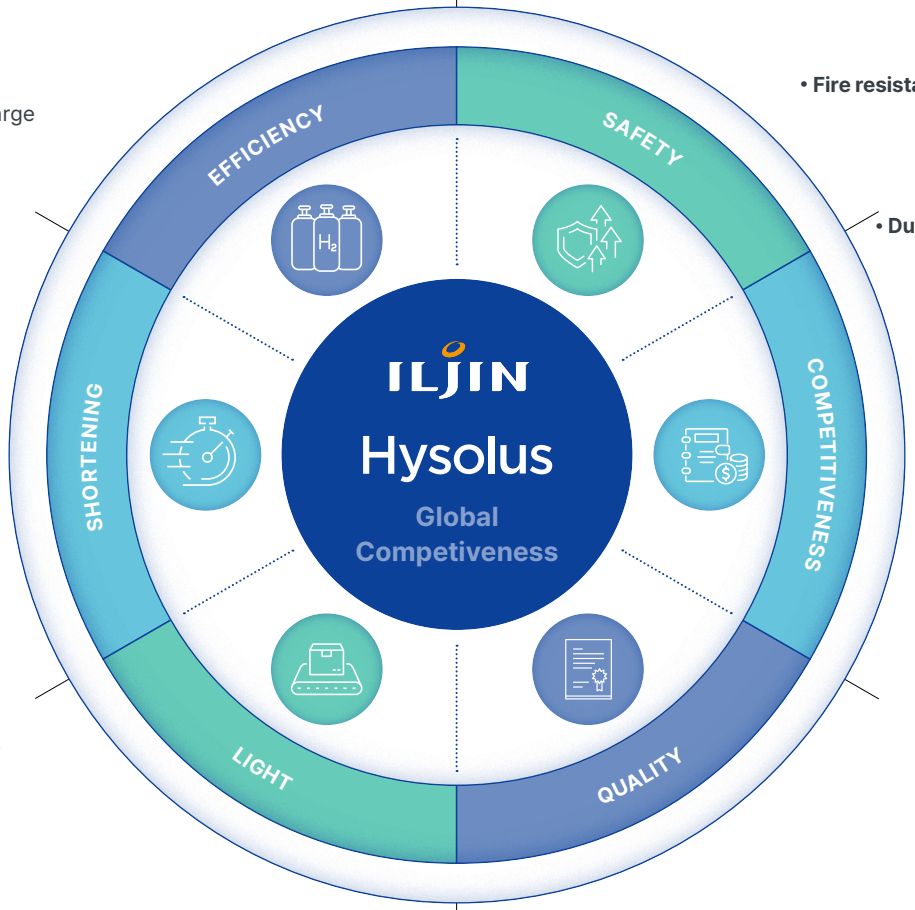
- **Industry-leading hydrogen storage efficiency tanks**
  - Driving range advantage of over 20 km per full charge compared to competitors(Based on Hyundai NEXO)

Fast Development

- **Time-to-market reduction enabled by industry-leading mass production data**
  - Rapid customer response and accelerated adoption of new technologies

Lightweight Cylinders

- **Superior fuel efficiency with an approximately 11% lighter cylinder**



Best-in-Class Safety Performance

- **Fire resistance exceeding regulatory risk assessment criteria by more than three times** (60 minutes)
- **Pressure burst** (≥ 1,575 bar)**, Drop impact** (1.8m)**, Gunfire test** (no rupture upon penetration)**, Extreme temperature resistance** (-50°C to 90°C)
- **Durability exceeding regulatory requirements for maximum filling cycles by approximately ten times** (45,000 cycles)
  - First hydrogen electric vehicle to achieve the highest safety rating in the Euro NCAP new car safety assessment

※ NCAP (New Car Assessment Program) : European new car safety assessment system.

Price Competitiveness

- **Enablement of high-performance products using a reduced amount of composite materials**
  - Securing a cost advantage

High Mass Production Quality

- **Industry-first mass production of over 100,000 hydrogen tanks**

Company Overview

Our Products

Hydrogen tanks, a core component of hydrogen electric vehicles, are technology-intensive products designed to withstand pressures of up to 700 bar using carbon fiber composites wound around a non-metallic liner. The company applies ultra-lightweight composite technologies to achieve high safety and reduced weight, and verifies differentiated performance and safety through proprietary limit tests in addition to regulatory certification testing.

Mass production of hydrogen tanks for the NEXO model since 2018; as of 2025, more than 40,000 hydrogen tanks have been supplied by the company

Leading hydrogen fuel cell vehicle customer base

H_2 Tank

Product Features

Time-to-market reduction enabled by industry-leading mass production data
- Rapid customer response and accelerated adoption of new technologies

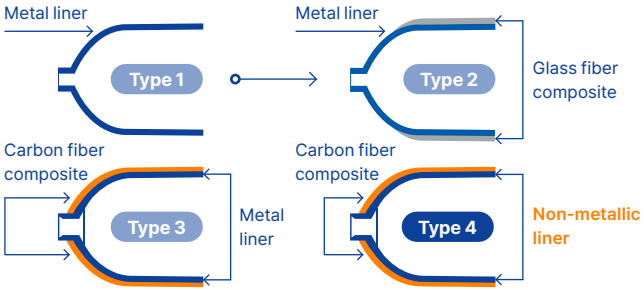
Enablement of high-performance products using a reduced amount of composite materials
- Securing a cost advantage

Fire resistance exceeding regulatory risk assessment criteria by more than three times (60 minutes)
- Pressure burst (≥ 1,575 bar), Drop impact (1.8 m), Gunfire test (no rupture upon penetration), Extreme temperature resistance (-50°C to 90°C)
- Durability exceeding regulatory requirements for maximum filling cycles by approximately ten times (45,000 cycles)

Cylinder weight compared to competitors
- Superior fuel efficiency with an approximately 11% lighter cylinder

Industry-leading hydrogen storage efficiency tanks
- Driving range advantage of over 20 km per full charge compared to competitors(Based on Hyundai NEXO)

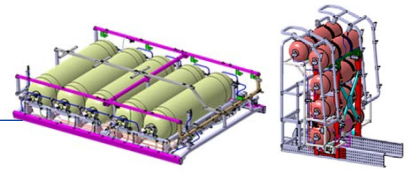
Specification



Comparative advantage over Type 3 (assuming equal cylinder weight)
- High efficiency (driving range + 150km)
- Excellent product durability (service life + 5 years)
- More than 10% lower in cost

Module

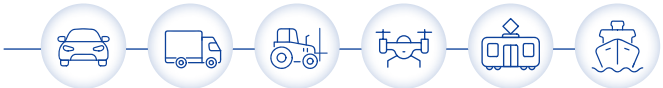
Provision of customized hydrogen storage systems alongside standalone tanks



Tier 1 supplier of Hyundai commercial vehicles
- Hydrogen bus mass production since 2020
- Hydrogen truck mass production since 2022

Application

Application across diverse mobility and industrial use cases



Company Overview

Our Products

TUBE TRAILER

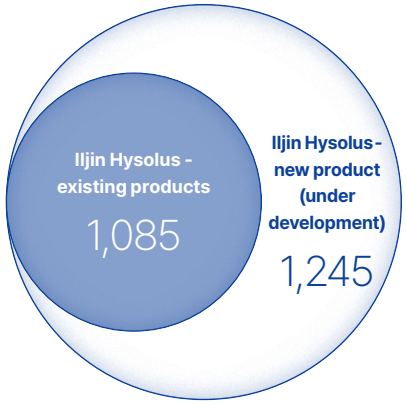
Tube trailers represent one of the most efficient gas transportation systems and serve as an effective and economical hydrogen storage and transport solution, particularly for regions without pipeline connections. Iljin Hysolus tube trailers apply Type 4 ultra-lightweight high-pressure tank technology, achieving significant system weight reduction, lower operating costs, and increased transport capacity through high-pressure storage. Customers can select standard sizes from 10 to 40 ft and configurations tailored to specific requirements.

Key applications: hydrogen tube trailers, mobile refueling stations

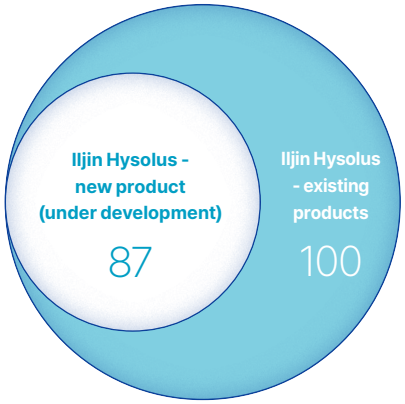
Key certifications: KGS AC419 (Korea), EN 12245 (Europe)

Product Features

Hydrogen transport capacity per trip (unit: kg)

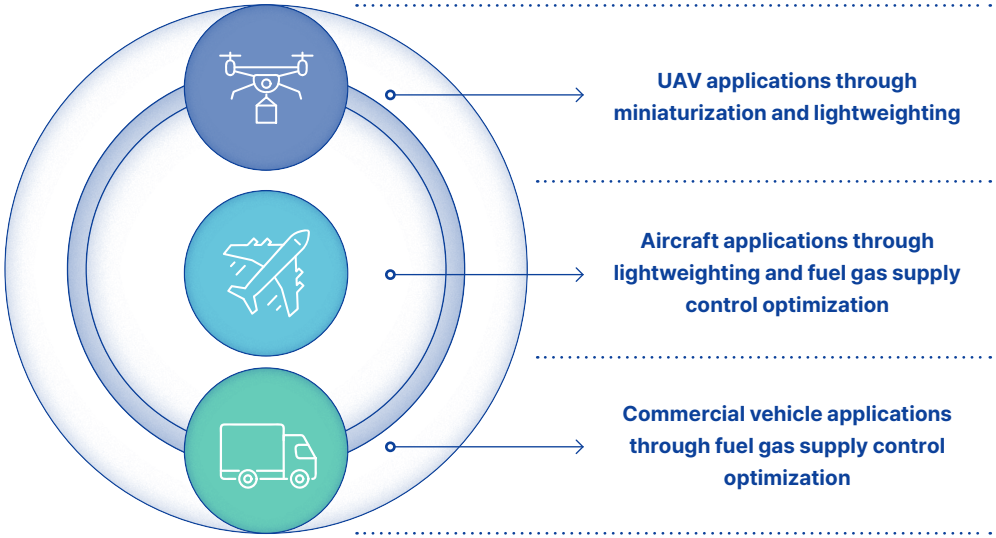


Hydrogen transport cost per trip (unit: %)



Liquid hydrogen (LH_2) storage system under development

Iljin Hysolus is developing high-efficiency liquid hydrogen (LH_2) storage systems to reduce GHG emissions in mobility. The systems incorporate cryogenic insulation and optimized structural design, system-level fuel gas flow control, and lightweight composite technologies. This enables their application to commercial vehicles, aircraft, and UAVs, while ensuring high storage efficiency and operational stability for long-haul and high-power mobility.

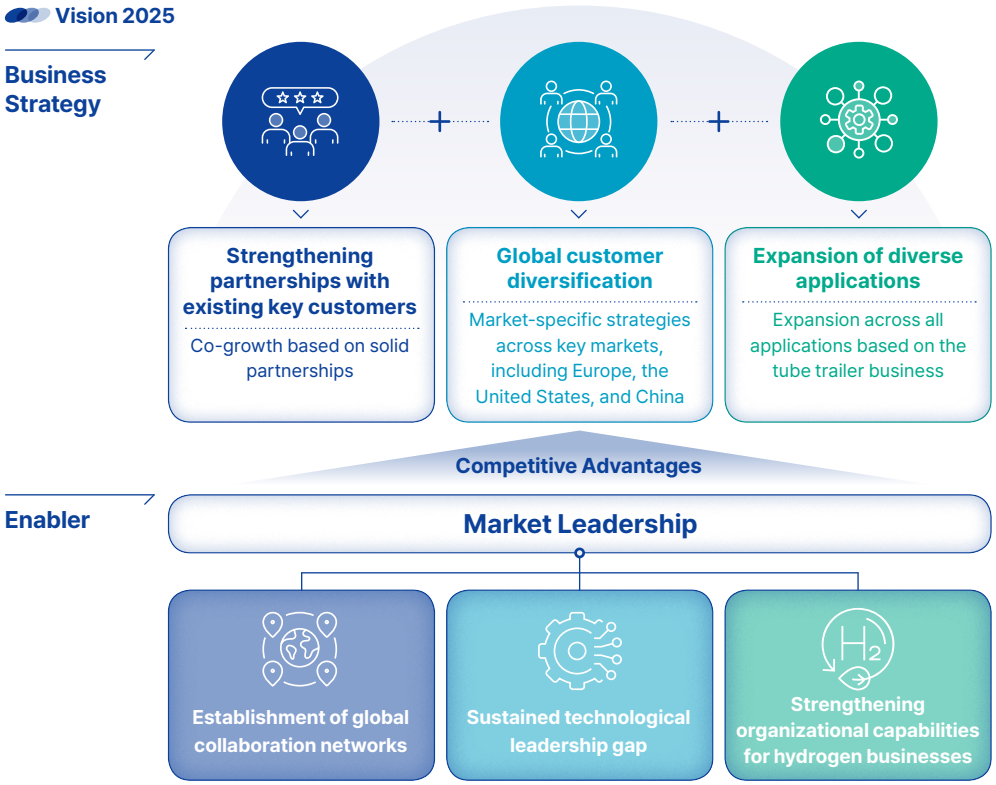


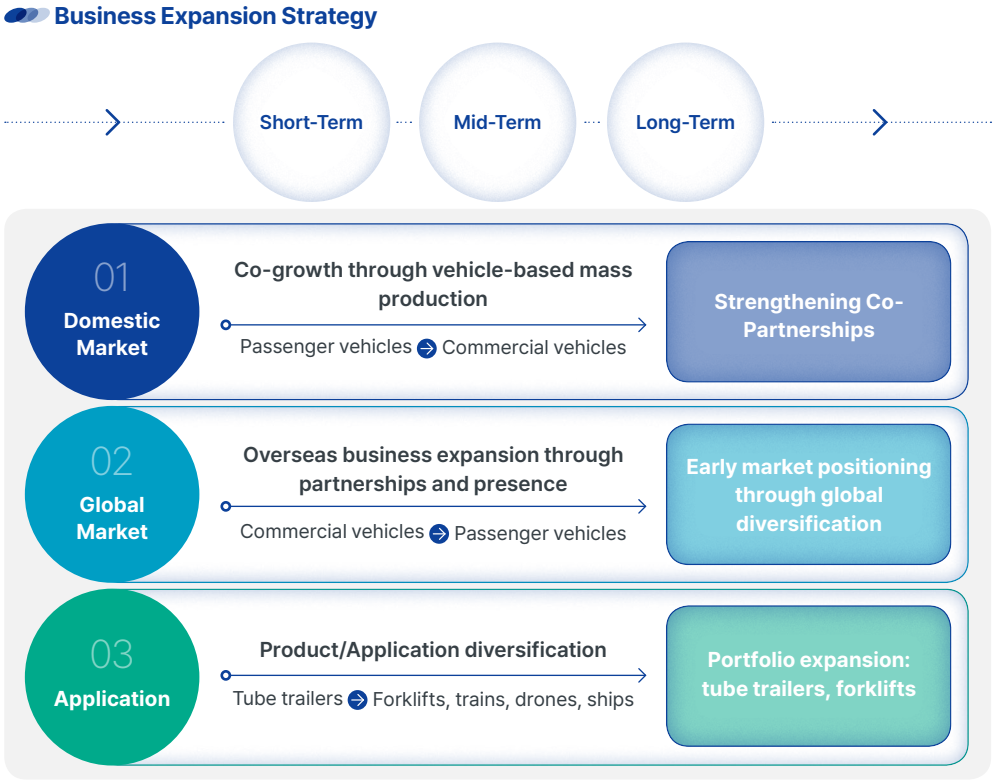
Business Performance

Business Overview

Business Strategy

Iljin Hysolus pursues a business expansion strategy based on competitive advantages, with the objective of market leadership. To this end, three core strategic pillars have been established. First, partnerships with existing key customers are strengthened to promote co-growth based on stable and long-term collaboration. Within the domestic market, mass production volumes are secured across both passenger and commercial vehicle segments, alongside continued enhancement of close customer collaboration. Second, global customer diversification is advanced through market-specific strategies tailored to Europe, the United States, and China, broadening global market coverage and strengthening relationships with overseas customers to support a stable growth foundation. Third, the business scope is expanded through diversification of applications. Building on the tube trailer business, the product and application portfolio is extended to forklifts, drones, rail, and marine applications, enhancing presence across the hydrogen economy value chain. To support these strategies, execution capabilities are reinforced through global collaboration networks, sustained technological leadership, and organizational capabilities dedicated to hydrogen businesses.





Business Performance

2024 Key Performance

2024 Plant Expansion

To respond to growing demand for hydrogen cylinders and strengthen competitive positioning, Iljin Hysolus completed a large-scale expansion of the Wanju plant in 2024. The expansion involved total investment of KRW 8.69 billion, covering both equipment installation and construction, with the objective of enhancing production efficiency and quality consistency. The project also secured additional space for key manufacturing equipment and implemented facility upgrades to improve production stability. Leveraging this investment as a foundation to accelerate growth, the company will proactively respond to market expansion and continue to strengthen production capacity to maintain a competitive edge.

Dangjin Plant Order Intake

On November 29, 2024, the company secured a new order for hydrogen tube trailer products manufactured at the Dangjin plant. The order was concluded as a supply contract with Lotte Air Liquide EnerH2 Co., Ltd. While the order was disclosed in accordance with regulatory requirements, details such as contract volume, contract value, and specific terms are not disclosed due to business confidentiality. Going forward, the company will continue to pursue order intake and strengthen supply capabilities to respond to growth in the hydrogen industry and ensure stable delivery of products aligned with market demand.

H2 Innovation Award Grand Prize

Iljin Hysolus was awarded as an outstanding company at the H2 Innovation Award 2024, a technology awards program that brings together large enterprises, SMEs, and startups possessing innovative hydrogen-related technologies.
The awards are held annually as a technology forum to identify and share breakthrough technologies that lead the development of the hydrogen industry, and they provide a comprehensive evaluation of both technological excellence and commercialization potential. Iljin Hysolus is a specialized hydrogen tank manufacturer that uniquely possesses the technology to produce Type 4 hydrogen transport tube trailers in Korea. Globally, it is one of only two companies capable of manufacturing this product, together with Toyota Motor Corporation of Japan. The company's self-developed Type 4 hydrogen transport tube trailer is manufactured using a non-metallic liner and carbon-fiber composite materials instead of conventional steel Type 1 containers, offering excellent storage capacity and safety. It was highly recognized for significantly improving hydrogen transport efficiency through lightweight design, which contributes to fuel-cost savings. In recognition of these technological innovations, Iljin Hysolus received this award as a leading company contributing to the realization of the hydrogen economy.

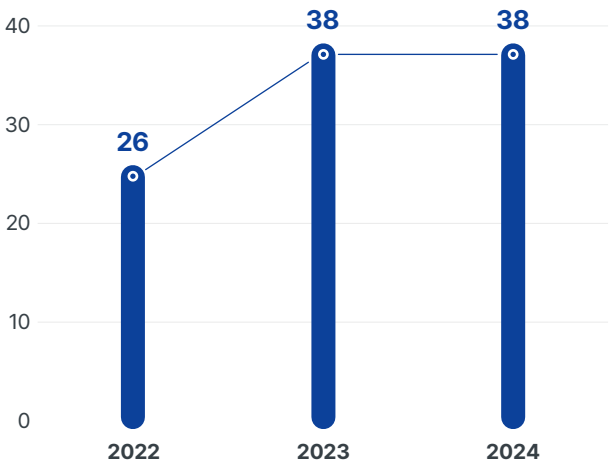
Business Performance

2024 Key Performance

R&D Center Performance

Iljin Hysolus positions technology as a core source of competitiveness and strengthens capabilities through R&D-led expertise development in hydrogen storage and transportation. To this end, the company has continuously expanded the personnel and infrastructure of its R&D center. The number of researchers increased from 26 in 2022 to 38 in 2023 and has been maintained at a similar level in 2024, enabling ongoing research activities supported by highly skilled professionals. The R&D center focuses on key technologies, including compressed hydrogen storage and lightweighting, carbon fiber forming, fuel cell-related systems, and safety and inspection technologies for hydrogen storage cylinders. In parallel, intellectual property is secured through item-specific patent filings and registrations, with a continued upward trend reflecting ongoing technology advancement.
In addition to product development for passenger and commercial vehicle hydrogen storage systems, research extends to materials and evaluation technologies, reinforcing technical competitiveness. These efforts support timely responses to technological demands in the hydrogen mobility sector and provide a foundation for sustained, technology-driven growth through expansion into diverse applications.

R&D Workforce Composition



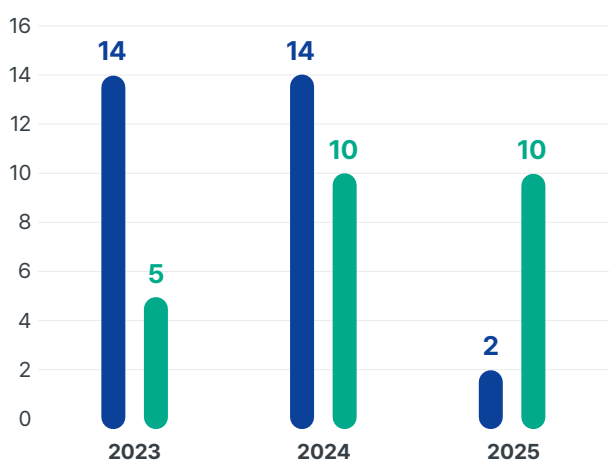
Key Research Areas

- Passenger and commercial hydrogen storage systems
- Materials and evaluation technologies

Patent acquisition areas

- Compressed hydrogen storage and lightweighting
- Carbon fiber forming technologies
- Fuel cell-related systems
- Safety and inspection technologies for hydrogen storage cylinders

R&D patents and IP



Business Performance

2024 Key Performance

Balance Sheet Summary

Item	Unit	2022	2023	2024
Current assets	KRW	293,758,323,525	289,215,686,092	**285,465,117,720**
Non-current assets	KRW	48,747,127,396	49,137,109,617	**58,812,649,369**
Total assets	KRW	342,505,450,921	338,352,795,709	**344,277,767,089**
Current liabilities	KRW	23,684,902,324	17,898,355,522	**21,477,389,959**
Non-current liabilities	KRW	4,101,655,548	4,550,453,316	**5,328,695,919**
Total liabilities	KRW	27,786,557,872	22,448,808,838	**26,806,085,878**
Share capital	KRW	18,156,595,000	18,156,595,000	**18,156,595,000**
Capital surplus	KRW	265,054,871,770	265,055,503,990	**265,052,106,881**
Retained earnings	KRW	31,507,426,279	32,691,887,881	**34,262,979,330**
Total equity	KRW	314,718,893,049	315,903,986,871	**317,471,681,211**
Total liabilities and equity	KRW	342,505,450,921	338,352,795,709	**344,277,767,089**

Income Statement Summary

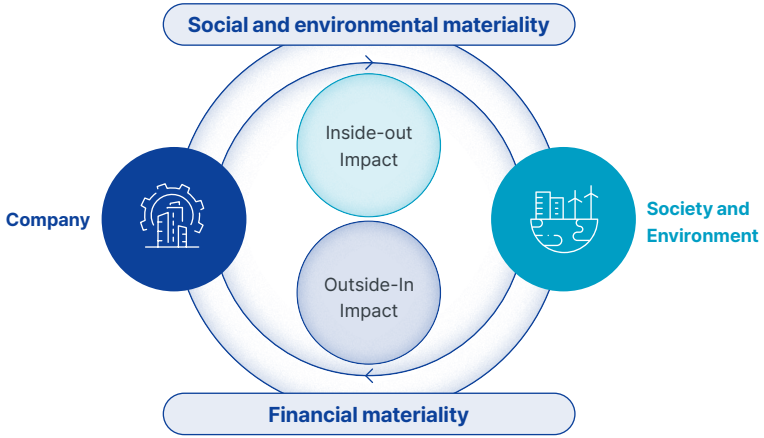
Item	Unit	2022	2023	2024
Revenue	KRW	109,080,826,437	78,740,158,706	**79,297,672,959**
Cost of goods sold	KRW	85,558,488,334	69,055,641,728	**67,546,599,394**
Gross profit	KRW	23,522,338,103	9,684,516,978	**11,751,073,565**
Selling, general and administrative expenses	KRW	20,749,350,340	19,483,792,682	**21,266,711,651**
Operating loss	KRW	2,772,987,763	-9,799,275,704	**-9,515,638,086**
Non-operating income	KRW	6,284,773,507	11,519,038,206	**10,251,706,902**
Non-operating expenses	KRW	421,982,977	444,470,900	**164,155,048**
Profit before income tax	KRW	8,635,778,293	1,275,291,602	**571,913,768**
Income tax expense	KRW	-1,592,433,676	-134,146,195	**-1,244,630,637**
Current income	KRW	7,043,344,617	1,409,437,797	**1,816,544,405**
Other comprehensive income	KRW	514,818,979	-224,976,195	**-245,452,956**
Total comprehensive income	KRW	7,558,163,596	1,184,461,602	**1,571,091,449**
Basic earnings per share	KRW	194	39	**50**

2024 Material Topics

Double Materiality Assessment Methodology

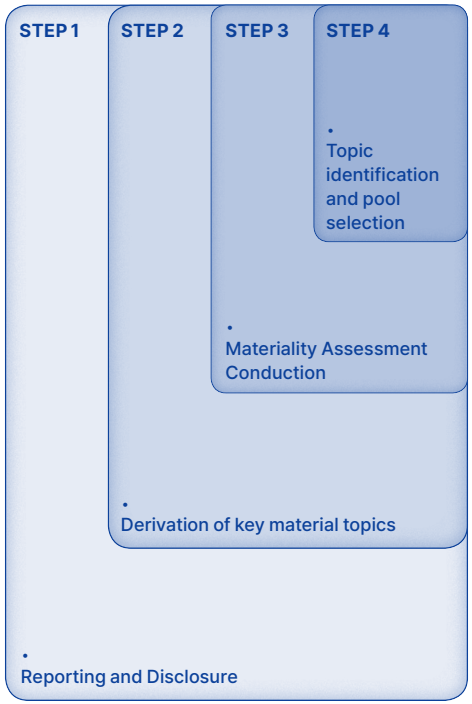
Double Materiality Assessment

Double materiality assessment refers to the process of identifying the significance of issues by considering both external factors that affect the company (impact materiality relating to social and environmental significance) and the company's effects on the environment and society (financial materiality). In 2024, a systematic double materiality assessment was conducted in accordance with the concept defined under the ESRS (European Sustainability Reporting Standards), evaluating the relative importance of sustainability topics from both financial and social and environmental impact perspectives.



