

2023 Hyundai Welding ESG Report

# WELDING THE FUTURE





INTRODUCTION

ESG MANAGEMENT

ENVIRONMENT

SOCIAL

GOVERNANCE

APPENDIX

## ABOUT THIS REPORT

### Report Overview

Hyundai Welding publishes an ESG report to transparently disclose information related to the Environment, Social, and Governance. This report complies with the Global Reporting Initiative (GRI) Standards 2021, which are global sustainability reporting standards, and also incorporates the Task Force on Climate-Related Financial Disclosures (TCFD) and UN Sustainable Development Goals (SDGs). The financial information has been prepared in accordance with the Korean International Financial Reporting Standards (K-IFRS) based on consolidated financial statements.

### Reporting Period and Scope

This report includes ESG-related information from January 1, 2019 to December 31, 2022. Regarding certain main issues, the information of the first half of 2023 is included as well. As this is the first ESG report being published, we are disclosing four years of ESG activities. The reporting scope for financial and non-financial performance covers all domestic business sites of Hyundai Welding.

### Third Party Assurance

The financial data in this report has undergone independent financial audit by Samil PricewaterhouseCoopers. This report has been validated by the Korea Management Certification in order to assure its objectiveness and credibility. Non-financial data has been independently verified by Korea Management Registrar to ensure objectivity and reliability.

### Report Distribution and Feedback

If you require additional information about the report, please refer to the following website.

Website: [www.hyundaiwelding.com](http://www.hyundaiwelding.com)

Address: 15-18F, 507 Teheran-ro, Gangnam-gu, Seoul, Republic of Korea  
Department in charge: Group Planning Team, Hyundai Welding

## CONTENTS

### INTRODUCTION

CEO Message	04
About Hyundai Welding	05
History of Hyundai Welding	08
Global Network	09

### SOCIAL

Industrial Safety and Health	29
Employees	33
Social Contribution	37
UNGC, UN SDGs	39

### ESG MANAGEMENT

ESG Management System	13
ESG Evaluation Results	14
Double Materiality	15

### GOVERNANCE

Governance	42
Ethical Management	44
Fair Trade	48

### ENVIRONMENT

Environmental Management	19
Environmental Governance	23
TCFD	27

### APPENDIX

GRI Standards 2021	51
SASB	54
ISO 26000	55
Financial Statements	57
Independent Assurance Statement	59

---

**INTRODUCTION**

---

CEO Message

---

About Hyundai Welding

---

History of Hyundai Welding

---

Global Network

---

ESG MANAGEMENT

---

ENVIRONMENT

---

SOCIAL

---

GOVERNANCE

---

APPENDIX

---

# INTRODUCTION

**Hyundai Welding aims to serve as a cornerstone of national industrial innovation based on welding consumables. To achieve this, all employees are committed to establishing spirit of creativity, imagination, passion, and practice as core values. We will strive to achieve the highest management performance and create value for shared prosperity.**

- 04 CEO Message
- 05 About Hyundai Welding
- 08 History of Hyundai Welding
- 09 Global Network



INTRODUCTION

CEO Message

About Hyundai Welding

History of Hyundai Welding

Global Network

ESG MANAGEMENT

ENVIRONMENT

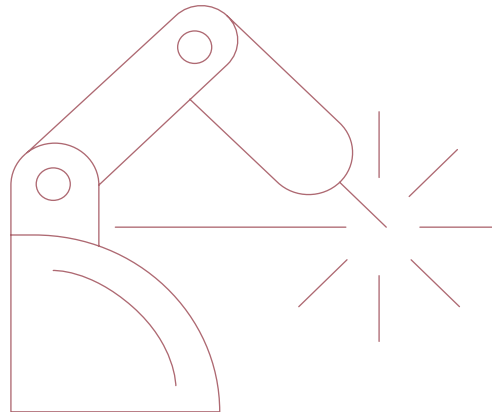
SOCIAL

GOVERNANCE

APPENDIX

# CEO Message

Thank you for your interest and support for Hyundai Welding. We are proud to publish this ESG report to introduce our commitment to and performance of ESG management. The importance of corporate social responsibility is growing as the world faces numerous unpredictable factors arising from COVID-19, climate change, and technological advancements. Keeping in line with the trend of the times, Hyundai Welding will endeavor with stakeholders to create a better future based on the following commitments.



## We will leap as the best company (“BESCOM”) based on our future technologies.

Hyundai Welding focuses on developing eco-friendly products rather than just settling on our flagship products of welding materials in order to create shared value. Among our solutions, our Ballast Water Treatment System (BWTS) prevents marine habitat destruction and pollution. In addition, we have secured a competitive edge by commercializing products that do not require filters through continued innovation. At the same time, we are working on developing an Alternative Maritime Power (AMP) system, which supplies electricity to ships at anchor and reduces air pollutants and particulate matter, as well as Carbon Capture and Storage (CCS) technology for capturing and utilizing carbon dioxide. We strive to lead sustainable industrial development by aiming towards eco-friendliness as demanded in this age and promoting product innovation and quality control.

## We will fulfill our social responsibilities and create an exemplary Hyundai Welding business culture (HWBC).

Having realized the importance of ESG management that places an emphasis on the environment, society, and people, Hyundai Welding puts forth continued efforts to internalize ESG management. We have drastically reduced the use of disposable items by providing employees with personal tumblers while managing company-wide carbon emissions, including those from our affiliates and overseas branches. We have established a communication system for shared growth with our business partners and performed various social activities, including briquette donations and industry-academia cooperation with Korea Polytechnics. We have established a dedicated ESG department that analyzes the environment of our ESG management, plans ESG promotion strategies, and responds to ESG assessments. As a corporate citizen, Hyundai Welding will remain dedicated to nurturing the desirable corporate culture of HWBC by faithfully performing daily and business activities based on our ESG management philosophy.

Starting with the publication of this ESG report, we will attentively listen to the voices of various stakeholders, including customers, employees, business partners, and communities, and endeavor to achieve sustainable development.

We ask for your continued support in every step we take toward creating a better future.  
Thank you.

Co-CEOs of Hyundai Welding

정민성 김석환

INTRODUCTION

CEO Message

About Hyundai Welding

History of Hyundai Welding

Global Network

ESG MANAGEMENT

ENVIRONMENT

SOCIAL

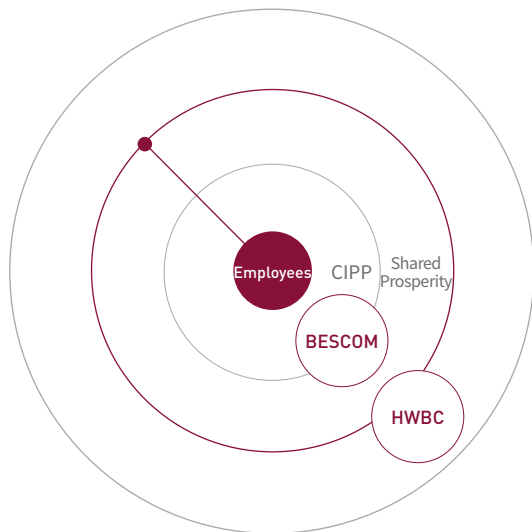
GOVERNANCE

APPENDIX

# About Hyundai Welding

## Hyundai Welding Spirit

Hyundai Welding aims to serve as a cornerstone of national industrial innovation based on welding consumables. To achieve this, all employees are committed to establishing spirit of creativity, imagination, passion, and practice as core values. We will strive to achieve the highest management performance and create value for shared prosperity. Hyundai Welding aims to contribute to social development and human happiness by creating shared value for customers, employees, shareholders, and society, based on the highest management performance capability.

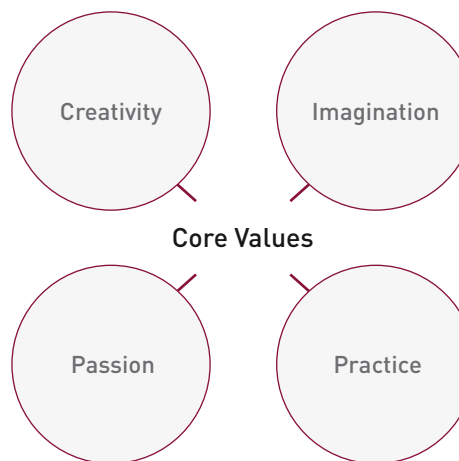


## Company Profile

Company Name	Hyundai Welding
Representatives	Chung Eun-sung, Kim Seok-hwan
Business Registration No.	214-81-24202
Contact	02-6230-6809
Standard Industrial Classification	Manufacture of Coated Rods and Cored Wire, of Base Metal for Soldering or Welding
Main Business Area	Manufacture and Sales of Welding Rods and Welding Machines
Major Subsidiaries	Hyundai Gloville, Hyundai PNS, Hyundai Superteck
Air Pollutant-Emitting Facility Type	Type 2
Wastewater Treatment Facility Type	Type 3
Hazardous Substance Storage/Usage Facilities	Possessed
Target for Designated Waste Management	Yes
GHG Emissions Trading Scheme	N/A
In-House Suppliers	Possessed
Headquarters Address	15-18F, 507 Teheran-ro, Gangnam-gu, Seoul, Republic of Korea

**BESCOM**  
(Best Company)

Hyundai Welding aims to achieve the highest management performance and create shared value to serve as a foundation for industrial innovation.



Hyundai Welding strives to provide employees with a sense of fulfillment through their work and appropriately reward their achievements, while employees contribute to the company's development.

---

Hyundai Welding strengthens its internal capabilities and achieves growth to enhance shareholder value.

---

Hyundai Welding fulfills its social responsibility and works towards achieving shared prosperity with society.

# About Hyundai Welding

## INTRODUCTION

CEO Message

About Hyundai Welding

History of Hyundai Welding

Global Network

## ESG MANAGEMENT

ENVIRONMENT

SOCIAL

GOVERNANCE

APPENDIX

## Hyundai Welding



### World-Class Welding Company

Hyundai Welding is a world-renowned welding company that provides customers with optimal welding solutions by supplying top-quality welding consumables and equipment. Welding is an essential element for industrial development, and Hyundai Welding has been a proud partner in the remarkable growth and success of the heavy industry sector in Korea for about 45 years since its establishment in 1975. Currently, Hyundai Welding has expanded its presence beyond being the top company in the Korean market; it has established production plants and sales subsidiaries in 18 major countries around the world, exporting welding consumables and equipment to over 80 countries. In 2009, Hyundai Welding became the first company in the Korean welding industry to achieve 200 million dollars in exports, growing through competing against competitors in the global market.

→ Read more

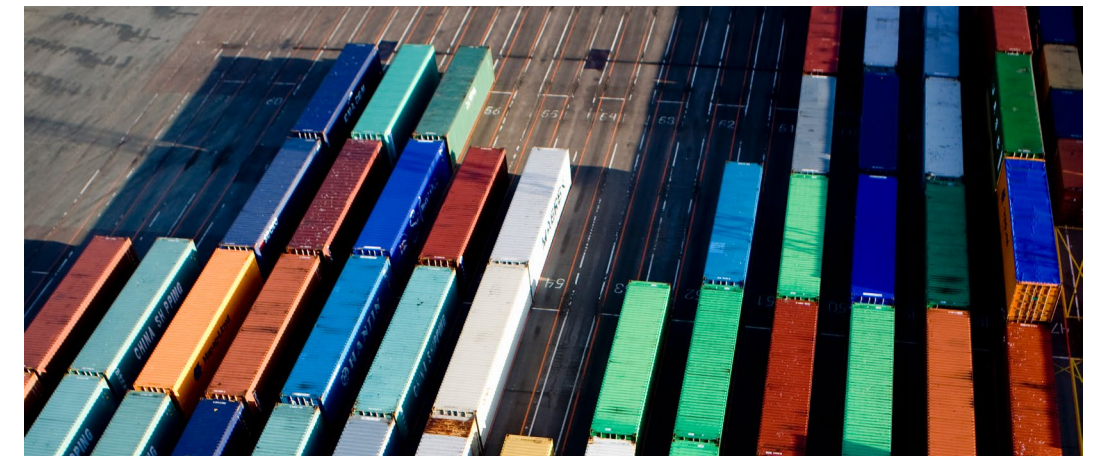
## Hyundai Gloville

### A Company That Provides Optimal Logistics Services

Hyundai Gloville provides total services including diagnosis, construction, and operation in the supply chain management (SCM) strategy. It realizes a smart and flexible approach called "Beyond SCM." Based on diverse experiences in freight transportation across various industries, Hyundai Gloville provides optimized forwarding services tailored to customer

needs. Additionally, Hyundai Gloville is striving to meet the needs of customers with 100 storages world-wide and consulting specialists with abundant know-hows. Operating warehouses in over 100 locations worldwide, the company strives to meet customer demands by leveraging specialized consulting expertise. It is committed to providing the best service possible.

→ Read more



INTRODUCTION

CEO Message

About Hyundai Welding

History of Hyundai Welding

Global Network

ESG MANAGEMENT

ENVIRONMENT

SOCIAL

GOVERNANCE

APPENDIX

# About Hyundai Welding

## Hyundai PNS

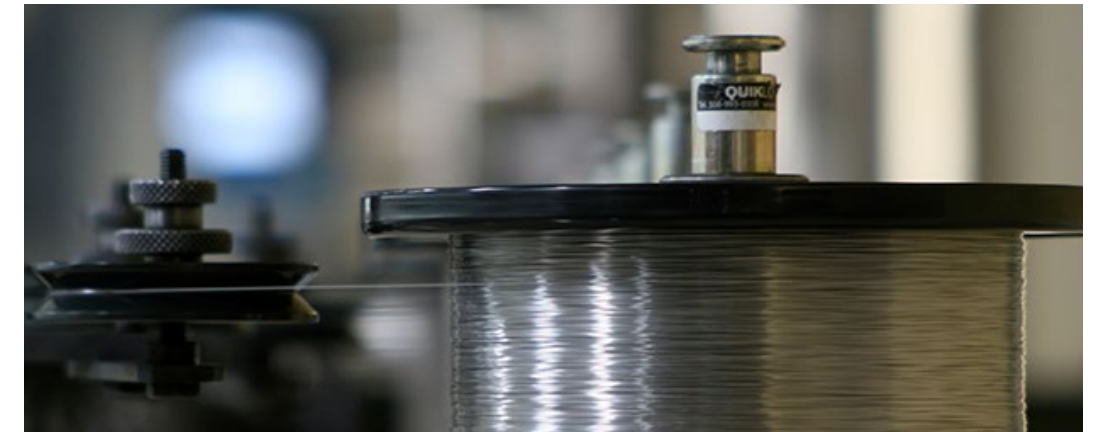
### An Innovative Welding Equipment Specialist Company

Hyundai PNS was established in 2020 as a spin-off from Hyundai Welding to further enhance the expertise in the welding equipment business, improve operational efficiency, and establish a technological foundation to promptly respond to rapidly changing market dynamics. Since its establishment in 1995, the Welding Equipment Division has continuously conducted research and development. In 2007, the company introduced digital SCR welding machines, followed by digital inverter welding machines in 2013. In 2019, it developed the premium welding machine, Hi series, and has been supplying it to various industries, including

shipbuilding and plants. Furthermore, it is at the forefront of technological development and localization by collaborating with leading research institutions in each field to secure world-class technical capabilities. To supply welding equipment optimized for industrial sites, the company operates two research institutes and strives to develop innovative products that meet customer demands to stay competitive in the market.



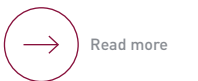
## Hyundai Superteck



### A Global Company Specialized in Special Welding Materials

Hyundai Superteck was established in 2015 as a spin-off from Hyundai Welding with the aim of enhancing expertise in the field of special welding materials to better meet customer demands and contribute to the technological advancement of humanity. Through continuous research in special welding materials, the company has developed special alloy steel materials such as heat-resistant steel, high-strength steel, wear-resistant steel, non-ferrous alloy steel (Al/Ni/Cu), Duplex, Inconel, as well as welding consumables, steel materials, and welding-related parts, and supplies these products to over 40 countries. Based on the spirit of challenge and innovative mindset, Hyundai

Superteck strives to become a leading provider of Special Welding Solutions across a wide range of industries including shipbuilding, marine, construction, heavy industries, plants, automotive, and eco-friendly energy through its dedication to research and development, quality innovation, and proactive market development.



INTRODUCTION

CEO Message

About Hyundai Welding

History of Hyundai Welding

Global Network

ESG MANAGEMENT

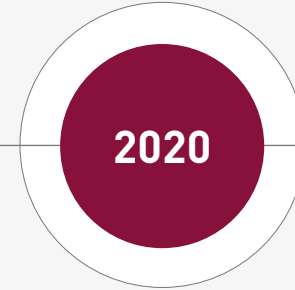
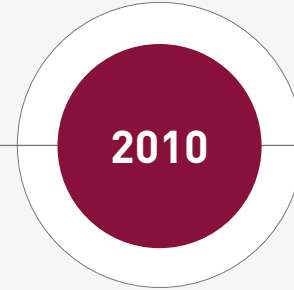
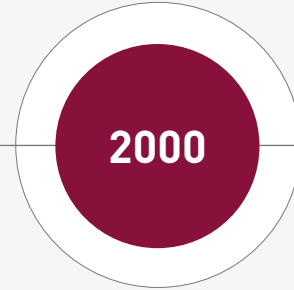
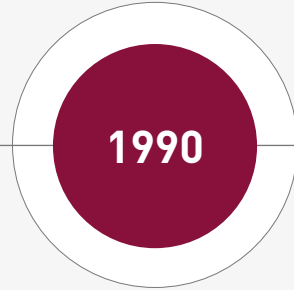
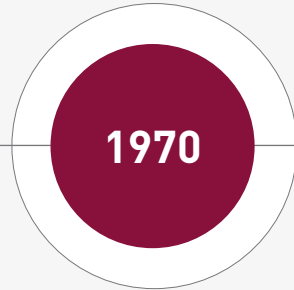
ENVIRONMENT

SOCIAL

GOVERNANCE

APPENDIX

# History of Hyundai Welding



- Sep. 1975** Established Seohan Development Co., Ltd.
- Aug. 1976** Established Calcium Carbide Plant in Danyang
- Jan. 1977** Established Manual Electrode Plant at Pohang Plant
- May 1978** Established SAW Wire Production Facilities at Pohang Plant
- Sep. 1978** Established Solid Wire Production Facilities at Pohang Plant  
Established Technical Tie-Up with ESAB (Sweden); Imported SAW Flux Production Technology
- Dec. 1980** Initiated SAW Wire & Flux Production at Pohang Plant
- Jan. 1987** Changed Name to Hyundai Welding Co., Ltd.
- Sep. 1989** Initiated Metal Stamping Business
- Jan. 1989** Established Hyundai Welding Japan Co., Ltd.

