Governance

This report is available for download on the Seoyon E-Hwa website. If you have any questions regarding the content, please contact the department listed above.

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Corporate Governance

Board of Directors Overview

Board Composition and Current Status

The Board of Directors (BOD) of Seoyon E-Hwa consists of three inside directors and three outside directors. The Board holds the authority to nominate both internal and outside directors through the review and approval of agenda at the General Meeting of Shareholders. As the highest decision-making body, the Board deliberates and votes on matters specified by relevant laws or the Articles of Incorporation, items delegated by the General Meeting of Shareholders, and major agendas regarding corporate management policies and business execution, while supervising the performance of duties by management.

Appointment of Directors

Seoyon E-Hwa evaluates the eligibility of candidates based on Commercial Act and relevant regulations, as well as the Articles of Incorporation, to ensure fairness and independence in the director appointment process, before they are elected at the General Meeting of Shareholders. In accordance with the Articles of Incorporation, the Board of Directors Regulations, and the Audit Committee Operational Regulations, the Chairman of the Board is mandated to be the Chairman of the Audit Committee. Furthermore, it is explicitly stipulated that the Chairman of the Audit Committee must be appointed from among the outside directors, institutionalizing a framework that allows an outside director to serve as the Chairman of the Board.

(Based on Article 36 of the Articles of Incorporation, Articles 4 and 5 of the Board of Directors Regulations, and Article 11 of the Audit Committee Operational Regulations)

Board Independence & Conflict of Interest Management

Seoyon E-Hwa's Board of Directors ensures its independence by requiring outside directors to constitute a majority of the total board membership. It manages and supervises potential conflicts of interest in accordance with Articles 397 and 398 of the Commercial Act. Concurrent positions held by outside directors at other corporations are limited to one. Under the Board of Directors Operational Regulations, any concurrent directorship held by a board member at another company must be reviewed and approved as an official agenda item to maintain rigorous oversight.

(Based on Article 37 of the Articles of Incorporation and Articles 8 and 9 of the Board of Directors Regulations)

Board Diversity & Expertise

The Board of Directors of Seoyon E-Hwa is composed of experts from various fields related to corporate business operations, including management, academic research, accounting, and finance, thereby enhancing diversity, expertise, and accountability. Our directors fulfill their roles and responsibilities based on their extensive experience across diverse sectors, including management, global markets, industrial operations, finance/accounting, law/policy, auditing, R&D, and risk management.

(Based on Detailed Principle 4-2 of the Corporate Governance Report)

Board Skills Matrix (BSM)

Name	Gender	Nationality	Category	Position	Date of Appointment (Initial Appointment Date)	Term of Office (No. of Consecutive Terms)	Career Background	Area of Expertise (Key Competencies)							
								Business Manage-ment	Global Experience	Industry Expertise	Finance / Accounting	Law / Policy	Audit	Research/ Develop-ment	Risk Manage-ment
Yong-Suk Kang	Male	Republic of Korea	Inside directors	CEO	2026.03.26 (2021.03.26)	1year (4th Term)	(Former) Head of Global Business Management Group, Seoyon E-Hwa	○	○	○				○	○
Sang-Cheon Mun	Male	Republic of Korea	Inside directors	Chief Audit Executive (CAE), Head of IT	2026.03.26 (2019.03.22)	1 year (7th Term)	(Former) Head of Audit Office, Asiana Airlines	○				○	○		○
Sun-Chan Hwang	Male	Republic of Korea	Inside directors	Chief Finance Officer, CFO	2026.03.26 (2025.03.26)	1 year (1st Term)	(Former) CFO, Serveone	○	○	○	○				○
Hyun-Moo Kong	Male	Republic of Korea	Outside directors	Chairman of the Board, Chairman of Audit Committee, Chairman of ESG Committee	2025.03.26 (2021.03.26)	2 year (2nd Term)	(Current)Standing Auditor, SNT Dynamics Co., Ltd. (Former) Vice President, KB Securities	○		○	○		○		○
Young-Jae Kim	Male	Republic of Korea	Outside directors	Member of Audit Committee, Member of ESG Committee	2026.03.26 (2022.03.25)	2 year (2nd Term)	(Current) Director, LIAN Accounting Corporation (Former) Director, KPMG Samjong Accounting Corporation			○	○		○		○
Myung-Woon Kim	Male	Republic of Korea	Outside directors	Member of Audit Committee, Member of ESG Committee	2026.03.26 (2026.03.26)	3 YEAR (-)	(Current) Advisor at SK Innovation (Former) First Deputy Secretary General at Board of Audit and Inspection (BAI)					○	○		○

*Based on May 2026 data (Disclosed in accordance with the Corporate Governance Report following appointments, dismissals, or mid-term resignations of outside directors at the Annual General Meeting of Shareholders).

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Corporate Governance

Committees Under the Board

Seoyon E-Hwa strengthens its independence and transparency by composing the committees under the Board of Directors entirely of outside directors. We ensure the more than half of the members of the Audit Committee possess specialized knowledge and experience in accounting, finance, and auditing in accordance with relevant laws and internal regulations to reinforce professionalism, including internal controls.

Audit Committee

Seoyon E-Hwa operates an independent Audit Committee to enhance the transparency of corporate management. The Audit Committee audits the company's accounting and business operations in accordance with relevant laws and internal regulations and submits an audit report for each fiscal period. The Company's Audit Committee may request reports on business operations from directors at any time or investigate the financial status of the company. When necessary, it can request relevant employees and external auditors to attend meetings and seek advice from experts at the company's expense.

Audit Committee Operational Regulations

ESG Committee

To ensure strategic, systematic decision-making and management regarding the company's ESG management, we established and have been operating an ESG Committee under the Board since March 2024. The ESG Committee performs a review and oversight role regarding major ESG issues and plans for the company and deliberates and votes on major ESG agendas that have been tabled.

Operational Status of Committees Under the Board

* For detailed activity details, please refer to the Seoyon E-Hwa Business Report and Corporate Governance Report.