Double Materiality Assessment Process

A double materiality assessment was conducted to identify key ESG topics reflecting the Company's business characteristics and stakeholder expectations. An initial ESG topic pool was established based on a review of the internal management environment, industry trends, and global regulatory developments, and further refined through reference to major disclosure standards, including ESRS, GRI, and K-ESG, as well as peer industry practices. Based on the identified topics, a materiality assessment survey was carried out with participation from internal and external stakeholders, including employees, customers, suppliers, local communities, and ESG experts. The assessment results are reported to management and reflected in discussions at board and executive-level meetings, supporting strategic planning and decision-making.



STEP 1

Topic identification and pool selection

Development of a pool of 15 topics reflecting the characteristics of Iljin Hysolus

1. Review of global standards and ESG indicators
2. Peer industry ESG trend analysis
3. Incorporation of internal issues and regulatory developments
4. Identification of risks and opportunities by topic

STEP 2

Materiality Assessment Conduction

Implementation of a survey to assess the financial and social/environmental impacts of the identified topics

Financial Materiality
- Review of global ESG standards and indicators
- Stakeholder surveys on impact and likelihood

Social and Environmental Materiality
- Review of global ESG standards and indicators
- Stakeholder surveys on severity and likelihood

STEP 3

Derivation of key material topics

Scoring of analysis and survey results based on global ESG standards and indicators

Identification of topic priorities by comprehensively considering financial impacts and social/environmental impacts, resulting in climate change response, occupational health and safety, and customer and quality management as key issues

STEP 4

Reporting and Disclosure

Reporting to management and the board, and disclosure of material topic activities and performance

2024 Material Topics

Double Materiality Assessment Results

2024 Material Topics

A materiality assessment conducted in 2021 identified organization-wide foundational topics, including carbon neutrality initiatives, customer satisfaction, supply chain management, labor-management relations, work-life balance, occupational health and safety, and risk management. As these foundations were progressively established, the response level stabilized, and in 2024, material topics were refocused on business-critical areas directly linked to performance, namely response to climate change, customer and quality management, and health and safety.

Changes in Material Topics

2021 Material Topics	2024 Material Topics
Carbon neutrality initiatives	Response to climate change
Customer satisfaction management	Customer and quality management
Sustainable supply chain	-
Labor-management cooperation	-
Work-life balance	-
Occupational health and safety system	Health and Safety
Proactive risk management	-

Double Materiality Assessment Matrix

NO	Area	Topic List	Topic Definition	Financial Impact	Social and Environmental Impact	Overall Material Impact
1	E	Response to climate change	Carbon reduction and climate risk management	High	High	High
2	S	Customer and quality management	Customer satisfaction through product quality	Mid	High	High
3	S	Health and safety	Occupational health and safety management	Mid	Mid	High
4	G	Ethical management	Ethical management and risk control	Mid	Mid	Mid
5	E	Pollutant management	Compliance and management of pollutants	Mid	Mid	Mid
6	S	Fair recruitment and benefits	Fair recruitment and employee benefits	Mid	Mid	Mid
7	S	Sustainable supply chain	Supplier ESG management and supply chain sustainability	Mid	Mid	Mid
8	S	Human rights management	Human rights protection and management	Mid	Mid	Mid
9	E	Eco-friendly products and business	Eco-friendly products and business expansion	Mid	Mid	Mid
10	G	Shareholder value enhancement	Shareholder rights and value enhancement	Mid	Mid	Mid
11	E	Biodiversity	Biodiversity impact management	Mid	Low	Low
12	G	Advanced board governance	Advanced board governance and oversight	Low	Mid	Low
13	E	Circular economy development	Waste reduction and resource circularity	Low	Low	Low
14	E	Water resource management	Water use and water risk management	Low	Low	Low
15	S	Local communities	Local community engagement and value creation	Low	Low	Low

2024 Material Topics

Double Materiality Assessment Results

Management Status by Material Topic

Material Topics	Topic Significance		Current Response	Future Actions	Report Page
	Social and Environmental	Financial			
Response to Climate Change	• Growing global demand for climate action to implement the Paris Agreement • Increasing customer requirements for climate action, elevating ESG performance as a key evaluation criterion	• Financial exposure from carbon regulations (e.g., CBAM, emissions trading) • Revenue risk from unmet customer decarbonization requirements • Direct financial losses from climate-related facility damage	• Establishment of climate change response policies • Development of a roadmap to achieve carbon neutrality • Expansion of GHG measurement and management scope (Scope 3 calculation initiated in 2024) • Implementation of product LCA assessment and management	• Implementation management toward carbon neutrality targets • Expansion of product LCA assessment • GHG emissions measurement and management	25~29
Customer and Quality Management	• Consumer safety risks and negative local community impacts from quality incidents • Product quality as a key driver of social trust and long-term brand reputation • Rising quality requirements from major customers across automobile, battery, and mobility industries	• Direct losses from recalls, returns, and rework • Revenue risk from downgraded customer quality evaluations • Reduced transaction stability from loss of customer trust • Additional costs from increased legal disputes	• Implementation of quality management activities •Customer satisfaction management •Operation of R&D centers for quality and product improvement	• Strengthened monitoring for quality improvement • Maintenance of a 100% customer complaint resolution rate	58~60
Health and Safety	• Industrial accident prevention as a core corporate responsibility • Employee safety and health as a foundation of stakeholder trust • EHS system establishment driven by regulatory and societal expectations • Safety incidents posing risks to operations, reputation, and corporate image	• Direct costs from accidents, production stoppages, and equipment damage • Increased financial risk from legal liabilities and penalties • Higher insurance and accident-related costs • Reduced order competitiveness from poor safety performance	• Conduct of risk assessments • Implementation of safety culture programs • Conduct of weekly and monthly safety review meetings	• Operation of regular EHS monitoring systems • Implementation of management activities based on EHS strategy	38~45

Stakeholder Engagement Enhancement

Stakeholder Engagement Framework

Iljin Hysolus identifies employees, customers, suppliers, local communities, governments, shareholders, and investors as its key stakeholders and operates multiple communication channels to continuously understand their expectations and interests. Feedback and requests collected through these channels are systematically reflected in identifying management improvement areas and advancing the company's sustainable management framework.

	Employees	Suppliers	Customers	Shareholders and Investors	Local Communities	Government, Associations, and Media
Communication Channels	Grievance handling system Employee satisfaction surveys Employee-only internal portal Labor-management council	Cyber audit channel Supplier training and consulting Industry associations	New technology exhibitions and seminars Industry associations Cyber audit channel Website	Management disclosures Website	Social contribution programs Cyber audit channel	Website Association activities Media releases
Key Interests	Work-life balance Human rights protection and respect for diversity Performance evaluation and compensation	Fair trade Supplier safety management Quality Supplier management	Product and quality enhancement Customer data protection Product safety management Eco-friendly product development	Risk management R&D and technological innovation Transparent governance	Local job creation Volunteering and donations Minimization of environmental impact	Compliance management Tax payment Fair trade

ESG HIGHLIGHT

ESG Management

ESG Vision & Strategy

Iljin Hysolus aims to lead a sustainable future mobility ecosystem as a Global Leading Company in the mobility components industry. Through sustainable environmental management, the Company advances climate change response and strengthens the competitiveness of eco-friendly products. Based on co-prosperity with stakeholders, it practices respect for human rights, EHS, quality innovation, and supply chain responsibility. In addition, grounded in transparent and responsible management, the Company advances ethical and compliant management and ESG governance to create sustainable value. To translate this vision into tangible outcomes, the company will continue to build a systematic ESG management foundation and further advance its sustainability framework.

Vision

Global Leading Company in the Mobility Components Industry

Three Strategic Directions

Sustainability
Sustainable Environmental Management

Co-Prosperity
Stakeholder Mutual Growth Management

Integrity
Transparent and Responsible Management

Key Focus Areas

Response to Climate Change
GHG reduction
Climate risk management

Environmental Pollutant Management
Compliance with air, water, and chemical regulations and strengthened monitoring systems

Eco-friendly Products
Design improvements to enhance environmental performance, reuse of raw and subsidiary materials, and exploration of product recycling

Human Rights
Protection of employee human rights and management of human rights risks

Health and Safety
Achievement of zero major industrial accidents through enhanced emergency management and a strengthened safety culture

Quality Management
Enhancement of product safety and reliability through continuous quality improvement, leading to improved customer satisfaction

Supply Chain Management
Fair and transparent supplier management framework to build a mutually beneficial supply chain

Compliance Response
Ethical and compliant management with internal controls

ESG Management
ESG governance and risk management for sustainable management

Stakeholder Engagement
Stakeholder trust building and transparent disclosure through engagement channels

Key ESG Performance

Establishment of Environmental and Climate Change Policies

Foundation for climate action and systematic environmental management beyond pollution control

Establishment of 2050 Net Zero Strategy

Roadmap for mid- to long-term GHG reduction targets and implementation

Scope 3 Emissions: 21,417.39 tCO_2eq

Expanded GHG management to scope 3 and calculated emissions across the full value chain for the first time

Establishment of ESG Management Strategy

Three strategic pillars and ten key priority tasks under the vision of a Global Leading Mobility Parts Company

100% Board Attendance Rate

Enhanced transparency in major management discussions and decisions, maintaining a 100% board attendance rate

Establishment of Supply Chain Management Framework

Establishment of Supplier Code of Conduct and supply chain management policy

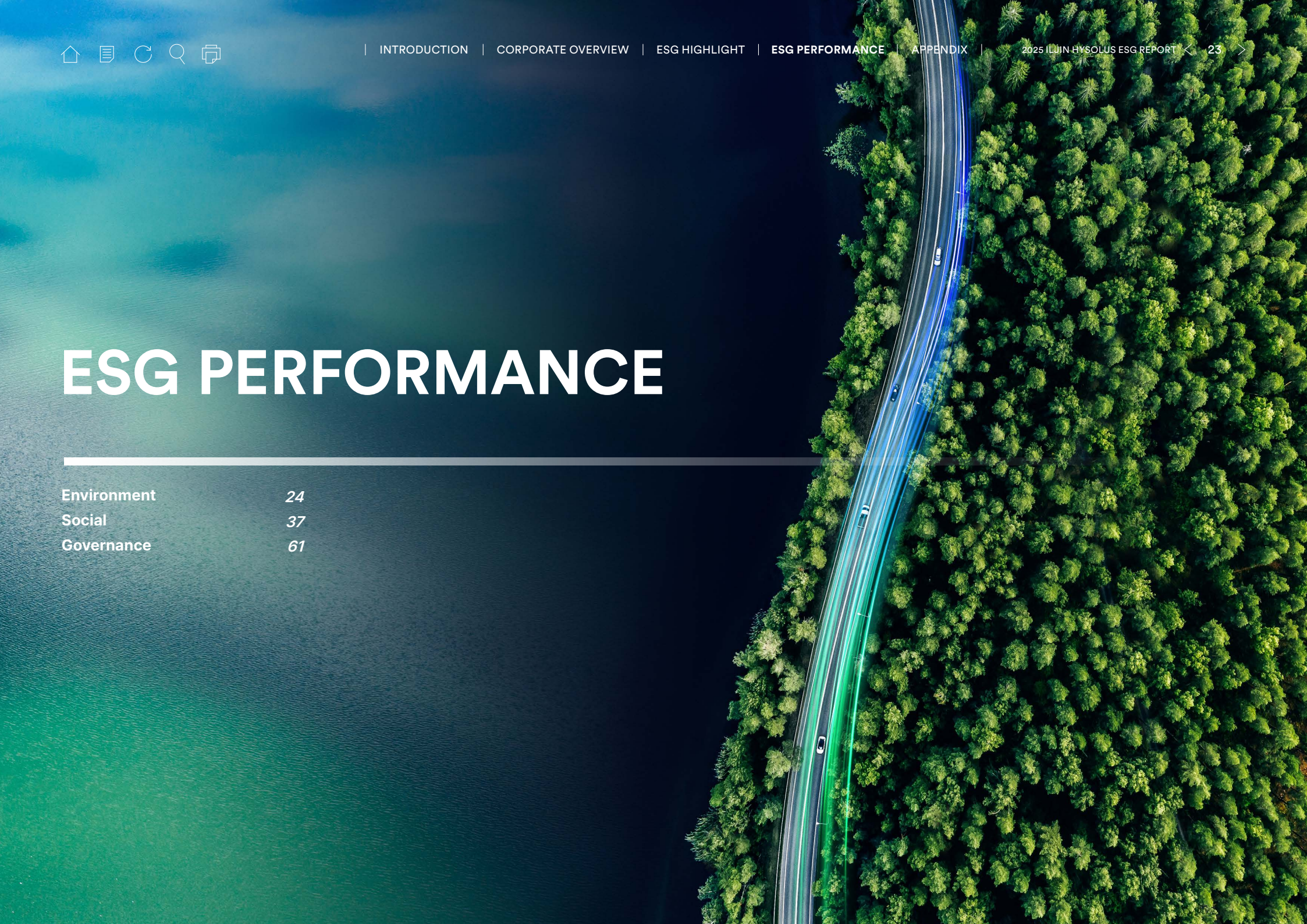
60% Local Talent Employment Ratio over the Past Three Years

Expansion of local talent hiring through community engagement

Continuous Reduction in Employee Turnover Rate

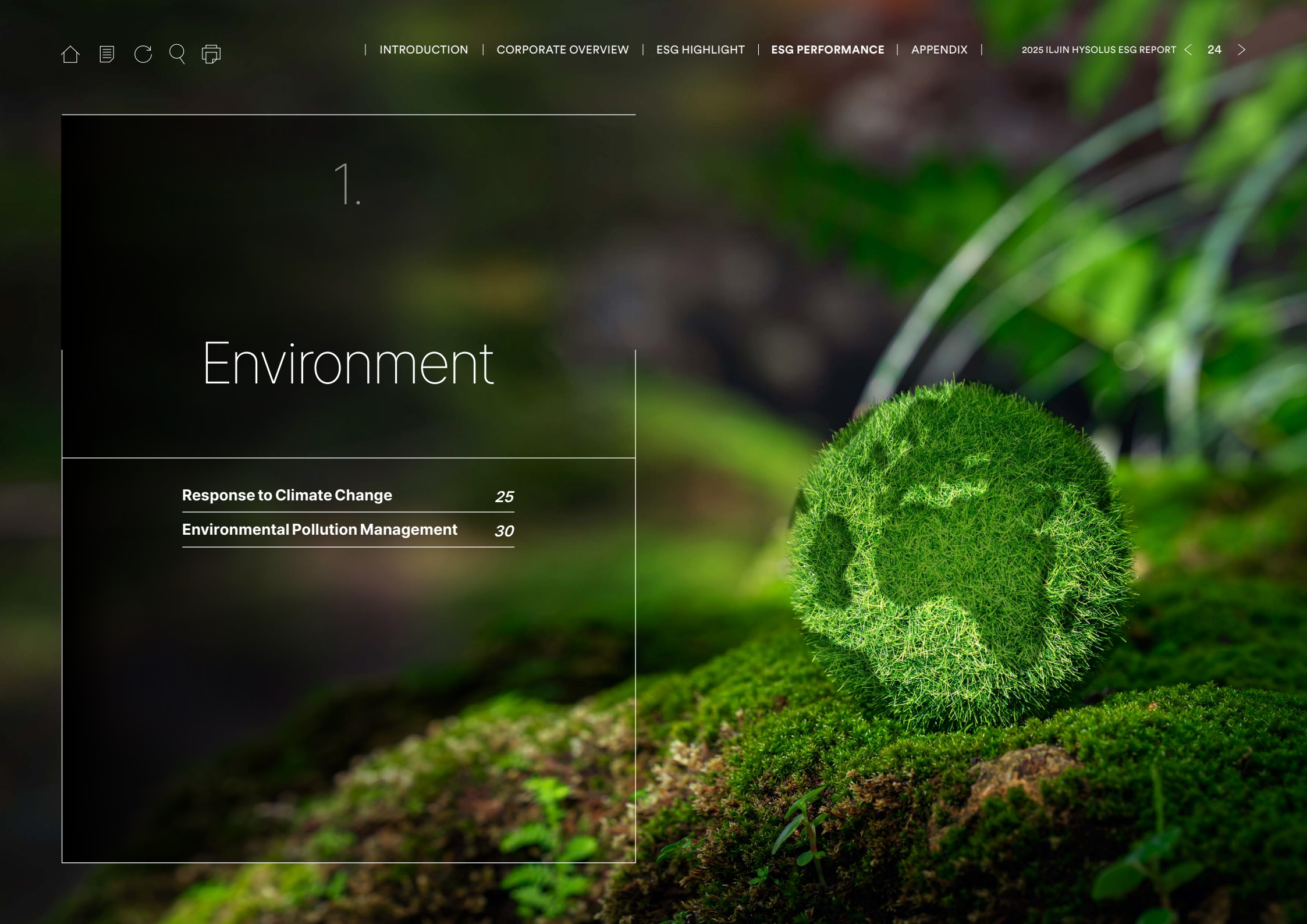
Reduced turnover and increased tenure through improved working conditions
9.3% in 2022 → 1.9% in 2024

ESG PERFORMANCE



1.

Environment

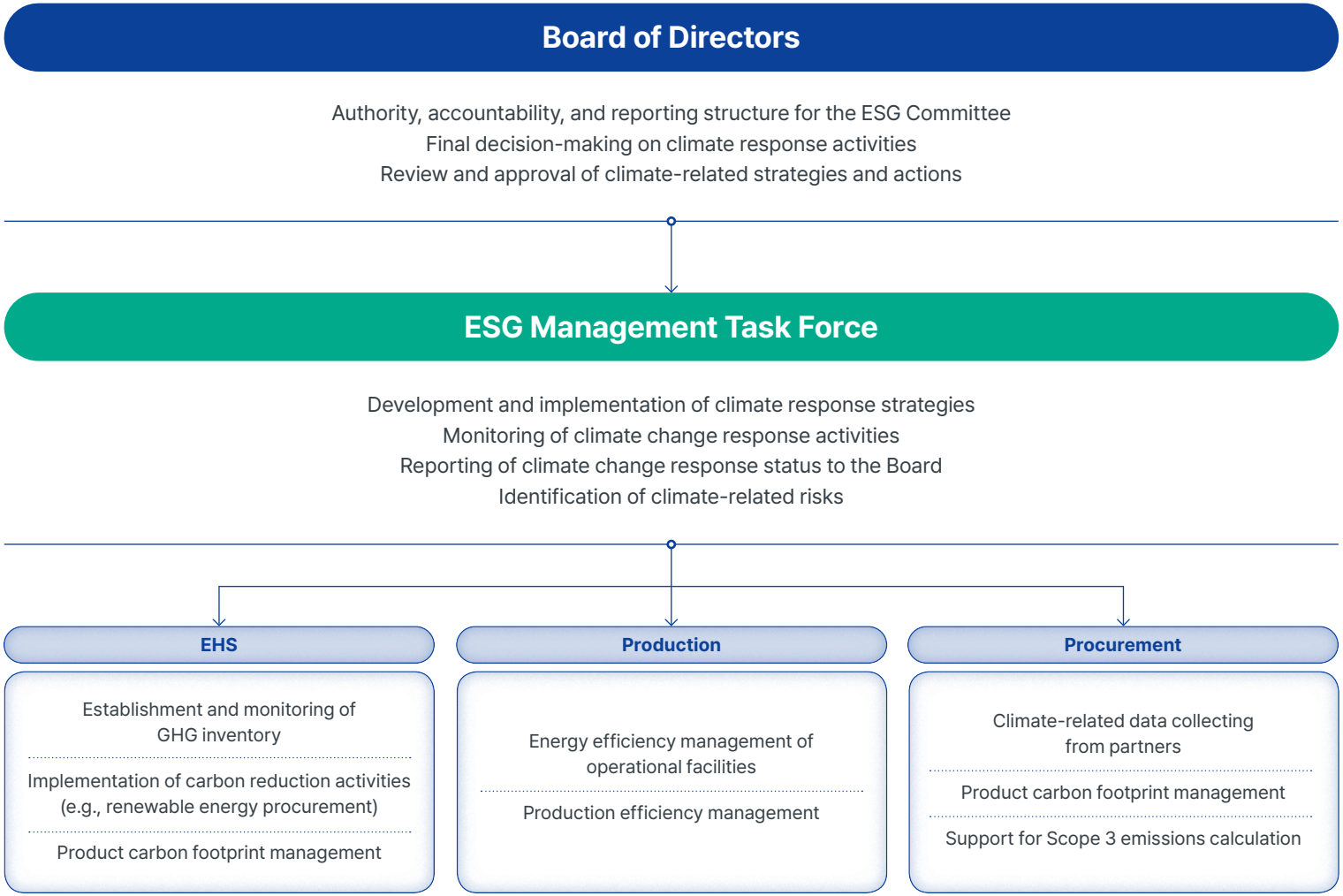


Response to Climate Change

Climate Change Response Framework

Climate Change Response Governance

Iljin Hysolus has strengthened its climate governance to effectively manage climate-related risks and opportunities. The Board serves as the final decision-making body, while ESG management functions oversee strategy execution and performance monitoring. Dedicated teams, including the ESG Task Force and EHS, work in coordination with production and procurement functions to implement carbon reduction initiatives and manage climate-related risks. Core environmental targets are set annually and monitored on a regular basis, with performance linked to evaluation and compensation systems.

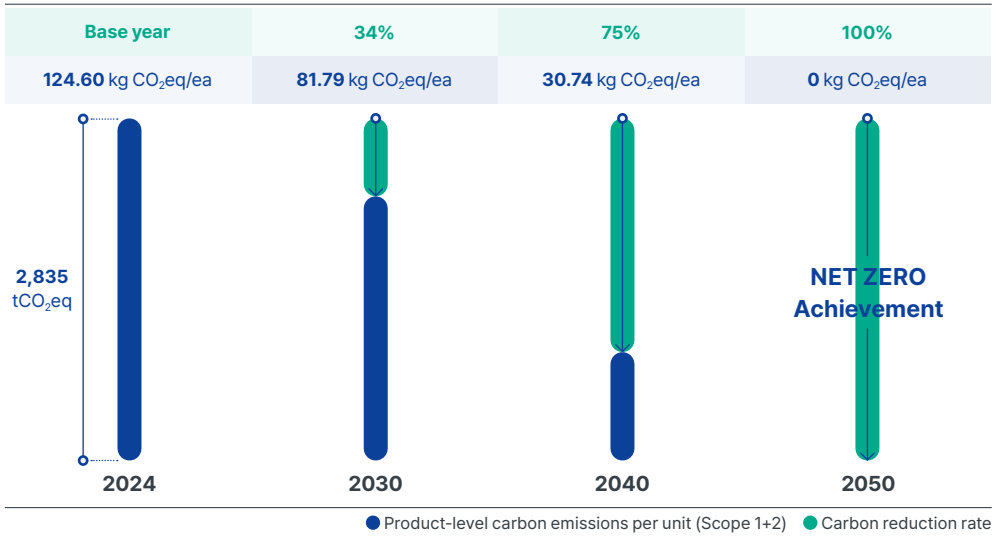


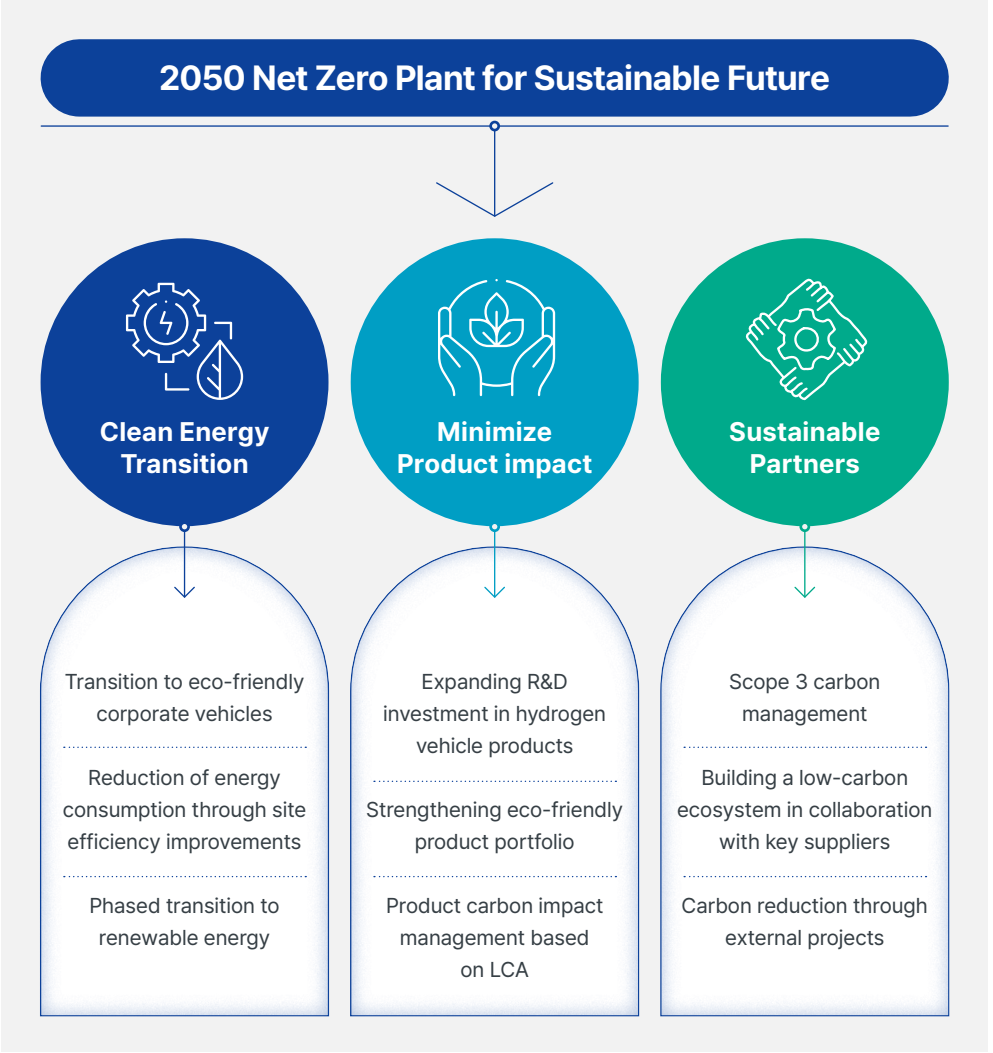
Response to Climate Change

Climate Change Response Strategy

2050 Carbon Neutrality Strategy

To effectively address climate change, Iljin Hysolus has established a carbon neutrality strategy under the mission of "2050 Net Zero Plant for Sustainable Future." The reduction pathway has been designed in line with the Science Based Targets initiative (SBTi), aiming to limit the global average temperature increase to 1.5°C above pre-industrial levels. Specifically, the Company aims to reduce GHG emissions by approximately 34% by 2030 and 75% by 2040 compared to 2024 levels, ultimately achieving net zero by 2050. To enhance international alignment and credibility, Iljin Hysolus is actively considering joining the SBTi. To achieve these targets, the Company will implement concrete action plans under three strategic pillars: Clean Energy Transition, Minimize Product Impact, and Sustainable Partners.