- Feb. 1993** Established Hyundai Welding (China) Co., Ltd.
- Jan. 1994** Established Hyundai Welding (Singapore) Pte., Ltd.
- Feb. 1994** Established Technical Tie-Up with OERLIKON (Sweden); Imported Stainless Steel Welding Consumable Production Technology
- Mar. 1995** Established Sungwoo Precision Co., Ltd.
- Sep. 1995** Expanded Manual Electrode Production Facilities at Pohang Plant  
Expanded Solid Wire Production Facilities at Pohang Plant
- Feb. 1997** Established Hyundai Welding Products, Inc. (USA)
- Apr. 1997** Completed Construction of Sungwoo Precision Manufacturing Plant in Icheon
- Sep. 1997** Expanded Flux Cored Wire Production Facilities at Pohang Plant
- Dec. 1997** Completed R&D Center at Pohang Plant (Floor Space: 1,653m<sup>2</sup>)
- Jul. 1999** Acknowledged as Pohang R&D Center by Korea Industrial Technology Association

- Apr. 2001** Merged with Sungwoo Precision Co., Ltd.
- Aug. 2001** Acknowledged as Icheon R&D Center by Korea Industrial Technology Association
- Sep. 2001** Expanded Flux Cored Wire Production Facilities at Pohang Plant
- Apr. 2002** Established SUPERTECH (Kunshan) Co, Ltd. in China
- Apr. 2005** Established 1st SUPERTECH Welding Consumables Plant in China
- Oct. 2005** Expanded Flux Cored Wire Production Facilities at Pohang Plant
- Nov. 2005** Expanded SAW Wire Production Facilities at Pohang Plant
- Dec. 2005** Expanded Solid Wire Production Facilities at Pohang Plant
- Jul. 2007** Expanded Flux Cored Wire Production Facilities at Pohang Plant
- Sep. 2007** Established Hyundai Welding VINA Co., Ltd.
- Aug. 2008** Expanded Solid Wire Production Facilities at Pohang Plant
- Sep. 2008** Established 1st Welding Consumables Plant in Vietnam  
Expanded Flux Cored Wire and Flux Manufacturing Facilities at Pohang Plant
- Feb. 2009** Expanded Flux Production Facilities at Pohang Plant
- May 2009** Established 1st Welding Consumable Plant in Gochang

- Mar. 2011** Approval of EcoBallast IMO
- Aug. 2011** Established 2nd Pohang Plant (Plant 2)
- Nov. 2011** Approval of HiBallast (Non-Explosion Proof Type) IMO
- Dec. 2011** Approval of HiBallast (Explosion Proof Type) IMO
- Jun. 2013** Approval of HiBallast USCG AMS
- Mar. 2014** Approval of EcoBallast USCG AMS
- Jan. 2015** Established Hyundai Supertek Co., Ltd.
- Oct. 2015** Approval of HiBallast USCG LOI
- Jun. 2016** Approval of EcoBallast USCG LOI
- Nov. 2016** HYUNDAI WELDING GmbH
- Dec. 2016** Initiated the Ballast Water Treatment System (BWTS) Business  
HiBallast HHI-HWC BWTS Design/Manufacturing/Commissioning OEM Contract
- Nov. 2017** HYUNDAI WELDING KAYNAK SANAYI VE TICARET LIMITED SIRKETI

- Feb. 2018** Established Hyundai Welding Rus Co., Ltd.
- Oct. 2018** Approval of HiBallast USCG
- Dec. 2018** Approval of HiBallast IMO NEW G8
- Mar. 2019** Approval of HiBallast Korean Register (KR) Classification
- Jun. 2019** Developed Hi-CON controller
- Oct. 2019** Approval of EcoBallast USCG
- Feb. 2020** Approval of HiBallast BV Classification  
Established Hyundai Gloville Co., Ltd.  
Established Hyundai PNS Co., Ltd.
- May 2021** Established Code of Ethics and Practice Guidelines
- Apr. 2022** Achieved Sustainvest ESG Rating of BB grade
- Nov. 2022** Participated in ESG supply chain consulting with the Ministry of Trade, Industry and Energy
- Jan. 2023** Signed the UNGC membership; declared support for TCFD



INTRODUCTION

CEO Message

About Hyundai Welding

History of Hyundai Welding

Global Network

ESG MANAGEMENT

ENVIRONMENT

SOCIAL

GOVERNANCE

APPENDIX

# Global Network



## Welding Consumables (Korea)

### Seoul — Headquarters

15-18F, 507 Teheran-ro, Gangnam-gu, Seoul, Republic of Korea  
Tel. +82-2-6230-6038, 6056

### Gyeongsangbuk-do — Pohang Plant 1

100 Daesong-ro, Nam-gu, Pohang-si, Gyeongsangbuk-do, Republic of Korea  
Tel. +82-54-289-6114

### Ulsan — Ulsan (Hyundai Heavy Industries)

1000 Bangeojinsunhwando-ro, Dong-gu, Ulsan, Republic of Korea  
Tel. +82-52-236-3801-3

### Daegu — Daegu Office

10F, Jangdeung-ro 86, Dong-gu, Daegu, Republic of Korea  
Tel. +82-53-751-7071

### Jeollabuk-do — Gochang Plant

3663 Seonun-daero Heungdeok-myeon, Gochang-gun, Jeollabuk-do, Republic of Korea  
Tel. +82-63-560-6000, 6060

### Busan — Busan Office

2F, 10 Sasang-ro 181beon-gil, Sasang-gu, Busan, Republic of Korea  
Tel. +82-51-802-1124

### Gyeongsangnam-do — Geoje Office

4F, 62 Jungnimhaean-ro Gwangdo-myeon, Tongyeong-si, Gyeongsangnam-do, Republic of Korea  
Tel. +82-55-644-7901-2

### Gwangju — Gwangju Office

#502-1, 5F, 282 Mujin-daero, Gwangsan-gu, Gwangju, Republic of Korea  
Tel. +82-62-959-7012

## BWTS

### Gyeongsangbuk-do — Pohang Plant 2

99 Yeongilmansandan-ro 88beon-gil Heunghae-eup, Buk-gu, Pohang-si, Gyeongsangbuk-do, Republic of Korea  
Tel. +82-54-260-0619

### Ulsan — Sales Division, Design Division

#406, 641 Jongga-ro, Jung-gu, Ulsan, Republic of Korea  
Tel. +82-52-283-6903

**INTRODUCTION**

CEO Message

About Hyundai Welding

History of Hyundai Welding

**Global Network**

ESG MANAGEMENT

ENVIRONMENT

SOCIAL

GOVERNANCE

APPENDIX

# Global Network

## Welding Consumables (Overseas)

### MIDDLE EAST

UAE - Hyundai Welding CO., LTD. (Dubai)

P.O. Box 61476 Jebel Ali Freezone, Lob 5  
#LB05G27(G floor), Dubai, UAE  
Tel. +971-4-8808-354

### SOUTH-EAST ASIA

Thailand - Hyundai Welding CO., LTD. (Bangkok)

80 K.A.N.Place, 3rd Floor, Room 303, Narathiwatrasatchanakarin 8, Narathiwatrasatchanakarin Road, Thungw  
Tel. +66-2-286-3441

Singapore - Hyundai Welding CO., LTD. (Singapore)

8, Boon Lay Way, Tradehub21, #09-13, Singapore 609964  
Tel. +65-6863-3218

Vietnam - Hyundai Welding CO., LTD. (Hochiminh)

7-D2, SAI GON PEARL, 92 NGUYEN HUU CANH, WARD 22, BINH THANH, HO CHI MINH, VIET NAM  
Tel. +84-2839308900

Vietnam - Hyundai Welding CO., LTD. (Hanoi)

10th Floor, Hong Ha Center Building, 37 Ngo Quyen, Hoan Kiem, Ha noi  
Tel. +84-2439446774



### ASIA

China - Hyundai Welding CO., LTD. (Shanghai)

C01, 7th FL, building G, Weijing Plaza, 2337 Gudai Road, Shanghai, China P.C : 201199  
Tel. +86-21-6486-6699(+803)

China - Hyundai Welding CO., LTD. (Guangzhou)

Room G, 16/F, Zhongqiao Building No.76 Xiantie Zhong road, Guangzhou, China P.C : 510095  
Tel. +86-20-8732-5007

China - Hyundai Welding CO., LTD. (Qingdao)

2-1308, SHIDAI CENTER, NO. 160 ZHENGYANG ROAD, CHENGYANG DIST., QINGDAO, CHINA  
Tel. +86-532-8786-2838

Japan - Hyundai Welding Japan CO., LTD. (Tokyo)

11fl, Mitsubishi B/D, 2-5-2, MarunoUchi, Chiyoda-Ku, Tokyo, Japan  
Tel. +81-3-6551-2042

Japan - Hyundai Welding Japan CO., LTD. (Nagoya)

#D 2nd floor Rinofriends, 1-12 Nawa-cho, Tokai-shi, Aichi-ken, Nagoya, Japan  
Tel. +81-52-689-5775

Japan - Hyundai Welding Japan CO., LTD. (Osaka)

13th floor, Aqua Dojima NBF Tower, 1-4-16, DojimaHama, Kita-Ku, Osaka, Japan  
Tel. +81-6-6147-2312

Japan - Hyundai Welding Japan CO., LTD. (Hiroshima)

3rd floor 510B/D 10-1 Hashimoto-cho, Naka-ku, Hiroshima, Japan  
Tel. +81-82-224-1580

Japan - Hyundai Welding Japan CO., LTD. (Kyushu)

8th floor Abundant 90 B/D, 3-11-14, Hakata-eki higashi, Hakata-ku, Fukuoka, Japan  
Tel. +81-92-415-6450

**INTRODUCTION**

CEO Message

About Hyundai Welding

History of Hyundai Welding

**Global Network**

ESG MANAGEMENT

ENVIRONMENT

SOCIAL

GOVERNANCE

APPENDIX

# Global Network



## NORTH AMERICA

**USA - Hyundai Welding CO., LTD.**

355 Satellite Boulevard, NW, SUITE #400,  
Suwanee, GA 30024  
Tel. +1-770-614-7577

**CANADA - Hyundai Welding CO., LTD.**

ian@hyundaiwelding.com

## LATIN AMERICA

**Mexico - Hyundai Welding CO., LTD.**

Carretera Tampico - Mante No.2201, 2do. Piso Col.  
Del Bosque, C.P. 89318, Tampico, Tamaulipas, Mexico  
Tel. +52 1 833 140 9175

## EUROPE

**Netherlands - Hyundai Welding Europe**

Rivium Boulevard 220 2909 LK Capelle aan den IJssel  
Tel. +31 10 313 6250

**UK - Hyundai Welding UK**

United Kingdom (England, Scotland, Wales, Ireland)  
ahra.cho@hyundaiwelding.com

**Poland - Hyundai Welding w Polsce**

ul. Mierostawskiego 3/3, 41-200 Sosnowiec, Poland  
Tel. +48 734 474 199

**Germany - Hyundai Welding GMBH**

Bahnhof Weidenau 6, 57076 Siegen, Deutschland  
Tel. +49 271 77017590

**Russia - Hyundai Welding Moscow**

400065, Russia, Volgograd region,  
Volgograd, lane them. Nogina, house 48, office 8  
Tel. +7 495 134 5173

**Sweden - Hyundai Welding Noridcs**

Arkipelagen Företagscenter, Järnvågsgatan 3,  
413 27 Gothenburg, Sweden Sweden  
(Norway, Denmark, Finland, Sweden, Iceland)  
Tel. +46 70 424 10 86

## SOUTH ASIA

**North & West India - Hyundai Welding CO., LTD.**

Office No. 25, First Floor, MSR Square, Udyog  
Nagar Road, Chinchwad Railway Station, Pune,  
Maharashtra 411033, India  
Tel. +91 99935 60617

**South India - Hyundai Welding CO., LTD.**

Office No. 25, First Floor, MSR Square,  
Udyog Nagar Road, Chinchwad Railway Station,  
Pune, Maharashtra 411033, India  
Tel. +91 98849 67931

**Central India - Hyundai Welding CO., LTD.**

Office No. 25, First Floor, MSR Square, Udyog  
Nagar Road, Chinchwad Railway Station, Pune,  
Maharashtra 411033, India  
Tel. +91 98507 91179

**Türkiye - Hyundai Welding Kaynak Sanayi ve Ticaret Ltd. Şti.**

Aydınlı Mah. Yanyol Cad. Melodi Sok.  
Bilmo San. Sitesi No:2/48 Tuzla / İstanbul / Türkiye  
Tel. +90 216 494 47 40

**Spain - Hyundai Welding Sucursal En Espana**

C/ Lopez de Neira, 3 Of. 301 36202 – VIGO - Spain  
Tel. +34 986 126 152

**Romania - Hyundai Welding CEE**

Tel. +40 726 117519



INTRODUCTION

**ESG MANAGEMENT**

ESG Management System

ESG Evaluation Results

Double Materiality

ENVIRONMENT

SOCIAL

GOVERNANCE

APPENDIX

# ESG MANAGEMENT

**We will strive to integrate ESG management with the welding industry and make every effort to become a positive role model in society by aligning all our activities with sustainable values.**

13 ESG Management System

14 ESG Evaluation Results

15 Double Materiality



# ESG Management System

## Goals and Vision of Hyundai Welding

Hyundai Welding aims to become a leading global company in the welding market by accommodating the demands of various stakeholders and delivering social value in the face of the environmental crisis that the world is currently experiencing. We are sparing no efforts to become an environmentally friendly, socially responsible, and trusted company by identifying core areas in each sector and establishing an ESG management system. We will strive to integrate ESG management with the welding industry and make every effort to become a positive role model in society by aligning all our activities with sustainable values.

### Strategic Goals

Leading Environmentally Friendly Company in the Global Welding Market

### Corporate Vision

No. 1 in the Welding Industry by 2030

### Strategic Direction

**E** Environmentally Friendly  
**Environment**

**S** Social Responsibility Fulfillment  
**Social**

**G** Trusted Company  
**Governance**

### Core Areas

**E**

- Climate change response
- Environmental indicator management
- Promotion of eco-friendly product development

**S**

- Planning of social contribution activities
- Creating a safe working environment
- Enhancing employee competencies
- Fostering a desirable culture

**G**

- Holistic supply chain management
- Transparent and ethical management
- Establishing ESG governance

### UN SDGs



- INTRODUCTION
- ESG MANAGEMENT**
- ESG Management System
- ESG Evaluation Results
- Double Materiality
- ENVIRONMENT
- SOCIAL
- GOVERNANCE
- APPENDIX

# ESG Evaluation Results

## Participation in the ESG Responsiveness Enhancement Project

Hyundai Welding participated in the ESG Responsiveness Enhancement Project conducted by the Ministry of Trade, Industry, and Energy in response to the corporate sustainability due diligence directive proposed by the EU. Based on the evaluation of environment (31), safety and health (17), labor and human rights (22), and ethics (10) criteria, Hyundai Welding achieved a total score of 91.9 points. To introduce systematic management system and continuously monitor the areas of environment, safety and health, and labor that received high scores, Hyundai Welding has prepared a Supplier Code of Conduct to address any shortcomings and ensure that the selection process of business partners is conducted fairly according to ethical standards.



<p>Environment</p> <p><b>97.4 / 100</b></p>	
<p>Safety and health</p> <p><b>100 / 100</b></p>	
<p>Labor and Human Rights</p> <p><b>94.7 / 100</b></p>	
<p>Ethics</p> <p><b>75.6 / 100</b></p>	

## ESG Evaluation

Hyundai Welding has commissioned sustainability performance evaluation to ESG evaluation and analysis firm, Sustainvest. Sustainvest conducts evaluations using its proprietary ESGValue™ methodology, assessing approximately 1,000 listed companies and 100 unlisted companies annually. Hyundai Welding received a BB rating in the evaluation conducted in 2022. In particular, Hyundai Welding received an A rating in the environmental and social areas, acknowledging its excellent performance.

※ The overall performance ratings are divided into a total of seven grades: AA, A, BB, B, C, D, and E.  
 ※ The ratings for the E, S, and G areas are divided into five grades: A, B, C, D, and E.



<p>E (Environment) performance (top <b>11.44%</b>)</p>	<p><b>A</b></p>
<p>S (Social) performance (top <b>12.94%</b>)</p>	<p><b>A</b></p>

# Double Materiality

## Double Materiality Assessment Process

Hyundai Welding conducted a double materiality assessment in accordance with the principle of double materiality to identify material issues related to ESG management. The double materiality assessment is an evaluation that takes into account both external factors that impact the financial condition of the company and the social impact of the company's business activities in a comprehensive manner. To accomplish this, Hyundai Welding actively utilized various global ESG initiatives and assessment criteria such as GRI, ISO 26000, UN SDGs, SASB, TCFD, and K-ESG, taking into consideration the impact of Hyundai Welding's business and the interests of stakeholders in order to identify material issues.



Composition of issue pool

- Conducting analysis of sustainable management international standards, various initiatives, and internal/external environmental factors to assess the economic, environmental, and social impacts of overall business activities
- Creating a diverse issue pool by consolidating various issues related to Hyundai Welding



Identification of material issues  
(31 in total)

- Leveraging various sustainable management standards and initiatives such as GRI, UN SDGs, SASB, TCFD, and K-ESG, in addition to conducting an internal ISO 26000 assessment to assess sustainability performance
- Conducting research on various media and press coverage regarding ESG trends in the recent three years (2020–2022)
- Conducting a benchmarking analysis of 22 leading companies and companies in the same industry (Jan. 1, 2022 – Mar. 31, 2023)
- Conducting a survey targeting 74 stakeholders to understand the impact of key concerns and issues (Jan. 6, 2023 – Jan. 13, 2023)



Measurement of materiality

- Analyzing the practical and potential impact of each issue and assessing its social, environmental, and financial implications
- Deriving final six key issues and actively incorporating them into the report



# Double Materiality

## Results of the Double Materiality Assessment

Through the double materiality assessment, Hyundai Welding has analyzed the financial impact and environmental/social impact of each ESG issue. Through stakeholder surveys, we have identified the top 12 issues out of the 31 material issues. Among the identified 12 issues, the following 6 issues have been selected as key issues, and this report provides details on the current status of their management and response.

Stakeholder relevance  
 ● High ○ Medium ○ Low

INTRODUCTION

ESG MANAGEMENT

ESG Management System

ESG Evaluation Results

Double Materiality

ENVIRONMENT

SOCIAL

GOVERNANCE

APPENDIX

Type	Material Issue Pool	Customers	Employees	Partners	Local Community	GRI Index
E	Comprehensive management of a climate change initiative	●	●	○	○	201
E	Building a sustainable business model	○	○	○	●	201
S	Strengthening workplace safety and environment	○	●	○	○	403
S	Establishing a desirable corporate culture	○	●	○	○	Non GRI
S	Employee competency enhancement	○	●	○	○	404
G	Ethical management and anti-corruption measures	○	●	○	●	205
E	Pursuit of carbon neutrality and reduction of GHG emissions	●	○	○	●	305
E	Promotion of eco-friendly technology development	○	●	○	○	Non GRI
E	Enhancement of supply chain ESG capabilities	●	○	○	○	308
E	Expansion of eco-friendly material usage	○	●	○	○	301
E	Waste reduction	○	○	○	○	306
S	Product and service quality management	●	●	○	○	403
S	Pursuit of work-life balance	○	●	○	○	402
S	Providing equal opportunities for all members	○	●	○	○	406
S	Improvement of customer communication and satisfaction	●	○	○	○	Non GRI
S	Expansion of partnerships for local community development	○	○	○	●	413

Type	Material Issue Pool	Customers	Employees	Partners	Local Community	GRI Index
S	Expansion of social contribution activities and resource allocation	○	○	○	●	413
S	Strengthening information security and cybersecurity	○	●	○	○	418
S	Process improvement and information provision through production process evaluation	○	●	○	○	414
S	Flexible and efficient organizational culture	○	●	○	○	401
S	Activation of labor-management cooperation	○	●	○	○	402
S	Enhancement of female employee capabilities	○	●	○	○	405
G	Creating fair working conditions and environments	○	●	○	○	205
G	Considering ESG management principles in decision-making	○	●	○	○	2-16
G	Enhancing information disclosure and transparency	○	○	○	○	Non GRI
G	Collaborative growth with business partners	○	○	○	○	203
G	Establishing fair and ethical governance	○	○	○	○	2-9
G	Financial soundness and management efficiency	○	○	○	○	201
G	Expanding stakeholder communication	○	○	○	○	2-29
G	Ethical management encompassing stakeholders	○	○	○	○	2-15
G	Analysis and improvement of ESG risks related to business partners	○	○	○	○	2-29

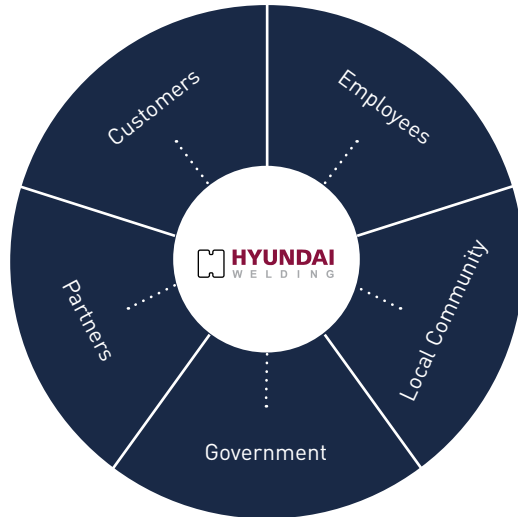


- INTRODUCTION
- ESG MANAGEMENT**
- ESG Management System
- ESG Evaluation Results
- Double Materiality**
- ENVIRONMENT
- SOCIAL
- GOVERNANCE
- APPENDIX

# Double Materiality

## Stakeholder Communication

Hyundai Welding considers various stakeholders such as customers, employees, business partners, local communities, and government. To understand the perspectives of stakeholders and foster mutual growth, Hyundai Welding operates various communication channels and identifies key areas of interest. We promise to listen to the opinions of stakeholders, foster empathy regarding material issues, and incorporate them into Hyundai Welding's business activities.