Category		Unit	2023	2024	2025
Audit Committee	Total Number of Meetings Held	Meetings	6	6	7
	Average Attendance Rate	%	94	94	95
	Total Number of Reports & Agendas	Cases	15	15	16
	Approval Rate for Agendas	%	100	100	100
ESG Committee	Total Number of Meetings Held	Meetings	-	3	4
	Average Attendance Rate	%	-	100	100
	Total Number of Reports & Agendas	Cases	-	7	10
	Approval Rate for Agendas	%	-	100	100

Board Remuneration

The remuneration of Seoyon E-Hwa's outside directors is determined based on the executive remuneration standards and internal criteria approved by the Board of Directors within the limit of director remuneration approved at the General Meeting of Shareholders, alongside comprehensive evaluation indicators. Average remuneration data of outside directors and audit committee members of listed companies in the securities market (KOSPI) is utilized as reference data when reviewing the appropriateness of outside director remuneration levels.

Board Remuneration Payment Criteria

* For detailed payment criteria, please refer to the Seoyon E-Hwa Business Report

Category	Remuneration Payment Criteria
Registered Directors (Excluding outside directors and Audit Committee members)	• Base salary is determined by comprehensively reflecting criteria such as position, leadership, expertise, and contribution to the company based on the executive remuneration table approved at the General Meeting of Shareholders. • Performance bonuses are paid by comprehensively considering quantitative evaluation results such as the company's sales revenue and operating profit, alongside qualitative evaluation results such as goal achievement and leadership.
Outside Directors & Audit Committee Members	• Base salary is determined by comprehensively reflecting criteria such as position, leadership, expertise, and contribution to the company based on internal criteria within the total limit of director remuneration approved at the General Meeting of Shareholders.

Seoyon E-Hwa transparently discloses the total remuneration amount for inside directors, other non-standing directors, outside directors, and unregistered executives through its Business Report to ensure the soundness and transparency of its governance framework. For the Audit Committee members, remuneration is paid as a fixed amount without separate performance-based incentives to guarantee independence and transparency.

Board Remuneration Status

Category		Unit	2023	2024	2025
Inside Directors	Number of Persons	Persons	3	3	3
	Total Remuneration	KRW Million	929	1,186	1,113
	Average Remuneration Per Capita	KRW Million	310	395	371
Outside Directors	Number of Persons	Persons	3	3	3
	Total Remuneration	KRW Million	124	119	157
	Average Remuneration Per Capita	KRW Million	41	40	52

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Corporate Governance

Board Operations

Board Operations Status

As of 2025, Seoyon E-Hwa held a total of 8 regular and extraordinary Board of Directors meetings, conducting deliberations and voting on a total of 35 voting agendas.

Board Operations Status

*For details regarding major agendas and whether they were approved, please refer to the Seoyon E-Hwa Business Report.

Category	Unit	2023	2024	2025
Total Number of Meetings Held	Meetings	8	8	8
Average Attendance Rate	%	98	96	94
Total Number of Reports	Cases	10	9	7
Total Number of Voting Agendas	Cases	33	33	35
Approval Rate for Voting Agendas	%	100	100	100

Board Training

Seoyon E-Hwa conducts training programs for outside directors to enhance their professional performance and business understanding, covering legislative amendments and critical matters in corporate management.

Board Training Performance for the Past 3 Years

*For further details, please refer to the Seoyon E-Hwa Business Report.

Date	Organizer	Target Audience	Training Topics
2023.11.10	KPMG Samjong	Hyun-Moo Kong, Sang-do Noh, Young-Jae Kim	• Trends and operation cases of Internal Control over Financial Reporting (ICFR)
2024.07.03	KPMG Samjong	Hyun-Moo Kong, Sang-do Noh, Young-Jae Kim	• ESG management briefing session
2024.11.12	KPMG Samjong	Hyun-Moo Kong, Sang-do Noh, Young-Jae Kim	• Trends and response case studies of Internal Control over Financial Reporting (ICFR)
2024.12.27	Korean Standards Association	Hyun-Moo Kong, Sang-do Noh, Young-Jae Kim	• ESG carbon neutrality core means and renewable energy
2025.09.18	Kim & Chang Law Firm	Hyun-Moo Kong, Sang-do Noh, Young-Jae Kim	• Recent trends in Internal Control over Financial Reporting (ICFR)
2025.09.18	Kim & Chang Law Firm	Hyun-Moo Kong, Sang-do Noh, Young-Jae Kim	• Seoyon E-Hwa ESG management briefing session
2025.12.11	Korean Standards Association	Hyun-Moo Kong, Sang-do Noh, Young-Jae Kim	• Prepare for the era of carbon neutrality and ESG

Shareholders & Shares

Shareholders & Shares Status

As of the end of 2025, the total number of issued shares of Seoyon E-Hwa is 27,028,437 shares (including 5,686 treasury shares). Among these, Seoyon Co., Ltd., the largest shareholder and related parties hold a 57.1% stake (15,422,797 shares).

Total Shares Status (As of the end of 2025)

Category	Unit	Common Stock	Preferred Stock	Total
Total Issued Shares	Shares	27,028,437	-	27,028,437
Treasury Shares		5,686	-	5,686
Outstanding Shares		27,022,751	-	27,022,751

Shareholding Status (As of the end of 2025)

(Unit: Shares, %)

Shareholder	Type	Shareholding Ratio (%)	Number of Outstanding Shares
Seoyon Co., Ltd. & Related Parties	Common Stock	57.1	15,422,797
Minority Shareholders		42.9	11,599,954
Total		100.0	27,022,751

Convocation & Hosting of General Meeting of Shareholders

Seoyon E-Hwa posts the convocation resolution and notice two weeks prior to the General Meeting of Shareholders so that shareholders can fully review the agenda items before exercising their voting rights. We have introduced an electronic voting system for the Annual General Meeting of Shareholders, and we make every effort to hold the meeting outside of dates when general shareholder meetings are heavily concentrated.
Furthermore, during the General Meeting of Shareholders, we actively recommend the use of proxy solicitation agents targeted at all shareholders in compliance with relevant regulations. We provide reference materials that comprehensively allow shareholders to consider basic management parameters, including business performance and current corporate status, by incorporating the Business Report and Audit Reports upon announcing the convocation notice.