Response to Climate Change

Risk Management

Climate Change Risks and Opportunities

As climate change increasingly affects the corporate environment, the company conducted a scenario analysis to systematically identify climate change-related risks and opportunities. The analysis was based on TCFD-defined risk and opportunity factors, using the IPCC SSP8.5 scenario to project physical environmental changes and the NGFS "Current Policies" and "Delayed Transition" scenarios to assess changes in regulatory, market, and technological conditions. The results identified key risk factors with potentially significant impacts, including physical damage from climate change and rising customer requirements for climate response and disclosure. In response, the company is strengthening emergency response and work environment monitoring systems while enhancing internal capabilities to address evolving customer demands. To improve understanding of financial impacts, the company plans to progressively advance data management and calculation systems to enable quantitative analysis of climate-related risks and opportunities on financial performance.

Category		Definition	Potential Impacts	Impact Level	Time Horizon	Management Actions
Physical Risk	Acute	Increased frequency of natural disasters and extreme weather events such as typhoon, flood, extreme heat, and wildfire	• Financial losses from asset damage and production disruptions • Increased infrastructure recovery and maintenance costs	●●●	Long-term	• Operation of emergency response systems for natural disasters
	Chronic	Changes in climate patterns, including sea level rise and rising average temperatures	• Higher temperature management costs and reduced work efficiency • Increased safety risks and preventive inspection costs	●●●	Long-term	• Strengthened worker safety standards • Implementation of work environment monitoring systems
Transition Risk	Policy/ Regulation	Strengthening and Expansion of carbon- and climate-related regulations, including higher NDC targets and stronger CBAM	• Increased carbon compliance and certification costs • Financial penalties and reputational risks from non-compliance with climate-related regulations	○○●	Short-term	• Continuous monitoring on climate-related policies and regulations • GHG reduction roadmaps aligned with national NDCs and 2050 carbon neutrality targets
	Technology	Accelerating competition in eco-friendly and low-carbon technologies	• Increased R&D costs for green technology development • Revenue decline due to lack of competitive edge and failed investments	○●●	Mid-term	• Adoption of lightweight, recyclable, and low-impact design approaches
	Market	Rising customer requirements for GHG reduction	• Increased investment costs for energy efficiency facilities • Transaction risks from unmet customer requirements regarding climate and carbon disclosure	●●●	Short-term	• Expansion of renewable energy use at business sites • Continuous improvement of carbon emissions per unit product
	Reputation	Growing stakeholder expectations regarding climate change response	• Deterioration of capital access due to climate-related ESG rating declines • Loss of market share due to weakened trust in climate response	○●●	Short-term	• Response to climate- and carbon-related ESG assessments • Monitoring customer climate risk requirements
Opportunity	Products and Services	Growing demand for eco-friendly and low-carbon products	• Securing strategic position in the hydrogen mobility market • Revenue growth through low-carbon technology leadership	●●●	Short-term	• Expansion of low-carbon product portfolios • Strengthening strategic investments and partnerships

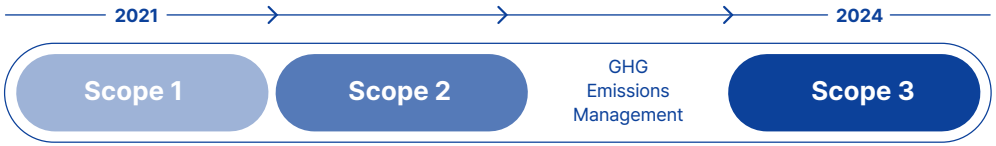
*Impact levels are indicated on a three-tier scale (●○○: Low / ●●○: Medium / ●●●: High)

Response to Climate Change

Climate Change Response Activities

GHG Emissions Management

To systematically manage GHG emissions from business operations, the company establishes a GHG inventory annually and continuously monitor emissions profile. Since 2021, Scope 1 and Scope 2 emissions have been voluntarily calculated, and from 2024, the management scope has been expanded to include Scope 3, enabling a more comprehensive company-wide emissions management. In addition, to strengthen product competitiveness, one to two products are selected each year for product-level LCAs. The resulting analysis identifies GHG emission characteristics and is utilized to support energy reduction and improvement initiatives. To enhance data accuracy and reliability, independent assurance has been introduced to provide more credible disclosed information.



Energy Consumption Management

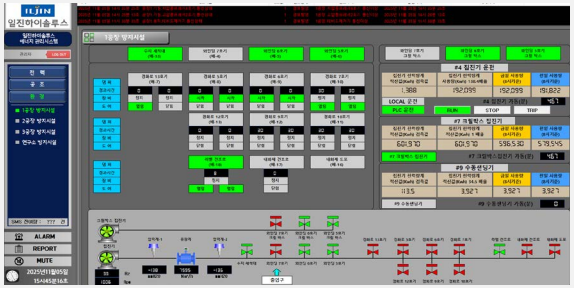
Various energy sources, including gasoline, diesel, LPG, and electricity, are consumed across operations, with electricity accounting for more than approximately 80% of total energy consumption. Accordingly, reducing electricity use and improving energy efficiency have been set as key priorities. The company replaces low-efficiency equipment with high-efficiency alternatives and minimizes unnecessary power losses through LED lighting and timer installations. In addition, a real-time power monitoring system is used to track production changes, facility expansion, and equipment efficiency, with continuous improvement activities focused on energy-intensive equipment. Going forward, the company plans to expand renewable energy adoption through options such as solar installations, PPA contracts, and the Green Premium scheme.

Energy Saving Campaign

An energy-saving awareness campaign focused on behavioral change was conducted for all employees. Guidelines for maintaining an appropriate indoor temperature (26°C) were introduced, along with initiatives such as door-closing campaigns and turning off lights during idle periods to reduce heating and cooling losses. These activities aim to promote not only short-term energy savings but also greater employee awareness and voluntary participation, with efforts continuing to expand across both office spaces and production sites.

Establishment of an Efficient Pollutant Management System

To improve the operation of air pollutant control facilities, an IoT-based smart monitoring system was established. Previously, facilities operated continuously, resulting in unnecessary power consumption; however, real-time monitoring and automatic control based on pollutant concentration and operating conditions have now been implemented. These improvements are expected to reduce electricity consumption, enhance operational efficiency, and minimize air pollutant emissions while improving management reliability. In addition, accumulated operational data provide a foundation for future expansion into predictive maintenance and equipment failure prediction, supporting the digital transformation of environmental management and linkage with energy efficiency and greenhouse gas reduction strategies.



• Pollutant Management System

Response to Climate Change

Climate Change Indicators

GHG and Energy Management Status

To systematically monitor and manage energy consumption and related GHG emissions across overall business activities, GHG emissions and energy use by source are measured for all domestic operations. From 2024, Scope 3 emissions were added to the GHG inventory to comprehensively manage value-chain environmental impacts, enabling more detailed emissions source analysis and strengthened management frameworks.

GHG Emissions

Scope	Unit	2022	2023	2024
Scope 1	tCO_2eq	88	60	**175**
Scope 2	tCO_2eq	2,337	2,259	**2,659**
Scope 3	tCO_2eq	-	-	**21,417.39**
category 1	tCO_2eq	-	-	**17, 794.06**
category 2	tCO_2eq	-	-	**0.13**
category 3	tCO_2eq	-	-	**3,200.44**
category 5	tCO_2eq	-	-	**5.64**
category 6	tCO_2eq	-	-	**206.44**
category 7	tCO_2eq	-	-	**198.09**
category 9	tCO_2eq	-	-	**12.58**
Total Emissions (Scope 1,2)	tCO_2eq	2,425	2,319	**2,834**

Energy Consumption

Energy	Unit	2022	2023	2024
Electricity	MWh	4,771	5,303	**6,053**
	TJ	45.80	50.91	**58.10**
Gasoline	L	25,003	20,875	**21,702**
	TJ	0.82	0.68	**0.71**
Diesel	L	6,107	4,997	**6,117**
	TJ	0.23	0.19	**0.23**
LPG	KG	240	119	**205**
	TJ	0.012	0.006	**0.010**
City Gas	Nm^3	1,423	584	**918**
	TJ	0.06	0.03	**0.04**
Total	TJ	46.92	51.82	**59.09**
Energy Intensity[1)]	TJ/ea	0.0012	0.002	**0.0026**

1) Energy intensity = Total energy consumption / Total revenue

Environmental Pollution Management

Environmental Management Framework

Environmental Management Policy

An environmental management policy has been established to minimize potential negative environmental impacts arising from business activities and across the value chain. Based on the ISO 14001 environmental management system, the policy has been enhanced to cover key environmental areas, including GHG reduction, eco-friendly technology development, and green procurement. The policy encourages compliance by internal members as well as business partners, with the aim of fostering a sustainable management culture. Going forward, responses to changes in global environmental regulations will be strengthened, peer industry policy trends will be continuously monitored, and internal implementation systems will be further reviewed and managed to establish a more systematic and integrated environmental management framework.

Environmental Management Policy Structure

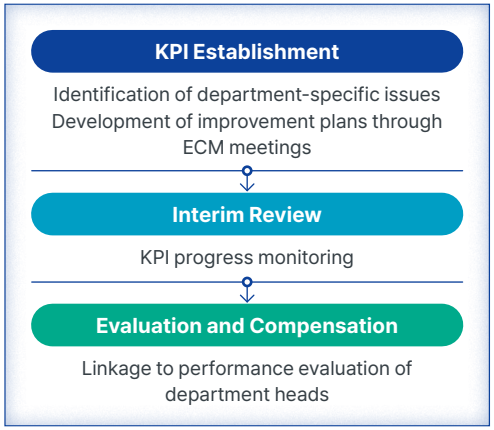
1. Overview	Article 1. Purpose of enactment Article 2. Scope of application	
2. Basic Principles	A. Raw and subsidiary materials B. Energy C. Water D. GHG E. Waste	F. Pollutants G. Hazardous /chemical H. substances I. Regulatory compliance J. Eco-friendly technologies and green procurement
3. Implementation Framework	Article 5. Education and awareness Article 6. Communication Article 7. Performance management	

Environmental Management Governance

To advance environmental management at the corporate level, a structured governance framework is in place. Centered on the EHS Team, the management support division, R&D center, quality team, purchasing team, and Plant Managers collaborate seamlessly to implement environmental management, with clear delineation of roles and responsibilities among departments to support efficient decision-making. In addition, key environmental and safety issues for each department are proactively identified through an annual environmental management issue assessment, and improvement measures are discussed through environmental management meetings involving operational units, with implementation status reviewed on a regular basis. Each issue is prioritized based on frequency of occurrence, level of risk, and adequacy of controls, and corresponding improvement actions are carried out to build a safe and pleasant workplace environment. Furthermore, to ensure systematic execution and accountable performance management by relevant employees, KPIs are established for major environmental activities, with specific annual targets set and implemented. The results of performance management are linked to performance evaluation and compensation systems, fostering a sustainable organizational culture in which employees actively participate in environmental management activities across the company.

Environmental Management Organization

Environmental Management KPI Process



Environmental Pollution Management

Environmental Management Strategy

Environmental protection and the realization of clean workplaces are positioned as core values, with Response to Climate Change, Environmental Pollutant Reduction, and Eco-friendly Product Development set as key strategic priorities to advance systematic environmental management. Across operations, key environmental indicators - such as GHG emissions management, waste reduction, compliance with air emission standards, and expansion of water recycling - are established and continuously enhanced through regular reviews and improvement activities. Based on compliance with environmental regulations, environmental management and climate change response policies have been implemented to strengthen organization-wide execution, while eco-friendly process technologies and low-carbon product development are pursued to minimize environmental impacts. These efforts will continue to support the fulfillment of corporate social responsibility through the establishment of a sustainable environmental management framework

Vision

Global Leading Company in the Mobility Components Industry

Objective

Securing leadership in eco-friendly products through environmental protection and zero-pollution workplaces

Management Principles

Response to Climate Change

ZERO Environmental pollution

Eco-friendly product development

Implementation Strategy

GHG Reduction Activities	Environmental Pollution Prevention Activities	Securing Eco-friendly Technologies
Scope 1 and Scope 2 emissions management and reduction targets setting	Expansion of air pollutant control and monitoring systems	Enhanced eco-friendly product design (e.g., efficiency gains through lightweighting)
Transition to high-efficiency equipment and renewable energy adoption	Strengthening of wastewater reuse	Product environmental commitment through LCA
Real-time monitoring of electricity use and carbon emissions	Analysis and reduction of waste generation	Introduction of waste separation and recycling technologies
Participation in carbon neutrality initiatives	Substitution of hazardous chemicals and enhanced monitoring	Participation in biodiversity activities (local environmental conservation)

Environmental Pollution Management

Environmental Management Targets

Environmental Management Targets and Performance

In 2024, key priorities were set to review the environmental management framework and establish a foundation for climate change response. Targets were also defined to further enhance the management level of site-based pollutants, including air emissions and water quality, supported by continuous improvement activities. In particular, 2024 was a year focused on establishing policies and strategic frameworks that will underpin mid- to long-term environmental management and carbon neutrality efforts, during which related systems and processes were also refined. Building on this foundation, in 2025 the company will focus on expanding practical GHG reduction and management activities, while strengthening response systems through multi-dimensional analysis of climate- and environment-related external risks. Existing pollutant management activities will also be further advanced to ensure regulatory compliance and minimize environmental impacts.

Key Achievements in 2024 and Environmental Management Targets for 2025

	2024 Environmental Management Targets and Achievements		2025 Environmental Management Targets
Establishment of Environmental Management Framework	Climate Response Policy Establishment	• Development of a climate change policy to support systematic climate response	Biodiversity and water resource risk management
	Environmental Management Policy Establishment	• Revision of the environmental management policy and strategy, with qualitative targets by management area	
Carbon Emissions Management	GHG Inventory Establishment	• Establishment and verification of the 2024 GHG inventory • Scope 3 inventory Calculation	Product carbon emissions management
	Carbon Neutrality Roadmap Development	• 2050 carbon neutrality roadmap development (base year: 2024)	Achievement of GHG emissions: 99 tCO_2eq per unit (ea)
Pollutant Management	Achieving Waste Reduction Targets	• Achievement of waste reduction targets for 2024	10% Reduction in waste generation year-on-year
	Compliance with Air Emission Limits	• Compliance with air emission limits	Continued compliance with air pollutant emission limits
	Zero Environmental Administrative Penalties	• Zero environmental administrative penalties	Maintenance of zero environmental administrative penalties
			Installation of water reuse management infrastructure and 5% year-on-year reduction in water use

Environmental Pollution Management

Environmental Management Activities

Environmental Management System Certification

An environmental management system based on international standards is established and operated to systematically manage and continuously improve environmental impacts arising from business operations. Since obtaining ISO 14001 certification in 2014, annual renewal audits have been conducted to maintain system reliability and sustainability. Regular reviews are performed based on an integrated Environment, Safety, and Health manual to assess changes in environmental aspects and compliance with applicable regulations. In addition, site-level risks and opportunities are identified and reflected in improvement activities to support continuous enhancement of environmental performance.


환경경영시스템 인증서

일진하이솔루스(주)

한국생산성본부인증원은 위 회사의 환경경영시스템이 기술한 인증표준과 범위에 적합함을 인증함.

인증표준
KS I ISO 14001 : 2015 / ISO 14001 : 2015

인증범위
자동차용 및 산업용 CNG 탱크 및 수소탱크의 설계, 개발 및 생산

kpc 한국생산성본부인증원
KOREA PRODUCTIVITY CENTER QUALITY ASSURANCE

• ISO 14001 Certification

Environmental Training

Regular internal environmental training programs are conducted to enhance employee awareness. Practical, task-oriented training is provided on proper waste segregation and environmental regulations to minimize environmental impacts during operations. Newly hired employees receive training on environmental management systems and process-specific EHS practices to embed environmental management capabilities from an early stage.

• Environmental Training Sessions

Environmental Regulation Management

Domestic and international environmental regulations and regulatory requirements are regularly reviewed, with updates systematically managed. To strengthen pollution prevention and regulatory compliance, quarterly reviews of regulatory compliance status are conducted at each site, alongside preventive measures to mitigate potential violations. Regular environmental and compliance training and internal audits are also carried out to reinforce compliance awareness and accountability. As a result of these efforts, no violations of environmental laws or regulations were recorded over the past three years (2022-2024). Continuous monitoring and improvement activities will be maintained to further strengthen environmentally responsible management.

Eco-friendly Investment

To respond to changes in the future mobility industry and achieve environmental management objectives, eco-friendly investments are actively pursued. Dry ice cleaning equipment has been introduced to minimize environmental pollution during process cleaning, replacing volatile organic compound (VOC)-based cleaning agents such as dichloromethane and eliminating the use of hazardous substances. As dry ice sublimates after cleaning, a zero-waste process has been implemented. In addition, approximately KRW 300 million has been invested over the past three years in air pollutant control facilities, high-efficiency inverters, and a company-wide energy management system. Going forward, eco-friendly investments at operational sites will be gradually expanded to support the realization of carbon neutrality.

Environmental Pollution Management

Environmental Management Activities

Water Usage and Wastewater Management

Burst and hydrostatic testing processes for product performance verification require substantial water input. To improve water usage efficiency, the company introduced water reuse chillers and established a closed-loop circulation system. Water generated during testing is collected and reused through trench systems and circulation between storage tanks and test vessels. On-site water usage is continuously monitored, with annual reduction targets supporting improvement activities. Wastewater volumes are limited and pollutant concentrations are low, with small discharges treated at nearby sewage treatment plants. Voluntary annual water quality monitoring is conducted to maintain management practices exceeding regulatory requirements. Monitoring will be expanded to include water stress assessments to support stable water sourcing and manage impacts on aquatic ecosystems.

Waste Management

To reduce and efficiently manage waste from operations, annual waste reduction targets by type are set and supported by minimization plans. In 2024, total waste generation was 485 tons, approximately 4% additional reduction from the target of 504.0 tons. The company operates dedicated storage facilities, enforces strict waste segregation, and entrusts disposal to licensed contractors. Compliance is ensured through monthly 'Allbaro System' monitoring and quarterly on-site assessments. Waste reduction efforts include improved management of defective products and long-term inventory, adoption of eco-friendly cleaning agents, and reuse of remaining materials. Waste conversion processes with specialized contractors enable recycling into solid fuel. For 2025, internal reduction targets will be set with continued implementation.

Water Usage and Discharge Status

Water		Unit	2022	2023	2024
Water intake	**Municipal water withdrawal**	ton	18,644	12,808	**11,732**
Discharge	**Industrial wastewater discharge**	ton	3,430	2,944	**2,939**
Consumption	**Total water usage**	ton	15,214	9,864	**8,793**

※ Facility qualifies for exemption from water pollution prevention requirements; TOC, BOD, and SS measurements not conducted

Waste Generation and Recycling

Category	Unit	2022	2023	2024	2024 target[1)]
Total waste generation	ton	510.33	458.10	485.26	**504.0**
Waste recycling rate	%	100	99.83	99.67	-

1) 2024 waste generation target is set considering increased production volumes for new vehicle models and products

Environmental Pollution Management

Environmental Management Activities

Air Pollutant Management

In accordance with the Clean Air Conservation Act and internal management standards, air pollutants are strictly managed. The company conducts biweekly monitoring of emissions for six air pollutants, including total hydrocarbons (THC), particulate matter, and ethylbenzene, to prevent emission increases. Control facilities—such as adsorption and filtration systems—are operated in line with site-specific characteristics, with daily inspections conducted to manage facility conditions and implement maintenance as needed. As a result of these efforts, zero cases exceeding internal management standards were recorded in 2024. Continuous improvement initiatives will be pursued to further reduce environmental risks.

• Air pollutant control facilities

Air Pollutant Emissions Status

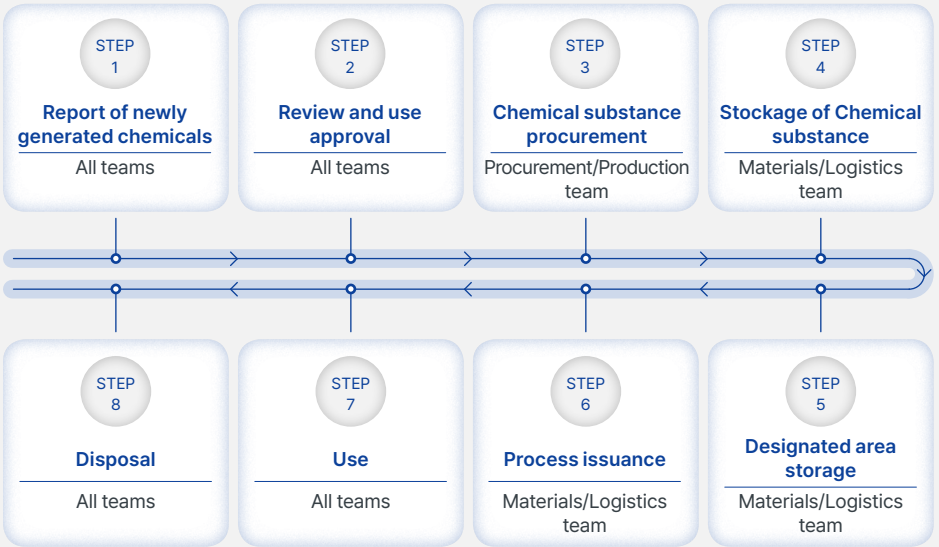
Category	Unit	2022	2023	2024
Total emissions	ton	15.82	19.10	**22.71**
Volatile Organic Compounds (VOC)[1]		9.1	13.33	**17.01**
Hazardous Air Pollutants (HAP)[2]		1.16	0.21	**0.14**
Particulate Matter (PM)[3]		5.55	5.55	**5.55**

1) VOC (Volatile Organic Compounds): Includes total hydrocarbons, styrene, formaldehyde, benzene, etc.
2) HAP (Hazardous Air Pollutants): Includes styrene, formaldehyde, benzene, etc.
3) PM: Reported as permitted emission limits.

Hazardous and Chemical Substances Management

Chemical substances used in operations or contained in products are managed across their full lifecycle. To comply with legal requirements, participation is maintained in the biennial chemical substance statistical survey administered by the Ministry of Environment, enabling monitoring of chemical usage. Hazardous chemicals are not handled, and Material Safety Data Sheets (MSDS) are maintained at workplaces in accordance with the Chemicals Control Act and the Occupational Safety and Health Act. Emergency response systems are in place to address incidents such as chemical leaks, supported by emergency manuals that specify initial response procedures and responsible personnel by incident type. In addition, training programs—including first aid and emergency evacuation drills—are conducted for chemical handlers to strengthen prevention and response capabilities.