Category	Key Areas of Interest	Communication Channels	Key Activities
Customers	<ul style="list-style-type: none"> <li>Product quality</li> <li>Personal data protection</li> </ul>	<ul style="list-style-type: none"> <li>Company website</li> <li>Brochures and catalogs</li> <li>Customer support center and telephone counseling</li> </ul>	<ul style="list-style-type: none"> <li>Launching products with improved environmental performance and efficiency</li> <li>Systematic management of working environment</li> <li>Joining sustainable management initiatives</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Protection of basic rights and employment stability</li> <li>Creating a desirable work environment</li> <li>Employee welfare</li> <li>Fair personnel evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Enterprise portal</li> <li>Ethical management office counseling</li> <li>Submitting suggestions</li> <li>Website reporting center</li> </ul>	<ul style="list-style-type: none"> <li>Regular ethics training</li> <li>Grievance handling and ethical management counseling</li> <li>Systematic management of the working environment</li> <li>Establishment of employee training system</li> <li>Implementation of diverse welfare programs</li> <li>Establishment of personnel system</li> </ul>
Partners	<ul style="list-style-type: none"> <li>Fair trade</li> <li>Supply chain sustainability due diligence</li> </ul>	<ul style="list-style-type: none"> <li>Writing a Supplier Code of Conduct questionnaire</li> <li>Contacting responsible persons by phone</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of fair trade principles</li> <li>Conducting supply chain evaluation and identifying areas for improvement</li> <li>Enhancing continuous communication and collaboration</li> <li>ESG report disclosure</li> </ul>
Local Community	<ul style="list-style-type: none"> <li>Community engagement activities</li> </ul>	<ul style="list-style-type: none"> <li>Brochures and catalogs</li> <li>Company website</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of youth support programs such as establishing talent development platforms and concluding industry-academia cooperation agreements</li> <li>Support for the underprivileged through initiatives such as World Vision sponsorship and coal-sharing events</li> </ul>
Government	<ul style="list-style-type: none"> <li>Compliance with regulations</li> <li>Participation in industry-related policies</li> <li>2050 Carbon Neutrality</li> </ul>	<ul style="list-style-type: none"> <li>Disclosure guidance information</li> <li>Company website</li> </ul>	<ul style="list-style-type: none"> <li>Local talent recruitment</li> <li>Diligent tax due diligence</li> <li>Continuous management and implementation of environmental indicators and improvement measures</li> </ul>



INTRODUCTION

ESG MANAGEMENT

**ENVIRONMENT**

Environmental Management

Environmental Governance

TCFD

SOCIAL

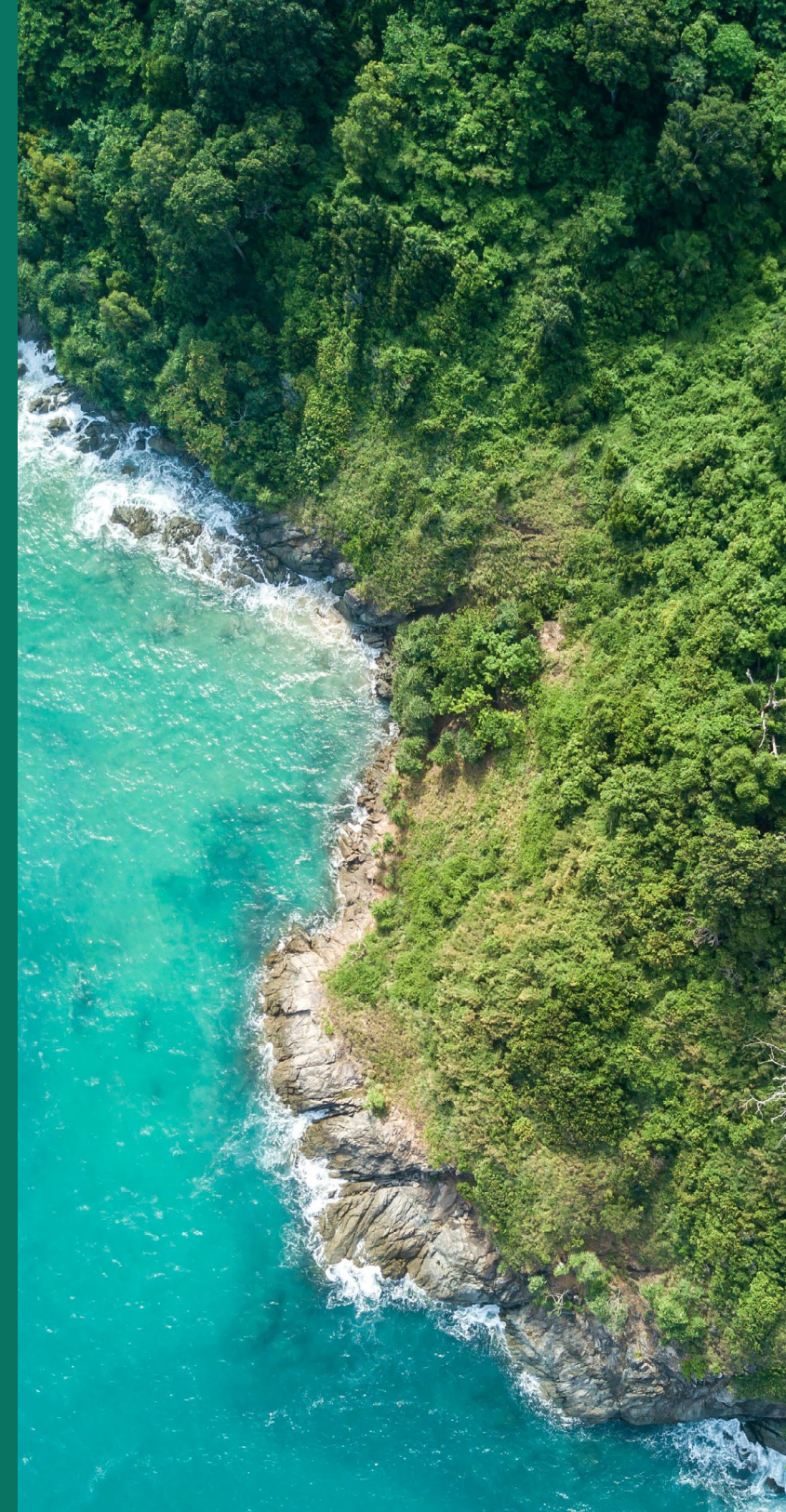
GOVERNANCE

APPENDIX

# ENVIRONMENT

**We have established systematic strategies to continuously manage and improve environmental issues arising from our business activities, with the aim of becoming a leading environmentally friendly company in the global welding market.**

- 19 Environmental Management
- 23 Environmental Governance
- 27 TCFD



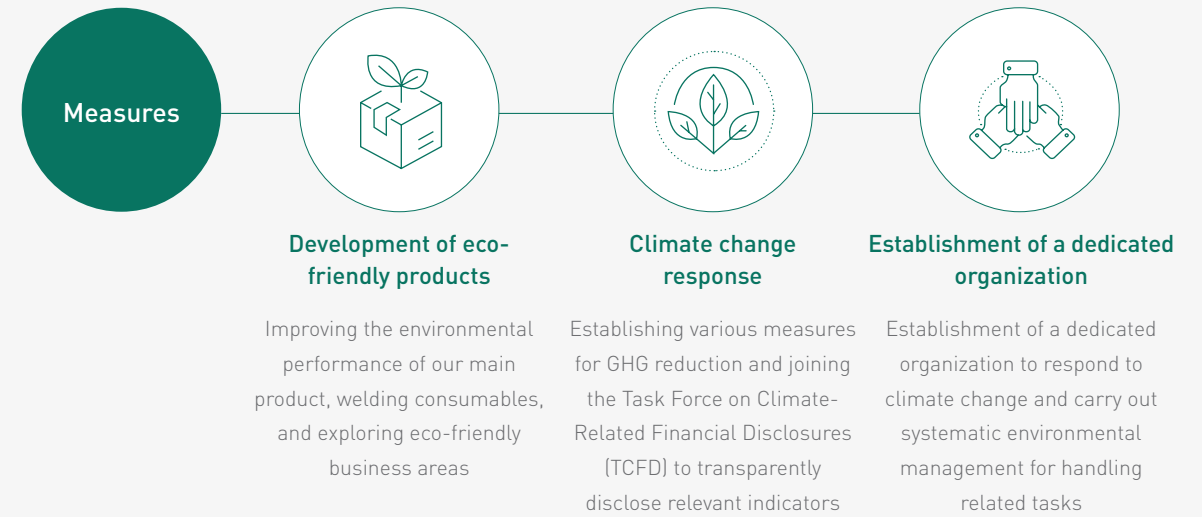
- INTRODUCTION
- ESG MANAGEMENT
- ENVIRONMENT**
- Environmental Management
- Environmental Governance
- TCFD
- SOCIAL
- GOVERNANCE
- APPENDIX

# Environmental Management



## Environmental Management System

Environmental pollution caused by waste, chemicals, and climate change is a challenge for all humanity, and it is a problem that every company must face. Hyundai Welding aims to take the environmental crisis as an opportunity and take a leading role in problem-solving as a leader in the welding market. To this end, we have established systematic strategies to continuously manage and improve environmental issues arising from our business activities, with the aim of becoming a leading environmentally friendly company in the global welding market.



# Environmental Management

## Eco-Friendly Products

Hyundai Welding is actively conducting research and development in various aspects to improve the environmental performance of its main product — welding rods. In addition, efforts are being made to enhance efficiency without compromising quality. Furthermore, we are striving to improve the product packaging process and protect the environment by using eco-friendly packaging materials.

### Supershield 11

Supershield 11, developed by Hyundai Welding, is an eco-friendly Flux-Cored Wire (FCW) product. When conducting welding, other FCW products require a separate supply of CO<sub>2</sub> (shielding gas), leading to unnecessary carbon emissions. However, Supershield 11 generates CO<sub>2</sub> only in the necessary amount, helping to reduce carbon emissions. Supershield 11 exhibits a spray-type arc characteristic, making it advantageous for both arc stability and slag detachment. This makes it suitable for single-layer and multi-layer welding. Supershield 11 is primarily used for single/multi-layer welding of mild steel and non-seismic design structural components. It is also utilized in the welding of fillet and lap joints in mild steel. In addition, it finds applications in the fabrication of machinery parts, lightweight structures, prefabricated assemblies, and general structures.

[→ Read more](#)

### SM-70MT

SM-70MT removes slag residue on the weld bead surface during welding, thereby preventing it from interfering with the adhesion properties of coatings. Furthermore, SM-70MT is an eco-friendly welding consumable that enhances the durability of components that undergo coating application, leading to resource conservation. The Cyclic Corrosion Testing(CCT) of automotive component welds made with SM-70MT revealed a higher level of corrosion resistance compared to other products.

[→ Read more](#)

### SM-70 Cu-Free

SM-70 Cu-Free wire is a welding consumable that has a special coating on the surface, reducing the copper content and spatter generation. The spatter generated during welding contains various heavy metals that can have adverse effects on the respiratory system, skin, central nervous system, and cardiovascular system of the human body. The spatter generated during welding contains various heavy metals that can have adverse effects on the respiratory system, skin, central nervous system, and cardiovascular system of the human body.

[→ Read more](#)

### Eco-Friendly Product Packaging

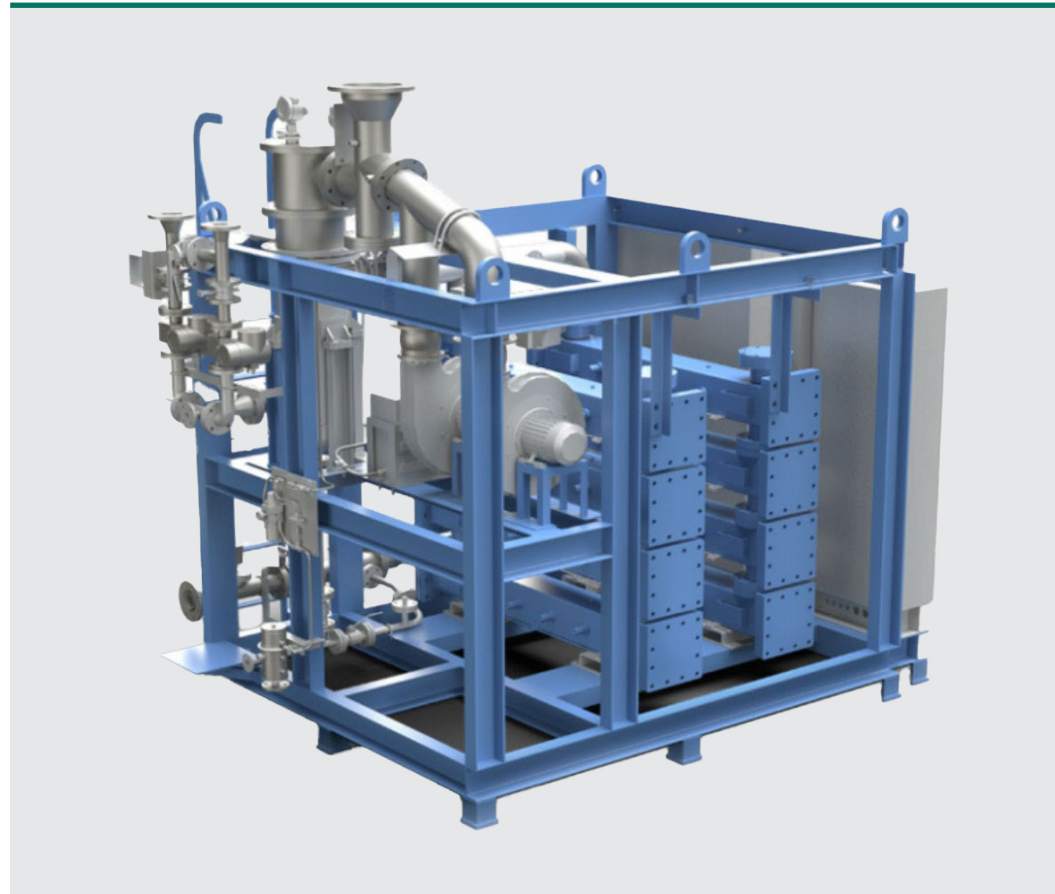
We are selling the wood waste pallets generated each month to blending material suppliers for reuse. Additionally, we are using metal pallets for transportation between our own factories to achieve long-term and permanent utilization. We are recycling the raw material of PP resin used in the production of steel strapping, which is used to wrap cold-rolled coils. The packaging materials for cold-rolled coils are collected and recycled by our suppliers. We reuse plywood used as supports when stacking pallets in two tiers, and we have reduced the thickness of the vinyl cover on the top of the pallets. Furthermore, we have reduced the size of 5kg vacuum packaging bags and minimized the usage of paper pads to improve environmental sustainability.



# Environmental Management

## Eco-Friendly Products

Hyundai Welding not only focuses on the production of its main product, welding rods, but also actively develops environmentally friendly businesses such as BWTS and AMP.



### HiBallast

Ballast Water Treatment System (BWTS) plays a significant role in preserving the global marine ecosystem by complying with international regulations on ship ballast water management. HiBallast, a system that prevents contamination of marine ecosystems in other regions, has been widely installed on vessels worldwide and has been approved to meet the requirements of the International Maritime Organization (IMO) and the U.S. Coast Guard (USCG).

→ Read more

### HiQ-AMP

Alternative Maritime Power (AMP) is a system that supplies power from land to ships while they are berthed in ports, reducing atmospheric pollution caused by ship engines (diesel generators). It helps in minimizing air pollution during the ship's stay in the port. HiQ-AMP is a widely demanded facility in many countries as a key means to significantly reduce emissions of sulfur compounds, nitrogen compounds, and ultrafine particles in port cities worldwide.

→ Read more

NO.1	Patent No.	Details
1	10-2099975	Parallel Rectifiers Capable of Reducing Ripples by Controlling Current
2	10-2125504	Washing Water Treatment System of Exhaust Gas Recirculation Apparatus
3	10-1918689	Separate Top and Bottom Filter Device for Ballast Water Treatment
4	30-0980927	Filter Screen Fixation and Sealing Packing (1)
5	30-0980930	Filter Screen Fixation and Sealing Packing (2)
6	10-1845006	A Centralized Filter Device for Ballast Water Treatment
7	10-1689695	A Filter Device for Ballast Water Treatment
8	10-1328872	A Current Unbalance Detection Device
9	10-1339532	A Silicon Controlled Rectifier Including Separated Cooling Module
10	10-2157035	Ballast Water Treatment System
11	10-1061422	Power Conversion Apparatus of Manual Hydraulic Equipment
12	10-1602547	Apparatus for Detecting Emergency Status of Hydraulic Pressure Generation Apparatus and the Control Method Thereof

# Environmental Management

## Eco-Friendly Products

Furthermore, we have developed environmentally friendly and high-efficiency welding machines to achieve energy savings and contribute to environmental protection.



### HG Series, HG200

Hyundai PNS is committed to mitigating global climate change by producing eco-design products that comply with European energy efficiency requirements. The company is dedicated to advancing technology to promote the widespread adoption and expansion of high-efficiency products for GHG reduction policies. In particular, the H-series is a high-efficiency equipment that is predominantly used in the shipbuilding, steel structure, and heavy machinery industries. It significantly increases the product's power efficiency and minimizes the power consumption in idle state, thereby effectively reducing CO<sub>2</sub> emissions. The HG series, which is widely used in the DIY market, meets the requirements of eco-friendly design standards, achieving energy savings and providing users with optimal welding performance such as MIG/MAG.

### Hi Series, Hi400i

Hi Series is an eco-friendly high-efficiency inverter welding machine, which boasts approximately 10% higher power efficiency compared to conventional SCR welding machines. It diminishes the post-treatment tasks by reducing spatter and enhancing welding quality, leading to a greater work efficiency. Furthermore, Hi Series also shows higher deposition efficiency than other welding machines under the same conditions. Accordingly, the process of multi-layered PASS welding can be shortened.

