

Leading Sustainable Auto Parts

Seoyon E-Hwa 2024 Sustainability Report

ABOUT THIS REPORT

Seoyon E-Hwa Co., Ltd. (herein referred to as "Seoyon E-Hwa") published its first sustainability report in 2024 to transparently share its economic, social, and environmental values and performance created through business activities with various stakeholders.

Reporting Standards

This report was prepared in accordance with the Core option of the Global Reporting Initiative (GRI), a global standard for sustainability reporting. It is also aligned with UN SDGs, the standard for global sustainable management and initiatives, as well as the reporting standards proposed by Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD), World Economic Forum (WEF) and International Sustainability Standards Board (ISSB). The financial data in this report has been prepared based on the Korean International Financial Reporting Standards (K-IFRS).

Reporting Period

This report includes Seoyon E-Hwa's achievements and activities from January 1, 2023, to December 31, 2023. For information that may be material to stakeholder decisions, it contains some contents through the first half of 2024. In terms of quantitative performances, we used data from last three years. The reporting cycle of this report is one year.

Reporting Scope

- Financial reporting: Separate and consolidated financial statements based on Korean International Financial Reporting Standards (K-IFRS) (Seoyon E-Hwa's subsidiaries: 31 consolidated subsidiaries, including 13 major domestic and overseas subsidiaries such as Seoyon Auto Vision)
- Non-financial reporting: For all domestic business sites, including Seoyon E-Hwa's headquarters, factories, and research institutes
(This report includes some data from overseas operations and Seoyon Group's affiliates. Where the reporting scope and boundaries differ, we have indicated these discrepancies through footnotes or additional explanations.)

Independent Assurance

To ensure the reliability of content and data in this report, verification was conducted by BSI, a third-party verification agency. The assurance statement can be found on page 98 of this report.

Web-based Management Information

Seoyon E-Hwa discloses its management-related information for investors and stakeholders transparently at corporate website. You can check the information on Seoyon E-Hwa's sustainable management status through diverse channels including corporate website.



Introduction to Seoyon Group's Sustainable Management



2023 Annual Report



2023 Audit Report (Separate)



2023 Audit Report (Consolidated)



Seoyon E-Hwa Corporate Website

— About Company

— Workplaces

— Products & R&D

— Investor Relations & ESG

— News and Media

— Customer Support

— Recruitment

Inquiries

This report can be downloaded from our website. If you have any questions about the contents of the report, please contact us using the contact information below.

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Seoyon E-Hwa's Sustainability Report was published as an interactive PDF format to help readers better understand the information.

CEO Message

We are committed to introducing innovative value to the auto parts industry through our **creative expertise** and **entrepreneurial endeavors**.

Dear our valued stakeholders,

I extend my heartfelt gratitude to each of you for your generous support and unwavering interest in Seoyon E-Hwa's growth and development. In 2023, Seoyon E-Hwa achieved consolidated sales exceeding KRW 3.5 trillion, seeing operating profit significantly improve as a result of our continuous efforts, even amidst the formidable challenges posed by the rapidly changing global automotive industry and the unpredictable business landscape.

Since its establishment in 1972, we have strategically expanded our global presence in alignment with our customers' international growth strategies. Currently, we operate 24 production facilities across 11 countries worldwide, including Korea. As a prominent global auto parts supplier (ranked 91st among the world's top 100 auto parts suppliers as of 2022), we were awarded the 'Supplier of the Year 2022 at Partnership day 2023 HMG (Hyundai Motor Group).'

To cultivate trust among all stakeholders and adapt to evolving corporate values and requirements, Seoyon E-Hwa has actively fostered internal change and innovation across environmental, social, and governance domains. The release of our inaugural sustainability report underscores the outcomes of our endeavors, aimed at benefiting our employees, partners, and local communities.

At Seoyon E-Hwa, all employees are committed to contributing to the creation of a sustainable company. Allow me to share our key initiatives aimed at establishing the ESG management.

First, we promise to advance eco-friendly management innovation.

Seoyon E-Hwa will join global community in the efforts to protect the global environment. We will minimize our ecological footprint through efforts to reduce carbon emissions and improve resource efficiency and contribute to a sustainable future by developing eco-friendly products and new technologies.

Second, we will internalize responsible management practices to create social value.

We aspire to grow and prosper in tandem with the communities we serve. Our approach involves fostering stronger collaboration with local communities

and actively contributing to the development of our supply chain partners through training, employment opportunities, and practical support measures. Furthermore, we champion diversity and inclusion, both among our employees and within our organizational culture, while striving to deliver safe and healthy work environment."

Finally, we will ensure transparent and efficient corporate governance.

Seoyon E-Hwa will persistently strengthen its corporate governance framework through systematic risk management, emphasizing transparency and ethical leadership. This approach will foster trust among our stakeholders, including shareholders, and further enhances our corporate value as we continue to expand.

Seoyon E-Hwa will strive to evolve into a sustainable company. We intend to translate the principles outlined in this report into actionable practices. Additionally, we recognize areas where improvement is needed—such as carbon neutrality initiatives to combat climate change and bolstering ESG support within our supply chain. To achieve these objectives, we will establish mid-term goals and strategic plans.

We ask for the unwavering support of all our stakeholders.

Thank you.

CEO of Seoyon E-Hwa, **Yong-suk Kang**



Company Overview : SEOYON

Excellence, Only for your Happiness

As an automotive parts specialist, Seoyon presents interior solutions for future cars and strengthening its competitiveness by building a global network. Through innovative thinking and unwavering determination, we aspire to contribute to the realization of human society by creating new values for the automotive industry.

General Information

Establishment of Seoyon Group **April 21, 1972**

Business area **Development, manufacturing, and sales of automotive interior-related parts**

Assets **KRW 2,771.9 Billion / 2.0 Billion USD**

Sales **KRW 4,020.7 Billion / 3.0 Billion USD**

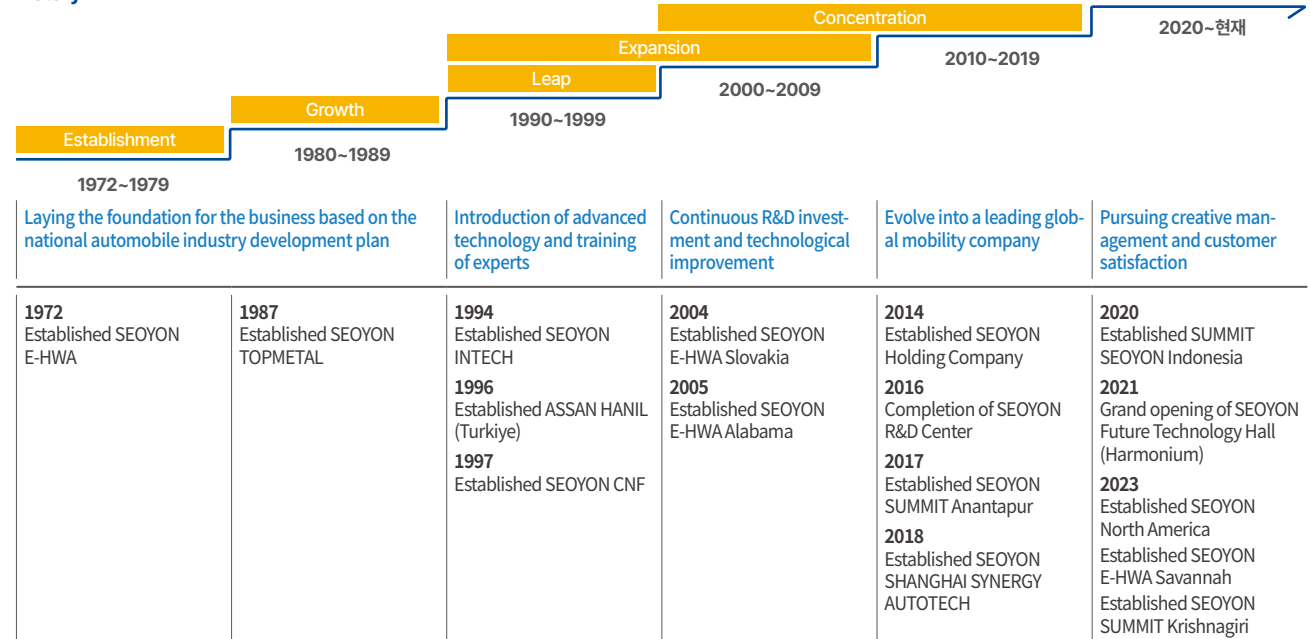
Workplace / R&D center **78 places (66 Office & Plant + 12 R&D centers)**

Affiliates **47 companies (6 domestic + 41 overseas)**

Employees **Total 15,928 persons (2,296 domestic + 13,632 overseas)**

* Based on consolidated financial statements in 2023

History

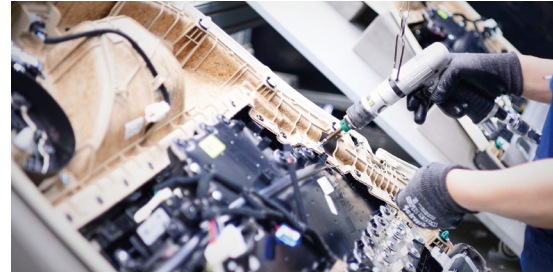


Major Affiliates

Company Name	SEOYON E-HWA	SEOYON TOPMETAL	SEOYON INTECH	SEOYON CNF	SEOYON AUTOVISION
Plant View					
Establishment	Apr. 21, 1972	Feb. 05, 1987	May 11, 1994	Jul. 01, 1997	Nov. 01, 2001
Domestic Plant	Ulsan, Asan, Duseo, Gwangju	Incheon	Iksan, Gwangju	Ulsan, Asan, Gwangju	Dangjin, Seosan
Production Capacity	2,300,000 units/year	-	Commercial: 110,000 units/year Passenger: 200,000 units/year	Seat pad: 1,050,000 units/year Headrest (foam): 1,270,000 units/year	1,300,000 units/year
Plant size (m ²)	Land	145,863	30,677	27,534	83,356
	Building	73,460	22,541	14,399	30,744

Company Overview : SEOYON E-HWA

SEOYON E-HWA, established in April 1972, is professional company specializing in automobile parts and components such as door trim, bumper and seat. Starting with production of components of Pony which is the country's first automobile brand, it has become an automobile component company representing the country. It now has various overseas corporations and related companies all around the world.



General Information

Establishment

July 1, 2014

(after split, first established on April 21, 1972)

Company Form

48.7% SEOYON

Location of Plants

Ulsan, Asan, Duseo, Gwangju

Production Capacity

2.3 million units/year

Plant Size

Ulsan plant land **89,811** m² / building **52,816** m²

Asan plant land **56,052** m² / building **20,644** m²

Number of Employees (excluding executives)

Office **339** / R&D **223** / production **408**

Sales Trend

(Unit: KRW 100 million)

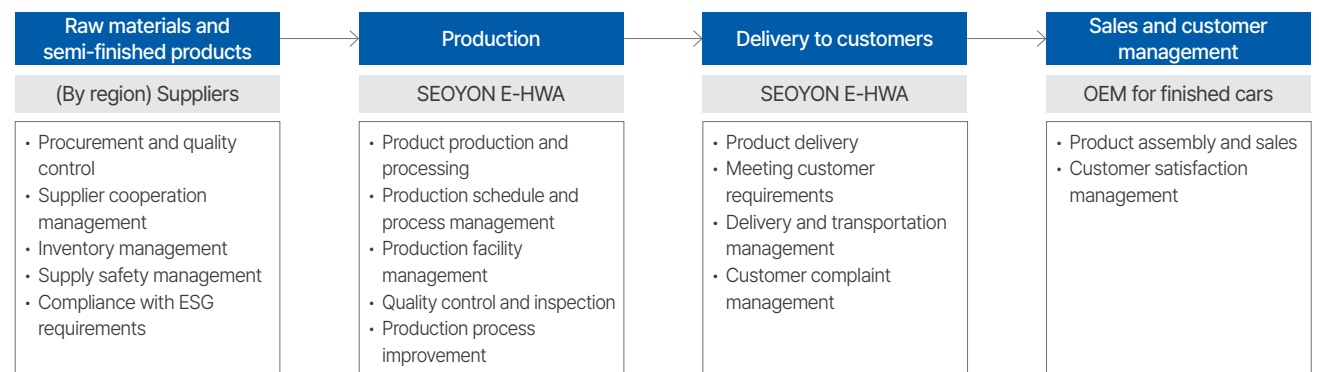
Classification	2019	2020	2021	2022	2023
Consolidated	19,768	19,624	21,801	28,453	35,743
Separate	9,646	10,241	10,783	12,385	15,905

Financial Status (as of the end of 2023)

(Unit: KRW 100 million, %)

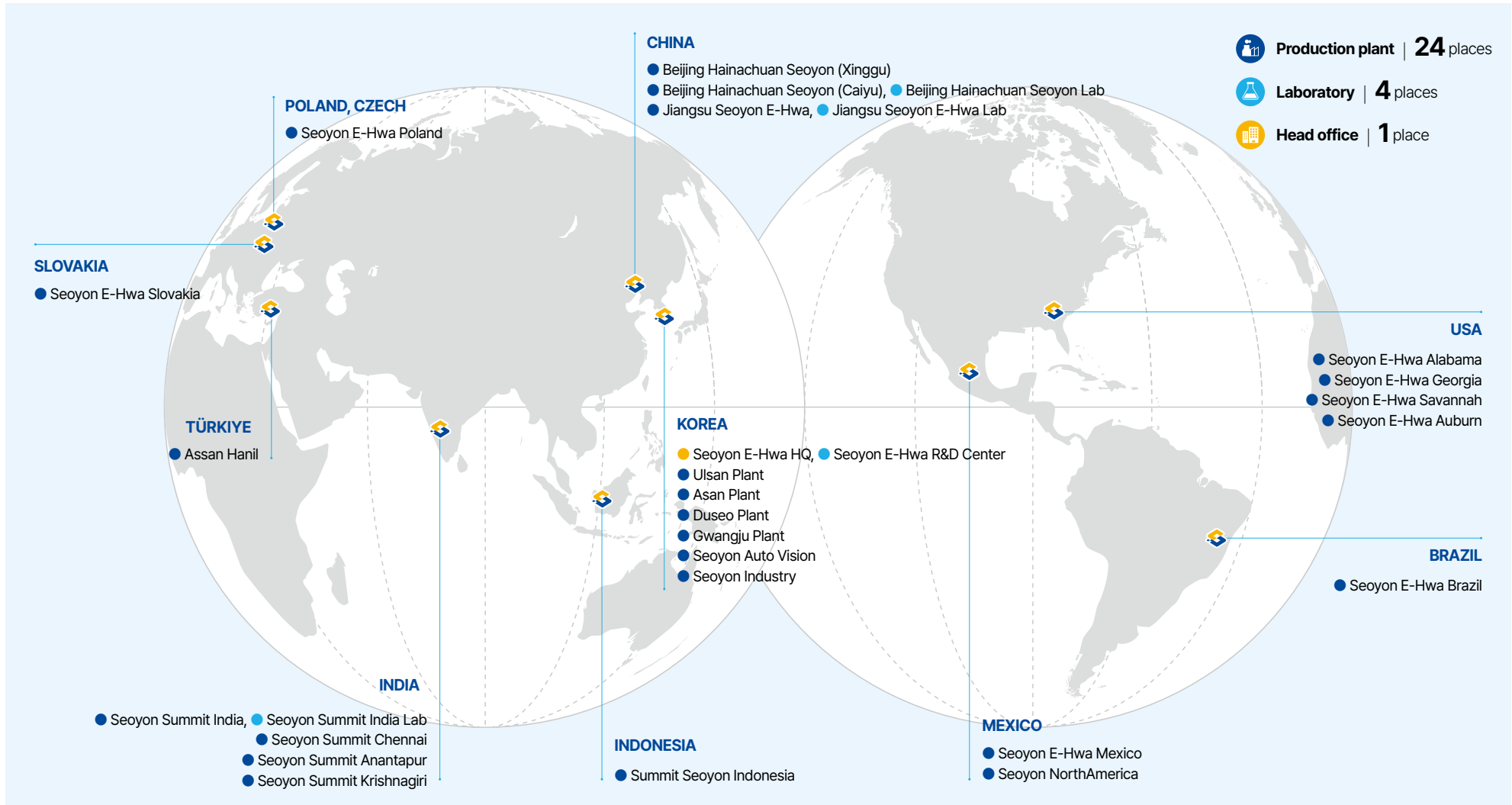
Classification	Assets	Liabilities	Equity	Debt ratio
Consolidated	23,579	14,323	9,256	155
Separate	14,597	5,866	8,731	67

SEOYON E-HWA Value Chain



Global Network

SEOYON E-HWA operates headquarters, 24 plant, and 4 R&D centers in 11 countries around the world, including Korea.