Chemical Substances Management Manual

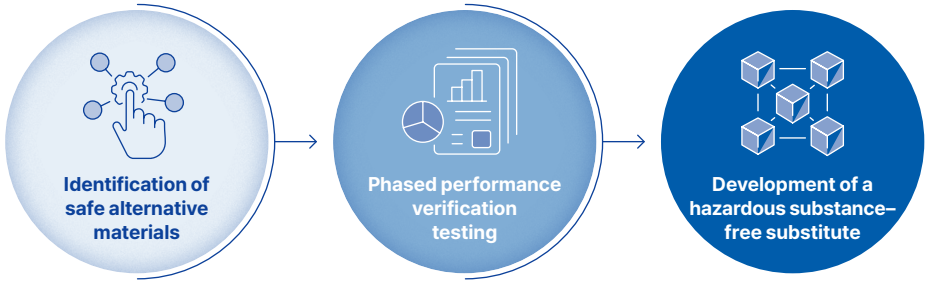


Environmental Pollution Management

Environmental Management Activities

Substitution of Hazardous Chemicals

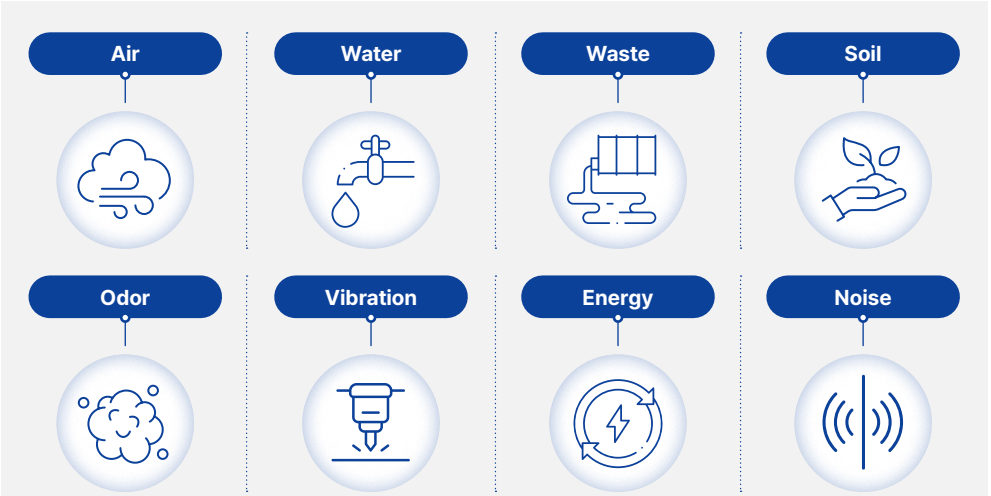
Following the designation of certain components in label coating curing agents as toxic substances, the company identified safer alternatives. Phased performance verification tests were conducted to select materials capable of replacing key functions without affecting product quality. As a result, a substitute free of hazardous substances was developed without quality degradation, and the new material has been applied since June 2024, supporting safer and more environmentally friendly production.



Environmental Impact Assessment

To proactively identify and address internal and external environmental impacts arising from changes in the business environment, including the introduction of new facilities, an annual environmental impact assessment is conducted across all processes, in addition to legally required assessments. Environmental pollutants and impact factors are analyzed by process across eight areas—air, water, waste, soil, odor, noise, vibration, and energy—with improvement actions prioritized based on likelihood, severity, and management level. In 2024, no significant environmental impacts on surrounding communities were identified. A total of 13 internal environmental risk factors were identified, and all were addressed through risk response plans and improvement actions. Systematic environmental impact management will continue to protect surrounding environments and ensure a safe working environment.

Environmental Impact Assessment Area



Environmental Impact Assessment Criteria

Assessment scale		Three-level rating by factor (Low / Mid / High)
Assessment factors	Likelihood of occurrence	• Historical incident records • Likelihood of occurrence
	Severity	• Impact on target achievement • Scale of economic loss • Extent of human impact • Degree of regulatory non-compliance
	Management capability	• Level of standardization of management activities • Level of management activities

2.

Social

Health and Safety

OHS Management System

OHS Policy

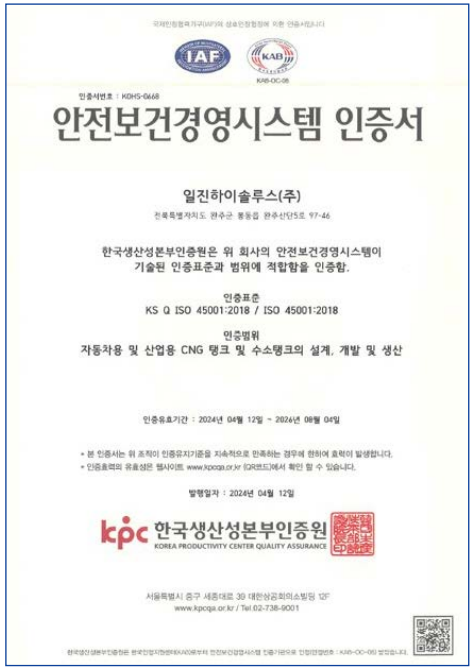
Iljin Hysolus establishes and implements an occupational health and safety policy to ensure that employees can work in a safe and healthy environment across all operations. The company strictly complies with relevant domestic regulations, including the Occupational Safety and Health Act and the Serious Accidents Punishment Act. In addition, ISO 45001 certification is obtained and continuously maintained to operate a systematic OHS management system. Clear internal regulations and operating manuals support proactive hazard prevention and structured risk management, while regular inspections and improvement activities are conducted to continuously enhance OHS performance. The company will continue to strengthen OHS standards to provide a safe and reliable workplace for all employees.

Environmental·OHS Policy

- Safety-First Management: Establishment of OHS management system
- Zero Serious Accidents: Strengthening preventive safety measures
- Safety Culture Enhancement: Promotion of communication-based safety culture
- Clean Worksite Development: Supporting green growth

Environmental·OHS Objectives

- Establishment of dedicated OHS organization and budget execution
- Operation of regular OHS inspections (internal and external)
- Identification and improvement of hazardous risk factors
- Expansion of safety culture programs
- Development of safety and health training framework
- Achievement of waste reduction targets


안전보건경영시스템 인증서

일진하이솔루스(주)

한국생산성본부인증원은 위 회사의 안전보건경영시스템이 기술된 인증표준과 범위에 적합함을 인증함.

인증표준
KS Q ISO 45001:2018 / ISO 45001:2018

인증범위
자동차용 및 산업용 CNG 탱크 및 수소탱크의 설계, 개발 및 생산

인증유효기간 : 2024년 04월 12일 ~ 2026년 08월 04일

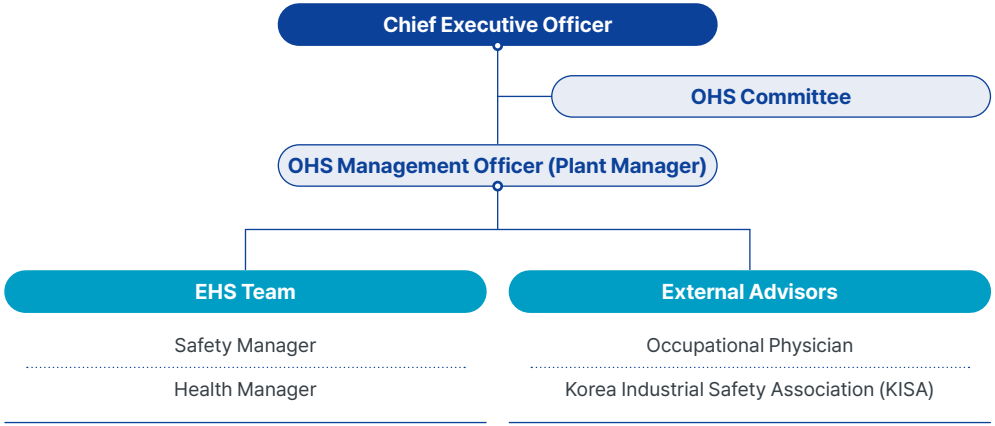
발행일자 : 2024년 04월 12일

kpc 한국생산성본부인증원
KOREA PRODUCTIVITY CENTER QUALITY ASSURANCE

OHS Governance

An integrated OHS governance framework is operated to systematically manage company-wide OHS risks. A clear decision-making structure is established, centered on the OHS Management Officer, supported by safety managers, health managers, and the Occupational Safety and Health Committee. Each body oversees worker safety, identification and mitigation of hazards, and operation of emergency response systems at the site level. Regular site inspections, legal compliance reviews, and worker health monitoring are conducted in cooperation with external professional organizations and specialists. The Occupational Safety and Health Committee functions as a joint labor–management body, reviewing key OHS issues and improvement measures through quarterly meetings and reporting major matters to management. All OHS plans and key indicators undergo management review and approval, ensuring that safety is embedded as a core principle in management decision-making.

OHS Organization



Health and Safety

OHS Management Strategy

The company places safety at the core of all management activities. Protecting the life and health of employees and contractors is a fundamental responsibility and the basis for achieving an accident-free workplace and sustainable growth. To this end, OHS management is advanced through three strategic pillars: establishment of an OHS management system, strengthening of preventive safety, and embedding of a communication-based safety culture. Risk management processes aligned with ISO 45001 and executive-level reviews are used to continuously reinforce OHS performance. Regular inspections, training, and workplace improvements support early identification and elimination of potential hazards. Close cooperation with labor representatives and contractors further promotes voluntary participation in safety practices. Iljin Hysolus will continue to fulfill its responsibility to prevent serious industrial accidents and strengthen safety management, steadily building an organizational culture that safety becomes embedded in everyday work.

Vision

Global Leading Company in the Mobility Components Industry

Objective

Leading a sustainable future through safety, quality, technology, and customer-first principles

Management Principles

Implementation Strategy

Safety-First Management	ZERO Serious Accidents	Safety Culture Embedding
OHS Management System Establishment	Strengthening of Preventive Safety Measures	Establishing a safety culture through communication and collaboration
Definition and internal disclosure of OHS objectives and policies	Semiannual identification and improvement of risk factors	Safety and health training framework
Establishment of dedicated organizations	Development of emergency response manuals	Safety culture programs and services
Budget allocation and execution	Procedures for recurrence prevention	Operation of OHS suggestion schemes (Industrial Safety and Health Committee, safety councils, internal campaigns)

Health and Safety

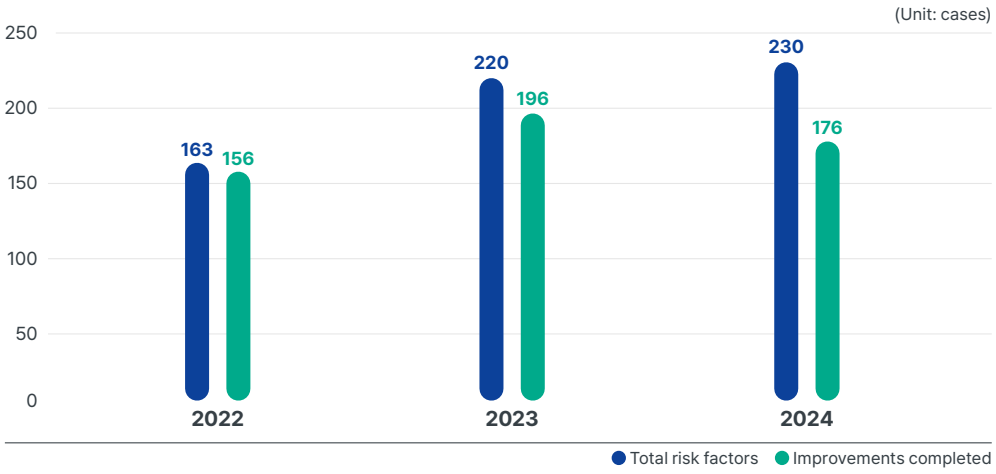
OHS Management Activities

OHS Risk Assessment

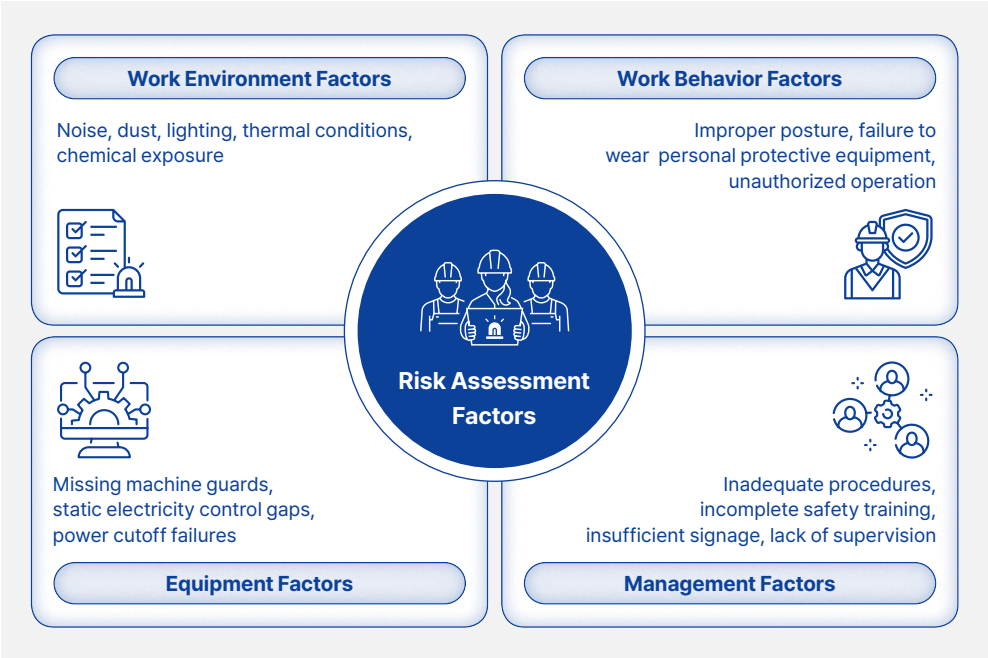
To prevent accidents through early identification of workplace hazards, OHS risk assessments are conducted in a systematic manner. In line with the Occupational Safety and Health Act and ISO 45001 requirements, risk assessments are performed during equipment modifications, process introductions, and changes in work methods, as well as on a regular semiannual basis. Based on assessment results, improvement plans are established by risk level and implemented to eliminate or minimize potential hazards at the source.

Risk levels are determined using the likelihood of occurrence and severity of impact. All processes, equipment, and chemical substances are included in the assessment scope, with active participation from on-site workers and relevant departments to enhance effectiveness. Improvement measures apply five risk response strategies—avoidance, reduction, dispersion, transfer, and acceptance. Progress and risk reduction rates are reviewed quarterly through the Industrial Safety and Health Committee, which also sets subsequent assessment plans.

In 2024, a total of 230 risk factors were identified, of which 176 cases were addressed. Continuous risk assessment activities support a prevention-oriented OHS management framework and contribute to a safer working environment.



Risk Assessment Factors



Risk Assessment Criteria

Criteria	Scale	Explanation
Likelihood	Up to 5	Frequency or probability that a hazard may occur during work or processes
Severity	Up to 4	Degree of impact on human injury or property damage if a hazard materializes
Risk Rating	-	Quantitative risk score calculated by combining likelihood and severity, used to determine improvement priorities

Health and Safety

OHS Management Activities

OHS Safety Patrol Activities

To enhance site-wide safety standards and prevent potential hazards, OHS safety patrols are conducted across all operations. Led by the dedicated OHS function, these on-site inspections verify compliance with safety rules, identify hazards and abnormal behaviors, and confirm needs for workplace improvements through regular field visits.

Patrols are structured by frequency: daily self-patrols, weekly patrols, monthly regular patrols and quarterly executive site inspections. Findings are managed through a four-step workflow—photo documentation → risk grading → corrective action request → verification—with real-time tracking via an electronic system. Supervisors issue corrective requests on-site, departments respond within three days, and implementation rates are managed against a ≥70% annual benchmark.

In 2024, patrols and risk assessments identified 230 hazards, achieving a 76% on-site corrective action rate and a 5% year-on-year increase in hazard detection. Improvement actions are shared through the integrated EHS portal, with outcomes reported to executive management via regular OHS meetings. Beyond corrective actions, results are linked to recurrence-prevention training, best-practice sharing, and recognition programs to strengthen the safety culture.

OHS Safety Patrols

- Daily self-patrols (≥4/day)
- Weekly patrols (≥1/week)
- Monthly regular patrols (≥1/month)
- Quarterly executive site inspections

Inspection Workflow

Photo documentation
↓
Risk grading
↓
Request for corrective action
↓
Verification

• OHS Safety Patrols

Health and Safety

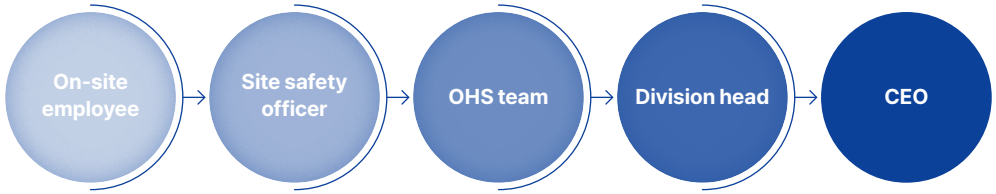
OHS Management Activities

Incident Reporting Process

The company operates an incident reporting process designed to ensure immediate reporting, rapid response, and systematic prevention of recurrence. All incidents are subject to a two-step reporting protocol, requiring an initial report within one hour of recognition and a final report within 24 hours following completion of root cause analysis. Reports are escalated sequentially from on-site employees to site safety officers, the OHS team, the division head, and the CEO. Incidents are classified into three severity levels (minor, moderate, and serious), with response measures applied in accordance with the assigned level.

All incident data are recorded in the EHS Portal, where indicators such as incident type, frequency, number of injuries, and corrective action completion rates are automatically aggregated. Key findings are shared company-wide through monthly OHS reports, and recurring incident patterns are linked to EHS patrol activities to verify the effectiveness of on-site controls and corrective actions. In 2024, the company's accident rate decreased to 0.47%, reflecting continuous improvement in safety performance.

Reporting Flow

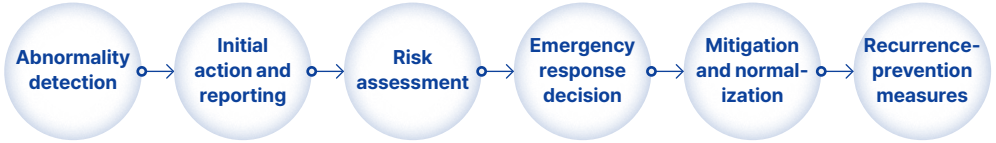


Response Actions by Incident Severity

Incident Severity		Response Actions
Level 1	Minor	Immediate on-site action and record retention
Level 2	Moderate	Root cause analysis and implementation of corrective and preventive actions
Level 3	Serious	Company-wide disclosure, external expert review, and recurrence-prevention

Emergency Response Framework

A company-wide emergency response framework is in place to enable swift and coordinated action in the event of emergencies. Scenarios such as fire, explosion, and chemical releases are predefined, with clear role assignments for notification, fire suppression, first aid, and evacuation, supported by step-by-step response procedures. To ensure operational readiness, emergency response training and drills are conducted at least twice a year. Training combines classroom instruction and practical exercises to strengthen employee response capabilities. Drill outcomes are systematically reviewed and reflected in updates to emergency response manuals, reinforcing continuous enhancement of OHS preparedness.



Emergency Training Structure

Training		Training Content
Common training		Emergency scenarios, roles by function, equipment locations
Hands-on training	Notification team	Emergency contacts, reporting flow, broadcast system use Emergency communication and internal reporting
	Firefighting team	Use of fire extinguishers and hydrants
	First Aid team	Casualty assessment, transport, and first aid
	Evacuation Guidance team	Evacuation assignment, signaling tools, headcount

• Emergency response drills

Health and Safety

Embedding Occupational Safety and Health

OHS Committee

Iljin Hysolus operates an Industrial Safety and Health Committee to systematically identify workplace risks and strengthen employee participation in occupational safety and health (OSH) activities. The committee addresses a broad range of OSH agenda items, including accident prevention, elimination of hazardous risk factors, improvement of the working environment, management of protective equipment and facility safety, and implementation of health management programs. Outcomes from committee discussions are directly linked to on-site improvement actions.

Regular communication with employees enables timely identification and mitigation of workplace risks, contributing to tangible safety outcomes, including the achievement of one year without workplace accidents. Key issues and improvement actions derived from committee deliberations are integrated with EHS systems and patrol activities, ensuring consistent follow-up and effective implementation. This approach reflects actual on-site risks and incorporates employee input into management decisions related to safety and health.

Going forward, the company will continue to enhance the role of the Industrial Safety and Health Committee, fostering an environment in which employees actively participate as key stakeholders in OSH activities and supporting a systematic and sustainable safety management framework.

On-site OHS Committee

Achievement of 365 consecutive days without workplace accidents

Health and Safety

Embedding Occupational Safety and Health

Occupational Health and Safety (OHS) Training

Iljin Hysolus establishes and systematically implements annual OHS training plans to enhance safety awareness and prevent serious accidents. In 2024, a total of 3,960 training hours were delivered, including statutory and internal programs, with 209 employees participating and completing an average of 19 training hours per person. Training programs are tailored to job functions and risk levels and include regular OHS training, specialized OHS training, onboarding training for new hires, and job hazard analysis training. The overall training completion rate in 2024 reached 95%, representing an increase of approximately 4 percentage points year-on-year. By category, regular OHS training accounted for about 60% of total training hours, hazard assessment and specialized training for 25%, and training for new hires and contractors for 15%. Post-training surveys indicated high effectiveness, with 92% of respondents citing strong on-site applicability and 95% confirming improved safety awareness.

In addition, systematic measures are in place to prevent and mitigate OHS impacts arising from business relationships, including contractors. Semiannual risk assessments are conducted for on-site contractors to identify process-specific hazards in advance, and assessment results are reflected in contractor management and work authorization criteria. Monthly OHS committee meetings and semiannual joint safety inspections are used to share OHS issues between principal contractors and subcontractors and to manage on-site risks. Key external contractors are also subject to ad hoc safety inspections, with corrective actions required as needed. Looking ahead, the company plans to expand contractor participation and establish a training framework exceeding 4,000 hours by 2025, integrating training outcomes into quantitative performance assessments and further embedding a culture of self-directed safety.

OHS Training by Target Group

Training Recipients	Training Content
New Employees	• Emergency evacuation routes • Industrial safety and accident/disease prevention • Occupational Safety and Health Act and workers' compensation insurance • Job stress prevention and management • Prevention and management of workplace harassment and health disorders • Machinery and equipment hazards, work procedures, and traffic flow • Pre-work safety inspections • Housekeeping and workplace cleanliness • Emergency response procedures in case of accidents • Material Safety Data Sheets (MSDS)Environmental management systems • Gas safety management • Heat-related illness prevention • Process-specific EHS experiential training
On-site Employees	• Accident cases • Results of risk assessments • Sharing of work environment monitoring results • Company-specific safety and health training (e.g., forklifts, heavy loads)
Affiliates	• OHS management policy • Emergency response procedures

Training Implementation and Trends

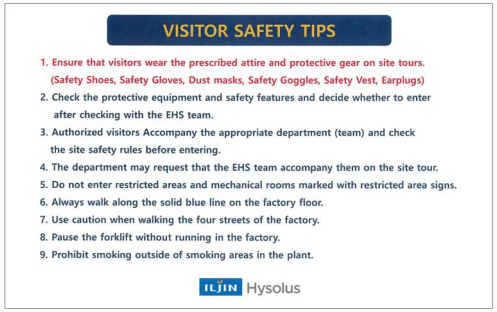
Year	Total Training Hours (hours)	Total Participants (persons)	Average Training Hours per Person (hours/person)	Training Completion Rate (%)	YoY Change (%)
2022년	3,648	Approx. 195	Approx. 18.6	Approx. 89	-
2023년	3,723	Approx. 201	Approx. 18.8	Approx. 91	+4.1%
2024년	3,746	209	19.0	95	+4.8%

Health and Safety

Embedding Occupational Safety and Health

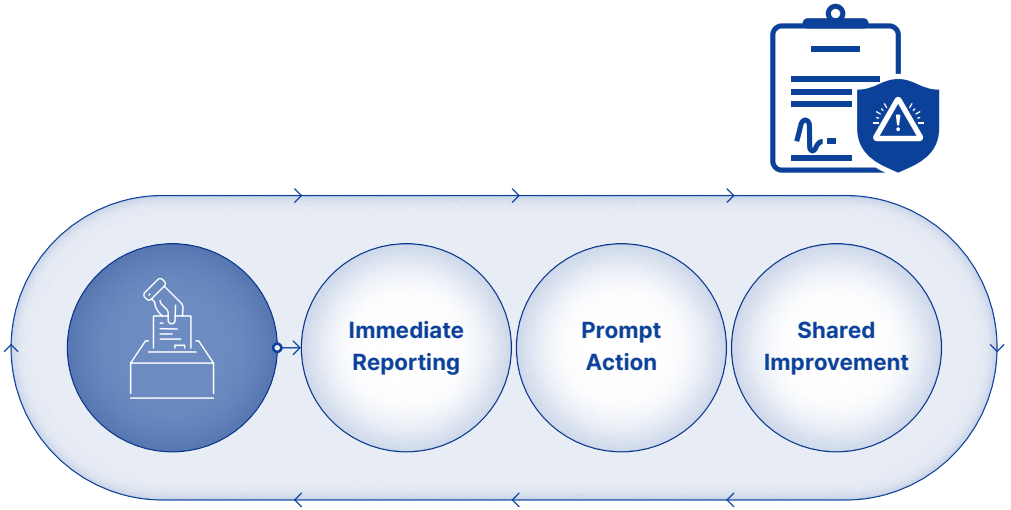
Enhanced Accessibility to OHS Information

Iljin Hysolus strengthens workers' understanding of occupational health and safety (OHS) information by operating standardized safety signage and structured communication procedures. In line with the OHS Operations Management Process, safety instructions and PPE guidance are prominently displayed in high-visibility locations across key risk areas, including hazardous material handling zones, work at height areas, and mandatory PPE zones. Results of workplace monitoring and subsequent improvement actions are transparently shared via notice boards and the intranet. In 2024, the EHS team conducted a site-wide inspection of aging safety signs and replaced them to improve readability and awareness. To ensure equitable access, multilingual guidance was expanded and tactile safety materials were provided for visually impaired workers, reinforcing inclusive access to OHS information.