(Based on Article 4 of the Articles of Incorporation)

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Corporate Governance

Protection of Shareholder Rights

Seoyon E-Hwa's policy on protecting shareholder rights is explicitly stated in Chapter 2, Article 7 of the Corporate Governance Charter, and is publicly disclosed on our official website.

Key Content of the Policy on Protecting Shareholder Rights (Corporate Governance Charter Chapter 2, Article 7)

01 The Company guarantees fundamental shareholder rights under the Commercial Act and relevant regulations, including the right to participate in profit distribution, the right to attend and vote at General Meetings of Shareholders, and other rights guaranteed by relevant laws and the Articles of Incorporation.

02 Matters causing material change to the Company's existence and shareholder rights must be determined in a manner that maximizes the protection of shareholder rights at the General Meeting of Shareholders. These include amendments to the Articles of Incorporation, mergers/business transfers, corporate divisions/split-offs, dissolution, capital reduction, and comprehensive share exchanges or transfers.

03 The Company guarantees one voting right per share. Restrictions on voting rights for specific shareholders shall follow the provisions prescribed by law.

04 The Board of Directors ensures that shareholders opposing major structural changes, such as mergers or business transfers, can exercise their appraisal rights (share buyout demand rights) to sell their shares at a fair price reflecting the substantive value of their stake, as prescribed by law.

05 The Company must guarantee the exercise of minority shareholder rights to protect the interests of all shareholders. Conversely, controlling shareholders who exert influence over corporate management must act for the interests of the Company and all shareholders, and must strive not to infringe upon the rights of other general shareholders through actions that contradict this principle.

Transparent Information Disclosure

Seoyon E-Hwa discloses financial and non-financial corporate information through various channels, including our corporate website and the Financial Supervisory Service's Electronic Disclosure System (DART). Our website provides detailed business-related updates on our projects and products, as well as ESG-related disclosures, ensuring that shareholders, investors, and other stakeholders can easily access and verify the information. Furthermore, through the annual publication of our Corporate Governance Report, we transparently disclose the status of our governance practices and our compliance with the core corporate governance principles suggested by the Korea Exchange (KRX).

Seoyon E-Hwa Website   Corporate Governance Report

Shareholder-Friendly Management

Seoyon E-Hwa distributes dividends through resolutions passed at the General Meeting of Shareholders to enhance shareholder value. We establish dividend policies to pay out dividends equivalent to 30% to 50% of the par value annually, based on a comprehensive review of uncertain domestic and international business environments. Moving forward, we plan to maintain a shareholder-friendly dividend policy direction by comprehensively reviewing the domestic and international economic environments, the Company's investment plans, cash flows, net income levels, and retained earnings surplus, using the current level of dividend payouts as a baseline. Additionally, Seoyon E-Hwa transparently discloses and shares its dividend policy and dividend execution plans at least once a year via electronic disclosures (such as the Business Report and other periodic reports) and our corporate website. Furthermore, to enhance convenience for our shareholders, we launched and have been operating an online dividend inquiry system, the Seoyon E-Hwa Dividend Inquiry Service, since April 2023.

Dividend Inquiry Service

Dividend Status

Share Type		Unit	2023	2024	2025
Common Stock	Dividend Per Share	KRW	200	250	250
	Total Dividend Amount	KRW Million	5,405	6,756	6,756
	Consolidated Net Income		157,774	147,295	59,992
	Consolidated Dividend Payout Ratio	%	3.4	4.6	11.3
Common Stock Dividend Rate	Par Value	KRW	500	500	500
	Dividend Rate to Par Value	%	40	50	50
	Dividend Yield Ratio		1.12	2.09	1.93

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Ethics Management

Ethics Management Overview

Righteousness Management Framework

Righteousness Management refers to a management philosophy where a corporation fulfills its responsibilities and duties to align with the expectations, standards, and values of customers, employees, investors, and other stakeholders alongside profit generation to ensure long-term sustainability. Based on this corporate foundation, Seoyon E-Hwa is committed to enhancing customer and shareholder values, establishing mutually beneficial partnerships with suppliers, and respecting the unique identity of each employee, thereby fostering a mature organizational culture built on mutual trust and understanding.

Seoyon E-Hwa (Righteousness Management)

Seoyon E-Hwa's Righteousness Management Framework

Ethical Management

① Basic Ethics for Custormers
② Basic Ethics for Fair Competition
③ Basic Ethics for Business Partners
④ Basic Ethics of Employees
⑤ Basic Ethics for Employees
⑥ Basic Ethics for the Country and Society

Ethical Practices

① Standards related to valuables (Money and Gifts)
② Standards related to entertainment and hospitality
③ Standards for unfair conduct using tasks and poditions
④ Standards for preventing sexual harassment in workplace
⑤ Fair performance of duties
⑥ Prohibition of improper benefits
⑦ Fostering a sound organizational culture

Operational Organization	Policy & Regulation	Risk Management
• Audit Committee	• Ethics Charter	• Cyber Audit Center
• Internal Audit Office	• Code of Ethics	• Social Media Communication Channels
• Human Resources Office (Ethics Pledge)	• Fair Trade Guidelines	• Hotline (Telephone)
	• Supplier Code of Conduct	• Postal Mail
		• E-mail (Including website inquiries)

Code of Ethics & Ethical Guidelines

Under the corporate philosophy of realizing customer satisfaction through creative management based on respect for human dignity, Seoyon E-Hwa has enacted a Code of Ethics to establish a transparent management framework. In addition to the Code of Ethics, the Company operates standalone Ethical Guidelines that present practical action standards for executing ethical management, empowering all executives and employees to proactively implement Righteousness Management.

Ethics Charter Ethics Guidelines

Five Principles of Seoyon E-Hwa's Ethics Charter

First, We are committed to practicing ethical management aligned with global standards.

• We comply with domestic and international laws as well as global anti-corruption standards, and we continuously strengthen our global-level ethics practices.
• We work with partners and stakeholders to promote ethical management and fulfill our social responsibilities.

First, We are committed to fostering a culture of integrity.

