

Leading Sustainable Auto Parts

Seoyon E-Hwa 2025 Sustainability Report

About This Report

Report Overview

Seoyon E-Hwa Co., Ltd. (hereinafter “Seoyon E-Hwa”) is committed to pursuing sustainable innovation as part of our efforts to ensure long-term corporate growth and fulfill our environmental and social responsibilities. Through the publication of the 2025 Sustainability Report, we wish to transparently disclose our environmental and social activities and performance over the past year and aim to actively engage with our stakeholders.

Reporting Period

Seoyon E-Hwa publishes our sustainability performance on an annual basis. This report primarily covers activities and achievements during the period from January 1, 2024, to December 31, 2024. Some data prior to January 1, 2024 as well as updates from the first half of 2025 are also included where necessary to indicate trends.

Reporting Scope

- Financial Reporting : Based on separate and consolidated financial statements in accordance with the Korean International Financial Reporting Standards (K-IFRS). The consolidated financial statements cover 32 subsidiaries, including 14 major domestic and overseas subsidiaries such as Seoyon Autovision.
- Non-financial Reporting : Includes all domestic business sites of Seoyon E-Hwa, such as headquarters, manufacturing plants, and R&D centers. Certain subsidiaries without operational control are excluded from the scope of reporting. In cases where the reporting scope or boundaries differ, explanatory notes are provided accordingly.

Independent Assurance

To ensure the accuracy, objectivity, and reliability of the reporting process and the information disclosed, Seoyon E-Hwa commissioned the British Standards Institution (BSI), an independent verification agency, to conduct third-party assurance. The results of this verification are provided on pages 86–87 of this report.

Reporting Standards

This report has been prepared in line with the Global Reporting Initiative (GRI) Standards, the global framework for sustainability reporting. It also comprehensively reflects global sustainability standards and initiatives, including the United Nations Sustainable Development Goals (UN SDGs), Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD), World Economic Forum (WEF), and the International Sustainability Standards Board (ISSB). All financial data presented in the report is based on K-IFRS.

Corporate Information Disclosure

Seoyon E-Hwa discloses corporate information for investors and stakeholders through various channels, including our official website and electronic disclosure systems. Sustainability-related updates and reports can be accessed via the following:

- [🔗 Seoyon E-Hwa Website](#)
- [🔗 Annual Report \(March 31, 2025\)](#)
- [🔗 Audit Report \(March 18, 2025\)](#)
- [🔗 2025 Sustainability Report \(June 30, 2025\)](#)

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Publication Date	June 30, 2025

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CEO's Message

Creating a Better Future Together through Creative Technology, Innovation, and Responsible ESG Management

Dear Valued Stakeholders,

I would like to express my sincere gratitude to all of you who have continued to support and place your trust in Seoyon E-Hwa, and have joined us in working toward a sustainable future.

In 2024, the global economy faced a complex crisis characterized by inflation, instability of the supply chain, and geopolitical tensions. The automotive industry, in particular, is undergoing an unprecedented transformation amid the shift to electric vehicles and the enforcement of global ESG regulations.

Despite these challenges, Seoyon E-Hwa achieved KRW 4 trillion in consolidated annual sales in 2024 and was ranked 82nd among the world's top 100 automotive parts suppliers, reaffirming our global competitiveness. We believe this is not merely the result of external growth, but a testament to our unwavering commitment to sustainable innovation, sound management practices, and our continued integration of ESG principles.

To achieve sustainable growth where people, the environment, and technology coexist and thrive in harmony, we are pursuing the following key initiatives that reaffirm our commitment to building a more sustainable company:

Advancing Eco-Friendly Management Innovation

- 1 Expanding the selection scope for greenhouse gas (GHG) emissions boundaries globally
- 2 Implementing and operating a GHG emissions management system
- 3 Establishing a carbon neutrality roadmap and enhanced monitoring of reduction activity

First, we are expanding our eco-friendly technologies and working systematically toward achieving carbon neutrality.

Seoyon E-Hwa is actively participating in efforts to combat climate change by enhancing energy efficiency, improving facilities and processes to reduce GHG emissions, and developing eco-friendly products and recycling technologies to create sustainable future value.

Embedding Responsible Management for Society

- 1 Strengthening supports for employees and communities (family-friendly policies, social contribution)
- 2 Building a support system for suppliers to enhance ESG performance across the value chain
- 3 Promoting a culture of safety and health and reinforcing management practices

Second, we are fostering inclusive growth and mutual prosperity with local communities and suppliers.

Seoyon E-Hwa is committed to pursuing shared growth through education, job creation, and substantial welfare programs. We are building a workplace culture where diversity and inclusion are valued, and where all members work in a safe and healthy environment with mutual respect.

Enhancing Transparent and Efficient Governance

- 1 Operating board-level committees (Audit Committee, ESG Committee, etc.)
- 2 Strengthening management of the internal control system

Third, we are reinforcing transparency and advancing our corporate governance structure.

We recognize that transparent governance is the foundation of sustainable management. Seoyon E-Hwa is strengthening ethical leadership and internal control systems while managing risks systematically to enhance corporate credibility. Through these efforts, we aim to earn the trust of shareholders and all stakeholders, and ensure sustainable growth.

This report is not just a record of our past performance but a pledge toward our future direction. Moving forward, we will respond proactively to evolving global regulations and market demands, and strive to remain a responsible contributor to a sustainable industrial ecosystem.

We kindly ask for your continued interest and valuable feedback, and we pledge to always be your trusted partner. Thank you.

CEO of Seoyon E-Hwa Co., Ltd. **Yong-Suk Kang**

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Company Overview

Company Overview

In an era where the responsibilities of corporations extend beyond developing top-quality products and advanced technologies, Seoyon E-Hwa is committed to practicing ESG management consistently.

Since our founding in 1972, Seoyon E-Hwa has been manufacturing and supplying core automotive interior components such as door trims, bumpers, seats, headliners, and package trays to global automakers. Beginning with the production of interior components for “Pony,” Korea’s first domestically developed passenger car, we have focused on improving quality and developing advanced technologies. Today, centered around our Ulsan and Asan plants, we respond flexibly to the demands presented by the rapidly evolving automotive industry through cooperation with our global subsidiaries and affiliated companies.

General Information



SEOYON E-HWA

Company Name	Seoyon E-Hwa Co., Ltd.
Established Year	Established in 2014 through a corporate spin-off (originally founded in 1972)
CEO	Yong-Suk Kang
Main Business	Development, manufacturing, and sales of automotive interior and exterior parts
Headquarters Address	41-22, Burim-ro 170beon-gil, Dongan-gu, Anyang-si, Gyeonggi-do, Republic of Korea
Business Locations	Operating 29 manufacturing plants across 10 countries, including Korea

Revenues
(Unit: KRW 100 million)
40,415

Operating Profits
(Unit: KRW 100 million)
1,544

Total Assets
(Unit: KRW 100 million)
29,538

Employees

939 persons (domestic)

13,727 persons (overseas)

Seoyon Group

Excellence, Only for your Happiness

Seoyon is evolving with the changing landscape of the future automotive industry through creative thinking and continuous innovation.

Manufacturer of interior and exterior parts used by carmakers around the world

Manufacturer of high-quality molds and heavy machinery exterior parts

Manufacturer of door trim and instrument panels for passenger vehicles

Manufacturer of urethane foam products for comfort and occupant protection

Manufacturer of seats for buses, trucks, and other commercial vehicles

Management Philosophy and Vision



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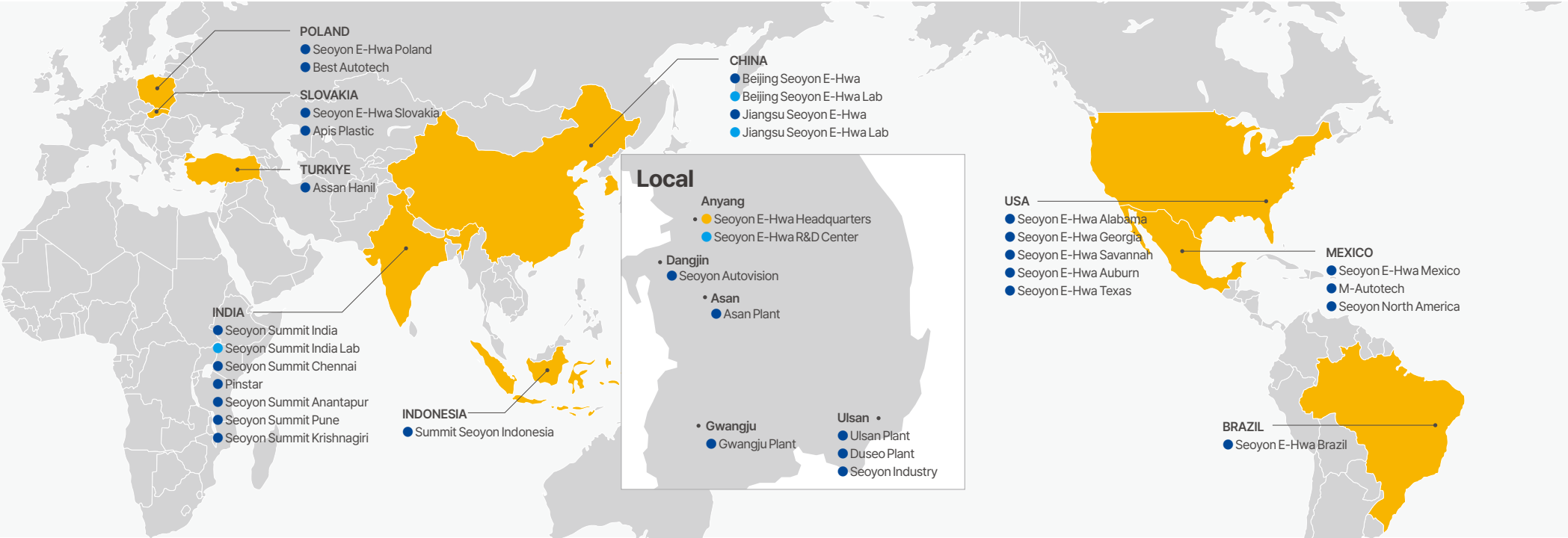
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Company Overview

Global Network

Seoyon E-Hwa is headquartered in Korea and operates a total of 29 production plants and 4 laboratories across 10 countries worldwide.

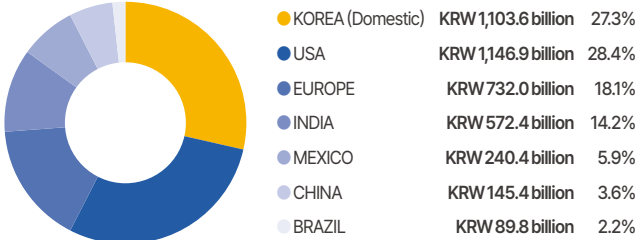
1 Headquarters 29 Production Plants 4 Laboratories



Sales Channels

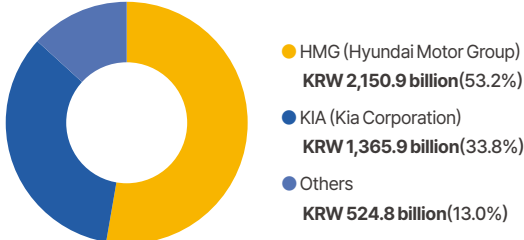
- OEM Sales**
Products are developed upon customer request and supplied in line with the vehicle production schedule.
- Direct Export**
Materials that cannot be localized are sourced and produced by the headquarters and delivered upon request from overseas subsidiaries.
- A/S Sales and Others**
Supplies are provided in a timely manner upon orders for A/S parts, and payments are processed accordingly.

Sales Performance by Region



* Based on the 2024 Business Report, "Sales Status of Major Products and Services"

Sales Performance by Major Clients



* Based on the 2024 Business Report

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Major Products and Services

Seoyon E-Hwa specializes in the production of interior and exterior components for automobiles. Our core product lineup includes a wide range of interior parts such as door trims, consoles, luggage side trims, headlining, and package trays for passenger vehicles, as well as commercial vehicle seats. For exterior parts, we manufacture bumpers, tailgate trims, cowl tops, and other related components.

Door Trim

Components that enhance the interior aesthetics of a vehicle and provide storage and safety features

- Trim
- Inside Handle
- Armrest
- Speaker Grille



Cockpit Module

Basic frame that protects electronic equipment such as instrument panel and central display



Bumper

Component mounted to protect the front and rear of the vehicle body

- Bumper Cover
- Radiator Grille



Head Lining

Component that provides insulation to block external noise and temperature changes from the vehicle ceiling



Package Tray

Component mounted to separate the vehicle interior from the trunk room with a rear package tray panel

- Package Trim Board
- Speaker Grille
- Child Anchor Cover



Cargo Screen

Component installed behind the rear seats of RV or SUV vehicles to prevent external exposure

- Sunshade
- Housing



Console

Component located between the driver's and passenger's seats, used for storing belongings and resting the driver's arm

- Armrest
- Floor Console
- Cover



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Company Overview

Economic Value Creation and Distribution Status

Input	
Financial Capital * Market capitalization as of year-end 2024 closing price	
Total Assets	KRW 2,953.8 billion
Total Equity	KRW 1,161.5 billion
Market Capitalization	KRW 318.1 billion
Produced Capital	
Tangible Assets	KRW 1,389.5 billion
Cost of Raw Materials Used	KRW 2,064.1 billion
Cost of Purchased Goods	KRW 848.8 billion
Natural Capital * Based on domestic data	
Energy Consumption	143.8TJ
Water Consumption	66,144 tons
Intellectual Capital	
Number of R&D Personnel	226 persons
R&D Expenditure	KRW 60.9 billion
Human Capital	
Number of Employees (Domestic & Overseas)	14,666 persons
Salaries	KRW 401.0 billion
Retirement Benefits (Defined Contribution)	KRW 15.4 billion
Welfare Expenses	KRW 59.6 billion



Output	
Financial Capital	
Revenue	KRW 4,041.5 billion
Operating Profits	KRW 154.4 billion
Corporate Tax	KRW 47.9 billion
Produced Capital	
	Hyundai Motor KRW 2,150.9 billion
Sales Status	KIA KRW 1,365.9 billion
	Others KRW 524.8 billion
Natural Capital * Based on domestic data	
Greenhouse Gas Emissions	7,029 tCO ₂ eq
Waste Emissions	318.9 tons
Waste Recycling	106.3 tons
Intellectual Capital	
Patent Applications	162 cases
Patent Registrations	93 cases
Human Capital * Consolidated revenue per employee (domestic and overseas)	
Productivity per Capita (Revenue)	KRW 280 million
Social Capital	
Social Contribution Expenses (Donations, Subsidies, etc.)	KRW 570 million

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R&D

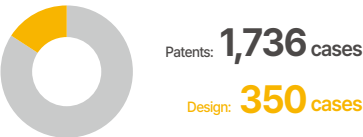
R&D Strategy

In line with our corporate philosophy—"We will contribute to human happiness by creating the best products and services based on top-tier talent."—Seoyon E-Hwa strives to create superior products and services continuously through ongoing research and development. We focus on the commercialization of technology and aim to increase product value by precisely understanding customer needs. Based on mutual trust and a spirit of pursuing challenges, we are committed to delivering the highest quality to ensure customer satisfaction and to continuously enhance our competitiveness.

Run On 2030

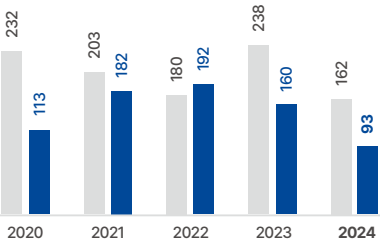
- R** Raise value
- U** Ultimate quality
- N** New & Competitive technology

Intellectual Property Status

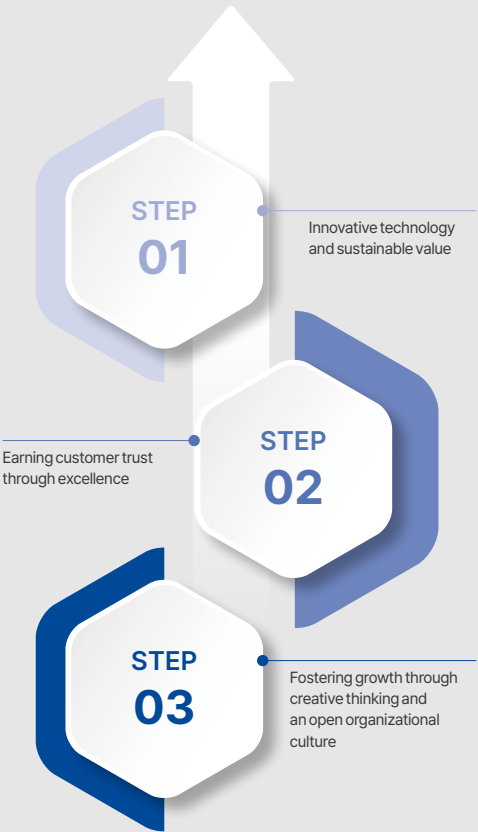


Intellectual Property Applications Status

Patents **162** cases Patent applications **93** cases



We Create Future & Technology



R&D Direction and Areas

Seoyon E-Hwa identifies market trends and sets four directions for technology development to meet customer needs, while engaging in diverse research areas for development of technologies and products.

New Technology & Product Method Research

New user experiences / Intelligent interior heating / New production method



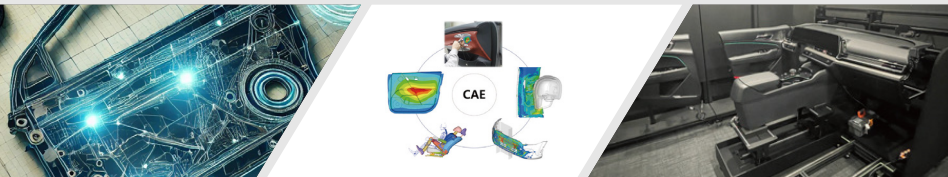
Advanced Materials Research

Lightweight / Eco-friendly / High performance



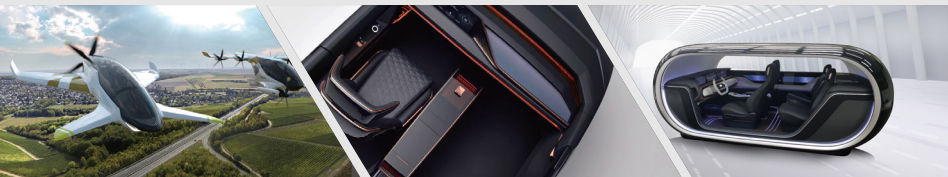
Pre-Verification

CAD DATA verification / CAE simulation / Product assessment



Desing & Product Development

Future mobility R&D / Business model development / Client cooperation



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ESG Highlights

Development of Eco-Friendly Automotive Materials through Partnership

Get recognized for carbon reduction and excellent physical properties through joint development of high-content eco-friendly PC/PET material with a 70% recycling rate

> 30p



Advancement of ESG Risk Management System in the Supply Chain

Manage supply chain risks proactively by advancing supplier evaluation and audit systems, and establish a foundation for enhancement of suppliers' competencies through training

> 51-52p



Double Materiality Assessment Reflecting ESRS Guidelines

Establish an issue identification process aligned with international standards by analyzing impact and financial materiality based on ESRS guidelines

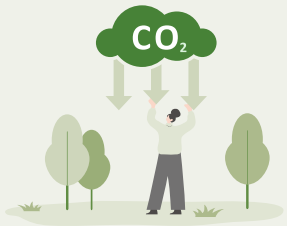
> 14-17p



Establishment of Climate Change Response Strategy

Identify transition and physical risks due to climate change, select key risks, and formulate climate response strategies through scenario analysis

> 24-26p



Operation of a Digital Safety Reporting System

Introduce an online safety reporting system at all business sites to continuously and anonymously collect safety feedback from employees, digitalize the process, and strengthen safety culture through transparent communication such as public announcements of results and rewards

> 42p



Operation of an ESG Committee

Strengthen strategic decision-making and supervision of key ESG issues and establish a sustainable management governance system

> 22, 59p



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ESG Management

ESG Management Strategy Framework

As a sustainable company, Seoyon E-Hwa is committed not only to delivering the highest quality products and services but also to fulfilling our corporate social responsibilities through the consistent implementation of ESG management. We have established three strategic directions for our ESG efforts: advancing eco-friendly management innovation, embedding responsible management for society, and enhancing transparent and efficient governance. Corresponding strategic systems have been developed to guide implementation of measures in each direction.

ESG Management Governance

Seoyon E-Hwa has implemented a robust governance structure to manage ESG initiatives strategically and systematically. We operate an ESG Committee composed entirely of outside directors and have established a dedicated ESG team under the Planning Group. This structure supports effective decision-making for key ESG issues. Seoyon E-Hwa seeks to establish and embed sustainable management governance by fostering close collaboration between the ESG Implementation Council and the ESG Committee, along with active participation from executive leadership.

Results of ESG Management Evaluation

Seoyon E-Hwa receives objective evaluations by external assessment organizations in accordance with our ESG management strategy framework. We have consistently maintained a B+ or higher rating in evaluations conducted by the Korea Institute of Corporate Governance and Sustainability (KCGS). Recognizing the growing societal demands and responsibilities placed on corporations, Seoyon E-Hwa is committed to transitioning to robust ESG management.

KCGS (Korea Institute of Corporate Governance and Sustainability)

Evaluation Year	ESG Rating	Category		
		Environmental (E)	Social (S)	Governance (G)
2024	B+	B+	A	B+
2023	B+	B+	A	B

CDP (Carbon Disclosure Project)

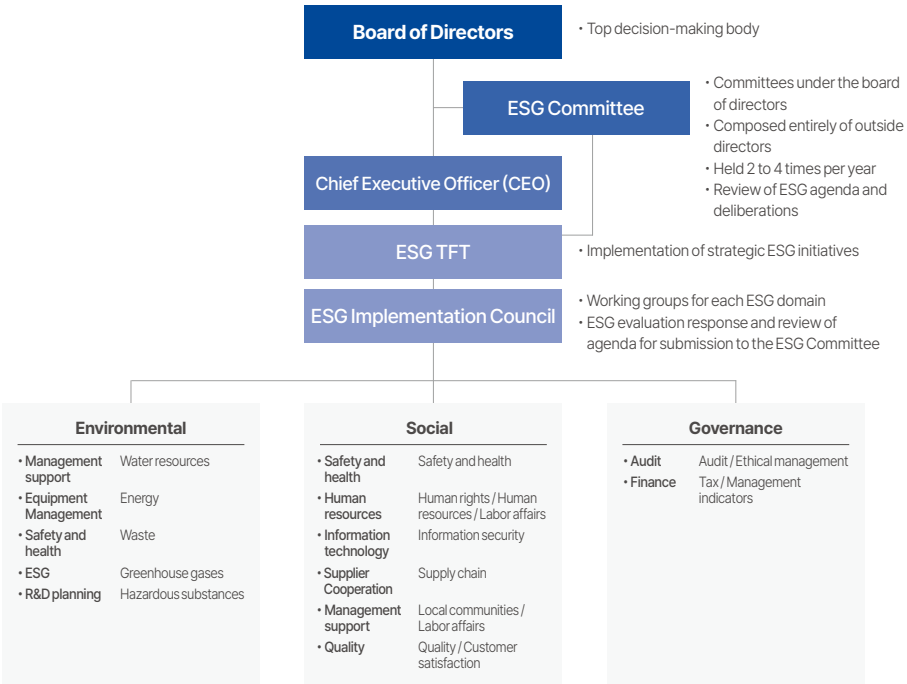
Category	Region	Country	Sector	Activity Group	Rating
Climate Change 2024	Asia	Republic of Korea	General	Light Manufacturing	C
Climate Change 2023	Asia	Republic of Korea	Transport OEMS	Transportation equipment	C

* Evaluation sectors and groups were adjusted in the 2024 assessment.

ESG Management Strategy

Sustainability Management Goals			
	Environmental Eco-friendly Management Innovation	Social Internalization of Responsible Management for Society	Governance Improvement of Transparency and Efficiency
Strategic Implementation Framework	- Eco-friendly product development - Carbon emission reduction management - Water quality and air environment management - Waste reduction activities	- Respect for human rights and diversity - Safety and health - Partner and supply chain management - Expansion of social contribution	- Independence and roles of the board and audit committee - Sustainability - Corporate risk management - Corporate ethics and anti-corruption

ESG Management Governance



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Stakeholder Engagement

Stakeholder Engagement Process

Seoyon E-Hwa implements sustainable management practices based on smooth communication and cooperation with stakeholders. We maintain communication channels for six key stakeholder groups that may have significant impact on our operations due to the nature of the automotive parts industry: employees (internal stakeholders), customers, the supply chain (suppliers), shareholders and investors, local communities, and government. Through these channels, Seoyon E-Hwa gathers and reflects key stakeholder concerns and, when necessary, develops corresponding response plans, incorporating stakeholder inputs into our management decision-making processes.



Stakeholders	Key Issues	Seoyon E-Hwa's Response Activities	Communication Channels	
Customers	- Development of eco-friendly products - Customer satisfaction and quality improvement - Information security and protection of personal data - Sustainable innovation and R&D	- Promotion of joint research projects; Participation in customer-led collaboration councils - Attendance at customer events and seminars (Partnership Day, exhibitions) - Participation in ESG activities conducted by customers (ESG-CDP evaluation for the supply chain/Component LCA) - Collaborative activities across the entire automotive parts development process	- Website (company news, inquiry center) - Customer systems (Email, external document submission)	
Employees	- Respect for human rights and diversity - Embedding of occupational safety and health management - Talent acquisition and enhancement of employees' capabilities - Sound labor-management culture and welfare	- Establishment of a human rights management policy - Employee development training (human rights, job skills, cultivation of global talent) - Sharing of talent vision and operation of various recruitment: intern programs, internal reward-promotion point-job rotation system - Operation of various welfare programs (Jump-up, mentoring, Promise of the Month)	- Labor-management council - Assessment of the organizational culture/Satisfaction survey - Operation of grievance handling system (cyber audit center, etc.)	- Hosting of E-novation Idea Contest (Online) - Occupational safety and health management system
Supply Chain	- Embedding of occupational safety and health management - Sustainable supply chain management and mutual growth - Information security and protection of personal data - Advancement of the ethical management system and anti-corruption initiatives	- Compliance with fair trade laws and provision of various support (finance, education, technical support) - Communication with suppliers (sharing of policies, achievements, and plans) - Sharing of supplier code of conduct - Support for suppliers' ESG management (ESG training and evaluation)	- Operation of a supplier council - Regular meetings and hosting of partners day - Integrated reporting center (cyber whistleblower center)	- Training and seminars for suppliers - Selection and support of excellent suppliers
Shareholders and Investors	- Development of eco-friendly products - Sound and transparent operation of the board - Enterprise-wide integrated risk management - Protection of shareholder rights	- Regular disclosure of business and board performance (including corporate governance report) - Gradual improvement of shareholder-friendly policies to expand participation	- General shareholders' meeting and board of directors - Corporate disclosures/reports - Investor relations meetings	- Website announcements - Conference calls, IR presentations
Local Communities	- Management of water and air pollution, waste - Protection of biodiversity - Expansion of social contribution	- Community contribution activities (flood relief, support for low-income families and recipients of basic livelihood) - Fundraising for neighbor assistance - Regular volunteer activities by in-house clubs - Seoyon academic award presented at Korea Automobile Engineers Association	- Seoyon E-Hwa Association - Labor-management alliance - In-house volunteer clubs - Academic conference hosted by Korea Automobile Engineers Association	
Government	- Strategic response to climate change - Embedding of occupational safety and health management - Compliance with environmental/occupational safety and health laws	- Operation of the internal control system and audit office - Faithful compliance with tax laws - Participation in activities hosted by associations such as Korea Auto Industries Cooperative Association	- Corporate disclosure - Website	- Press releases - Participation in policy meetings

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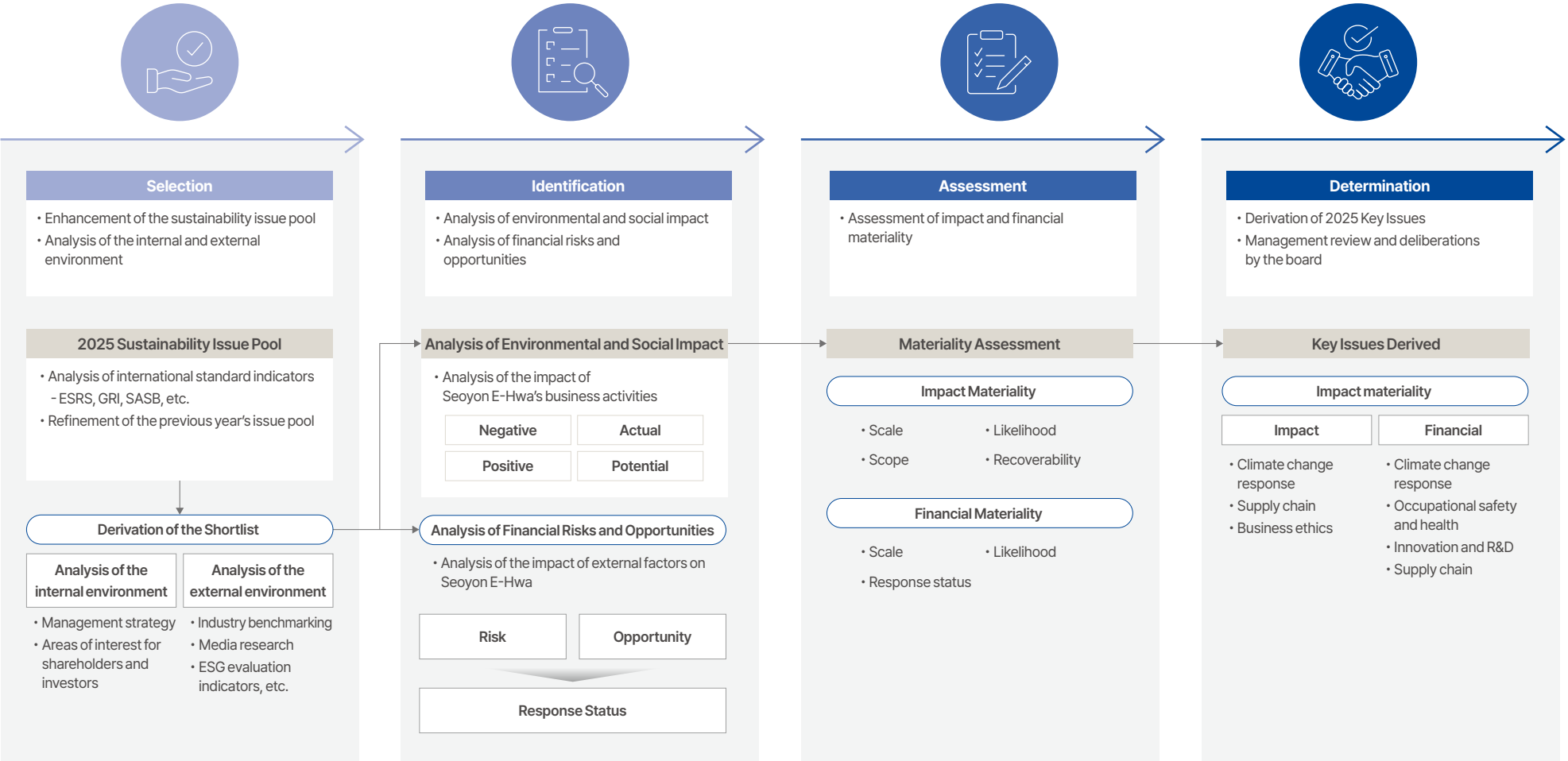
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Double Materiality Assessment

Overview of the Double Materiality Assessment

Seoyon E-Hwa conducts double materiality assessments to identify key sustainability issues and share related activities and outcomes transparently with stakeholders. The methodology used for this assessment is based on the European Sustainability Reporting Standards (ESRS) developed by the European Financial Reporting Advisory Group (EFRAG), in line with the Corporate Sustainability Reporting Directive (CSRD) of the European Union.