Hazard Reporting and Response

A standing reporting system enables employees and contractors to freely raise on-site hazards and concerns. Submissions are accepted through multiple channels, including anonymous reports, suggestion boxes, and internal digital systems. Upon receipt, the EHS team promptly verifies facts and conducts site inspections. Reports are classified by risk level and addressed through a three-step workflow—immediate action, corrective planning, and result reporting—to ensure systematic follow-up. A near-miss management process captures potential incidents that did not result in accidents, analyzes pre- and post-conditions, and feeds preventive measures back to operations. Outcomes are shared through EHS patrol meetings and management safety inspections to promote organization-wide learning. In 2024, 63 on-site concerns and improvement proposals were received and fully resolved; selected best practices were recognized internally and used for retraining. The company will continue to reinforce a virtuous cycle of report immediately – act promptly – share improvements to foster active participation in OHS enhancement.



Human Resources Management

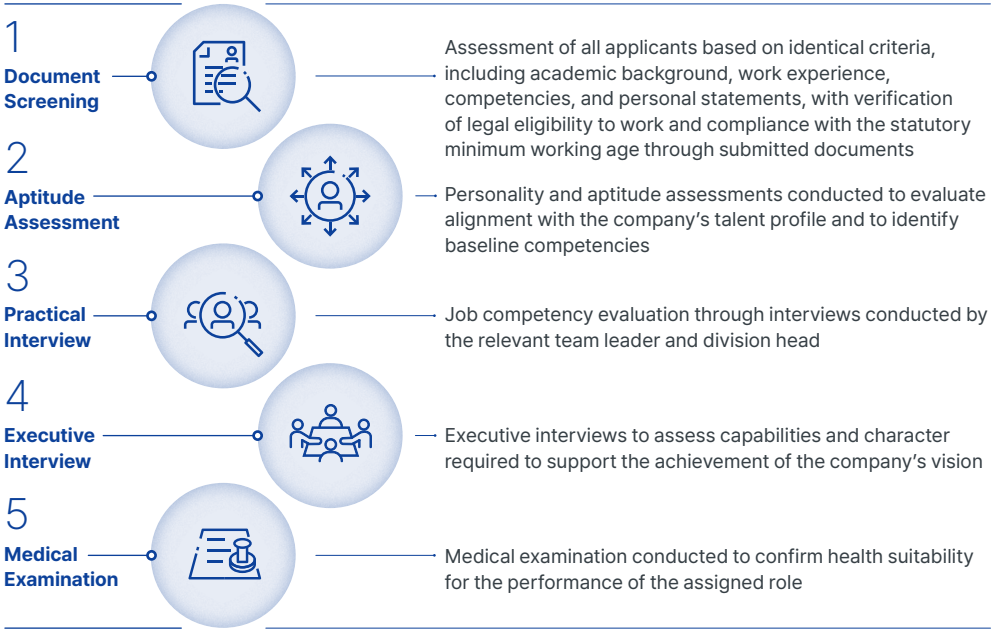
Talent Acquisition

Talent Profile

Iljin Hysolus believes that people are the core driver of sustainable growth in a rapidly changing industrial environment. The company defines its ideal talent as proactive individuals who are not constrained by convention and who actively pursue new value and change. Such individuals lead transformation through challenge and innovation, creating value through global ambition, creativity, and problem-solving capabilities. They continuously strive toward goals without fear of failure, demonstrate strong professional competence and ethical integrity, and contribute responsibly to organizational and societal sustainability. To support this, the company maintains fair evaluation systems and provides continuous capability-building opportunities, enabling individual growth alongside organizational development.

Recruitment

Iljin Hysolus seeks individuals who lead change and innovation while upholding ethical values and global capabilities. Recruitment is conducted through both open and rolling processes, with candidates assessed comprehensively on job competence, organizational fit, and growth potential via document screening and interviews. Particular emphasis is placed on evaluating character and values to ensure alignment with the company's core principles. The recruitment process strictly prohibits discrimination based on gender, background, or education and guarantees equal opportunity for all applicants. In addition, employment of underage workers is strictly prohibited, with age and identity verification conducted during recruitment to prevent any risk of child labor.



Human Resources Management

Talent Development

Talent Development Framework

The company operates a role- and grade-based training framework to systematically develop competencies aligned with employees' job levels and responsibilities. New employees receive onboarding programs covering the company's vision and culture, ethics, and occupational health and safety fundamentals. Junior employees complete foundational training to strengthen job understanding and practical capabilities, while senior employees are offered advanced programs and external seminars in specialized fields such as quality, R&D, safety, environment, and procurement to enhance expertise. Leadership programs are provided for managers and executives to strengthen organizational management and strategic decision-making capabilities, supporting responsible leadership aligned with core values. In addition, employees establish individualized learning plans based on annual performance reviews and continuously build capabilities through self-directed learning, including e-learning, guided reading, and statutory training. Through this structured approach, the company supports employee growth and reinforces sustainable organizational capabilities.

Statutory Training Framework

Training	Training Recipients	Content
Mandatory Common Training	All Employees	Workplace Sexual Harassment prevention Disability Awareness Improvement Personal Data Protection
Functional Training – Safety and Health	Designated Personnel by Function	Workplace Safety Management Accident Prevention Practical Training for Statutory Appointees
Functional Training – Fire and Food Safety	Designated Personnel by Function	Safety Obligations for Legally Designated Roles

Autonomous (Capability-Building) Training Framework

Participants	Content
New Employees	Company Overview / Organizational Culture / Ethics & OHS Fundamentals
Staff–Senior Staff	Job-Specific Workshops / Business Reporting Skills
Assistant Manager–Deputy Manager	Specialized Programs (Quality, R&D, Environment, Procurement) / External Seminars
Team Leaders / Managers	Coaching / Performance Management / Organizational Communication
Executives	Strategic Decision-Making / ESG Leadership / Organizational Culture
Technology·R&D·Quality Functions	GPC · KAP Job-Specific Training
All Employees	Ethics & Information Security / ESG & Global Competency / Self-Directed Learning

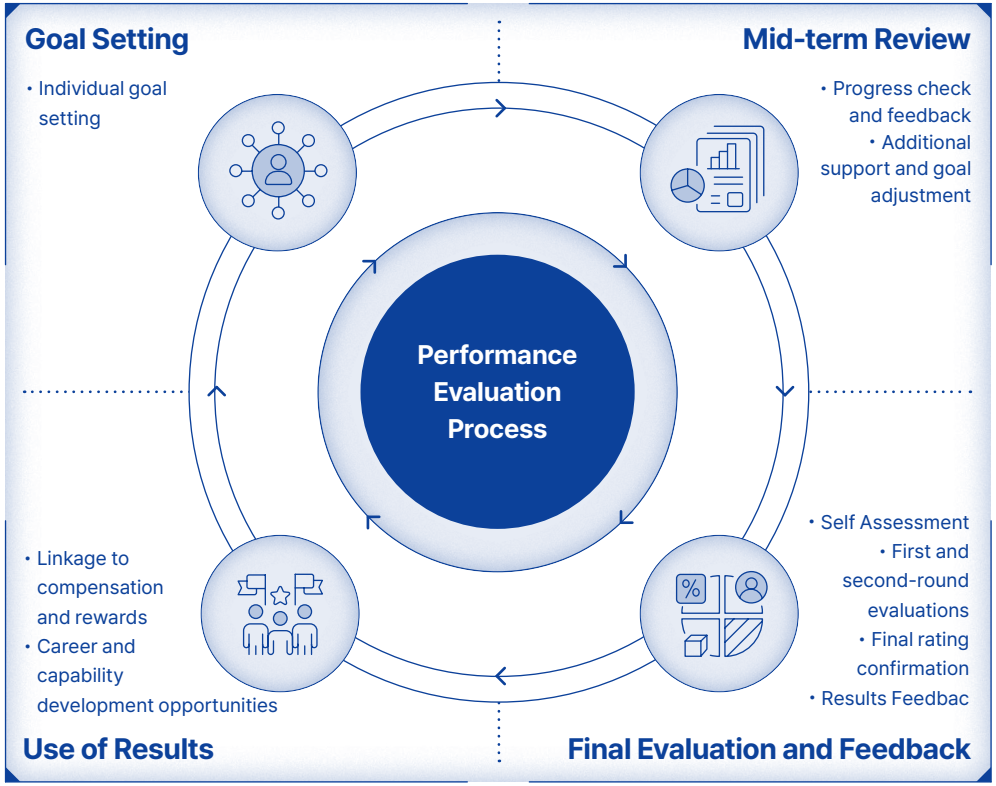
Human Resources Management

Talent Management

Performance Management Process

Through a fair and transparent performance evaluation system, employees' motivation to achieve their goals is enhanced, and evaluation results are linked to compensation and capability development. Performance management is operated based on KPIs (Key Performance Indicators) to align organizational and individual goals, and it consists of the stages of goal setting at the beginning of the year, mid-term feedback, and year-end evaluation and follow-up. In 2024, the existing quantitative-focused evaluation was upgraded into an integrated evaluation system that includes qualitative (competency) items. New items such as "individual competency development tasks" and "training needs" were added to each evaluation form so that evaluations go beyond verifying results and lead to opportunities for employee growth and capability enhancement. The evaluation results are reflected in performance-based pay, job competency enhancement training, and the identification of career development tasks, thereby establishing a virtuous cycle of "performance–reward–development" within the company.

Performance Evaluation Process



Reward Programs Overview

• Iljin Group Awards



• Iljin Awards

Program	Criteria	Frequency
Iljin Group Awards	• Long-service recognition • Outstanding contribution to corporate value creation or new patents • Innovation achievements (new technologies, patents)	Annual
Iljin Awards	• Cross-department collaboration and organizational cohesion • Productivity improvement (proactive proposals, safety performance, defect reduction) • Innovation activities (new markets, quality improvement, new product development) • Corporate value enhancement (quality, inventory efficiency, production efficiency)	Annual
Iljin Hysolus Monthly Awards	• Management improvement proposals and initiatives • Workplace safety management and prevention activities • Productivity and operational efficiency improvement	Monthly

Human Resources Management

Talent Management

Welfare Benefits

The company operates a comprehensive employee benefits system to support a safe, healthy, and stable working environment. Programs are designed to enhance quality of life and work–life balance by providing health management, family and childcare support, housing assistance, financial support, and opportunities for self-development. Regular health checkups and occupational health programs are implemented to promote employee well-being. Statutory leave programs, including parental leave and family care leave, are provided to support work–life balance. In addition, housing facilities, financial assistance programs, and education support are offered to help ensure long-term stability and continuous growth. Through these initiatives, the company seeks to foster a sustainable workplace where employees can grow together with the organization.

Welfare Expenditure

Expenditure	Unit	2022	2023	2024
Total Expenditure	KRW	1,869,154,026	2,075,672,108	2,289,675,027
Expenditure per Employee	KRW	9,392,734	9,837,309	10,800,354

Human Rights Management

Human Rights Management Framework

Human Rights and Ethics Policy

Iljin Hysolus recognizes that its business activities affect people and society, and regards the protection of human rights as a fundamental corporate responsibility and a key element of sustainable growth. As human rights–centered management has become a global standard, the company has established a Human Rights and Ethics Policy aligned with international norms to ensure systematic implementation. The policy is based on the UN Guiding Principles on Business and Human Rights (UNGPs), ILO Core Conventions, and the OECD Guidelines for Multinational Enterprises, and applies to all employees and business partners. It sets out key principles such as non-discrimination, respect for diversity, prohibition of child and forced labor, provision of a safe and healthy working environment, and responsible engagement with local communities. Through this policy, the company seeks to prevent human rights risks across its operations and foster a workplace culture grounded in respect and fairness.

1. Respect for fundamental human rights
2. Prohibition of discrimination and harassment
3. Diversity, equity, and inclusion
4. Prohibition of child labor and forced labor
5. Protection of freedom of association and collective bargaining
6. Provision of a safe and healthy working environment
7. Compliance with labor standards and working conditions
8. Human rights risk management across the supply chain
9. Responsibility toward local communities and the environment

Human Rights Governance

For human rights management to function effectively, clear roles and accountability are required beyond declarative commitments. In this regard, the company has strengthened its implementation framework by clarifying the responsibilities of the dedicated organization and enhancing reporting and management processes. The HR & General Affairs Team serves as the focal point for human rights management, overseeing policy development and revision, implementation of action plans, human rights risk management, operation of grievance mechanisms, and delivery of human rights training. In the event of human rights–related incidents, the dedicated organization coordinates the response in close collaboration with relevant departments to ensure root-cause analysis and preventive measures are implemented. This cooperative structure enhances the effectiveness of issue resolution and supports prompt, site specific responses.

Human Rights Management Organization Roles

- Establishment and revision of the Human Rights and Ethics Policy
- Development and implementation of human rights management action plans
- Identification and management of human rights risks
- Operation of grievance handling mechanisms
- Enhancement of human rights awareness through training and external communication

Human Rights Management

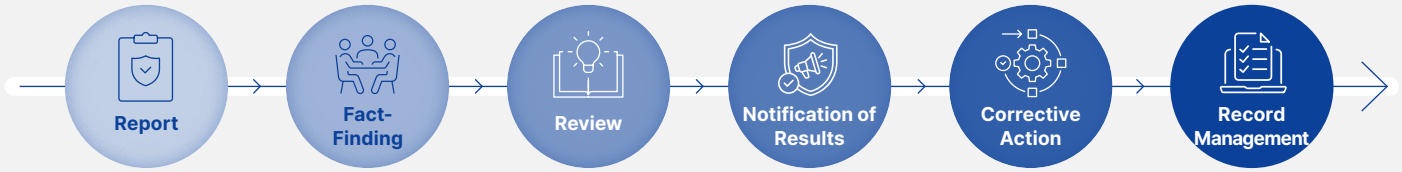
Human Rights Integration

Grievance Handling

To promote a fair and respectful workplace and to ensure that employee concerns are addressed in a timely and appropriate manner, the company operates a grievance handling process as part of its internal management practices. This process supports the effective implementation of human rights management and provides an accessible channel for raising concerns with confidence. Grievances may be submitted verbally or in writing and are reviewed and resolved in a fair and timely manner, generally within 30 days of receipt. All reports are handled in accordance with privacy protection and confidentiality principles, with records maintained under restricted access to prevent disclosure or retaliation. Through ongoing efforts to enhance procedural fairness and reliability, a transparent work environment is fostered in which concerns can be raised without disadvantage and mutual respect is maintained.

2024 Grievance Handling Status

Grievance Handling Process



Process	Person in Charge	Activity Description	Processing Period
Report	Employee	Submission of grievances via verbal or written channels	-
Fact-Finding	Relevant Departments	Assignment of a case handler and fact-finding through interviews with the complainant, alleged party, and witnesses	7 days
Review	Grievance Committee Member	**Review of grievance details and resolution decision** ※ Where a case is difficult to resolve, it is escalated for discussion and resolution through the labor–management council	7 days
Result Notification	Relevant Departments	Notification of actions taken and outcomes to the relevant employee and confirmation of the complainant's requests	Within 20 days from submission
Improvement Measures		Implementation of corrective actions and development of recurrence-prevention measures	10 days
Record Management	Grievance Committee Secretary	Recordkeeping of grievance cases and handling results, retained for one year	1 year

Human Rights Management

Human Rights Integration

Human Rights Training

To strengthen human rights awareness and foster a respectful workplace culture, human rights training is conducted on a regular basis. Mandatory annual training on sexual harassment prevention and disability awareness is provided to all employees, while new hires receive foundational education covering ethics, safety, and health. Training content includes prevention of workplace harassment, respect for diversity, and response procedures for potential human rights issues. Participation is tracked by each department and consolidated for annual performance review. Through systematic planning and implementation of mandatory training, ongoing efforts are made to embed respect for human rights and promote an inclusive organizational culture.

Human Rights Training Implementation Status

Training		Unit	2022	2023	2024
Sexual Harassment Prevention Training	Training Hours	Hours	1	1	1
	Participants	Persons	123	213	190
Disability Awareness Training	Training Hours	Hours	1	1	1
	Participants	Persons	123	213	190

On-site Human Rights Training

On-site Disability Awareness Training

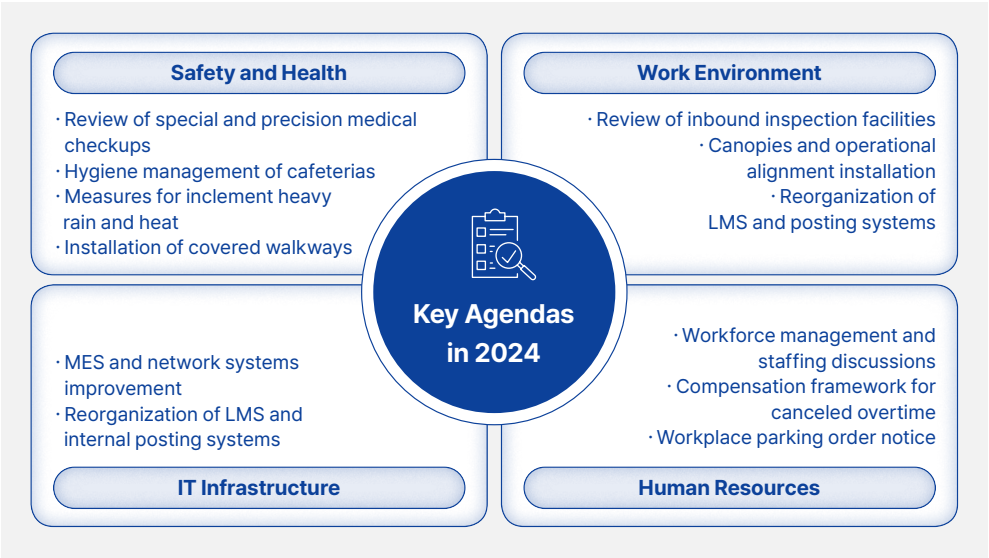
On-site Sexual Harassment Prevention Training

Labor-Management Cooperations

Labor-Management Council

Labor-Management Council

Based on mutual respect and trust, sound labor-management relations are maintained through the operation of a labor-management council. The council is composed of an equal number of employee and employer representatives, with a standard term of three years. In addition to regular meetings, working-level consultations involving employee representatives and HR personnel are conducted to promptly identify on-site issues and discuss improvement measures. In 2024, four regular meetings were held, during which approximately 50 agenda items were reviewed. Key topics included improvements to the working environment and workplace safety, facility maintenance and relocation, expansion of commuting and rest facilities, enhancement of employee welfare, and measures to improve productivity and process stability. Meeting outcomes are disclosed via designated workplace notice boards to ensure accessibility for all employees. Continuous and transparent communication is pursued to support sustainable labor-management relations.



Freedom of Association and Collective Bargaining

The company complies with the three fundamental labor rights guaranteed under the Constitution of the Republic of Korea-freedom of association, collective bargaining, and collective action-as well as all relevant labor laws. The autonomous operation and activities of labor unions are respected, and collective bargaining is conducted in good faith in accordance with applicable laws and existing collective agreements. Discussions focus on strengthening occupational safety, improving working conditions, and enhancing employee welfare. Through these efforts, a cooperative and mutually beneficial labor-management relationship is fostered to support sustainable growth.

Composition of the Labor-Management Council

Employee Representatives
Selected through internal voting and formed by notification to the company

Management Representatives
Formed through appointment by the Chief Executive Officer

Roles of the Labor-Management Council

1. Handling employee grievances
2. Improvement of the working environment, including occupational safety and health, and promotion of employee health
3. Improvement of personnel, labor, and compensation management systems
4. Utilization of working hours and break time
5. Improvement of work procedures
6. Matters related to compensation for employees in connection with job transfers
7. Promotion of employee welfare
8. Installation of employee audit facilities at worksites
9. Matters to support maternity protection for female employees and the balance between work and family life
10. Other matters related to labor-management consultation

Local Community

Community Contribution

Local Job Creation

Guided by the belief that progress is greater when achieved together with local communities, the company continues to pursue shared growth initiatives. Recognizing job creation and local talent recruitment as key social responsibilities that support balanced national and regional development, the company has consistently hired new employees each year. These efforts will continue through expanded initiatives that foster long-term, mutually beneficial relationships with local communities.

Local Talent Recruitment Metrics

Category	Unit	2022	2023	2024
New Hires	Persons	42	52	18
Share of Local Talent among New Hires	%	67%	58%	56%

Donations for Talent Development

The company believes that sustainable national and corporate development is ultimately driven by people and technology. On this basis, it has maintained philanthropic activities to support talent development in engineering and technology fields and to broaden the foundation of science and innovation. Since 2021, contributions have been made through the National Academy of Engineering of Korea and the KLB Foundation to foster future science and technology talent. In 2024, KRW 20 million was donated to the National Academy of Engineering of Korea, reinforcing continued support for strengthening national technological competitiveness and advancing future industries, including eco-friendly mobility and transportation.

Donations for Talent Development in 2024 → **21,080,000 KRW**

Support for Future Generations

Supporting the safe growth of future generations is recognized as an essential responsibility for sustainable development. The company conducts regular sponsorship activities with Save the Children, an international organization dedicated to children's rights, to protect and support child development. These efforts focus on creating safe environments, expanding learning opportunities, and supporting children in vulnerable situations. Through continued engagement, the company remains committed to contributing to social inclusion and providing educational and developmental foundations that enable children and youth to grow independently in a more supportive environment.

Program Areas of Save the Children

Save the Children

Health	All children have the right to be born healthy and to grow up in good health. Save the Children carries out support programs and policy improvement activities to ensure that no child dies from preventable and treatable diseases, enabling mothers, newborns, and children to receive appropriate medical services, improve nutrition, and strengthen the prevention and treatment of diseases.
Protection	All children have the right to be safely protected. Save the Children helps ensure that every child is protected from physical and psychological violence such as abuse, neglect, and exploitation, and can grow up in a safe environment. It also informs people about what can be done to protect children and how to do it.
Education	All children have the right to education. Save the Children implements education programs to ensure that all children-including girls, children living in poverty, migrant children, and children affected by conflict or crisis-can learn and play in safe environments and have access to nutritious meals†
Child Right	All children have the right to realize their potential. Save the Children carries forward the vision of its founder, Eglantyne Jebb, who first proclaimed children's rights, by staying close to children, listening to them, and prioritizing children's issues above all else. It protects children's fundamental rights and amplifies their voices to the world.
Emergency	All children have the right to be protected and to regain normalcy in situations of humanitarian crisis. Save the Children deploys trained specialists to the field first when humanitarian crises such as natural disasters and armed conflicts occur. It supports children, families, and communities affected by disasters to recover smoothly to their pre-crisis conditions, and works with decision-makers around the world to ensure that children are placed at the highest priority.

Local Community

Local Environmental Improvement Activities

Local Job Creation

To prevent industrial accidents and raise safety awareness around the Wanju Industrial Complex, the company conducts safety culture campaigns in collaboration with relevant local organizations. Key safety messages, such as the prevention of the three most frequent accident types (falls, caught-in/between, and struck-by incidents), the practice of 10-minute pre-work safety checks, and expanded guidance on rest facility requirements-are communicated along major roads through banners and on-site materials for immediate application in workplaces. Employees also participate directly, sharing safety guidelines and the importance of serious accident prevention with local workers and residents, thereby fostering a safety-first culture across the community. These collaborative efforts will continue to strengthen a safer industrial environment.

• Safety Campaigns

Support for Future Generations

To improve the environment around the Wanju plant, environmental improvement activities were carried out with the support of external environmental experts. Technical specialists conducted detailed inspections of vulnerable areas, including sewage pipes, manholes, and streams along Seoktapcheon, to identify oil films, grease, and other pollutants, and implemented corrective measures based on analyses of odor and flooding risks. In addition, environmental clean-up and plogging activities were organized along nearby rivers and coastal areas to enhance local living conditions. The company will continue to expand environmental stewardship and community contribution initiatives in support of sustainable regional development.

• Stream Pollution Inspection and Oil Removal of Seoktapcheon

• Plogging

Supply Chain Management

Supply Chain Management Framework

Supply Chain Management Policy

Strengthening global supply chain ESG regulations, rising customer sustainability expectations, and higher industry standards have made responsible supply chain management a key factor of corporate competitiveness. In response, the company expanded its supplier management framework beyond quality and operational risk considerations and established an ESG-based supply chain management policy in 2024 to systematically identify and manage environmental, social, and governance risks. ESG criteria are reflected in supplier evaluation and selection processes, covering areas such as human rights, environmental impact, safety, and ethics, with ESG-inclusive pre-assessments for new suppliers and regular reviews for existing partners. The Supplier Code of Conduct is also provided to clearly communicate expectations, supporting enhanced supply chain transparency, resilience, and responsible sourcing.