• We follow internal ethical regulations to prevent corruption and ensure transparency in all our business operations.
• We strictly prohibit the giving or receiving of money, gifts, entertainment, or any improper benefits, and we uphold ethical decision-making in every aspect of our work.

First, We are committed to making fair and transparent decisions.

• We avoid conflicts of interest in all business activities and ensure that decisions are made fairly and objectively.
• Employees shall not abuse their authority for personal gain during the course of their duties.

First, We are committed to complying with and continuously improving our internal control processes to prevent corruption.

• We thoroughly implement anti-corruption processes, procedures, and guidelines, and we conduct regular inspections and training to prevent misconduct.
• All employees and stakeholders must adhere to internal control procedures to prevent corruption, maintain a transparent and fair working environment, and build a culture of trust.

First, We are committed to operating a whistleblower system and protecting whistleblowers.

• We protect employees and stakeholders who report misconduct, and we operate a reporting system that ensures anonymity and confidentiality.
• All reports of wrongdoing are thoroughly investigated, and appropriate actions, including legal measures, are taken in response.

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Ethics Management

Ethical Audits

To achieve ethical and compliance management and to reinforce the ethical awareness of our employees, Seoyon E-Hwa conducts regular audits of domestic and overseas business sites based on our annual business plans. We perform ad hoc audits dynamically as social issues arise or when anonymous reports are received.

Ethical Audit & Inspection Performance

Category		Unit	2023	2024	2025
Ethical & Internal Audits	Business sites subject to audits*	Companies	4	5	4
	Business sites audited*	Companies	4	5	4
	Ratio of audited business sites	%	100	100	100
Inspection Activities	Number of regular inspections	Cases	7	4	4
	Number of ad hoc inspections	Cases	2	3	3
	Number of follow-up inspections	Cases	1	4	5
	Number of transparency investigations**	Cases	2	2	2

*Audit plans and results are approved by and reported to the Audit Committee.
**The 2023 data has been corrected due to changes in calculation criteria.

Operating Grievance Channels (Human Rights/Labor, Corruption & Conflict of Interest)

Seoyon E-Hwa operates specialized grievance and reporting channels to accept, receive, and inspect acts related to corruption, conflicts of interest, and human rights/labor issues—including bribery, receipt of entertainment/hospitality, human rights violations, infringement of trade secrets, and unfair trade practices—from our employees as well as external stakeholders. Violators are disciplined and handled in accordance with our internal procedures.

Reporting Types & Status*

Category	Unit	2023	2024	2025
Cyber Audit Center	Cases	0	0	1
Social Media Channel (KakaoTalk)	Cases	1	0	0
Hotline (Telephone)*	Cases	2	1	1
Postal Mail	Cases	0	0	0
E-mail (Including website inquiries)	Cases	0	1	1
Total Number of Violations/Reports	Cases	3	2	3

*Correction of 2023 and 2024 data due to changes in calculation standards.

Disciplinary Actions Status*

Category		Unit	2023	2024	2025
Heavy Discip-li-nary Actions	Dismissal	Cases	0	0	0
	Suspen-sion from Office	Cases	0	0	1
	Demotion	Cases	0	0	0
Light Dis-cip-linary Actions	Repri-mand	Cases	0	0	0
	Salary Reduction	Cases	1	0	0
Other		Cases	2	2	2
Total number of mea-sures		Cases	3	2	3

*Correction of 2023 and 2024 data due to changes in notation items and calculation standards

Types of Whistle-blowing Reports

① Cyber Audit Center
② Hotline : 031-420-3824
③ KakaoTalk Open Chat
④ E-mail : cyber_audit@seoyoneh.com
⑤ Postal Mail: (14055) Internal Audit Group, Seoyon E-Hwa, 41-22, Burim-ro 170, Dongan-gu, Anyang-si, Gyeonggi-do, Republic of Korea

- Reception of bribery, money transactions, and entertainment, hospitality
- Embezzlement of public money, theft, and fraudulent behavior
- Abuse of authority, position and solicitation
- Violation of the Fair Trade Act /
- Environmental issues
- Human rights violations, workplace harassment, and sexual harassment
- Matters related to work discipline
- Infringement of trade secrets
- Information security violations
- Other issues

Whistle-blowing Procedure

Upon receipt of a report on unethical conduct, the contents are confirmed by the relevant department and subjected to an internal investigation within 15 to 20 days. All reports and consultations are handled with strict confidentiality. (Anonymous reports may require additional time for verification, and if necessary, will be transferred to the appropriate department).

Report submission → Submission completed → Review by the concerned department → Resolution completed

Whistle-blower Protection

Confidentiality of the Whistleblower's Identity

Reward and exemption criteria for whistleblowers
-A reward may be provided if the report results in increased company profit or reduced losses.
-Voluntary reports are exempt from penalties, including sanctions against suppliers, regardless of content or timing.

Prohibition on disclosure or tracing of whistleblower's identity
- Employees, even if they become aware of a whistleblower's identity in the course of fulfilling their duties or by chance, must not disclose it.
-All acts that may reveal the identity of a whistleblower—such as inquiries or probing—are strictly prohibited.
-Disclosure or implication of the whistleblower or cooperating parties' identity without their consent is prohibited.
-Violation of identity protection obligations may result in disciplinary action.

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Ethics Management

Implementation of Ethics Management

Ethics Management Training

Seoyon E-Hwa conducts regular corporate ethics training for all employees to ensure transparent and fair business execution, laying the foundation for the organizational implementation of Righteousness Management. Training programs are operated through various tracks, including ISO 37001-linked training for all employees, specialized training for department heads, basic training for new hires, and transparent ethics cascading training held in parallel with the client company's Desirable Partnership Training Program.