[→ Read more](#)



INTRODUCTION

ESG MANAGEMENT

**ENVIRONMENT**

Environmental Management

**Environmental Governance**

TCFD

SOCIAL

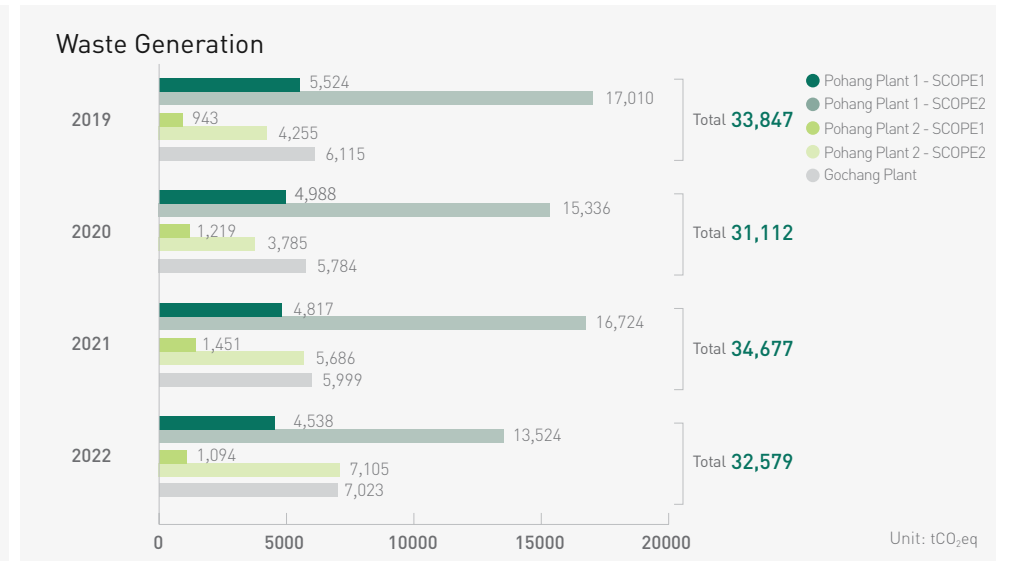
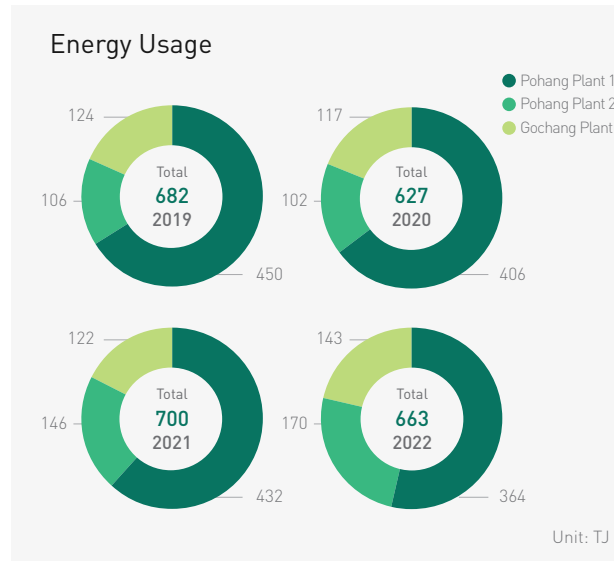
GOVERNANCE

APPENDIX

# Environmental Governance

## Carbon Emissions and Energy Management

Carbon emissions are divided into two categories: SCOPE 1, which refers to direct emissions, and SCOPE 2, which refers to indirect emissions. Direct emissions refer to GHG emissions released during the production processes of facilities owned and operated by the company. Indirect emissions, on the other hand, refer to GHG emissions resulting from the company's use of electricity, steam, and other energy sources. The primary source of carbon emissions for Hyundai Welding is the electricity consumed for building management, which falls under indirect emissions. In 2022, the carbon emissions from the Pohang and Gochang plants amounted to 32,579 tCO<sub>2</sub>eq, which is a decrease compared to 34,677 tCO<sub>2</sub>eq in 2021. This reduction can be attributed to various carbon emission reduction initiatives. Hyundai Welding promotes various activities in which employees can take part in to prevent energy waste. We recommend turning off the lights throughout the company for 60 minutes a day and switching computers to standby mode to use only necessary power. We are currently practicing the standby power-off time from 11:30 AM to 1 PM to further reduce energy consumption. Additionally, we empty spam emails and trash bins regularly to reduce the power consumed for email storage. The global annual distribution of spam emails reaches 62 trillion, and storing these spam emails consumes 33 billion kWh of electricity annually, resulting in the emission of 17 million tons of carbon dioxide. As part of this effort, Hyundai Welding conducts a campaign called "Email Clean-Up Day" at the end of each quarter, encouraging employees to voluntarily delete unnecessary emails.



	Plant	Measures	Details	
Emission reduction measures	Pohang	Air compressor improvement	Removal of the existing old air compressor and installation of a new high-efficiency air compressor	
	Pohang	Improvement of motor-driven equipment	Changing the operation mode of the dry freshness preservation system (from the existing DC to AC) and replacing the motor and controller components	
	Pohang	Replacing outdated equipment	Replacing the old model air compressor with a new one (removing the existing old air compressor and installing a new high-efficiency air compressor)	
	Gochang	Replacing the factory lighting fixtures	Replacing the lighting fixtures in Plants 1 and 2 with LED lights	
	Gochang	Improving the mixing time in the batching room	30 minutes → 25 minutes/ch (saving 0.08 TJ)	
	Gochang	Improvement in the operation of transformers	4 units → 3 units (saving 0.47 TJ)	
	Gochang	Maintenance of air leakage parts by process	Strengthening preventive maintenance to achieve zero air leakage (reduction of 49.05 tCO <sub>2</sub> eq, 1.09 TJ)	
	Gochang	Improvement of the suction fan performance in the dust collector	Reducing the power consumption by operating the dust collector fan at half speed (reducing 25.65 tCO <sub>2</sub> eq, 0.57 TJ)	

- INTRODUCTION
- ESG MANAGEMENT
- ENVIRONMENT**
- Environmental Management
- Environmental Governance**
- TCFD
- SOCIAL
- GOVERNANCE
- APPENDIX


# Environmental Governance


## Waste Management

At Hyundai Welding, business cards are produced using 100% recycled pulp. We create business cards that represent the company and introduce employees using environmentally friendly materials, encouraging employees' interest in the environment and fostering pride as part of a social enterprise. Furthermore, we strive to contribute to environmental protection by using 100% natural pulp for the toilet paper provided in common areas such as the lounge and meeting rooms. In addition, we encourage employees to use reusable tumblers. We provide reusable tumblers upon joining the company and have placed cleaning tools for tumblers in the restroom for easy cleaning. For the convenience of employees, we have replaced disposable paper cups provided with environmentally certified biodegradable paper cups obtained from the Ministry of Environment. Furthermore, we recycle the coffee capsules used within the company. The used capsules are collected, and the aluminum parts are recycled into household goods and automotive components, while the coffee grounds are reused as fertilizer on farms. Reducing paper usage is a representative resource management approach that can be implemented by companies with high document consumption. We have significantly reduced paper usage by transitioning from traditional paper-based approval for requests to an online electronic approval system. In addition, we encourage the use of email instead of postal mail for delivering brochures and other materials, thereby effectively reducing paper waste. When using printers, we make sure to carefully review documents before printing and encourage double-sided printing to minimize discarded paper and reduce waste. We will continue to engage in various environmental activities, keeping in mind that even small actions in our daily lives can be the first step towards environmental protection.

### Waste Generation

Unit: ton

	Item		2019	2020	2021	2022
	Pohang Plant	General waste		2,320	1,742	2,241
Designated waste			1,989	1,873	2,211	2,065
Gochang Plant	General waste		171	172	175	211
	Designated waste		4.8	0.4	0.4	1.6
Total			4,485	3,787	4,627	4,461

	Plant	Measures	Details
	Pohang		Waste management and monitoring
Pohang		Resource circulation and management system	Achieving the government's designated recycling rate and minimizing environmental pollution by meeting the targets for landfilling and incineration rates
Pohang		Outsourcing of recycling processing	Changing the method of outsourcing for waste disposal to expand recycling and reduce landfilling and incineration, thus minimizing environmental pollution caused by waste generation
Pohang		Maintenance of waste storage facilities	Using separate storage bins at designated locations to maximize recycling rates and minimize landfilling and incineration rates
Pohang		Separate disposal of used batteries	Separate disposal of recyclable waste such as used batteries
Pohang		Waste management ledger	Management of processing methods, processing capacity, entrusted processing volume, etc.
Pohang		FLUX reuse	Flux products formed with small particle sizes were disposed of due to non-compliance with product specifications; efforts are being made to recover and reproduce them to increase productivity and reduce waste generation
Pohang		Sale of scrap iron waste	Sale of defective and residual materials from STS MIG production to a cut wire manufacturing company for recycling purposes
Pohang		Lubricant recycling	Reuse of secondary fresh lubricant for 7 weeks after initial use, using it as a lubricant for wet lines for another 7 weeks
Pohang		Cost reduction, waste disposal reduction	Recovering and transferring the generated residue before the product mixing process to the storage tank
Gochang		Reduction in the use of applied lubricants for coil coating	Reduction in the usage of GW-1 and MX-505 (15% and 25% reduction in usage, respectively)



# Environmental Governance

INTRODUCTION

ESG MANAGEMENT

**ENVIRONMENT**

Environmental Management

Environmental Governance

TCFD

SOCIAL

GOVERNANCE

APPENDIX

## Water Usage

Unit: ton

Item		2019	2020	2021	2022
Pohang Plant	Waterworks	82,068	66,480	69,732	54,036
	Industrial water	224,880	237,252	233,112	222,960
Gochang Plant		14,100	10,188	11,280	13,859
Total		321,048	313,920	314,124	290,855

## Water Pollution

Unit: ton

Item		2019	2020	2021	2022
Pohang Plant	Organic matter (TOC)	0.841	0.816	0.604	0.753
	Suspended solids (SS)	0.621	1.261	0.911	0.945
	Zinc and its compounds	0.006	0.003	0.002	0.002
	Copper and its compounds	0.036	0.047	0.056	0.059
	Total nitrogen (T-N)	0.617	0.691	0.566	0.516
	Total phosphorus (T-P)	0.040	0.101	0.051	0.080

※ No discharge of lead, phenol, chromium, or cadmium.



Plant	Measures	Details
Pohang	Detection of leaking parts	Prevention of water waste in the FCW 1 plant through the detection of water pipe leaks
Pohang	Piping grounding work	Preventing waste through immediate response and mitigation in case of issues such as leaks using piping grounding
Pohang	Industrial water reuse	Reuse of industrial water for use as cooling water
Pohang	Improvement of cooling water pipe blockage	Improvement of cooling water pipe blockage and capacity increase (10% increase in cooling efficiency and increased power efficiency)
Pohang	Cooling water recovery pump alarm equipment	Alarm for cooling water recovery system malfunction
Pohang	Daily monitoring	Monitoring water supply, industrial water usage, wastewater discharge volume, cooling water quantity, consumption, domestic water usage, etc.
Gochang	Using rain or snow as cooling water	Introducing some of the wastewater from the factory and water treatment plant into the cooling water reservoir (331 m³/year)



Plant	Measures	Details
Pohang	Regular measurement and monitoring of water quality pollutants	Requesting pollution substance measurements from contracted agencies and submitting data to the Ministry of Environment (once per month)
Pohang	Regular replacement of sludge filter bags	Filtering sludge in wastewater to maintain a clean state (once per year)
Pohang	Maintenance of pollution control facilities	Regular inspections
Pohang	Compliance with the Water Environment Conservation Act	Submission of hazardous substance discharge volume to the Ministry of Environment (once per year) and nationwide pollution source survey and submission (once per year)

# Environmental Governance

- INTRODUCTION
- ESG MANAGEMENT
- ENVIRONMENT**
- Environmental Management
- Environmental Governance**
- TCFD
- SOCIAL
- GOVERNANCE
- APPENDIX

## Chemical Substances

Unit: ton

Item		2019	2020	2021	2022
Pohang Plant	Nickel and its compounds	0.058	0.037	0.019	0.012
	Chromium and its compounds	0.081	0.057	0.028	0.015
	Aluminum and its compounds	0.167	0.104	0.039	0.031
	Manganese and its compounds	1.198	0.736	0.273	0.219
Gochang Plant	Nickel and its compounds	0.185	0.296	0.191	0.227
	Aluminum and its compounds	0.626	0.843	0.508	0.548
	Sodium fluoride	0.204	0.325	0.196	0.233
	Manganese and its compounds	4.122	6.497	4.002	4.497

## Air Pollution

Unit: ton

Item		2019	2020	2021	2022
Pohang Plant	Nitrogen Oxide	-	7.91500	7.71300	7.27600
	Dust	1.23688	0.87054	1.05041	1.49868
	Chrome	0.00441	0.00497	0.00017	0.00000
	Nickel and its compounds	0.00414	0.00296	0.00261	0.00232
	Sulfur Oxides	0.97627	0.60939	0.11213	0.07435
	Hydrogen Chloride	0.53350	0.43621	0.35635	0.29687
	Formaldehyde	0.07629	0.10857	0.00778	0.01088
Gochang Plant	Copper	0.00211	0.00212	0.00168	0.00129
	Dust	0.06520	0.03518	0.45900	0.01339
	Nickel	0.00007	0.00002	0.00016	0.00007

Emission reduction measures	Plant	Measures	Details
	Pohang	Regular measurement and monitoring of chemical substances	Investigation and management of chemical substance discharge (once per year) and submission of data to the Ministry of Environment (once every two years)
	Pohang	Compliance with the Chemical Substances Control Act	Mandatory regular legal inspections, legal procedures followed when using new substances
	Pohang	Reduction in the use of chemical substances in electroplating	Prevention of electroplating solution leakage and excessive maintenance through the installation of new electroplating tanks
	Pohang	Creation of a self-inspection record log	Creation of a weekly inspection record log

Emission reduction measures	Plant	Measures	Details
	Pohang	Regular measurement of air pollutants	Submission of nitrogen oxide usage to the Ministry of Environment (once per month) and regular measurement and monitoring of air pollutants
	Pohang	Regular replacement of bag filters	Regular replacement of bag filters to improve dust collection efficiency (replacement cycle: 6 months)
	Pohang	Replacement of scraper cleaning solution	Frequent replacement for the improvement of gas pollutant capture efficiency
	Pohang	Maintenance of pollution control facilities	Regular inspections
	Gochang	Replacement of the dust collector filter bag	Replacement of the filter bag for improved working environment and smooth operation of the dust collector system
	Gochang	Cleaning the interior of the dust duct in the mixing room	Cleaning of the dust duct for the purpose of improving dust collection efficiency and preventing fire accidents



- INTRODUCTION
- ESG MANAGEMENT
- ENVIRONMENT**
- Environmental Management
- Environmental Governance
- TCFD**
- SOCIAL
- GOVERNANCE
- APPENDIX

# TCFD

With the global rise of the climate crisis, the Financial Stability Board (FSB), an international financial institution, established the Task Force on Climate-Related Financial Disclosures (TCFD) in 2015. The TCFD aims to ensure that climate-related risks are incorporated into the decision-making processes of investors and stakeholders. In 2017, the TCFD presented recommendations divided into four categories: **governance, strategy, risk management, and metrics and targets**. These recommendations were made to facilitate effective disclosure of information related to climate change for enhanced transparency. Hyundai Welding actively supports the TCFD and aims to transparently disclose its current efforts in accordance with the TCFD recommendations to address climate change.



Area	Item	Details
Governance	<ul style="list-style-type: none"> <li>Supervision by the board of directors on climate-related risks and opportunities</li> <li>Role of the management in assessing and managing climate-related risks and opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of an ESG dedicated department, ESG committee, or ESG task force to deliberate and implement key matters related to climate change response</li> <li>The CEO receives regular reports on environmental issues such as GHG emissions and energy, and takes them into account for decision-making</li> <li>Safety, Health and Environment [SH&amp;E] Team, Process Safety Management (PSM) Team, and the ESG Dedicated Department under the ESG Task Force regularly share information with relevant departments to manage the company's ESG risks, including environmental safety, carbon emissions, and energy consumption, allowing for the integration of these considerations into the annual budgeting process</li> </ul>
Strategy	<ul style="list-style-type: none"> <li>Short-term, mid-term, and long-term aspects of climate change risks and opportunities</li> <li>The impact of climate change risks and opportunities on the organization's business, strategy, and financial planning</li> <li>Resilience of strategies considering various climate change-related scenarios, including those aligned with the 2°C or below scenario</li> </ul>	<ul style="list-style-type: none"> <li>Transparent disclosure of the company's strategies and short-term, mid-term, and long-term goals regarding climate change through ESG reports</li> <li>Implementation of various measures such as phased strategy development and review, increasing energy efficiency, reducing GHG emissions, replacing outdated equipment, improving motor-driven facilities, and replacing factory lighting with LEDs to achieve carbon neutrality by 2050</li> <li>Monitoring of GHG emissions and energy usage before and after implementation; promotion of the development of environmentally friendly technologies by the production team to reduce GHG emissions and energy usage</li> </ul>
Risk Management	<ul style="list-style-type: none"> <li>Organizational processes for identifying and assessing climate change risks</li> <li>Organizational processes for managing climate change risks</li> <li>Methods of integrating the process for identifying, assessing, and managing climate change risks into the overall risk management of the organization.</li> </ul>	<ul style="list-style-type: none"> <li>Recognition of crises caused by climate change and risk analysis of such crises</li> <li>Conducting a double materiality assessment to determine the priority and implementation of climate change response measures based on the analysis results</li> <li>Achieving ISO 14001 (Environmental Management) and ISO 45001 (Occupational Health and Safety) certifications, establishing environmental management and occupational health and safety management systems, and ensuring effective risk management through continuous monitoring</li> <li>Publishing ESG reports to disclose detailed information about climate change-related matters</li> </ul>
Metrics and Targets	<ul style="list-style-type: none"> <li>Metrics used to assess climate change risks and opportunities</li> <li>Scopes 1 and 2 GHG emissions</li> <li>Climate change risk, opportunity, and performance management targets</li> </ul>	<ul style="list-style-type: none"> <li>GHG emissions of Hyundai Welding in 2022: Scope1+2 → 32,579tCO<sub>2</sub>eq</li> <li>Target of 3% reduction in GHG emissions by 2023 compared to 2019</li> <li>Target of 5% reduction in GHG emissions by 2025 compared to 2019</li> <li>Gradual transition to achieve carbon neutrality by 2050 through various means</li> </ul>



INTRODUCTION

ESG MANAGEMENT

ENVIRONMENT

**SOCIAL**

Safety and Health

Employees

Social Contribution

UNGC, UN SDGs

GOVERNANCE

APPENDIX

# SOCIAL

**Hyundai Welding has established a systematic safety and health system to prevent industrial accidents and major disasters. To adapt to the changing business environment, we strategically deploy human resources and explore various approaches to foster a desirable culture at Hyundai Welding.**

- 29 Industrial Safety and Health
- 33 Employees
- 37 Social Contribution
- 39 UNGC, UN SDGs



# Industrial Safety and Health

## Safety and Health Management Policy

Hyundai Welding has established a systematic safety and health system to prevent industrial accidents and major disasters. We strive to create a safe and pleasant working environment. Hyundai Welding has established three major management policies for safety and health to create a workplace where everyone can be happy. We make efforts to regularly listen to employees' opinions and carry out safety and health improvement activities.

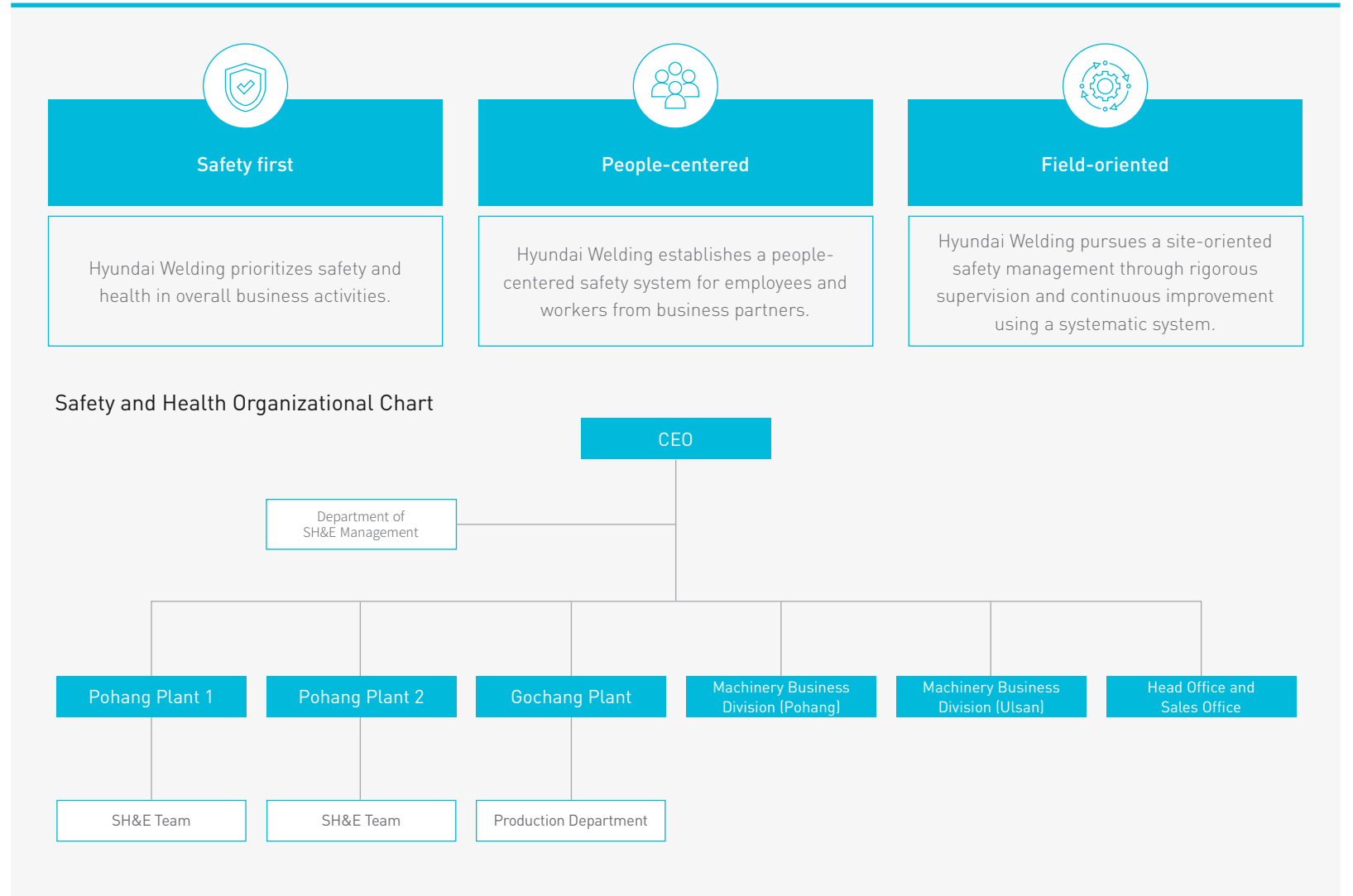
### Key Focus Areas

#### Environment

- Prevention of environmental accidents
- 2 or more facility improvements
- Quick and efficient response
- Efficient emergency scenario implementation

#### Safety and Health

- Achieving zero accidents
- Zero safety accidents
- Establishment and stabilization of safety and health management system
- Strengthening safety and health awareness
- 5 or more work environment improvements



- INTRODUCTION
- ESG MANAGEMENT
- ENVIRONMENT
- SOCIAL**
- Safety and Health
- Employees
- Social Contribution
- UNGC, UN SDGs
- GOVERNANCE
- APPENDIX

# Industrial Safety and Health

## Safety Accident Prevention

Hyundai Welding places great importance not only on the safety of its own employees but also on the safety and Health of its business partners, especially in a situation where safety accidents are emerging as a social issue. To ensure effective response, Hyundai Welding has established safety and health policies and dedicated departments. We also operate programs for accident prevention, including workers from partner companies. Hyundai Welding will continue to actively engage in industrial safety risk management activities in the future.