Supplier Code of Conduct

Environmental Responsibility (E)	Human Rights and Working Conditions (S)	Business Ethics and Compliance (G)
• Energy use and GHG emissions management • Water resource management • Biodiversity protection • Waste and pollutant emissions management • Control of hazardous substances • Compliance with international restrictions on substances • Compliance with environmental product regulations	• Prohibition of child labor • Compliance with working hours • Occupational health and safety management • Establishment of emergency response systems • Prohibition of forced labor and unethical recruitment • Provision of appropriate wages and benefits • Respect for freedom of association and collective bargaining • Non-discrimination and fair treatment • Prohibition of unlawful land rights infringement	• Anti-corruption • Fair competition • Prevention of conflicts of interest • Prevention of counterfeit products • Responsible raw material sourcing • Information and IT security • Protection of personal data • Compliance with export controls and sanctions • Documentation management • Financial accountability

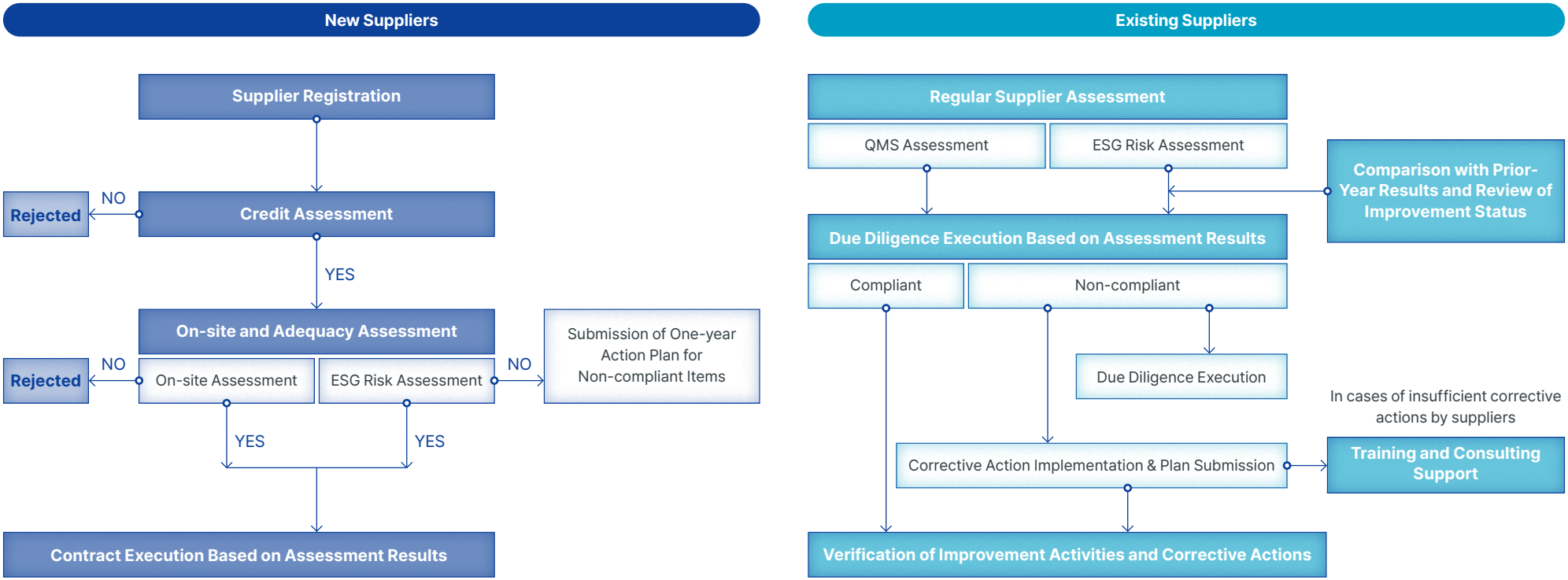
Supply Chain Management

Supply Chain Management Activities

Supply Chain Management Process

Iljin Hysolus regularly conducts Quality Management System (QMS) assessments for existing suppliers and plans to introduce ESG assessments for key and new suppliers starting in 2025 to strengthen sustainable supply chain management. Key suppliers are first reviewed through self-assessment questionnaires to identify ESG management status, followed by on-site assessments to identify ESG risks and improvement areas. Where gaps are identified, improvement actions are supported through training and consulting. ESG assessment results are reflected in supplier selection and decisions on the continuation of business relationships, and follow-up management is conducted to mitigate ESG risks across the supply chain and enhance supplier's ESG management capabilities.

Supply Chain Management Process



Quality Management

Quality Management Framework

Quality Management Policy

A quality-driven management approach is pursued with customer safety and trust as top priorities. Quality risks are proactively managed across the entire product lifecycle, from planning and design to procurement, production, inspection, and delivery. Compliance with customer requirements and applicable regulations is ensured, while continuous process improvement and quality innovation enhance product reliability and operational efficiency. Collaboration with suppliers supports stable supply chain quality, and any quality issues are addressed promptly and transparently to maintain customer satisfaction. Ongoing capability building, field-oriented quality culture, and data-driven quality management further strengthen long-term quality competitiveness.

Iljin Hysolus Quality Management Policy

Quality Innovation Strategy Framework

Quality Innovation

Mass Production Quality Assurance	Development Quality Assurance	MEGC Quality Assurance
1. Process Quality Assurance 2. Enhanced Traceability 3. Process Standardization	1. Project Priority Setting 2. Development Process Aligned with Customer Schedules • Design Concept • Verification & Validation • Design Freeze • Supplied Parts Verification 3. Strengthening Development PM and Capabilities 4. Statistical Reliability Assurance 5. Deployment of Data 3J·5S • PLM, Drawings, BOM	1. Horizontal Deployment of Mobility Quality Innovation • Development Quality Assurance • Mass Production Quality Assurance 2. Reliability and Durability Assurance • Development Quality Assurance • Mass Production Quality Assurance • Reliability • Durability 3. Establishment of C/S and A/S Process Framework

Process / Rule Institutionalization: No Process, No Work! / No Spec, No Work!

Quality Culture Establishment

Customer Focus (Addressing Audit Findings)
Continuous Improvement (Quality Consulting, 3J·5S Implementation)
Systematic Training

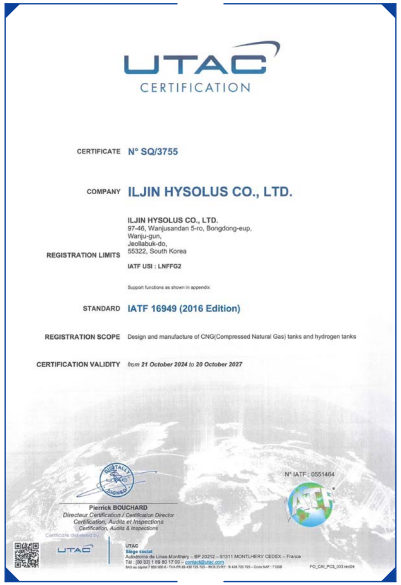
Quality Management

Quality Enhancement Activities

Quality Management System

In the automotive industry, quality is a fundamental principle directly linked to customer safety and life. The company operates a quality management system based on international standards and maintains certification under IATF 16949, the global automotive quality management standard. System adequacy and sustainability are ensured through regular audits and continuous improvement activities.

The quality management system is designed in consideration of customer requirements and global automotive quality standards. Product and process quality are systematically managed using industry-standard methodologies, including APQP, PPAP, FMEA, SPC, and 8D. In addition, quality data analysis and performance indicators are used to monitor key risks, while root cause analysis and corrective actions are implemented to prevent recurrence. Through these efforts, the company continues to enhance quality performance, strengthen customer trust, and improve overall satisfaction.


UTAC
CERTIFICATION

CERTIFICATE N° SQ/3755

COMPANY ILJIN HYSOLUS CO., LTD.

ILJIN HYSOLUS CO., LTD.
97-46, Wanjusandan 5-ro, Bongdong-eup,
Wanju-gun,
Jeollabuk-do,
55322, South Korea

REGISTRATION LIMITS
IATF USI : LNFPG2

Support functions as shown in appendix

STANDARD IATF 16949 (2016 Edition)

REGISTRATION SCOPE Design and manufacture of CNG(Compressed Natural Gas) tanks and hydrogen tanks

CERTIFICATION VALIDITY from 21 October 2024 to 20 October 2027

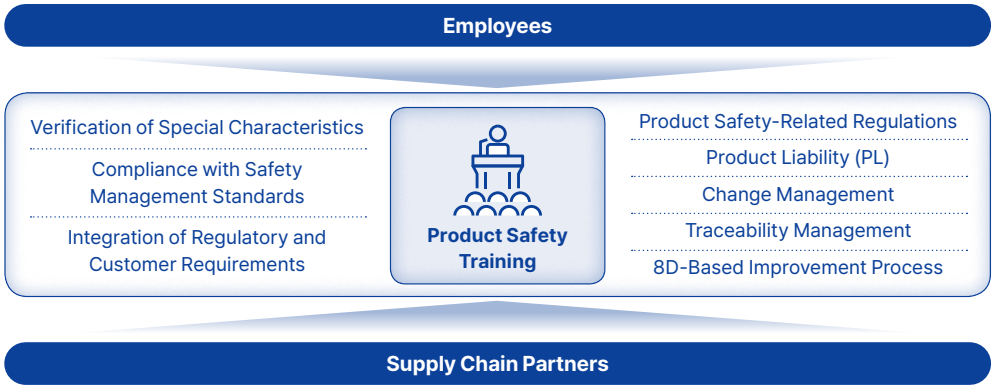
N° IATF : 0551464

Pierrick BOUCHARD
Directeur Certification / Certification Director
Certification, Audits et Inspections

Product Safety Training

Recognizing product safety as the foundation of customer trust, the company operates a structured training framework to ensure consistent application of product safety standards across employees and suppliers. In 2024, product safety training was conducted twice, in July and October, mainly for production and quality personnel, with limited participation from logistics teams. The training focused on accurate interpretation of critical characteristics (CC) and important characteristics (IC) for hydrogen storage cylinders and modules, which are essential for preventing quality incidents. Key topics included verification of special characteristics on drawings, compliance with safety management standards for processes, equipment, tools, and documentation, as well as procedures for reflecting regulatory and customer requirements. This practical approach supports early identification and management of potential safety risks during manufacturing.

For suppliers, standardized training materials are provided to communicate common requirements across the supply chain, covering product safety regulations, product liability (PL), change management, traceability, and 8D-based improvement processes. Relevant case studies are also shared to enhance understanding of safety requirements and risks. The company will continue to strengthen product safety training to enhance overall safety management capabilities and maintain a reliable product supply system in collaboration with suppliers.



Quality Management

Customer Management Activities

Customer Satisfaction Management

To meet client quality requirements and enhance customer satisfaction, satisfaction management activities are operated based on key quality indicators derived from business processes. Indicators directly linked to customer experience-such as on-time delivery rate, client quality evaluation results, number of findings and improvement requests, and return and recall status-are continuously monitored, with targets set to drive improvement initiatives. To ensure prompt handling of customer requirements and prevent quality issues, internal quality inspections and root-cause analysis procedures are being continuously reinforced. In addition, an online communication channel for receiving customer complaints is operated to maintain a system that allows constant collection of opinions. Through these structured monitoring and feedback-based improvement activities, the company seeks to secure customer trust and continuously improve customer satisfaction levels.

Customer Satisfaction Management Criteria

Customer Satisfaction Performance

Category	Unit	2022	2023	2024
Number of Customer Complaints Received	Cases	4	19	31
Resolution Rate	%	100	100	100

3.

Governance

Board-centered Management System

Board Status

Board Composition

The board of directors, as the company's highest decision-making body, represents shareholders and other key stakeholders and deliberates on and resolves major strategies and management matters to support sustainable growth and sound corporate governance. The board is composed of two executive directors, including the chief executive officer, one independent director, and one non-executive director. The chief executive officer concurrently serves as chair of the board, reflecting consideration of business expertise and management experience, and enabling accountable decision-making and timely execution. Directors serve one-year terms, and the tenure of independent directors is limited to a maximum of six years in accordance with applicable regulations.

Board Composition Overview[1)]

Position	Name	Appointment Rationale	Key Career Background	Date of Appointment	Term of Office
Executive Directors	Sung-Mo Yang	Development and execution of sales strategies aligned with the company's business direction, grounded in extensive management experience	• Iljin Hysolus Co., Ltd.-chief executive officer • Volvo Construction Equipment -vice president, head of production strategy • Volvo Group Korea-chief executive officer	2024. 03.21.	2025. 03.20.
	Young-Gil Yoon	Professional expertise supported by diverse industry experience and proven operational leadership across company-wide functions	• Iljin Hysolus Co., Ltd.-executive director • Iljin Unisco Co., Ltd.- managing director • Iljin Materials Co., Ltd.-managing director	2024. 03.21.	2025. 03.20.
Independent Directors	Sung-Kwon Han	Independent oversight and supervisory competence based on professional judgment, contributing to enhanced governance quality and corporate competitiveness	• Hankook Tire & Technology Co., Ltd.-independent director • Chung Mong-Koo Foundation -vice chair • Hyundai Motor Company-president, commercial vehicle business	2024. 03.21.	2025. 03.20.
Other Non-Executive Directors	Hak-Seon Kim	Provision of expert advice on overall business operations, drawing on leadership experience in composite materials sales and business management at Toray Advanced Materials Co., Ltd.	• Toray Advanced Materials Co., Ltd.-head of composite materials business division • Toray Advanced Materials Co., Ltd.-head of resin chemicals sales team	2024. 03.21.	2025. 03.20.

1) Reference date for board composition: December 31, 2024

Board convocation and meetings

Iljin Hysolus integrates the roles of CEO and Chair of the Board to strengthen consistency and speed in decision-making. When the Chair is absent or unable to perform duties, the responsibilities are delegated in the following order: President, Executive Vice President, Senior Managing Director, and Managing Director. Regular Board meetings are held once a year, and extraordinary Board meetings may be convened as needed. In 2024, a total of five Board meetings were held, consisting of one regular meeting and four extraordinary meetings, with key resolutions including approval of financial statements and changes in the CEO. Furthermore, beginning in 2025, Iljin Hysolus plans to reinforce its Board operation framework so that key agenda items related to sustainability are regularly discussed at least once a year. In this process, reports on material issues will also be provided to ensure that the Board and management fully recognize sustainability-related issues such as climate change response, ESG risks and opportunities, and take responsibility for the associated responses and decision-making.

Key Board Activities

Session	Meeting Date	Attendance Rate	Key Agenda
1	2024.01.29	100%	Approval of financial statements prior to audit
2	2024.03.06	100%	Convocation of the 12th annual general meeting of shareholders
3	2024.03.06	100%	Report on the 2023 internal control over financial reporting
4	2024.03.21	100%	Changes in the chief executive officer and stock option plans
5	2024.07.26	100%	Extension of won-denominated payment guarantee with Woori Bank

Board-centered Management System

Board Operations

Board expertise and independence

Directors are appointed by the general meeting of shareholders, and candidates are finalized through board deliberation and resolution prior to shareholder approval. During the appointment process, compliance with qualification requirements stipulated under applicable laws and the articles of incorporation is carefully reviewed to ensure fairness and transparency. To support professional and independent judgment, a dedicated support function is operated, and relevant materials are provided in advance to allow sufficient review prior to agenda deliberation. Regular training programs are conducted to enhance directors' expertise and management insight. In 2024, training focused on the second-half business plan, domestic and global policy trends, and management briefings. Going forward, the company will continue to strengthen the board's expertise, independence, and accountability, enabling the board to effectively perform its role as a core decision-making body driving sustainable growth.

Board and auditor support structure

Department	Number of Employees	Key Activities
Management Support Team	6	Audit-related activities support

Audit Oversight

To strengthen management transparency and responsible governance, an independent audit system is operated in accordance with the Commercial Act and the articles of incorporation. The audit function independently reviews the company's financial position and overall management activities, separate from the board of directors and the chief executive officer, and examines the fairness of major decision-making and the adequacy of internal controls. The company has not established a separate audit committee; instead, one full-time statutory auditor appointed by resolution of the general meeting of shareholders independently performs all audit activities. Going forward, the company will continue to reinforce audit independence and professional expertise, thereby supporting transparent decision-making, sound governance, and a sustainable management foundation.

Auditor Profile

Category	Auditor
Name	Seok-Yeol Yoon
Key Career Background	• Chief executive officer, R&D management research institute • Research fellow, Seoul National University Institute for Convergence Technology • Adjunct professor, department of energy engineering, Hanyang University
Term of Office	2024.03.21 ~ 2027.03.20 (Until the 2027 AGM date)

Competency Training for Board and Auditor

Date	Content
2024.06.21	2024 second-half business plan
2024.10.17	Policy trends and management briefings

Information Security

Information Security Management Framework

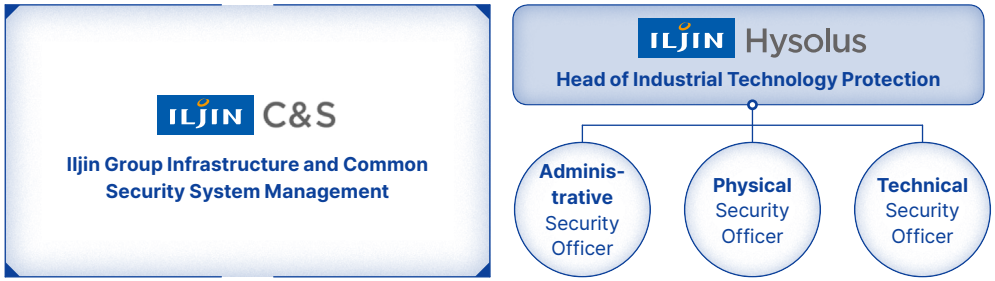
Information Security Policy

As information leakage incidents continue to increase across industries, information security has emerged as a critical risk directly linked to corporate sustainability. The automotive industry, in particular, concentrates advanced industrial technologies and manufacturing processes, where technology leakage may result in significant competitive losses. In response, the company has established an industrial technology protection policy that clearly defines information security procedures and management standards. The policy applies to all personnel accessing company premises, including employees, business partners, and visitors, and covers all information assets, including tangible and intangible assets and trade secrets. Based on this framework, systematic controls are implemented to continuously strengthen technology protection, while advancing information security practices to ensure the safety of core technologies and information assets and to support a trust-based digital management environment.

Information Security Management System

To safeguard industrial technologies and corporate information assets, the company operates an information security management system that integrates internal governance functions with external IT expertise. A chief information security officer (CISO), directly appointed by the chief executive officer, oversees industrial technology protection and ensures consistent and systematic execution of security management activities across the organization. Security infrastructure operations are outsourced to iljin C&S, an IT-specialized subsidiary, enabling integrated and stable management of company-wide IT infrastructure, including security monitoring, servers, and networks. This structure strengthens information security response capabilities through collaboration between internal governance and external expertise. All employees comply with internal security policies under a centralized control system, and external document transmission is managed through an approval-based document centralization solution. The company will continue to enhance security infrastructure and internal awareness to protect information assets and maintain a stable digital management environment.

Information Security Governance Structure



Information Security Management Standard

Security infrastructure is operated through Iljin C&S, an IT-specialized subsidiary. Iljin C&S has obtained certification for the information security management system (ISMS) from the Korea Internet & Security Agency (KISA), and the certified management framework is applied to the company's security operations. Although the certification expired on October 19, 2024, the required management controls continue to be maintained and operated, supporting the protection of industrial technologies and key information assets and strengthening cyber security response capabilities.

CERTIFICATE
OF
Information Security Management System

1. Certificate Number : ISMS-KISA-2021-196
2. Name of Organization : ILJIN C&S CO., LTD
3. Name of Representative : HUH SEA KYOUNG
4. Scope of Certification : Operation of Iljin Group's common infrastructure and external services
5. Period of Validity : 2021.10.20 ~ 2024.10.19
6. Examination Institution : Online Privacy Association

This is to certify that the abovementioned organization is compliant to the assessment standard for information Security Management System certification in accordance with Article 47, Paragraph 1 of 'Act on information Network Utilization and Data Protection, etc.,' and Article 47 of the Enforcement Decree of the same Act

Date of Issuance : 20 October 2021

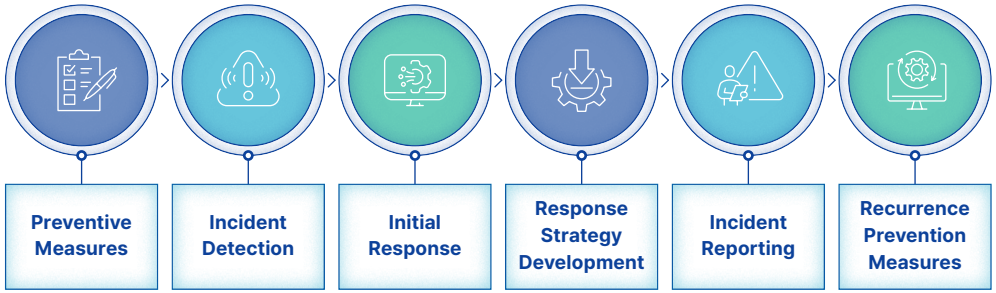
Korea Internet & Security Agency President

Information Security

Information Security Management Activities

Security Incident Response

A structured response framework is in place to minimize damage and maintain business continuity in the event of security incidents or emergencies. Under the Security Incident Response and Business Continuity Guidelines, incidents are categorized as major or general, with differentiated response protocols applied. Once an incident is identified, an emergency response team led by the chief information security officer (CISO) is activated to analyze root causes, define response strategies, and implement recovery and recurrence-prevention actions. Ongoing vulnerability assessments and abnormal behavior monitoring support early detection, while staged reporting and response procedures facilitate timely recovery.



Office and PC Security Inspections

Annual office security inspections are conducted at year-end to reinforce information protection in workspaces where data handling is most frequent. Reviews focus on unauthorized document storage and the proper implementation of document retention and management procedures, promoting everyday security awareness among employees. In parallel, PC security inspections are performed monthly using the NETHELPER program, covering access control configurations, software update status, and defenses against external threats. These measures contribute to the stability and effectiveness of the company's information security management system.

Security Awareness Enhancement

To strengthen information security awareness, training is provided primarily to employees in functions closely associated with information management, including advanced development, design, market evaluation, and research management. Training delivery combines online and offline formats to improve accessibility. Separately, selected employees complete online personal data protection courses administered by the Personal Information Protection Commission, enhancing capabilities related to personal information security. Through these initiatives, internal security awareness and protection of information assets are continuously reinforced.

Phishing Email Simulation Training

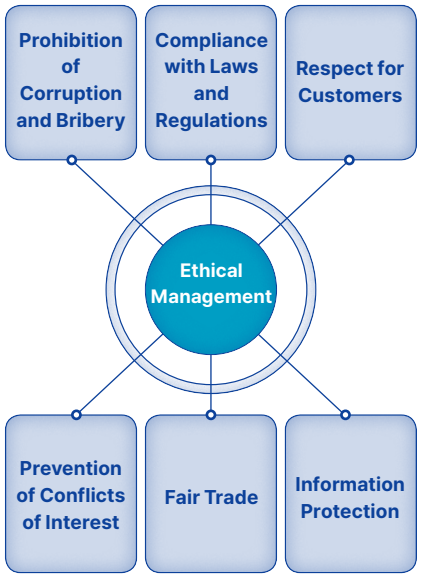
Phishing response drills are conducted to enhance cyber security preparedness among employees. Simulated phishing emails based on realistic attack scenarios are distributed to selected personnel, followed by an assessment of response outcomes to evaluate awareness levels and procedural adequacy. Findings from the exercises are reflected in subsequent training programs and system improvements, supporting continuous enhancement of internal response capabilities against cyber threats.

Ethics and Compliance Management

Ethics and Compliance Management Framework

Ethics and Compliance Management Policy

All management activities are grounded in ¡°integrity and fairness,¡± and ethical management is being practiced to establish a transparent and responsible corporate culture. Even in a rapidly changing business environment, all employees comply with laws and principles and aim to create sustainable value based on trust with stakeholders. To this end, in 2024 the corporate ethics policy and code of conduct for employees were revised to present more specific standards of practice, enabling employees to make sound judgments and act appropriately in their everyday work. The corporate ethics policy and code of conduct have been disclosed on the website so they can be accessed at any time, and an ethics pledge is obtained from employees to encourage voluntary practice in areas such as fair trade, legal compliance, and workplace ethics. Iljin Hi-Solus will continue to firmly establish a clean and fair corporate culture and will further strengthen education and monitoring so that ethical management can become embedded throughout the organization.



Code of Ethics Pledge

1. The company pursues excellence through quality-driven management to deliver world-class products and services.
2. Customers are recognized as the foundation of growth, with customer satisfaction set as the highest business value.
3. Responsible business practices are pursued to achieve sound profits and enhance corporate value and employee welfare.
4. Transparent and fair transactions are maintained with business partners based on mutual trust and shared growth.
   - No improper benefits, including cash, gifts, or entertainment, are accepted in connection with business activities.
   - Business partners are selected fairly and transparently based on quality, price, and reliability.
5. All business and sales activities comply with applicable laws and regulations and social values.
6. The company fulfills its social responsibilities and promotes shared development with local communities.
7. Employees practice security, cleanliness, and orderly conduct and comply with safety rules.
8. Each employee protects the company's reputation as a representative of the company.
9. All employees comply with the code of ethics and are held accountable for violations.

Supplier Ethical Practices

Iljin Hysolus requires not only its employees but also all business partners to comply with ethical standards through a supplier code of ethics special clause. When entering into contracts with suppliers, key principles including compliance with anti-bribery and anti-corruption laws, fair trade and information protection are clearly stipulated to ensure that all partners adhere to the company's ethical management principles.