Target	Organizer	Training Content	Category	Unit	2023	2024	2025
All Employees*	Internal Audit Group	ISO 37001-linked training	No. of employees completing training	Persons	-	-	466
Department Heads**	Head of Internal Audit Group	Ethics management training for leadership positions	Target employees	Persons	59	30	33
			No. of employees completing training	Persons	49	26	28
			Completion rate	%	83	87	85
New Hires***	Human Resources Group	Basic ethics management training	No. of employees completing training	Persons	77	73	95
Relevant Departments****	CEO	Transparent ethics cascading training (Q2)	No. of employees completing training	Persons	120	132	100
	Sales & Cost Control Group	Transparent ethics cascading training (Q4)			-	279	291

* Based on domestic workplaces, items added in accordance with ISO 37001 certification
** Targeting Department Heads and Team Leaders
*** Correction of 2023 and 2024 data due to changes in calculation standards regarding the Compliance Officer's major activities in the business report
**** Departments subject to dissemination training are being selected and managed separately (refined expression methods)

Activities to Reinforce Ethical Awareness

Seoyon E-Hwa operates various channels to reinforce the ethical awareness of our executives and employees. Through the internal compliance bulletin board, we provide updates on internal compliance activities and enhance understanding of ethical values, presenting practical methods for execution. We actively participate in the Transparent Ethics Management Together campaign driven at the Seoyon Group level, fostering shared commitment across the organization.

Status of Awareness Reinforcement Activities

Channel	Activity Content	Cycle	Unit	2023	2024	2025
Internal Bulletin Board	Sharing materials to reinforce ethical awareness	Ad-hoc	Cases	29	26	27
Groupware Mail	Campaign cooperation request emails	Before/After Traditional Holidays	Times	2	2	1

Anti-Bribery Management System Certification

Seoyon E-Hwa has acquired the ISO 37001 (Anti-Bribery Management System) certification to strengthen our ethical management and establish a transparent compliance framework. ISO 37001 is an international standard that requires the operation of a management framework designed to prevent corruption, covering corruption risk identification and control, employee training, reporting systems, and continuous monitoring. Seoyon E-Hwa plans to continuously inspect and maintain its anti-bribery management systems in accordance with relevant regulations and procedures.

International Standard (ISO 37001)		Certification Status	Expiration Date
Domestic	Ulsan Plant / Asan Plant / Headquarters (Pyeongchon)	●	2028.06
Overseas	Jiangsu Seoyon E-Hwa	●	2028.07
	Seoyon Summit India (Plant1/2/5)	●	2028.08

Leading Sustainable Auto Parts
Sustainability Report 2026

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Ethics Management

Fair Trade & Compliance Management

Fair Trade Compliance Activities

Seoyon E-Hwa distributes internal regulations and guidelines regarding fair trade to its employees and suppliers, which specify report and disciplinary standards along with reporting and handling procedures in the event of any regulatory violations. To prevent unfair trade practices or anti-competitive behavior, basic ethics requirements for suppliers are integrated into our ethical guidelines. If our employees or suppliers receive requests, hospitality, entertainment, or solicitations that fall under these guidelines, they are mandated to immediately fill out a Report on Receipt of Money and Goods or a Report on Receipt of Conveniences depending on the situation and report it to the Audit Office or Cyber Audit Office, while executing measures to prevent recurrence.
Furthermore, Seoyon E-Hwa complies with subcontracting laws, such as the Fair Transactions in Subcontracting Act, to establish a fair market order. Each business site utilizes standard subcontracting agreement templates and terms recommended by the relevant government authorities, the Fair Trade Commission, or industrial associations of the respective country. We also collect signed Pledges of Compliance with the Code of Ethics from all new hires every year.

Status of Compliance Pledge Submission by New Hires

Category	Unit	2023	2024	2025
Eligible Employees	Persons	120	82	112
Pledge Rate	%	100	100	100

Compliance Management Framework & Activities

Seoyon E-Hwa has enacted and implemented the Compliance Control Standards to facilitate fair and transparent business execution through statutory compliance, secure the company's healthy growth, and earn customer trust. To ensure that our employees strictly abide by relevant laws and regulations during their management activities, we have appointed one Compliance Officer who meets the legal qualification requirements.
Additionally, to reinforce the compliance awareness of our employees, we conduct annual legal training for all administrative and managerial staff, covering a wide range of fields including workplace harassment prevention, criminal offenses in general, personal information protection, the Serious Accidents Punishment Act, subcontracting laws, and fair trade laws. To maximize the effectiveness of our Compliance Control Standards, we have established an internal control system and continuously conduct semi-annual (twice a year) self-assessments using electronic signatures on our digital system.

Status of the Compliance Officer

Appointee	Term Start Date /Re-appointment	Term of Office	Key Activities	Supporting Department	Compliance Staff
Sang-Cheon Mun	2024.03.28	3 Years	• Prior compliance reviews regarding overall corporate management • Monitoring compliance issues • Implementation of compliance training	Internal Audit Group	4 Persons

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Risk Management

Risk Management Framework

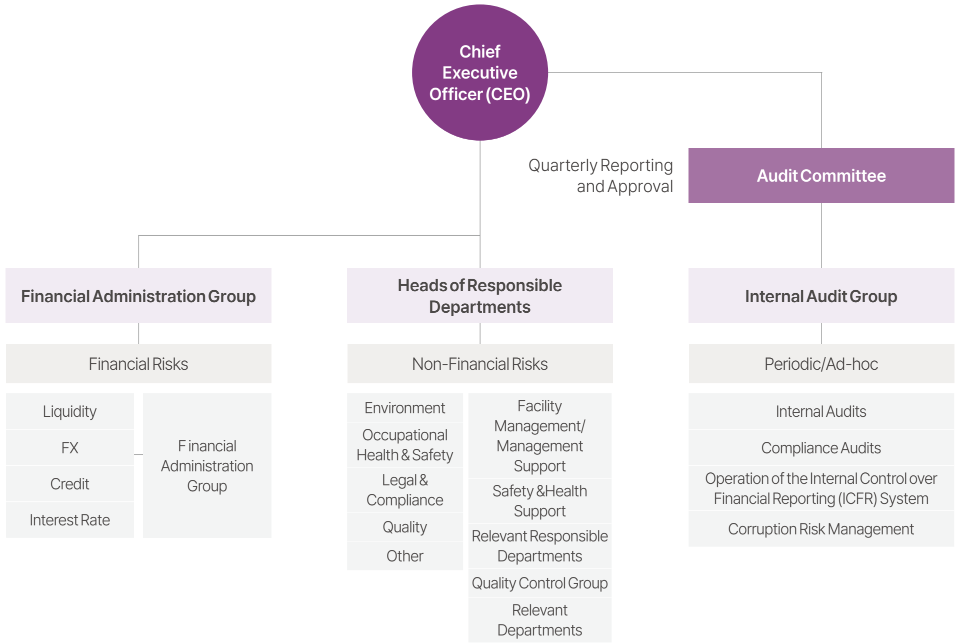
Risk Management Governance

Seoyon E-Hwa has established and operates a risk monitoring and management system to respond to potential financial and non-financial risks and to strengthen post-management. Financial risks are managed by the Finance Department, while non-financial risks are managed by the respective departments responsible for each specific business area. The Audit Office, which supports the Audit Committee, conducts regular and ad hoc inspections of internal audits, compliance checks, and the operation of the Internal Control over Financial Reporting (ICFR) system, reporting the results to the Audit Committee on a quarterly basis.