In this process, Seoyon E-Hwa gathers inputs from a wide range of internal and external stakeholders to analyze environmental and social impacts (Impact), as well as financial risks and opportunities (Risk & Opportunity) arising from our business activities. The activities and outcomes related to the material issues identified through this assessment are disclosed in detail throughout this report.



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Double Materiality Assessment

IRO Analysis Results

Analysis of Environmental and Social Impact

Based on the shortlisted sustainability issues, actual or potential environmental and social impacts arising from business operations, products and services, and upstream/downstream value chains were analyzed, along with a review of related company activities and responses.

Domain	Issues (short-list)	Classification		Environmental and Social Impact	Related Business Activities and Responses
Environ-mental	Climate Change Response	Actual	Negative	• Increased energy consumption and greenhouse gas emissions due to the establishment of new overseas branches and increased production of auto-motive parts	27p
		Actual	Positive	• Contributing to climate change mitigation and low-carbon green growth through the establishment of a carbon neutrality roadmap	23p
	Waste	Potential	Positive	• Increasing recycling rates and reducing environmental impact through the development of recyclable and eco-friendly materials	30-32p
Social	Employees	Actual	Positive	• Enhancing employee satisfaction and creating quality jobs by fostering sound labor-management relations and a healthy organizational culture	39p
		Potential	Negative	• If actual improvement of the organizational culture is insufficient despite external feedback (e.g., Blind, workplace review platforms), employee morale may decline	-
	Safety and Health	Actual	Negative	• Safety accidents at worksites may pose threats to the lives and property of employees and supplier companies' workers	44p
		Potential	Negative	• Inadequate monitoring or disaster management may result in industrial accidents and disrupt client production	43-44p
	Human Rights	Potential	Negative	• Potential human rights violations within the value chain, including violations of labor rights, safety rights, and property rights	47p
	Local Communities	Actual	Positive	• Solving local issues and improving residents' quality of life through community coexistence activities	56p
	Customer Satisfaction and Product Quality	Potential	Negative	• Product defects may lower customer satisfaction and pose risks to safety and property	50p
		Potential	Positive	• Enhancing customer satisfaction and social evaluation through responsible product procurement	49-50p
	Innovation and R&D	Potential	Positive	• Fostering innovation and R&D aligned with the AI era to build employee competencies and attract diverse talent	9p
	New Business and Portfolio Diversification	Actual	Positive	• Securing competitiveness through product (ITEM) diversification and new business development strategies	9p
		Potential	Negative	• Inadequate ESG management along the supply chain may cause widespread negative social and environmental impacts	51-52p
	Supply Chain	Actual	Positive	• Promoting co-prosperity with suppliers strengthens individual capabilities and establishes an industry-wide foundation for growth	53p
Governance	Board of Directors	Potential	Positive	• Enhancing the independence, expertise, and diversity of the board improves operational efficiency, transparency, and soundness in the market	58p
	Business Ethics	Potential	Negative	• Unfair trade and unethical conduct undermine fair competition and weaken the moral foundation of the industry	62-64p

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Double Materiality Assessment

Analysis of Financial Risks and Opportunities

We analyzed how sustainability issues may impact our growth, financial position, performance, and cash flow in the short, medium, and long term, and reviewed corresponding response activities.

Domain	Issues (short-list)	Category	Type	Internal/External Sustainability Issue	Impact on the Company	Related Business Activities and Responses
Environmental	Climate Change Response	Risk	Regulation	Strengthened greenhouse gas regulations	• Tightening of regulations on GHG emissions is expected to increase cost burdens related to transitioning business sites to renewable energy and establishing response systems	27p
		Risk	Market	Increased costs for procuring renewable energy	• The rising cost of renewable energy results in increased financial burden for achieving GHG reduction targets through solar installations, PPAs, and REC purchases	25p
		Risk	Market	Growing customer demands for GHG reduction and disclosure	• Insufficient response to clients' demands for climate disclosure may lead to lower contract priority and potential revenue loss	22-28p
	Waste	Opportunity	Market	Trend toward eco-friendly vehicles	• Increased demand for eco-friendly automotive interior and exterior components is expected to boost related sales	30-32p
Social	Employees	Opportunity	Reputation	Internal demand for fair performance evaluation	• Enhancing performance evaluation systems can improve employee engagement, talent retention, and reduce hiring costs	37p
	Occupational Safety and Health	Risk	Regulation	Tightened regulations such as the Serious Accidents Punishment Act	• Accidents may result in increased legal penalties and financial burden for regulatory compliance	40p
		Opportunity	Technology	Rising demand for identifying risks from new technologies	• Utilizing advanced safety systems can mitigate costs associated with workplace incidents	44p
	Human Rights	Risk	Regulation	Strengthening of human rights regulations	• Costs of regulatory compliance rise with enhanced human rights laws, including investment in personnel training and workplace improvements	46p
	Local Communities	Opportunity	Reputation	Rising demand for coexistence with local communities	• Corporate social contributions improve brand value and customer demand, positively impacting revenue	55-56p
	Customer Satisfaction and Product Quality	Opportunity	Technology	Demand for quality assurance across the entire product lifecycle	• Rigorous management of design, production, and distribution stages enhances reliability and drives revenue	49p
		Risk	Reputation	Customer demands to minimize defects	• Equipment investments required to lower defect rates and meet client expectations	50p
	Innovation and R&D	Risk	Technology	Regional technology gaps	• Differences in technological capabilities between HQ and overseas sites necessitate investments in training	-
		Opportunity	Reputation	Rising demand for skilled talent	• Training for specialized talent in new tech leads to reputational benefits and sales growth	9, 36p
	New Business and Portfolio Diversification	Risk	Market	Changing value of internal combustion engine components	• Demand and asset value for conventional parts are decreasing, potentially impacting revenue	-
		Opportunity	Technology	Rising demand for hybrid technology	• Securing hybrid technologies during the transition period is critical to maintaining core revenue streams	9p
	Supply Chain	Risk	Regulation	Introduction of regulations such as the Uyghur Forced Labor Prevention Act	• Implementing due diligence for suppliers increases upfront costs for training and raising awareness	52p
Governance	Business Ethics	Risk	Regulation	Stricter compliance regulations	• Strengthened anti-corruption and bribery laws require improved compliance systems, increasing associated costs	63p

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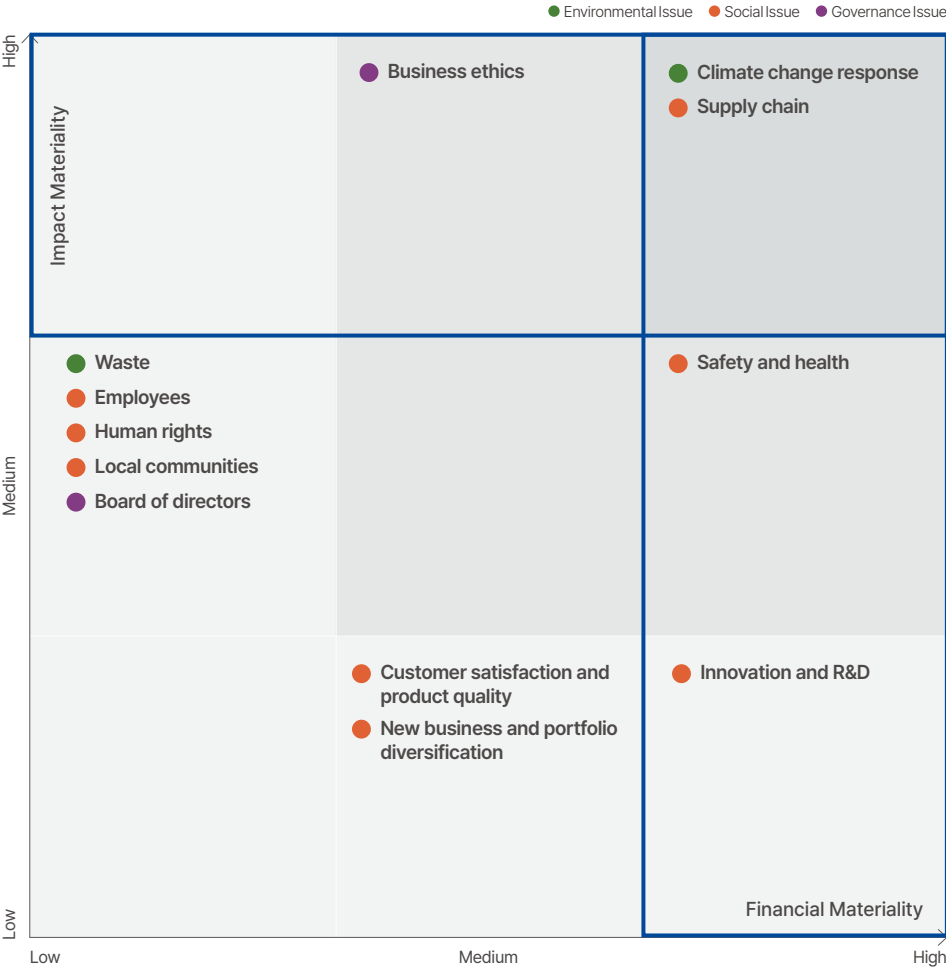
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Double Materiality Assessment

Results of Double Materiality Assessment



Material Issues	Materiality		GRI	UN SDGs	Report Page
	Impact	Financial			
Climate change response	●	●	302-1, 3, 4 305-1~5		22-28p
Supply chain	●	●	308-2 414-2		51-54p
Safety and health	●	●	403-1~10		40-45p
Innovation and R&D	○	●	-		9p
Business ethics	●	●	205-2~3 206-1		62-64p

Seoyon E-Hwa has identified five key material issues. From the perspective of impact materiality, business ethics was considered critical, while from a financial materiality perspective, occupational safety and health, as well as innovation and R&D, were considered essential. Climate change response and management of the supply chain were deemed highly important from both perspectives, resulting in a total of five key material issues being selected.

As a result of the shortlisting process and the IRO analysis, the number of selected material issues has changed compared to the previous year. However, all issues selected this year were also identified as material in the previous year, and therefore these remain ongoing priorities for the company.

This report transparently discloses Seoyon E-Hwa's activities, achievements, and response strategies related to our material issues. Going forward, Seoyon E-Hwa will continue to establish targeted strategies aligned with these material issues and actively pursue them to ensure sustainable growth and responsible corporate conduct.

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* Issues listed within the same area are sorted by category and their position does not indicate relative materiality scores.

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Environmental Impact

Environmental Management

Strategy & Management

Environmental Management Policy

Seoyon E-Hwa has established an environmental management policy aimed at building a sustainable management system through innovation centered on eco-friendly practices. As a leading company in the automotive interior parts industry, Seoyon E-Hwa has adopted four key principles of environmental management to reduce potential environmental risks throughout the design, production, and sales processes, while proactively addressing global climate change issues. Furthermore, we have implemented measures to manage environmental impact factors such as energy, greenhouse gas emissions, and water resources, with the goal of minimizing environmental pollution and burdens arising from our business operations.

 [Environmental Management Policy](#)

Environmental Management Principles

- 1



Establish core strategies to achieve carbon neutrality and manage performance continuously to meet set targets.
- 2



Promote resource recycling and energy reduction activities through the development of eco-friendly materials, adoption of green manufacturing processes, and efficiency improvements driven by automation.
- 3



Strictly comply with domestic and international environmental laws and agreements, thereby fulfilling our legal and social responsibilities regarding the environment.
- 4



Ensure all employees are fully aware of the severity of environmental issues and faithfully fulfill their responsibilities and duties related to environmental improvement activities.

Environmental Management System Certification

Seoyon E-Hwa has established rigorous environmental management systems across all domestic and international business sites to monitor and control environmental impacts. Through these efforts, we have obtained ISO 14001 certification, the international standard for environmental management, and are working continuously to ensure that all sites, including new facilities, obtain certification.

ISO 14001 Certification Status

International Standard (ISO 14001)		ISO 14001	
		Certification Status	Expiration Date
Domestic 100%	Ulsan Plant	●	2027-08-24
	Asan Plant	●	2027-08-24
	Headquarters (Pyeongchon)	●	2027-08-24
CHINA	Jiangsu Seoyon E-Hwa	●	2025-06-20
	Beijing Seoyon E-Hwa	●	2027-03-22
	Assan Hanil	●	2027-07-23
EUROPE	Seoyon E-Hwa Slovakia	●	2028-05-18
	Seoyon E-Hwa Poland	●	2027-03-15
	Seoyon Summit India	●	2028-04-29
INDIA/ ASIA	Seoyon Summit Krishnagiri	●	2027-10-06
	Seoyon Summit Chennai	●	2027-04-02
	Seoyon Summit Pune	-	New Corporations
Overseas 77.8%	Seoyon Summit Anantapur	●	2028-03-31
	Seoyon Summit Indonesia	●	2027-07-04
	Seoyon E-Hwa Alabama	●	2027-10-18
AMERI- CAS	Seoyon E-Hwa Georgia	●	2027-03-25
	Seoyon E-Hwa Auburn	●	2027-09-16
	Seoyon E-Hwa Savannah	-	New Corporations
	Seoyon E-Hwa Brazil	●	2027-05-18
	Seoyon E-Hwa Mexico	-	Scheduled for certification in 2025
	Seoyon North America	-	New Corporations

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Environmental Management

Compliance with Environmental Regulations

Seoyon E-Hwa monitors trends in environmental regulations and reflects them across all domestic business sites. The Safety & Health Support Department continuously reviews amendments to relevant laws, including the Framework Act on Environmental Policy, the Groundwater Act, the Waste Control Act, and the Chemical Substances Control Act. When revisions are made, updates are incorporated immediately into the regulatory status documents distributed to business sites to ensure relevant departments can respond appropriately. Additionally, we conduct internal evaluations each year to assess compliance and prevent violations of environmental laws proactively. As of now, there have been no instances of non-compliance with environmental regulations.

Environmental Accidents and Emergency Response

Seoyon E-Hwa has established an emergency management process to prevent the escalation of damages and to enable rapid response in the event of environmental accidents caused by industrial or natural disasters. At each business site, in the event that an environmental accident occurs, the incident is reported and communicated systematically, and roles and responsibilities are clearly documented by department. Furthermore, after emergency recovery measures are taken, the environmental impact is analyzed continuously until full restoration is achieved below our designated standards for pollutant discharge. Thorough follow-up management is conducted until this point. Once all response actions are complete, an accident report is prepared to analyze root causes and establish measures to prevent recurrence. Regular emergency response drills are conducted based on the reported content to prevent similar accidents from happening in the future.

Environmental Incident Management Process



Activity & Performance

Environmental Education for Employees

In 2024, Seoyon E-Hwa provided a range of environmental education programs to employees in line with our commitment to sustainable management practices. We shared trends in ESG management and Seoyon E-Hwa's response efforts to help employees maintain a high level of understanding of current ESG issues. Additionally, safety management training on hazardous substances and instruction on MSDS (Material Safety Data Sheets) were provided to disseminate knowledge on the safe handling and management of chemicals and to improve the working environment. In-depth training on the concept and practical application of Life Cycle Assessment (LCA) was conducted to help employees internalize both their understanding and execution capability. Specialized training for general air environment engineers was also offered to enhance expertise in environmental management. Through these and similar ongoing initiatives, Seoyon E-Hwa continues to realize a systematic and professional approach to environmental management.

Environmental Management Training Status (2024)

Training Title	Date	Details	Number of Participants	Training Method
Understanding ESG Management	3/15	Trends in ESG management and the company's response	19 persons	In-house group training
	11/18	Trends in ESG management and the company's response	24 persons	In-house group training
MSDS	9/23	Training on hazardous materials and MSDS (Asan Plant)	197 persons	In-house group training
	9/27	Safety Management of Hazardous Materials and MSDS (Headquarters)	255 persons	In-house group training
	10/29	Understanding MSDS and the work environment (Ulsan Plant)	404 persons	In-house group training
	9/3~9/5	Comprehensive evaluation concepts, theory, practice, and supply chain auditing	2 persons	In-house group training
Advanced Training Program for ESG Professionals	9/3~9/5	Comprehensive evaluation concepts, theory, practice, and supply chain auditing	2 persons	In-house group training
Environmental Engineer Training	12/20	Training for general air (exemption) environmental engineers	1 persons	Online training

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Climate Change

Governance

Management and Oversight of Climate-Related Risks and Opportunities

Seoyon E-Hwa has established a governance system to enhance the company's capabilities for environmental management and climate change response. The ESG Committee, under the Board of Directors—our highest decision-making body—is responsible for establishing and supervising major policies and plans to achieve goals related to sustainability issues, including environmental management and responses to climate change. To improve the transparency and effectiveness of strategic decision-making, the ESG Committee delegates the responsibility of establishing environmental and climate-related goals and managing their implementation to the CEO.

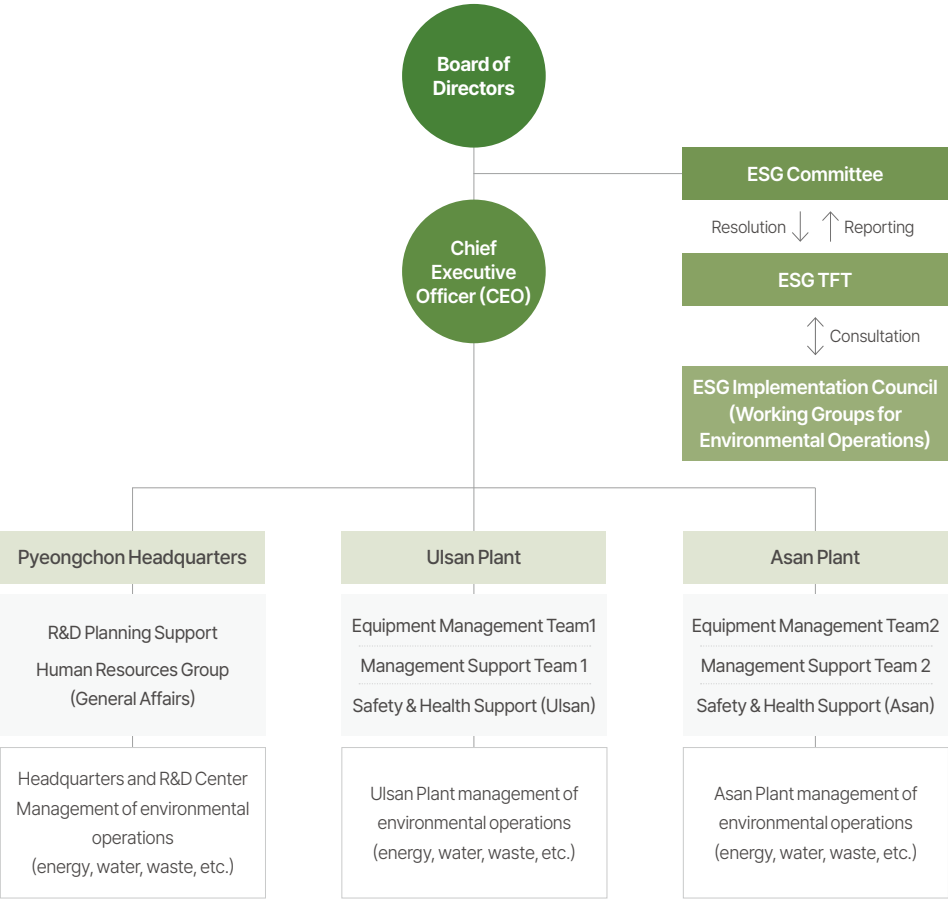
As the person with overall responsibility for the environmental management system, the CEO oversees the enterprise-wide environmental strategy and its implementation. Working-level organizations in charge of ESG promotion and environmental management execute the annual environmental strategy and activities, and report the results directly to the CEO.

This governance structure for climate change response enables the practical implementation and monitoring of environmental management and climate-related initiatives across the company. Through this system, Seoyon E-Hwa responds proactively to evolving environmental regulations and global climate change issues, while striving for sustainable growth and long-term value creation.

ESG-Related Agenda Items

Date	Category	Agenda Details
May 14, 2024	Approved	Approval of baseline budget for 2024 ESG management implementation plan
	Reported	Report on 2023 ESG management consulting results
	Reported	Report on 2024 ESG management implementation plan
August 13, 2024	Reported	Report on 2024 sustainability report publication results
	Reported	Report on the role of the ESG Committee
November 12, 2024	Reported	Report on ESG evaluation results
	Reported	Report on key ESG issues
March 7, 2025	Reported	Report on implementation results of the 2024 ESG management plan
	Reported	Report on 2025 ESG management implementation plan (including budget)
	Reported	Report on 2025 plan for training outside directors (draft)
May 9, 2025	Approved	Report and approval of the 2025 double materiality assessment results
	Reported	Report on Seoyon E-Hwa's greenhouse gas emissions calculation status
	Reported	Report on key environmental management performance plans/targets

Environmental Management Organizational Structure



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Climate Change

Strategy

Climate Change Response Strategy Framework

Seoyon E-Hwa has declared our “Carbon Neutrality 2050” initiative with the goal of strengthening our position as an eco-friendly green company. Based on three strategic pillars—energy reduction, policy initiatives, and supplier support—we have established a climate change response strategy. Seoyon E-Hwa is committed to reducing energy consumption and greenhouse gas emissions, promoting eco-friendly practices across our supply chain through close cooperation with suppliers, and advancing sustainable management.

Vision

Realization of an eco-friendly green company that responds proactively to climate change

Purpose

Advancement into a global auto parts company leading the creation of a sustainable environment

Mission

Achieving Carbon Neutrality by 2050 for Seoyon E-Hwa

Plan

Energy Reduction	Policy Activities	Supplier Support
Introduction of intelligent equipment Enhancement of process efficiency Application of eco-friendly processing methods	Management of emissions by process Reflection and improvement of key KPIs Expansion of green products	Sharing of our carbon neutrality vision Joint support for our suppliers Collaboration on reduction activities

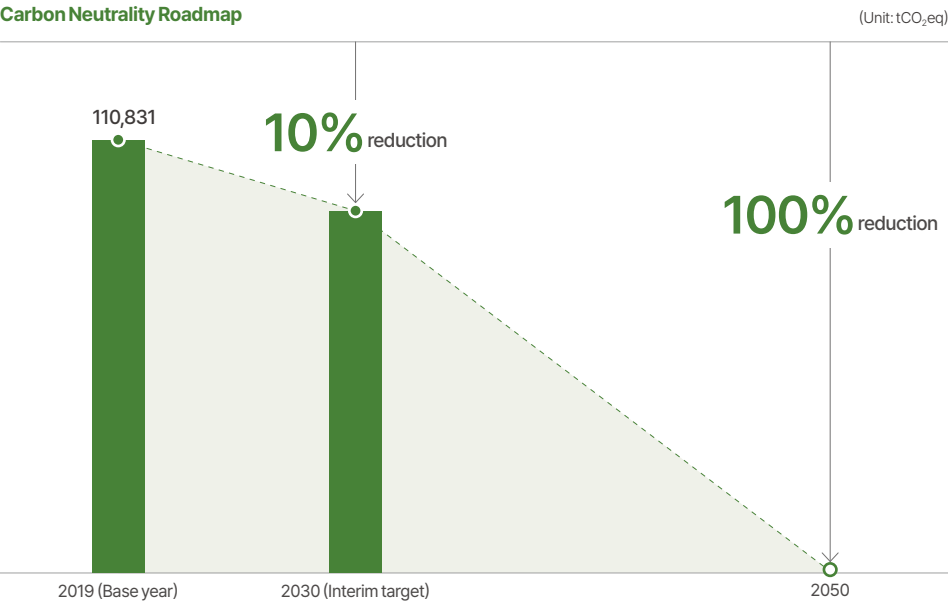
Net-Zero Road Map

	2024-2030(Phase 1)	2031~2040(Phase 2)	2041~2050(Phase 3)
Stage	Expansion of GREEN PRODUCTS and Establishment of a Foundation for Emission Reduction	Management of Emission Reduction Performance for All Business Sites	Achievement of Company-Wide Carbon Neutrality
Imple-mentation objec-tives	• Expansion of GREEN PRODUCTS • Establishment of carbon neutrality measures and mid- to long-term roadmap	• Advancement of carbon neutrality response system for all business sites • Practical performance management for achieving carbon neutrality	• Achievement of carbon neutrality for domestic and overseas affiliates • Carbon reduction response throughout the supply chain
Imple-mentation strategy	Operation of a dedicated carbon neutrality department for climate change response Establishment of greenhouse gas inventory for all business sites	Expansion of management scope for the dedicated carbon neutrality department (all business sites) Advancement of the greenhouse gas inventory system (compliance with GHG PROTOCOL)	Strengthening of management scope for the carbon neutrality department (all business sites and suppliers) Management of the greenhouse gas inventory system

Mid- to Long-Term Carbon Neutrality Roadmap

Seoyon E-Hwa has developed a greenhouse gas (GHG) reduction roadmap to achieve our Carbon Neutrality 2050 goals. Based on emissions reduction targets and reduction pathways, we have established detailed strategies for attaining Net Zero by 2050, covering Scope 1 and Scope 2 emissions. The roadmap takes into account the characteristics of Seoyon E-Hwa’s emission sources, regulatory trends, and economic feasibility to determine the most suitable reduction methods and timing.

To reduce GHG emissions directly, Seoyon E-Hwa plans to replace fossil fuel-based equipment with electric systems and has already converted our business vehicles to low-emission alternatives. For reduction of indirect emissions, we will adopt green tariffs, purchase Renewable Energy Certificates (RECs), and enter into Power Purchase Agreements (PPAs). Seoyon E-Hwa aims to reduce GHG emissions by 10% from 2019 levels by 2030 and achieve full carbon neutrality by 2050. Additional disclosures related to emissions targets can be found in the Metrics & Targets section of the report.



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Climate Change

Strategy

Identification of Climate-Related Risks and Opportunities

We have identified a wide range of risks and opportunities that may arise from climate change and analyzed their potential impacts on our business. Based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we analyzed both transition risks (related to regulatory and market shifts) and physical risks (resulting from climate events). These analyses also referenced trends in the industry and among major clients. In particular, scenario analysis was conducted on key risks and opportunities to assess their business and financial impacts, and corresponding strategies were developed.