* As of the end of 2023

Management Ideology & Vision

Under the management Ideology of Seoyon Group, which is "to contribute to the happiness of mankind by creating the best products and services with the highest level of talent," SEOYON E-HWA has set out a clear vision and core values aimed at becoming a top-tier company by 2030 that possesses at least two of the world's most competitive businesses.

SEOYON Group's BUSINESS IDEOLOGY

<p>Management Mission</p>	<p>"To contribute to the happiness of mankind by creating the best products and services based on talents of the highest level"</p>	<p>Business Policy</p>
	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  Talents of the Highest Level </div> <div style="text-align: center;">  Best Products and Services </div> <div style="text-align: center;">  Happiness of Mankind </div> </div>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Talent</p> <p>Create a company that values talent and can make the most of its abilities</p> </div> <div style="text-align: center;"> <p>Creativity</p> <p>Improve the level of management and create new customers and markets through creativity and innovation</p> </div> <div style="text-align: center;"> <p>Integrity</p> <p>Develop competitive skills to pursue Integrity in everything and fulfill responsibility to stakeholders</p> </div> </div>
	<p>It means that you have the skills required for the job and have become a top-level expert in the field.</p> <p>It means that customers recognize the products and services we provide as the best in the industry.</p> <p>It means that all actions performed in corporate activities contribute to the development of human society based on the Ideology of respect for humanity.</p>	<p>Core Values</p>
<p>Management Philosophy</p>	<div style="display: flex; justify-content: space-between;"> <div style="width: 22%; padding: 5px;"> <p>We create a company that is loved and respected.</p> </div> <div style="width: 22%; padding: 5px;"> <p>We provide the best products and services to our customers through creativity and innovation.</p> </div> <div style="width: 22%; padding: 5px;"> <p>We create a company that operates as one based on honesty and communication.</p> </div> <div style="width: 22%; padding: 5px;"> <p>We create an organization that nurtures employees to become the best experts in the field.</p> </div> </div>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  Customer-Centered </div> <div style="text-align: center;">  Communication & Cooperation </div> <div style="text-align: center;">  Pursuit of Excellence </div> </div>
	<p>We create a company that is loved and respected.</p> <p>We provide the best products and services to our customers through creativity and innovation.</p> <p>We create a company that operates as one based on honesty and communication.</p> <p>We create an organization that nurtures employees to become the best experts in the field.</p>	<p>Customer-Centered</p> <p>Prioritize providing higher value to customers</p>
<p>Vision</p>	<p>A world-class company with at least two businesses with the world's best competitiveness by 2030</p>	<p>Communication & Cooperation</p> <p>Achieve common goals through close communication and cooperation between departments, superiors/subordinates, and members</p>
	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  At Least Two Businesses </div> <div style="text-align: center;">  Best Competitiveness </div> <div style="text-align: center;">  World-class Company </div> </div>	<p>Pursuit of Excellence</p> <p>Pursue the world's best in work expertise, quality of management, and quality of products and services through continuous learning and innovation</p>
	<p>We aim to have at least two businesses in the auto parts business, which is our main business, or new business, or at least one in each field with the best competitiveness.</p> <p>We aim to achieve a level that all stakeholders (competitors and customers) can recognize in the market in which we operate.</p> <p>We aim to become a company that has reached the top in quality in each field, such as products, people, management techniques, etc., rather than simply being determined by a quantitative scale.</p>	<p>Customer-oriented</p> <p>Responsibility</p> <p>Teamwork</p> <p>Creativity and innovation</p> <p>Passion</p>
		<p>Ideal talent</p>
		<p>Corporate motto</p> <p style="text-align: center;">"Let's work sincerely with a pleasant heart."</p>

Biz Portfolio

Advanced Automotive Technology, Main Portfolio

Since SEOYON succeeded in mass production of PONY seats in 1976, it is a global automotive company that has created most of the parts customers see, touch, and feel, including automobile interior, exterior, and electronics. We want to improve the convenience of car space and maximize driving efficiency through applying latest technology.



SEYON E-HWA The Global automotive company that produces and supplies interior and exterior parts of automobile, such as door trims, bumpers, seats and more, worldwide.

- Production _ Door Trim, Bumper, Garnish, Console, Head Lining, Package Tray, Cargo screen



SEYON TOPMETAL The company that produces automobile body stamping die, plastic mold and exterior parts for heavy equipment.

- Production _ Plastic Mold, Stamping Die, Cabin Assembly Package Tray, Cargo screen

SEYON AUTOVISION The company that dreams of new growth through the manufacture of instrument panel and door trims.

- Production _ Door Trim, Instrument Panel



SEYON INTECH The company that produces seats for commercial vehicles such as bus and heavy equipment.

- Production _ Excavator Seat, Superior Seat, Prestige Seat

SEYON CNF The company that specializes in urethane foaming which produces automotive seat foam pads and headrests for the protection and the comfort of the passengers.

- Production _ Headrest, Seat Pad, Heated Seat Pad

Biz Portfolio

Advanced Automotive Technology, Main Portfolio

The advancement of technologies and product development within each of our major business domains is led by the R&D Centers of our affiliates. By prioritizing the enhancement of our R&D capabilities, we have established a robust system capable of meeting the diverse needs of our customers. Acknowledging that the pace of change in the automotive parts market will persistently accelerate due to advancements in autonomous driving technology and the growing prevalence of eco-friendly vehicles, we are committed to securing core technologies to lead the future market in this changing paradigm.

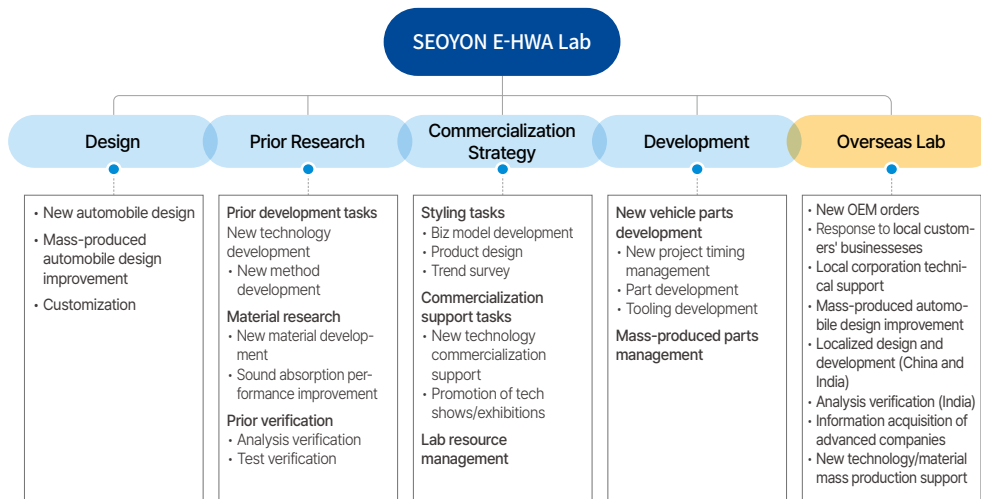
Interior & Exterior Parts		Mold & Exterior Parts ETC.		Seat & Seat Pad Parts	
<p>Door Trim</p> <p>Various storage spaces, safety and electronic equipment are installed to improve the interior design of the automobile, provide a comfortable and pleasant space for passengers, and protect the driver and passengers from external shocks while driving.</p> 	<p>Garnish</p> <p>It improves the aesthetics of the car's interior and provides convenience to drivers and passengers by configuring convenience devices such as steering wheels and IMS switches.</p> 	<p>Head Lining</p> <p>It blocks external noise from the ceiling, provides a comfortable and pleasant space for passengers, and acts as an insulator against temperature changes from the outside.</p> 	<p>Injection Mold</p> <p>It is a process in which plastic resin melted at high temperature is injected into a mold and then cooled to produce a product. It is used to mass-produce products of the same size.</p> 	<p>Excavator Seat</p> <p>This seat is installed inside the excavator cabin and is equipped with seat height and angle adjustment, suspension, etc. to facilitate excavator operation, thereby increasing work convenience.</p> 	<p>MIL_WD Seat</p> <p>This seat is for express buses and tour buses. It is a high-end passenger product that is more comfortable than regular bus seats and has a wider front, rear, left and right width to reduce fatigue during long distance driving.</p> 
<p>Bumper</p> <p>It is a device installed to protect the body in the front and rear of the automobile. It serves to absorb the impact when there is a collision with an external object.</p> 	<p>Consol</p> <p>It is an interior part that provides convenience for passengers or drivers, including an armrest that serves to store small belongings and provides support for the driver to rest his/her arm; other shift levers; various switches; and cup holders, located between the driver's seat and the passenger seat.</p> 	<p>Package Tray</p> <p>It is an automotive part installed on the rear package tray panel at the back of the rear seats that divides and blocks the interior and trunk of the automobile. It is a device that enhances the interior design of the automobile and provides convenience to passengers as a shelf.</p> 	<p>Press Tools</p> <p>It is a frame that can mass produce the panels that make up the car body in the same size.</p> 	<p>Prestige Seat</p> <p>It is a top-of-the-line single seat for express buses and tour buses that protects personal privacy and is unaffected by adjusting the angle of the front and back seats. It is equipped with the best convenience facilities such as a monitor, wireless charger, and electric angle adjustment.</p> 	<p>Head Rest</p> <p>It is the headrest part of the seat that supports the passenger's head and minimizes whiplash damage in the event of a rear-end collision.</p> 
<p>Cargo Screen</p> <p>It is a device that is installed in the trunk at the back of the rear seats of RVs or 3DR automobiles to prevent exposure of the interior to the outside and improve the sense of design.</p> 	<p>Cockpit Module</p> <p>It is the basic frame that surrounds various electronic equipment such as automobile dashboards and central displays, and serves as a cushioning material to protect the interior from shock.</p> 	<p>Cabin</p> <p>It is the driver's seat of an excavator with a pipe frame and ensures the driver's safety in case the excavator overturns. It helps secure the driver's field of vision through a rearview camera, sideview, and rearview camera, and is equipped with various convenience and safety devices such as a smart key, heated side mirror, FULL LED LAMP, TMS, and microphone.</p> 	<p>Cush Pad</p> <p>It distributes the load concentrated on the pelvis and spine when the driver and passengers are seated, reducing fatigue even when driving for long periods of time, helping to ensure comfortable driving.</p> 	<p>Back Pad</p> <p>It is designed to provide a comfortable posture and comfort to drivers and passengers of various body types. It provides support with appropriate pressure and prevents the driver from leaning left or right when cornering.</p> 	

R&D (Research and Development)

R&D Center

Since being recognized as a corporate-affiliated research institute in 1988, the SEOYON E-HWA R&D Center has played a significant role in the company's growth. Along with the establishment of overseas subsidiaries, it has operated a total of four research institutes in Korea, China, and India. These centers have been generating research outcomes across various fields, receiving high recognition in its competitiveness at home and abroad.

R&D Governance



R&D Network



R&D Center History

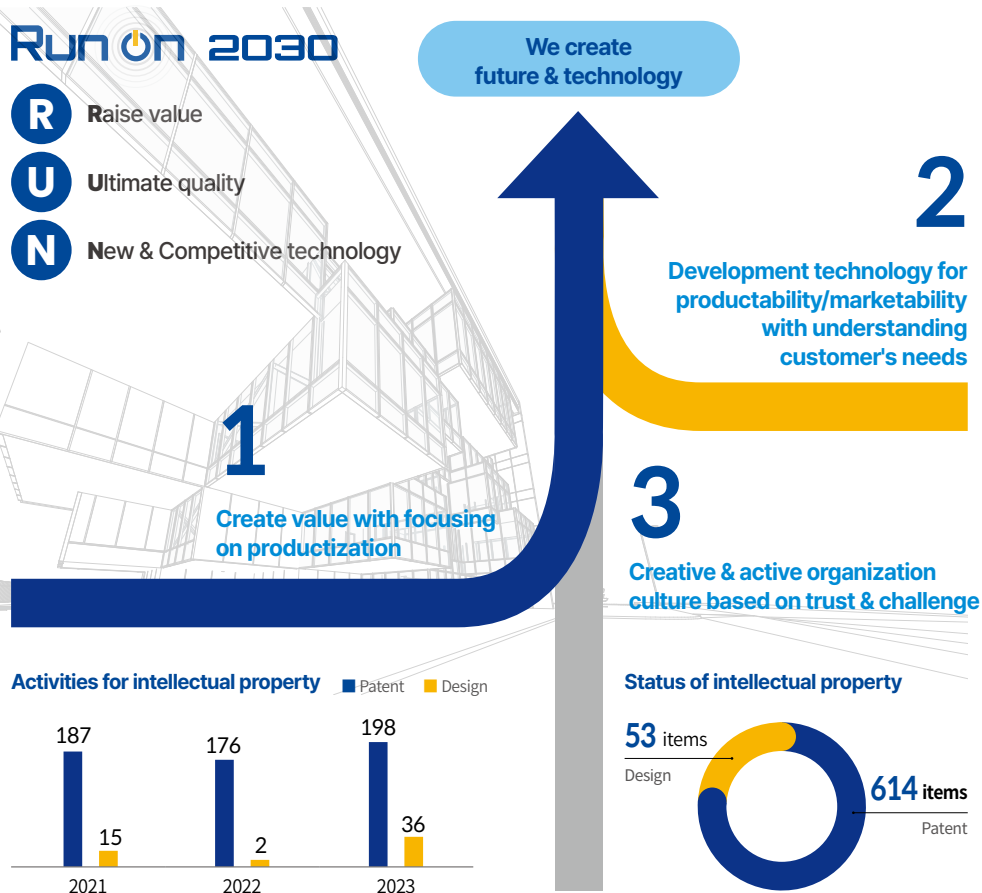


R&D (Research and Development)

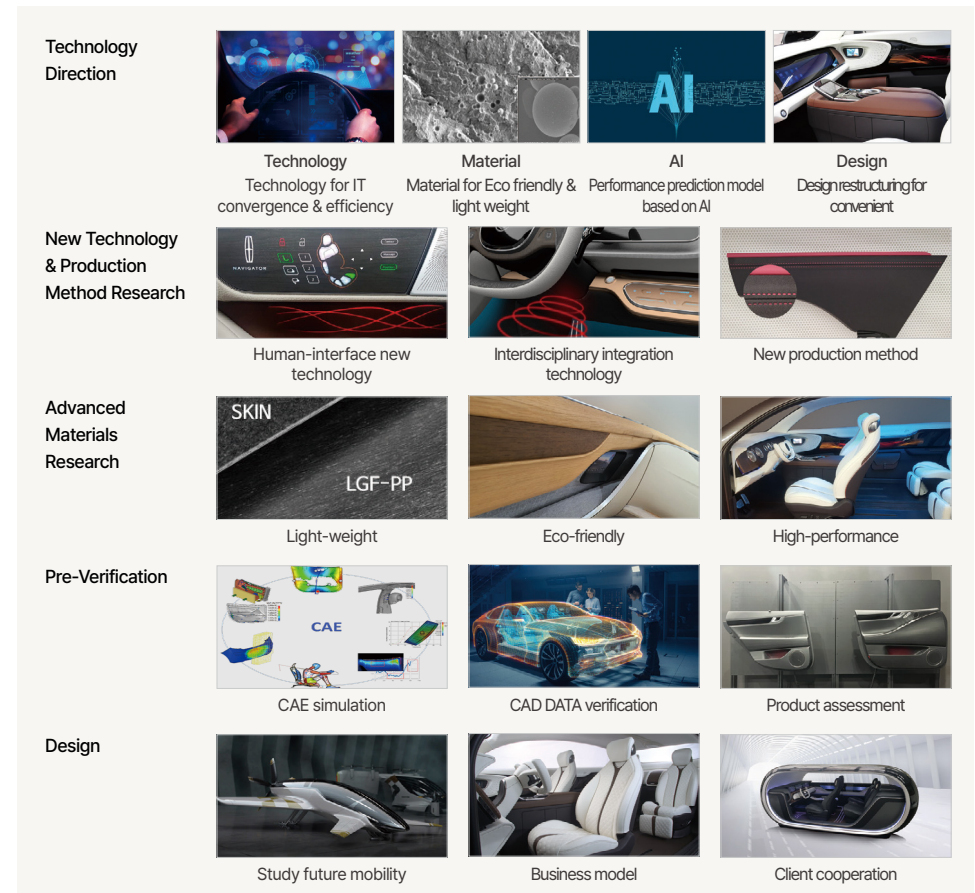
R&D Vision

Seoyon E-Hwa operates an integrated research center that encompasses a wide range of areas including design, new construction methods, new materials, prior verification, design, and development. The R&D Center located at the Pyeongchon headquarters is implementing three execution strategies based on its vision of "Run on 2030": commercialization of technology, securing marketability based on customer needs, and implementing a creative organizational culture.