Risk Management & Evaluation Process

Identification of Risk Assessment Scope and Areas → Establishment of Risk Assessment Methodologies and Evaluation Plans → Risk Assessment Training → Risk Identification and Evaluation → Development of Risk Mitigation Measures and Action Plans → Implementation of Risk Controls and Effectiveness Evaluation

Risk Management Governance Structure



Risk Management by Type

We classify and manage potential risks into financial risks arising from domestic and overseas business operations—such as liquidity risk, foreign exchange (FX) risk, credit risk, and interest rate risk—and non-financial risks arising from changes in the business environment, such as environmental, safety and health, legal, and quality risks.

Major Risks by Type

		Description	Impact on Business	Response & Management
Financial Risks	Liquidity Risk	Risk arising from a shortage of cash liquidity	Occurrence of risk from overexposure to market risks	Managing funding plans and expanding the capital financing structure
	FX Risk	Risk arising from fluctuations in international foreign exchange rates	Occurrence of FX losses during raw material imports and product exports	Expanding foreign currency inventory and executing Korean Won appreciation strategies, etc.
	Credit Risk	Risk arising from a debtor's default or a counterparty's breach of contract	Occurrence of economic losses due to uncollected receivables	Establishing credit insurance and credit guarantee business strategies, etc.
	Interest Rate Risk	Risk of interest rate fluctuations caused by interest rate hikes, etc.	Occurrence of economic losses due to excessive interest expenses	Establishing repayment plans to improve financial soundness, etc.
	Tax Risk	Risk arising from violations of tax payment and reporting obligations under tax laws	Occurrence of reputational risks, legal sanctions, and financial losses	Systematizing tax organizations and responsible departments, utilizing external consultations, etc.
Non-Financial Risks	Environmental Risk	Risks related to environmental regulations	Disadvantages in securing orders/investments, and occurrence of environmental penalty surcharges	Driving and implementing mid-to-long term ESG strategies
	Occupational Safety and Health Risk	Risks related to fatalities or occupational safety and health incidents resulting from serious accidents	Reputational damage and potential legal liabilities	Development of OHS policies and implementation of safety training programs
	Legal Risk	Risks associated with legal damages arising from technology, information security, or disaster-related incidents	Litigation and associated legal costs	Ongoing compliance management and employee training
	Quality Risk	Risks associated with maintaining product quality standards	Disruptions to production and sales activities	Operation of quality management systems and standardized quality control procedures

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Risk Management

Information Security

Information Security Policy

Seoyon E-Hwa operates an information security management framework in compliance with information protection laws and internal information security management processes (SMS-A-20). Information security management is divided into administrative, physical, and technical security sectors, and each designated department and person in charge manages them in accordance with relevant regulations.

Based on internal regulations, we establish and implement information security policies applicable to all employees, contractors, visitors, and information assets (documents, storage media, IT equipment, facilities, etc.) owned by the organization. Seoyon E-Hwa determines information security policies, delivers updates, and migrates protocols through the Security Committee, while assigning specific responsibilities and roles to each security unit to ensure information security duties are thoroughly executed.

In the event of an information security policy violation, the severity of the breach is assessed and reported to the Chief Information Security Officer (CISO). Prompt response measures are then taken in accordance with internal security procedures (SMS-A-20-W01 IT Security Incident Response Guidelines). Furthermore, following any incident, we formulate and implement countermeasures to prevent recurrence.

Information Security Management Regulations

Process Name	Management Area	Management Duties		Response & Management	
Corporate Security Management Process	1. Administrative Security	1) Security Organization Management 2) Security Pledge Collection 3) Security Training 4) Offboarding Employee Management	5) Security Violator Management 6) Information Asset Management 7) Compliance 8) Security Audits	• Computer Security Management Procedures • Personal Information Management Guidelines • Internal Audit Procedures • Management Review Procedures	
	2. Physical Security	1) Establishment of protected zones 2) Control of asset entry and exit	3) CCTV operation and facility monitoring 4) Business continuity management	• Access Control Management Procedures • Environmental, Safety and Health Emergency Management Procedures • IT Disaster Recovery Response Guidelines	
	3. Technical Security	1) User Security Guidelines 2) Network Security 3) System Security	4) Security System Operation 5) IT Security Incident Management	• User Security Guidelines • Network Security Guidelines • System Security Guidelines • Security System Operation Guidelines	• IT Security Incident Response Guidelines • Computer Development Procedures • Computer Operation Procedures