* Short-term: 1 year; Mid-term: 1-5 years; Long-term: Over 5 years
** Anticipated Level of Impact: Low (L); Medium (M); High (H)

Category		Risk and Opportunity Factors	Potential Impact on Seoyon E-Hwa	Short-term		Mid-term		Long-term	
				Likelihood	Impact	Likelihood	Impact	Likelihood	Impact
Transition Risks	Policy / Legal	Regulations on greenhouse gas emissions from products	• Increased costs related to lifecycle emissions calculations and reduction	L	M	H	M	H	M
		Mandatory climate-related disclosure	• Increased operating costs due to quantification and verification of GHG	L	M	H	M	H	M
	Technology	Costs of transitioning to low-carbon technologies	• Increased costs due to introduction of new low-carbon technologies or equipment • Increased R&D costs for low-carbon technologies and products	M	M	M	M	H	H
	Market	Changes in customer behavior and perception	• Increased operational costs due to demand for low-carbon/recycled materials and renewable energy • Costs of renewable energy procurement associated with RE100 implementation	M	M	M	H	H	H
		Rising costs for electricity and energy purchases	• Increased operating costs due to rising electricity prices on account of stricter GHG regulations • Renewable energy procurement costs related to RE100 • Disruptions in energy supply and increased costs due to global trends	M	M	H	M	H	H
	Reputation	Negative feedback from clients and stakeholders	• Reduced access to capital and lower product demand due to reputational damage	L	M	M	M	M	M
Physical Risks	Acute	Typhoons/cyclones		L	M/H	L	M/H	M	M/H
		Flooding	• Increased asset damage and operational costs due to typhoons, floods, etc.	M	M	M	M	H	M
		Heavy rain/snow	• Business disruption or sales loss due to rising frequency and severity of climate disasters	L	L	M	M/H	M	M/H
		Wildfires	• Additional costs incurred for disaster prevention and repair activities	L	M/H	M	M/H	M	M/H
	Chronic	Rise in average temperature	• Decreased productivity due to rising average temperatures • Safety and health concerns for workers, increased cooling costs	L	L	M	L	H	M
		Water shortage	• Increased operating costs and reduced productivity due to water shortage, leading to revenue decline	L	L	M	L	M	M
Opportunities	Resource Efficiency	Introduction of high-efficiency equipment	• Operational cost savings through the use of low-carbon/high-efficiency products and equipment	M	L	H	M	M	M
	Energy Sources	Use of low-carbon energy sources	• Mitigation of volatility in fossil fuel prices and enhanced energy stability via solar power and PPA	L	L	M	M	M	H
	Goods / Services	Development and expansion of low-carbon products/services	• Increased sales due to rising demand for low-carbon products • Market leadership through development of eco-friendly, low-carbon technologies/products	M	M	H	M	H	H
	Market	Entry into new markets	• Diversified revenue streams through entry into new markets based on eco-friendly and low-carbon innovations	L	L	M	M	M	M

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Climate Change

Transition Risks Management

Seoyon E-Hwa identifies transition risks associated with climate change—including those arising from policy, technology, and market changes—and establishes strategies to respond appropriately. In such analysis of transition risks, we utilize climate change scenarios published by authoritative institutions such as the IEA (International Energy Agency) and NGFS (Network for Greening the Financial System). Notably, in 2025, Seoyon E-Hwa used NGFS scenarios to analyze future fuel and energy prices and assessed the financial impacts of rising electricity and energy procurement costs. This was designated as a key risk and is currently being actively managed.

Regulations on Greenhouse Gas Emissions from Products

Seoyon E-Hwa closely monitors regulatory trends related to greenhouse gas (GHG) emissions from products, such as the EU's Carbon Border Adjustment Mechanism (CBAM) and the United States' Clean Competition Act (CCA). Although we are not directly subject to these regulations at present, we recognize the potential for our products to fall under such regulation in the future and consider this a transition risk. CBAM and CCA demand accounting of life-cycle GHG emissions and reduction efforts. As such, Seoyon E-Hwa anticipates increased costs from development of systems and reduction activities. To address any future change in regulations proactively, we monitor legislative and regulatory developments regularly and identify products that could be potentially subject to these frameworks. We are also strengthening our GHG inventory system and exploring reduction strategies to prepare for rapid compliance when such regulations become mandatory.

Rising Costs for Electricity and Energy Purchases

With the strengthening of GHG regulations and the global shift toward renewable energy, the rising cost of electricity and energy has emerged as a significant transition risk. If regulations intensify, electricity prices will increase, and the procurement of renewable energy to meet RE100 commitments will result in additional expenses. In response, Seoyon E-Hwa applied NGFS scenarios to analyze rising electricity costs and potential financial impacts in the countries where we operate—including Korea, the EU, and the U.S. Based on the results, we have developed countermeasures such as improving energy efficiency and expanding the use of renewable energy. Furthermore, we have strengthened monitoring systems to manage risks related to volatility in energy cost and are developing ongoing response strategies to minimize the financial burden caused by cost increases.

Transition Risk Response Strategy

Category	Risk and Opportunity Factors	Potential Impact on Seoyon E-Hwa	Response Strategy
Policy / Legal	Regulations on greenhouse gas emissions from products	• Increased costs related to lifecycle emissions calculations and reduction efforts	• Monitoring of domestic and international environmental laws and regulatory trends • Management of GHG emissions from production facilities and company vehicles within organizational boundaries through detailed calculation of GHG inventory
	Mandatory climate-related disclosure	• Increased operational costs due to quantification and verification of GHG	• Implementation of GHG monitoring and reduction measures • Third-party verification of GHG emissions
Technology	Costs of transitioning to low-carbon technologies	• Increased costs due to introduction of new low-carbon technologies or equipment • Increased R&D costs for low-carbon technologies and products	• Promotion of joint research with external suppliers and academia • Monitoring of government support policies
Market	Changes in customer behavior and perception	• Increased operational costs due to customer requirements for low-carbon/recycled materials and renewable energy • Costs of renewable electricity procurement associated with RE100 implementation	• Development of carbon and energy-efficient products using eco-friendly materials • Ongoing research on eco-friendly products and manufacturing processes
	Rising costs for electricity and energy purchases	• Higher operating costs due to rising electricity prices caused by stricter GHG regulations • Costs of renewable electricity procurement under RE100 implementation • Supply disruptions and increases in cost of gas and other energy sources due to global trends	• Transition to eco-friendly company vehicles and installation of solar panels to adopt renewable energy at business sites • Review of renewable energy alternatives by overseas plants
Reputation	Negative feedback from customers and stakeholders	• Reduced financing capacity and product demand due to decline in reputation	• Development of eco-friendly products and processes underway

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Climate Change

Physical Risk Management

Seoyon E-Hwa has utilized various analytical tools and scenarios to assess the impact of climate-induced physical environmental changes on us. By applying the Shared Socioeconomic Pathways (SSP) climate scenarios adopted by the IPCC, we forecasted risks related to future climate change. In addition, professional tools such as WRI Aqueduct Floods and the Korea Forest Service's Wildfire Vulnerability Map were used to analyze the environmental vulnerabilities of domestic and overseas sites from multiple angles.

Rising Average Temperatures

Based on the SSP5-8.5 scenario—which represents the highest temperature impact among the IPCC climate scenarios provided by the Korea Meteorological Administration—Seoyon E-Hwa analyzed the projected number of extreme heat days for our headquarters and domestic sites located in the Northern District of Ulsan, Asan of Southern Chung-Cheng and Anyang of Gyeonggi. The results indicate a significant increase in the number of extreme heat days across all scenarios after 2036, compared to recent years (2022–2024). Accordingly, direct costs related to heatwaves, such as cooling expenses, are also expected to rise. As a result, the rise in average temperature has been identified as the most critical physical risk to us. Considering the projected long-term increase in these burdens, Seoyon E-Hwa will establish strategic financial planning and risk management measures to address rising temperatures and extreme heat.

Flood Risk

Analyses of flood risks at Seoyon E-Hwa's domestic and overseas business sites, based on WRI Aqueduct data, revealed that some sites may face significant physical risks, such as operational disruptions due to severe flooding by 2050. In response, we continue to monitor areas with potential flooding risks and have established emergency response systems at all sites to strengthen preemptive prevention and response capabilities. Furthermore, Seoyon E-Hwa is promoting various countermeasures such as increasing investments in facility and infrastructure protection, and evaluating the distribution of risk across operational sites, to better manage physical risks stemming from climate change.

Wildfire Risk

Using country-specific wildfire risk assessment tools, Seoyon E-Hwa evaluated the level of wildfire risk in regions where our domestic and overseas entities are located. The results indicated a high risk of wildfires in certain areas. In response, we continually monitor the vulnerability of sites and surrounding infrastructure to wildfire exposure, and have reinforced our emergency response systems to ensure swift action and minimize potential damage. In addition, various management measures have been implemented to reduce wildfire-related physical risks, including internal and external training and inspections for fire prevention, as well as the establishment of emergency contact networks.

Physical Risk Response Strategy

Category	Risk and Opportunity Factors	Potential Impact on Seoyon E-Hwa	Response Strategy
Acute	Typhoons/cyclones	• Increased asset damage and operational costs due to typhoons, floods, etc.	• Strengthening emergency response systems at all sites • Evaluation of supply stability of suppliers
	Flooding	• Business disruption or sales loss due to increased frequency and severity of climate disasters	
	Heavy rain/snow	• Additional costs incurred for disaster prevention and repair activities	
	Wildfires		
Chronic	Average temperature rise	• Decreased productivity due to rising average temperatures • Safety and health concerns for workers, increased cooling costs	• Expansion of occupational safety and health policies • Advancement of the inventory management process and regular monitoring
	Water shortage	• Increased operating costs and reduced productivity due to water shortage, leading to decline in revenues	• Advancement of the inventory management process and regular monitoring

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Climate Change

Risk Management

Climate Change Risk Management

To manage enterprise-wide climate change risks systematically, Seoyon E-Hwa has established an integrated risk management process encompassing four stages: ▲Risk Identification and Analysis, ▲Strategy Formulation, ▲Response Activities, and ▲Monitoring. We closely analyze trends in peer industries as well as global climate-related disclosure regulations and issues, enabling the early identification of a wide range of potential climate risks. The ESG TFT conducts regular monitoring across all business sites to detect signs of risk promptly. Meanwhile, environmental management staff at each site assess energy efficiency performance and track greenhouse gas reduction goals and progress continuously, thereby ensuring timely responses and continued monitoring of environmental impacts.

Climate Change Risk Management Process



Metric and Target

Carbon Neutrality Target Management

In response to the global climate crisis, Seoyon E-Hwa has set a target to achieve carbon neutrality by 2050. To reduce greenhouse gas emissions both directly and indirectly, we have defined specific mitigation methods, and aim to achieve carbon neutrality by offsetting residual emissions with compensation measures.

Detailed Measures for Carbon Neutrality

Category	Reduction Measure	Details
Direct Reduction	Electrification	• Converting final energy consumption to electricity (e.g., replacing conventional boilers with electric boilers)
	Conversion to Electric Vehicles	• Replacing company vehicles using internal combustion engines with low-carbon electric vehicles
Indirect Reduction	Green Pricing Program	• Securing renewable energy use through additional green pricing payments
	Purchase of RECs	• Purchasing Renewable Energy Certificates (RECs) to validate consumption of renewable energy
	PPA Agreement	• Signing long-term fixed-price contracts with renewable energy plants for supply of renewable electricity
Offset	Purchase of Carbon Offsets	• Purchasing carbon offsets for emission activities where electrification is limited



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Climate Change

Greenhouse Gas Emissions Management

Seoyon E-Hwa has established a greenhouse gas (GHG) inventory in accordance with ISO 14064-1:2018 to manage our performance in line with the 2050 carbon neutrality roadmap. Direct emissions occurring within the organizational boundaries of the headquarters and each business site, such as emissions from company-owned production facilities and business vehicles, are categorized as Scope 1. Indirect emissions from the use of purchased electricity within the same boundaries are classified as Scope 2. Starting from 2023, we expanded the scope of GHG emissions accounting to include overseas sites, covering both direct and indirect emissions. Third-party verification for this data has also been completed.

Scope 1 and 2 Emissions

Category		Unit	2022	2023	2024
Domestic	Direct greenhouse gas emissions (Scope 1)	tCO ₂ eq	687	710	687
	Indirect greenhouse gas emissions (Scope 2)		6,003	6,474	6,342
Overseas	Direct greenhouse gas emissions (Scope 1)		N/A	6,226	6,362
	Indirect greenhouse gas emissions (Scope 2)		N/A	87,362	86,651

Scope 3 Emissions*

Seoyon E-Hwa calculates GHG emissions generated throughout the value chain. In 2023, we started calculating Scope 3 emissions (other indirect emissions), focusing on four of the fifteen categories outlined by the GHG Protocol. Moving forward, efforts will be strengthened to expand participation by suppliers and broaden the scope of calculation.

Category	Description	2024 Emission(tCO ₂ -eq)
C3. Purchased Fuel and Electricity Activities	Emissions generated during the production and transportation of purchased fuel and energy	762
C5. Waste	Emissions generated during the treatment of waste generated from business operations	787
C6. Employee Business Travel	Emissions generated from air, rail, rental car, etc., used during employees' business travel	1,666
C7. Employee Commuting	Emissions generated from employees' commuting	4

* Applicable to domestic business sites only

Energy Consumption

Seoyon E-Hwa assesses the amount of energy used at our business sites to identify the current state of energy use accurately and to devise efficient strategies for energy management and GHG reduction. In anticipation of rising energy and electricity costs, we are reviewing the transition to high-efficiency energy systems and the adoption of renewable energy sources.

Energy Consumption*

Indicator Name		Unit	2022	2023	2024
Non-renewable Energy Consumption	Electricity	TJ	125.1	135.3	132.5
	Fuel		8.1	7.8	7.8
	Others		3.6	4.3	3.5
Total Energy Consumption			136.8	147.4	143.8
Energy Intensity		TJ/KRW 100 million	0.0110	0.0093	0.0080

* Applicable to domestic business sites only

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Circular Resource

Strategy & Management

Waste Management Regulations

Seoyon E-Hwa has established management procedures to maintain a clean environment by efficiently managing and minimizing waste generation. Through our waste management regulations and procedures, we designate departments responsible for waste management and record and maintain management logs of the waste generated at each business site. For waste to be transported off-site, information is registered in the Korea Environmental Corporation's "Allbaro System" to monitor disposal and recycling status.

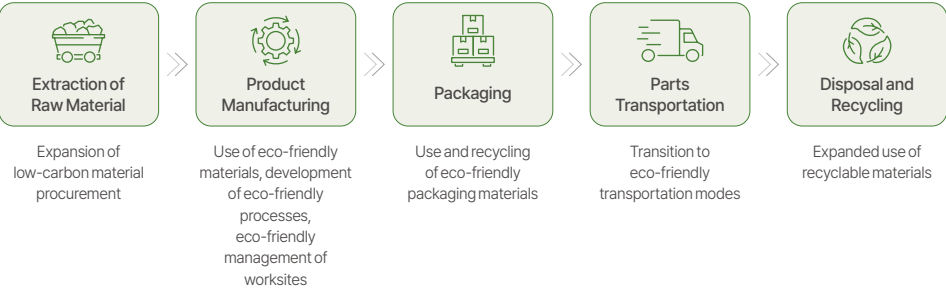
Waste Circulation System

Seoyon E-Hwa has established a waste circulation system to contribute to the development of a circular economy through waste reduction and active recycling. Under this system, polypropylene (PP) resin generated during injection molding processes is reused as raw material after sale. Furthermore, waste is categorized by type and composition to determine optimal recycling methods. We remain committed to minimizing waste generation and adhering strictly to the 3Rs—Reuse, Reduce, Recycle.

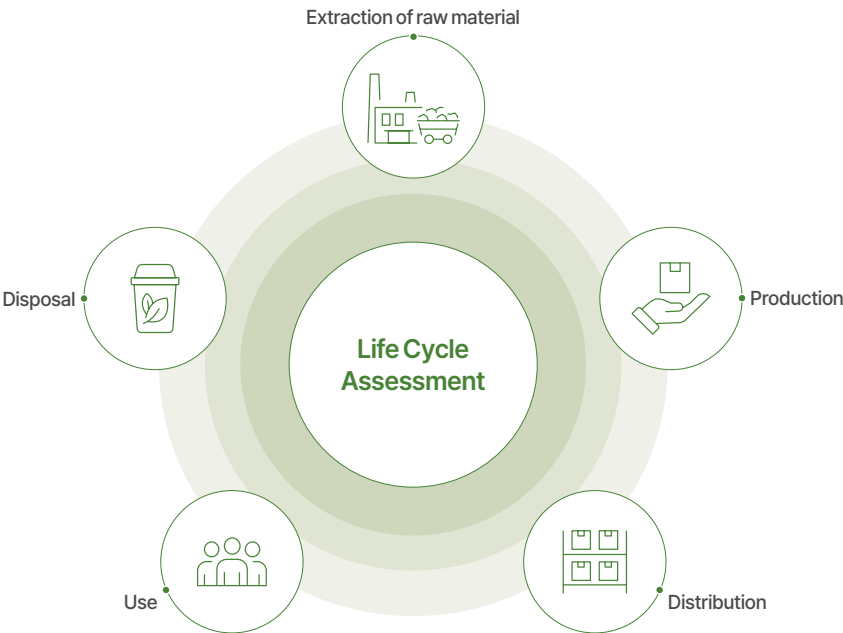
Life Cycle Assessment (LCA)

In order to respond proactively to international regulations and transparently disclose our efforts toward circular resource use and carbon emissions reduction, Seoyon E-Hwa is continuously expanding and strengthening our Life Cycle Assessment (LCA) practices. In 2023, we conducted LCA for our core domestic product, the door trim. In 2024, we expanded the scope to include parts produced at overseas sites, completing LCA for five parts across three vehicle models. We closely examined the resource flow from key raw materials used in our components, and optimized resource use during the transportation stage by considering distances between suppliers. In the product manufacturing stage, LCA included analysis of electricity use, packaging materials, and generation of direct waste. Seoyon E-Hwa plans to expand LCA evaluations beyond door trims to other products we manufacture to further enhance our circular management of resources.

Stage-by-Stage Response Strategies Based on LCA Implementation



Scope of LCA (Life Cycle Assessment)



Yearly Status of LCA Implementation

Category	2022	2023	2024	
Parts Subject to LCA	NE DOOR TRIM	NE DOOR TRIM	NE DOOR TRIM SX2 DOOR TRIM SX2 COVERING SHELF	KY DOOR TRIM KY BUMPER
Environmental Product Declaration (EPD) Certification	O	X	X	
Remarks	1 Parts for domestic vehicle model	1 Parts for domestic vehicle model	3 Parts for domestic vehicle model 2 Parts for overseas (India) vehicle model	

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Circular Resource

Activity & Performance

Development of Eco-Friendly Materials

Seoyon E-Hwa is actively collaborating with various peer businesses and companies from related industries to develop eco-friendly materials and components, including recycled and bio-resins, fabrics, natural fiber composites, and lightweight composite materials. We are exploring the potential application of new materials in both interior and exterior automotive parts with a focus on weight reduction, environmental friendliness, and enhanced functionality. We are also evaluating various material specifications to support these goals. As a result of our proactive involvement in the development of eco-friendly materials, Seoyon E-Hwa has successfully commercialized several eco-friendly materials and launched mass production of diverse products including recycled ABS, eco-friendly PC+PET, and recycled PA6. In parallel, Seoyon E-Hwa's research center is also focused on innovating manufacturing processes by integrating new technologies and methods into the structural design and production of automotive parts.

Material Research Direction

		
Light-weight	Eco-friendly	High-performance
Engineering plastics to replace steel	Research on recycled materials and manufacturing processes	Functional materials and components for energy management
Lightweight composite materials (GFRP/CFRP)	Materials and processes for reducing VOCs and CO ₂	Process simplification via integrated molding
Research on foamed materials and lightweight additives	Bio-composites and natural fiber composite materials	Scratch-resistant and durability-enhanced materials

Eco-Friendly Materials

		
Recycled ABS	Eco-Friendly PC+PET	Recycled PA6
Development of ABS resin for automotive interior using discarded home appliances	High content of recycled plastic applied	Obtaining PA6 by separating and crushing waste fishing nets
Composed of approximately 20% recycled material	Over 65% carbon reduction compared to virgin plastics	Composed of approximately 20% recycled material
Applied to console of CL4 vehicles	Enhanced physical properties, low VOC, and increased moldability	Same physical properties as conventional PA6

Eco-Friendly Materials under Development

Non-Painted Material Using Recycled Kimjang Mat Non-painted PP material using recycled Kimjang mat	Chemically Recycled PP Material Virgin-quality PP material obtained via chemical recycling	BIO+PCR Composite Resin Injection-type material using eco-friendly BIO + PCR recycled material
Composite PP Material from End-of-Life Vehicles Recycled PP composite material from ELVs for door trim	Water Purifier Filter PP Material High-purity recycled PP material from water purifier filters	NFPP Recycled PP Material Injection-type PP composite with natural fiber fillers
PAFS-Free Dry Lubricant Dry lubricant as an alternative to perfluorinated compounds	Recycled PE Fiber from Waste Battery Separators Fiber fabric from recycled vehicle battery separators	Vegan Leather Plant-based vegan leather using agricultural waste

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Circular Resource

Waste Management Activities

Seoyon E-Hwa has established a dedicated Task Force Team (TFT) to systematically identify issues related to the generation of industrial waste and to promote effective waste reduction initiatives. To reduce waste resulting from defective products, we have developed defect reduction plans tailored to each production line. These are supported by strengthened inspection protocols, implementation of on-site audits (3G Audits), and customized measures for each vehicle model. In order to minimize waste during product testing, some tests are outsourced to suppliers, while overseas sample testing is conducted locally to reduce unnecessary shipping and subsequent waste generation. Furthermore, waste generated by contractors is managed by sorting and reusing recyclable residues. In cases involving the disposal of large volumes of products or materials from external suppliers, Seoyon E-Hwa plans to clarify the standards for fabric processing and residue handling, in consideration of cost and disposal constraints, to ensure more efficient waste management.

Waste Reduction Operation Plan

Category	Issue	Improvement Plan
Product Waste	Waste generated from product defects	- Establish plans to reduce defects by production line - Implement systematic defect reduction activities such as strengthened inspections and 3-Real (site, facts, reality) audits
	Waste from product testing	- Outsourcing of testing to suppliers - Sample testing conducted locally for overseas facilities
General Waste	Waste generated by construction contractors	Separate and reuse recyclable materials among construction residues

Management of Environmental Impact from Waste

Seoyon E-Hwa has achieved zero landfill disposal and recycles 32.6% of our total waste volume, thereby minimizing the environmental impact of waste generation. We are committed to increasing the recycling rate steadily in order to further enhance the efficiency of waste management and continue practicing environmentally responsible management.

Waste Generation Volume

Indicator Name		Unit	2022	2023	2024
General Waste Emissions	Incineration	Ton	143.7	243.6	218.6
	Landfill		0	0	0
	Recycling		99	121.2	100.3
	Total		242.7	364.8	318.9
Designated Waste Emissions	Incineration		0	0	0
	Landfill		0	0.1	1.2
	Recycling		2.3	11.6	6.0
	Total		2.3	11.6	7.2
Waste Emission Intensity		Ton / KRW 100 million	0.02	0.02	0.01

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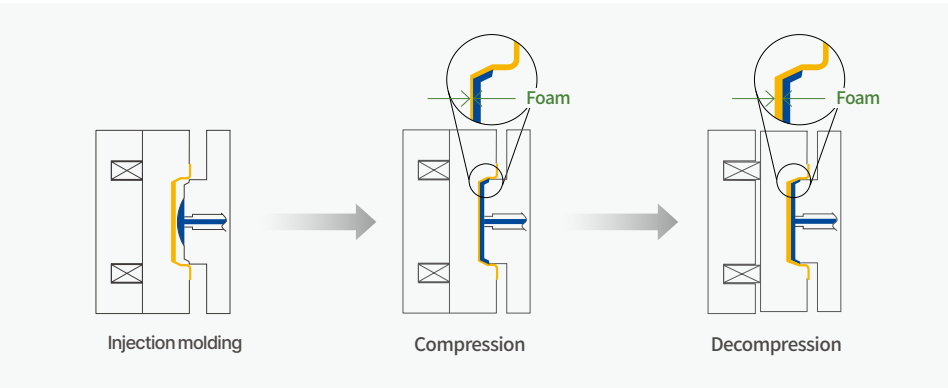
Circular Resource

Development of Eco-Friendly Products

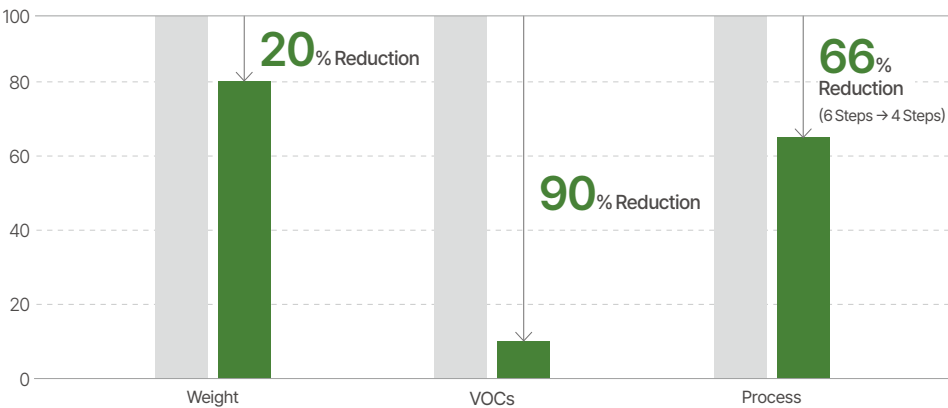
IME (In Mold Eco-friendly) One-Piece Skin Eco-Friendly Vacuum Injection Technology

The IME (In Mold Eco-friendly) one-piece skin eco-friendly vacuum injection technology was developed to resolve the issues of volatile organic compounds (VOCs) and odor emissions that occur during the IMG (In Mold Grain) molding process. This technology reduces the emission of harmful substances during molding by eliminating the adhesive application step, while maintaining the cushioning quality of soft skins at levels equivalent to traditional IMG molding.

Process Method



Application Effect



Furthermore, the application of a vacuum system during integral molding of the fabric suppresses foam degradation and, through the formation of a foam layer in the substrate, achieves a 20% reduction in product weight and improved energy efficiency. The foam resilience remains at a level comparable to that of existing IMG processes. Additionally, by using fabric and resin from the same material family without adhesives, this process enhances recyclability significantly. This technology was officially recognized in May 2025, when it received NET (New Excellent Technology) certification.

Foam Thickness Before/After Pressure Reduction



Acquired Eco-Friendly New Technology Certification



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Environmental Impact

Strategy & Management

Environmental Impact Mitigation and Management

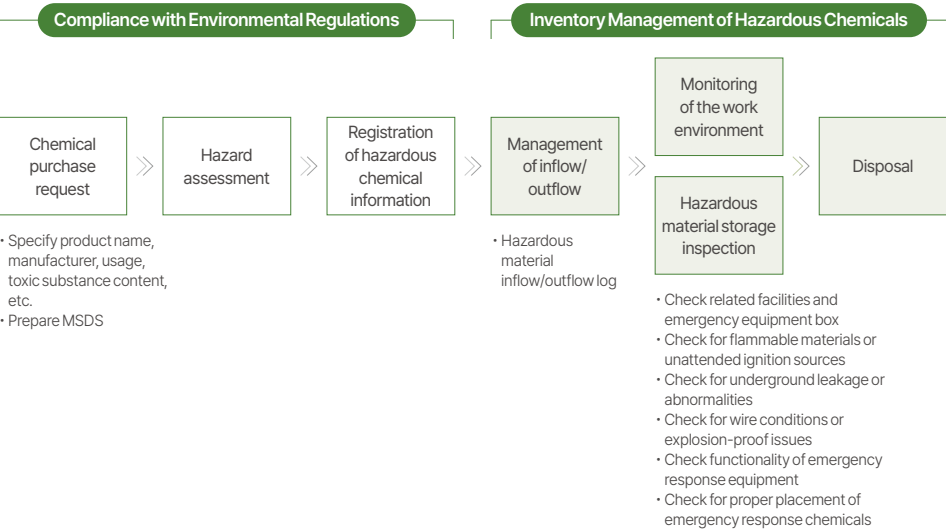
Water Resource Management

Seoyon E-Hwa is committed to managing water resources efficiently and minimizing the generation of wastewater. We primarily use municipal water and groundwater for domestic purposes in office spaces and cooling towers in facility operations. Water consumption in the parts assembly process has been minimized, and most of the water used at present is for domestic or fire prevention purposes. Wastewater generation is strictly controlled to ensure minimal discharge, maintaining an almost zero-wastewater policy.

Hazardous Chemical Management

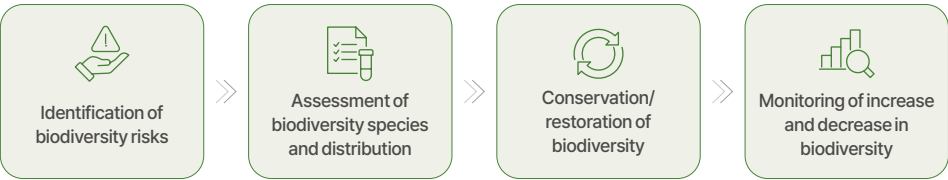
Although Seoyon E-Hwa does not directly use hazardous chemicals in our operations, we strictly adhere to the Occupational Safety and Health Act and the Chemical Substances Control Act. Guidelines are in place for the handling and inspection of all hazardous chemicals. Regular inspections are conducted in accordance with the Hazardous Materials Safety Control Act to prevent accidents related to chemical substances. When new chemical substances are introduced, we document and assess their hazards according to relevant guidelines. All incoming and outgoing substances are recorded and strictly monitored. Additionally, assessments of the work environment are conducted by external agencies more than twice annually, and internal inspections of storage areas for hazardous materials are performed semiannually to ensure worker safety.