### Safety and Health Awareness Education

Hyundai Welding is making significant efforts to ensure the safety of its workers. We provide not only mandatory legal training but also other education and training programs, aiming to prevent major industrial accidents and educate employees on how to respond in the event of an accident.

Category	Name of Training	Training cycle
Statutory compulsory training	Regular safety and health training	Once/month
	Safety and health training for new employees	Year round
	Safety and health training for managers and supervisors	Once/month
	Special safety and health training	Year round
Other education and training	Emergency response training	Twice/year
	Joint training with business partners	Once/year
	Safety and health training for chief safety and health officer	Once/year
	Training for safety environment managers and promoters	Once/2 years
	Traffic safety training for employees	Once/year

### PSM Promotion

Process Safety Management (PSM) is a systematic safety management system aimed at preventing major industrial accidents that can cause harm to workers and nearby areas due to the leakage of hazardous substances, fire, explosion accidents, and more. To prevent accidents, Hyundai Welding conducts regular inspections and improvements of facilities related to hydrochloric acid, sulfuric acid, and city gas to ensure safety. We received an excellent S-grade rating in the evaluation conducted by the Gyeongsangbuk-do Industrial Accident Prevention Center, recognizing the outstanding implementation of the 12 components of PSM.

Date	09.2020	12.2020
Plant	Pohang Plant 1	Pohang Plant 2
Rating	S grade	S grade
Remarks	Excellent Workplace	

# Industrial Safety and Health

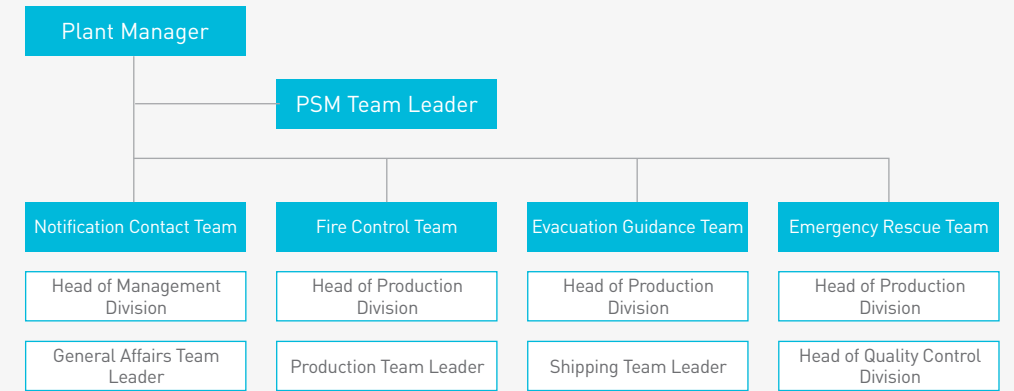
## Safety Observer Activities

To prevent accidents, Hyundai Welding selects safety observers once every two weeks to investigate potential hazards within the plant. The safety observers, consisting of a field manager, field team leader, and managerial staff, conduct thorough inspections of the site and prepare reports; based on these reports, areas for improvement are identified during safety meetings.



## Emergency Response System

Hyundai Welding has established emergency response scenarios against fire, leak, being stuck, and falling in order to prevent major industrial disasters. Drills according to such scenarios are being implemented at least twice a year. This is an initiative by Hyundai Welding to minimize the potential damages of environmental incidents that may occur during the production process. It involves the development of response manuals for different environmental incident scenarios, which are communicated to the employees to let them immediately evacuate upon occurrence of such disasters.



Category	Description	Category	Description
Plant Manager	Overall management of fire control	Notification Contact Team	Mobilization and command of emergency control organization
PSM Team Leader	Assisting the Plant Manager in his/her duties and responsibilities and acting on his/her behalf		Procurement of personnel and equipment required for emergency control
Fire Control Team	Emergency operation equipment for key processes		Assessing the impact of emergency situations and making evacuation decisions
	Operation of emergency power generator and fire pumps		Creating and reporting incident updates
Evacuation Guidance Team	Securing fire truck access for fire suppression		Establishment and implementation of measures for prevention of recurrence
	Fire truck guidance and support		Conducting emergency mobilization system training
Emergency Rescue Team	Emergency rescue for injured persons		Executing instructions from the chief safety and health officer
	Emergency hospital transport		Investigation of accident cause and forming control teams
			Requesting fire support and reporting to relevant agencies
			Establishment and training of emergency mobilization plans

# Industrial Safety and Health

## Industrial Accident Management

Hyundai Welding is committed to establishing robust systems, deriving continuous improvement measures, and striving for the best in industrial accident management. As a result of these efforts, we received the Commendation from the Minister of Employment and Labor for Industrial Accident Prevention in 2020, as well as the Commendation from the Director of the Daegu Regional Labor Office for contributions to PSM in 2019. We will continue to prioritize industrial accident management and make ongoing efforts to create a safe and pleasant working environment.

	No. of major accidents	No. of safety accidents	No. of environmental accidents	No. of victims	No. of deaths	No. of improvements in the field of safety, environment, and fire prevention
2019	0	1	0	1	0	174
2020	0	3	0	3	0	276
2021	0	1	0	1	0	202
2022	0	2	0	2	0	170

※ Safety accidents: Number of safety accidents reported to the Ministry of Employment and Labor for occupational injury compensation  
 ※ Environmental accidents: Number of violation-related fine payments as a result of inspection

## ISO Certification

Hyundai Welding has obtained ISO 14001 (2004), ISO 45001 (2018), ISO 9001 (1994), and ISO/TS 16949 (2004) certifications, and continues to renew them regularly. Among these, ISO 45001 (Occupational Health and Safety Management System) is an international standard for industrial safety and health management systems that provides practical solutions for worker safety. Hyundai Welding will continue to renew ISO certifications such as the Occupational Health and Safety Management System to make ongoing efforts in preventing safety accidents.



# Employees

## Talent Recruitment and Development Strategy

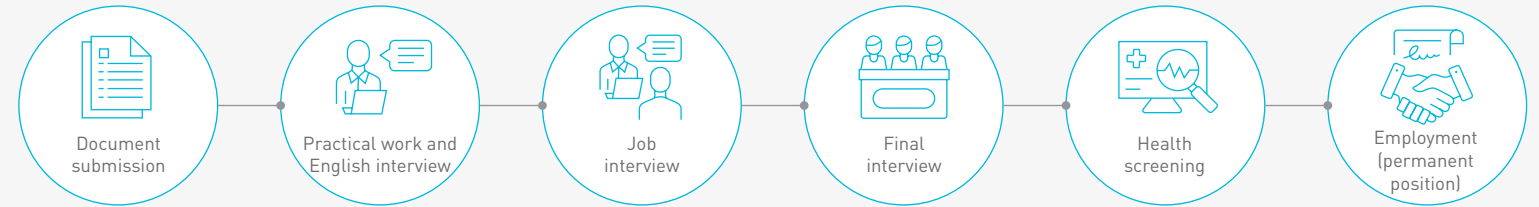
Hyundai Welding is making efforts to cultivate professionals who possess creative thinking, teamwork skills, and a spirit of challenge in order to lead the domestic and international welding industry. In order to respond to the changing business environment, we are exploring various measures to strategically allocate human resources and foster a desirable culture at Hyundai Welding.



Read more

Hyundai Welding  
Recruitment Information

### Recruitment Process



### New Employee Recruitment Status

Unit: persons

Category		2019	2020	2021	2022
Total number of employees		79	15	21	77
By employment type	Regular employees (newly hired)	73	14	17	67
	Regular employees (experienced)	4	1	1	2
	Non-regular employees (excluding dispatched workers)	2	0	3	8
Gender	Male	54	10	16	46
	Female	25	5	5	31
By age group	Under 30	63	9	18	58
	30s	11	5	2	17
	40s	2	0	0	1
	50s	2	1	1	1
	60s	1	0	0	0

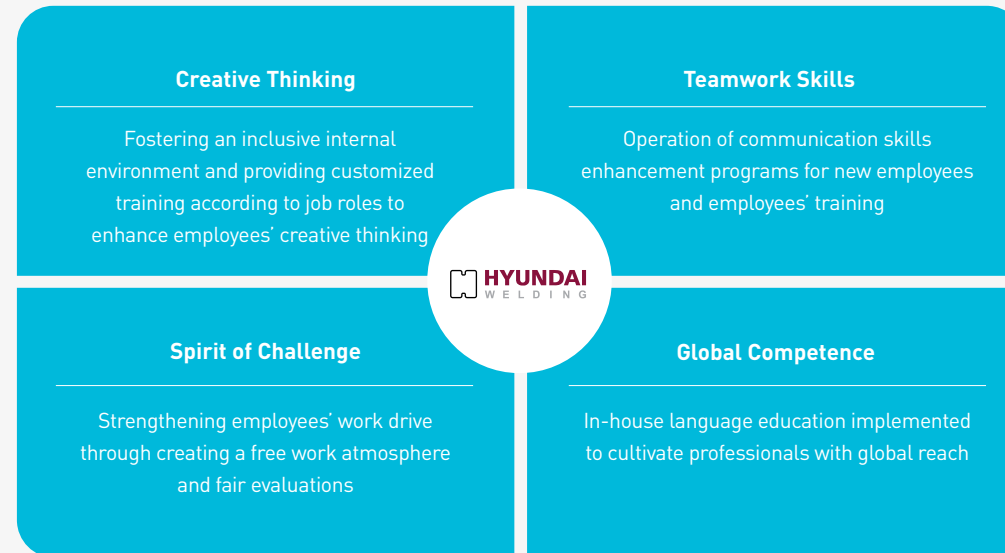
※ Excluding production personnel

# Employees

## Employee Cultivation Strategy

We have established a systematic system to cultivate professionals who drive change and develop the capabilities of employees. We have established an employee development system and formulated detailed regulations for it, making efforts to enhance the capabilities of our employees. Furthermore, we provide various training programs that are available for participation by new hires as well as executives. The department responsible for training reviews the training content for the year-end and identifies areas for improvement. Through this process, we incorporate feedback, make necessary modifications, and design new programs to establish the annual training plan. We will continue to make efforts to provide diverse and effective training programs that contribute to enhancing the capabilities of our employees.

## Employee Development System



## Executive and Employee Training

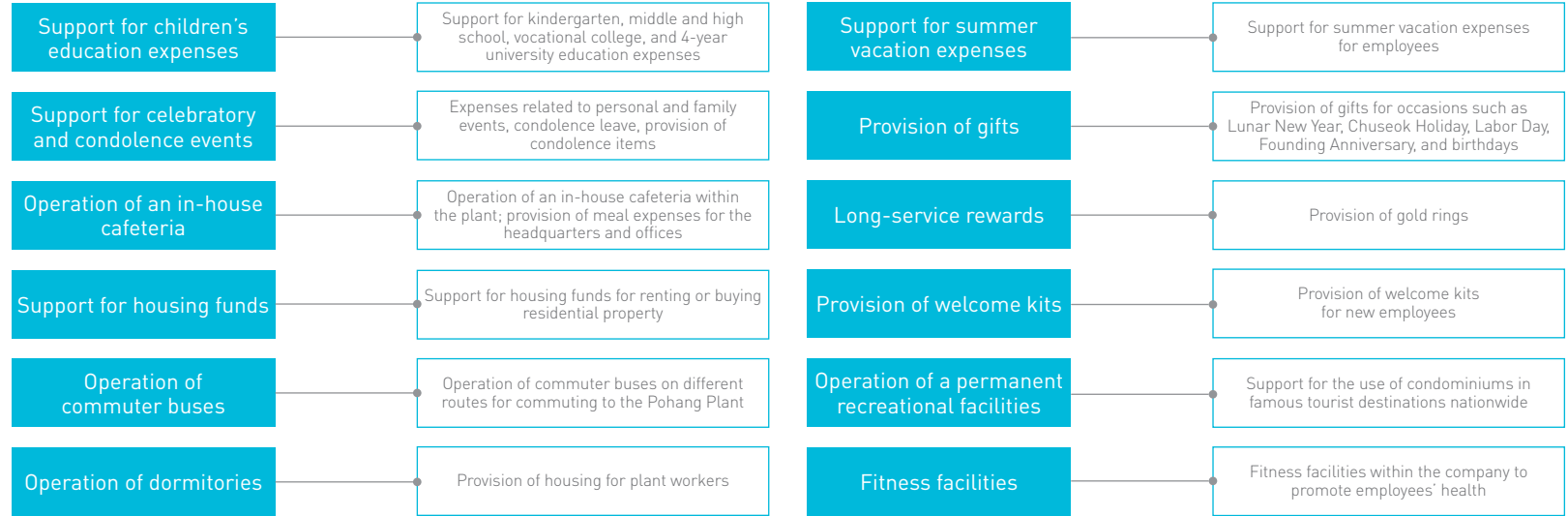
Category	Name of Training	Details	Schedule	Period	Status
Common	Leadership training	Enhancing internal communication within the organization	April	1 day	Scheduled for 2024
	Job training	HR, accounting, planning, marketing, procurement, logistics, etc.	Ongoing	Varies by course	Ongoing
	English education	1:1 video conferencing or face-to-face education	Ongoing	Varies by course	Ongoing
	Language education	Japanese, Chinese, Vietnamese, Spanish, etc.	Ongoing	Varies by course	Scheduled for 2024
New employee training	Basic training	Hyundai Welding strategy	Quarterly	2 days	Ongoing
		Enhancement of communication			
		ESG basic theory			
		Ethical management			
	Computer literacy				
	In-depth training	Welding rod	March, September	5-10 days	
Welding machines					
BWTS					

- INTRODUCTION
- ESG MANAGEMENT
- ENVIRONMENT
- SOCIAL**
- Safety and Health
- Employees**
- Social Contribution
- UNGC, UN SDGs
- GOVERNANCE
- APPENDIX

# Employees

## Employee Welfare

To achieve organizational goals and pursue innovation, an active attitude from employees is required. Hyundai Welding operates various welfare programs to improve employees' job satisfaction and encourage active engagement in their work. Furthermore, we provide health screening benefits to employees and their families, enabling them to lead a healthy work-life balance. We also introduce various types of retirement pension systems each year to ensure smooth operation for employees' retirement planning.



Welfare Expenses

Unit: KRW 1,000

Year	Welfare expenses per employee	Total cost
2019	11,556	9,557,512
2020	10,494	8,500,284
2021	11,081	9,064,463
2022	11,779	9,670,648

Retirement Pension

Unit: KRW 1,000

Year	No. of subscribers (DB)	Amount (DB)	No. of subscribers (DC)	Amount (DC)
2019	433	23,740,519	394	1,789,578
2020	402	26,410,437	408	1,497,653
2021	408	28,258,672	410	1,933,308
2022	450	31,334,911	371	2,354,432

※ Based on separate financial statements

※ Based on separate financial statements

→ Read more  
Hyundai Welding Benefit Program

# Employees

## Employee Diversity

Hyundai Welding strives to establish a culture that respects employee diversity. We have established employment regulations that promote an equal culture within the company, prohibiting any disadvantages to employees based on factors such as education, religion, background, and gender. We particularly focus on the employment of people with disabilities and make continuous efforts to ensure that employees with disabilities are not subject to unfair discrimination. Hyundai Welding provides additional points for people with disabilities in the recruitment process and procures various items used within the company through the employment of individuals with disabilities. BearBetter, a company that has established employment contracts for persons with disabilities, produces and procures pastries such as bread for the employees' morning meals. Additionally, the company specializes in creating and delivering environmentally friendly business cards.

### Employee Status

Unit: persons

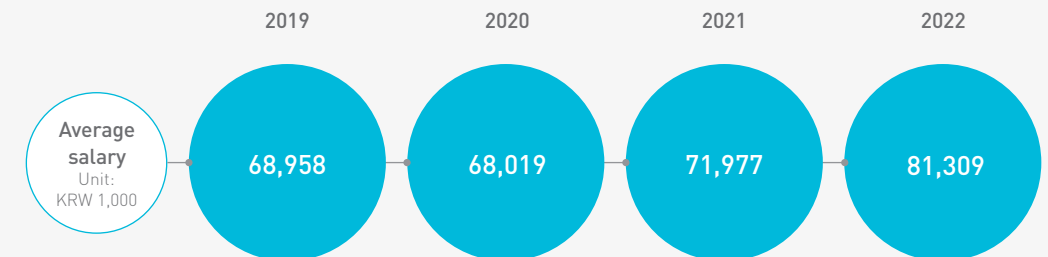
Category			2019	2020	2021	2022
Total number of employees			423	375	373	401
By employment type	Permanent employee	Male	326	285	276	292
		Female	81	74	66	88
	Contract employee	Male	12	11	18	18
		Female	4	5	13	3
By age group	Under 30		142	94	75	96
	30s		136	140	141	138
	40s		82	77	89	97
	50s		47	44	49	49
	60s and above		16	20	19	21

\* Excluding production personnel

### Status of Labor-Management Consultation

Year	No. of labor-management council meetings
2019	4
2020	4
2021	4
2022	4

### Employee Wages



# Social Contribution

Companies should not only create economic value but also strive to create social value as members of the local community. Hyundai Welding deeply empathizes with the United Nations' Sustainable Development Goals (UN SDGs) and strives to contribute in any way possible to the well-being of all members of the local community, aiming for their happiness. Through the implementation of Creative Imagination Passionate Practice (CIPP), Hyundai Welding actively and continuously participates in social contribution activities with passion. In order to take a step towards a better society, Hyundai Welding carries out social contribution activities in two distinct categories. We will continue to actively engage in social contribution activities for the future generation, who are the cornerstone of our future, and for socially disadvantaged individuals who are marginalized.



Industry-Academia  
Cooperation with Korea  
Polytechnics

Business Agreement  
with the Ministry of  
Employment and Labor

Talent Development  
Platform

Hyundai Welding is making efforts to provide job opportunities for the youth in Pohang through industry-academia collaboration. We continue our activities as a member of the governance committee for industry-academia collaboration at Korea Polytechnics Pohang Campus, aiming to positively transform the local community and nurture the next generation of leaders with a sense of social responsibility. Additionally, we provide welding equipment for practical training every year.