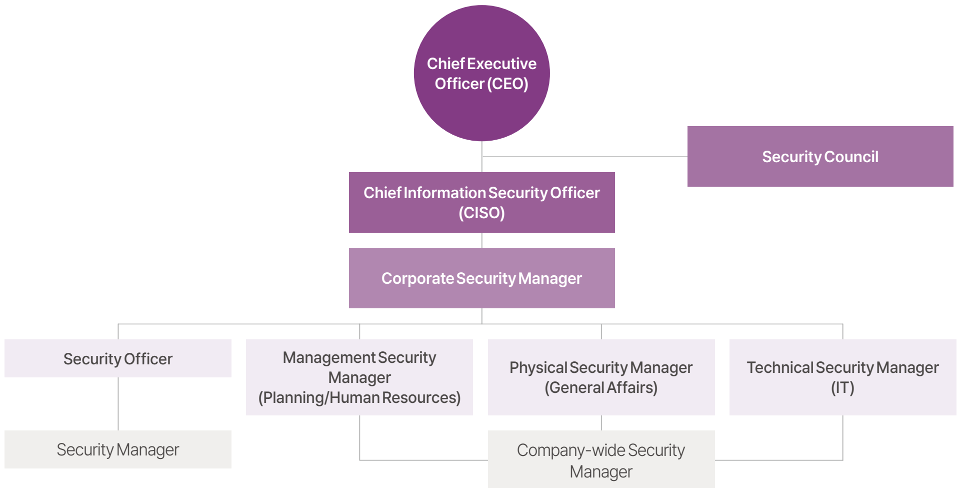
Details of IT Security Management Procedures

Category		Content
Security Training		Information security objectives, participant selection, training curriculum, and training implementation
Information Security Activities	Information security activities	Execution of confidentiality agreements for employees and contractors
	PC Security Management	Account management, log management, screen saver password protection, file sharing controls, operating system security updates, and data encryption
	External Information Security	Antivirus protection, installation of security patches, email security, firewall management, intrusion prevention and detection, and malicious code protection
	Internal Information Security	Prevention of information leakage and operation of an internal hacking prevention system
	Application Security	Groupware security, software development security, access control, and prohibition of unauthorized software use
	Incident Response/ Disaster Recovery	Scope (network, database, information systems), response procedures, and roles and responsibilities
	Responsibilities of IT System Users	Employee compliance obligations and disciplinary measures for policy violations

Information Security Management System

Seoyon E-Hwa has established an internal information security management framework to ensure systematic information protection. The Chief Information Security Officer (CISO) is responsible for the comprehensive management and supervision of information security-related policy determinations, information security regulation drafting, training execution, the appointment of corporate security managers and personnel, and implementation status tracking. Corporate security managers and security personnel (classified into administrative security managers, physical security managers, and technical security managers) appointed by the CISO plan and manage information security activities across the entire organization, including policy formulation, rule definition, and training execution. Corporate security personnel reply to corporate security managers regarding requested improvement measures, response plans, and schedules, and operate a systematic management process where they report the results to corporate security managers and the CISO after taking actions according to the plan.

Information Security Management Organizational Chart



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Risk Management

Response System for Data and Trade Secret Leaks

Seoyon E-Hwa operates an information security management system to respond promptly and systematically to data and trade secret leaks, as well as security incidents. We pre-define expected security incident types and strengthen prevention activities by conducting regular mock drills and training. In the event of a security incident, a dedicated response organization is quickly formed to establish early containment measures and respond.
During the incident handling process, related evidence and data are securely managed, and post-incident training is provided to employees based on follow-up management plans. Security incident response procedures are also reviewed regularly and revised as necessary. We also operate independent response drills and form emergency response teams to proactively counter various security threats such as cyberattacks.

Incident Response / Disaster Recovery Process*

*Scope: Network, D/B, Seoyon Systems, etc.

Investment Activities in the Information Security Sector

Seoyon E-Hwa steadily invests in the information security sector to enhance its information protection operating framework. In accordance with the Act on the Promotion of Information Protection Industry and the Notification on Information Protection Disclosure, our information protection status is publicly disclosed annually on the Comprehensive Information Protection Disclosure Portal (KISA)

Status of Investment in IT & Protection Sectors

Data Name	Unit	2023	2024	2025*
IT Sector Investment Amount	KRW Million	9,390	5,999	5,647
Information Security Sector Investment Amount	KRW Million	434	472	606
Ratio of Information Security Investment to Total IT Investment	%	4.6	7.9	10.7

*Data prior to the official information protection disclosure; final disclosed data may vary.

Information Security Training

Seoyon E-Hwa conducts internal IT information security training at least once a year to raise security awareness among employees and prevent security incidents. We complete external intrusion response security training hosted by Hyundai Motor Company on a quarterly basis to strengthen practical security incident response capabilities.

Status of Employee Information Security Training

Training Content	Organizer	Category	Unit	2023	2024*	2025
AEO Certification IT Management Training	IT Management Team (Information Innovation Team)	Target Audience	Persons	339	456	616
		Attendees		323	422	520
		Completion Rate	%	95	93	84
Industrial Security Online Training**	Planning Team	Target Audience	Persons	467	520	584
		Attendees		432	427	556
		Completion Rate	%	93	82	95

* The 2024 data has been corrected due to changes in calculation criteria.
**Educational Institution: Korea Association for Industrial Technology Security (KAITS)

In addition to information security training for employees, we regularly carry out information security campaigns (utilizing posters from the Korea Internet & Security Agency, etc.) through pop-up bulletin boards tailored for employees.

Status of Employee Information Security Campaigns

Campaign Content	Organizer	Posting Management	Posting Location	Posting Timeline
Trade Secret Protection Training	IT Management Team (IT Innovation Team)	Planning Team	Pop-up Bulletin Board	Monthly: Weeks 1 & 3
Security Advisory on Ransomware Infection				Monthly: Weeks 2 & 4
'Information Security Day' Campaign				1–2 Times per Quarter

Information Security Certification

Seoyon E-Hwa strives to preemptively respond to global demands as well as legal and regulatory standards, while securing the trust of customers, partners, and employees by acquiring ISO certifications related to information security. ISO/IEC 27001 certification implies that the Company satisfies information security requirements across various fields, including information security policy, risk management, access control, internal audits, and more. Moving forward, Seoyon E-Hwa plans to continuously inspect its information protection management framework according to relevant regulations and procedures to advance its information protection level.