Hazardous Chemical Substance Management Process



Biodiversity Protection Policy

Recognizing the importance of biodiversity and forest conservation, Seoyon E-Hwa has incorporated a dedicated biodiversity protection clause within our environmental policy to prevent biodiversity risks that may arise throughout the product lifecycle—from production to sales. We comply with relevant international conventions and domestic laws and develop plans to promote biodiversity conservation and restoration activities based on this policy.



Environmental Impact Reduction Goals

To reduce our environmental impact, Seoyon E-Hwa has established environmental objectives focused on compliance with environmental regulations, reduction of waste generation and energy usage, and conservation of water.



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Environmental Impact

Activity & Performance

Water Resource Management Activities

Water Tank Hygiene Management

To minimize pollution caused by the use of water at our business sites, Seoyon E-Hwa conducts hygiene management of water storage tanks twice a year. Regular cleaning and inspections are carried out to prevent contamination by microorganisms or suspended matter, thereby preventing environmental pollution from water usage.

Water Quality Monitoring

To enhance the professionalism of water management, Seoyon E-Hwa outsources the monitoring of water quality to specialized agencies for systematic implementation. This enables us to detect early signs of contamination in stored water and to take timely and appropriate countermeasures, thereby preventing environmental pollution. Such monitoring activities also contribute to providing safe and clean water for employees, thereby protecting their health and reinforcing overall safety at the workplace.

Hazardous Chemical Management Activities

Material Safety Data Sheets (MSDS) Management

Seoyon E-Hwa ensures that Material Safety Data Sheets (MSDS) are available at all workplaces where hazardous chemicals are used, guiding employees in the safe handling and management of chemical substances. Managers at each workplace receive quarterly training on MSDS content, handling precautions, and emergency response measures. We continually emphasize the importance of proper MSDS management.

International Material Data System (IMDS) Management

Seoyon E-Hwa uses the International Material Data System (IMDS) to register the material compositions of components supplied for domestic and international vehicle models, managing legal compliance, material content, and safety-related data. IMDS registration is performed when new vehicle models are introduced or when changes are made upon the request of clients. For outsourced parts, Seoyon E-Hwa receives the necessary data from suppliers via email, reviews it, and requests final approval from the client. Once the MSDS is approved, the report is downloaded and delivered to the quality management department, completing the MSDS submission process. Seoyon E-Hwa strictly adheres to IMDS practices as recognized in the global automotive industry, taking a proactive approach to the management of hazardous chemicals.

Nature Conservation Activities in the Local Community

The “Muryongsan Guardians” at Seoyon E-Hwa’s Ulsan plant is an in-house volunteer group composed of employees and their families who lead local environmental cleanup efforts. In collaboration with residents in the Northern District of Ulsan, the group organizes environmental campaigns and contributes to the improvement of the local environment. Under the theme of “Village Alley Cleanup,” the group conducts cleanup activities in designated areas, including neighborhood streets and the Muryongsan mountain area, collecting cigarette butts and litter. In addition to their regular volunteer activities, they also conduct special fundraising campaigns to support the community in the event of natural disasters such as wildfires.

Muryongsan Guardians Activity Status (2024)

Date	Number of Participants	Details
January 28, 2024	35 persons	• Village alley cleanup and nature conservation campaign • Environmental cleanup (collection of cigarette butts and trash)
February 25, 2024	40 persons	• Regular volunteer activity • Village alley cleanup activity by employees and their families
March 24, 2024	42 persons	• Regular volunteer activity • Village alley cleanup activity by employees and their families
April 28, 2024	35 persons	• Regular volunteer activity • Village alley cleanup activity by employees and their families
May 26, 2024	50 persons	• Regular volunteer activity • Village alley cleanup activity by employees and their families
June 23, 2024	20 persons	• Village alley cleanup and nature conservation campaign • Environmental cleanup (collection of cigarette butts and trash)
July 21, 2024	45 persons	• Regular volunteer activity • Village alley cleanup activity by employees and their families
August 25, 2024	50 persons	• Village alley cleanup and nature conservation campaign • Environmental cleanup (collection of cigarette butts and trash)
September 22, 2024	50 persons	• Regular volunteer activity • Village alley cleanup activity by employees and their families

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Employees

Strategy & Management

Employee Development

Seoyon E-Hwa is committed to cultivating top-tier professionals who will lead the future of the automotive industry, with a focus on fostering talent equipped with capacity for integrated thinking and a global mindset. To achieve this goal, we provide a variety of training programs and opportunities for practical learning, including job training and global talent development, to support employees in building global competitiveness.

Job Training Status

Category	Details	Key Initiatives in 2024
Leadership Training	• Orientation & promotion • Competency building for new executives • Enhancement of leadership skills for new team leaders • Leadership development by rank	• Orientation training for new employees (entry-level/career-level) • MBA training for new executives • Executive workshops, managerial (team leader/head of each group) workshops • Training for newly promoted employees
Core Competency Training	• Enhancement of common job competencies	• AI Expert Program, Basic Accounting Course, StrengthsFinder Training, Understanding ESG Management, AI Literacy, Special Lectures
Technical Training	• Enhancement of specialized job competencies	• 16 internal specialized courses on molding, development, design, quality, CATIA, etc. • Support for external job training (465 cases)
Special Training	• Enhancement of global competencies	• Global talent development program, foreign language education support (184 cases)

Job Rotation System

Seoyon E-Hwa operates a job rotation system to help employees develop their careers and acquire necessary skills. The system applies to all employees and facilitates the growth of expertise and experience in new technical areas. Each year, team leaders assess personnel needs and submit staffing requests to the Human Resources Group, which allocates resources through internal reassignment or recruitment. For office staff, rotations are carried out in departments such as design, development, and quality. For technical workers, rotations take place in essential technical areas such as logistics, equipment manufacturing, materials management, electrical/mechanical maintenance, and product inspection. Through this system, employees gain opportunities to acquire new technical skills and grow into specialists, thereby enhancing the overall technical capabilities of Seoyon E-Hwa.

Retiree Education Activities



Retirement and asset management



Utilizing national pension services

Global Talent Development Program

To support successful global expansion and strengthen international competitiveness, Seoyon E-Hwa prioritizes the development of global competencies among our domestic employees. Each year in the second half, we operate a Global Talent Development Program for employees at assistant manager level and above. Over the course of approximately five months, participants are provided with training in language proficiency, cultural awareness, and global business practices to enable effective communication and work performance in overseas assignments.

Category	Key Initiatives in 2024	
Training Objectives	① Understanding the roles and importance of personnel dispatched overseas ② Developing leadership and job competency for overseas assignments ③ Enhancing understanding of business environments in host countries through cross-cultural awareness	
Training Target	Prospective personnel to be dispatched overseas and global talent candidates	
Key Training Programs	① Foreign language improvement training ② Sub-function job training ③ Training in SAP modules	④ Understanding cross-cultural differences ⑤ Global leadership training

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Department SEOYON E-Hwa ESG TFT
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Employees

Employee Evaluation

Seoyon E-Hwa conducts employee evaluations by comprehensively considering both organizational performance ratings and individual assessments on performance and competencies. The integrated results of these evaluations serve as critical data for determining employee compensation and promotions.

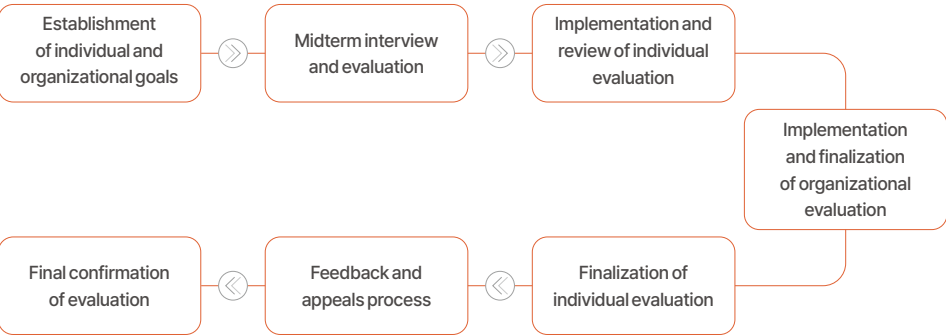
Organizational Evaluation

Organizational evaluation is a process to assess the degree to which a team has achieved the goals set at the beginning of the year. Seoyon E-Hwa conducts this evaluation based on the Management by Objectives (MBO) method using an absolute evaluation approach, which focuses on the overall performance of the team. The organizational rating determined through this evaluation influences the distribution of performance ratings for individual team members. Moreover, the evaluation results of upper-level organizations are directly linked to those of subordinate teams and individuals, forming a system aimed at improving the overall performance of the organization.

Individual Evaluation

Individual evaluation comprises two components: performance evaluation through MBO and competency assessment through the Competency Improvement Plan (CIP). Performance is assessed by comparing the individual's performance goals set at the beginning of the year with the results achieved at year-end, using our performance evaluation system. Competency is evaluated based on the individual's voluntary efforts to develop their skills and achieve goals, as planned at the beginning of the year, again using the internal evaluation system.

Employee Evaluation Process



Employee Compensation

In accordance with our human rights management policy, Seoyon E-Hwa strictly prohibits any wage discrimination based on gender or race, thereby ensuring an equitable compensation system for all employees. Fair evaluation based on performance and capability plays a vital role in determining annual wage increases and contributes to promoting inclusion and diversity within the organization.

All employees are guaranteed compensation above the minimum wage, and our pay structure is designed in line with the responsibilities of each position and job category. Salaried positions (manager level and above) follow an annual salary system; general staff and assistant managers are compensated on a monthly basis; and technical field workers are paid on an hourly basis to ensure fair remuneration.

Furthermore, Seoyon E-Hwa operates an internal reward system and a promotion point system, providing additional compensation and promotion opportunities for employees who achieve outstanding performance. These initiatives help ensure equal opportunities for all employees and foster a merit-based competitive environment based on performance and capability.

Labor-Management Communication

Seoyon E-Hwa actively supports employees' freedom of association to protect and promote their rights and interests, in full compliance with legal guarantees. Employees may freely elect representatives to engage with the management on their behalf, and these representatives may form labor unions to engage in collective bargaining with the company. The negotiation process is conducted with mutual respect and understanding, as both parties share their perspectives and work toward mutually beneficial resolutions.

Collective bargaining is conducted annually from April to October, during which agreements on wages and working conditions are made. These agreements play a crucial role in safeguarding workers' rights, enhancing employee welfare, and improving working conditions. Employees can also raise concerns related to welfare, workplace safety, and health improvements through the Labor-Management Council and the Industrial Safety and Health Committee, which convene quarterly.

Category	Key Details	Negotiation Results
Collective Bargaining	• Negotiation of wages and collective agreements • Agreement on performance compensation and improvement of working conditions	• Wage increases and performance bonuses • Improvement of collective agreement systems
Labor-Management Council	• Regular meetings of the labor-management council • Resolution of employee grievances and enhancement of welfare systems • Discussions on improving productivity	• Expansion of access to company vehicles • Installation of EV charging stations • Summer coffee truck event for employees
Industrial Safety and Health Committee	• Improvements to the workplace environment and activities for prevention of industrial accidents • Consultations on occupational health and hygiene	• Installation and improvement of safety sensors on welding machines • Installation of local exhaust devices for injection machines • Establishment and improvement of PPE (Personal Protective Equipment) standards

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Employees

Activity & Performance

Employee Welfare and Benefits

Seoyon E-Hwa places great importance on enabling employees maintain a healthy balance between work and family life, and operates a comprehensive welfare system to enhance productivity and overall well-being. Through vacation policies, parental support, and flexible work arrangements, employees are encouraged to spend quality time at both work and home. Additionally, commuting support policies help make travel to and from work more convenient. We also support employee welfare in various areas such as culture, leisure, education, healthcare, and housing, aiming to improve the overall quality of life for our workforce. Seoyon E-Hwa assesses and upgrades our welfare offerings continuously through ongoing dialogue with employees via the labor-management council.

Key Employee Welfare Programs	Summary of Welfare Benefits
Working Hours	- Flexible working hours: Employees can choose the start and end times within a monthly total of 52 hours/week - PC-OFF system: Automatically shuts off company computers when statutory working hours are exceeded
Parental and Childcare Support	- Reduced working hours during pregnancy: 2 hours/day reduction during early (before 12 weeks) and late (after 36 weeks) pregnancy - Maternity/paternity leave: 20 days leave granted to support childbirth (can be split into three parts within 120 days) - Childcare leave: Up to 2 years for children under age 8 or in the second grade or below - Reduced working hours for childcare: 15–35 hours per week - Family care leave: Up to 90 days of paid leave within one year - Operation of an on-site daycare center
Vacation Support	- Annual and monthly leave provided - Five days of summer vacation provided annually - Refresh leave provided
Congratulatory and Condolence Support	- Special leave for personal events - Congratulatory or condolence monetary gifts - Funeral wreaths and supplies provided
Long-Service Awards	Awards for employees with 5 to 35 years of continuous service
Housing Support	- Dormitory support - Loan assistance via the in-house employee welfare fund

Key Employee Welfare Programs	Summary of Welfare Benefits
Culture, Leisure, and Education Support	- Operation of four-season resorts: Free use of vacation resorts, support for condo/resort lodging - Workation program: Enables working and vacationing simultaneously at hotels/resorts - Support for club activities (e.g., golf, soccer, bowling, running) - Multi-purpose wellness facilities (gym, badminton court, futsal field, wellness room) - Subsidies for foreign language courses
Medical and Health Support	- Support for regular and comprehensive medical checkups - Support with hospitalization costs for employees and their families
Children's Education Support	- Support with admission fee for elementary, middle, and high school - Tuition support for university
Commuting Support	- Support with fuel expenses - Operation of company commuter bus
Workwear Support	Provision of work uniforms
Meal Support	- Lunch provided, ready-to-eat meals available - Breakfast provided
Group Personal Pension Support	Contributions to Individual Retirement Pension (IRP)

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Employees

Organizational Culture Development Activities

Meetings by Job Level

Seoyon E-Hwa regularly holds job-level meetings led by the Human Resources Group. These meetings provide employees with the opportunity to freely share difficulties or requests related to their work life. The Human Resources Group gathers employees' inputs and takes appropriate action where necessary. These meetings also serve as important opportunities for employees to connect with colleagues, build empathy, and strengthen team cohesion.

Monthly Commitment Campaign

To foster a vibrant and healthy organizational culture, Seoyon E-Hwa conducts campaigns for activating the organizational culture. As part of this initiative, a new organizational culture slogan is selected each quarter, accompanied by themed monthly activities that are communicated to employees to encourage participation. These monthly activities include practical and accessible tasks such as “Sharing knowledge in my area of expertise,” “Expressing gratitude to a senior colleague,” and “Setting ground rules that we all must follow.” Participation is further promoted through events that reward outstanding participants with gifts, boosting engagement and awareness across the company.

Family-Friendly Certification

Seoyon E-Hwa is committed to creating a work environment that enables employees to maintain a healthy work-life balance through policies such as flexible work hours, remote work options, and maternity and parental leave programs. These efforts ensure that employees can devote attention to both family and work responsibilities. As a result of these initiatives, we have earned and continue to maintain the Family-Friendly Certification from the Ministry of Gender Equality and Family. Seoyon E-Hwa will continue our efforts to enhance our family-friendly policies and strive to create a workplace where employees and their families can thrive together.

Onboarding Program for New Employees

Introductory Training

New employees undergo approximately three weeks of mandatory onboarding training. The first two weeks are dedicated to team-building activities, film festivals, and communication skills workshops that help foster camaraderie among new hires. They also participate in various sessions to gain a deeper understanding of the company. Additionally, a special lecture by the CEO and factory tours are conducted to instill pride and a sense of belonging among new joiners. In the final week, new hires engage in field training, gaining hands-on experience in assembly and packaging processes on the production line. This provides practical insights into manufacturing operations and enhances their understanding of the company.

Jump-Up Program

After one year of employment, new employees take part in a two-day “Jump-Up” program designed to support their career development and integration into the organization. The main objectives of this program are to strengthen peer bonds, instill our core values and strategies, and foster a positive corporate atmosphere. Senior employees from various departments also participate, sharing their experiences and insights into our vision. Through this interaction, new hires gain a deeper understanding of our direction and long-term goals.

Mentoring Program

To facilitate smooth adaptation and knowledge acquisition for new employees, Seoyon E-Hwa operates a three-month mentoring program. This program helps new hires build the skills necessary for work life and establish internal networks. Mentors and mentees are matched across various functions, allowing mentees to gain diverse perspectives and expand their professional connections. Monthly stipends are provided to support mentoring activities, and teams are required to submit monthly reports. At the end of the program, top-performing teams are selected based on these reports and awarded prizes, encouraging active participation from both mentors and mentees.

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Occupational Safety and Health

Strategy & Management

Occupational Safety and Health Strategic Framework



Occupational Safety and Health

Occupational Safety and Health Management Policy

Seoyon E-Hwa has established an Occupational Safety and Health (OSH) Management Policy to ensure a safe and healthy working environment for all employees, suppliers, and business affiliates. With the safety of employees and stakeholders as our top priority, Seoyon E-Hwa seeks to cultivate a safety culture and build an effective OSH management system through the implementation of five core principles. As a fundamental rule, we assess risks regularly and establish control procedures to eliminate or mitigate hazards that may arise throughout our business operations. Seoyon E-Hwa is committed to providing all stakeholders with a consistently safe working environment through these continued efforts.

 [Occupational Safety and Health Policy](#)

Seoyon E-Hwa Occupational Safety and Health Management Policy

- 1



To prevent industrial accidents, we establish a sustainable, self-regulating occupational safety and health management system and secure sufficient human and material resources to eliminate and control workplace hazards.
- 2



We set safety and health objectives and establish and implement detailed action plans to achieve them.
- 3



We comply with relevant occupational safety and health laws and establish and implement internal regulations faithfully for self-regulation.
- 4



We identify potential risks through employee participation, improve and manage risks to an acceptable level, and share risk management measures through training.
- 5

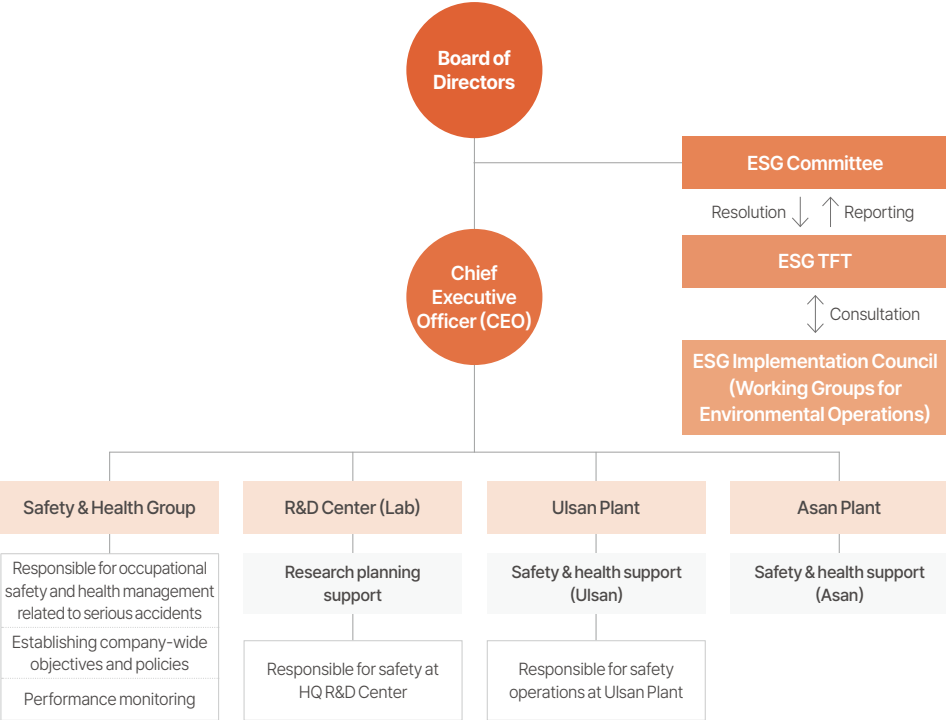


All executives and employees shall faithfully comply with their responsibilities and duties in occupational safety and health activities.

Occupational Safety and Health Governance

To respond swiftly to safety incidents during business operations, Seoyon E-Hwa operates a Safety & Health Group directly under the CEO. The Safety & Health Group sets annual safety and health performance goals, which are reported to the management along with the previous year's outcomes and approved by the Board of Directors. The improvement of the previous year's OSH issues is prioritized, and final goals are determined by considering incidents at other companies and grievances reported by employees comprehensively. Once the OSH policy is established, support departments at each plant and research institute monitor compliance. Any shortcomings are reported to the Safety & Health Group, and critical issues are also reported directly to executive management. Through our structured OSH implementation framework, Seoyon E-Hwa aims to prevent safety incidents and ensure swift response when necessary.

Occupational Safety and Health Organizational Structure



* Safety and health are managed by the Safety & Health Group (responsible for the Serious Accidents Punishment Act) and are organized at the workplace level.

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Occupational Safety and Health

Compliance with Occupational Safety and Health Laws

In accordance with the implementation of the Serious Accidents Punishment Act, Seoyon E-Hwa has established a systematic inspection framework to ensure full compliance with legal requirements. We have divided the key elements mandated by the law into 17 detailed categories and developed quantifiable indicators for each category to monitor and assess the current status of safety and health management. Each business site conducts semiannual self-assessments based on these indicators. If any shortcomings are identified during these inspections, continuous guidance and corrective actions are initiated to drive improvement.

Occupational Safety and Health Management System Certification

To manage occupational safety and health systematically and minimize industrial accidents, Seoyon E-Hwa has implemented an Occupational Safety and Health Management System that has been externally audited and certified with ISO 45001 across both domestic and international sites. We have established internal policies, governance structures, and emergency response manuals to manage occupational safety and health, and conduct regular internal audits as part of our management system. Seoyon E-Hwa is committed to expanding the Occupational Safety and Health Management System to cover all our operations and ensuring that every domestic and overseas facility obtains ISO 45001 certification.

ISO 14001 Certification Status

International Standard (ISO 14001)		ISO 45001	
		Certification Status	Date of Expiration
Domestic 100%	Ulsan Plant	●	2025-10-27
	Asan Plant	●	2025-10-27
	Headquarters (Pyeongchon)	●	2025-10-27
CHINA	Jiangsu Seoyon E-Hwa	●	2026-06-10
	Beijing Seoyon E-Hwa	●	2027-03-22
EUROPE	Assan Hanil	●	2027-07-26
	Seoyon E-Hwa Slovakia	●	2028-05-19
	Seoyon E-Hwa Poland	●	2027-03-15
	Seoyon Summit India	●	2028-04-29
Over-seas 83.3%	Seoyon Summit Krishnagiri	●	2027-10-06
	Seoyon Summit Chennai	●	2026-03-16
	INDIA/ASIA	-	New Corporations
	Seoyon Summit Anantapur	●	2028-03-31
	Summit Seoyon Indonesia	●	Scheduled for certification in July 2025
	Seoyon E-Hwa Alabama	●	2027-10-18
	Seoyon E-Hwa Georgia	●	2026-03-30
AMERICAS	Seoyon E-Hwa Auburn	●	2028-01-19
	Seoyon E-Hwa Savannah	-	New Corporations
	Seoyon E-Hwa Brazil	●	2026-06-08
	Seoyon E-Hwa Mexico	●	2026-08-10
	Seoyon North America	-	New Corporations

Collecting Safety and Health Feedback

Industrial Safety and Health Committee

In accordance with Article 24 of the Occupational Safety and Health Act, Seoyon E-Hwa operates the Industrial Safety and Health Committee at least once per quarter. The committee functions under the rules for the prevention of serious accidents and the enhancement of safety and health. It discusses various safety and health issues and conveys any necessary improvements to the responsible departments.

Safety and Health Council

In accordance with Article 63 of the Occupational Safety and Health Act, Seoyon E-Hwa convenes a monthly council to discuss safety and health matters with subcontractors. Comprised of internal safety and health personnel and external contractors, the council engages in regular discussion of safety and health risks and the identification of areas requiring improvement.

Safety Reporting System

Across all worksites, Seoyon E-Hwa operates an online feedback portal called the “Safety Reporting System” to collect safety and health-related opinions continuously. Employees also have opportunities to submit suggestions through periodic on-site meetings or virtual meetings. The portal allows anonymity, encouraging candid inputs. We review submitted suggestions, takes appropriate action, and transparently share the outcomes. Seoyon E-Hwa incentivizes active participation and rewards employees who contribute meaningfully to safety and health improvements. If a submitted concern is deemed necessary for prevention of accidents, it is implemented in consideration of site-specific conditions and operational rationality.

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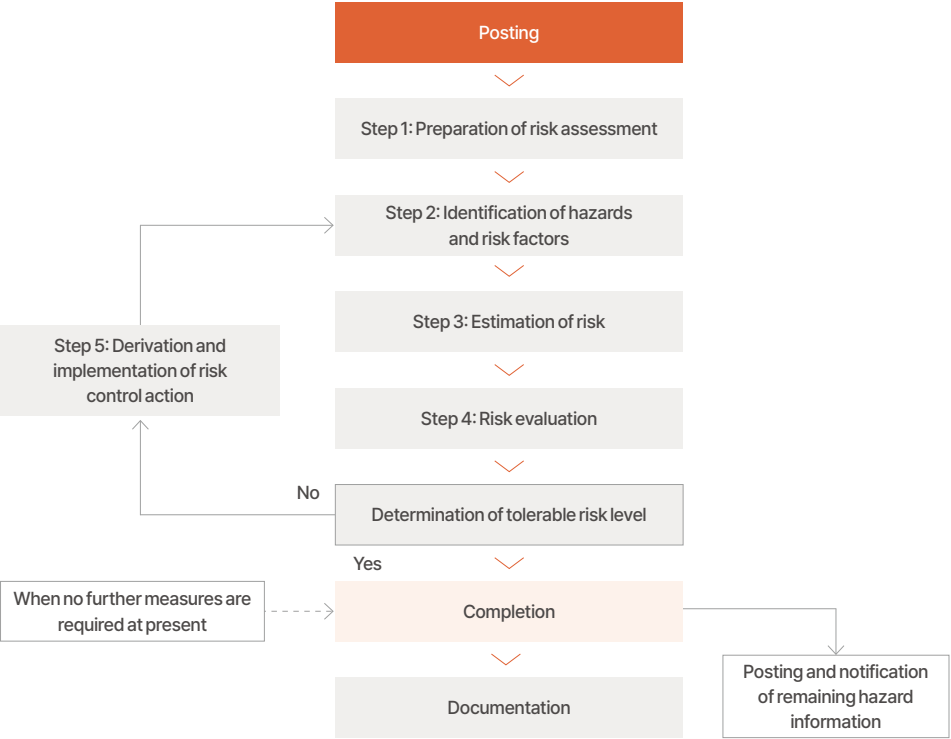
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Occupational Safety and Health

Risk Assessment

Seoyon E-Hwa is committed to identifying hazardous and risk factors across all business activities and minimizing potential risks. All domestic business sites have developed and implemented plans for conducting risk assessments on an ongoing basis. These procedures are designed to evaluate risk levels based on the potential frequency and severity of accidents related to specific hazards and risk factors present at each site. In 2024, risk assessments were carried out at the Asan and Pyeongchon sites, enabling us to identify potential hazards in the workplace and take necessary preventive measures proactively. All identified risks are assessed, including the surrounding environmental risks, and the findings are used to establish emergency response plans. This process ensures safety through thorough preparation and response strategies.

Risk Assessment Process



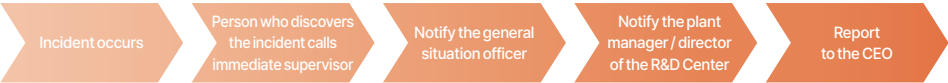
Emergency Response to Safety Accidents

To minimize casualties and operational disruptions caused by industrial or natural disasters, Seoyon E-Hwa has established a systematic emergency management process, formalized through detailed manuals. The emergency response manual categorizes incidents into three severity levels coded as colors, White, Blue, and Red, and outlines specific procedures for each level. Each response protocol defines the roles and responsibilities of relevant departments to ensure swift and effective response in the event of an incident. After initial response measures are carried out, continuous monitoring and follow-up management are conducted to prevent recurrence and further mitigate damage. This comprehensive system ensures a more rapid and effective response to future incidents, ultimately enhancing employee safety and protecting company assets.