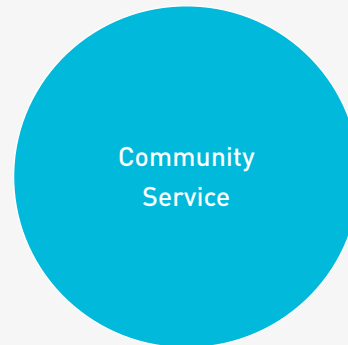
Hyundai Welding has made efforts to establish youth employment and labor policies within Pohang by signing an MOU with the Ministry of Employment and Labor in 2016. We hired 20 and 13 talented young individuals in 2021 and 2022, respectively, thus establishing a foundation for mutual growth between the company and the local community. Hyundai Welding will continue to provide opportunities to hire local talented individuals, aiming to alleviate youth unemployment and contribute to the development of the local economy.

Hyundai Welding is dedicated to establishing talent development platforms in the Gyeongsangnam-do and Ulsan regions, working with young people to develop environmentally friendly products. We have collaborated on the development of the next-generation eco-friendly national project, BWTS, and have hired outstanding talents who have demonstrated remarkable achievements as regular employees.

# Social Contribution



We support World Vision to address the issues of poverty and inequality worldwide. World Vision is composed of more than 100 member countries and operates three core programs to address the root causes of poverty. The core programs consist of community development, emergency relief, and child advocacy, providing significant support to vulnerable populations. Hyundai Welding supports World Vision, which carries out these activities, in order to provide assistance to vulnerable households and children affected by disasters to lead ordinary lives. One of the representative domestic activities of World Vision is the lunchbox support program. Due to practical reasons, we provide homemade lunch boxes directly cooked to children who rely on instant meals, people with disabilities with mobility difficulties, and elderly individuals, ensuring that they have at least one nutritious meal a day.



In 2021, employees of the Gochang Plant carried out renovation work at the community center in Otae Village. We made efforts to provide emotional comfort to the elderly by renovating and installing necessary facilities in the outdated facility. In 2021, the labor union of Hyundai Welding conducted the briquette sharing event to provide briquettes to the elderly who were marginalized during the cold winter. Hyundai Welding is committed to providing support and sponsorship for the health and well-being of marginalized elderly individuals and socially disadvantaged individuals in the future.

# UNGC COMMITMENT

Since joining the UN Global Compact in 2023, Hyundai Welding has incorporated 10 principles in four areas — human rights, labor, environment, and anti-corruption — into its business operations. To ensure proper implementation, we adhere to the guidelines of the UN Global Compact Communication on Progress (COP) and make efforts to fulfill our social responsibilities as follows.















Field	Item	Details
Human rights	Businesses should support and respect the protection of internationally proclaimed human rights.	Hyundai Welding complies with international labor standards and regulations.
	Businesses should make sure that they are not complicit in human rights abuses.	Hyundai Welding operates a transparent code of ethics system and promotes human rights education.
Labor	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Hyundai Welding respects the right to freedom of association and collective bargaining and supports efforts to ensure that workers' rights are guaranteed.
	Businesses should uphold the elimination of all forms of forced and compulsory labor.	Hyundai Welding is against all forms of forced labor.
	Businesses should uphold the effective abolition of child labor.	Hyundai Welding strictly prohibits the employment of minors and child labor.
	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Hyundai Welding operates an inclusive recruitment system that ensures equal opportunities for all employees. We do not discriminate based on gender, religion, political beliefs, nationality, or race in the processes of recruitment, placement, promotion, remuneration, and training.
Environment	Businesses should support a precautionary approach to environmental challenges.	Hyundai Welding is reducing its carbon dioxide emissions and implementing ESG activities to achieve carbon neutrality by 2050. We are actively renewing our ISO 14001 (Environmental Management System) certification as a proactive measure for environmental management.
	Businesses should undertake initiatives to promote greater environmental responsibility.	Hyundai Welding has declared its support for Task Force on Climate-Related Financial Disclosures (TCFD) and transparently discloses information in accordance with the TCFD recommendations.
	Businesses should encourage the development and diffusion of environmentally friendly technologies.	Hyundai Welding is actively engaged in the development of environmentally friendly products, particularly in the field of Ballast Water Treatment Systems (BWTS), and is expanding investments to create eco-friendly products.
Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery.	Hyundai Welding has implemented an ethical management system that pursues honesty, fairness, and integrity. We are practicing corruption prevention by implementing an ethics reporting system.

- INTRODUCTION
- ESG MANAGEMENT
- ENVIRONMENT
- SOCIAL**
- Safety and Health
- Employees
- Social Contribution
- UNGC, UN SDGs
- GOVERNANCE
- APPENDIX

# UN SDGs

The UN Sustainable Development Goals (SDGs) are 17 common goals for humanity to achieve the ideals of sustainable development. Hyundai Welding is striving to implement feasible items among the 169 specific targets under the slogan of "Leaving No One Behind." We have plans to strategically review the specific targets in the future and implement additional feasible items accordingly.

 <p><b>1 NO POVERTY</b></p> <ul style="list-style-type: none"> <li>• Supporting socially marginalized individuals</li> <li>- World Vision sponsorship</li> <li>- Remuneration for community centers</li> <li>- Sharing love through briquette donation</li> </ul>	 <p><b>3 GOOD HEALTH AND WELL-BEING</b></p> <ul style="list-style-type: none"> <li>• Promotion of employee health and well-being</li> <li>- Medical costs support</li> <li>- Installation of on-site exercise facilities</li> <li>• Employee safety and health training, including prevention of workplace harassment</li> <li>• ISO 45001 certification (Occupational Health and Safety Management System)</li> </ul>	 <p><b>4 QUALITY EDUCATION</b></p> <ul style="list-style-type: none"> <li>• Establishing a system for employee development</li> <li>• Enhancing employee competencies</li> <li>- 1:1 English conversation training</li> <li>- Providing various training programs for improving job-related skills (e.g. accounting, finance, purchasing)</li> </ul>	 <p><b>5 GENDER EQUALITY</b></p> <ul style="list-style-type: none"> <li>• Conducting employee training on gender equality</li> <li>• Establishing a fair and transparent recruitment process</li> </ul>	 <p><b>6 CLEAN WATER AND SANITATION</b></p> <ul style="list-style-type: none"> <li>• Establishing water reuse facilities</li> <li>• Managing water consumption and monitoring water pollution levels</li> <li>• Implementing various measures within the plant to reduce wastewater generation</li> </ul>	 <p><b>8 DECENT WORK AND ECONOMIC GROWTH</b></p> <ul style="list-style-type: none"> <li>• Various youth support programs</li> <li>- Activities as a member of the Korea Polytechnics' Industry-Academia Cooperation and Governance Committee</li> <li>- Hiring local talents through the establishment of a talent development platform</li> </ul>
 <p><b>10 REDUCED INEQUALITIES</b></p> <ul style="list-style-type: none"> <li>• Establishment of Code of Ethics and Practices Guidelines</li> <li>• Promoting inclusive employment for persons with disabilities in various fields such as business card production, floral arrangements, and pastry making</li> <li>• Hiring foreign employees</li> </ul>	 <p><b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b></p> <ul style="list-style-type: none"> <li>• Internal waste reduction activities</li> <li>- Using eco-friendly materials for business cards</li> <li>- Using tumblers and eco-friendly biodegradable paper cups</li> <li>• Implementing various measures within plants to reduce waste generation</li> </ul>	 <p><b>13 CLIMATE ACTION</b></p> <ul style="list-style-type: none"> <li>• Establishment of ESG Committee and coordinating bodies to build an ESG governance system</li> <li>• ISO 14001 Certification (Environmental Management System)</li> </ul>	 <p><b>14 LIFE BELOW WATER</b></p> <ul style="list-style-type: none"> <li>• Conservation of marine ecosystems through BWTS product development</li> </ul>	 <p><b>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</b></p> <ul style="list-style-type: none"> <li>• Operation of an unethical conduct reporting system</li> <li>• Conducting mandatory legal compliance training for ethical management</li> <li>• Establishment of a code of conduct for suppliers</li> </ul>	 <p><b>17 PARTNERSHIPS FOR THE GOALS</b></p> <ul style="list-style-type: none"> <li>• Membership in (Task Force on Climate-related Financial Disclosures) and UNGC (UN Global Compact)</li> </ul>





INTRODUCTION

ESG MANAGEMENT

ENVIRONMENT

SOCIAL

**GOVERNANCE**

Governance

Ethical Management

Fair Trade

APPENDIX

# GOVERNANCE

Hyundai Welding aims to create sound corporate governance, establish a professional board of directors and committees, and pursue sustainable development. At the same time, we have established an ethical management system to fulfill the company's social responsibilities.

42 Governance

44 Ethical Management

48 Fair Trade



# Governance

## Board of Directors

Hyundai Welding aims to create sound corporate governance, establish a professional board of directors and committees, and pursue sustainable development. Furthermore, we are making efforts to establish an advanced governance structure that takes into account the interests of all stakeholders. We are committed to building trust and fostering development together with various stakeholders such as customers, employees, business partners, and subsidiaries. To achieve this, we will establish a transparent and advanced governance structure. Hyundai Welding's board of directors consists of individuals possessing diverse expertise and practical experience in various fields to ensure the board's professionalism. We appoint individuals to the board of directors who are recommended as director candidates based on their abilities and capabilities to contribute to the achievement of the company's goals. The appointed individuals possess a wealth of knowledge in corporate management, risk management, communication, and other relevant areas. The appointed directors diligently monitor the overall business of the company and strive to ensure stable management.

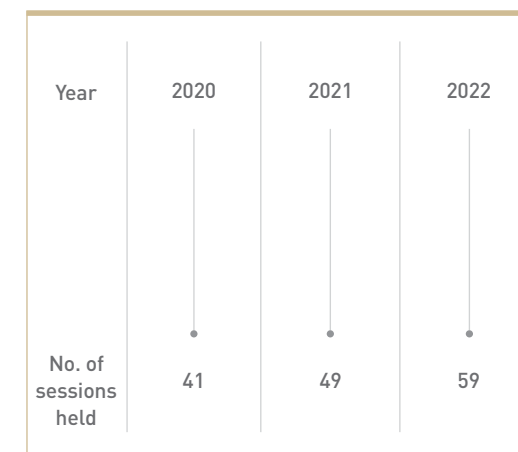


## Composition of the Board of Directors

Category	Name	Gender	Main Career	Date Appointed	Term of Office
Executive Director	Kim Seok-hwan	Male	- Department of Industrial Engineering, Ajou University - Hyundai Welding overall production management - Hyundai Welding Pohang Plant Manager - Hyundai Welding CEO - Hyundai Welding ESG Committee	January 1, 2023	1 year
	Chung Eun-sung	Male	- Department of Chemistry, Hanyang University - Harvard Graduate School of Public Administration - Hyundai Welding overall management support - Hyundai Welding CEO - Hyundai Welding ESG Committee	January 1, 2023	1 year
	Chung Mong-suk	Male	- Chairman of Hyundai Welding	March 31, 2023	2 years
	An Jung-hae	Female	- Vice President of Hyundai Welding	March 31, 2023	2 years
Independent Director	Kim Sang-rok	Male	- Department of Metallurgical Engineering, Kyungpook National University - CTO of The Korea Welding And Joining Society - Independent Director of Hyundai Welding - Hyundai Welding ESG Committee	March 31, 2023	2 years
	Kim Ki-chool	Male	- Department of Chemistry, Hanyang University - Independent Director of Hyundai Welding - Hyundai Welding ESG Committee	March 31, 2023	2 years
Auditor	Cho Hyung-min	Male	- Department of Trade, Chonnam National University - Auditor of Hyundai Welding	January 1, 2023	3 years

※ As of the end of March 2023

## Status of Board of Directors



## Director Remuneration

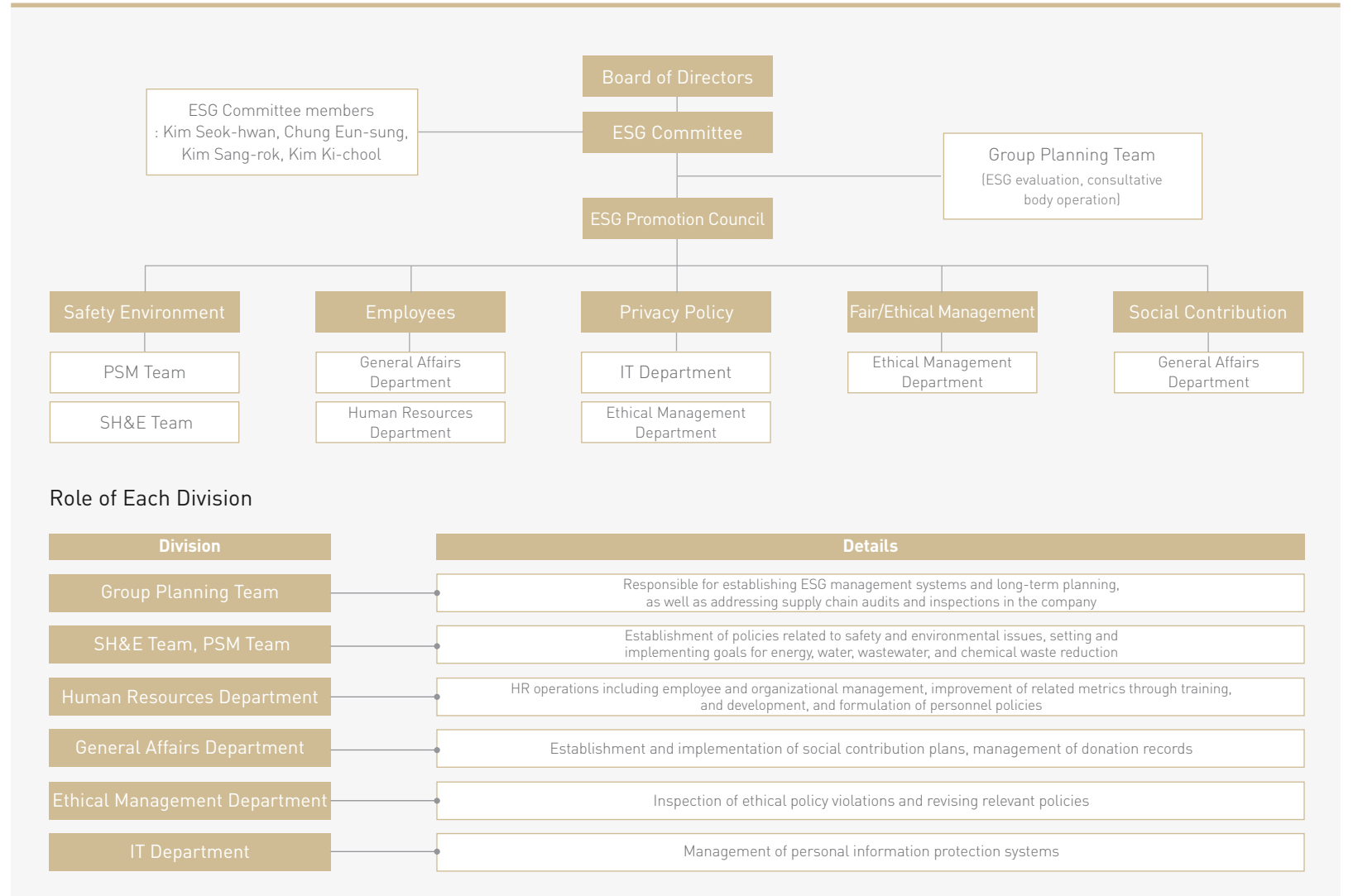
Unit: KRW 1,000

Category	No. of directors	Average monthly wage per director
Executive Director	4	
Independent Director	2	13,984
Auditor	1	

# Governance

## ESG Committee

In 2022, Hyundai Welding has established the Group Planning Team as a dedicated department for ESG management, starting with the Declaration of Ethical Management. Hyundai Welding conducted an ESG evaluation in 2022 to assess the company's current status in detail. Based on the evaluation results, the company is actively engaging in improvement activities. The ESG Committee is an organizational body aimed at strengthening ESG management. Established in 2023, it serves as a key entity in creating a transparent governance structure, with active participation from the management team and the board of directors. The ESG Promotion Council supports activities related to ESG management and deliberates on key ESG issues. Its role is to facilitate the necessary initiatives for ESG implementation within the organization. In addition, we ensure company-wide participation when there are areas that require involvement in ESG activities.



- INTRODUCTION
- ESG MANAGEMENT
- ENVIRONMENT
- SOCIAL
- GOVERNANCE**
- Governance
- Ethical Management
- Fair Trade
- APPENDIX

# Ethical Management

## Ethical Management System

Based on the recognition that sustainable growth cannot be achieved solely through short-term profit-seeking, Hyundai Welding has established an ethical management system. The company aims to rectify any improper practices within the organization, establish the correct values among employees, and fulfill its corporate social responsibilities. In line with the new era's demands, Hyundai Welding has declared an ethical management approach that promotes transparency and rational business practices. To put this into action, the company has established the Ethics Management Department as a dedicated department.



## Ethical Management Organizational Chart



→ Read more

- INTRODUCTION
- ESG MANAGEMENT
- ENVIRONMENT
- SOCIAL
- GOVERNANCE**
- Governance
- Ethical Management**
- Fair Trade
- APPENDIX

# Ethical Management

## Code of Ethics

Hyundai Welding has established an Ethical Management Charter, Code of Ethics, and Practice Guidelines to define and share ethical values and standards with employees. The Ethical Management Charter serves as the paramount value and fundamental spirit of ethical management, aiming to achieve the company’s objectives. The Code of Ethics and Practice Guidelines, on the other hand, provide detailed guidelines for realizing the principles outlined in the charter. Hyundai Welding employees commit themselves to understanding the company’s paramount values and fundamental spirit through the Ethical Management Pledge. By signing this pledge, employees promise to make efforts to practice and uphold these values in their work. Hyundai Welding demonstrates its commitment to ethical management by regularly conducting training programs to reinforce the fundamental spirit of ethical management. The company also publicly discloses the Ethical Management Charter and detailed guidelines on its website, showcasing its determination to promote ethical management externally. Furthermore, we operate a reporting system to encourage the internalization of corporate ethics, demonstrating our ongoing commitment to fostering a culture of ethics and maintaining a strong focus on this matter.

<b>Ethical Management Pledge</b>	<b>Ethical management employee training and promotion</b>
All employees are required to submit an Ethical Management Pledge as a commitment to understanding and practicing ethical management principles.	Continuous training programs are conducted to establish ethical values among employees.
<b>Revision of ethical management standards and practice guidelines</b>	<b>Operation of the Unethical Conduct Reporting Center</b>
The Ethical Management Charter, Code of Ethics, and Practice Guidelines are periodically revised to align with the current context, and specific performance standards are established for professional responsibilities.	To prevent unethical conduct and promote an ethical corporate culture, we operate a reporting and reward system.

※ 100% of executives and employees have signed the pledge.

### Ethics Training

Name of Training	Date	Time Required
Sexual harassment prevention training	October	1 day
Workplace bullying prevention training		
Personal information protection training		
Training to improve awareness of persons with disabilities		
Employee retirement pension education		

## Ethical Management Charter

Hyundai Welding embraces the vision of achieving BESCOM[Best Company: the highest level of management performance capability and value creation that a company can achieve] and strives to become a first-class company that pursues the mutual prosperity of stakeholders and local communities. The company is committed to fostering a corporate culture that enables it to leap forward in this direction. In light of this, we have established the Ethical Management Charter for Hyundai Welding employees, aiming to adopt it as a guide for proper conduct and value judgment.

1. We aim to contribute to customer value creation and actively incorporate customer complaints and suggestions, striving for mutual growth with our customers.
2. We create an environment that supports and encourages courageous employees, fostering an atmosphere conducive to continuous challenge and innovation.
3. We foster a healthy and ethical work environment where mutual respect is valued.
4. We promote a bright and sound corporate culture through fair competition with competitors and equitable trades with business partners.
5. We are committed to upholding legal obligations and aspiring to be an ethical company that practices rational and transparent management.
6. We fulfill our corporate social responsibility and obligations by contributing to the development of local communities, complying with environmental regulations, and making efforts to prevent environmental pollution.