R&D Strategy



R&D Areas



R&D (Research and Development)

Key Test Equipment

Seoyon E-Hwa has successfully developed a range of products, including door trims, bumpers, and ergonomically designed seats infused with emotional engineering. Meticulously crafted using cutting-edge technology and innovative design, these products have undergone rigorous testing and earned recognition for their reliability. Seoyon E-Hwa operates various laboratories and test equipment according to the nature of different products. We will focus on securing core technologies and performance verification technologies to lead the future market of the automotive parts industry.

01 Complex Environment BSR System

Evaluating BSR performance by subjecting interior products to a roadworthy waveform at -40°C to +80°C temperature conditions



04 Speaker Durability Tester

Evaluating the durability of door trim by playing an impact sound source to speakers mounted on the door trim



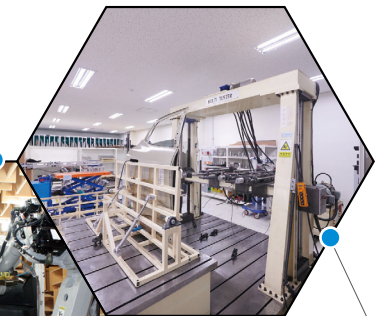
06 Heat-resistant Environment Chamber

Validation test such as deformation, discoloration and delamination of interior and exterior products under high, low temperature and humidity conditions



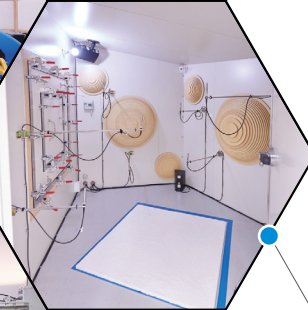
08 BSR Performance Tester

Evaluating the regular BSR (have/political/speaker) performance of mass produced interior products under ambient temperature conditions



02 Multi-joint Static BSR Tester

Using quantitative metrology and strain measurement of abnormal sound occurring during stationary BSR testing of door trims and interior products



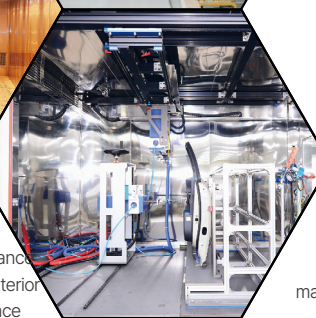
05 NVH Analyzing Machine

Measuring noise damping and acoustic insulation performance of NVH pads and more



07 Environmental Performance Tester

Real conditions environmental performance (thermal cycling) tests of interior and exterior products: heat / cold / humidity resistance

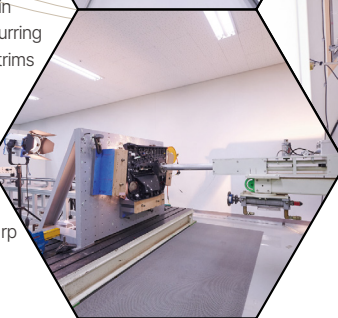


10 Strength/Durability Performance Tester

Testing door trim armrest, speaker grille and map pocket stiffness and durability

03 Collision Testing Machine

Evaluating door trim fractures and sharp edges that can occur in side impacts under room temperature conditions



09 Complex Environment Endurance Tester

Evaluating life cycle endurance performance of interior and exterior products at temperatures from -40°C to 80°C



ESG Management Strategy System

Seoyon E-Hwa has adopted the Seoyon Group's management Ideology of "Contributing to the happiness of mankind by creating the best products and services with the highest level of talent" as the guiding principle of its ESG management. We have established an ESG management strategy system based on three main objectives: "Eco-friendly Management Innovation, Internalization of Responsible Management for Society, and Improvement of Transparency and Efficiency." Based on this framework, we have selected short-term and long-term tasks for each area. These tasks are being carried out through a dedicated ESG organization and a company-wide practical consultative body.

Management Ideology

Contributing to the happiness of mankind
by creating **the best products and services**
with **the highest level of talent**

ESG Management Direction



Strategy System

ESG Evaluation Performance (KCGS)

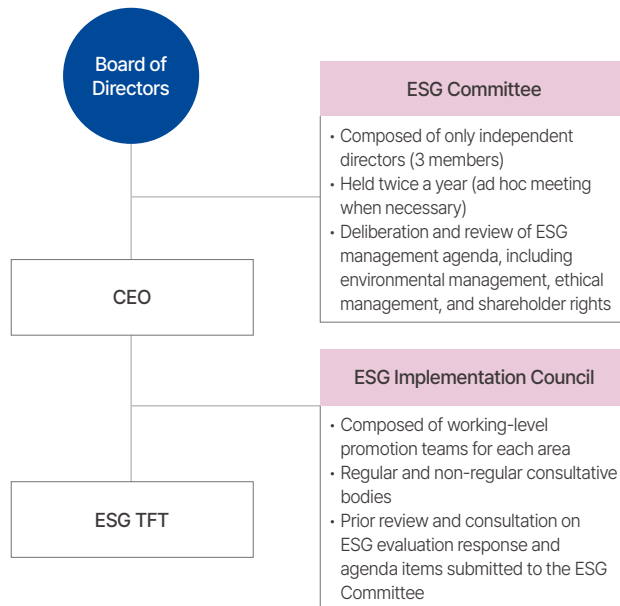
Seoyon E-Hwa's ESG management activities, grounded in a structured ESG strategy system, are receiving objective evaluations from independent evaluation agencies. We have maintained a favorable rating of B+ or higher each year from KCGS. The company is committed to enhancing its ESG management by actively sharing its activities and performances through the publication of the sustainability report and continuously advancing ESG management system.

Classification	2021	2022	2023
Integrated Rating			
Environmental (E)			
Social (S)			
Governance (G)			

ESG Governance

In March 2024, Seoyon E-Hwa established the ESG Committee—a body composed entirely of independent directors under the Board of Directors. The committee’s purpose is to promote sustainable management across environmental, social, and governance domains, enhance shareholder value, and implement strategic and systematic ESG practices. In addition, the ESG Department under the Planning Group was established to complete the company-wide consultation system for major ESG decisions. Seoyon E-Hwa is committed to establishing and internalizing robust sustainability governance by fostering an organic link between the ESG Implementation Council, the ESG Committee, and active engagement from the leadership.

Sustainability Management Organization



Message from the ESG Committee Chairperson

Dear respected stakeholders,

Seoyon E-Hwa acknowledges the significance of its corporate social responsibility and sustainable management. We remain steadfast in our commitment to these principles. Guided by Seoyon E-Hwa's core values, we believe it is our duty to strive for a sustainable society and environment, and we will do so responsibly.

As publish our first-ever Sustainability Report this year, we affirm our steadfast dedication to environmental, social, and governance (ESG) management and pledge to enhance our ESG commitment. In order to become a company that fulfils its safety, environmental and social responsibilities, we promise to cultivate more sophisticated ESG practices and evolve into a globally trusted leader, respected by all stakeholders.

Seoyon E-Hwa has set a goal of 'Carbon Neutrality 2050' to position itself as an environmentally conscious company that proactively addresses climate change. To achieve this objective, it will actively execute key initiatives, including the establishment of an environmental management system, the development of eco-friendly materials and products, and the reduction of carbon emissions.

In particular, this year, we will refine our GHG reduction targets for low-carbon green growth and ensure that they are met. We will also conduct a life cycle assessment (LCA) of our products to refine and implement our targets for GHG reduction.

With regard to social responsibility, we are committed to fulfilling our corporate obligations by upholding human rights, promoting diversity, ensuring safety and health, managing our suppliers and supply chain, and actively contributing to society, guided by the principle of "internalizing responsible management for society". We will also create a collaborative environment for ESG management and strengthen ESG evaluation and support for suppliers. Additionally, we will foster a collaborative environment for ESG management and enhance our evaluation and support for suppliers. We aspire to engage in ESG management collaboratively with all supply chains associated with Seoyon E-Hwa.

Finally, we will promote board-centered management with expertise and diversity, thereby ensuring sound governance. As we establish our ESG Committee to heighten shareholder value, the BOD at Seoyon E-Hwa will play its role in enhancing shareholder value and internalizing ESG management.

Your support and interest would be greatly appreciated.

Chairperson of the ESG Committee

ESG Highlight in 2023

As a major player in the value chain of the global automotive parts industry, Seoyon E-Hwa has demonstrated a wide range of ESG-related activities and achievements over the years. As we publish our inaugural Sustainability Report this year, our key ESG activities are as follows:



26p

Minister Award at the 2023 Korea Tech Show

Won the Minister Award of Trade, Industry and Energy at the 2023 Korea Tech Show in recognition for its natural fiber insert injection door trim with eco-friendly manufacturing technology that resulted in lighter parts and shorter processes



28p

Established a Goal for Climate Change Response

Established a phased roadmap to achieve carbon neutrality by 2050. (Expanding green products and laying the foundation for emission reduction → Managing emission reduction across all business sites → Achieving carbon neutrality including the supply chain)



33p

Energy Saving at Sites

Introduced air compressor multi-control system to minimize energy waste and improved energy efficiency by monitoring power usage in real time



41~42p

Employees' Capability-building Support System

Operating not only various employee welfare benefit systems but also training programs aimed at developing employees' competencies and global insight



45p

Building Sustainable Supply Chain

Enhanced sustainability across the supply chain by distributing Supplier Code of Conduct and creating a supply chain ESG assessment system



62p

Won Awards at the 49th National Quality Management Convention

Employees' quality improvement efforts resulted in the Company winning two awards, including a gold medal, at the National Quality Management Convention held in 2023, and being selected as an "Excellent Company for Quality Competitiveness" for the 16th consecutive year (2004-2023).



69~70p

Established the ESG Committee

The ESG Committee, the supreme decision-making body on ESG, was established under the BOD. The committee is composed only of independent directors and actively participates in ESG-related decision-making.



73p

Launch of Online Dividend Inquiry Service

Launched the Seoyon E-Hwa Dividend Inquiry Service, an online system that replaced the previous mailed dividend notice, to improve shareholder convenience



76~77p

Raising Awareness of ESG Management

Providing in-house ESG management bulletin board, various training programs, and card news to raise awareness of ESG management among our employees and suppliers, and operating the Internal Audit Group transparently

Stakeholder Engagement

Seoyon E-Hwa has divided stakeholders who have a significant impact on its business activities into six groups according to the nature of the auto parts industry: customers, employees, supply chain (suppliers), shareholders and investors, local communities, and government, and operates communication channels based on the main issues of concern to each group. This enables active engagement and communication with stakeholders. In addition, we conduct stakeholder ESG awareness surveys for key stakeholder groups to select material issues and manage them. Seoyon E-Hwa will continue to maintain communication channels with stakeholders and transparently disclose material ESG information.

Stakeholder	Major Issues of Interest	Seoyon E-Hwa's Response Activities	Communication Channel
Customers 	<ul style="list-style-type: none"> Eco-friendly product development Customer satisfaction and quality improvement Information security and personal information protection Sustainable innovation and research and development 	<ul style="list-style-type: none"> Promoting joint research projects Attending cooperative meetings hosted by customer companies Attending events and seminars hosted by customers (partnership day, exhibition) Participating in customer companies' ESG activities (supply chain ESG and CDP evaluation, parts LCA) Collaborating in the entire automobile parts development process 	<ul style="list-style-type: none"> Homepage (company news, inquiry center) Customer system (email, external inquiry reception)
Employees 	<ul style="list-style-type: none"> Respect for human rights and diversity Internalization of safety and health management Securing talent and strengthening employee capabilities Sound labor-management culture and welfare benefits 	<ul style="list-style-type: none"> Establishing human rights management policy Providing employee development trainings (human rights, job, global talent) Sharing ideal talent, operating various recruitment and internship programs, and operating in-house rewards, promotion points, and rotational positions systems Operating various welfare systems and programs (Jump Up, Mentoring, Promise of the Month) 	<ul style="list-style-type: none"> Labor-Management Council Organizational culture diagnosis, satisfaction survey Operation of grievance handling system (cyber audit office, etc.) E-novation Idea Contest (Internet)
Supply Chain 	<ul style="list-style-type: none"> Internalization of safety and health management Sustainable supply chain management and co-prosperity Information security and personal information protection Enhancement of ethical management system and anti-corruption activities 	<ul style="list-style-type: none"> Complying with fair trade and conducting diverse support activities (finance, education, technical support) Communicating with partners (sharing of our policies, achievements, and plans) Sharing code of conduct with partners Supporting partners' ESG management (ESG training and evaluation, etc.) 	<ul style="list-style-type: none"> Operation of partner councils Holding regular meetings and partners' day event Cyber Complaint Center Partner training and seminars Selection and support of excellent partners
Shareholders and Investors 	<ul style="list-style-type: none"> Eco-friendly product development Sound and transparent BOD operation Company-wide integrated risk management Shareholder rights protection 	<ul style="list-style-type: none"> Reporting business performance and BOD operation results through regular disclosure (including corporate governance report) Improving shareholder-friendly policies step-by-step to expand shareholder participation 	<ul style="list-style-type: none"> General shareholders' meeting and BOD Corporate disclosure and reports IR meetings Notice on homepage Conference call and non-deal roadshow
Local Communities 	<ul style="list-style-type: none"> Management of water and air pollution and waste Biodiversity protection Expansion of social contribution 	<ul style="list-style-type: none"> Conducting community contribution activities (flood damage, low-income families, basic livelihood recipients) Raising funds to help neighbors Promoting regular volunteer activities by company clubs Granting the Seoyon Academic Award to Korea Society of Automotive Engineers 	<ul style="list-style-type: none"> Seoyon E-Hwa Cooperation Association Labor-Management Association In-house volunteer clubs Conference for Korean Society of Automotive Engineers conference
Government 	<ul style="list-style-type: none"> Strategic climate change response activities Internalization of safety and health management Compliance with environmental, safety and health laws and regulations 	<ul style="list-style-type: none"> Operating internal control system and Internal Audit Group Faithful payment of taxes Participating in activities for associations including the Korea Automobile Industry Cooperative 	<ul style="list-style-type: none"> Corporate disclosure Homepage Press release Policy meetings