In Case of White-level Incident



In Case of Blue-level or Higher Incident



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Occupational Safety and Health

Activity & Performance

Occupational Safety and Health Activities

Daily Workplace Inspections

To ensure workplace safety and prevent accidents, Seoyon E-Hwa operates an intensive management system that classifies work zones into “Red Zone” and “Yellow Zone.” Areas with a history of incidents or potential high accidents are designated as Red Zone. In these areas, daily inspections are conducted on equipment, workers’ use of personal protective equipment (PPE), compliance with the two-person work rule, and possession of work safety permits. Inspection results are reported directly to the plant manager. Yellow Zones, which have relatively lower risk but still warrant caution, include assembly lines and similar areas. These are also subject to daily monitoring and inspections with a strong emphasis on workers’ safety. Additionally, fire safety facilities—such as extinguishers, hydrants, and pump rooms—are inspected daily to ensure functionality. The results of these inspections are reported through a digital system to the plant manager.

Red Zone	
Equipment Inspected	Injection molding, mold repair area, startup rooms
Inspection Items	Whether workers wear personal protective equipment, comply with two-person team operations, and carry a work safety permit, etc.

Yellow Zone	
Inspection Equipment	Equipment other than assembly line
Inspection Items	Whether workers wear personal protective equipment, and whether safety devices are functioning

Safety and Health Monitoring System

Seoyon E-Hwa operates a 24-hour Safety & Health Monitoring System to minimize blind spots and ensure round-the-clock safety surveillance. A structured emergency response system is in place to enable prompt and accurate action in case of incidents, ensuring a safe and secure work environment for all employees.

Inspections of High-Risk Machinery and Equipment

In accordance with the Occupational Safety and Health Act, Seoyon E-Hwa has implemented procedures for managing hazardous machines and equipment to prevent accidents. The Safety & Health Support Department conducts safety inspections at least once a year. If an anomaly is detected during inspection, the equipment is taken out of service immediately and appropriate corrective measures are taken. All findings and corrective actions are reported to the safety management officer. When necessary, incidents are also reported to external agencies such as the Korea Occupational Safety and Health Agency (KOSHA) to strengthen internal safety management and promote cooperation for enhanced industrial safety standards.

Safety Culture Promotion Campaigns

To reinforce safety awareness among employees and encourage a proactive approach to accident prevention, Seoyon E-Hwa holds biannual safety culture campaigns. These campaigns include a company-wide safety slogan contest, a near-miss reporting competition, and the “Determined 365 Safety Pledge.” These diverse programs actively promote a strong internal culture of safety. Outstanding entries in campaign events are awarded grand and excellence prizes, and the winning works are displayed throughout the company to encourage participation and awareness among employees.

Fire Drills

To strengthen emergency response capabilities in potential hazard scenarios, Seoyon E-Hwa focuses on enhancing the skills of our in-house firefighting unit. Joint fire drills are conducted every quarter to improve the response capabilities of the fire team and the evacuation readiness of employees. These drills include training on initial fire response, fire suppression techniques, and emergency evacuation procedures. Firefighters also receive intensive training on how to operate firefighting equipment and lead safe evacuation efforts.

Intelligent Fire Management System

An intelligent fire management system has been established to enable quick and accurate responses to fire emergencies. This system allows safety managers to monitor sites continuously. Fire alerts can be received not only through centralized receivers but also through control room workstations and personal mobile devices, enabling rapid localization and response. The system also provides real-time status checks on firefighting equipment for improved maintenance efficiency and includes remote control functions to suppress false alarms caused by malfunction.

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Occupational Safety and Health

Occupational Safety and Health Training

Seoyon E-Hwa conducts customized safety training programs for all employees and managers to strengthen safety awareness and health literacy. Every employee participates in a two-hour training session each month on various topics, with attendance verified through signature records. Plant managers and occupational safety and health officers receive legally mandated training, while department heads and team leaders are trained annually in their capacity as supervisory personnel to enhance their safety management capabilities. They also receive regular refresher training to stay current with the latest safety techniques. Additional specialized training is provided for risk assessment practitioners and internal auditors of ISO 45001 to improve the expertise and competency of all responsible personnel.

Employee Health Management Activities

Operation of Health Care Rooms

Seoyon E-Hwa operates on-site health care rooms to ensure prompt response to employee injuries and enable continuous health management. These rooms are staffed with professional nurses who can immediately assess injuries and provide appropriate treatment, facilitating a quick return to daily activities. Beyond treatment, the health care rooms offer health consultations and checkups, including body composition analysis using InBody devices to help employees better understand and manage their physical health. Additionally, support is provided for smoking cessation and weight management counseling, contributing to the development of healthier lifestyles and improved quality of life for employees.

Support for Health Checkups

Seoyon E-Hwa places great importance on the health of employees and their families and provides financial support for health checkups. This policy encourages employees to undergo regular medical examinations, promoting continuous monitoring of personal health. We support both special and comprehensive health checkups. Special checkups, conducted once or twice a year, target employees exposed to hazardous work environments and include tests for health issues caused by noise, dust, and toxic chemicals. Comprehensive checkups are partially subsidized every two years for employees aged 35 and above, and family members are eligible for support every three years.

Psychological Counseling System

Seoyon E-Hwa also prioritizes the mental well-being of employees. In partnership with the Northern District Office of Ulsan, we offer psychological counseling based on brainwave measurements. Employees can understand their mental health status in objective terms through brainwave data. The program also connects employees to professional counselors, providing a safe space to discuss issues such as job stress, conflict at the workplace, and interpersonal difficulties.

Health Management Program

We provide personalized health management programs tailored to individual needs. Upon employees' consent, Seoyon E-Hwa reviews the results of health checkups and offers custom programs for those with abnormal findings or pre-existing conditions. Even employees with no current health concerns can participate in preventive programs to safeguard their future well-being. Through this approach, all our members are given the opportunity to prevent and manage potential health issues.



Health Promotion Program

Based on the results of medical examination, provide health counseling and periodic management for individuals with findings or diseases



Program for Prevention of Musculoskeletal Disorders

Conduct investigations on harmful factors, improve work environment, and implement rehabilitation therapy programs



Cardiovascular and Cerebrovascular Disease Program

We support intensive management for employees at high risk of hypertension, diabetes, hyperlipidemia, triglycerides, liver diseases, and obesity.

Infectious Disease Response Process

Seoyon E-Hwa has established a comprehensive manual to respond swiftly and effectively to national-level outbreaks of infectious diseases such as COVID-19. The manual outlines detailed procedures for both organizations and individuals according to the severity of the outbreak, ensuring fast and structured responses. We update this manual regularly to ensure that employees can respond safely in such situations while maintaining business continuity even during unforeseen crises.

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Human Rights Management

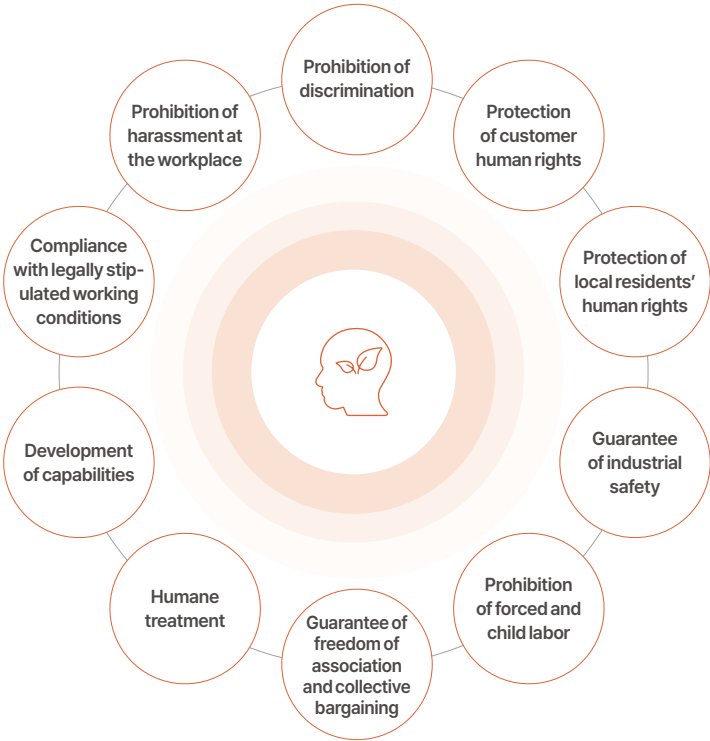
Strategy & Management

Human Rights Management Policy

Seoyon E-Hwa supports international standards and agreements such as the Universal Declaration of Human Rights, International Labor Organization (ILO) Conventions, OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights (UNGPs). Through our Human Rights Management Policy, we seek to prevent human rights violations, promote the protection of human rights, and minimize human rights risks across all aspects of our business operations. The policy outlines fundamental principles related to appropriate conduct at the workplace, including the prevention of workplace harassment and compliance with labor conditions. We have also established a risk management framework and grievance resolution channels for employees. In particular, Seoyon E-Hwa includes provisions prohibiting discrimination based on gender, race, ethnicity, religion, or disability, thereby fostering a workplace culture that consistently respects the human rights of all stakeholders.

 [Human Rights Management Policy](#)

Basic Principles of Human Rights Management



Human Rights Risks Management

To respect the human rights of all employees and address potential risks, Seoyon E-Hwa has established a human rights risk identification and management system led by our Human Resources Department. The goal is to evaluate and improve human rights risks, and to share relevant information promptly with stakeholders. This system enables the early detection of potential violations and ensures timely intervention, thereby minimizing risk and providing a fair, safe, and respectful working environment for all employees.



Potential Human Rights Risks

Type of Human Rights Risk	Stakeholders	Summary of Welfare Programs
Compliance with Working Conditions	Employees, suppliers	• Verification of employment contract execution and compliance • Implementation of flexible working hours and PC-OFF system • Monitoring compliance with the code of conduct for suppliers
Forced Labor and Child Labor	Employees, suppliers	• Verification of employment contract execution and compliance • Monitoring compliance with the code of conduct for suppliers
Prohibition of Discrimination	Employees	• Conducting training to prevent workplace harassment
Humane Treatment	Employees	• Operation of the Cyber Audit Center
Guarantee of Freedom of Association and Collective Bargaining	Employees	• Regular holding of collective bargaining and labor-management council meetings
Safety and Health	Employees, suppliers	• Acquisition and maintenance of ISO45001 certification • Monitoring compliance with the code of conduct for suppliers
Protection of Local Residents' Human Rights	Local residents	• Regional social contribution activities
Protection of Customer Human Rights	Clients	• Operation of the Cyber Audit Center
Protection of personal information	Employees, clients, suppliers	• Conducting training on personal data protection

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Human Rights Management

Grievance Handling System

Seoyon E-Hwa operates a Cyber Audit Center to enable internal employees as well as external stakeholders to report issues such as human rights violations, legal breaches, or abuse of authority. Reports are forwarded to the relevant department, and a formal procedure is followed to ensure proper resolution. Throughout the process, the identity of the whistleblower is strictly protected. We strive to identify the root causes of problems that arise during the grievance handling process and implement preventive measures to avoid recurrence of human rights or labor-related issues. Seoyon E-Hwa is committed to maintaining a safe and fair organizational culture.

Grievance Handling Process



Grievance Handling Process

Data Name	Unit	2022	2023	2024
Number of grievances received	Cases	1	2	2
Number of grievances resolved	Cases	1	2	2
Resolution rate	%	100	100	100

Activity & Performance

Human Rights Education

Seoyon E-Hwa conducts human rights training for all employees to foster a culture of respect for human rights. The training is designed to raise awareness and encourage employees to internalize and practice the values of human dignity within the organization. Topics covered include the protection of personal information, prevention of sexual harassment, disability awareness, and prevention of bullying at the workplace. Additionally, the program provides guidance on how to report violations of fundamental rights and promotes education on equality. We will continue to uphold human rights as a core value to ensure that everyone is treated with respect and can work in an inclusive and non-discriminatory environment.

Equal Recruitment Procedures

Seoyon E-Hwa ensures equal opportunities for all applicants and strictly prohibits any form of discrimination during the hiring process. In line with Article 1 of our Human Rights Management Policy, we proclaim that discrimination based on gender, race, nationality, or any other factor is unacceptable. Seoyon E-Hwa also works to expand employment opportunities for socially vulnerable groups and strives to recruit talented individuals from diverse backgrounds. Additionally, we provide training for interviewers to ensure that candidates are selected based on alignment with company values. All designated interviewers are required to complete an eight-hour mandatory training program to ensure fair and objective evaluation of applicants.

Compliance with Fair Working Conditions

Seoyon E-Hwa is committed to eliminating child and forced labor and providing fair working conditions for all employees without discrimination. We adhere to adult employment standards to prevent child labor and maintain a fair compensation system that includes appropriate wages and overtime pay. Channels for immediate reporting of forced labor or violations of human rights are in place, and departmental meetings are held to gather various employee concerns. Performance evaluations are conducted based on merit, and all employees receive equal treatment and compensation regardless of gender, reinforcing our core principle of maintaining a fair and transparent working environment.

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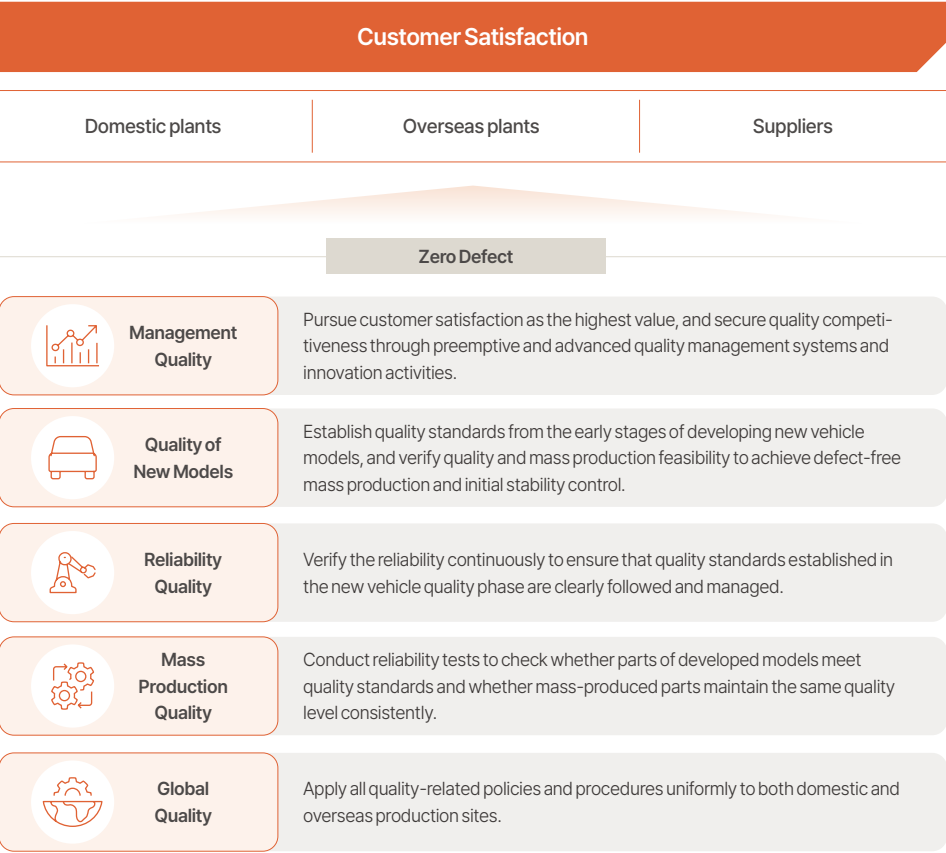
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Quality Management

Strategy & Management

Quality Management Strategy

As a leading company in the automotive interior industry, Seoyon E-Hwa operates under the management philosophy of “We will contribute to human happiness by creating the best products and services based on top-tier talent.” We have established five key principles of quality management: Management Quality, New Model Quality, Reliability Quality, Mass Production Quality, and Global Quality. These principles are designed to achieve flawless quality while enhancing customer satisfaction both domestically and internationally. Seoyon E-Hwa strives to attain global competitiveness in quality through the development of core technologies, realization of perfect quality, internalization of management quality, and continuous efforts toward innovation and improvement.



Quality Management Governance

To realize the highest level of quality management based on customer satisfaction, Seoyon E-Hwa operates an independent quality department under the direct supervision of the CEO. The CEO communicates directly with the executive in charge of quality, allowing for in-depth discussion and prompt resolution of quality issues. We have also established a separate Quality Management Group that develops overall strategies, which are implemented in practice by the Quality Control Group. This structural separation enables each department to focus on a specific role, thereby enhancing the efficiency of the overall quality management system.



Internal Reporting on Quality

Seoyon E-Hwa holds regular quality meetings twice a month, led by the heads of the Quality Control Group and the Quality Management Group, to manage and improve product quality. During these meetings, we review progress toward established quality goals and address newly identified quality issues. Continuous discussions are held to evaluate the appropriateness of current goals and to pursue ongoing quality improvement efforts.

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Quality Management

Quality Management System Certification

Seoyon E-Hwa maintains a robust quality management system across all domestic and overseas operations based on the international standard IATF 16949 Quality Management System certification. To ensure sustainable quality management globally, we have secured specialized personnel and are actively promoting process standardization. These efforts continuously improve quality in the automotive industry. By doing so, Seoyon E-Hwa not only ensures compliance with the quality management system requirements of global OEMs but also enhances product and service quality consistently to ensure customer satisfaction worldwide.

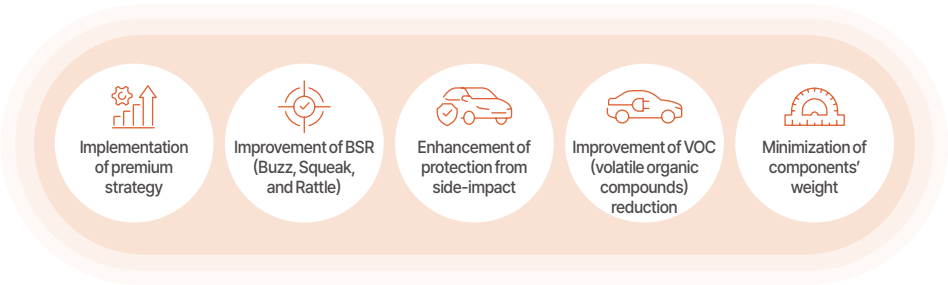
IATF 16949 Certification Status

International Standard (IATF 16949)			IATF 16949	
			Certification	Expiration Date
Domestic	Seoyon E-Hwa	Ulsan Plant	●	2027-03-08
		Asan Plant	●	2027-03-12
		Headquarters (Pyeongchon)	-	Not subject to certification.
CHINA	Jiangsu Seoyon E-Hwa		●	2027-09-04
	Beijing Seoyon E-Hwa		●	2027-08-13
	Assan Hanil (Türkiye)		●	2027-09-07
EUROPE	Seoyon E-Hwa Slovakia	Dubnica	●	2027-06-27
	Seoyon E-Hwa Poland		●	2027-04-15
Over-seas		Plant 1	●	2028-02-03
		Plant 2	●	2028-02-20
		Plant 5	●	2027-04-07
	INDIA/ASIA	Seoyon Summit Krishnagiri	●	2028-03-04
		Seoyon Summit Chennai	●	2027-10-16
		Seoyon Summit Pune	-	New corporations
		Seoyon Summit Anantapur	●	2028-01-13
		Summit Seoyon Indonesia	●	2027-03-12
	AMERI-CAS	Seoyon E-Hwa Alabama	●	2025-05-02
		Selma	●	2025-09-02
		Seoyon E-Hwa Georgia	●	2027-04-10
		Seoyon E-Hwa Auburn	●	2027-05-22
		Seoyon E-Hwa Savannah	-	New corporations
		Seoyon E-Hwa Brazil	●	2026-11-14
		Seoyon E-Hwa Mexico	●	2026-08-30
		Seoyon North America	-	New corporations

Customer Satisfaction Management Strategy

Seoyon E-Hwa places customer satisfaction at the core of our business strategy, investing in improvement of product quality and technological innovation. We strive to understand and meet customer needs and expectations by disclosing our response plans to customer demands transparently through our website. Internally, we continue to improve processes to ensure that our products meet customer expectations, establishing a system that supports the development and production of high-quality products. As a result, Seoyon E-Hwa provides superior products to our clients and delivers a better end-user experience to consumers. Ultimately, we seek to contribute to the advancement of the automotive industry through this approach.

Response Measures for Key Customer Requirements



Customer Complaint Handling

To minimize inconvenience and resolve customer issues promptly, Seoyon E-Hwa operates a structured complaint handling system through our website's grievance center. If a product issue arises, customers can easily report the problem, and we have designed our complaint handling process to ensure swift response even when issues are raised directly with the relevant departments by customer companies. We also track key performance indicators such as the number of customer complaints received, the number of complaints resolved, and the resolution rate to improve service and responsiveness continuously.

Data name	Unit	2022	2023	2024
Number of customer complaints received	Cases	7	13	5
Number of customer complaints resolved	Cases	7	13	5
Rate of resolution	%	100	100	100

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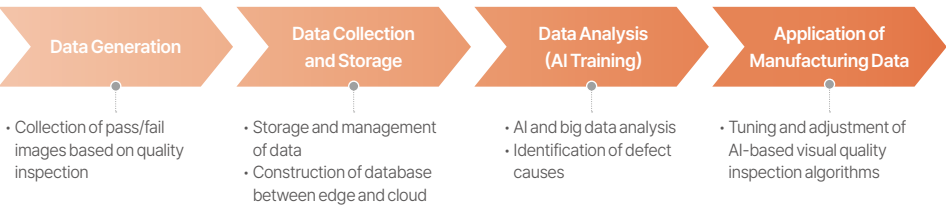
Quality Management

Activity & Performance

AI-Based Quality Management

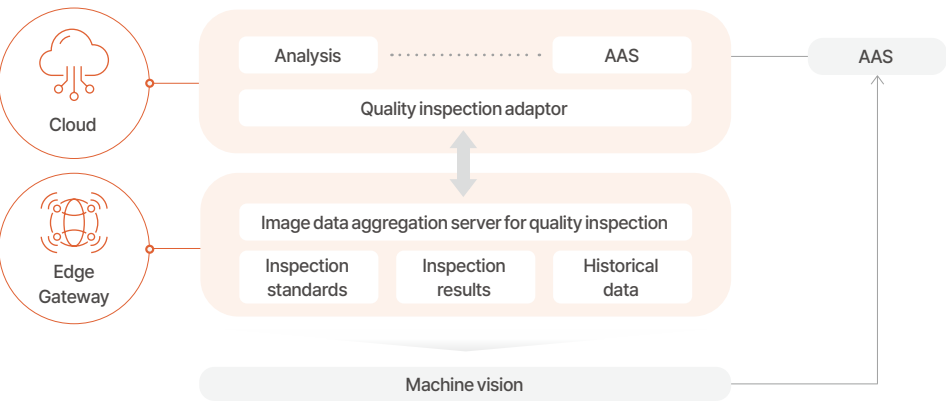
Vision Inspection System

Seoyon E-Hwa has introduced an optimized defect inspection system tailored to product characteristics using deep learning technology. Through this AI-driven learning process, we aim to minimize the rate of defects that may occur during the product delivery stage. Additionally, by updating the system continuously, Seoyon E-Hwa is working to enhance the precision of our vision inspection framework.



Smart Quality Management

To manage potential issues that may arise throughout the entire process—from product design and manufacturing to delivery and use—Seoyon E-Hwa has implemented a comprehensive big data system. This system enables the early identification of problems, systematic management of related data, and the formulation of preventive measures based on collected data for critical issues. The system not only facilitates prompt troubleshooting and verification of solutions but also plays a vital role in improving future product quality by applying the accumulated knowledge and experience to the development of new vehicles.



Quality Improvement Training

In pursuit of enhanced product quality, Seoyon E-Hwa actively supports the upskilling of production staff through technical education programs offered at our training center. All training programs are conducted face-to-face in group format, and each course is assigned a specific number of credits. Employees are required to complete a set number of credits, ensuring they systematically acquire the necessary knowledge and technical skills. Daily audits, conducted before the start of day and night shifts, help identify on-site issues, and immediate education is provided to workers to prevent the release of non-conforming products. This real-time, field-based training approach enhances technical capabilities and is expected to bring significant improvements in product quality. The training programs also offer essential and advanced knowledge to support employees' career growth, contributing to our overall competitiveness.

Quality Audit for Suppliers

Seoyon E-Hwa conducts quality audits twice a month for our suppliers. For the top five suppliers identified as having quality issues within the year, responsible representatives are invited to discuss the specific types of problems and the corresponding corrective actions in depth. On-site inspections are conducted at the suppliers' facilities within 30 days (first audit) after the issue occurs and again within 90 days (second audit) to verify the effectiveness of these corrective actions. These inspections assess whether the corrective measures are effective and sustainable. Based on the audit results, suppliers are asked to make further improvements and maintain ongoing quality management. This rigorous process enhances quality control across the entire supply chain. As a result, it raises the quality of products delivered to end consumers, ultimately strengthening Seoyon E-Hwa's competitiveness and improving customer satisfaction.

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Supply Chain

Strategy & Management

Supplier Code of Conduct

Seoyon E-Hwa strives to build a stable and sustainable supply chain in response to the rapidly changing environment of the automotive and components industries. Through the Supplier Code of Conduct, Seoyon E-Hwa clearly outlines the requirements all partnering suppliers have to fulfill in areas such as legal compliance, ethics, environment, labor and human rights, safety and health, and management systems. All suppliers entering into contracts with Seoyon E-Hwa are obligated to comply with this Code, and are encouraged to promote our principles across their own supply chains, including subcontractors and affiliated entities. To verify compliance with the Code and to identify and mitigate potential risks, Seoyon E-Hwa conducts annual assessments and audits of our major suppliers.

 [Supplier Code of Conduct](#)

Key Topics of the Supplier Code of Conduct



Legal Compliance and Ethics

Anti-corruption, prevention of conflicts of interest, prohibition of unfair trade practices, prevention of counterfeit parts, information security, protection of intellectual property, responsible materials sourcing



Environmental

Establishment of environmental systems, management of greenhouse gas emissions, management of water resources, control of air pollutants, waste management, control of chemical substances, animal welfare



Labor and Human Rights

Prohibition of discrimination, provision of fair wages and benefits, management of working hours, humane treatment, freedom of association, prohibition of child labor, prohibition of forced labor



Safety and Health

Establishment of occupational safety and health management systems, safety management of machinery and equipment, emergency response systems, incident management, safety inspections, health management



Management System

Public disclosure of corporate declarations, appointment of responsible personnel, risk assessments, education and communication, information management, operation of grievance handling mechanisms, supplier oversight, and compliance monitoring.

Process for Evaluation and Selection of Suppliers

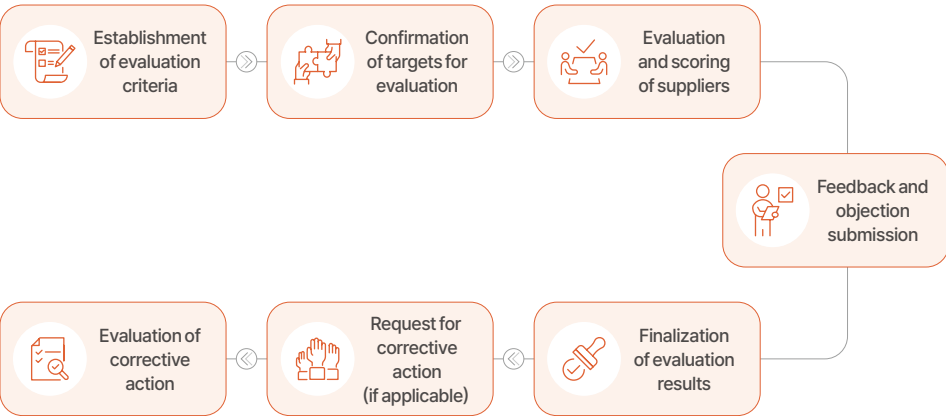
Seoyon E-Hwa evaluates, selects, and manages our suppliers through an internally developed supplier management process. Under this system, we conduct an annual evaluation of our major Tier 1 suppliers. Based on these assessments, Seoyon E-Hwa scores suppliers on risk factors such as quality issues, delivery performance, and capabilities for quality management. Top-performing suppliers are recognized and awarded accordingly. These evaluation scores are prioritized in future supplier selection decisions. Depending on the evaluation results, corrective actions may be required from some suppliers. In such cases, Seoyon E-Hwa provides guidance on improvements in human rights, safety, health, environmental responsibility, and product quality. We monitor the implementation of corrective measures continuously to ensure that suppliers are making appropriate improvements. Ultimately, Seoyon E-Hwa aims to support the production of products that meet customer expectations in terms of quality, human rights, and environmental impact.

Supplier Status

(Unit: companies)

Category	2022	2023	2024
Number of Suppliers	238	280	288
Number of Major Suppliers	23	23	25

Supplier Evaluation Process



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Supply Chain

Activity & Performance

Comprehensive Safety Inspections of Suppliers

Seoyon E-Hwa conducts regular safety management inspections for domestic OEM production suppliers as part of our commitment to sustainable supply chain management. These inspections cover aspects such as maintenance safety practices, the functionality of safety devices on equipment, and the proper operation of fire prevention systems. Any deficiencies identified during these inspections are communicated to the respective suppliers, who are then required to implement corrective measures. Follow-up inspections are conducted to verify whether these corrective actions have been implemented. To prevent industrial accidents, improve safety management capabilities, and enhance the overall safety level of the supply chain, Seoyon E-Hwa encourages our suppliers to establish their own occupational safety and health management systems voluntarily through regular safety diagnostics. We are committed to continuously improving safety and health management systems throughout our supply chain through regular inspections and effective communication with our suppliers.