INTRODUCTION

ESG MANAGEMENT

ENVIRONMENT

SOCIAL

**GOVERNANCE**

Governance

Ethical Management

Fair Trade

APPENDIX

# Ethical Management

## Ethical Management Practice Guidelines

<b>1</b>	<b>Legal Compliance</b>	<b>5</b>	<b>Corruption and Bribery</b>
1.1	The company conducts its business activities in a fair and transparent manner, ensuring compliance with the laws of the respective country in which it operates.	5.1	The company must not engage in bribery, nor should it allow any party to violate domestic or international anti-corruption laws by accepting or offering bribes.
1.2	All products produced and sold by the company must comply with applicable international trade standards.	5.2	The company should establish a process for reporting unethical behavior and make efforts to foster an organizational culture that supports such reporting.
<b>2</b>	<b>Child Labor and Forced Labor</b>	5.3	The company must adhere to obligations regarding the protection, collection, and proper handling of confidential and personal information.
2.1	The company must not exploit child labor or employ anyone under the age of 15 or the legal minimum working age, whichever is stricter. For individuals under 18 years of age, the company must not impede their compulsory education as defined by law. The nature of the work or the working environment should not jeopardize their health, safety, or moral well-being.	5.4	The company must not allow undue influence from others that could impair objectivity, conflicts of interest, professional judgment, and responsibility.
2.2	The company must not force or coerce employees to work against their will or demand the provision of services through threats or undue pressure.	<b>6</b>	<b>Fair Trade</b>
<b>3</b>	<b>Human Rights and Safety Management</b>	6.1	The company must adhere to the principles of free competition and ensure that all transactions are conducted fairly and transparently.
3.1	The company must respect employees as independent individuals and provide them with appropriate working conditions and a safe work environment.	6.2	The company must not abuse its dominant position to coerce or exert influence through unfair practices.
3.2	In addition to complying with legal requirements regarding working conditions, the company must provide a safe and healthy work environment and take necessary measures to prevent accidents and injuries.	<b>7</b>	<b>Customer Information Protection</b>
3.3	The company must not discriminate against employees based on gender, religion, age, nationality, education, disability, or any other unjustifiable reason.	7.1	The company must comply with relevant laws and regulations to protect customer's personal information and must not use or disclose customer's personal information through illegal means.
3.4	The company must recognize that workplace harassment and sexual harassment are unlawful acts and create a work environment that fosters healthy relationships among colleagues, ensuring that behaviors, including physical and verbal actions, do not undermine such relationships.	7.2	The company must prioritize customer safety throughout the process of providing products and services, and it must actively provide necessary information to prevent customer harm and risks.
3.5	The company must fully comply with all company policies and procedures related to wages and working hours, based on the laws and regulations set by the respective country.	<b>8</b>	<b>Contribution to the Country and Community</b>
<b>4</b>	<b>Environmental Protection</b>	8.1	The company should contribute to the economic development of society and the nation by complying with relevant laws and regulations, improving productivity, generating employment, paying taxes diligently, and engaging in social contributions.
4.1	The company must make efforts to preserve a clean environment throughout the entire process of product development, production, use, and disposal.	8.2	The company must recognize the importance of social responsibility and contribute to the sound development of society through various activities such as community service, creating a safe and sustainable environment, and supporting cultural initiatives.
4.2	The company should take reasonable measures to improve energy efficiency and reduce GHG emissions.	8.3	The company must respect social values and contribute to social development. It should refrain from engaging in unethical practices such as bribery for business benefits or engaging in activities that harm the interests of competitors.
4.3	It is recommended that the company track GHG emissions and set targets for reducing emissions in accordance with the Paris Agreement on climate change.	<b>9</b>	<b>Supply Chain ESG Assessment</b>
		9.1	The company recommends and supports its key partners, suppliers, and subsidiaries in adhering to and implementing the above practice guidelines. It collaborates with them to facilitate improvement whenever necessary.

# Ethical Management

## Unethical Conduct Reporting System

Hyundai Welding prioritizes corporate ethics as its core value and has implemented an unethical reporting system to internalize this value. According to the four categories, anyone can freely report through the company's website, and individuals involved may face dismissal or disciplinary actions depending on the severity of the situation. Reports are handled anonymously, and the identity of the reporter is protected to ensure that they do not face any adverse consequences in terms of their employment. If the identity of the reporter is exposed, an investigation into the source of the identity exposure will be conducted, and any employees responsible for the exposure may face disciplinary action. If the reported case is substantiated, the company provides compensation to the reporter based on predetermined criteria, recognizing their contribution to enhancing the company's profitability and ethical management awareness.



**Embezzlement and bribery**

Reporting of a Hyundai Welding employee engaging in embezzlement, accepting bribes, and engaging in unethical practices

**Workplace harassment**

Reporting of experiencing physical or mental distress, violence, verbal abuse, or other forms of mistreatment from another employee in the workplace

**Sexual harassment in the workplace**

Reporting of engaging in behavior within the workplace that creates a sense of sexual humiliation or disgust in others, such as sexual advances or demands

**Other unethical behavior**

Reporting of any other unethical behavior that violates the ethical management norms and guidelines

**Status of Unethical Conduct Reporting System**

Year	Category	No. of reports
2021	Embezzlement and bribery	1
	Workplace harassment	2
	Sexual harassment in the workplace	0
	Other unethical behavior	5
2022	Embezzlement and bribery	0
	Workplace harassment	0
	Sexual harassment in the workplace	0
	Other unethical behavior	4

Report of complaints and grievances

↓

Report investigation

↓

Convening and deliberation of the Ethics Management Subcommittee

↓

Convening of the Personnel Ethics Committee

↓

Disciplinary action and notification

- INTRODUCTION
- ESG MANAGEMENT
- ENVIRONMENT
- SOCIAL
- GOVERNANCE**
- Governance
- Ethical Management
- Fair Trade
- APPENDIX

# Fair Trade

## Compliance with Fair Trade

Hyundai Welding operates its business activities in a fair and transparent manner, adhering to internationally recognized corporate ethics standards. Furthermore, to establish and practice the appropriate ethical standards, we have formulated the three principles of fair trade, encouraging employees to adhere to them.

**Five Key Elements of Voluntary Compliance with Fair Trade**

- 1** Statement of the top Management's commitment: Commitment of the top management to ensure that stakeholders and employees comply with fair trade obligations
- 2** Ethical Management Norms and Guidelines: Production and distribution of brochures to enhance awareness of ethical management and fair trade
- 3** Education on Anti-corruption: Implementation of education on compliance with fair trade and ethical management
- 4** Transparent transactions with business partners: Ensuring compliance with legal procedures for transparent transactions and fair competition when entering into contracts with business partners
- 5** Establishment of an auditing system: Making efforts to operate a systematic auditing system to ensure fair transactions

- 1** **Responsibility and Obligations Towards Customers**  
We strive to create a trustworthy company by thinking and acting from the customer's perspective, providing products and services that satisfy and earn the trust of our customers.
- 2** **Fair Trade with Business Partners**  
We ensure equal opportunities for all business partners, and the registration and selection of business partners are based on objective and fair criteria and procedures. All transactions are conducted on a mutually equitable basis, and sufficient consultation is conducted regarding terms and procedures.
- 3** **Transparent Trade with Competitors**  
We do not obtain information from competitors through unfair means, and we do not use or disclose any information acquired through unfair means.

**Fair Trade Violation Cases**

Category	2019	2020	2021	2022
Legal actions for unfair trade practices	0	0	0	0
Fines for violations of fair trade practices	0	0	0	0
Legal lawsuits due to fair trade regulations	0	0	0	0

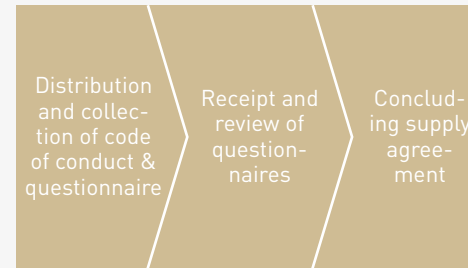


# Fair Trade

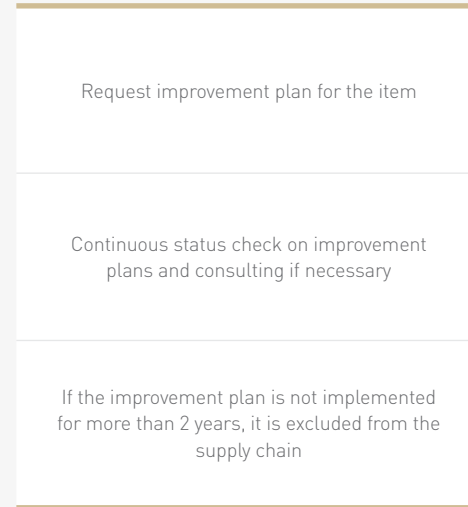
## Code of Conduct for Business Partners

Hyundai Welding participated in the supply chain evaluation conducted by the Ministry of Trade, Industry, and Energy in response to the supply chain due diligence guidance proposed by the EU. The company has conducted an assessment of its current status in four areas (environment, safety and health, labor and human rights, and ethics), and has received high scores in areas such as environment, safety and health, and human rights, which are similar to the ESG evaluation results conducted in 2022. The supply chain management program implemented by the company starting from 2023 is a significant improvement developed through participation in the business. It is currently being implemented targeting key business partners, and there are plans to expand it to include all partners in the future. We have plans to distribute a code of conduct for ESG management to all the business partners and have established a management approach that includes distributing a questionnaire consisting of a total of 53 items along with the above guidelines for assessment and management.

### Supply Chain Management Process



### If a problem is found in the questionnaire responses



### Composition of Questionnaire

At the bottom of the Code of Conduct, we have provided our company's website where violations can be reported. We also obtain signatures from the representatives or responsible individuals of our business partners, indicating their commitment to adhere to the Code of Conduct. In addition, we are managing and monitoring the following items primarily to assess the ESG status of our partners.

Human Rights and Labor (16)	Records of labor law violations, employment rules ensuring the rights and equality of employees, and whether there is a presence of labor unions
Anti-Corruption and Bribery (8)	Procedures to prevent bribery and corruption, incidents related to bribery and corruption, and the reporting and handling system
Safety and Health (10)	ISO 45001 Certification, violations of the Occupational Health and Safety Act, procedures for safety training programs, etc.
Supply Chain Management (6)	Supply chain management program, supply chain evaluation system, cases of discovering illegal activities within the supply chain, etc.
Energy Management (8)	ISO 50001 Certification, energy use goals, management programs, etc.
Carbon Emissions Management (5)	Carbon neutrality plan, carbon emissions management ledger, carbon neutrality activities, etc.



INTRODUCTION

ESG MANAGEMENT

ENVIRONMENT

SOCIAL

GOVERNANCE

**APPENDIX**

GRI Standards 2021

SASB

ISO 26000

Financial Statements

Independent Assurance  
Statement

# APPENDIX

- 51 GRI Standards 2021
- 54 SASB
- 55 ISO 26000
- 57 Financial Statements
- 59 Independent Assurance Statement





# GRI Standards 2021 INDEX

- INTRODUCTION
- ESG MANAGEMENT
- ENVIRONMENT
- SOCIAL
- GOVERNANCE
- APPENDIX**
- GRI Standards 2021
- SASB
- ISO 26000
- Financial Statements
- Independent Assurance Statement

Category	No.	Details	Page
	2-1	Organization details	5, 8
Organizational and reporting practices	2-2	Subsidiaries included in the sustainability report within the organization	2
	2-3	Reporting period, frequency and inquiries	2
	2-4	Effects and reasons for amendments to information provided in previous reports	-
	2-5	External verification	59-60
Activities and employees	2-6	Activities, organization's value chain and other business relationships	6-7, 9-11
	2-7	Employees	5, 33-36
	2-8	Workers who are not employees	5, 33-36
Governance	2-9	Governance and composition	42
	2-10	Recommendation and selection of the highest decision-making body	42
	2-11	Chairman of the highest decision-making body	42
	2-12	Role of the highest governance body	42
	2-13	Delegating responsibility for impact management	43-44
	2-14	Role of the highest governance body in sustainability reporting	42-43
	2-15	Conflicts of interest	17
	2-16	Communication on important matters	17, 42-43
	2-17	Expertise of the highest governance body	42
	2-18	Evaluation of the performance of the highest governance body	42
Strategy, policy and execution	2-19	Compensation policy	42
	2-20	Remuneration determination procedure	42
	2-21	Annual total compensation rate	42
	2-22	Statement on sustainable growth strategy	4, 13
	2-23	Policy declaration	19, 29, 44
	2-24	Internalization of policies that imply responsible business activities	13, 44
	2-25	Negative impact mitigation procedures	44
	2-26	Advisory mechanism for responsible business conduct	45-49
	2-27	Compliance	45-49
	2-28	Collective agreement	27, 39-40
Stakeholder participation	2-29	Stakeholder participation and communication	17
	2-30	Collective bargaining percentage of total employees	36
Disclosure of material issues	3-1	Materiality assessment process	15
	3-2	List of material issues	16
	3-3	Materiality issue management	15-17



# GRI Standards 2021 INDEX

- INTRODUCTION
- ESG MANAGEMENT
- ENVIRONMENT
- SOCIAL
- GOVERNANCE
- APPENDIX**
- GRI Standards 2021
- SASB
- ISO 26000
- Financial Statements
- Independent Assurance Statement

Category	No.	no.	Details	Page
Economic performance	201	1	Creation and distribution of direct economic value	57-58
		2	Financial impacts of climate change and risks and opportunities for business activities	27
		3	Provision for defined benefit pension scheme liabilities within the organization	35
		4	Government financial support	-
Market position	202	1	Ratio of entry-level employee wages compared to the local legal minimum wage at the business site	33, 36
		2	High-level executives and their roles employed locally in demand-driven business operations	36
Indirect economic effects	203	1	Infrastructure investment and support activities for public welfare	37-38
		2	Significant indirect economic ripple effects and impacts	57-58
Anti-corruption	205	1	Assessment of the risk of corruption at the business site	44-49
		2	Disclosure and training on anti-corruption policies and procedures	44-49
		3	Confirmed cases of corruption and corresponding actions taken	45, 47
Anti-competitive practices	206	1	Legal measures against unfair trade practices such as anti-competitive behavior and monopolistic practices	48, 49
Taxation	207	1	Approach to taxation	57-58
		2	Governance, control, and risks related to taxation	57-58
		3	Involvement and management of stakeholders related to taxation	57-58
Raw materials	301	1	Weight or volume of the used raw materials	20-22, 24
Energy	302	1	Internal energy consumption within the organization	23
		3	Energy intensity	23
		4	Energy consumption reduction	23
Water and wastewater	303	1	Water footprint of stakeholders (information on water-related impacts from business activities, products, services, etc., including water stress)	25
		3	Water sources	25
		4	Water discharge volume	25
		5	Water usage	25
Emissions	305	1	Direct GHG emissions (Scope 1)	23
		2	Indirect GHG emissions (Scope 2)	23
		4	GHG intensity	23
		5	Reduction of GHG	23
		6	Emissions of ozone-depleting substances (ODS)	-
		7	NOx (nitrogen oxides), SOx (sulfur oxides), and other significant atmospheric emissions	26
		1	Waste generation and major waste-related impacts	24
Waste	306	2	Management of significant waste-related impacts	24
		3	Waste generation and major waste-related impacts	24
		4	Waste recycling	24
		5	Waste disposal method (incineration, landfill, etc.)	24



# GRI Standards 2021 INDEX

- INTRODUCTION
- ESG MANAGEMENT
- ENVIRONMENT
- SOCIAL
- GOVERNANCE
- APPENDIX**
- GRI Standards 2021
- SASB
- ISO 26000
- Financial Statements
- Independent Assurance Statement

Category	No.	no.	Details	Page
Environmental assessment of suppliers	308	1	New suppliers that have undergone environmental standards assessment	-
		2	Significant actual or potential negative environmental impacts within the supply chain and corresponding measures taken	48-49
Employment	401	1	New hiring and job transitions	33-34, 36
		2	Employee benefits provided to full-time employees that are not extended to temporary or part-time workers	35
		3	Parental leave	35
Labor management relations	402	1	Minimum notice period for management changes	-
		1	Safety and health management system	29
		2	Hazard identification, risk assessment, incident investigation	29-32
		3	Health services at the workplace	29-32
		4	Worker participation, consultation, and communication regarding workplace health and safety	29-32
		5	Occupational health and safety training for workers	30
		6	Employee health promotion	35
		7	Prevention and mitigation of direct occupational safety and health impacts in business operations	29-32
		8	Workers to whom the occupational health and safety management system is applied	36
		9	Work-related injuries	32
Training and education	404	10	Work-related illnesses	32
		1	Average training hours per employee	34, 45
		2	Programs for enhancing and supporting employee competency development and career transition	34
Diversity and equal opportunity	405	3	Percentage of employees who have undergone regular performance evaluations and career development reviews	-
		1	Governance bodies and employee diversity	36, 42-43
Non-discrimination	406	2	Ratio of base salary and compensation between males and females	36
		1	Discrimination incidents and corrective actions taken	47
Freedom of association and collective bargaining	407	1	Measures taken to ensure the freedom of association and collective bargaining in workplaces and supply chains where there is a significant risk of infringement or identified violations of these rights	-
Child labor	408	1	High-risk business sectors or suppliers prone to child labor and measures taken to eliminate child labor	39-40, 44
Forced labor	409	1	High-risk business sectors or suppliers prone to forced labor and measures taken to eliminate forced labor	39-40, 44
Local community	413	1	Community engagement, impact assessment, and implementation of development programs	37-38
		2	Businesses that have significant actual or potential negative impacts on local communities	-
Customer Safety and health	416	1	Percentage of key product and service categories that have undergone safety and health impact assessments for improvement	20-22
		2	Number of cases (with enforcement outcomes) involving violations of legal regulations and voluntary standards related to Safety and health impacts of products and services	-
Customer information protection	418	1	Number of customer complaints where violations of customer data privacy have been proven and incidents of customer data loss	46



# SASB INDEX

- INTRODUCTION
- ESG MANAGEMENT
- ENVIRONMENT
- SOCIAL
- GOVERNANCE
- APPENDIX**
- GRI Standards 2021
- SASB**
- ISO 26000
- Financial Statements
- Independent Assurance Statement