Components of the Supplier Code of Ethics Special Clause

Prohibition of Bribery Involving Public Officials

Compliance with Anti-Bribery and Anti-Corruption Laws and Regulations

Types of Violations

Improper provision of benefits	Asset losses caused by unlawful acts
Unfair practices, including bid rigging	Coercion or facilitation of illegal acts
False statements or omission of material information	Obstruction of fair business operations
Leakage of management or confidential information	

Sanctions for Violations

Cancellation of supplier registration

Restrictions on participation in bidding

Provision of an opportunity to present an explanation

Ethics and Compliance Management

Ethics and Compliance Management Activities

Ethics and Compliance Training

Annual ethics and compliance training is conducted for departments with higher exposure to ethical and compliance risks, including sales, quality, and research functions. Training covers key standards and guidelines related to ethical management, fair trade, and information protection, strengthening employees' practical awareness. Programs are scheduled during periods of relatively lower workloads to improve participation, and key content is summarized and shared internally for a designated period following completion.

100% → **Number or percentage of employees participating in ethics and compliance training**

Anti-Corruption Prevention System

To prevent corruption and unethical conduct and to promote a transparent and fair corporate culture, an online audit channel is operated in accordance with the corporate ethics policy and the code of conduct. The channel enables employees and external stakeholders to report ethics-related issues either anonymously or with identification, and all submissions are promptly reviewed through direct investigation by the audit function, with whistleblower protection measures in place. In 2024, no violations were reported through this channel, and the company will continue to strengthen ethical management practices and enhance internal control systems grounded in fairness and transparency.

0 cases → **Number of Legal Actions Related to Anti-Competitive Practices and Unfair Trade, Including Monopolistic Conduct**

Whistleblowing Handling Process

- **Receipt of Report**
- **Preliminary Review** (7 Days)
- **Fact-Finding Investigation** (14 Days)
- **Completion and Closure of Investigation** (4 Weeks)
- **Notification of Outcomes** (7 Days After Investigation Completion)

Types of Reports

- **Bribery or provision of improper benefits**
- **Unfair practices in supplier selection based on personal connections**
- **Abuse of authority or improper solicitation**
- **Suggestions for improvement of unreasonable practices**
- **Illegal or improper use of company assets**
- **Improper equity participation in business partners**
- **Other violations of applicable laws**
- **Other conduct violating the Code of Ethics**

Whistleblower Protection Guidelines

Protection of Whistleblower Information	Disclosure of information that may identify whistleblowers or related parties is prohibited
Non-Retaliation Policy	Regular monitoring to ensure that no personal, administrative or financial disadvantages arise from reporting incidents Work location or department change upon request Disciplinary action for retaliation against whistleblowers

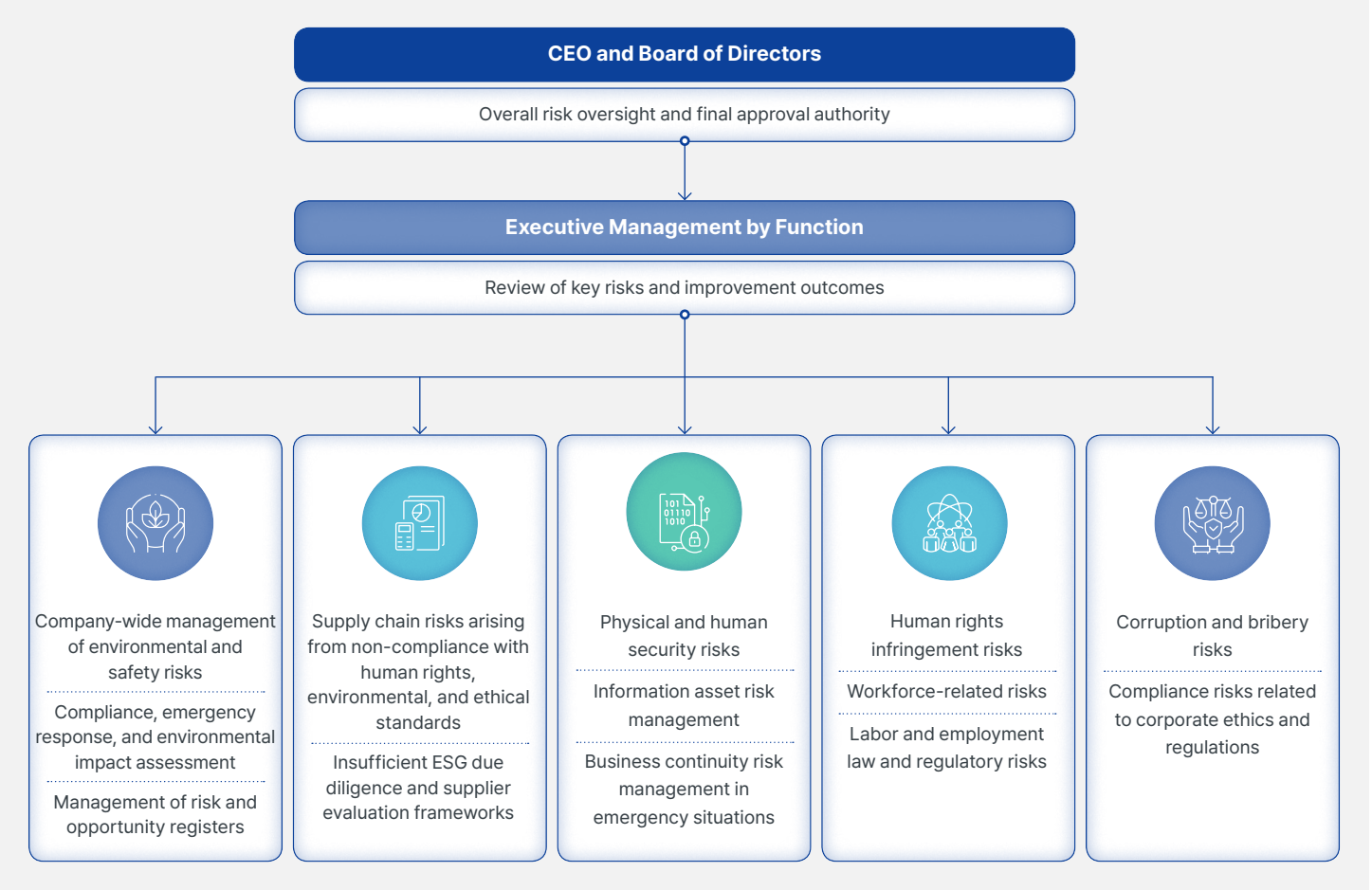
Risk Management

Risk Management Framework

Risk Management Governance

Iljin Hysolus operates a decentralized risk management framework based on functional expertise across the organization. Departments responsible for environment, health and safety, procurement, information security, human resources, and corporate support identify, assess, and manage risks within their respective areas and report key issues to management on a regular basis. Where necessary, material risks are escalated to the CEO and the Board for timely decision-making. Risk management activities are supported by certified management systems, including ISO 14001 and ISO 45001, and are implemented through a risk-based PDCA (Plan-Do-Check-Act) cycle to ensure systematic monitoring and continuous improvement, particularly in environmental and occupational safety risks. In 2024, the Company established an ESG management framework and implemented a process to identify material issues by reflecting external environmental changes and stakeholder expectations. This approach provides a basis for integrating risk and opportunity considerations into business strategy. Going forward, Iljin Hysolus plans to maintain function-based risk management while progressively advancing toward an integrated, enterprise-wide risk management system to strengthen long-term sustainability and competitiveness.

Risk Management Operating Structure

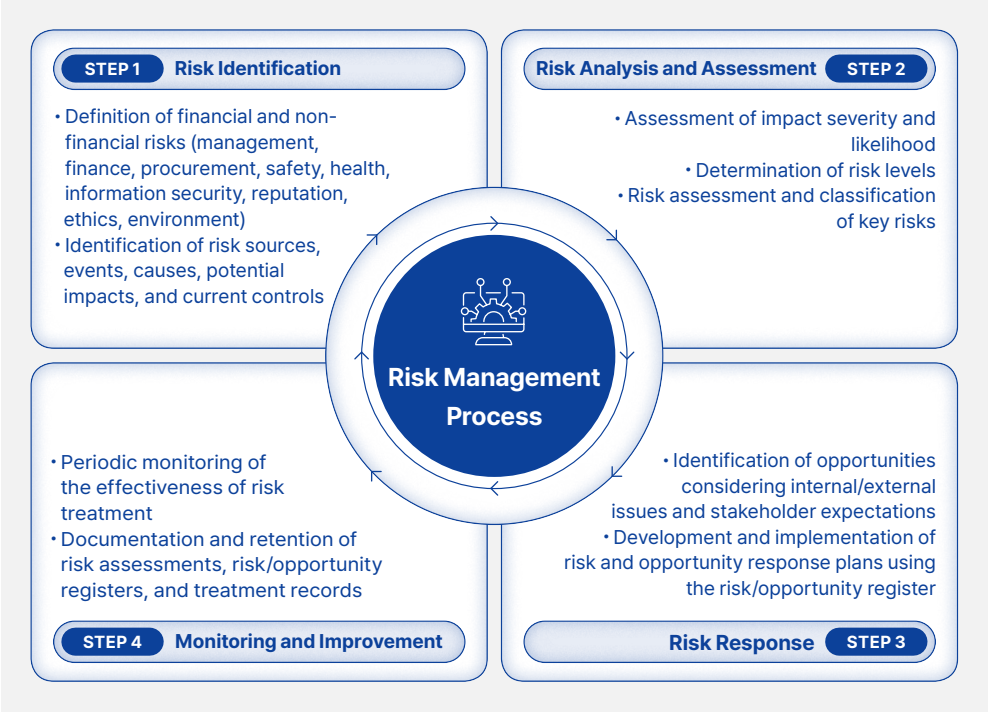


Risk Management

Risk Management Activities

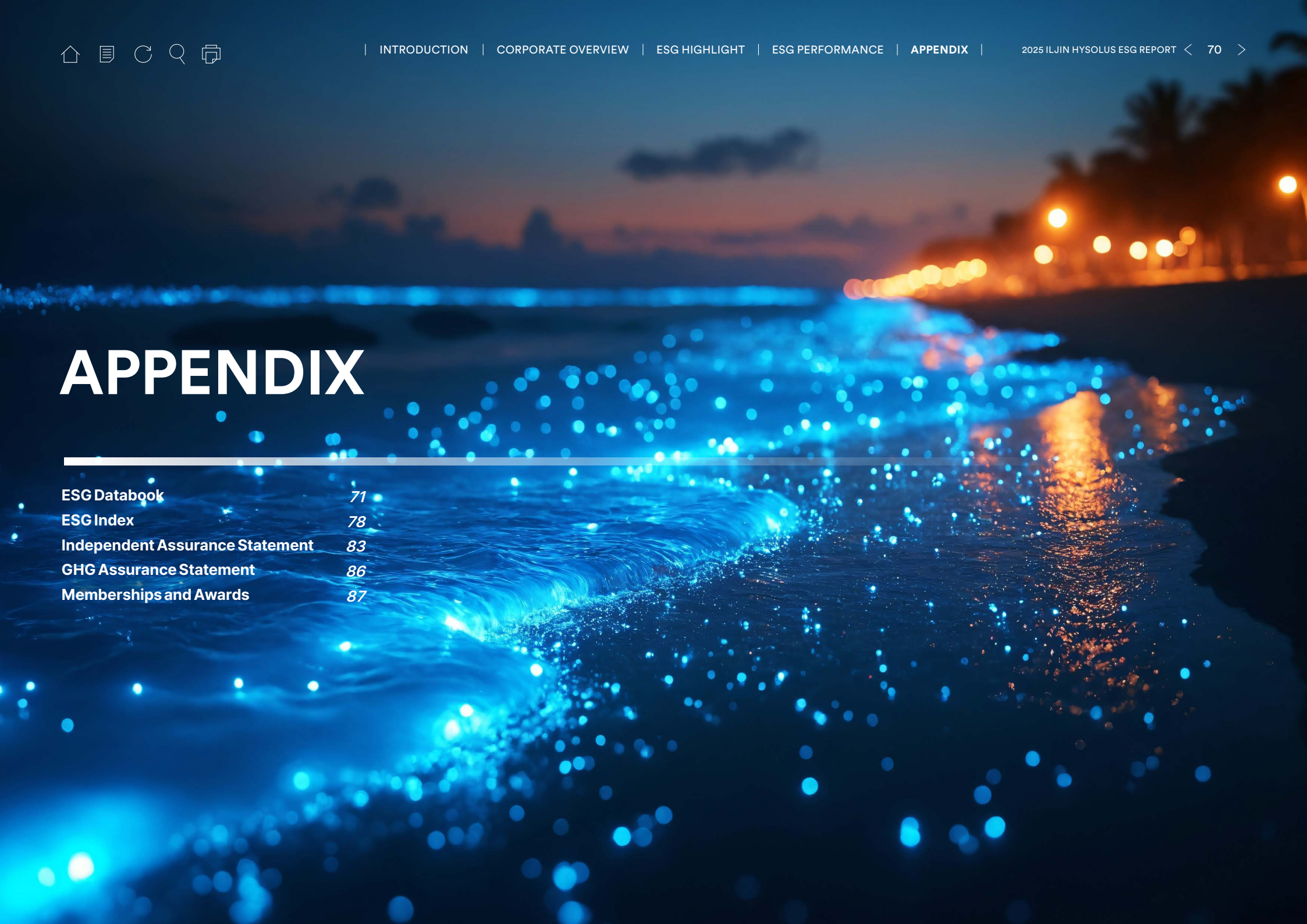
The company operates a risk management process to proactively identify and systematically manage potential risks across its business operations. By analyzing root causes and potential impacts, risks are assessed based on likelihood and severity to determine risk levels. While detailed procedures may vary by organization, key risks are managed through a common framework of identification, assessment, response, and monitoring. Appropriate response strategies-such as avoidance, transfer, mitigation, or acceptance-are implemented in line with stakeholder expectations, with outcomes regularly reviewed and documented to enhance the effectiveness and continuity of risk management.

Risk Management Process



Risk Types

Category	Risk Types
Environment / Health / Safety	**Environment:** GHG emissions, water pollution, waste management issues **Safety and Health:** High-pressure gas handling, fire or explosion risks, chemical exposure
Procurement Management	Cascading risks arising from suppliers' non-compliance with human rights, environmental, and ethical standards Insufficient ESG due diligence and evaluation systems across the supply chain
Information Security	**Information Security:** Technology leakage, cyberattacks including hacking and ransomware, data breaches **Physical Security:** Unauthorized access, equipment damage or theft, inadequate access control
Human Resources / General Affairs	Human rights violations, community conflicts, and insufficient organizational diversity and inclusion
Management Support	Risks related to violations of laws and regulations in business operations Risks related to bribery, anti-corruption, and unfair trade practices



APPENDIX

ESG Databook

Environment

Energy

Category		Unit	2022	2023	2024
Non-renewable Energy Consumption by Source	Electricity	MWh	4,770.72	5,302.80	6,052.52
	Electricity	TJ	45.80	50.91	58.10
	Gasoline	L	25,003	20,875	21,702
	Gasoline	TJ	0.82	0.68	0.71
	Diesel	L	6,107	4,997	6,117
	Diesel	TJ	0.23	0.19	0.23
	LPG	KG	240	119	205
	LPG	TJ	0.012	0.006	0.010
	City Gas	Nm^3	1,423	584	918
	City Gas	TJ	0.06	0.03	0.04
Energy Consumption Intensity	Electricity	MWh/ea	0.126	0.201	0.266
Total Energy Consumption Intensity	Total Energy Use	TJ/ea	0.0012	0.0020	0.0026
Total Energy Consumption	Total Energy Use	TJ	46.92	51.81	59.09

Water Resources

Category		Unit	2022	2023	2024
Water intake	Municipal water withdrawal	ton	18,644	12,808	11,732
Discharge	Industrial wastewater discharge	ton	3,430	2,944	2,939
Consumption	Total water usage	ton	15,214	9,864	8,793

※ Exempt from wastewater treatment facilities due to low pollutant concentrations; TOC, BOD, and SS measurements not conducted

Greenhouse Gas

Category		Unit	2022	2023	2024
Emissions	Total direct emissions (Scope 1)	tCO_2eq	88	60	175
	Indirect emissions (Scope 2, location-based)	tCO_2eq	2,337	2,259	2,659
	Other indirect emissions (Scope 3)	tCO_2eq	-	-	21,417.39
	Category 1	tCO_2eq	-	-	17, 794.06
	Category 2	tCO_2eq	-	-	0.13
	Category 3	tCO_2eq	-	-	3,200.44
	Category 5	tCO_2eq	-	-	5.64
	Category 6	tCO_2eq	-	-	206.44
	Category 7	tCO_2eq	-	-	198.09
	Category 9	tCO_2eq	-	-	12.58
Energy Intensity	GHG emission unit[1)]	$kgCO_2eq/ea$	63.95	87.98	124.60

1) GHG emissions intensity is managed based on the number of products produced (ea).

Air

Category		Unit	2022	2023	2024
Air Pollutant Emissions	Volatile Organic Compounds (VOC)	ton	9.1	13.33	17.01
	Hazardous Air Pollutants (HAP)	ton	1.16	0.21	0.14
	Particulate Matter (PM)[2)]	ton	5.55	5.55	5.55

2) PM: Reported as permitted emission limits.

Hazardous/Chemical Substances

Category	Unit	2022	2023	2024
Hazardous/Chemical Usage	Count	409	376	281

※ As the company is exempt from reporting chemical substance emissions under the Ministry of Environment regulations, substance-specific emission volumes are not calculated.

ESG Databook

Environment

Waste Generation

Category		Unit	2022	2023	2024
Designated Waste	Waste Machinery Oil and Hydraulic Oil	ton	0	1.17	0
	Waste Machinery Oil Waste Oil-based Paint	ton	0.82	0	0
	Other Waste Organic Solvents	ton	85.66	48.106	35.342
	Other Waste Organic Solvents (Halogens)	ton	0	0	0
	Other Waste Mineral Oils	ton	0	0.76	1.6
Operational Waste	Waste Synthetic Resins	ton	384.59	366.42	405.49
	PP, PE	ton			
	Waste Activated Carbon	ton	29.84	32.26	27.56
	Wood	ton	9.42	9.38	15.27

Waste Treatment[1)]

Category		Unit	2022	2023	2024
Recycling					
Designated Waste	Waste Machinery Oil and Hydraulic Oil	ton	0	1.17	0
	Waste Machinery Oil Waste Oil-based Paint	ton	0.82	0	0
	Other Waste Organic Solvents	ton	84.58	48.098	36.32
Operational Waste	Waste Synthetic Resins	ton	380.85	364.46	406.79
	PP, PE	ton			
	Waste Activated Carbon	ton	30.29	32.26	27.56
	Wood	ton	9.42	9.38	15.27
Incineration					
Designated Waste	Other Waste Mineral Oils	ton	-	0.76	1.6

1) As the figures include a portion carried over from the previous year, the total treatment amount may not match the sum of waste generated.

Waste recycling rate

Category	Unit	2022	2023	2024
Waste recycling rate	%	100	99.83	99.67

Eco-friendly Vehicles

Category		Unit	2022	2023	2024
Vehicle Status	Total Owned Vehicles (Company-owned)	Vehicles	2	2	2
	Total Leased Vehicles	Vehicles	10	10	13
Eco-friendly Vehicles (Electric, Hydrogen Vehicles)	Eco-friendly Vehicles among Total Owned Vehicles (Company-owned)	Vehicles	2	2	2
	Eco-friendly Vehicles among Total Leased Vehicles	Vehicles	0	0	0

Green Procurement/Sales

Category	Unit	2022	2023	2024
Procurement Status	KRW	549	458	397
Total Amount of Green Products and Services Purchased	KRW	0	0	0
Green Procurement Ratio	%	0	0	0

Environmental Training

Category	Unit	2022	2023	2024
Total Number of Participants in Environmental Training[2)]	Persons	36	44	18
Total Hours of Environmental Training	Hours	36	44	18

2) Number of New Employees Completing Environmental Training (Current Year)

Compliance with Environmental Regulations

Category	Unit	2022	2023	2024
Number of Violation	Cases	0	0	0
Total Amount of Fines for Legal Violations	KRW	0	0	0
Number of Sanctions Imposed	Cases	0	0	0
Amount of Sanctions Imposed	KRW	0	0	0

ESG Databook

Social

Number of Employees by Gender

Category	Unit	2022	2023	2024
Full-time Employees by Gender (Male)	Persons	150	171	175
Full-time Employees by Gender (Female)	Persons	12	12	12
Non-full-time Employees by Gender (Male)	Persons	34	27	22
Non-full-time Employees by Gender (Female)	Persons	3	1	3
Contract Workers by Gender (Male)[1]	Persons	6	6	6
Contract Workers by Gender (Female)	Persons	6	6	6

1) Indirect contract workers engaged in cleaning, security, environmental services, and call center operations

New Employee Hires and Turnover

Category			Unit	2022	2023	2024
Newly Hired Employees	Male		Persons	36	49	16
	Female		Persons	6	3	2
	Under 30		Persons	19	17	1
	30~50		Persons	20	33	14
	Over 50		Persons	3	2	3
Employee Turnover	Total Number of Employee Turnover		Persons	58	34	18
	Employee Turnover Rate[2]		%	29.1	16.1	8.5
	Voluntary Turnover		Persons	57	28	17
	Involuntary Turnover[3]		Persons	1	6	1
	Voluntary Turnover	Male	Persons	50	26	16
		Female	Persons	7	2	1
		Under 30	Persons	24	9	3
		30~50	Persons	31	17	12
		Over 50	Persons	2	2	2
	Involuntary Turnover[3]	Male	Persons	1	6	1
		Female	Persons	0	0	0
		Under 30	Persons	0	2	0
		30~50	Persons	1	2	0
		Over 50	Persons	0	2	1
Average Years of Service			Years	3.3	4.0	4.3

2) Turnover rate = (Total voluntary and involuntary departures) / Total number of employees
3) Includes contract expirations and recommended separations of fixed-term employees

Paternal Leave

Category	Unit	2022	2023	2024
Employees Eligible for Parental Leave (Male)	Persons	1	0	1
Employees Who Took Parental Leave (Male)	Persons	1	0	1
Employees Who Returned to Work after Parental Leave (Male)	Persons	1	0	1
Employees Remaining 12 Months after Returning from Parental Leave (Male)	Persons	1	0	1
Return-to-Work Rate after Parental Leave (Male)	%	100	0	100
Retention Rate after Parental Leave (Male)	%	100	0	100

Diversity

Category		Unit	2022	2023	2024
Total Number of Employees		Persons	199	211	212
Employees by Gender[4]	Male	Persons	184	198	197
	Female	Persons	15	13	15
Managers by Gender and Position[5]	Male	Persons	19	19	18
	Female	Persons	1	1	1
Employees by Age Group	Under 30	Persons	75	54	38
	30~50세	Persons	115	145	161
	Over 50	Persons	9	12	13
Employee Diversity Metrics	Disabled Employees	Persons	1	1	2
	Foreign Employees	Persons	2	2	2
	Local Young Employees[6]	Persons	112	99	88
Average Gender Pay Gap		KRW	191,586	450,580	530,316

4) Based on directly employed personnel (including executives)
5) Employees at team leader level and above
6) New hires under the age of 34 in the Jeonbuk region

ESG Databook

Social

Local Talent Recruitment Metrics

Category	Unit	2022	2023	2024
Local Talent Employment	Persons	153	150	150
Non-local Talent Employment	Persons	46	61	62
Percentage of Local Senior Management	%	33%	33%	33%

Welfare Expenditure

Category	Unit	2022	2023	2024
Total Expenditure	KRW	1,869,154,026	2,075,672,108	2,289,675,027
Expenditure per Employee	KRW	9,392,734	9,837,309	10,800,354

Discrimination

Category		Unit	2022	2023	2024
Ratio of Women's Base Salary and Compensation to Men's	Average Base Salary (Male)	KRW	2,720,813	2,824,726	2,953,611
	Average Base Salary (Female)	KRW	2,793,095	2,824,691	2,875,697
	Average Total Compensation (Male)	KRW	4,097,644	4,297,640	4,475,685
	Average Total Compensation (Female)	KRW	3,906,058	3,847,060	3,945,369
Sexual Harassment Prevention Training	Training Hours per Employee	Hours	1	1	1
	Number of Participants	Persons	123	213	190
Disability Awareness Training	Training Hours per Employee	Hours	1	1	1
	Number of Participants	Persons	123	213	190

Education Training

Category		Unit	2022	2023	2024
Average Training Hours by Gender	Male	Hours	12	18	8
	Female	Hours	78	49	16
Average Training Hours by Gender and Position	Male Managers1[1]	Hours	57	34	15
	Female Managers	Hours	0	30	6
	Male Employees in Lower Positions[2]	Hours	20	16	7
	Female Employees in Lower Positions	Hours	83	50	16
Average Training Hours per Employee		Hours	26	25	10
Total Employee Training Expenses		KRW	21,006,036	14,054,516	5,895,000
Average Training Expense per Employee		KRW	97,702	85,179	33,879

1) Managers: Employees at team leader level and above
2) Lower positions: Employees below team leader level

Education Training

Category		Unit	2022	2023	2024
Received Regular Performance and Career Development Reviews[3]	Total	Persons	56	52	67
	Male	Persons	48	44	57
	Female	Persons	8	8	10
	Full-time Employees	Persons	56	52	67
	Non-full-time Employees	Persons	0	0	0

3) Performance evaluations conducted for salaried employees hired on or before June 30 of the current year

Social Contribution

Category	Unit	2022	2023	2024
Total Social Contribution Expenditure	KRW	100,270,000	1,080,000	21,080,000
Social Contribution Donations	KRW	100,270,000	1,080,000	21,080,000