Performance of On-site Supplier Inspections

Category	First Half of 2024	Second Half of 2024
Number of Suppliers Inspected*	44	44
Inspection Items	• Secondary inspection of fire and safety systems related to supplier maintenance work • Inspection of safety devices and locking devices on supplier equipment • Inspection of chemical substance management status	• Inspection of fire prevention system implementation • Inspection of plans for fire safety training and implementation status • Inspection of compliance with environmental, ethical, and labor/human rights laws and standards • Inspection of mold management status

* Based on major suppliers among Tier 1 suppliers

Responsible Mineral Sourcing Policy

Seoyon E-Hwa has established a “Conflict Minerals (Responsible Minerals) Policy” in accordance with the OECD Due Diligence Guidance. This policy prohibits the use of tin, tantalum, tungsten, and gold sourced unethically from conflict-affected areas. The policy also includes provisions for monitoring and managing the supply chain for minerals associated with human rights abuses and environmental destruction. We monitor newly identified controversial minerals continuously and evaluate their use in our products, striving to ensure that our offerings are free from unethical mineral sourcing. Additionally, Seoyon E-Hwa provides suppliers with guidelines on conflict mineral management, conducts regular surveys, and encourages responsible sourcing based on respect for human rights and the environment.

 [Conflict Minerals \(Responsible Minerals\) Policy](#)

ESG Risk Assessment of Suppliers

To identify and mitigate ESG risks in the supply chain, Seoyon E-Hwa has initiated ESG risk assessments for major Tier 1 suppliers starting from 2024. That year, 25 major suppliers received ESG risk evaluations conducted by a professional external supply chain assessment agency. The process began with an online self-assessment, followed by on-site audits to verify the reported data. Upon completion of the evaluations, detailed reports were provided to each supplier. For items identified as significant risks, Seoyon E-Hwa requested improvements and provided education covering fundamental concepts of ESG management and key related issues to the assessed suppliers.

ESG Risk Evaluation Process for Suppliers



Supplier ESG Risk Assessment Status in 2024

Category	Number of Companies	Remarks
Suppliers conducting ESG risk self-assessment (document review)	25	Targeted at major suppliers* among Tier 1 suppliers
Suppliers undergoing on-site ESG risk audit	25	Conducted for all suppliers that completed self-assessment

* Suppliers deemed major based on business volume, dependency, and sales among all Tier 1 suppliers

In 2025, Seoyon E-Hwa plans to advance our existing ESG risk assessment framework for suppliers by replacing externally provided tools with internally developed evaluation criteria and an integrated online system. Supplier ESG risk evaluations will be continued annually to ensure ongoing improvement.

Seoyon E-Hwa’s Supplier ESG Risk Assessment Domains and Items

Domain	Items for Assessment
Environmental	Environmental management, climate change, pollution, water resources, biodiversity, resource circulation
Social	Human rights, labor, occupational safety and health, quality, procurement, supply chain, harmony with local communities, business ethics, information security

Seoyon E-Hwa reports the results of these evaluations regularly to the board of directors and aims to operate a supply chain with minimized ESG risk. We will continue conducting these evaluations annually, offering guidance for improvement when necessary, and reinforcing ESG management across our entire supply chain.

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Supply Chain

Supplier Support and Mutual Growth

Establishing Fair Trade Practices

Seoyon E-Hwa is committed to establishing fair trade practices to prevent unfair trading activities in advance and foster a sound subcontracting culture. As part of this effort, we have developed and shared detailed action plans aligned with the Fair Trade Commission's four key practices and tailored to Seoyon E-Hwa's specific circumstances. These action items are posted on our website and shared with suppliers to promote transparency and strengthen constructive business relationships. By implementing these practices, Seoyon E-Hwa aims to establish a foundation for co-prosperity with our suppliers.

Financial Support

To promote mutual growth and improve partnerships, Seoyon E-Hwa provides various financial support programs to our suppliers. These initiatives aim to assist suppliers in overcoming temporary financial difficulties or in managing new project investments by supporting financial stability and enhancing competitiveness in the market. Financial support is provided primarily through enabling the liquidity of accounts receivables held by suppliers. This allows suppliers to secure operating funds in a timely and efficient manner when needed.

Financial Support Programs



Issuance of Promissory Notes for Delivery Payments

In the case of purchase payments, the payment is made through the issuance of promissory notes, and when necessary, accounts receivables may be liquidated as collateral to operate funds within designated credit limits.



Early Payment Programs

Early payment programs are available upon request from suppliers, where payment schedules may be adjusted after review to ease their financial constraints.

Quality Level-Up Activities

Through our "Quality Level-Up Activities," Seoyon E-Hwa strives to enhance the quality management capabilities of our suppliers. We distribute standardized process control guides for key production operations and conduct inspections and consultations to ensure proper implementation. Past quality issues are analyzed to identify frequently problematic processes by industry type. These processes are inspected in detail to help suppliers clearly understand required improvements and address root causes. Suppliers must submit their improvement plans within 14 days following the inspection, which are then to be implemented to prevent recurrence of similar issues. In 2024, Seoyon E-Hwa visited 20 production sites of 15 suppliers as part of our quality level-up collaboration, requesting improvements based on identified issues in each industry sector.

Communication with Suppliers

Seoyon E-Hwa seeks to foster mutual growth and build a culture of effective communication with our suppliers through close partnerships. We operate various communication channels to actively listen to feedback from suppliers and address their concerns.

Major Communication Activities with Suppliers

Partnership Council and Seminars

Seoyon E-Hwa has established a partnership council composed of seven major suppliers. This council serves as a platform to directly listen to concerns from suppliers and reflect their opinions in company policies. In addition, we hold annual seminars for suppliers' executives to share company-wide strategies, departmental objectives, and procurement policies. These events help strengthen partnerships and promote a shared understanding of business direction, supporting sustainable growth.

Partnership Day

To foster deeper bonds beyond business transactions, Seoyon E-Hwa regularly organizes "Partnership Day." These quarterly workshops are attended by company executives and representatives of major suppliers. The events create an informal and relaxed environment for participants to share their thoughts and experiences, facilitating open discussions on topics that may be difficult to address during regular business operations.

Open Communication Channel

To maintain smooth transactional relationships and prevent or resolve conflicts between Seoyon E-Hwa and our suppliers, we operate an online "Cyber Ombudsman" system via our website. This channel accepts a wide range of feedback and concerns, including requests related to transaction improvement, payments, compensation, supplier support programs, and more. All submissions are strictly managed by designated personnel in the Shared Growth Team, with confidentiality of informants and their associated suppliers given the highest priority. Submitted matters undergo a prompt and objective review process, and responses or corrective actions are provided as appropriate. This system contributes to building an environment of transparent and fair trade.

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Supply Chain

Training Programs for Suppliers' Employees

Seoyon E-Hwa aims to strengthen relationships with our suppliers and establish an integrated supply chain system that ensures the production and delivery of high-quality products through structured training programs. To this end, we provide the following educational programs for suppliers' employees.

Quality Training for On-site Managers

Each year, Seoyon E-Hwa conducts quality training sessions for on-site managers of suppliers. The training is conducted by directly visiting selected major suppliers and focuses on quality improvement strategies and analysis of quality failure cases. These sessions go beyond theoretical lectures and incorporate discussions and practical exercises, allowing managers to explore ways to apply the knowledge in their actual working environments. The ultimate goal is to enhance overall quality management capabilities.

ESG Training

To help suppliers recognize the importance of ESG and establish management systems aligned with ESG standards, Seoyon E-Hwa offers ESG training. This program introduces the latest global trends in ESG and clarifies the criteria used in partner ESG evaluations. Conducted in collaboration with external expert organizations, the training is designed to equip suppliers with a solid understanding of ESG concepts before supply chain evaluations are conducted. In 2025, based on the results of these evaluations, we plan to provide additional training focused on commonly identified areas that require improvement across the supply chain.



Job-Specific Training

To enhance the job competencies of suppliers' employees and ultimately improve the quality competitiveness of Seoyon E-Hwa's products, annual job-specific training programs are held for supplier employees. At the beginning of each year, we conduct an assessment of training needs and confirm the schedule. Approximately ten sessions are conducted annually at either the Ulsan or Asan plants. At the end of October each year, the training coordinator submits a report on the program's implementation, reviewing the effectiveness of our training and identifying areas requiring improvement. These findings are used to develop the training plan for the following year.

Supplier Training Status

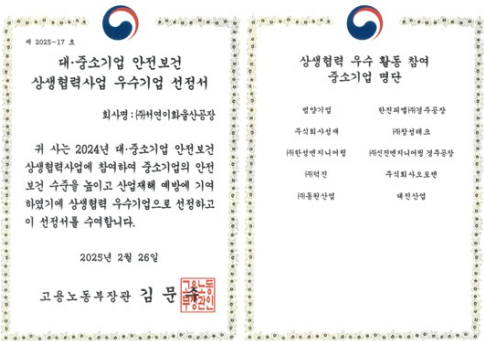
(Unit: companies)

Category	2022	2023	2024
Number of suppliers participating in on-site manager quality training	-	11	-
Number of suppliers participating in job training	35	39	37
Number of suppliers participating in ESG training	-	20	25

Recognition for Excellence in Safety and Health Cooperation Between Large and SME Businesses

In February 2025, Seoyon E-Hwa was recognized as an "Excellent Company" in the Cooperative Safety and Health Project for Large and SME Businesses. The recognition was awarded in acknowledgment of our effective safety and health initiatives. In 2024, Seoyon E-Hwa collaborated with ten suppliers to promote various cooperative safety and health activities. These included consulting on risk assessment, hosting safety and health seminars and campaigns, and providing safety equipment and materials.

We focused on narrowing the gap in safety standards between our suppliers and ourselves. Looking ahead, Seoyon E-Hwa plans to expand the scope of this initiative in 2025 to include local small and medium-sized enterprises (SMEs), with tailored programs that contribute to regional improvements in safety and health. We remain committed to extending the reach of our cooperative initiatives, fostering a culture of safety across the industry, and contributing to improved safety and health standards in the broader community.



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Social Contribution

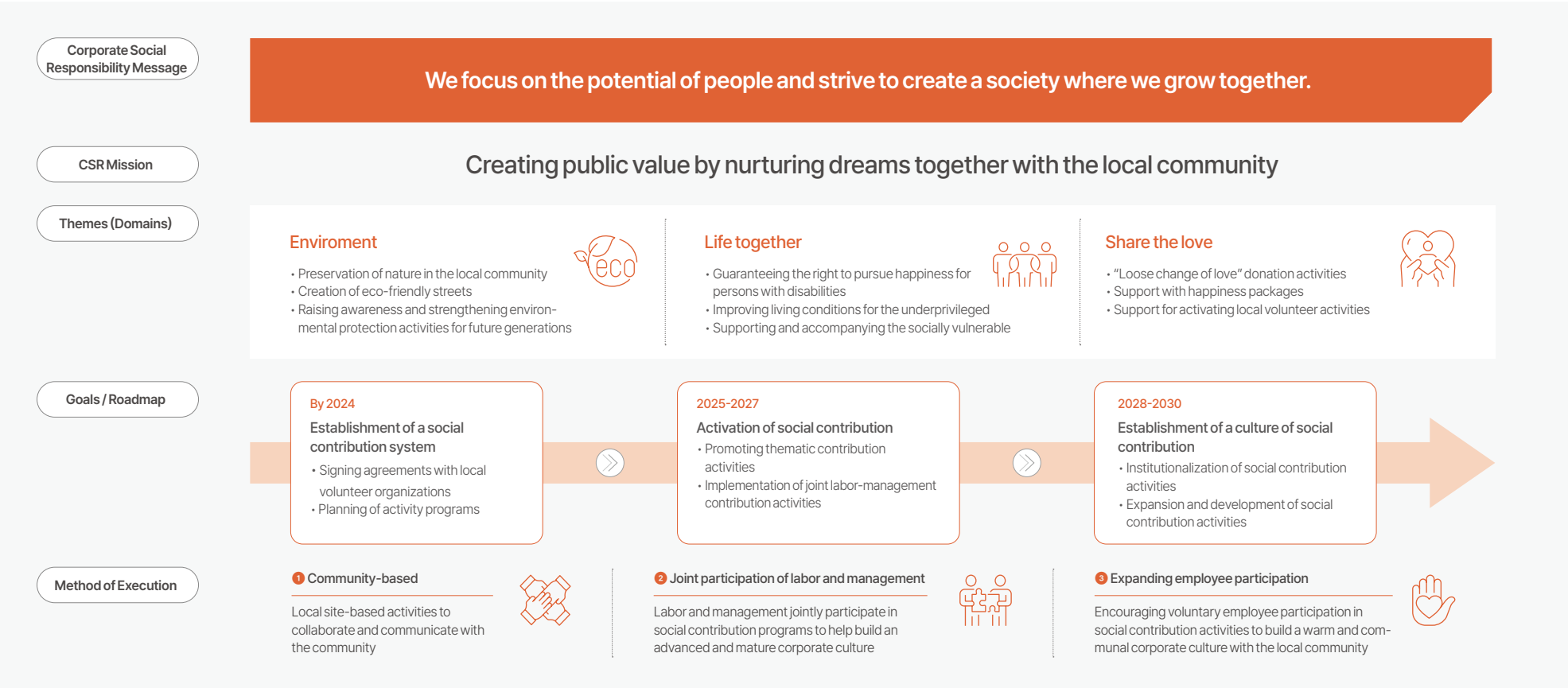
Strategy & Management

Social Contribution Framework

Guided by the vision of “focusing on human potential and creating a society where we grow together,” Seoyon E-Hwa actively engages in social contribution activities centered on supporting marginalized communities and promoting local community development. We are committed to fulfilling our role as a responsible member of society by providing both material and emotional support to underserved neighbors. We seek to grow alongside local communities through diverse programs and initiatives.

Currently, all of Seoyon E-Hwa's domestic business sites—Pyeongchon, Asan, and Ulsan—are actively participating in community contribution activities, including donations and volunteer work. These efforts go beyond enhancing our image; they deliver a positive message to society and embody our aspiration to serve as a role model for corporate engagement in building a better future. Going forward, Seoyon E-Hwa will implement our mid- to long-term roadmap to establish a solid framework and culture of social contribution.

Social Contribution Strategy Framework



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Social Contribution

Activity & Performance

Joint Labor-Management Social Contribution Activities

Social Contribution Fund

Seoyon E-Hwa provides social contribution funds to support underprivileged households and vulnerable groups within the local community. In April 2024, we visited the Northern District Volunteer Center in Ulsan to deliver such a fund and made a donation to the Korean Red Cross in December as part of the “Hope Sharing” campaign. Seoyon E-Hwa is committed to continuing efforts that foster cooperation and shared growth with local communities.

Seasonal Kimchi Making

Each year, Seoyon E-Hwa hosts seasonal kimchi-making events in collaboration with the Northern District Office of Ulsan to support elderly residents living alone. These events aim to alleviate feelings of isolation among the elderly while also providing them with healthy, homemade meals. The kimchi prepared during these events is delivered personally, offering an opportunity to share warmth and care within the community. In 2024, events were held in May and August, and Seoyon E-Hwa plans to continue this activity as a unique local community contribution initiative.

Movie Day

Twice a year, Seoyon E-Hwa organizes “Cinema Day with People with Disabilities,” an event aimed at enhancing cultural opportunities for socially vulnerable groups. People with disabilities from local welfare centers and special education schools are invited to participate in the event. Through this event, Seoyon E-Hwa fosters easier access to cultural activities and promotes social inclusion. In 2024, these events were held in June and September. We seek to break down barriers between people with and without disabilities through such initiatives, building a culture that can be enjoyed by all.

Social Contribution Activities

Lantern Volunteer Group

The Lantern Volunteer Group is a self-organized volunteer team of employees at Seoyon E-Hwa’s Ulsan plant. Their main activities include improving living environments and conducting environmental cleanups. The group holds monthly volunteer sessions, focusing on efforts such as restoring river ecosystems and preventing water pollution through environmental cleanups along river banks. They also perform home repairs and cleaning for residents in need. In May 2024, the group visited a child affected by a congenital rare disease to improve the home environment by replacing wallpaper and flooring and furthermore the child-headed household was registered as part of the Dream Start program in Yeompo-dong, Ulsan.

Lantern Volunteer Group Activity (2024)

Date	Participants	Details
February 25, 2024	10 persons	• Regular volunteer activity • Improvement of housing conditions for the vulnerable (replacement of wallpapers and flooring, cleaning, etc.)
April 21, 2024	13 persons	• Activities to improve the residential environment for the vulnerable • Exterior wall painting, indoor cleaning, and organizing work
May 12, 2024	10 persons	• Activities to improve the residential environment for the vulnerable • Replacement of worn-out flooring and cleaning work
June 30, 2024	11 persons	• Improvement of housing conditions for the vulnerable in the local community • Removal and replacement of aged wallpaper, cleaning and organizing
July 21, 2024	7 persons	• Improvement of housing conditions for the vulnerable in the local community • Removal and replacement of aged wallpaper, cleaning and organizing
September 1, 2024	10 persons	• Regular volunteer activity • Environmental cleanup activity in the local community

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Corporate Governance

Board of Directors Overview

Board Composition

Seoyon E-Hwa's Board of Directors comprises three inside directors and three outside directors. The Board holds the authority to appoint internal and outside directors through resolutions and approvals made at the general shareholders' meeting. As the highest decision-making body, the Board takes decisions on key management issues, matters delegated by shareholders, and issues prescribed by law or our articles of incorporation. It also supervises the execution of duties by the directors.

Director Appointment

To ensure fairness and independence in the appointment of directors, Seoyon E-Hwa follows the provisions of the Commercial Act, relevant laws, and our articles of incorporation. Directors are appointed at the general shareholders' meeting following a review of their qualifications. According to internal regulations governing the Board and the Audit Committee, the Chairperson of the Board is to be the Chairperson of the Audit Committee, who is appointed from among the outside directors. This institutional setup allows an outside director to serve as Chairperson of the Board.

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

Board Independence and Conflict of Interest Management

To maintain independence of the Board, Seoyon E-Hwa ensures that outside directors constitute a majority of the members. We manage and supervise conflicts of interest in accordance with Articles 397 and 398 of the Commercial Act. Additionally, outside directors are limited to holding concurrent director positions at only one other company. The Board Regulations classify approvals for concurrent director positions as Board agenda items for proper management.

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

Diversity and Expertise of the Board

The Board of Seoyon E-Hwa includes experts from various fields, including accounting, corporate management, law, and industrial engineering. There are no restrictions regarding specific expertise during the nomination process. Each director fulfills their roles and responsibilities based on diverse professional backgrounds in the automotive industry, finance, planning and legal affairs, system management, and accounting.

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

Board Skills Matrix (BSM)

* As of May 2025

Name	Gender	Nationality	Position	Date of Appointment (Initial Appointment Date)	Term of Office (Number of Consecutive Terms)	Career Background	Area of Expertise (Key Competencies)							
							Business Management	Global Experience	Industry Expertise	Finance/Accounting	Law/Policy	Audit	Research & Development	Risk Management
Yong-Suk Kang	Male	Republic of Korea	Inside director (CEO)	2025.03.26 (2021.03.26)	1 year (3rd Term)	(Current) Chief Executive Officer, Seoyon E-Hwa (Former) Head of Global Business Management Group, Seoyon E-Hwa	○	○	○				○	○
Sang-Cheon Mun	Male	Republic of Korea	Inside Director	2025.03.26 (2019.03.22)	1 year (6th Term)	(Current) Vice President in Planning and Information, Seoyon E-Hwa (Former) Head of Audit Office, Asiana Airlines	○				○	○		○
Sun-Chan Hwang	Male	Republic of Korea	Inside Director	2025.03.26	1 year (-)	(Current) Chief Finance Officer (CFO), Seoyon E-Hwa (Former) CFO, ServeOne	○	○	○	○				○
Hyun-Moo Kong	Male	Republic of Korea	Outside Director (Chair of the Board)	2025.03.26 (2021.03.26)	2 years (2nd Term)	(Current) Standing Auditor, SNT Dynamics Co., Ltd. (Former) CEO, en2m Co., Ltd. (Former) Vice President, KB Securities	○		○	○		○		○
Sang-Do Noh	Male	Republic of Korea	Outside Director	2025.03.26 (2021.03.26)	2 years (2nd Term)	(Current) Vice President, Korean Institute of Industrial Engineers (KIIE) (Current) Professor, Department of Systems Management Engineering / Industrial Engineering, Sungkyunkwan University (Former) President, Korea CDE Society			○			○	○	○
Young-Jae Kim	Male	Republic of Korea	Outside Director	2024.03.28 (2022.03.25)	2 years (1st Term)	(Current) Partner CPA, LIAN Accounting Corporation (Former) Director, Samjong KPMG Accounting Corporation			○	○		○		○

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Corporate Governance

Board Committees

Seoyon E-Hwa strives to strengthen independence and transparency by composing all our board committees solely of outside directors. In particular, the Audit Committee is comprised of a majority of experts with professional knowledge and experience in accounting, finance, and auditing, in order to enhance the expertise of internal oversight related to financial, accounting, and internal control functions.

Audit Committee

To enhance corporate transparency, Seoyon E-Hwa operates a standalone Audit Committee. In accordance with applicable laws and internal regulations, the Audit Committee audits our financials and operations and submits an audit report at the end of each fiscal year. The committee has the authority to request business-related reports from directors, investigate the company's financial condition at any time, and summon relevant executives, employees, or external auditors to attend meetings. The committee may also seek advice from external experts at the company's expense when necessary.

[Audit Committee Operational Guidelines](#)

ESG Committee

To facilitate strategic and systematic decision-making and management related to ESG (Environmental, Social, and Governance) practices, Seoyon E-Hwa established an ESG Committee under the Board of Directors in March 2024. The ESG Committee is responsible for supervising and monitoring the planning and execution of key ESG issues and performs deliberations and resolves major ESG-related agenda items.

Board Committees Operation Status

* For details of activities, refer to the Seoyon E-Hwa Business Report and Corporate Governance Report

Category		Unit	2022	2023	2024
Audit Committee	Total number of meetings held	Times	6	6	6
	Average attendance rate	%	94	94	94
	Total number of reports and agenda items submitted for resolution	Items	14	15	15
	Approval rate of agenda items	%	100	100	100
ESG Committee	Total number of meetings held	Times	-	-	3
	Average attendance rate	%	-	-	100
	Total number of reports and agenda items submitted for resolution	Items	-	-	7
	Approval rate of agenda items	%	-	-	100

Director Remuneration

The remuneration for outside directors at Seoyon E-Hwa is determined within the limit approved at the General Shareholders' Meeting. The amount is based on the executive compensation framework approved by the Board, internal standards, and a comprehensive set of evaluation metrics. In addition, average compensation levels for outside directors and audit committee members of other listed companies on the Korea Exchange are reviewed regularly to assess the appropriateness of Seoyon E-Hwa's compensation practices.

Board Remuneration Criteria *

* For detailed standards, refer to the Seoyon E-Hwa Business Report

Category	Compensation Criteria
Registered Directors (Excluding Outside Directors and Audit Committee Members)	- Within the total compensation amount for executives approved by the general shareholders' meeting, base salary is determined by comprehensively reflecting internal criteria such as the executive compensation table, position, leadership, expertise, and contribution to the organization - Performance-based bonuses are paid based on a comprehensive evaluation of quantitative results such as revenues and operating profits, and qualitative factors such as leadership and achievement of goals
Outside Directors and Audit Committee Members	Within the total compensation amount for executives approved by the general shareholders' meeting, base salary is determined by comprehensively reflecting internal criteria such as the executive compensation table, position, leadership, expertise, and contribution to the organization

To ensure soundness and transparency in corporate governance, Seoyon E-Hwa transparently discloses the total compensation amounts through the business report not only for inside directors but also for other non-executive directors, outside directors, and unregistered executives. Audit Committee members are provided fixed compensation only, without performance-based bonuses, in order to ensure independence and transparency.

Board Compensation Status

Category		Unit	2022	2023	2024
Inside directors	Number of persons	Persons	3	3	3
	Total compensation	KRW million	843	929	1,186
	Average compensation per person	KRW million	281	310	395
Outside directors	Number of persons	Persons	3	3	3
	Total compensation	KRW million	123	124	119
	Average compensation per person	KRW million	41	41	40

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Corporate Governance

Board Operations

Board of Directors Operation Status

As of 2024, Seoyon E-Hwa convened a total of 8 regular and extraordinary board meetings, through which 33 agenda items were reviewed and resolved.

Board of Directors Operation Status

* For details on key agenda items and their approval status, please refer to Seoyon E-Hwa's Business Report.

Category	Unit	2022	2023	2024
Total number of meetings	Times	9	8	8
Average attendance rate	%	91	98	96
Total number of items reported	Items	9	10	9
Total number of resolutions	Items	24	33	33
Approval rate of resolutions	%	100	100	100

Board Education

Seoyon E-Hwa provides training to outside directors to enhance their expertise and understanding of the business, on topics including updates on legal amendments and matters critical to corporate management.

Board Education Record for the Past Three Years

Date of Training	Trainer	Trainees	Training Details
June 16, 2022	Seoyon E-Hwa	Hyun-Moo Kong, Sang-Do Noh, Young-Jae Kim	• Site visit to Ulsan Plant • Smart factory implementation status and on-site observation
November 10, 2023	Samjong KPMG	Hyun-Moo Kong, Sang-Do Noh, Young-Jae Kim	• Trends and practices of the internal accounting management system
July 3, 2024	Samjong KPMG	Hyun-Moo Kong, Sang-Do Noh, Young-Jae Kim	• ESG management briefing session
November 12, 2024	Samjong KPMG	Hyun-Moo Kong, Sang-Do Noh, Young-Jae Kim	• Trends and response cases of the internal accounting management system
December 27, 2024	Korea Standards Association	Hyun-Moo Kong, Sang-Do Noh, Young-Jae Kim	• ESG carbon neutrality strategies and renewable energy

Shareholders and Equity

Shareholder and Equity Status

As of the end of 2024, the total number of issued shares of Seoyon E-Hwa is 27,028,437 (including 5,686 treasury shares). The largest shareholder, Seoyon Co., Ltd. and our related parties, hold approximately 57.07% of the shares (15,422,797 shares).

Total Number of Shares Status (As of End of 2024)

(Unit: shares)

Category	Common Shares	Preferred Shares	Total
Total number of issued shares	27,028,437	-	27,028,437
Number of treasury shares	5,686	-	5,686
Number of outstanding shares	27,022,751	-	27,022,751

Shareholding Status (As of the End of 2024)

(Unit: shares)

Shareholder Name	Type	Ownership (%)	Number of Outstanding Shares
Seoyon Co., Ltd. and related parties	Common shares	57.07	15,422,797
Minority shareholders	Common shares	42.93	11,599,954
Total	Common shares	100.0	27,022,751

Convening and Holding of General Shareholders' Meetings

Seoyon E-Hwa ensures that shareholders are given sufficient time to review agenda items and exercise their voting rights by issuing a notice of convocation and disclosure at least two weeks prior to the general shareholders' meeting. We have adopted an electronic voting system for annual general meetings and make efforts to avoid scheduling the meeting on peak shareholder meeting dates. In accordance with applicable laws, we also solicit proxy voting from all shareholders. Additionally, when announcing the convocation of the general shareholders' meeting, Seoyon E-Hwa provides essential management reference materials such as the business report, audit report, activities and remuneration of outside directors, and details of transactions with the largest shareholders and affiliated companies to help shareholders make informed decisions.

(Based on Chapter 4 of our Articles of Incorporation on General Shareholders' Meetings)

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Corporate Governance

Protection of Shareholders’ Rights

In accordance with Article 7, Chapter 2 of Seoyon E-Hwa’s Corporate Governance Charter, we have established and disclosed our policy on the protection of shareholder rights. This policy is publicly available on our website.

Key Provisions of the Shareholder Rights Protection Policy (Corporate Governance Charter, Chapter 2, Article 7)

- 01

We guarantee the basic rights of shareholders as stipulated by the Commercial Act and other applicable laws. These rights include the right to participate in the distribution of profits, the right to attend and vote at shareholders’ meetings, and other rights guaranteed by law and our Articles of Incorporation.
- 02

Matters that may have a significant impact on our existence or the rights of shareholders, such as amendments to the Articles of Incorporation, mergers, business transfers, corporate splits, dissolution, capital reduction, and comprehensive exchanges or transfers of shares, must be decided at the shareholders’ meeting in a manner that maximally protects shareholder rights.
- 03

We guarantee one voting right per share. However, any restrictions on voting rights for specific shareholders shall comply with applicable laws.
- 04

The Board of Directors shall ensure that shareholders opposing significant structural changes, such as mergers or business transfers, can exercise their appraisal rights and sell their shares at a fair price that reflects the real value of their holdings, as stipulated by law.
- 05

To protect the interests of all shareholders, we shall ensure that minority shareholders can fully exercise their rights. Controlling shareholders who have influence on our management must act in the interest of both the organization and our shareholders and must not infringe upon the rights of general shareholders through actions that do not fulfill this responsibility.