	International Standard (ISO 27001)	Certification Status	Expiration Date
Domestic	Ulsan plant/Asan Plant/ Headquarters (Pyeongchon)	●	2028.04
Overseas	Beijing Seoyon E-Hwa	●	2028.07
	Assan Hanil (Site 1/2/3/4)	●	2028.01
	Seoyon E-Hwa Slovakia (Plant1/2)	●	2026.08
	Seoyon E-Hwa Poland	●	2027.01
	Seoyon Summit India (Plant1/2/5)	●	2028.08
	Seoyon E-Hwa Texas	●	2028.09
	Seoyon North America	●	2028.08

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ESG Performance Data

Economy

Summarized Income Statement(consolidated)

Classification	Unit	2023	2024	2025
Sales	KRW in Millions	3,574,266	4,041,529	4,505,250
Cost of sales		3,028,542	3,410,198	3,858,056
GROSS PROFIT		545,724	631,331	647,194
Selling and administrative expenses		352,614	476,926	485,394
OPERATING PROFIT (LOSS)		193,110	154,404	161,800
PROFIT BEFORE TAX (LOSS)		194,997	202,228	97,265
Corporation tax		30,957	47,911	36,165
NET PROFIT (LOSS)		164,040	154,317	61,100

Summarized Financial Position(consolidated)*

Classification	Unit	2023	2024	2025
Current assets	KRW in Millions	1,008,713	1,184,825	1,337,560
Non-current assets held for sale		26,506	18,283	18,639
Non-current assets		1,322,631	1,750,734	1,848,843
Total assets		**2,357,851**	**2,953,842**	**3,205,041**
Current liabilities		1,118,745	1,402,244	1,518,070
Liabilities Held for Sale		16,334	9,078	9
Non-current liabilities		297,187	381,019	454,102
Total liabilities		**1,432,266**	**1,792,340**	**1,972,181**
Capital stock		13,514	13,514	13,514
Capital surplus		445,800	445,893	445,910
Other Capital Items		(152)	(152)	(152)
Accumulated Other Comprehensive Income		62,794	145,562	162,998
Retained Earnings		359,678	494,959	549,114
Non-controlling Interests		43,952	61,726	61,476
Total equity		**925,585**	**1,161,501**	**1,232,860**

* Based on the Annual Report

Sales by Region (consolidated)*

Classification	Unit	2023	2024	2025
Korea	KRW in Millions	1,114,870	1,103,572	1,201,609
Europe		651,077	702,379	704,821
China		81,792	145,411	139,005
India		568,152	572,367	592,482
USA		878,279	1,146,922	1,406,724
Mexico		150,130	240,362	320,396
Brazil		88,502	89,815	96,212
Others		41,464	40,700	44,000
Total		**3,574,266**	**4,041,529**	**4,505,250**

* 2023 and 2024 data revised in accordance with disclosure standards of the Annual Report

Distribution of Economic Value (consolidated)*

Classification		Unit	2023	2024	2025
Employees	Total saslary	KRW in Millions	351,837	401,035	454,458
	Defined Contribution (DC) Retirement Pension		6,495	15,422	5,695
	Total welfare expenses*		51,334	59,603	78,095
Partners	Raw material costs used		2,088,248	2,064,141	2,214,420
Government	Corporation tax		30,957	47,911	36,165
Local communities	Social contribution expenses (donation and subsidies, etc)*		428	574	798
Debtors	Cost-based interest expenses*		32,166	31,427	33,662
Shareholders	Total dividends to shareholders*		4,053	5,405	6,756

* 2023 data revised in accordance with disclosure standards of the Annual Report

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ESG Performance Data

R&D

R&D Expenditure*

Classification		Unit	2023	2024	2025
Total R&D Expenditure (R&D investment)	Selling and administrative expenses	KRW in Millions	49,026	60,259	67,467
	Manufacturing expenses		470	537	1,381
	Development expenses (intangible assets)		322	152	488
	Total		49,818	60,949	69,336
R&D expenses to sales ratio		%	3.1	3.4	3.6

* Based on the Business Report

R&D Personnel*

Classification		Unit	2023	2024	2025
Total R&D personnel (Number of R&D staff)	Research personnel	Persons	161	197	224
	Research assistants		29	29	12
	Total		190	226	236

* Based on the Business Report

Patent(Intellectual Property Rights)

Classification		Unit	2023	2024	2025
Number of domestic and overseas patent applications for the automobile parts business	Domestic	Cases	136	118	150
	Overseas		62	44	33
	Total		198	162	183
Number of domestic and overseas patent registered in the automobile parts business	Domestic		88	79	91
	Overseas		34	14	21
	Total		122	93	112

Governance

Violations of the Code of Ethics and Reporting*

Classification		Unit	2023	2024	2025
Violations of the code of ethics and reporting	Bribery, Financial Transactions, Receiving Entertainment/Favors	Cases	2	0	0
	Embezzlement of Public Funds and Theft, Personal Gain-Seeking		0	1	0
	Abuse/Misuse of Authority and Solicitation		0	0	0
	Violation of Fair Trade Act		0	0	0
	Human Rights Violations, Workplace Bullying/Sexual Harassment		0	1	2
	Matters Related to Work Discipline		0	0	0
	Trade Secret Infringement		0	0	0
	Violation of Personal Information Protection Act		0	0	0
	Total Violations/Reports		2	2	2
Compliance with regulations	Regulatory Violations	Cases	0	0	1
	Total Fines/Penalties	KRW 100 millions	0	0	0.38

* Based on the number of cases ruled on in the relevant year.

Anti-competitive Practices

Classification	Unit	2023	2024	2025
Financial loss due to anti-competitive acts, etc.	KRW 100 millions	0	0	0
Legal actions on unfair trade practices such as anti-competitive acts and monopolies	Cases	0	0	0

Anti-Bribery Management System Certification

Classification		Unit	2023	2024	2025
Anti-Bribery Management System Certification (ISO 37001)	Business sites subject to obtainment	Sites	25	29	29
	Business sites that obtained the certification		-	-	7
	Obtainment rate	%	-	-	24

Information Security Checks

Classification		Unit	2023	2024	2025
Number of Information Security Vulnerability Checks		Times	8	7	11
Number of Information Security Incidents		Cases	0	0	0
Information security violations and detection	Number of cases	Cases	0	0	0
	Fines	KRW in Millions	0	0	0

Information Security Certification

Classification		Unit	2023	2024	2025
Information Security Certification (ISO 27001)	Business sites subject to obtainment	Sites	25	29	29
	Business sites that obtained the certification		-	-	15
	Obtainment rate	%	-	-	52

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