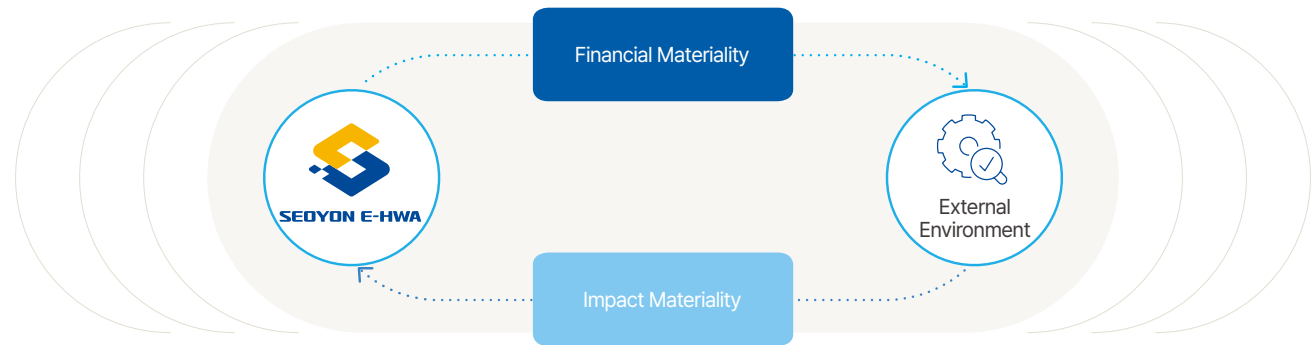
Double Materiality Assessment

Materiality Assessment

Before selecting material issues, Seoyon E-Hwa applied the materiality principles outlined by the Global Reporting Initiative (GRI), a globally recognized sustainability reporting framework, to the concept of double materiality assessment announced by the EU's Sustainability Reporting Directive (CSRD). Seoyon E-Hwa categorized the impacts of business and society into two domains: environmental and social impacts, as well as financial impacts. Detailed information regarding these material issues is disclosed in this report.

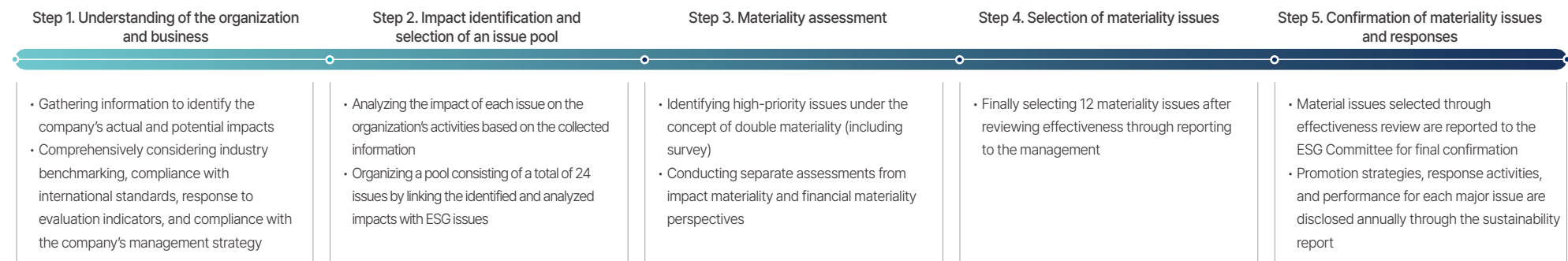
Applying the Concept of Double Materiality

Seoyon E-Hwa proactively selects and manages key factors affecting corporate sustainability based on a precise understanding of the materiality assessment concept. This year, we adopted the double materiality approach, examining both the impact of the company's activities on the external world (including the environment and society at large) and the influence of external environmental and social factors related to sustainability on the company's financial position. Seoyon E-Hwa identifies priority issues by assessing the materiality of each factor, rather than simply aggregating the impacts from these two perspectives.



Materiality Assessment Process

SEOYON E-HWA systematically creates a pool of key issues for its sustainability report based on an analysis of the company's business activities and their impacts. And gathering feedback from both internal and external stakeholders and reflecting the results of internal evaluations are conducted to prioritize these issues. Issues of high materiality are subjected to a validity review by the management and are finalized through reporting to the Board of Directors (ESG Committee). The company's plans, activities, and performances related to these materiality issues are then disclosed in the sustainability report.

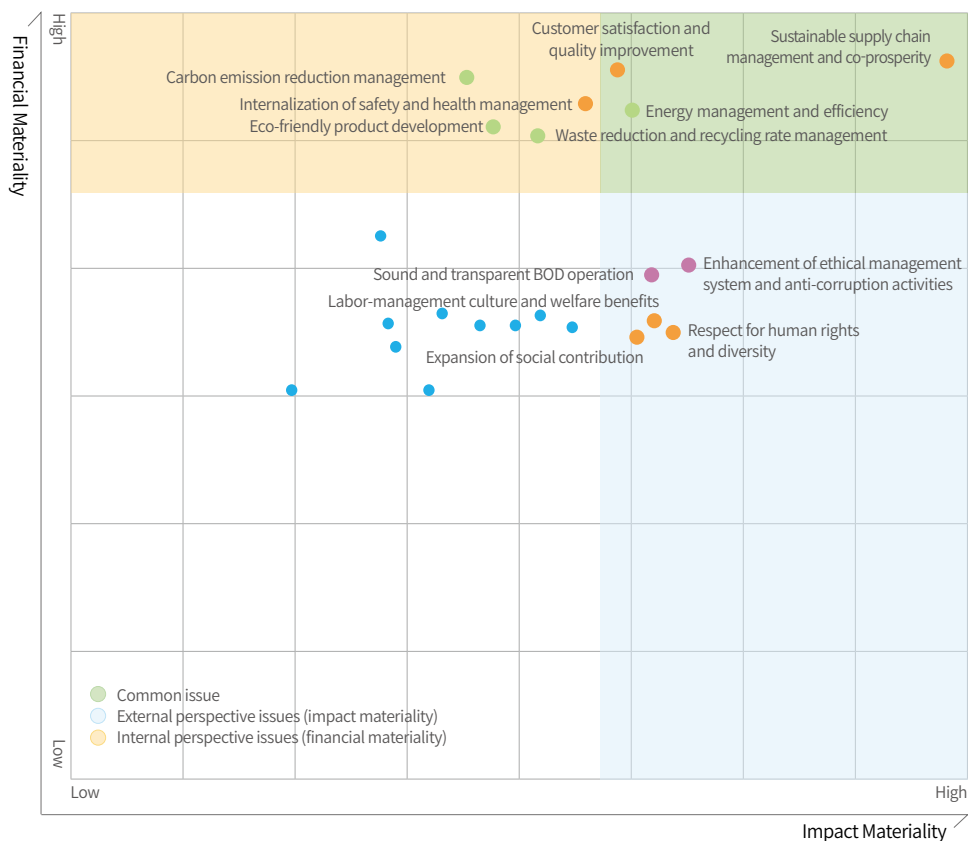


Double Materiality Assessment

Materiality Assessment Results

Seoyon E-Hwa finally selected 12 material issues. In terms of issues that have a material impact, a total of 12 issues were identified, including five issues related to ethical management, human rights, and a healthy labor-management culture; four issues related to health and safety management and carbon emissions management from a financial materiality perspective; and three issues related to supply chain management and customer satisfaction, which were highly rated from both perspectives. Seoyon E-Hwa will actively communicate with stakeholders by enhancing activities, performance, and response strategies related to selected material issues, and closely monitor changes in material issues due to environmental changes in the future.

Materiality Assessment Matrix



Materiality Issues in 2023

Materiality Issue	Materiality		GRI	Page	UN SDGs
	Impact	Financial			
S Sustainable supply chain management and co-prosperity	●	●	308-1,2 414-1,2	45-49	
S Customer satisfaction and quality improvement	●	●	-	59-62	
E Energy management and efficiency	●	●	302-1,2,3	33, 85	
S Respect for human rights and diversity	●	◐	406-1	38-39	
S Labor-management culture and welfare benefits	●	◐	401-2	42-44	
G Sound and transparent BOD operation	●	◐	205-2,3	68-71	
S Expansion of social contribution	●	◐	413-1	63-66	
G Enhancement of ethical management system and anti-corruption activities	●	◐	205-2,3 206-1	74-77	
E Carbon emission reduction management	◐	●	305-1,2,4,5, 201-2	28-32	
S Internalization of safety and health management	◐	●	403-1~10	50-57	
E Waste reduction and recycling rate management	◐	●	306-1~5	34	
E Eco-friendly product development (innovation and R&D)	◐	●	-	24-27	

Environmental



Key Performance



GHG emissions

7,184.3 tCO₂-eq



Operation of air compressor multi-control system

16% saving (power consumption)



Obtainment of certification

EPD Environmental Product Declaration



Number of violations of environmental laws and regulations

ZERO

Environmental Management and Development of Eco-friendly Products 21

Response to Climate Change 28

Environmental Impact Management 34

Environmental Management and Development of Eco-friendly Products

Environmental Management System

Environmental Management Policy

Recognizing that environmental factors arising from business activities not only significantly impact our production and supply system but are also directly linked to the continued survival of humanity, Seoyon E-Hwa places great importance on environmental management. As a leader in the automotive interior parts industry, we have established a comprehensive company-wide environmental policy to guide us in minimizing environmental risks across all stages of design, production, and sales. Additionally, we recognized the need to proactively revise our environmental management policy to stay abreast of the latest trends and enhance our environmental practices. Consequently, in the first half of 2024, Seoyon E-Hwa revised and disseminated its environmental management policy across four sections.



Seoyon E-Hwa's Environmental Management Policy




Seoyon E-Hwa's Environmental Management Policy

- NET ZERO** Establish core strategies to achieve carbon neutrality and continuously manage performance to achieve the goal
- Carry out resource recycling and energy reduction activities, such as developing eco-friendly materials, introducing eco-friendly processes, and improving process efficiency through automation
- Fulfil our corporate legal and social responsibilities towards the environment by strictly complying with domestic and international environmental laws and conventions
- All executives and employees recognize the seriousness of environmental problems and faithfully comply with their responsibilities and obligations for environmental improvement activities

Seoyon E-Hwa's Environmental Goals



Practice Directions

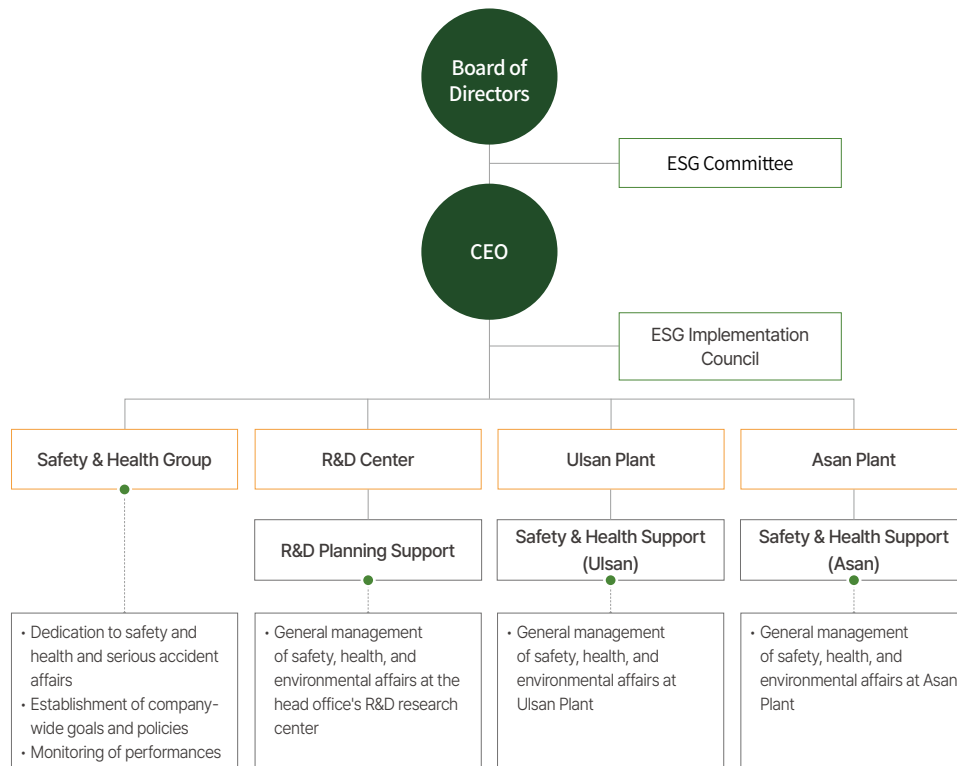
 <p>Air pollutant management</p>	 <p>Waste management</p>	 <p>Water resources management</p>	 <p>Hazardous chemicals management</p>
<p>We minimize air pollutants at the source by substituting materials during process operation. We regularly inspect the prevention facilities to maintain optimal conditions and manage emissions at levels below 90% of the legal limit.</p>	<p>We strive to build a circular economy by reducing waste and promoting recycling at our workplaces. We minimize the use of resources and maximize the recycling of resources to reduce waste at sites. Furthermore, we classify waste by nature and type for better recycling.</p>	<p>We reduce water usage and wastewater usage. As a result, the majority of our water is used for domestic and firefighting purposes, with wastewater generation close to zero. We work with specialist contractors to test water quality.</p>	<p>We prevent accidents by thoroughly controlling chemicals. We improve our processes to replace hazardous substances with eco-friendly materials, provide training on work safety rules, and regularly update our GHS-MSDS to ensure safety for our workers.</p>

Environmental Management and Development of Eco-friendly Products

Environmental Management Governance

To internalize sustainability management and strengthen environmental management, Seoyon E-Hwa has established the ESG Committee, the premier decision-making body comprised of outside directors. In addition, the Company has a general department that manages safety, health and environmental management at all business sites. The CEO is in charge of the environmental management system and monitors and supervises the strategy and status of the company-wide environmental management. The company sets detailed goals for environmental management every year and conducts monitoring of environment-related indicators to actively respond to various environmental risks.