ESG Databook

Social

Safety Training

Category	Unit	2022	2023	2024
Total Hours of Mandatory Safety Training	%	3,648	3,723	3,746
Total Number of Participants in Mandatory Safety Training	Cases	193	206	212
Mandatory Safety Training Hours per Employee	Cases	19	18	18

Occupational Health and Safety Management System

Category	Unit	2022	2023	2024
Certification Rate of OHS Systems[1)]	%	100	100	100
Percentage of Worksites Covered by OHS Systems	%	100	100	100
Number of Employees Covered by OHS Systems with Completed External Evaluation and Verification	Persons	193	206	212
Percentage of Employees Covered by OHS Systems with Completed External Evaluation and Verification	%	100	100	100
Percentage of Employees Covered by OHS Systems Subject to Internal Audits	%	100	100	100

1) Based on production sites, (Number of ISO-certified production sites / Total number of production sites) × 100

Occupational Injuries and Illness

Category		Unit	2022	2023	2024
Occupational Injuries	Total Working Hours of Wage Workers	Hours	518359.4	553274.8	569389.6
	Injury Rate of Wage Workers[2)]	%	1.04	2.91	0.47
	Frequency Rate of Wage Workers[3)]	Cases per Million Working Hours	3.86	10.84	1.76
	Number of Injured Wage Workers	Persons	2	6	1
	Number of Fatalities among Wage Workers	Persons	0	0	0
	LTIFR of Wage Workers (Lost Time Injury Frequency Rate)[4)]	Cases per Million Working Hours	1.93	7.23	1.76
	TRIR of Wage Workers (Total Recordable Injury Rate)[5)]	Cases per 200,000 Working Hours	0.39	1.45	0.35
	Total Working Hours of Contractors (On-site/Off-site)	Hours	47,890	58,440	49,800
	Injury Rate of Contractors (On-site/Off-site)	%	-	-	-
	Frequency Rate of Contractors (On-site/Off-site)	Cases per Million Working Hours	-	-	-
	Number of Injured Contractors (On-site/Off-site)	Persons	-	-	-
	Number of Fatalities among Contractors (On-site/Off-site)	Persons	-	-	-
	LTIFR of Contractors (On-site/Off-site)	Cases per Million Working Hours	-	-	-
	TRIR of Contractors (On-site/Off-site)	Cases per 200,000 Working Hours	-	-	-
Occupational Illness	Number of Deaths due to Occupational Diseases among Wage Workers	Persons	-	-	-
	Number of Deaths due to Occupational Diseases among Wage Workers	Cases	-	-	-
	Number of Deaths due to Occupational Diseases among Contractors (On-site/Off-site)	Persons	-	-	-
	Number of Occupational Disease Cases among Contractors (On-site/Off-site)	Cases	-	-	-

2) Injury Rate = (Number of injured workers / Number of wage workers) × 100
4) Frequency Rate = (Number of injury cases / Total annual working hours) × 1,000,000
3) LTIFR (Lost Time Injury Frequency Rate) = (Number of lost time injury cases / Total annual working hours) × 1,000,000
5) TRIR (Total Recordable Injury Rate) = (Total recordable injury cases / Total annual working hours) × 200,000
* Total recordable injury cases refer to injuries or illnesses that result in death, lost workdays, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness. In addition, serious injuries or illnesses diagnosed by a physician or licensed medical professional are considered recordable injuries, even if they do not result in death, lost workdays, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

ESG Databook

Social

Grievances

Category	Unit	2022	2023	2024
Employee Grievances Received	Cases	0	0	0
Number of Employee Grievances Resolved	Cases	0	0	0
Resolution Rate of Employee Grievances	%	100	100	100
Internal and External Stakeholder Feedback Channels on Human Rights	Cases	0	0	0
Supplier Grievances Received	Cases	0	0	0
Supplier Grievances Resolved	Cases	0	0	0
Customer Complaints Received	Cases	4	19	31
Resolution Rate of Customer Complaints	%	100	100	100

Labor Relations

Category	Unit	2022	2023	2024
Number of Labor-Management Council Meetings Held	Cases	4	4	4
Percentage of Employees Represented by Employee Representatives	%	0	37	38
Number of Employees Covered by Collective Agreements	Persons	0	78	81
Percentage of Employees Covered by Collective Agreements	%	0	37	38

Suppliers

Category	Unit	2022	2023	2024
Total Number of Suppliers	Count	35	35	40
Number of Key Suppliers	Count	15	15	15
Total Procurement Amount from Suppliers	KRW	54,919,000,000	45,841,000,000	39,681,000,000
Procurement Amount from Suppliers	KRW	45,308,000,000	29,657,000,000	22,411,000,000
Number of Suppliers Subject to Risk Management Assessment	Count	15	35	40
Number of Suppliers Assessed for Risk Management	Count	0	0	0

Product Quality Management

Category	Unit	2022	2023	2024
Implementation Rate of Product Safety and Quality Management[1)]	%	100	100	100

1) For all product quantities, safety testing is performed during the manufacturing process.

Product Liability Violations

Category	Unit	2022	2023	2024
Safety Regulation Violations	Cases	0	0	0
Number of Product/Service Safety Regulation Violations	Cases	0	0	0
Total Fines for Product/Service Safety Regulation Violations	Million KRW	0	0	0

* Violations are calculated based on the High-Pressure Gas Safety Control Act and the Hydrogen Economy Promotion and Hydrogen Safety Management Act. Regulations applicable to post-delivery use stages, including after-sales service, are complied with under relevant laws such as the Automobile Management Act.

ESG Databook

Governance

Board Composition

Category	Unit	2022	2023	2024
Number of Auditors	Persons	1	1	1
Number of Women on the Board	Persons	0	0	0
Number of Men on the Board	Persons	3	4	4
Board Composition Ratio (Under 30)	%	0	0	0
Board Composition Ratio (30~50)	%	0	0	0
Board Composition Ratio (Over 50)	%	100	100	100
Board Composition Ratio (Minorities: Persons with Disabilities, Foreign Employees, National Veterans)	%	0	0	0

Board Performance

Category	Unit	2022	2023	2024
Number of Board Meetings Held (Regular)	Times	1	1	1
Number of Board Meetings Held (Ad hoc)	Times	9	6	4
Agenda Items Resolved	Cases	10	8	5
Agenda Items Resolved	Cases	0	0	0
Number of Agenda Items with Dissenting or Modified Opinions by Independent Director	Cases	0	0	0
Number of ESG-related Agenda Items Submitted	Cases	1	0	0
Attendance Rate	%	96	96	100
Number of Training Sessions Attended by All Board Members	Cases	2	1	2

Board Remuneration

Category	Unit	2022	2023	2024
Average Remuneration per Executive Director	KRW	232,000,000	164,129,000	221,500,000
Average Remuneration per Independent Director	KRW	36,000,000	18,000,000	22,677,000
Average Remuneration per Auditor	KRW	36,000,000	36,000,000	36,000,000

Information Security

Category	Unit	2022	2023	2024
Percentage of Security Personnel Trained on Human Rights Policies or Specific Procedures Related to Security	%	5	7	9
Number of Complaints Received from External Parties and Substantiated by Authorities Regarding Customer Data Breaches or Loss of Customer Information	Cases	0	0	0
Complaints Substantiated by Regulatory Authorities Regarding Customer Data Breaches or Loss of Customer Information	Cases	0	0	0
Total Number of Confirmed Incidents of Customer Data Leakage, Theft, or Loss	Cases	0	0	0
Investment in Information Security	KRW	1,331,000	15,611,000	10,611,000

Ethics

Category	Unit	2022	2023	2024
Employees Completing Business Ethics Training	Persons	0	122	140
Actions Taken for Code of Ethics Violations	Cases	0	0	0

Anti-Corruption

Category	Unit	2022	2023	2024
Number of Confirmed Corruption Cases	Cases	0	0	0
Number of Cases Where Employees Were Dismissed or Disciplined Due to Corruption	Cases	0	0	0

ESG Index

GRI 2021

Statement of Use	The sustainability information is reported for the period from January 1 to December 31, 2024, in accordance with the GRI Standards 2021.
GRI1 Used	GRI1: Foundation 2021
Applicable GRI Sector Standards	As of 2025, a sector standard for the automotive industry is not yet available.

GRI 2: General Disclosures 2021

Reporting Topic	GRI Standard	Reported Information	Pages
The organization and its reporting practicies	2-1	Organizational details	7
	2-2	Entities included in the organization's sustainability reporting	4
	2-3	Reporting period, frequency and contact point	4
	2-4	Restatements of information	No changes from the previously published report; no restatements
	2-5	External assurance	83
Activities and workers	2-6	Activities, value chain and other business relationships	7~11, 56~57
	2-7	Employees	73
	2-8	Workers who are not employees	73
Governance	2-9	Governance structure and composition	62~63
	2-10	Nomination and selection of the highest governance body	62~63
	2-11	Chair of the highest governance body	62
	2-12	Role of the highest governance body in overseeing the management of impacts	25, 62
	2-13	Delegation of responsibility for managing impacts	62
	2-14	Role of the highest governance body in sustainability reporting	62
	2-15	Conflicts of interest	63
	2-16	Communication of critical concerns	62

Reporting Topic	GRI Standard	Reported Information	Pages
Governance	2-17	Collective knowledge of the highest governance body	62~63
	2-18	Evaluation of the performance of the highest governance body	Confidential and not disclosed externally
	2-19	Remuneration policies	
	2-20	Process to determine remuneration	
	2-21	Annual total compensation ratio	
Strategy, policies and practices	2-22	Statement on sustainable development strategy	5
	2-23	Policy commitments	30, 38, 50, 56, 64, 66
	2-24	Embedding policy commitments	30, 38, 50, 56, 64, 66
	2-25	Processes to remediate negative impacts	42, 51, 67
	2-26	Mechanisms for seeking advice and raising concerns	67
	2-27	Compliance with laws and regulations	72, 76
	2-28	Membership associations	87
Stakeholder engagement	2-29	Approach to stakeholder engagement	19
	2-30	Collective bargaining agreements	53, 76

ESG Index

GRI 2021

GRI 3: Material Topics 2021

Reporting Topic	GRI Standard	Reported Information	Pages
Disclosures on material topics	3-1	Process to determine material topics	16
	3-2	List of material topics	17
	3-3	Management of material topics	18

Topic Standards Disclosures

Reporting Topic	GRI Standard	Reported Information	Pages
Topic 1: Response to Climate Change	3-3	Management of material topics	18
GRI 201: Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	27
GRI 302: Energy	302-1	Energy consumption within the organization	29, 71
	302-2	Energy consumption outside of the organization	29, 71
	302-3	Energy intensity	29, 71
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	29, 71
	305-2	Energy indirect (Scope 2) GHG emissions	29, 71
	305-3	Other indirect (Scope 3) GHG emissions	29, 71
	305-4	GHG emissions intensity	71
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions[1)]	35, 71

1) There are no applicable emissions of NOx (nitrogen oxides) and SOx (sulfur oxides).

ESG Index

GRI 2021

Topic Standards Disclosures

Reporting Topic	GRI Standard	Reported Information	Pages
Topic 2: Customer and Quality Management	3-3	Management of material topics	18
GRI 416: Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	76
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	76
Topic 3: Health and Safety	3-3	Management of material topics	18
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	38~45
	403-2	Hazard identification, risk assessment, and incident investigation	42
	403-3	Occupational health services	38~45
	403-4	Worker participation, consultation, and communication on occupational health and safety	38~45
	403-5	Worker training on occupational health and safety	44
	403-6	Promotion of worker health	49
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	44
	403-8	Workers covered by an occupational health and safety management system	75
	403-9	Work-related injuries	75
	403-10	Work-related ill health	75

ESG Index

GRI 2021

Topic Standards Disclosures

Reporting Topic	GRI Standard	Reported Information	Pages
Additional Assurance Indicators beyond Material Topic Indicators			
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported	54~55, 74
GRI 205: Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	67, 77
	205-3	Confirmed incidents of corruption and actions taken	67, 77
GRI 303: Water and Effluents	303-3	Water withdrawal	34, 71
	303-4	Water discharge	34, 71
	303-5	Water consumption	34, 71
GRI 306: Waste	306-3	Waste generated	34, 72
	306-4	Waste diverted from disposal	34, 72
	306-5	Waste directed to disposal	34, 72
GRI 401: Employment	401-1	New employee hires and employee turnover	46, 73
	401-3	Parental leave	49, 73
GRI 404: Training and Education	404-1	Average hours of training per year per employee	74
	404-3	Percentage of employees receiving regular performance and career development reviews	74
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	73, 77
	405-2	Ratio of basic salary and remuneration of women to men	74
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	76
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	77

ESG Index

UN SDGs

Iljin Hysolus places the UN Sustainable Development Goals(SDGs) at the core of its management framework and responds to global sustainability expectations through the expansion of safe hydrogen mobility and responsible production and supply chain operations. Key initiatives, including technological innovation in hydrogen storage systems, enhanced product safety, GHG reduction, and supplier quality and safety management, are aligned with the SDGs to strengthen execution across environmental, safety, and social dimensions.

Goals	Pages
SDG 3. Good Health and Well-being	38~45, 49
SDG 4. Quality Education	47
SDG 5. Gender Equality	50
SDG 6. Clean Water and Saniation	34
SDG 7. Affordable and Clean Energy	25~29
SDG 8. Decent Work and Economic Growth	13~15

Goals	Pages
SDG 9. Industry, Innovation and Infrastructure	21
SDG 10. Reduced Inequalities	50~52
SDG 11. Sustainable Cities and Communities	54~55
SDG 12. Responsible Consumption and Production	25~36
SDG 13. Climate Action	25~29
SDG 16. Peace, Justice and Strong Institutions	62~63, 66~67

Independent Assurance Statement

To: The Stakeholders of ILJIN HYSOLUS CO., LTD.

Overview

BSI (British Standards Institution) Group Korea (hereinafter referred to as the "Assurer") was requested to verify the 2025 ILJIN HYSOLUS ESG REPORT (hereinafter referred to as the "Report"). The Assurer is independent of ILJIN HYSOLUS and has no major operational financial interest other than the assurance. This assurance opinion statement is intended to provide information related to the assurance of the ILJIN HYSOLUS report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any purpose other than the purpose of publication. This assurance opinion statement was prepared based on the information presented by ILJIN HYSOLUS and the assurance was carried out under the assumption that presented the information, and data were complete and accurate.
ILJIN HYSOLUS 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 ILJIN HYSOLUS only.
The Assurer is responsible for providing ILJIN HYSOLUS management with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and providing the information to all stakeholders of ILJIN HYSOLUS. The Assurer shall not bear any other responsibility, including legal responsibility, to any third party other than ILJIN HYSOLUS in providing the assurance opinion and shall not be liable to any other purpose, purpose or stakeholders related thereto for which the assurance opinion may be used.

Scope

The scope of engagement agreed upon with ILJIN HYSOLUS Corporation includes the following:

- Reporting contents during the period from January 1st to December 31st 2024 included in the Report, some data included May of 2025.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of material assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review.
- In Accordance with the four principles of AA1000 AccountAbility in the Report, based on the type of Sustainability Assurance based on AA1000AS v3 and if applicable, the reliability of the sustainability performance information contained in the Report.

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

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

Assurance Level and Type

The assurance levels and types are as follows.

- Moderate level based on AA1000 AS and Type 2 (confirmation to the four principles as described in the AA1000 Accountability Principle 2018 and reliability of topic disclosures)

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 ILJIN HYSOLUS.

[Universal Standards]

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

[Topic Standards]

201-2, 203-1, 205-2~3, 302-1~3, 303-3~5, 305-1~4, 305-7, 306-3~5, 401-1, 401-3, 403-1~10, 404-1, 404-3, 405-1~2, 406-1, 416-1~2, 418-1

Methodology

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

- A top-level review of issues raised by external parties that could be relevant to organizations policies to provide a check on the appropriateness of statements made in the report.
- Discussion with managers and staff on organization's approach to stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the departments responsible.
- Review of the system for sustainability management strategy process and implementation.
- Review of materiality issue analysis process and prioritization by reviewing materiality issue analysis process and verifying the results.
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures where available.

Independent Assurance Statement

- An assessment of the company's reporting and management processes concerning this report against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles Standard (2018).
- Visit of the of ILJIN HYSOLUS HQ to confirm the data collection processes, record management practices.

Limitations and approach used to mitigate limitations

The Assurer performed limited verification for a limited period based on the data provided by the reporting organization. It implies that no significant errors were found during the verification process, and that there are limitations related to the inevitable risks that may exist. The Assurer does not provide assurance for possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

Competency and Independence

BSI (British Standards Institution) is a leading global standards and assessment certification body founded in 1901. BSI is an independent professional institution that specializes in quality, health, safety, social and environmental management with almost 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with ILJIN HYSOLUS. The Assurer has conducted this assurance independently, and there has been no conflict of
interest. All assurers who participated in the assurance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have in-depth understanding of the BSI Group's assurance standard methodology.

Opinion Statement

The assurer was carried out by a team of sustainability report assurors in accordance with the AA1000 Assurance Standard v3. Assurer planned and performed this part of our work to obtain the necessary information and explanations assurer considered to provide sufficient evidence that ILJIN HYSOLUS's description of their approach to AA1000 Assurance Standard and their selfdeclaration of compliance with the GRI standards were fairly stated.
On the basis of our methodology and the activities described above, it is our opinion that the information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement. We believe that the economic, social and environmental performance indicators are accurate and are supported by robust internal control processes.

Conclusions

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

Inclusivity: Stakeholder Engagement and Opinion

ILJIN HYSOLUS defined Employees, Suppliers, Customers, Shareholders/Investors, Local communities and Government/Associations/Media as a Key Stakeholder Groups. In order to collect opinions by each stakeholder group in the context of sustainability, operated the stakeholder engagement process. ILJIN HYSOLUS conducted a review of the stakeholder engagement process in order to reflect the major issues derived through the stakeholder engagement process in sustainability strategy and goals. ILJIN HYSOLUS disclosed the results related to the process in the Report.

Materiality: Identification and reporting of material sustainability topics

ILJIN HYSOLUS implemented its own materiality assessment process in consideration of the major business and operational characteristics to derive important reporting issues related to sustainability. ILJIN HYSOLUS conducted global reporting standards analysis, benchmarking and media analysis, identified financial impact and social/environmental impact, and determined material issues for the reporting year through expert review of the impact. ILJIN HYSOLUS derived 3 material topics through the relevant process, and disclosed GRI topic standards disclosures related to material topics in the Report.

Responsiveness: Responding to material sustainability topics and related impacts

ILJIN HYSOLUS operated a management process for material topics in the context of sustainability derived from the materiality assessment. ILJIN HYSOLUS established mid- to long-term sustainability plans and goals according to the management methodology established to effectively reflect the expectations of key stakeholders. ILJIN HYSOLUS disclosed the process including policy, indicator, activity and response performance on material topics in the Report.

Independent Assurance Statement

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

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

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

Among the GRI Topic Standards, the following disclourse were carried out in a assurance Type 2 based on the information and data provided by the reporting organization. In order to verify the reliability and accuracy of the data and information, internal control procedures related to data processing, processing, and management were verified through interviews with the responsible department, and accuracy was verified through sampling. Errors and intentional distortions in sustainability performance information included in the report were not found through assurance processes. The reporting organization manages the sustainability performance information through reliable internal control procedures and can track the process of deriving the source of the performance. Errors and unclear expressions found during the assurance process were corrected during the assurance process and prior to the publication of the report, and the assurer confirmed the final published report with the errors and expressions corrected.

- GRI Topic Standards: 201-2, 203-1, 205-2~3, 302-1~3, 303-3~5, 305-1~4, 305-7, 306-3~5, 401-1, 401-3, 403-1~10, 404-1, 404-3, 405-1~2, 406-1, 416-1~2, 418-1

Recommendations and Opportunity for improvement

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

- It may be helpful to advance the sustainability management system by specifying relevant tasks and function-based management systems, including ESG committees and ESG departments, and strengthening their roles and responsibilities for each function.
- It may be helpful to advance the sustainability management system by specifying the goals and detailed tasks for each major issue derived from the materiality assessment, and disclosing the achievement status and improvement performance annually.
- It may be helpful to advance the sustainability management system by upgrading the management system of sustainability performance indicators and strengthening the consistency of those performance indicators through internal control procedures.

GRI-reporting

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

Issue Date: 22/12/2025
For and on behalf of BSI (British Standards Institution):
BSI representative

Jungwoo Lee, Lead Assurer, LCSAP

Seonghwan Lim, Managing Director of BSI Korea

BSI Group Korea Limited: 29, Insa-dong 5-gil, Jongno-gu, Seoul, South Korea

AA1000
Licensed Report
000-4/V3-F4JG4

GHG Assurance Statement

LRQA Independent Assurance Statement

Relating to ILJIN Hysolus Co., Ltd.'s GHG Emissions Inventory for the calendar years 2019, 2023 and 2024

This Assurance Statement has been prepared for ILJIN Hysolus Co., Ltd. in accordance with our contract.

Terms of engagement

LRQA was commissioned by ILJIN Hysolus Co., Ltd. to provide independent assurance on its GHG emissions inventory for the calendar years 2019, 2023 and 2024 (here after referred to as "the report") against the assurance criteria below to a limited level of assurance and materiality of 5% using ISO 14064-3:2019, 'Specification with guidance for verification and validation of greenhouse gas statements'.

Our assurance engagement covered the operations of ILJIN Hysolus Co., Ltd.'s domestic sites and specifically the following requirements:

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

The main activities of ILJIN Hysolus Co., Ltd. include manufacturing of automotive parts and the GHG emissions have been consolidated using an operational control approach.

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

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that ILJIN Hysolus Co., Ltd. has not, in all material respects:

- Met the requirements above; and
- Disclosed accurate and reliable data and information as summarized in Table 1 ~ Table 3 below.

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of 5%.

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LRQA's approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Interviewing key people of the organization responsible for managing GHG emissions data and records;

[1] *https://www.ghgprotocol.org*

- Reviewing processes related to the control of GHG emissions data and records;
- Visiting the head office and reviewed additional evidence made available by ILJIN Hysolus Co., Ltd.;
- Verifying historical GHG emissions data and records at an aggregated level for the calendar years 2019, 2023 and 2024; and
- Reviewing whether ILJIN Hysolus Co., Ltd. reflected the Greenhouse Gas Management Manual for Hyundai Motor and Kia Suppliers (Ver. 1.0).

LRQA's standards, competence and independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 *Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition* and ISO/IEC 17021 *Conformity assessment – Requirements for bodies providing audit and certification of management systems* that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This verification engagement is the only work undertaken by LRQA for ILJIN Hysolus Co., Ltd. and as such does not compromise our independence or impartiality.

Tae-Kyoung Kim
LRQA Lead Verifier
On behalf of LRQA
2nd Floor, T Tower, 30, Sowol-ro 2-gil, Jung-gu, Seoul, Republic of Korea

Dated: 11 April 2025

LRQA reference: SEO00001906

LRQA Group Limited, its affiliates and subsidiaries, and their respective officers, employees or agents are, individually and collectively, referred to in this clause as 'LRQA'. LRQA assumes no responsibility and shall not be liable to any person for any loss, damage or expense caused by reliance on the information or advice in this document or howsoever provided, unless that person has signed a contract with the relevant LRQA entity for the provision of this information or advice and in that case any responsibility or liability is exclusively on the terms and conditions set out in that contract.

The English version of this Assurance Statement is the only valid version. LRQA assumes no responsibility for versions translated into other languages.

This Assurance Statement is only valid when published with the Report to which it refers. It may only be reproduced in its entirety.

Copyright © LRQA, 2025.

Memberships and Awards

Affiliated Associations

Association	Description
Korea Environmental Preservation Association	Survey and research, technology development, education, and promotion for environmental preservation
Korea Hydrogen Industry Association	Promotion of the hydrogen industry and hydrogen convergence development
Hydrogen Convergence Alliance	Promotion of a low-carbon hydrogen economy through hydrogen energy use and related industries
Hydrogen Council	Global initiative accelerating energy transition in transportation and industry through hydrogen
Korea Automobile Environmental Association	Reduction of environmental and health risks caused by vehicle emissions
Jeonbuk Environmental Engineers Association	Network of professionals in corporate environmental management in the Jeonbuk region
Wanju Industrial Complex Promotion Association	Plant Managers Council of the Wanju Industrial Complex

Awards

Date	Organizer	Details of Award
Nov. 26, 2019	Ministry of Trade, Industry and Energy	Industrial Technology of the Month-Commercializing Technology, Minister's Awardt
Nov. 1, 2021	Ministry of Science and ICT	National TOP 100 Research Project 2021-Machines and Materials
Dec. 14, 2021	Ministry of Trade, Industry and Energy	Industrial Technology of the Month-Commercializing Technology, Minister's Award
Sep. 25, 2024	H2 MEET Organizing Committee	H2 Innovation Awards 2024-Grand Prize for Best New Technology
Nov. 29, 2024	Jeonbuk Regional Office of Environmental Administration	Award at the 19th Environment and Technology Day Ceremony
Dec. 2, 2024	Hyundai Motor Company, Purchasing Division	2024 Safety Management Excellence Award
Dec. 4, 2024	Governor of Jeonbuk Special Self-Governing Province	Commendation for Gas Safety Accident Preve

Certifications

Classification	Date Certified	Details
ISO 14001	Aug. 01, 2014	Environmental management systems
ISO 45001	Apr. 12, 2024	Safety Health Management Systems
IATF 16949	Oct. 21, 2021	International Automotive Quality Management Standard


ILJIN
Hysolus