Transparent Disclosure of Information

Seoyon E-Hwa discloses both financial and non-financial information through a variety of channels, including our corporate website and the Financial Supervisory Service’s electronic disclosure system. In particular, our website provides detailed information on our business operations, products, and ESG (Environmental, Social, and Governance) initiatives, allowing shareholders and other stakeholders to access and verify relevant data with ease. In addition, Seoyon E-Hwa publishes an annual corporate governance report that transparently discloses our governance status and our compliance with the Korea Exchange’s key governance principles.

[Seoyon E-Hwa Website](#) [Corporate Governance Report](#)

Shareholder-Friendly Management

Seoyon E-Hwa implements dividend payouts through resolutions at the general shareholders’ meeting to enhance shareholder value. We have established a dividend policy that aims to pay dividends equivalent to 20–30% of the par value each year, taking into account internal and external uncertainties in the business environment. Moving forward, we intend to maintain this level of dividend payout based on a comprehensive review of factors such as the internal and external management environment, investment plans, cash flow, annual profit levels, and retained earnings. Additionally, Seoyon E-Hwa ensures transparent communication of our dividend policies and plans by announcing them at least once a year via electronic disclosures (such as the business report) and on our website. To enhance shareholder convenience, we also launched the “Seoyon E-Hwa Dividend Inquiry Service” in April 2023, which allows shareholders to check their dividend information online.

[Dividend Inquiry Service](#)

Dividend Status

Category		Unit	2022	2023	2024
Common Shares	Dividend per share	KRW	150	200	250
	Total dividends	KRW million	4,053	5,405	6,756
	Cash dividend payout ratio (consolidated)	%	7.3	3.4	4.6
Dividend Rate for Common Shares	Par value	KRW	500	500	500
	Dividend rate based on par value	%	30	40	50
	Dividend rate based on market price	%	1.8	1.1	2.1
Shareholder Return Ratio		%	6.7	3.3	4.4

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Ethical Management

Ethical Management Overview

Principles of Righteousness Management

Righteousness Management refers to a company's commitment and obligation to act in accordance with the expectations, standards, and values of its stakeholders—including customers, employees, and investors—while pursuing profitability. Seoyon E-Hwa defines Righteousness Management as a foundation for promoting the rights and interests of customers and shareholders, establishing a mutually beneficial partnership with suppliers, and fostering a mature organizational culture grounded in mutual respect and trust by recognizing each employee as an individual with inherent dignity.

 [Seoyon E-Hwa Righteousness Management](#)

Seoyon E-Hwa's Righteousness Management System



Ethical Management

Ethical Audits and Whistleblower Channels

Seoyon E-Hwa conducts regular inspections of our domestic and overseas business sites in accordance with our annual business plan to promote ethical and compliance management and enhance employees’ awareness of ethical conduct. In addition, ad hoc inspections are conducted when social issues arise or when anonymous reports are submitted. We operate a dedicated whistleblower channel for ethical management, which allows for the reporting, receipt, and investigation of unethical or illegal behaviors related to us, including bribery, inappropriate entertainment, violations of human rights, misappropriation of trade secrets, and unfair trade practices. Any violations are addressed in accordance with internal procedures. In 2024, two reports of ethical code violations were submitted, none of which were deemed valid, resulting in zero official corrective actions.

Ethics Audit and Inspection Activities Status * Includes selected domestic and overseas sites (audit targets are selected annually)

Category		Unit	2022	2023	2024
Ethics and Internal Audits	Sites subject to audit*	Instances	6	4	5
	Sites audited*	Instances	6	4	5
	Percentage of audited sites	%	100	100	100
Inspection Activities	Number of regular inspections	Cases	9	7	4
	Number of ad hoc inspections		-	2	3
	Number of follow-up inspections		2	1	4
	Number of investigations into transparency		1	3	2

Whistleblowing Types and Status

Category	Unit	2022	2023	2024
Cyber whistleblowing center	Cases	-	-	-
SNS communication channel		-	1	-
Hotline (phone)		-	2	1
Mail		1	-	-
E-mail		-	-	1
Total number of violations/reports		1	3	2

Disciplinary Actions on Ethics Violations

Category	Unit	2022	2023	2024
Dismissal	Cases	0	0	0
Suspension		2	0	0
Salary reduction		0	1	0
Reprimand		0	0	0
Warning		0	0	0
Others		0	0	0
Total number of disciplinary actions		2	1	0

Types of Whistleblowing Reports

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

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

Whistleblowing 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).



Whistleblower 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.

[Seoyon E-Hwa Whistleblowing Platform](#)
 [KakaoTalk Open Chat \(KaKao.com\)](#)

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Ethical Management

Implementation of Ethical Management

Ethics Training

To promote transparent and fair business conduct, Seoyon E-Hwa provides regular ethics training to all executives and employees. These sessions serve as the foundation for practicing righteousness management throughout the organization.

Ethical Management Training Status

Target	Training Content	Category	Unit	2022	2023	2024
Department Heads*	Requested ethical management and dissemination training	Target participants	Persons	28	59	30
		Number of participants	Persons	25	49	26
		Completion rate	%	89	83	87
Employees	Conducted training on transparent ethics dissemination	Target participants**	Persons	-	562	536
		Number of participants	Persons	-	120	132
		Completion rate***	%	-	21	25
New Employees	Training on ethical management	Target participants	Persons	46	99	76
		Number of participants***	Persons	46	99	76
		Completion rate	%	100	100	100

* Team leaders and heads of each group
** Office and research staff
*** 2023 data was adjusted to account for recalculated completion rate and number of participants

Ethical Awareness Activities

Seoyon E-Hwa operates multiple internal channels to raise ethical awareness among employees. Through the in-house compliance board, employees are regularly informed about corporate compliance initiatives and ethical values, along with practical ways to implement them. Furthermore, under the group-wide campaign titled “Transparent Ethics Management Together,” Seoyon E-Hwa actively engages in collective efforts to strengthen ethical awareness across all affiliates.

Activities to Strengthen Ethical Awareness

Channel	Details of Activity	Frequency	Unit	2022	2023	2024
In-house Bulletin Board	Sharing materials to enhance ethical awareness	As needed	Cases	27	29	26
Groupware Email	Sending emails requesting support for the campaign	Before/after holidays	Times	2	2	2

Fair Trade and Compliance Management

Fair Trade Compliance Activities

Seoyon E-Hwa has established internal regulations and guidelines specific to fair trade. These provide an outline of procedures for reporting violations, disciplinary measures, and standards of conduct applicable to both employees and suppliers. To prevent unfair trade practices or acts of unfair competition, ethical principles are embedded into our ethical code for suppliers. If an employee or supplier receives offers of money, entertainment, or favors, they are required to immediately submit a “Gift Receipt Report” or “Convenience Receipt Report” to the Internal Audit Group or Cyber Audit Center, and follow the prescribed corrective actions to prevent recurrence. We also adhere to subcontracting laws, including the “Fair Transactions in Subcontracting Act,” and use standardized contract forms and conditions recommended by government agencies, competition authorities, and trade associations in the countries where we operate. In addition, Seoyon E-Hwa provides annual fair-trade education to employees and requires all new hires to sign a code of ethics compliance pledge.

Ethics Pledge by New Employees

Category	Unit	2022	2023	2024
Total number of new employees	Persons	64	120	82
Pledge completion rate	%	100	100	100

* Reflects reconfirmation of target number in 2022

Compliance Management System and Activities

To foster fair and transparent business practices, Seoyon E-Hwa has established and implemented a “Compliance Control Standard.” We have appointed a qualified compliance officer responsible for monitoring adherence to laws and internal regulations and ensuring sound governance. Annual compliance training is provided to all administrative staff and covers topics such as the prohibition of workplace harassment, general criminal law, the Personal Information Protection Act, the Serious Accidents Punishment Act, the Subcontracting Act, and the Fair Trade Act. Furthermore, Seoyon E-Hwa has built an internal control system aligned with our compliance standards. All employees are required to conduct a self-assessment of compliance by electronically signing a semi-annual declaration (twice a year) through this system. This approach ensures we maintain continuous oversight of our legal and ethical compliance.

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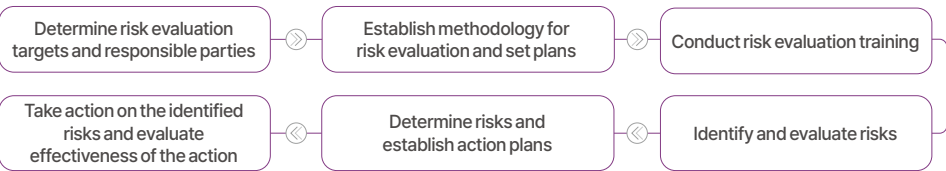
Enterprise-wide Integrated Risk Management

Risk Management System

Risk Management Governance

Seoyon E-Hwa has established and operates a comprehensive risk monitoring and management system to address potential financial and non-financial risks and to strengthen post-risk controls. Financial risks are managed by the Finance Department, while non-financial risks are monitored by the respective departments responsible for each operational area. In particular, the Internal Audit Group, which supports the Audit Committee, conducts regular and ad-hoc internal audits, compliance checks, and evaluations of the internal accounting control system. The results of these audits are reported on a quarterly basis to the Audit Committee.

Key Types of Risks



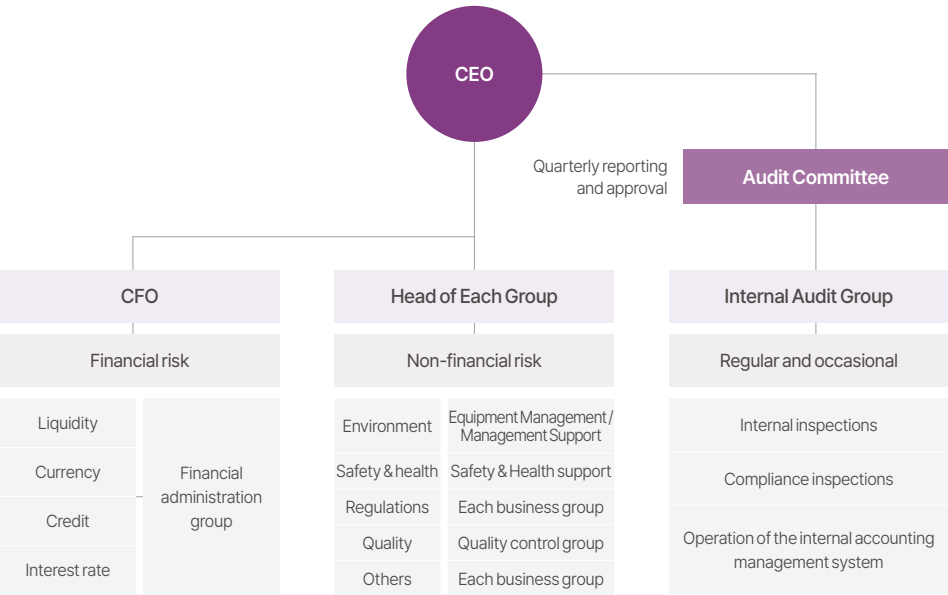
Risk Management by Category

Risks are classified and managed based on their financial or non-financial nature. Financial risks include risks associated with liquidity, foreign exchange, credit, and interest rate, which arise from domestic and international business operations. Non-financial risks include environmental, occupational safety and health, legal, and quality risks, all of which stem from changes in the overall business environment.

Key Types of Risk

Category		Description	Impact on Business	Response and Management
Financial Risk	Liquidity Risk	Risk due to lack of cash liquidity	Excessive exposure to market risk	Managing financial plans and building financing system
	Exchange Risk	Risk due to fluctuations in international exchange rates	Exchange loss when importing raw materials and exporting products	Expanding foreign currency inventory and appreciating Korean won, etc.
	Credit Risk	Risk due to default of debtor or default of counterparty	Economic loss due to trade receivables	Establishing a credit guarantee business strategy such as insurance subscription
	Interest Rate Risk	Risk due to interest rate fluctuations such as interest rate hikes	Financial loss due to excessive interest expenses	Establishing a financial soundness plan such as redemption of borrowings
	Tax Risk	Risk from violation of tax filing and payment obligations	Reputational damage and legal/financial penalties	Systematize tax functions and responsible teams, use external advisory
Non-financial Risks	Environmental Risk	Risk related to environmental regulations	Disadvantages in attracting orders and investments and environmental fines	Establishing and implementing mid- to long-term ESG strategy
	Safety and Health Risk	Risk related to safety and health, such as deaths due to major accidents	Loss of external credibility and legal risks	Establishing safety and health policy and conducting trainings
	Legal Risk	Risk related to legal damages caused by technology, security, and disaster	Legal costs such as lawsuits	Continuously conducting compliance training
	Quality Risk	Risk related to quality maintenance	Disruption in production and sales	Building quality management manual and system

Risk Management Organization Chart



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Enterprise-wide Integrated Risk Management

Information Security

Information Security Policy

Seoyon E-Hwa operates our information security management system in accordance with applicable information protection laws and our internal Information Security Management Process (SMS-A-20). Information security management is categorized into administrative, physical, and technical domains, with designated departments and personnel managing each area according to relevant regulations. In line with internal policies, Seoyon E-Hwa has established and implemented an information protection policy that applies to all employees, contractors, visitors, and information assets owned by the organization, such as documents, storage media, IT equipment, and management facilities. Through the Security Council, we determine, communicate, and implement information protection policies, and assign specific roles and responsibilities to each security organization to ensure the effective execution of security duties. In the event of a security policy violation, the matter is reported to the Chief Information Security Officer (CISO) depending on the severity of the breach and is addressed promptly in accordance with internal security procedures (SMS-A-20-W01: IT Security Incident Response Guidelines). Furthermore, after any incident, we establish and enforce preventative measures to avoid recurrence.

Information Security Management Regulations

Process Name	Management Area	Management Task		Response and Management	
Enterprise security management process	1. Managerial security	1) Security organization structure and management 2) Security pledge management 3) Security training	4) Retiree management 5) Security violator management 6) Security inspections	• Computer security management procedures (security training and activities) • Personal information management guidelines • Overseas staff management procedures	
	2. Physical Security	1) Establishment of protection zones 2) Control of asset export/import	3) CCTV operation and facility monitoring 4) Business continuity management	• Access control management procedures • Environmental, safety, and health emergency management procedures	
	3. Technical Security	1) User security 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

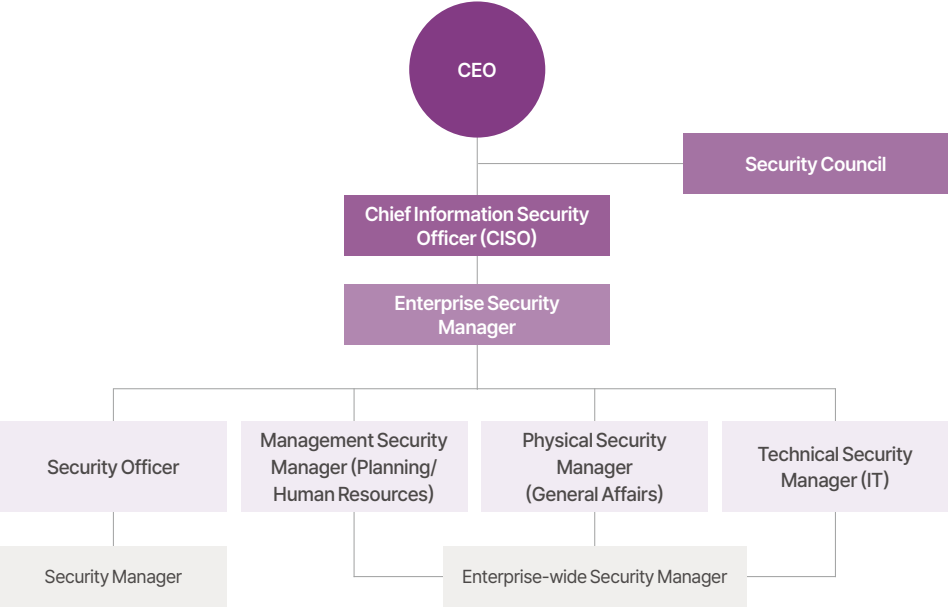
Details of IT Security Management Procedures

Category		Details
Information Security	Security Training	Security training for employees
	Pledge on information security	Writing information security pledges for employees and related parties
	PC management security	Account management, login, screen saver, file sharing, Windows security updates
	External Security	Anti-virus/worm/spyware, e-mail security, firewall, protection from intrusion/infiltration, blocking of harmful content
	Internal Security	Prevention of information leakage and internal hacking protection system
	Security for application programs	Information leak prevention and internal hacking security system
	Intrusion accident/disaster recovery	Network, database, sequence systems

Information Security Management System

To ensure comprehensive information protection, Seoyon E-Hwa has established an internal information security management system. The Chief Information Security Officer (CISO) is responsible for determining information security policies, appointing the Enterprise-wide Security Officer and the Enterprise-wide Security Manager, and supervising the overall implementation of security tasks. The Enterprise-wide Security Officer and the Enterprise-wide Security Manager, jointly with managers in charge of administrative, physical, and technical security domains, are responsible for planning and managing information protection activities such as policy development, establishment of regulations, training, and follow-up measures. The Enterprise-wide Security Manager responds to required improvements by submitting proposals for countermeasures and schedules to the Enterprise-wide Security officer. After taking the necessary actions, the results are reported to both the Enterprise-wide Security Officer and the CISO, establishing a systematic management process.

Information Security Management Organization Chart



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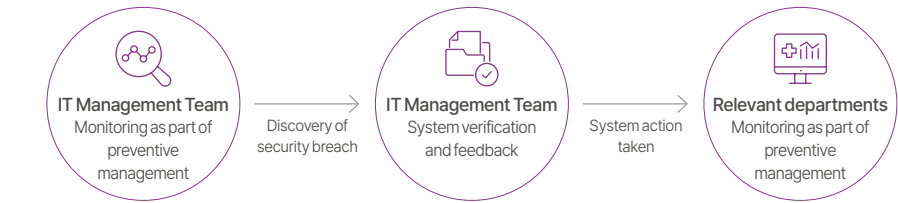
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Enterprise-wide Integrated Risk Management

Response System for Leaks of Data and Trade Secrets

Seoyon E-Hwa operates a security incident management system to respond promptly and systematically to leaks of data and trade secrets, as well as other security incidents. We have pre-defined the types of potential security incidents and conduct simulation drills and training regularly to strengthen our preventive measures. When a security incident occurs, a dedicated response team is quickly assembled, and initial response plans are formulated and implemented. During the incident handling process, related evidence is preserved securely, and post-incident management plans are established, including educational programs for employees. The incident response procedures are reviewed periodically and revised as needed. In addition, we conduct training drills independently and maintain an emergency response team to proactively address various security threats, including cyberattacks.

Incident/Disaster Recovery Procedure*



* Scope: Network, database, sequencing systems, etc.

Investments in Information Security

To enhance the operation of our information protection systems, Seoyon E-Hwa continues to invest in the information security sector. We disclose our information protection status in line with the “Act on the Promotion of Information Security Industry” and the “Guidelines on Disclosure of Information Security” through the Korea Internet & Security Agency’s (KISA) information security portal annually.

Investment in Information Technology and Protection Sectors

Data Name	Unit	2022	2023*	2024
Investment in information technology sector	KRW million	8,309	9,390	5,999
Investment in information protection sector		838	434	472
Proportion of investment in information protection to total IT investment	%	10.1	4.6	7.9

* Data corrected to account for revision of 2023 records

Information Security Training

Seoyon E-Hwa conducts annual in-house IT security training to enhance employees’ awareness and prevent security incidents. In addition, employees receive quarterly external cyberattack response training organized by Hyundai Motor Company to build practical response capabilities.

Security Training for Employees in 2024

Training Content	Organizer	Category	Unit	2022	2023	2024
AEO Certification in IT Management Training	IT Management Team (IT Innovation Team)	Target trainees	Persons	420	339	462
		Number of participants	Persons	408	323	443
		Completion rate	%	97	95	96
Industrial Security Online Training	Korea Industrial Technology Protection Association	Target trainees	Persons	-	467	520
		Number of participants	Persons	-	432	427
		Completion rate	%	-	93	82

Alongside training for employees, a monthly information security campaign is shared through internal pop-up boards. All internal personnel handling personal information are required to sign a personal data protection pledge. Security agreements are also obtained annually from outsourced personnel to clarify their responsibilities. The Human Resources Group HR department is designated to oversee the management of personal information, and we have subscribed to a dedicated insurance policy in preparation for potential incidents involving personal data.

Security Campaign for Employees

Campaign Content	Organizer	Posting Location	Posting Period
Trade secret security training	IT Management Team (IT Innovation Team)	Popup bulletin board	1st and 3rd weeks of every month
Security recommendations for infection by ransomware			2nd and 4th weeks of every month

* Security recommendations on ransomware infections are also available at all times via the company-wide bulletin board

Information Security Certification

Seoyon E-Hwa obtained ISO/IEC 27001 certification in February 2025 as part of our efforts to systematically operate and manage our information protection system. This international standard certifies that we meet comprehensive information security requirements across areas such as security policy, risk management, access control, and internal audits. We will continue to monitor and maintain our information protection management system in accordance with applicable regulations and procedures.



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ESG Performance Data

Economy

Summarized Income Statement(consolidated)

Classification	Unit	2022	2023	2024
Sales	KRW in Millions	2,845,253	3,574,266	4,041,529
Cost of sales		2,393,532	3,028,542	3,410,198
Gross profit		451,722	545,724	631,331
Selling and administrative expenses		301,040	352,614	476,926
Operating profit (loss)		150,682	193,110	154,404
Profit before tax (loss)		116,258	194,997	202,228
Corporation tax		55,783	30,957	47,911
Net profit (loss)		60,475	164,040	154,317

Summarized Financial Position(consolidated)

Classification	Unit	2022	2023	2024
Current assets	KRW in Millions	968,983	1,008,713	1,184,825
Non-current assets held for sale		0	26,506	18,283
Non-current assets		9,651,349	1,322,631	1,750,734
Total assets		10,620,332	2,357,850	2,953,842
Current liabilities		986,276	1,118,745	1,402,244
Non-current liabilities held for sale		0	16,334	9,078
Non-current liabilities		187,170	297,187	381,019
Total liabilities		1,173,446	1,432,266	1,792,341
Capital stock		13,514	13,514	13,514
Capital surplus		445,817	445,800	445,893
Non-controlling interests		35,127	43,952	61,726
Accumulated other comprehensive income		49,699	62,794	145,562
Retained earnings		212,881	359,678	494,959
Total equity		756,886	925,585	1,161,501

Sales by Region (consolidated)

Classification	Unit	2022	2023	2024
Korea	KRW in Millions	908,096	1,114,870	1,103,572
Europe		592,258	689,938	732,044
China		119,240	81,792	145,411
India		558,557	568,152	572,367
USA		452,888	878,279	1,146,922
Mexico		109,331	150,130	240,362
Brazil		97,615	88,505	89,815
Others		7,270	2,603	11,035
Total		2,845,255	3,574,269	4,041,528

Distribution of Economic Value (consolidated)

Classification	Unit	2022	2023	2024
Employees	Total sasalary*	269,630	351,837	401,035
	Defined Contribution (DC) Retirement Pension*	7,962	6,495	15,422
	Total welfare expenses*	39,353	51,334	59,603
Partners	KRW in Millions	1,605,351	2,088,248	2,064,141
Government		55,783	30,957	47,911
Local communities		495	428	574
Debtors		19,851	32,166	31,427
Shareholders		4,053	4,053	5,405

* Recalculated based on annual reports: 2022 and 2023 data corrections
** Adjustments to items disclosed based on annual reports: Total retirement pension → Retirement benefits (defined contribution type) / Raw material costs (domestic/overseas) → Raw material costs used

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ESG Performance Data

R&D

R&D Expenditure

Classification		Unit	2022	2023	2024
Total R&D Expenditure (R&D investment)	Selling and administrative expenses	KRW in Millions	40,604	49,026	60,259
	Government subsidies		2,121	3,188	2,549
	Manufacturing expenses		221	470	537
	Development expenses (intangible assets)		767	322	152
R&D expenses to sales ratio*		%	3.3	3.1	3.4

* Calculated based on sales figures from separate financial statements.

R&D Personnel

Classification		Unit	2022	2023	2024
Total R&D personnel (Number of R&D staff)	Research personnel	Persons	143	161	197
	Research assistants		29	29	29

Patent(Intellectual Property Rights)

Classification		Unit	2022	2023	2024
Number of domestic and overseas patent applications for the automobile parts business	Domestic	Cases	122	136	118
	Overseas		54	62	44
Number of domestic and overseas patent registered in the automobile parts business	Domestic		152	88	79
	Overseas		25	34	14

Governance

Violations of the Code of Ethics and Reporting*

Classification		Unit	2022	2023	2024
Violations of the code of ethics and reporting	Bribes, monetary transactions and receiving entertainment	Cases	0	2	0
	Embezzlement and theft of public funds, and seeking personal gain	Cases	0	0	1
	Abuse of authority and solicitation	Cases	0	0	0
	Violations of the Fair Trade Act	Cases	0	0	0
	Infringement of human rights, workplace bullying and sexual harassment	Cases	1	0	1
	Matters related to work discipline	Cases	0	0	0
	Infringement of trade secrets	Cases	0	0	0
	Violations of the Personal Information Protection Act	Cases	0	0	0
	Total number of violations and reports**	Cases	1	2	2
Compliance with regulations	Violation of laws and regulations	Cases	0	0	0
	Total fines	KRW 100 millions	0	0	0

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

** Data corrected due to changes in 2023 data.

Anti-competitive Practices

Classification		Unit	2022	2023	2024
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

Information Security

Classification		Unit	2022	2023	2024
Information security training	Number of employees subject to trainings	Persons	420	339	462
	Number of employees who completed trainings		408	323	443
	Completion rate		97	95	96
Number of Information Security Vulnerability Checks		Times	1	8	7
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
Investment Status Related to Information Technology and Security*	Investment Amount in Information Technology	KRW in Millions	8,309	9,390	5,999
	Investment Amount in Information Security		838	434	472
	Investment Ratio in Information Security Compared to Total IT-Related Investment Amount	%	10.1	4.6	7.9

* Data corrected due to changes in 2023 data.

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ESG Performance Data

Environmental

Greenhouse Gas Emissions*

Classification		Unit	2022	2023	2024
Direct GHG Emissions (Scope 1)	Total		687	6,936	7,029
	Domestic site		687	710	687
	Jiangsu Seoyon E-Hwa		N/A	870	896
	Beijing Seoyon E-Hwa		N/A	449	413
	Seoyon Summit India		N/A	1,807	1,870
	Seoyon Summit Chennai		N/A	31	28
	PINSTAR		N/A	55	62
	Seoyon Summit Anantapur		N/A	333	494
	Seoyon E-Hwa Slovakia	tCO ₂ eq	N/A	137	144
	APIS Plastic		N/A	496	585
	Seoyon E-Hwa Poland		N/A	123	90
	BEST AUTOTECH		N/A	783	522
	Seoyon E-Hwa Alabama		N/A	11	124
	Seoyon E-Hwa Georgia		N/A	199	164
	Seoyon E-Hwa Auburn		N/A	260	456
	Seoyon E-Hwa Maxico		N/A	97	115
	M-AUTOTECH		N/A	469	323
	Seoyon E-Hwa Brazil		N/A	107	77
	Total		6,003	93,836	92,993
	Domestic site		6,003	6,474	6,342
Indirect GHG Emissions (Scope 2)	Jiangsu Seoyon E-Hwa			13,517	13,430
	Beijing Seoyon E-Hwa	tCO ₂ eq		1,765	1,237
	Seoyon Summit India		N/A	17,101	17,075
	Seoyon Summit Chennai			1,637	1,854
	PINSTAR			2,090	2,438

Classification		Unit	2022	2023	2024
Indirect GHG Emissions (Scope 2)	Seoyon Summit Anantapur		N/A	11,596	10,696
	Seoyon E-Hwa Slovakia		N/A	1,941	1,897
	APIS Plastic		N/A	1,428	1,445
	Seoyon E-Hwa Poland		N/A	2,657	2,821
	BEST AUTOTECH		N/A	9,402	9,042
	Seoyon E-Hwa Alabama	tCO ₂ eq	N/A	6,176	6,195
	Seoyon E-Hwa Georgia		N/A	4,292	3,920
	Seoyon E-Hwa Auburn		N/A	8,129	8,323
	Seoyon E-Hwa Maxico		N/A	2,668	3,112
	M-AUTOTECH		N/A	2,811	2,915
	Seoyon E-Hwa Brazil		N/A	150	252
	Other indirect GHG emissions (Scope 3)	tCO ₂ eq	-	3,712	3,219
Total GHG emissions (Scope 1, 2)		tCO ₂ eq	6,690	100,772	100,042
GHG emissions intensity (Scope 1, 2)		tCO ₂ eq/KRW 100 million	0.54	2.19	1.95
Reduction**	GHG emissions intensity target	tCO ₂ eq/KRW 100 million	-	-	2.12
	Scope 1		-	-	(113)
	Scope 2		-	-	843
	Total	tCO ₂ eq	-	-	730
	Year-on-year GHG reduction		-	-	0.0073

* From 2023, GHG direct emissions (Scope 1) and GHG indirect emissions (Scope 2) will be calculated to include overseas business sites.