Environmental Management Implementation Organization



Environmental Risk Management

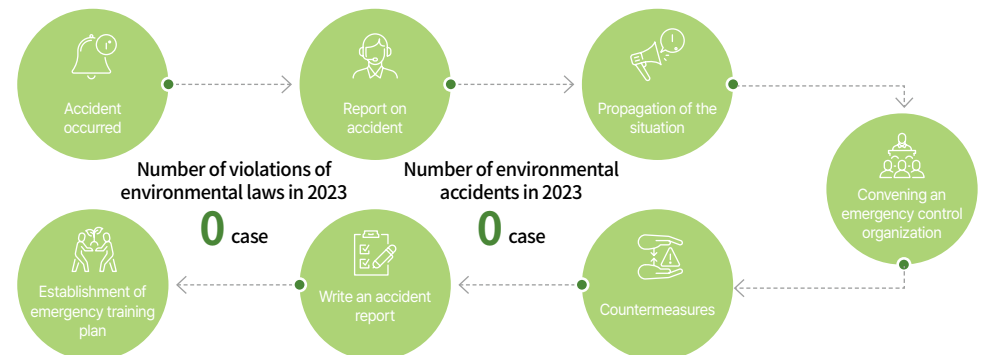
Compliance with Environmental Regulations

Seoyon E-Hwa has distributed the Environmental Law and Regulations Update to all domestic worksites, which is used to continuously monitor environmental laws and regulations. The Safety and Health Support Department checks and reports on amendments to the Air Environment Protection Act, Groundwater Act, Waste Management Act, and Chemicals Management Act at all times. If there are any amendments to these laws, we immediately reflect the changes in the Environmental Law and Regulations Update and notify the relevant departments to ensure that the revised information is applied to their work. We also conduct our own compliance assessment once a year to ensure that no violations of laws and regulations occur. To date, there have been no cases of violations of environmental laws and regulations.

Environmental incident and Emergency Response

Seoyon E-Hwa follows an emergency management process to ensure the prevention of damage spread and immediate response in the event of environmental accidents caused by industrial accidents and natural disasters. The document stipulates the roles of each department in taking action in emergency situations, starting with the receipt and understanding of the situation of accidents at each workplace. The document stipulates that even after recovery measures are taken, the potential environmental impact of the pollutants generated by the incident be analyzed, and continuous follow-up management carried out until the incident is fully restored to below the standards set by the Company. Furthermore, after all measures are completed, an incident report is created to analyze the cause and take countermeasures. Based on the report, we conduct emergency response drills to prevent similar incidents from recurrence.

Environmental Accident Management Process



Environmental Management and Development of Eco-friendly Products

Environmental Management System Certification

Seoyon E-Hwa has obtained ISO 14001 certification, the international standard for environmental management systems, and based on this, we systematically manage and inspect environmental impacts at our domestic and overseas business sites. As of December 2023, three domestic and 11 overseas plants are certified, with management activities carried out to review the certification every year. With the goal of achieving 100% certification of domestic and international operations, our U.S. Urban plant is on track to be certified in 2024 and our Mexico operations in 2025. Through this, we will proactively manage and improve environmental risks that may arise at all sites.



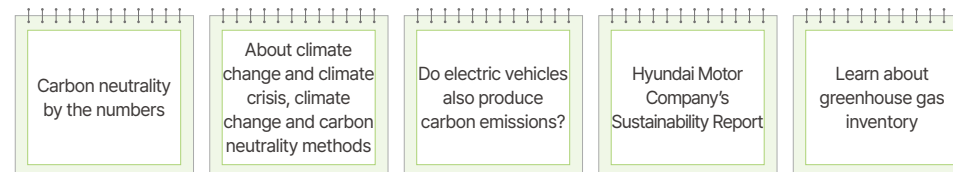
Obtainment of the ISO Certification

Classification		Workplace	Certification	Valid Period
Domestic 100%	Manufacturing	Ulsan	○	2024-08-24
		Asan	○	2024-08-24
	Non-manufacturing	Pyeongchon (Head Office R&D Center)	○	2024-08-24
Overseas 85%	Asia	Jiangsu, China	○	2025-08-31
		Beijing, China	○	2027-03-22
		India, India	○	2025-04-29
		Chennai, India	○	2027-04-02
		Anantapur, India	○	2025-03-31
	Europe	Turkye	○	2024-07-23
		Slovakia	○	2025-05-18
		Poland	○	2027-03-15
	Americas	Alabama, USA	○	2024-10-18
		Georgia, USA	○	2027-03-25
		Auburn, USA	×	- (Scheduled to June 2024)
Brazil		○	2027-05-18	
Mexico	×	- (Scheduled to 2025)		

Environmental Training for Employees

To raise employees' awareness of ESG management, Seoyon E-Hwa distributes card news containing basic concepts and key issues related to ESG twice a month. In addition, environmental technicians appointed to manage environmental pollution emission facilities must complete statutory training within one year of appointment, and relevant refresher training every three years. At Seoyon E-Hwa, employees appointed as air pollution environmental technicians and waste disposal personnel complete mandatory training for systematic and professional operational management. In addition, the R&D Center and each manufacturing site conduct two-hour training on Material Safety Data Sheets (MSDS) to prevent accidents that may occur in the handling and management of chemicals.

Distribution of ESG Card News



Environmental Trainings in 2023

Classification	Subject / Completed (persons)	Training Institution
Environmental engineer – air pollution	1/1	Environmental Conservation Association
Waste disposal manager	1/1	Environmental Conservation Association
ESG, sustainability report writing practice	2/2	Korea Productivity Center
Practical training to respond to ESG regulations	2/2	Korea Environmental Industry and Technology Insti-tute
ESG ON Seminar	1/1	Korea Environmental Industry and Technology Insti-tute
MSDS training	243/231	In-house training
Understanding of ESG management	19/19	In-house training

Environmental Management and Development of Eco-friendly Products

Eco-friendly Materials and Product Development

Development of Eco-friendly Materials

Direction of Materials Development Research

Seoyon E-Hwa collaborates with many companies in the peer industries to develop eco-friendly materials and parts, including recycled/bio-resins, recycled/bio-fabrics, natural fiber composites, and lightweight composites. We research new materials for interior and exterior automotive parts, and evaluate various material specifications to ensure lightweight, eco-friendly, and functional performance. Seoyon E-Hwa has been actively involved in the development of eco-friendly materials for many years and has successfully commercialized eco-friendly materials as a result.

Advanced Material Research

Review of the new material application of automotive interior/exterior parts and evaluation of various material specifications



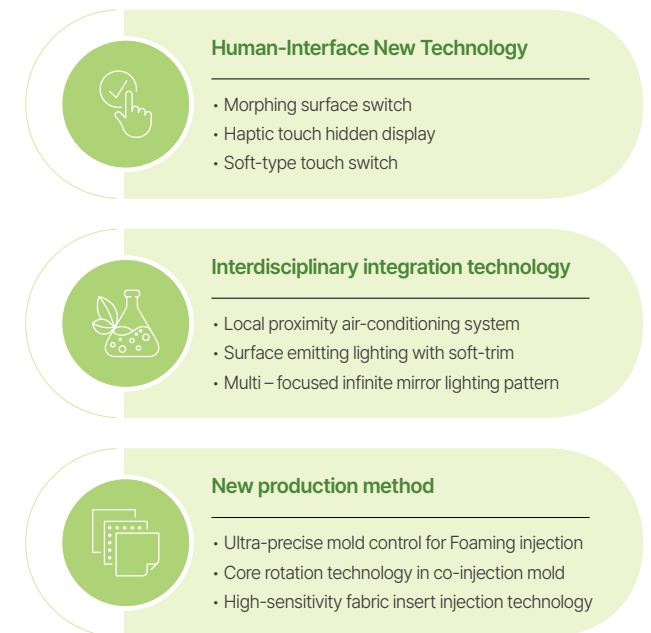
New Method Research

Engineering Method Research

Seoyon E-Hwa's R&D Centre conducts research on the development of eco-friendly materials, as well as new methods for the structure and manufacturing of automotive interior and exterior parts.

Research on Methods (New Technology & Production Method Research)


Development of new technologies/methods for the structures and manufacturing methods of automotive interior/exterior parts



Environmental Management and Development of Eco-friendly Products

Key Eco-friendly Materials


Key eco-friendly materials at Seoyon E-Hwa are recycled PC/ABS and bamboo fiber composite resin and recycled PA6, which have been developed and commercialized.




PCM-PC/ABS

The first technology developed in Korea to replace conventional PC/ABS materials with recycled PC.

The recycled material content ratio is 20% and was developed in collaboration with Lotte Chemical. Currently in mass production after being applied to the production of center panels, garnishes and switch bezels in GN7 vehicles.




GN7: Grandeur (Hyundai Motor Company)




Bamboo Fiber Composite Resins

Bio resin for wrapping cores with 20% Bamboo Fiber developed from bamboo fibers. Replaces existing composite resins containing 20% talc and reduces weight by approximately 7%. Developed in collaboration with Hanyang Advanced Materials, Daeha and GS Caltex, it has been applied to the upper trim and center trim of the MQ4 model and has been mass-produced since 2020.

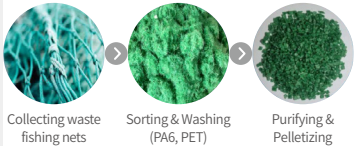


MQ4: Sorento (Kia)



Recycled PA6

Developed by recycling selected PA6 after separating and shredding waste fishing nets, a typical marine waste product. The recycled PA6 content ratio is approximately 20% and has the same physical properties as 100% virgin PA6. To be applied to the frame inner cover and inner handle bracket of the ME1 model scheduled for mass production in 2024.



ME1: EV (Hyundai Motor Company)

SEOYON E-HWA Story

Eco-friendly Materials under Development

Seoyon E-Hwa collaborates with partners in joint research and development projects of various eco-friendly materials for the purpose of applying to in our commercial products.

Recycled paint-free olefin	Paint-free PP materials applied with HDPE of high-purity waste vinyl
Recycled ABS	High heat-resistant ABS material applied with recycled ABS for household appliances
Recycled PC/PET	PC/PET materials applied with recycled PC and PET
Recycled PP for scrap car	Recycled PP from waste cars for ELV regulations
Water filter PP material	PP materials applied with recycled water filters
Cellulose composite resin	Cellulose composite resin for injection (embossed injection type)
Natural fiber foam composites	Light and eco-friendly by developing natural fiber reinforced board foaming type
Eco-Friendly Fabric	Eco-friendly fabric made from a blend of natural fibers (HEMP) and recycled PET
Recycled fabric made of natural leather scraps	Woven yarn from recycled natural leather scraps (for D/T and P/T)

Environmental Management and Development of Eco-friendly Products

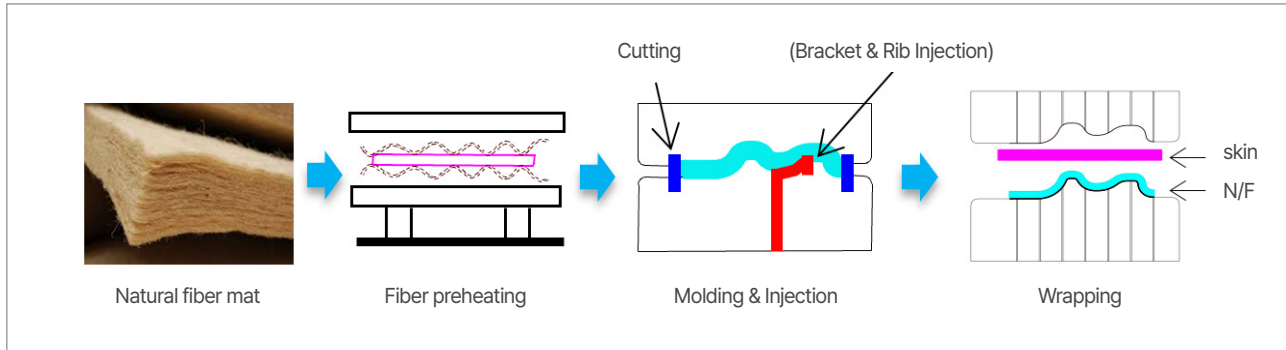
Eco-friendly Products and Engineering Methods

Injection door trim with natural fiber inserts

Automotive door trim is one of Seoyon E-Hwa's core products. We have been conducting continuous research to use eco-friendly materials and apply eco-friendly engineering methods, and our efforts have led to our success in developing natural fiber insert injection door trim technology. We have been mass-producing this product since 2018, applying it to four vehicle models. The technology uses natural fibers such as Kenaf. By eliminating various environmental impacts from the manufacturing process of inorganic materials, we have reduced the weight of the parts by approximately 40%. We have also continuously improved possible quality issues such as fabric folds, rib blockage, and edge jamming in deep drawings during the process. Now that the technology has been proven to be capable of mass production, we plan to gradually expand its application to other interior parts.



Technology Process

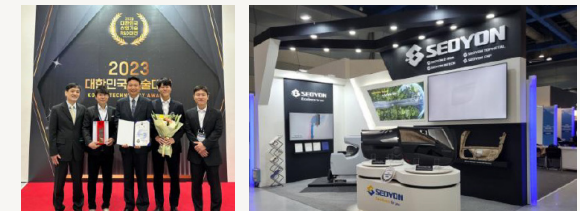
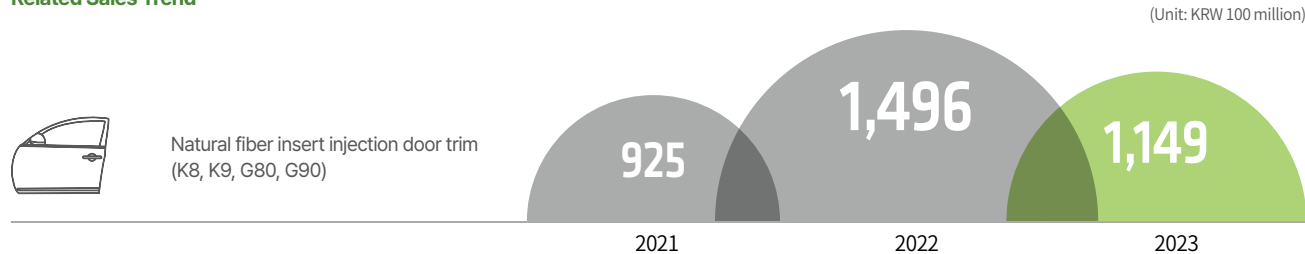


SEOYON E-HWA Story

Winner of the Minister of Industry Award in 2023

Seoyon E-Hwa won the Minister of Industry Award at the 2023 Korea Tech Show, hosted by the Ministry of Trade, Industry and Energy, for its self-developed natural fiber insert injection door trim. This award proves that we have succeeded in lightweighting innovative parts using natural materials and shortening processes, and that our technology has been officially recognized. In order to respond to global greenhouse gas reduction policies and the resulting issues of corporate responsibility, we will continue to develop new materials and eco-friendly engineering methods in the future.