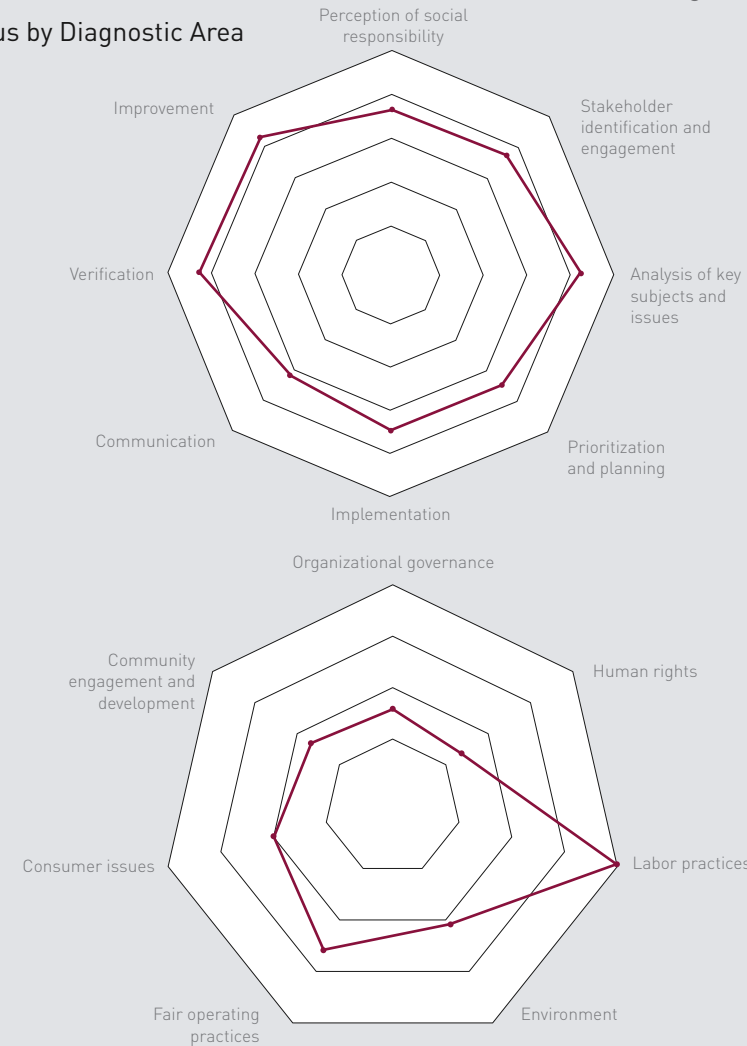
Topic	Code	Category	Item	Details	Page
GHG emissions	EM-IS-110a.1	Quantitative	Total emissions from Scope 1 sources and the percentage of emissions subject to emission limits and regulations	Targeting a 3% reduction in GHG emissions by 2023 compared to GHG emissions (Scopes 1 and 2) for the years 2019 to 2022, and a 5% reduction by 2025 compared to 2019; measures include adjusting mixing time in the blending room to achieve a reduction of 3.5 tCO <sub>2</sub> eq and improving transformer operations to achieve a reduction of 23.2 tCO <sub>2</sub> eq in GHG emissions, along with pursuing other initiatives for progressive emission reduction	23
	EM-IS-110a.2	Discussions and analysis	Discussions on long-term and short-term strategies to manage Scope 1 emissions, emission reduction targets, and analysis of performance against emission reduction targets		
Air emissions	EM-IS-120a.1	Quantitative	Air emissions of the following pollutants: CO (Carbon Monoxide), NO <sub>x</sub> (Nitrogen Oxides excluding Nitrous Oxide), SO <sub>x</sub> (Sulfur Oxides), PM10 (Particulate Matter with a diameter of 10 micrometers or less), MnO (Manganese Oxide), Pb (Lead), VOCs (Volatile Organic Compounds), PAHs (Polycyclic Aromatic Hydrocarbons)	Air emission levels for the following pollutants from 2019 to 2022: SO <sub>x</sub> (sulfur oxides), PM10 (particulate matter with a diameter of 10 micrometers or less), MnO (manganese oxide), Pb (lead), and various other measures implemented in the production process to reduce the emissions of these pollutants and other contaminants	26
Energy management	EM-IS-130a.1	Quantitative	Total energy consumption, grid electricity ratio, renewable energy ratio	Publication of total energy consumption from 2019 to 2022, activities such as air power-off and spam email deletion that employees can participate in, replacement of aging equipment in production lines, and power-saving through process efficiency improvements to reduce wasteful electricity consumption	23
	EM-IS-130a.2	Quantitative	Total fuel consumption, coal ratio, natural gas ratio, renewable energy ratio		
Water management	EM-IS-140a.1	Quantitative	Total freshwater withdrawal, recycling ratio, proportion in areas with high or extremely high water stress index	Publication of total freshwater withdrawal and discharge of water pollutants from 2019 to 2022; reusing industrial water as cooling water, utilizing some factory drainage systems as cooling water reservoirs for cooling purposes	25
Waste management	EM-IS-150a.1	Quantitative	Amount of waste generated, proportion of hazardous waste, recycling rate	Publication of waste generation from 2019 to 2022, distinguishing between general waste and designated waste; actively engaging employees to minimize paper waste and disposable item disposal; selling and recycling scrap metal generated during the production process; improving product packaging processes to use eco-friendly packaging materials and increase the recycling rate	20, 24
Employee Safety and health	EM-IS-320a.1	Quantitative	Total recordable injury rate, fatality rate, and frequency rate of vehicle accidents for regular employees and indirectly employed workers	Publication of employee employment status and injury cases from 2019 to 2022, implementation of various prevention programs and training to reduce the incidence rate of safety accidents, differentiating between the Safety, health and Environment [SH&E] Team and the Process Safety Management (PSM) Team to provide organized responses to industrial safety and health	29-32
Supply chain management	EM-IS-430a.1	Discussions and analysis	Discussions on risk management procedures related to environmental and social issues	Participation in the supply chain consulting project under the Ministry of Trade, Industry, and Energy, addressing and improving deficiencies based on the evaluation of 31 environmental criteria, 22 labor and human rights criteria, and 10 ethical criteria (obtaining a total score of 91.9); establishment and implementation of a Supplier Code of Conduct (2023)	14, 48-49
ACTIVITY METRIC	EM-IS-000.B	Quantitative	Total iron ore production	Most of its demands rely on importation	-
	EM-IS-000.C	Quantitative	Total cockong coal	No demand	

# ISO 26000

## ISO 26000 Level Diagnosis Results

ISO 26000, which is the international standard for social responsibility, distinguishes seven key issues: governance, human rights, labor practices, environment, fair operating practices, consumer issues, and community involvement and development. It provides guidelines and recommendations for implementing and addressing these issues. Hyundai Welding has internally evaluated its performance on the seven key issues based on the ISO 26000 self-assessment checklist. The company has reviewed its various internal activities and strategies to align with these issues.

Score Status by Diagnostic Area



Process Area

Item	No. of questions	Diagnostic score	Total points	Score
Perception of social responsibility	5	36	50	3.6
Stakeholder identification and engagement	6	44	60	3.7
Analysis of key subjects and issues	3	26	30	4.3
Prioritization and planning	6	42	60	3.5
Implementation	4	28	40	3.5
Communication	4	26	40	3.3
Verification	3	26	30	4.3
Improvement	5	42	50	4.2
<b>Total</b>	<b>36</b>	<b>270</b>	<b>360</b>	<b>3.8</b>

Performance Area

Item	Details	No. of questions	Diagnostic score	Total points	Score
Governance	Decision-making process and structure	5	18	20	4.5
	Subtotal	5	18	20	4.5
Human rights	Implementation	7	20	28	3.6
	Human rights risk situation	2	6	8	3.8
	Avoidance of involvement and collusion	2	8	8	5.0
	Grievance handling	3	10	12	4.2
	Discrimination and vulnerable groups	3	12	12	5.0
	Civil and political rights	4	16	16	5.0
	Economic, social and cultural rights	2	8	8	5.0
	Fundamental principles and rights at work	6	24	24	5.0
	Subtotal	29	104	116	4.6



INTRODUCTION

ESG MANAGEMENT

ENVIRONMENT

SOCIAL

GOVERNANCE

APPENDIX

GRI Standards 2021

SASB

ISO 26000

Financial Statements

Independent Assurance Statement

# ISO 26000

Item	Details	No. of questions	Diagnostic score	Total points	Score
Labor practices	Employment and obligations	6	24	24	5.0
	Working conditions and social protection	10	40	40	5.0
	Social conversation	3	12	12	5.0
	Safety and health at work	10	40	40	5.0
	Human development and training in the workplace	3	12	12	5.0
	Subtotal	32	128	128	5.0
Environment	Pollution prevention	10	38	40	4.8
	Use of sustainable resources	11	42	44	4.8
	Climate change mitigation and adaptation	5	18	20	4.5
	Conservation, biodiversity and natural habitat restoration	9	32	36	4.4
	Subtotal	35	130	140	4.6
Fair operating practices	Anti-corruption	5	20	20	5.0
	Responsible political engagement	2	8	8	5.0
	Fair competition	6	22	24	4.6
	Promotion of social responsibility	3	10	12	4.2
	Respect for property rights	3	12	12	5.0
	Subtotal	19	72	76	4.8
Consumer issues	Fair marketing, factual and unbiased information and fair contractual practices	7	26	28	4.6
	Consumer safety and health protection	5	18	20	4.5
	Sustainable consumption	1	4	4	5.0
	Consumer service, support and complaint and dispute resolution	3	12	12	5.0
	Consumer data protection and privacy	4	14	16	4.4
	Approach to required services	2	8	8	5.0
	Training and awareness	2	6	8	3.8
	Subtotal	24	88	96	4.6

Item	Details	No. of questions	Diagnostic score	Total points	Score
Community engagement and development	Community engagement	2	8	8	5.0
	Training and culture	4	14	16	4.4
	Job creation and skill development	4	14	16	4.4
	Skill development and technology accessibility	2	8	8	5.0
	Wealth and income creation	1	4	4	5.0
	Health	1	4	4	5.0
	Social investment	2	6	8	3.8
	Subtotal	16	58	64	4.6
		Performance area total	160	598.0	640





# Financial Statements

INTRODUCTION

ESG MANAGEMENT

ENVIRONMENT

SOCIAL

GOVERNANCE

## APPENDIX

GRI Standards 2021

SASB

ISO 26000

Financial Statements

Independent Assurance Statement

## Consolidated Statement of Financial Position

Hyundai Welding Co., Ltd. and its subsidiaries

(Unit: KRW)

48<sup>th</sup> Term: As of December 31, 2022 46<sup>th</sup> Term: As of December 31, 202047<sup>th</sup> Term: As of December 31, 2021 45<sup>th</sup> Term: As of December 31, 2019

Accounts (Description)	48 <sup>th</sup> Term	47 <sup>th</sup> Term	46 <sup>th</sup> Term	45 <sup>th</sup> Term
Assets				
I. Current assets	498,680,588,451	463,935,469,925	356,092,663,691	372,274,196,701
1. Cash and cash equivalents	58,820,572,874	51,880,681,673	52,654,143,106	26,261,578,362
2. Other current financial assets	8,052,051,773	7,944,776,668	36,433,986,184	46,567,464,804
3. Net gain on financial instruments at fair value through profit or loss	9,358,137,000	-	-	-
4. Trade receivables	200,932,395,194	193,310,045,920	141,552,696,613	167,887,278,392
5. Inventory assets	192,625,871,134	178,182,213,628	104,588,594,631	116,014,373,898
6. Other current assets	28,875,797,913	25,806,462,678	16,579,495,401	10,787,852,380
7. Current corporate income tax assets	15,762,563	6,811,289,358	4,283,747,756	4,755,648,865
II. Non-current assets	331,220,808,258	327,665,882,725	296,824,393,149	318,419,743,047
1. Other comprehensive income financial assets	128,647,665,360	144,070,459,122	136,745,238,722	155,420,938,610
2. Other non-current financial assets	4,403,754,076	4,448,838,627	4,316,571,985	4,033,647,516
3. Tangible assets	168,590,254,535	162,533,937,320	144,698,158,564	146,836,426,637
4. Intangible assets	10,903,704,578	9,639,284,563	7,608,857,436	10,318,688,768
5. Investment property	8,257,441,784	2,726,571,669	-	-
6. Net defined benefit assets	7,368,213,569	1,805,587,978	1,202,584,033	-
7. Deferred corporate income tax assets	3,049,774,356	2,441,203,446	2,252,982,409	1,780,015,105
8. Long term trade receivables	-	-	-	30,026,411
Total assets	829,901,396,709	791,601,352,650	652,917,056,840	690,693,939,748
Liabilities				
I. Current liabilities	378,563,316,348	356,489,174,366	256,953,910,035	272,697,598,353
1. Trade payables	54,774,635,289	69,560,178,487	34,788,856,564	48,858,436,298
2. Short-term borrowings	278,401,653,788	246,591,718,185	187,133,847,387	177,315,415,305

Accounts (Description)	48 <sup>th</sup> Term	47 <sup>th</sup> Term	46 <sup>th</sup> Term	45 <sup>th</sup> Term
3. Other current financial liabilities	26,611,538,485	21,520,234,735	15,977,588,558	17,666,801,475
4. Other current liabilities	12,420,914,057	15,317,716,109	11,548,313,589	27,963,331,080
5. Current lease liabilities	2,722,122,417	3,499,326,850	-	-
6. Current corporate tax liabilities	3,632,452,312	-	2,209,593,392	893,614,195
7. Provisions	-	-	5,295,710,545	-
II. Non-current liabilities	48,638,050,853	42,743,451,408	28,657,329,540	42,364,361,159
1. Long-term loans	22,785,147,020	12,343,921,404	-	8,787,265,926
2. Other non-current financial liabilities	13,570,278	345,388,799	11,536,780,773	10,933,725,648
3. Other non-current liabilities	59,000,000	-	-	-
4. Non-current lease liabilities	12,008,123,495	13,600,097,222	-	-
5. Deferred corporate income tax liabilities	13,772,210,060	16,454,043,983	17,120,548,767	22,374,660,767
6. Liability for Defined Benefit Obligation	-	-	-	268,708,818
Total liabilities	427,201,367,201	399,232,625,774	285,611,239,575	315,061,959,512
Capital				
Owned share of controlled company	402,700,029,508	392,368,726,876	367,305,817,265	375,631,980,236
I. Capital	5,749,820,000	5,749,820,000	5,749,820,000	5,749,820,000
II. Capital surplus	41,868,220,161	41,868,220,161	41,868,220,161	41,868,220,161
III. Accumulated other comprehensive income	59,981,436,035	64,684,271,167	58,741,945,872	76,544,742,250
IV. Retained earnings	295,100,553,312	280,066,415,548	260,945,831,232	251,469,197,825
Comprehensive loss attributable to non-controlling interests	-	-	-	-
Total capital	402,700,029,508	392,368,726,876	367,305,817,265	375,631,980,236
Total liabilities and equity or total debt and equity	829,901,396,709	791,601,352,650	652,917,056,840	690,693,939,748



INTRODUCTION

ESG MANAGEMENT

ENVIRONMENT

SOCIAL

GOVERNANCE

**APPENDIX**

GRI Standards 2021

SASB

ISO 26000

**Financial Statements**

Independent Assurance Statement

# Financial Statements

## Consolidated Statement of Comprehensive Income

Hyundai Welding Co., Ltd. and its subsidiaries

(Unit: KRW)

48<sup>th</sup> Term: From January 1, 2022 to December 31, 202246<sup>th</sup> Term: From January 1, 2020 to December 31, 202047<sup>th</sup> Term: From January 1, 2021 to December 31, 202145<sup>th</sup> Term: From January 1, 2019 to December 31, 2019

Accounts (Description)	48 <sup>th</sup> Term	47 <sup>th</sup> Term	46 <sup>th</sup> Term	45 <sup>th</sup> Term
I. Sales	777,913,028,275	619,783,798,002	476,236,427,452	516,840,243,484
II. Cost of sales	656,934,389,713	516,883,969,050	367,485,125,739	405,229,454,970
III. Gross profit	120,978,638,562	102,899,828,952	108,751,301,713	111,610,788,514
IV. Selling and administrative expenses	99,404,764,631	85,057,888,675	79,460,956,302	85,657,723,292
V. Operating profit	21,573,873,931	17,841,940,277	29,290,345,411	25,953,065,222
VI. Other profit and loss	(2,825,246,078)	1,753,101,560	(1,839,548,171)	(1,727,364,448)
1. Other income	5,567,625,535	4,100,845,509	4,115,837,623	1,807,352,399
2. Other costs	8,392,871,613	2,347,743,949	5,955,385,794	3,534,716,847
VII. Financial profit and loss	(2,391,246,946)	2,569,528,262	(3,483,826,165)	(1,421,793,677)
1. Financial profit	35,611,535,423	22,962,849,144	20,184,170,822	16,257,116,201
2. Financial costs	38,002,782,369	20,393,320,882	23,667,996,987	17,678,909,878
VIII. Net income before tax expenses	16,357,380,907	22,164,570,099	23,966,971,075	22,803,907,097
IX. Corporate tax	3,745,642,224	4,724,993,710	14,717,618,645	3,280,978,969
X. Net income	12,611,738,683	17,439,576,389	9,249,352,430	19,522,928,128
Net income attributable to:				
Equity attributable to owners of parent	12,611,738,683	17,439,576,389	9,249,352,430	19,522,928,128
Profit (loss), attributable to non-controlling interests	-	-	-	-
X I. Other comprehensive income	(453,275,530)	6,131,408,857	(17,575,515,401)	(2,514,949,598)
(1) Items that will not be reclassified to profit or loss	(1,044,530,782)	(6,675,341,819)	(13,685,514,626)	(4,238,841,780)
1. Revaluation factors for net defined benefit liabilities	3,457,384,207	(38,715,130)	261,848,860	118,729,845
2. Gain or loss on valuation of financial assets at fair value through other comprehensive income	(4,501,914,989)	(6,636,626,689)	(13,947,363,486)	(4,357,571,625)

Accounts (Description)	48 <sup>th</sup> Term	47 <sup>th</sup> Term	46 <sup>th</sup> Term	45 <sup>th</sup> Term
(2) Items subsequently reclassified to profit or loss	591,255,252	12,806,750,676	(3,890,000,775)	1,723,892,182
1. Foreign currency translation gain/loss on foreign operations	591,255,252	12,806,750,676	(3,814,640,531)	1,723,892,182
2. Derivatives valuation gain or loss	-	-	(75,360,244)	-
X II. Total comprehensive income	12,158,463,153	23,570,985,246	(8,326,162,971)	17,007,978,530
Total comprehensive income attributable to:				
Owners' share of controlled company	12,158,463,153	23,570,985,246	(8,326,162,971)	17,007,978,530
Comprehensive loss attributable to non-controlling interests	-	-	-	-
X III. Net income per share				
1. Basic earnings per common share	12,012	16,610	8,809	18,594
2. Diluted earnings per share	12,012	16,610	8,809	18,594



INTRODUCTION

ESG MANAGEMENT

ENVIRONMENT

SOCIAL

GOVERNANCE

**APPENDIX**

GRI Standards 2021

SASB

ISO 26000

Financial Statements

Independent Assurance  
Statement

# Independent Assurance Statement

To readers of HYUNDAIWELDING ESG Report 2023

## Introduction

Korea Management Registrar (KMR) was commissioned by HYUNDAIWELDING to conduct an independent assurance of its ESG Report 2023 (the “Report”). The data and its presentation in the Report is the sole responsibility of the management of HYUNDAIWELDING. KMR’s responsibility is to perform an assurance engagement as agreed upon in our agreement with HYUNDAIWELDING and issue an assurance statement

## Scope and Standards

HYUNDAIWELDING described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR’s assurance standard SRV1000. We are providing a Type 2, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team.

Confirmation that the Report was prepared in accordance with GRI standards 2021 was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process

- GRI Sustainability Reporting Standards 2021
- Universal Standards
- Topic Specific Standards
  - GRI 201 : Economic Performance
  - GRI 205 : Anti-corruption
  - GRI 403 : Occupational Health and Safety

- GRI 404 : Training and Education

As for the reporting boundary, the engagement excludes the data and information of HYUNDAIWELDING’s partners, suppliers and any third parties.

## KMR's Approach

To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the engagement:

- reviewed the overall Report;
- reviewed materiality assessment methodology and the assessment report;
- evaluated sustainability strategies, performance data management system, and processes;
- interviewed people in charge of preparing the Report;
- reviewed the reliability of the Report’s performance data and conducted data sampling;
- assessed the reliability of information using independent external sources such as Financial Supervisory Service’s DART and public databases.

## Limitations and Recommendations

KMR’s assurance engagement is based on the assumption that the data and information provided by HYUNDAIWELDING to us as part of our review are provided in good faith. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. To address this, we referred to independent external sources such as DART and National Greenhouse Gas Management System (NGMS) and public databases to challenge the quality and reliability of the information provided.

- INTRODUCTION
- ESG MANAGEMENT
- ENVIRONMENT
- SOCIAL
- GOVERNANCE
- APPENDIX**
- GRI Standards 2021
- SASB
- ISO 26000
- Financial Statements
- Independent Assurance Statement

# Independent Assurance Statement

## Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with HYUNDAIWELDING on the revision of the Report. We reviewed the Report’s final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, it is our opinion that the Report applied the GRI Standards. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

## Inclusivity

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

## Materiality

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

## Responsiveness

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

## Impact

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

## Reliability of Specific Sustainability Performance Information

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

## Competence and Independence

KMR maintains a comprehensive system of quality control including documented policies and procedures in accordance with ISO/IEC 17021-2015 - Requirements for bodies providing audit and certification of management systems. This engagement was carried out by an independent team of sustainability assurance professionals. KMR has no other contract with HYUNDAIWELDING and did not provide any services to HYUNDAIWELDING that could compromise the independence of our work.

July 2023 Seoul, Korea



CEO E. J. Hwang

WE WELD A GREEN WORLD