** Due to the expansion of the data calculation scope, GHG reduction amounts and reduction rates will be recalculated from 2024.

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ESG Performance Data

Energy Consumption*

Classification		Unit	2022	2023	2024
Non-renewable Energy	Electricity	TJ	125.1	135.3	132.5
	Fuel		8.1	7.8	7.8
	Other		3.6	4.3	3.5
Total energy consumption			136.8	147.4	143.8
Energy consumption intensity		TJ/ KRW 100 million	0.0110	0.0093	0.0080

* Calculated based on the scope of domestic business sites

Water Resource Consumption*

Classification		Unit	2022	2023	2024
Water intake	Water supply	Ton	29,186	22,320	27,078
	Groundwater		29,406	32,398	39,066
	Total		58,592	54,718	66,144
Water consumption	Water supply	Ton	29,186	22,320	27,078
	Groundwater		29,406	32,398	39,066
	Total		58,592	54,718	66,144
Water intensity		Ton/ KRW 100 million	4.7	3.4	3.7
Water discharge			0	0	0
Water saving	Water supply	Ton	7,059	6,866	(4,758)
	Groundwater		(5,960)	(2,992)	(6,668)
	Water use reduction rate compared to the previous year	%	(0.043)	0.071	(0.173)

* Consolidated disclosure of domestic business sites (Headquarters, Ulsan, Asan)

Waste Generation

Classification		Unit	2022	2023	2024
General waste	Incineration	Ton	143.7	243.6	218.6
	Landfill		0	0	0
	Recycling		99	121.2	100.3
	Sell		46.7	80.3	39.1
	Total		242.7	364.8	318.9
Designated waste	Incineration	Ton	0	0	0
	Landfill		0	0.1	1.2
	Recycling		2.3	11.6	6.0
	Sell		0	0	0
	Total		2.3	11.6	7.2
Waste generation intensity		Ton/KRW 100 million	0.02	0.02	0.01

Waste Recycling

Classification	Unit	2022	2023	2024
Waste recycled	Ton	101.3	132.7	106.3
Waste recycling rate	%	41.3	35.3	32.6

Environmental Management System Certification

Classification	Unit	2022	2023	2024
Environmental management system certification (ISO 14001)	Business sites subject to obtainment	15	16	21
	Business sites that obtained the certification	13	14	17
	Obtainment rate	87	88	81

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ESG Performance Data

Discharge of Chemicals

Classification	Unit	2022	2023	2024
Chemicals	TCE			
	Chromium			
	Manganese	kg	N/A	
	Tin			
	Copper			

Hazardous Chemicals

Classification	Unit	2022	2023	2024
Hazardous chemicals consumption	Ton			
Hazardous chemicals consumption intensity	Ton/KRW 100 millions		N/A	

Air Pollutants Emissions

Classification	Unit	2022	2023	2024
NOx Emissions	Ton			
SOx Emissions	Ton		N/A	
PM Emissions	Ton			

Eco-friendly Sales

Classification	Unit	2022	2023	2024
Sales of eco-friendly automotive parts	KRW 100 millions	415.7	412.1	278.0

Violation of Environmental Laws

Classification	Unit	2022	2023	2024
Number of violations of environmental laws	Cases	0	0	0

Environmental Risk Assessment

Classification	Unit	2022	2023	2024
Number of business sites that received assessment	Sites	15	16	19

Environmental Training*

Classification	Unit	2022	2023	2024
Employees subject to environmental training	Persons	868	887	926
Participants in environmental training		828	836	856
Ratio of participants in environmental training	%	95	94	92

* Correction of 2022 and 2023 data due to changes in the scope of data calculation

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ESG Performance Data

Social Employee Status

Classification		Unit	2022**	2023	2024
Number of Employees by country	Total	Persons	962	15,539	14,906
	Korea*		900	939	939
	USA		11	1,947	2,088
	India		16	4,893	4,883
	China		10	943	785
	Mexico		6	1,028	1,101
	Slovakia		6	1,554	1,495
	Turkiye		4	1,864	1,716
	Poland		4	1,727	1,237
	Brazil		3	376	387
	Indonesia		2	266	270
	Thailand		0	2	5

* Expatriates are included in the number of personnel dispatched to other countries.
** Only domestic employees are counted until 2022.

Locally Hired Managers

Classification	Unit	2022	2023	2024
Number of managers	Persons	1,521	1,458	1,547
Number of locally hired managers		1,463	1,168	1,333
Ratio of locally hired managers	%	96	80	86

Detailed Employment Status

Classification		Unit	2022	2023	2024
Total*		Persons	962	1,009	1,021
Gender	Male	Persons	817	865	887
	Female	Persons	145	144	134
Employment type	Regular(Male)	Persons	817	860	880
	Regular(Female)	Persons	142	137	131
	Non-regular(Male)**	Persons	0	5	7
	Non-regular(Female)	Persons	3	7	3
Age	Under 30	Persons	44	54	70
	30~49	Persons	624	668	687
	50 and older	Persons	294	287	264
Job type	Office	Persons	282	313	286
	Production	Persons	449	434	403
	Research	Persons	169	192	250
Socially disadvantaged	Number of employees with disabilities	Persons	35	35	35
	Number of veteran employees	Persons	17	17	28

* The number of Korean employees includes expatriates dispatched to other countries, which differs from the number of employees in the annual report (0 foreign workers).
** Non-regular employment types: secretaries, accounting, drivers, etc.

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ESG Performance Data

New Employment

Classification		Unit	2022	2023	2024
Total			64	120	82
Gender	Male	Persons	62	113	81
	Female		2	7	1
Age	Under 30		23	28	80
	30~49		34	87	79
	50 and older		5	5	2

Retirees

Classification		Unit	2022	2023	2024
Total		Persons	83	64	61
Retirees by gender	Male		74	60	53
	Female		9	4	8
Voluntary retirees by gender	Male		48	35	25
	Female		5	3	1
Retirees by age	Under 30		10	6	10
	30~49		36	27	28
	50 and older		36	31	23
Voluntary retirees by age	Under 30		10	6	8
	30~49		32	27	16
	50 and older	11	5	2	
Retirement rate		%	9	6	6
Voluntary retirement rate			6	4	3

Female Employees

Classification		Unit	2022	2023	2024
Executives	Total	Persons	43	39	37
	Female		1	1	1
	Female ratio	%	2	3	3
Employees	Total	Persons	919	970	1,021
	Female		144	143	136
	Female ratio	%	16	15	13
Managers	Total	Persons	507	567	606
	Female		15	15	13
	Female ratio	%	3	3	2
Managers working in sales generating departments	Total	Persons	110	123	138
	Female		1	1	1
	Female ratio	%	1	1	1
Researchers	Total	Persons	238	223	203
	Female		5	5	6
	Female ratio	%	2	2	3

Wage by Gender

Classification		Unit	2022	2023	2024
Average wage of all employees		KRW in Millions	87	109	106
Average wage of male employees		KRW in Millions	87	111	107
Average wage of female employees		KRW in Millions	87	104	104
Ratio of average wage of female employees compared to male employees		%	101	94	98

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ESG Performance Data

Parental Leave

Classification		Unit	2022	2023	2024
Employees subject to parental leave	Total	Persons	211	218	268
	Male		205	212	263
	Female		6	6	5
Employees who used parental leave	Total		8	8	4
	Male		4	3	2
	Female		4	5	2
Employees on parental leave	Total		3	4	5
	Male		3	1	2
	Female		0	3	3
Employees who returned to work after parental leave	Total		5	8	4
	Male		1	4	2
	Female		4	4	2
	Total	%	42	100	100
	Male		17	100	100
	Female		71	100	100
Employees who have worked at least 12 months after parental leave	Total	Persons	5	8	1
	Male		1	4	0
	Female		4	4	1
	Total	%	42	100	25
	Male		17	100	0
	Female		71	100	50
	Female				

Employee Training

Classification		Unit	2022	2023	2024
Overall status	Employees who participated in trainings	Persons	900	939	939
	Total training hours	Hours	16,451	23,981	20,558
	Total training expenses	KRW in millions	225,579	255,950	260,159
	Training hours per employee	Hours	18	26	22
	Training expenses per employee	KRW	215	254	280
Training category (Number)	Total	Persons	1,898	1,894	1,721
	Quality		122	135	170
	Ethics		72	128	87
	Job		530	682	582
	Competency		1,107	839	795
	New employees		46	85	72
	Retirees		21	25	15
Training category (Hours)	Total	Hours	16,451	24,044	20,558
	Quality		640	1,560	1,716
	Ethics		507	1,835	783
	Job		7,389	8,232	8,527
	Competency		5,336	10,442	6,752
	New employees		2,516	1,900	2,735
	Retirees		63	75	45

Welfare Benefits

Classification	Unit	2022	2023	2024
Total welfare expenses	KRW in Millions	10,443	13,539	13,643
Welfare expenses per employee	KRW in Millions	11	13	13

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ESG Performance Data

Employee Grievance Handling

Classification	Unit	2022	2023	2024
Number of grievances received	Cases	1	2	2
Number of grievances handled	Cases	1	2	2
Grievance handling rate	%	100	100	100

Labor Hours

Classification	Unit	2022	2023	2024
Annual working hours per person	Hours	2,245	2,219	2,294
Average weekly working hours	Hours	40	44	44

Performance Evaluation

Classification	Unit	2022	2023	2024
Number of employees subject to performance evaluation	Male	484	545	556
	Female	15	15	15
Number of employees who received performance evaluation	Male	484	545	556
	Female	15	15	15
Ratio of employees who received performance evaluation	Male	100	100	100
	Female	100	100	100

Labor Union

Classification	Unit	2022	2023	2024
Number of employees eligible for union membership	Persons	527	523	521
Number of employees who have joined the labor union	Persons	527	523	521
Ratio of union members*	%	100	100	100
Minimum notice period for changes in management	Days	60	60	60

* Number of union members / Total number of employees
* Calculation of membership ratio Revision of data for 2022 and 2023

Customer Claims

Classification	Unit	2022	2023	2024
Claim costs per 100 won of sales	KRW	6.5	5.6	6.7
Customer Claims	Received	7	13	5
	Handled	7	13	5
	Claim handling rate	100	100	100

Social Contribution (Donation)

Classification	Unit	2022	2023	2024
Total amount of donations		25	37	16
Donations by category	Charitable donations	2	0.2	0
	Community donations	23	37	16
Donations by subject	Corporate donations	23	35	16
	Employee donations	2	2	0

Social Contribution (Volunteer Activity)

Classification	Unit	2022	2023	2024
Total number of volunteers	Persons	424	741	472
Number of volunteer activities	Times	13	27	23
Number of volunteer activities per person		10	22	21
Total volunteer hours	Hours	33	68	52
Volunteer hours per person		26	54	26

Safety and Health System

Classification	Unit	2022	2023	2024
atio of employees covered by the industrial safety and health system*	%	100	100	100

* Calculation of ratio for Seoyon E-Hwa employees

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ESG Performance Data

Violation of Safety and Health Regulations

Classification	Unit	2022	2023	2024
Number of violations of safety and health regulations	Cases	0	0	0
Fines due to violations of safety and health regulations	KRW in Millions	0	0	0

Safety and Health Training

Classification	Unit	2022	2023	2024
Employees who completed training	Ulsan	450	389	405
	Asan	166	180	188
	Headquarters	213	230	252
Ratio of employees who completed training	Ulsan	97	91	91
	Asan	96	94	93
	Headquarters	96	95	96

Industrial Accident Rate

Classification	Unit	2022	2023	2024
Number of industrial accidents	Cases	2	1	1
Industrial accident rate	%	0.22	0.11	0.11
Frequency rate	%	0.99	0.48	0.46
Severity rate	%	0.61	0.77	0.66
Number of fatalities	Persons	0	0	0
Fatality rate per 10,000 people	%	0	0	0
LTIFR(Lost-Time injuries Frequency Rate)	Cases/million hours	0.99	0.48	0.46
FSI(Frequency-Severity Indicator)	Points	0.78	0.61	0.55

Industrial Accidents of Partners

Classification	Unit	2022	2023	2024
LTIFR (Lost-Time injuries Frequency Rate)	Ulsan	11.39	11.38	0
	Asan	0	0	0
	Headquarters	0	0	0
Fatality rate per 10,000 people	Ulsan	0	0	0
	Asan	0	0	0
	Headquarters	0	0	0

Partners

Classification	Unit	2022	2023	2024
Total number of partners	Companies	238	280	288
Number of new partners	Companies	0	13	7
Number of major partners among partners	Companies	23	23	25
Total transaction amount with partners(parts)	KRW in Millions	546,279	982,150	1,101,580
Total transaction amount with partners(raw materials)	KRW in Millions	354,228	422,594	398,142
Total transaction amount with partners(total)	KRW in Millions	1,200,507	1,404,745	1,499,722
Total transaction amount with major partners among total purchase amount	KRW in Millions	749,836	871,011	837,755

Shared Growth with Partners

Classification	Unit	2022	2023	2024
Number of partners with whom a fair trade agreement has been signed	Companies	238	280	288
Amount of financial support provided to partners	KRW in millions	95,300	101,190	94,474
Time spent on quality guidance for partners	Hours	561	439	82

Partners Training

Classification		Unit	2022	2023	2024
Training on practical skills for partners' employees	Number of trained partners	Companies	35	39	37
	Ratio of trained partners to total partners	%	100	100	100
	Number of partners' employees who completed training	Persons	96	193	156
Number of meetings held		Times	4	4	4
Handling of partner grievances	Received	Cases	4	10	8
	Handled	Cases	2	2	4
Partners who received environmental and safety training		Companies	20	20	44
Visits to partners for environmental and safety inspections		Times	2	2	2

Supply Chain ESG Assessment

Classification	Unit	2022	2023	2024
Occupational Safety and Health Management System Certification (ISO 45001)	Companies	0	1	4
Environmental Management System Certification (ISO 14001)	Companies	0	17	19

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GRI Standards Index

GRI Standards 2021	
Overview	Seoyon E-Hwa reports data for period from January 1 to December 31, 2024 in accordance with GRI Standards 2021. (Including some information in 2025)
GRI 1	GRI 1: Foundation 2021
GRI sector standards	As of June 2025, when SEONYON E-Hwa publishes its Sustainability Report, there are no applicable GRI Sector Standards.

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2-18	Evaluation of the performance of the highest governance body	-	No performance evaluation system
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GRI 305: Emissions			
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GRI 414: Supplier Social Assessment			
414-2	Negative social impacts in the supply chain and actions taken	52	
Material Topics 3. Occupational safety and health			
GRI 403: Occupational Health and Safety			
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403-2	Hazard identification, risk assessment, and incident investigation	43	
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		(2) Percentage grid electricity		
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Waste Management	TR-AP-150a.1	(1) Total amount of waste from manufacturing	72	
		(2) Percentage hazardous		
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Product Safety	TR-AP-250a.1	Number of vehicles recalled	77	
Design for Fuel Efficiency	TR-AP-410a.1	Revenue from products designed to increase fuel efficiency or reduce emissions	73	
Materials Sourcing	TR-AP-440a.1	Description of the management of risks associated with the use of critical materials	51-54	
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	b) Describe management's role in assessing and managing climate-related risks and opportunities.		
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	24	
	b) Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning		
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	25-26	
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks.	27	
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WEF IBC Stakeholder Capitalism Metrics

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Awards and Memberships

Awards (recent 3 years)

Year	Award Name	Hosted by
2024	Ulsan Metropolitan City Buk-gu Volunteer Festival Selected as “Outstanding Volunteer”	Ulsan Metropolitan City
	50th National Quality Management Competition Selected as “Outstanding Quality Competitiveness Company” for 17 consecutive years	Ministry of Trade, Industry, and Energy National Institute of Standards and Science
	50th National Quality Innovation Competition National Quality Task Force Competition Presidential Award Gold Award and Silver Award	Korea Standards Association
	Large and Small Business Safety and Health Win-Win Cooperation Activity Best Practice Presentation Competition Excellence Award	Ministry of Employment and Labor
	62nd Regular General Meeting of the Korea Automobile Industry Cooperative Association: Awarded the Minister of Industry, Trade, and Energy Commendation	Korea Automobile Industry Coopera- tive Association
	Winner of 2024 iF Design Award	iF Design
	Awarded with the ‘Supplier Of The Year’ Safety Division at Hyundai Motor and Kia ‘Partnership Day」	Hyundai Motor Group (HMG)
2023	Seoyon E-Hwa Wins Minister of Industry Award at the 2023 Korea Tech Show	Ministry of Trade, Industry and Energy
	Selected as Company with Excellent Quality Competitiveness 2023	Ministry of Trade, Industry and Energy
	Received the Gold Award of the Presidential Award at the 48th National Quality Circle Contest	Ministry of Trade, Industry and Energy
	Winner of 2023 Red Dot Design Award	Red Dot Design
	Awarded with the ‘Best Partnership and Cost Reduction’ prize at Hyundai Motor’s India Operations	Hyundai Motor Group (HMG)
	Winner of 2023 iF Design Award	iF Design
	Awarded with the ‘Supplier Of The Year’ Grand prize at Hyundai Motor and Kia ‘Partnership Day」	Hyundai Motor Group (HMG)
2022	Received the Innovation Award	Korea HCI
	Received the 2022 IP-R&D Excellent Institution Selection (Patent Commissioner Award) distinction	The Korean intellectual Property Office
	Received the Korea Volunteer Center Association Award	Korea Volunteer Center
	Received the winner of the 7th Person & Management Who Shined the Korean Economy in the Technology Innovation Management	Maekyung Media Group
	Inducted into the ‘Hall of Fame’ for companies with excellent quality competitiveness at the National Quality Management Competition	Ministry of Trade, Industry and Energy
	Received the 2022 ‘Hong Dae-yong Award (Patent Commissioner Award)’ for patent technology	The Korean intellectual Property Office
	Received the Minster of SMEs and Startups Award at the 23rd Small and Medium Enterprise Innovative Technology Show	Ministry of SMEs and Startups
2022	Received the Gold Award of the Presidential Award at the 48th national Quality Circle Contest	Ministry of Trade, Industry and Energy
	2022 ‘Good Design Korea’ Product Design – Transportation Design Division	Ministry of Trade, Industry and Energy
	Received the Korea Commission for Corporate Partnership Award in the ESG Corporate Partnership Sector at the 16th National Sustainability Management Awards	Korea Commission for Corporate Partnership
	Received the IR52 Jang Young Sil Award (22nd week of 2022)	Ministry of Science and ICT
	Received the Minister Award for the advancement of the automobile industry	Ministry of Trade, Industry and Energy
	Received the Minister Award of Science and ICT Award hosted by Society for CDE	Society for CD&E

Association Membership

Classification	Association
General business	Korea Listed Companies Association
	Korea Association of Mid-Sized Enterprises
Automotive industry	Korea Automobile Manufacturers Association
	Korea Auto Industries Cooperative Association
	The Korea Society of Automotive Engineers
	Hyundai-Kia Automobile Cooperation Association
	The Society of CAD/CAM Engineers of Korea
General management	Korean Society for Noise and Vibration Engineering
	Metal Industry Employers Association
	Korea Intellectual Property Association
	Korea Standards Association
	Korea Chamber of Commerce and Industry
Environmental	Korea Environmental Preservation Association
	Korea industrial Safety Association
Health	Korean Nurses Association
	Korean Association of Occupational Health Nurses
Firefighting	Korea Fire Safety Institute
Electricity	Korea Electrical Engineers Association
Machinery	Korea Mechanical Construction Contractors Association

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Independent Assurance Statement

To: The Stakeholders of Seoyon E-Hwa

Overview

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

Scope

The scope of engagement agreed upon with Seoyon E-Hwa includes the following:

- Report contents during the period from January 1st to December 31st 2024 included in the Report, some data of 2025 are included.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review.
- Confirmation of the Report's compliance with the AA1000 Accountability Four Principles and, where applicable, the reliability of the sustainability performance information contained within the Report, based on the type of sustainability assurance performed in accordance with AA1000 AS v3.

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

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

Assurance Level and Type

The assurance level and type are as follows;

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

Description and sources of disclosures covered

Based on the scope and methodology of assurance applied, the Assurer reviewed the following disclosures based on the sampling of information and data provided by Seoyon E-Hwa.

[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]

201-1&2, 205-2&3, 206-1, 302-1,3&4, 303-3~5, 305-1~5, 306-2~5, 308-2, 401-1~3, 402-1, 403-1~10, 404-1~3, 405-1&2, 413-1, 414-2, 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;

- Validation of the materiality assessment and internal analytical process for determining assurance priorities, and a top-level review of issues that may be raised by external stakeholders in the context of sustainability.
- Discussion with managers and representatives on stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible departments.
- Review of the system for sustainability management strategy process and implementation.
- Review of the materiality issue analysis process and prioritization and verifying the results.
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures.
- An assessment of Seoyon E-Hwa's reporting and management processes against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 Accountability Principles Standard (2018).
- Visit of the Headquarters of Seoyon E-Hwa 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 Seoyon E-Hwa. It implies that the Assurer is therefore subject to limitations relating to inherent risks that may exist without the identification of material errors. The Assurer does not provide assurance on possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

Competency and Independence

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

Opinion Statement

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

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Independent Assurance Statement

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 mis-statement. We believe that the economic, social and environment performance indicators are accurate and are supported by robust internal control processes.

Conclusions

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

Inclusivity: Stakeholder Engagement and Opinion

Seoyon E-Hwa has identified customers, employees, the supply chain, shareholders/investors, local communities, and government agencies as key stakeholders. The company operates various communication channels and cycles tailored to each stakeholder group. Through a stakeholder engagement process, it gathers expectations and diverse opinions from each core stakeholder group, incorporates the identified key issues into sustainability-related decision-making, and discloses the process through its reports

Materiality: Identification and reporting of material sustainability topics

To develop strategies related to sustainable management and identify reporting issues, Seoyon E-Hwa has established and conducted a double materiality assessment process in accordance with the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). This process included analyzing global ESG standard indicators and enhancing the previous year's issue pool to derive a shortlist. Through impact materiality and financial materiality assessments, the company analyzed risks and opportunities, ultimately identifying five key ma-terial issues, which are disclosed in the report

Responsiveness: Responding to material sustainability topics and related impacts

For each of the key material issues identified through the double materiality assessment, Seoyon E-Hwa identified corre-sponding risks and opportunities, established organizational approaches and management methods for each issue, and reported key activities and performance related to each material issue in the report

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

Seoyon E-Hwa has established a process to identify and evaluate the impact on organizations and stakeholders related to key material issues. The results of the analysis of impact, risk, and opportunity factors for key material issues are used in decision-making to establish response strategies for each issue, and the process is disclosed through reports.

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

Among the GRI Topic Standards, an assurance Type 2 were conducted against the following discloursers based on the infor-mation and data provided by Seoyon E-Hwa. In order to verify the reliability and accuracy of the data and information, internal control procedures related to data processing, and management were verified through interviews with the responsible depart-ment, 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 Seoyon E-Hwa manages the sustainability perfor-mance information through reliable internal control procedures and can track the process of deriving the source of the perfor-

mance. Errors and unclear expressions found during the assurance process were corrected and the Assurer confirmed the final version of the Report prior to its final publication.

[Type 2 Disclosures]

205-2&3, 206-1, 302-1&3, 303-3~5, 305-1~5, 306-1~5, 401-1~3, 402-1, 403-1~10, 404-1~3, 405-1&2, 414-2

Recommendations and Opportunity for improvement

- The Assurer provides the following observations to the extent that they do not affect the assurance opinion;
- Seoyon E-Hwa reported on key impacts and management approaches for each material issue identified through the double materiality assessment process. Additionally, if the company sets targets/indicators to be achieved for each key issue in the reporting year and includes not only performance and results but also future response plans for areas of improvement, it can enhance sustainability and business performance while strengthening long-term corporate value.
 - Seoyon E-Hwa has identified climate change response as a material issue through its double materiality assessment and has established a “2050 Net Zero Roadmap,” reporting on its mid- to long-term reduction targets and related strategies and achievements. While the company currently calculates and reports certain categories of Scope 3 (other indirect emissions), global climate disclosure standards such as ISSB S2 and CDP are increasingly emphasizing value chain-based Scope 3 disclosures. Therefore, by expanding the quantification of all Scope 3 emissions, establishing comprehensive mid- to long-term reduction strategies, and strengthening supplier collaboration to reduce value chain emissions, Seoyon E-Hwa can significantly enhance its climate response capabilities.
 - Seoyon E-Hwa reported on its human rights management policy and grievance handling system operations through its sustainability report. To strengthen the response capabilities to human rights risks in the supply chain, we recommend additionally disclosing quantitative information on supply chain human rights due diligence, including cases of major risk identification, corrective action details, and monitoring systems.

GRI-reporting

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

Issue Date: 20/06/2025

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


Sangwoo Nam, Lead Assurer(LCSAP)


Seonghwan Lim, Managing Director of BSI Korea

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GHG Emissions Verification Statement

LRQA Independent Assurance Statement

Relating to Seoyon E-Hwa Co., Ltd.’s GHG Emissions Inventory for the calendar years 2019, 2023 and 2024

This Assurance Statement has been prepared for Seoyon E-Hwa Co., Ltd. in accordance with our contract.

Terms of engagement

LRQA was commissioned by Seoyon E-Hwa Co., Ltd. (Seoyon E-Hwa) to provide independent assurance on its GHG emissions inventory for the calendar years 2019, 2023 and 2024 (hereafter 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 Seoyon E-Hwa’s domestic sites¹ and its overseas subsidiaries, 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 edition²
- 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 Seoyon E-Hwa and its overseas subsidiaries include manufacturing of automotive parts and the GHG emissions have been consolidated using an operational control approach.

LRQA’s responsibility is only to Seoyon E-Hwa. LRQA disclaims any liability or responsibility to others as explained in the end footnote. Seoyon E-Hwa’ 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 Seoyon E-Hwa.

LRQA’s Opinion

Based on LRQA’s approach nothing has come to our attention that would cause us to believe that Seoyon E-Hwa 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.

¹ Domestic subsidiaries were excluded from this assurance engagement.
² <https://www.ghgprotocol.org>

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;
- Reviewing processes related to the control of GHG emissions data and records;
- Visiting the HQ and Seoyon E-Hwa R&D Center, and additional evidence made available by Seoyon E-Hwa was reviewed;
- Confirming that the reported GHG emissions of all sites in Korea for the year 2023 were consistent with the results verified by another verification body.
- Verifying historical GHG emissions data and records at an aggregated level for the calendar years 2019, 2023 and 2024; and
- Reviewing whether Seoyon E-Hwa 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 Seoyon E-Hwa and as such does not compromise our independence or impartiality.

Dated: 30 April 2025

Chan-Sik Yun
LRQA Lead Verifier
On behalf of LRQA

2nd Floor, T Tower, 30, Sowol-ro 2-gil, Jung-gu, Seoul, Republic of Korea

LRQA reference: SEO00001861



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Seoyon E-Hwa 2025 Sustainability Report

About This Report

Report Overview

Seoyon E-Hwa Co., Ltd. (hereinafter “Seoyon E-Hwa”) is committed to pursuing sustainable innovation as part of our efforts to ensure long-term corporate growth and fulfill our environmental and social responsibilities. Through the publication of the 2025 Sustainability Report, we wish to transparently disclose our environmental and social activities and performance over the past year and aim to actively engage with our stakeholders.

Reporting Period

Seoyon E-Hwa publishes our sustainability performance on an annual basis. This report primarily covers activities and achievements during the period from January 1, 2024, to December 31, 2024. Some data prior to January 1, 2024 as well as updates from the first half of 2025 are also included where necessary to indicate trends.

Reporting Scope

- Financial Reporting : Based on separate and consolidated financial statements in accordance with the Korean International Financial Reporting Standards (K-IFRS). The consolidated financial statements cover 32 subsidiaries, including 14 major domestic and overseas subsidiaries such as Seoyon Autovision.
- Non-financial Reporting : Includes all domestic business sites of Seoyon E-Hwa, such as headquarters, manufacturing plants, and R&D centers. Certain subsidiaries without operational control are excluded from the scope of reporting. In cases where the reporting scope or boundaries differ, explanatory notes are provided accordingly.

Independent Assurance

To ensure the accuracy, objectivity, and reliability of the reporting process and the information disclosed, Seoyon E-Hwa commissioned the British Standards Institution (BSI), an independent verification agency, to conduct third-party assurance. The results of this verification are provided on pages 86–87 of this report.

Reporting Standards

This report has been prepared in line with the Global Reporting Initiative (GRI) Standards, the global framework for sustainability reporting. It also comprehensively reflects global sustainability standards and initiatives, including the United Nations Sustainable Development Goals (UN SDGs), Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD), World Economic Forum (WEF), and the International Sustainability Standards Board (ISSB). All financial data presented in the report is based on K-IFRS.

Corporate Information Disclosure

Seoyon E-Hwa discloses corporate information for investors and stakeholders through various channels, including our official website and electronic disclosure systems. Sustainability-related updates and reports can be accessed via the following:

 [Seoyon E-Hwa Website](#)

 [Annual Report \(March 31, 2025\)](#)

 [Audit Report \(March 18, 2025\)](#)

 [2025 Sustainability Report \(June 30, 2025\)](#)

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Publication Date	June 30, 2025