Related Sales Trend



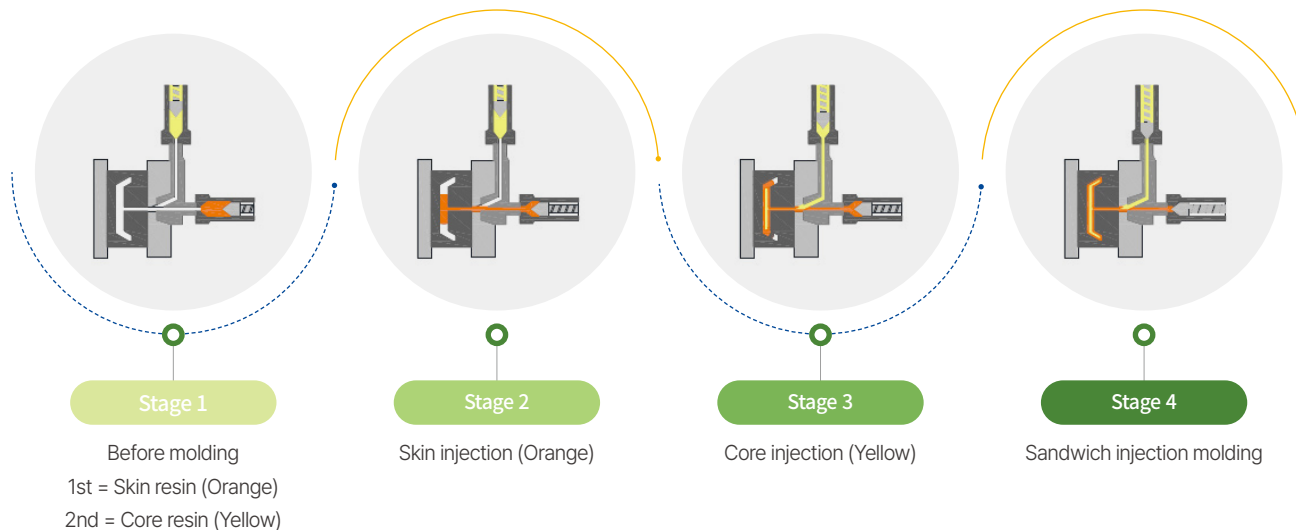
Environmental Management and Development of Eco-friendly Products

Applying Sandwich Engineering Method

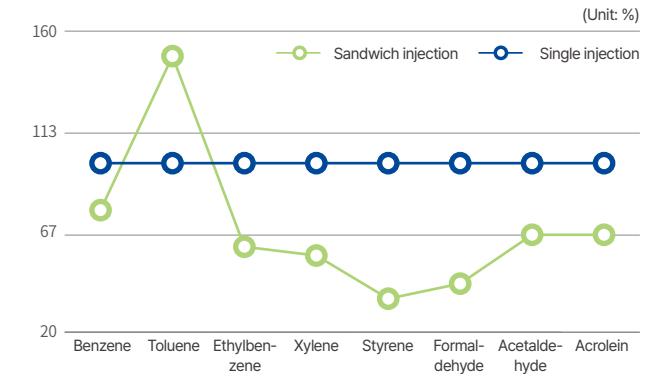
As interest in eco-friendly materials and engineering methods among domestic and foreign automotive companies is rising, so is the demand for the use of recycled materials by domestic automotive interior manufacturers significantly in recent years. In response to this, Seoyon E-Hwa applied the sandwich molding engineering method to maximize the use of recycled materials in manufacturing plastic parts and to address shortcomings caused by single injection of ELV (*). This engineering method is a sandwich-like molding of the first (skin layer) and second (core layer) injection resin by sequentially injecting two types of materials from two nozzles into one gate. The product surface that directly faces the car interior and is in contact with passengers, and the rear mounting part of the product, which requires the assembly strength of the part, is molded with new material. The side recycled material injection part is also blocked to prevent the exposure of ELV recycled material, which completely prevents the odor caused by the recycled material. By applying this engineering method, Seoyon E-Hwa was able to maximize the amount of ELV recycled material used and also achieve skin coloring of the finished product. In addition, the number of VOCs (**), emitted from the use of ELV recycled material was reduced by approximately 31%, and the odor rating was reduced from 3.5 to 3.0 compared to single injection.

(*) ELV: End of Life Vehicle
 (**) VOCs: Volatile Organic Compounds

Sandwich Engineering Process

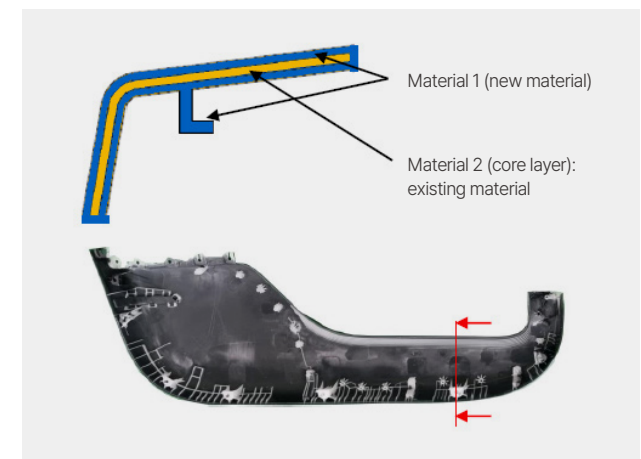


VOCs Emissions



* Toluene: Emission within the standard (1.5%)

Cross section of sandwich molded product



Response to Climate Change

Carbon Emissions Management and Strategic Climate Change Response

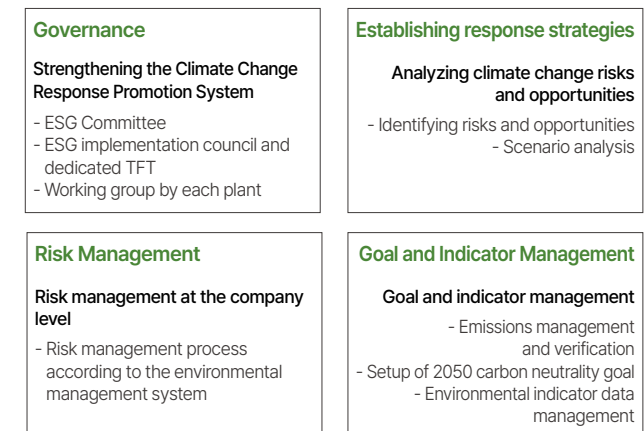
Direction of Climate Change Response

Seoyon E-Hwa promotes step-by-step goals and action plans for 'Carbon Neutral 2050' established under the goal of realizing an eco-friendly green company. In accordance with the TCFD (Task Force on Climate-Related Financial Disclosures), we have established climate change management goals, analyzed the risks brought about by climate change, and systematically implemented strategic eco-friendly activities in response.

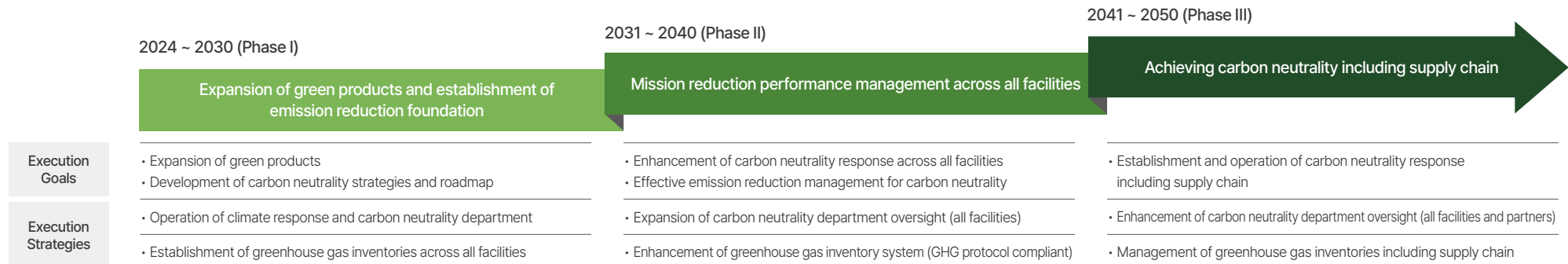
Carbon Neutrality Vision & Plan



TCFD Disclosure System



Carbon Neutrality Roadmap



Response to Climate Change

Climate Change Governance

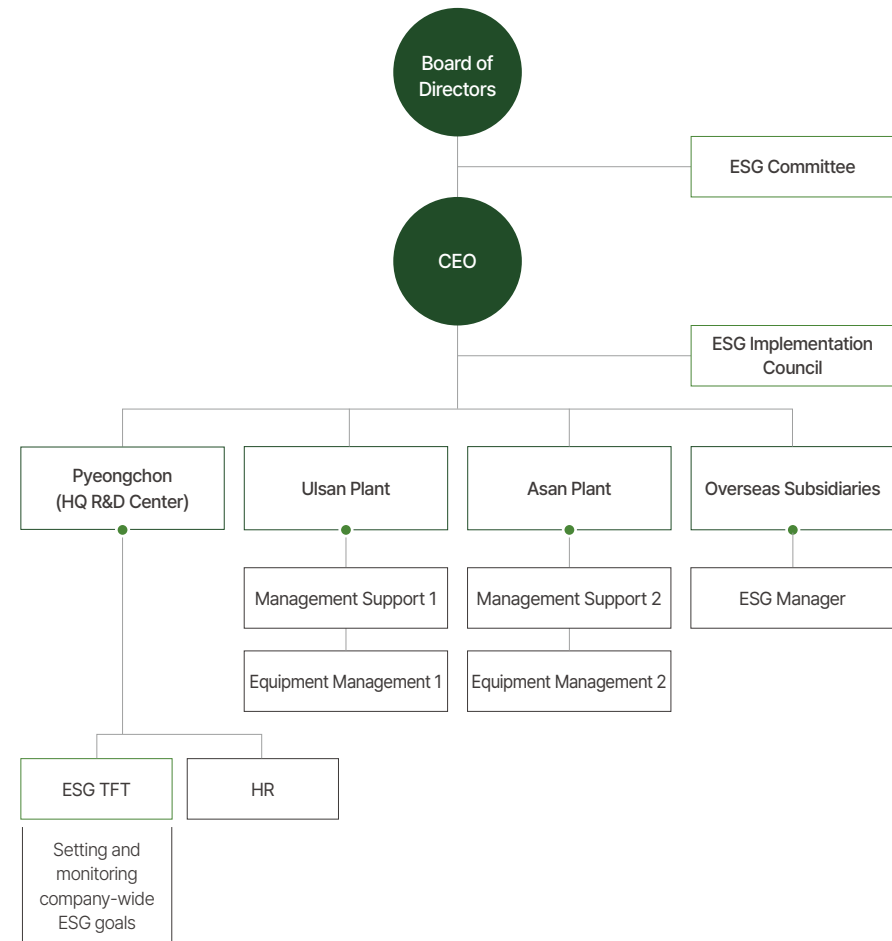
To ensure prompt and systematic response and decision-making on climate change risks, Seoyon E-Hwa established the ESG Committee under the BOD in March 2024 to establish a governance system that accommodates the organizational functions as required by the TCFD. The ESG department plans environment-related agendas, including climate change, in consultation with the ESG Implementation Council and the ESG TFT, and reports to the ESG Committee, which is composed entirely of outside directors, on a regular basis or as needed. The ESG Committee reviews the agenda as necessary before making the final decision.

Report on Climate Change Response

Date	Issue
Sep. 6, 2023	<ul style="list-style-type: none"> Report on the 2023 Sustainability Management Report publication plan Report on materiality assessment results and selection of materiality issues
May 14, 2024	<ul style="list-style-type: none"> Report on the results of ESG management consulting in 2023 <ul style="list-style-type: none"> - Related tasks: Participation in global climate change response tasks - Direction of promotion: Reduction of GHG and advancement of renewable energy strategies - Mid- to long-term roadmap: Review of reduction and transition strategies, review of mid- to long-term goals (draft) Report on 2024 ESG management promotion plan and approval of budget use
Jul. 3, 2024 (plan)	<ul style="list-style-type: none"> Report on the results of strategic consulting including carbon neutrality and education on ESG trends

The ESG department oversees ESG operations at domestic and overseas business sites. The ESG TFT and the safety, health, and environment departments at each business site establish strategies for responding to climate change and environmental management, and monitor the environmental management status of each business site.

Organization for Climate Change Response



Response to Climate Change

Climate Change Response Strategy

Analysis of Climate Change Risks and Opportunities

Seoyon E-Hwa analyses the risks posed by climate change by dividing them into transition risk and physical risk, and then develops countermeasures alongside opportunities to minimize the potential financial impact on companies. Seoyon E-Hwa simulates both risks according to prevailing climate change scenarios. A relatively high transition risk is assumed if the temperature increase remains below 1.5°C compared to pre-industrial times. On the other hand, a relatively high physical risk is when the temperature increase is 2.0°C or higher due to the failure of each country's policy efforts to comply with the Paris Agreement. We draft our response strategies accordingly.

Classification	Factor	Perspective	Financial Impact	Potential Financial Impact	Countermeasures	
Transition risks	Policies and laws	• Disclosure of GHG emissions • Mandatory disclosure of climate-related financial impacts	Mid-term	Medium	• Increase in data management costs • Sanctions for unfaithful disclosure	• Establishment of greenhouse gas inventory • External verification of emissions and expansion of Scope 3 aggregation
		• Expansion of the emissions trading system and rise in prices • Tightening EU carbon border tax regulations	Mid-term	Medium	• Increase in carbon emission purchase costs • Penalties for excess emissions	• Analysis of relevant systems and establishment of emission reduction plans for each EU country • Gradual expansion of renewable energy use
	Market / reputation	• Increasing stakeholder (customer) demands and strengthening supply chain evaluation	Short-term	High	• Decrease in corporate reputation and increase in procurement costs	• Participation in global initiatives • Establishing a climate change response system including overseas business sites
Physical risks	Natural disaster	• Business suspension due to typhoon/flood/heavy snow/forest fire, etc. • Production disruption due to interruption in raw material supply	Mid-term	Medium	• Recovery costs due to disasters and decrease in sales due to disruption • Increase in raw materials procurement costs	• Enhancement of the emergency response management system at all workplaces • Evaluation of the stability of supply to partner companies
	Abnormal weather	• Disruption of business operation and deterioration of quality • Occurrence of safety accidents	Long-term	Medium	• Decrease in sales and increase in quality costs due to decreased operating rates	• Expansion of application of safety and health policies • Improvement of inventory management processes and regular monitoring
Opportunities	Market	• Expansion of the eco-friendly/new technology parts market and increase in demand	Long-term	Medium	• Increase in sales of eco-friendly components • New customer and new product opportunities	• Expansion of research and development of eco-friendly (low-carbon) materials and new products
	Productivity	• Energy supply disruption and price fluctuation risks • Improvement of energy efficiency in business site	Short-term	High	• Increase in short-term costs due to the use of renewable energy • Decrease in mid- to long-term costs due to energy savings in business sites	• Review of the sequential introduction of renewable energy • Improvement of cost structure

Climate Change Risk Management

Seoyon E-Hwa has established a four-step risk management process consisting of identifying and analyzing company-wide climate change risks, establishing strategies, and conducting response activities and monitoring. The ESG TFT department regularly monitors all business sites to proactively identify risks we may face based on analyses of peer companies and global climate disclosure regulations and issues. In addition, the person in charge of the environmental organization within each business site frequently manages energy efficiency and monitors greenhouse gas reduction targets and performance, thus ensuring timely identification of environmental impacts.

Risk Management Process



Response to Climate Change

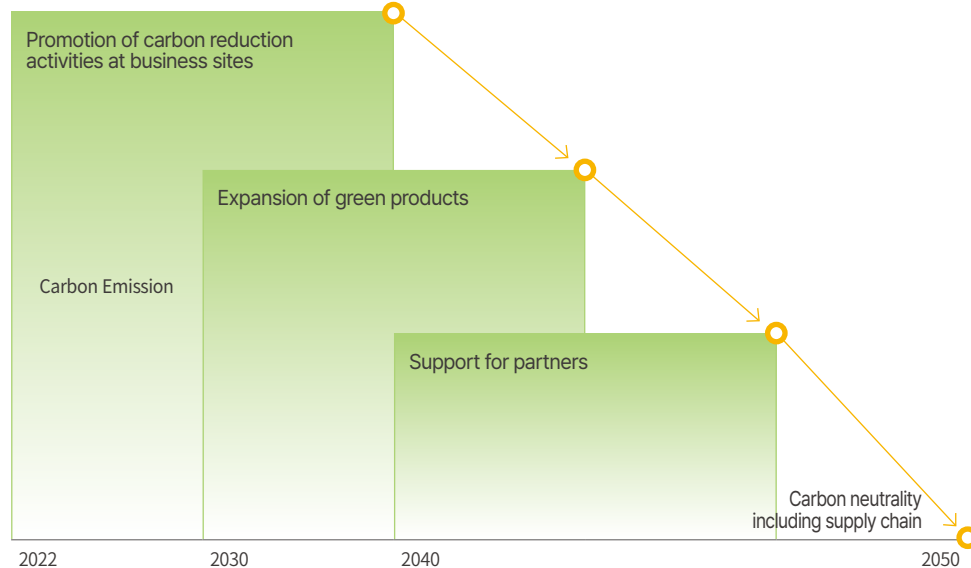
Managing Climate Change Targets and Indicators

Seoyon E-Hwa has established GHG inventory in accordance with the ISO 14064-1:2018 guidelines in detail to accurately measure GHG emissions and manage target achievement. Direct sources of GHG emissions, such as company-owned production facilities and business vehicles used directly within the organizational boundaries of the headquarters and each business site, are classified as Scope 1. On the other hand, electricity consumed within the same organizational boundary is Scope 2. The emissions aggregated according to this standard have been verified by a third party. Seoyon E-Hwa will continue to improve its GHG inventory, including Scope 3, and strive to achieve carbon neutrality in 2050 by setting feasible targets and thoroughly monitoring them.

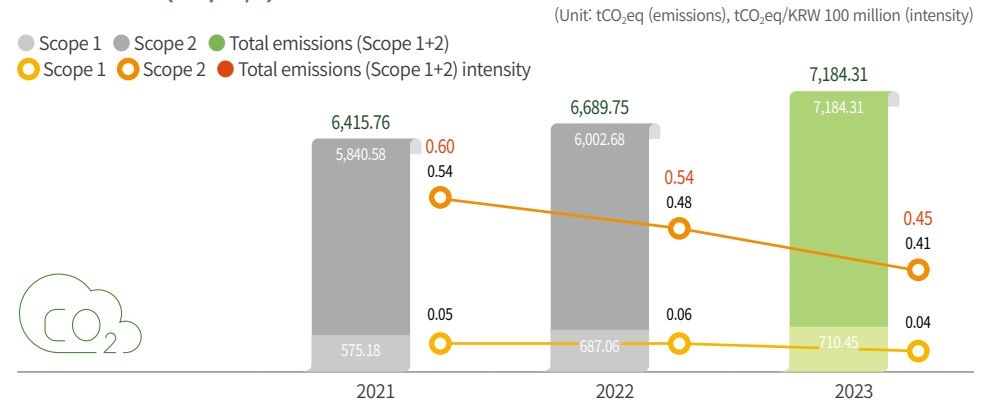
Managing Greenhouse Gas Emissions

Seoyon E-Hwa reduces greenhouse gas emissions from its business sites through various activities. Since 2023, we have been purchasing and leasing electric vehicles for delivery and corporate vehicles to reduce GHG emissions. In addition, we are considering installing an on-site PPA power generation facility on a 10,670 m² parking lot at our Ulsan Plant to be part of the K-RE100 declaration. Seoyon E-Hwa aggregates and monitors the GHG emissions of our own and our affiliates' plants, and together with our affiliates, we are working to set targets and implement measures to reduce GHG emissions.

GHG Reduction Goal and Roadmap



GHG Emissions (Scope 1, 2)



Scope 3 Emissions Breakdown

Seoyon E-Hwa has selected four categories to calculate emission equivalents in order to manage Scope 3 GHG emissions generated throughout the supply chain. Going forward, we plan to expand the participation of suppliers and expand the scope of calculation to produce more accurate data.

Emission Items	C3. Fuel and electricity activities not included in Scope 1 and 2	C5. Waste generated during operation	C6. Employee business trip	C7. Employee commuting
Emissions (Unit: tCO ₂ e)	61.7	631.3	1,362.6	363.9
Details	Emissions generated during energy production and transportation	Emissions generated during the treatment process by waste management service providers	Emissions generated during employee business trips using transportation owned or operated by third parties	Emissions generated during employee commuting using transportation owned or operated by third parties

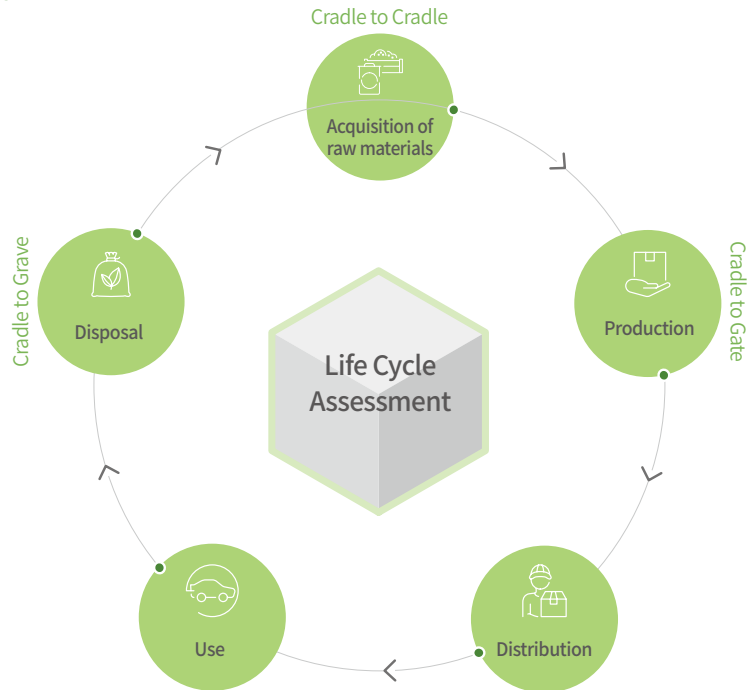
* Based on domestic business sites in 2023, Scope 3 is scheduled for third-party verification
 ** Applied emission factor: Environmental Product Declaration (EPD) assessment factor
 *** Applied conversion factor: Korea Energy Agency petroleum product unit

Response to Climate Change

Implementation of Life Cycle Assessment (LCA)

To proactively respond to international regulations and transparently disclose our carbon emission reduction activities, we conduct a Life Cycle Assessment (LCA) of our core product, door trim. For the LCA assessment of door trim, which is an intermediate production material part of a vehicle, we considered the manufacturing stage and the pre-production stage. In the pre-manufacturing stage, raw materials with a cumulative mass contribution of 95% were reviewed, and the environmental impact of the transport stage was calculated by applying a one-way distance between suppliers. In addition, the product manufacturing stage included electrical energy, packaging materials, and direct waste used in the product manufacturing process. In addition to the door trim, Seoyon E-Hwa will upgrade its methodology to conduct LCA assessments for other products it produces.

Scope of LCA



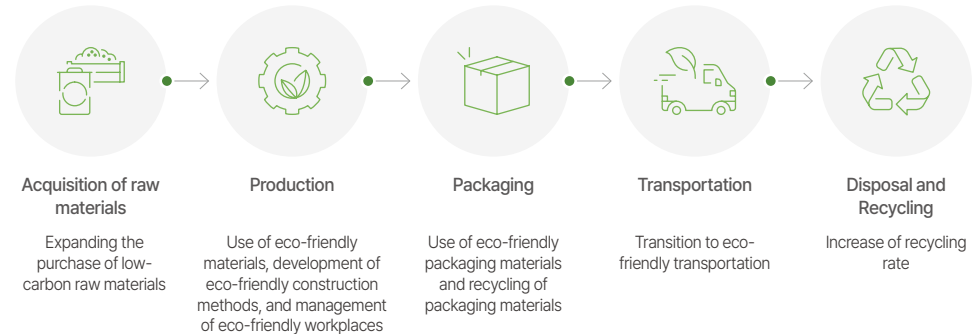
Obtainment of Environmental Product Declaration (EPD) Certification



Seoyon E-Hwa is committed to environmental protection and achieving carbon neutrality by measuring the environmental impact of its entire process, from raw material procurement to product production, packaging, transportation, and disposal, and transparently disclosing these results. As part of this strategy, Seoyon E-Hwa maintains an Environmental Product Declaration (EPD) certification for door trim, its key production product.

Seoyon E-Hwa has meticulously devised and executed a systematic response strategy for precise carbon emissions measurement and reduction across the entire life cycle assessment (LCA) process.

Phased Response Strategy Based on LCA Implementation



Response to Climate Change

Energy Management at Workplace

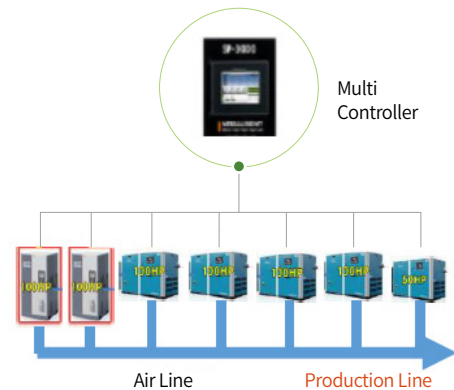
Eco-friendly Workplace

Seoyon E-Hwa improves the efficiency of energy-consuming equipment installed at its Asan and Ulsan plants with a multi-control system that measures and controls energy usage in real time. Through this integrated energy management system, we are transforming our workplaces into energy-efficient and eco-friendly workplaces, and all employees are engaged in campaigns to save energy.

Air Compressor Multi Control System

In January 2024, Seoyon E-Hwa introduced a multi-control system at its Ulsan Plant. As a result, the plant saw an improvement in the operating efficiency of air compressors that consume a lot of electric energy, and was able to reduce power costs by optimizing equipment operation. Previously, each compressor was operated individually and had to be managed manually according to changes in air consumption, resulting in energy waste due to management losses. The multi-control system integrates all compressors to enable multi-control, so operation can be automatically managed according to air consumption. A monitoring system is also implemented to check real-time power usage, minimizing energy waste due to management losses. After applying the multi-control system, we confirmed through power usage analysis that there was a reduction in actual power usage, and we will continue to upgrade the system to improve energy efficiency.

Air Compressor Multi Control System



Electricity Saving Effect

Classification	Electricity Consumption (kWh)	Saving (kWh)	Saving Effect
Jan. to Mar. 2023	312,780	-	-
Jan. to Mar. 2024	260,748	52,032	16% saving

Factory Energy Management System (FEMS)

Seoyon E-Hwa introduced an integrated Factory Energy Management System (FEMS) at the Asan plant that controls energy usage in real time to optimize energy usage. When the forecast power exceeds the target power, automatic control of the heating and cooling equipment is launched to cut the load in stages, thus reducing the instantaneous power peak value.

Energy-saving Campaign

Seoyon E-Hwa's production sites are conducting energy campaigns to promote energy conservation and efficient use. In order to spread the culture of energy conservation and green living in all areas of life, employees, including plant managers, personally distributed campaign flyers and broadcast promotional videos. In addition, monitors for on-site posting were used to promote energy-saving materials, distribute campaign flyers, and display energy-saving materials on pop-up bulletin boards. We also distributed promotional materials by sending out emails requesting cooperation for power peak energy management during the winter and summer seasons.

Energy Saving Campaign Poster



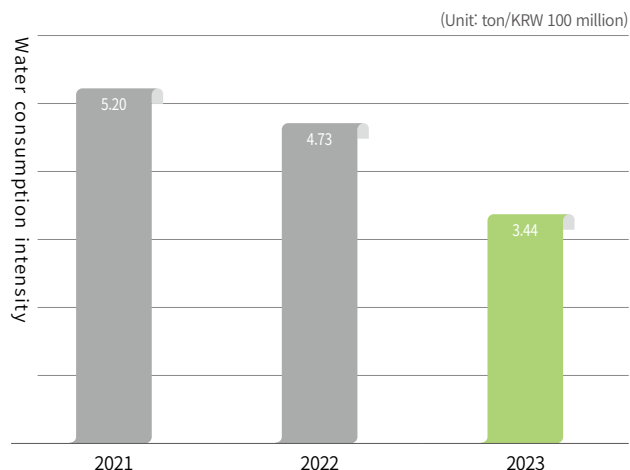
Environmental Impact Management

Efforts to Mitigate Environmental Impact

Water Sources Management

Seoyon E-Hwa does not use much water compared to other industries producing products through the component assembly process. It mainly uses water and groundwater for domestic use in office spaces and cooling towers for its facilities. As a result, there is very little wastewater generated at its sites, and sewage is legally discharged to the local sewage treatment plant. Seoyon E-Hwa recommends that each business site reduce water use by increasing the amount of groundwater used compared to water supply. We also caution them to prevent the risk of water leakage due to winter freezes. In addition, we clean the water reservoirs at our sites twice a year in accordance with the Water Act, and we monitor the water quality by commissioning a professional inspection agency once a year.

Water Saving Status



* Based on domestic business sites

Management of Air Pollution

Seoyon E-Hwa has established air pollutant management procedures to monitor air pollutants that may be generated in the manufacturing process and minimize their environmental impact. Environmental engineers at each plant maintain an operation log to ensure that air pollutant prevention facilities are properly operated to minimize the amount of pollutants emitted. As a result, the regulated pollutants emitted are strictly kept within 50% of the legal emission threshold. In addition, the safety and health support department at each plant conducts annual self-measurement of air pollutants in accordance with the Air Environment Protection Act and maintains emission levels that are significantly lower than the legal levels.

Air Pollutants Measurement Result

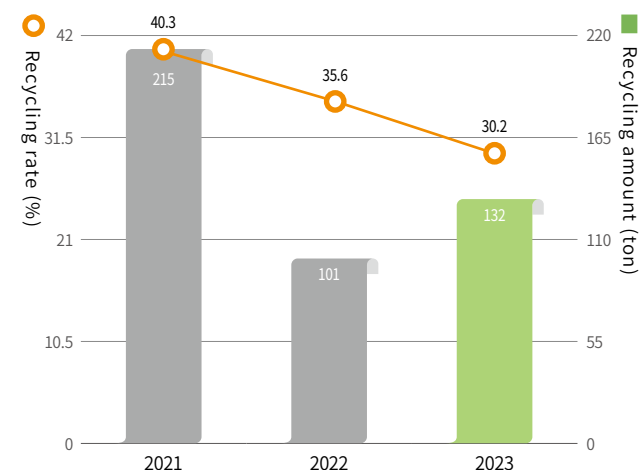
Business Site	Pollutant	Standard	Unit	2021	2022	2023
Ulsan	Dust	Legal: 30 In-house: 15	mg/sm ³	0.6	0.8	0.8
	THC	-	ppm	8.0	-	-
Asan	Dust	Legal: 30 In-house: 15	mg/sm ³	-	-	-

* Based on domestic business sites (Asan plant does not have a crushing facility, so it is excluded from measurement.)

Waste Management

Waste generated at Seoyon E-Hwa's business sites is mostly waste synthetic resin, which is general waste. Waste from business sites is transported to the outside through a waste disposal contractor, and the quantity disposed of on the day is recorded in the waste management log. In addition, the waste to be transported is registered in the Korea Environment Corporation's waste legal disposal system, Allbaro System, to monitor the status of disposal and recycling. Seoyon E-Hwa reuses reusable PP resin generated from the injection process as raw materials after sales. We continue to comply with the 3R - Reuse, Reduce, Recycle - policy for waste management by reducing waste through improving the defect rate.

Waste Recycling Rate



* Based on domestic business sites

Environmental Impact Management

Management of Hazardous Chemicals

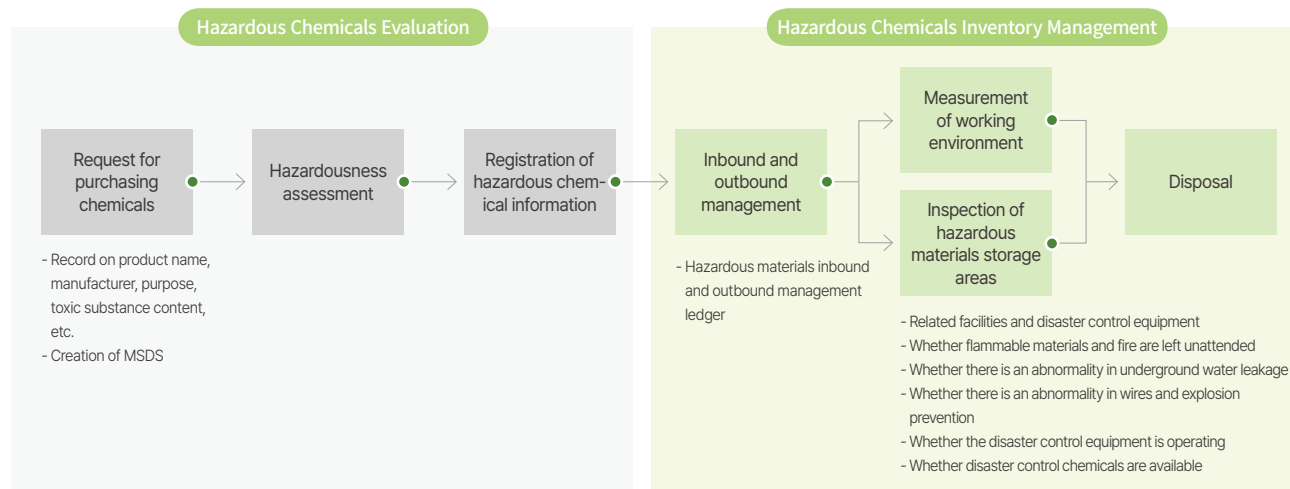
Chemicals Management Policy at Business Sites

Seoyon E-Hwa does not directly use hazardous chemicals that fall under the Occupational Safety and Health Act or the Chemical Substances Control Act. Nevertheless, we have guidelines on how to handle and inspect all hazardous chemicals that may be used throughout our production and sales activities. By complying with the Dangerous Goods Safety Management Act and the Chemical Substances Control Act and conducting periodic inspections, we strive to prevent accidents that may occur due to hazardous chemicals. In order to purchase and use new chemicals, information on the substances is written and documented based on the guidelines, and their hazardousness is examined by relevant agencies. In addition, in accordance with the Occupational Safety and Health Act, we conduct work environment measurement by an external agency twice a year, and we conduct inspections of dangerous goods storage at least once every half-year to ensure worker safety.

Managing Material Safety Data Sheets (MSDS)

Seoyon E-Hwa provides Material Safety Data Sheets (MSDS) in all workplaces where hazardous chemicals are used so that workers who handle hazardous chemicals can see them and use and manage them safely. In addition, managers of these workplaces receive training every quarter on MSDS items, handling precautions and what to do in case of accidents, and understand the importance of MSDS management.

Hazardous Chemicals Management Process

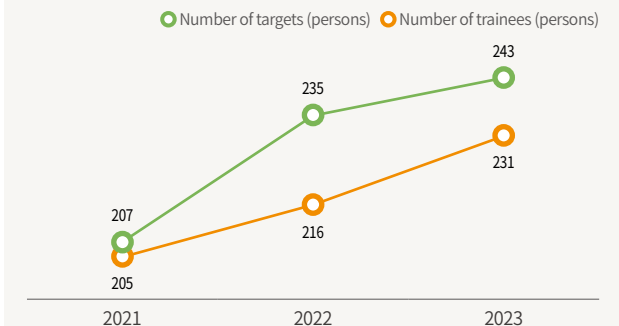


Managing International Material Data System (IMDS)

Seoyon E-Hwa enters information on the ingredients of parts used in the domestic and overseas vehicles it supplies into the International Material Data System (IMDS) to manage legal regulations, substance composition information, and safety-checked ingredients. We review outsourced parts directly through email requests to suppliers and request final approval from customers. The MSDS input process ends when the approved MSDS approval report is downloaded from the customer and delivered to quality department. Seoyon E-Hwa is taking the lead in managing hazardous chemicals by strictly complying with process on the IMDS management tasks that are common in the global automotive industry.

MSDS Training Track Record

The number of MSDS-related training subjects in the workplace is increasing significantly every year. We aim to increase the participation rate to create a safer work environment, and in 2023, the participation rate was 95%, an increase of 3.1 percentage points year-on-year.



Environmental Impact Management

Commitment to Biodiversity Conservation

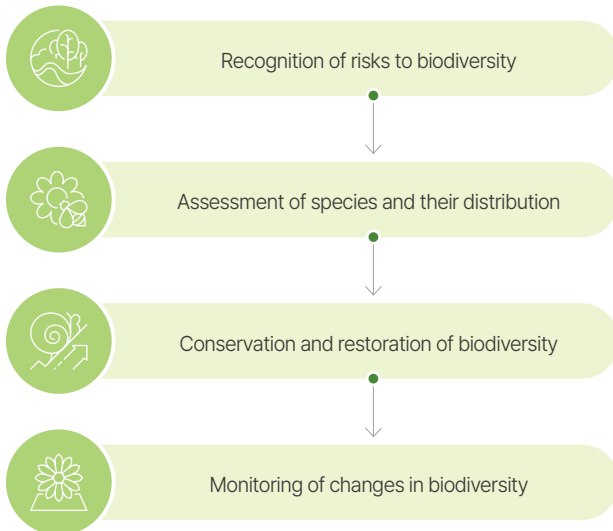
Biodiversity is the collective term for the diversity of all the species that live on Earth, the diversity of the ecosystems in which they live, or the diversity of the genes in living things. Biodiversity provides a safety net for the survival of all life on Earth, including humans. Therefore, it is imperative that our diverse conservation efforts maintain the delicate balance of these natural ecosystems.

Biodiversity Protection Policy

Seoyon E-Hwa recognizes that it receives various resources from nature for its business activities. Therefore, in order to prevent biodiversity risks that may occur in the entire process from production to sales and to practice biodiversity protection, Seoyon E-Hwa has a separate provision for biodiversity protection in its environmental management policy. Based on this policy, we will protect and restore biodiversity in the communities where our business sites are located.



Biodiversity Protection Management Process



Eco-friendly Activities for Communities

Muryongsan Keepers

The Muryongsan Keepers at Seoyon E-Hwa Ulsan Plant is an in-house volunteer club that conducts local environmental clean-up activities. This environmental volunteer group, comprised of Ulsan Plant employees and their families, conducts environmental clean-up activities with local residents in Ulsan's North District every month, contributing to improving local environment. Every month, the group visits designated areas to pick up cigarette butts and garbage, and their main activity is to clean up the local environment. In addition to these regular activities, when natural disasters such as forest fires have caused major damage to local communities, we also actively conduct special fundraising activities to restore the damage. In March 2022, we also delivered donations to the victims of the forest fires that occurred in the Uljin and Samcheok regions for a speedy recovery.



Environmental Cleanup Activities of the Muryongsan Keepers

Lantern Volunteer Association

Seoyon E-Hwa's Lantern Volunteer Association is a volunteer group organized by employees at the Ulsan Plant to contribute to the local community. Its main role is to improve the living environment and clean up the environment. Lantern Volunteer Association conducts environmental clean-up activities around rivers once a month to protect local river ecosystems and prevent water pollution. They also carry out home repair and cleaning activities for local residents who need to improve their living environment.



Environmental Cleanup Activities of the Lantern Volunteer Association



Social



Key Performance



Established
**Human Rights
Management Policy**



Supplier quality
improvement rate
87%



Quality Management System Certification
Rate (IATF 16949)
Domestic **100%**, Overseas **95%**



Number of serious accidents
ZERO

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Ensuring Basic Rights and Increasing Employee Value

Human Rights Management System

Human Rights Management Policy and Guidelines

Seoyon E-Hwa supports the Universal Declaration of Human Rights and the International Labor Organization (ILO) Conventions. Based on the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights (UNGPs), we strive to protect and promote human rights for all our stakeholders. As part of this, we have established a Human Rights Management Policy to identify and minimize human rights risks that may arise during the entire process from design to production and final sales of our products. HR divisions including Human Resources Group and Planning Group are in charge of human rights-related matters. Our human rights policy is publicly available on our website, with the purpose of transparently sharing our commitment to human rights and actively collecting feedback from our stakeholders. In doing so, we aim to provide our stakeholders with an opportunity to understand our human rights-related activities and policies and, if necessary, to provide feedback.



Human Rights Training

Seoyon E-Hwa provides human rights training for all employees to promote a culture of respect for human rights throughout the Company. This training goes beyond simply meeting legal obligations and focuses on internalizing and practicing the value of human rights within the company.

The training program consists of four legally required human rights trainings: personal information protection, sexual harassment prevention, disability awareness training, workplace bullying prevention. In addition to the basic topics, we provide additional courses such as reporting procedures in the event of a violation of fundamental rights and training on equality.

Through these trainings, we aim to respect and protect the human rights of all stakeholders, not only our employees, but also our customers, suppliers, and society at large. Based on our core value of respect for human rights, we will continue to strive to ensure that everyone is treated with respect and can operate in an environment free from discrimination.

Potential Human Rights Risks and Response Measures

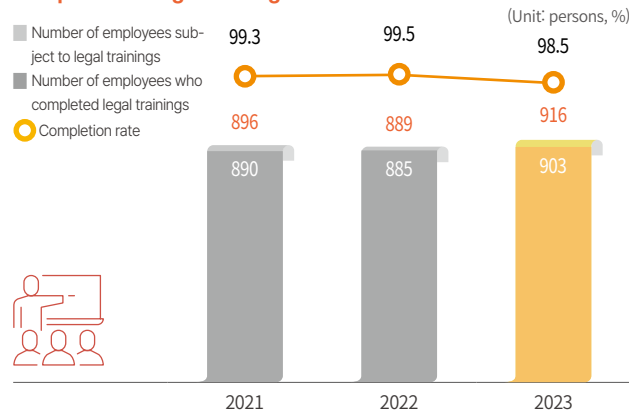
Human Rights Risk	Stakeholder	Response Measures
Compliance with working conditions	Employees, partners	<ul style="list-style-type: none"> Check whether employment contracts are concluded and complied with Implementation of flexible work system and PC-OFF system Check compliance with partner code of conduct
Prohibition of forced labor and child labor	Employees, partners	<ul style="list-style-type: none"> Check whether employment contracts are concluded and complied with Check compliance with partner code of conduct
Prohibition of discrimination	Employees	<ul style="list-style-type: none"> Conduct workplace bullying prevention training
Humane treatment	Employees	<ul style="list-style-type: none"> Operate the Cyber Audit Center
Guarantee of freedom of association and collective bargaining	Employees	<ul style="list-style-type: none"> Regularly hold the collective bargaining and labor-management council
Safety and health	Employees, partners	<ul style="list-style-type: none"> Obtain and maintain ISO45001 certification Check compliance with partner code of conduct
Protection of the human rights of local residents	Local residents	<ul style="list-style-type: none"> Conduct social contribution activities by region
Protection of customer rights	Customers	<ul style="list-style-type: none"> Operate the Cyber Audit Center
Protection of personal information	Employees, clients, partners	<ul style="list-style-type: none"> Conduct personal information security training



Basic Principles for Human Rights Management

1. Prohibition of discrimination
2. Prohibition of workplace bullying
3. Compliance with working conditions
4. Competency development
5. Humane treatment
6. Guarantee of freedom of association and collective bargaining
7. Prohibition of forced labor and child labor
8. Guarantee of industrial safety
9. Protection of the human rights of local residents
10. Protection of customer rights

Completion of Legal Trainings

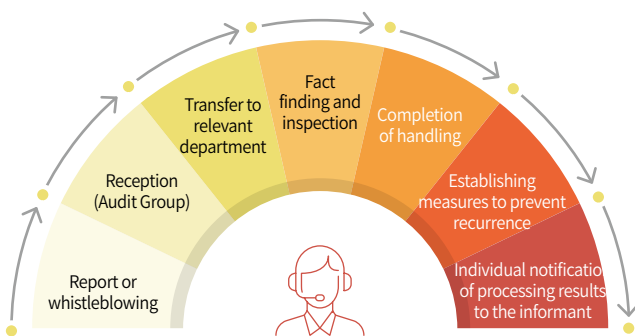


Ensuring Basic Rights and Increasing Employee Value

Grievance Handling System

Seoyon E-Hwa operates the Cyber Audit Office where employees can report issues that may arise in the course of their work. The Office handles various cases of human rights violations, violations of laws and regulations, and misuse of authority. The reporting and counselling process is conducted under strict confidentiality, and the identity of the whistleblower is only disclosed to a limited number of people in the relevant departments to ensure that the whistleblower's identity is not revealed. Upon being tipped off, the information is immediately forwarded to the relevant department to determine the circumstances and launch an investigation, including internal investigation, as necessary. The progress of the investigation and the final outcome will be communicated to the person who made the report via email. After that, we identify the root cause of the grievance and take measures to prevent similar cases from occurring again.

Grievance Handling Process



Recruitment and Compensation

Employment

Seoyon E-Hwa guarantees equal opportunities to all applicants and strictly prohibits discrimination in the recruitment process. As stated in Principle 1 of the Human Rights Management Policy Statement, no one will be discriminated against for any reason, including gender, race, and nationality. In addition, we are committed to expanding employment opportunities for socially disadvantaged groups. These policies reflect the diversity and inclusiveness of society at large and focus on attracting people with diverse backgrounds and experiences to contribute to our growth and development. In addition, we have a structured training program for our recruitment interviewers to ensure that we select candidates who meet our HR Ideology. Once selected as an interviewer, they are required to complete an 8-hour mandatory training and ensure that candidates are fairly and objectively interviewed.

Talents of Seoyon E-Hwa



US Youth Intern Program

Seoyon E-Hwa is committed to helping young Koreans gain hands-on experience in overseas industrial sites and grow into global talents. As part of this effort, we regularly recruit Korean university students as interns at Seoyon E-Hwa Manufacturing Savannah, Inc.'s subsidiaries in Alabama, Georgia, and Auburn, Inc. in collaboration with several Korean universities. Selected students will spend approximately four months as paid interns at these sites.

During this time, they will gain practical, hands-on experience and knowledge from professionals in the field. We provide a variety of benefits such as dormitory accommodation and transportation to help them adjust to the international work environment, and those who perform well during their internship may be considered for local employment.

Number of Youth Interns

(Unit: persons)

Classification	2022	2023	2024
Seoyon E-Hwa Alabama	14	14	4
Seoyon E-Hwa Georgia	3	16	0
Seoyon E-Hwa Auburn	3	0	0
Seoyon E-Hwa Savannah	0	0	15
Total	20	30	19

Ensuring Basic Rights and Increasing Employee Value

Employee Evaluation

Organizational Evaluation

Organizational evaluation is the process of determining how well a team has achieved the goals they set at the beginning of the year. It is based on the MBO (Management by Objectives) method, which looks at the performance of the team as a whole in absolute terms, and the organizational rating determined from this serves as the basis for determining the percentage of ratings that can be given to individual members. This creates a system where the results of the top-level organizational evaluation can be directly linked to the assessment of lower-level teams or individuals, with the aim of improving the performance of the organization as a whole.

Personal Evaluation

Individual evaluations are conducted on two fronts: performance appraisal through MBO (Management by Objectives) and assessment of individual effort and potential through CIP (Competency Improvement Plan). Performance appraisal is conducted through the personnel appraisal system within our programs, where performance targets set at the beginning of the year are compared to actual performance achieved at the end of the year. Competency assessment is also conducted through the applicable personnel evaluation system, where we evaluate the extent to which the individual has made voluntary efforts to develop their competencies based on the plan they set at the beginning of the year and how diligently they have worked to achieve them.

Final Evaluation

The final evaluation is determined by comprehensively considering the individual ratings received through organizational evaluation, as well as their performance and competencies evaluation at the personal level. These results serve as crucial data for future decisions regarding compensation and promotions.

Employee Evaluation Process



Employee Compensation

Seoyon E-Hwa adheres to the fundamental principle of providing compensation exceeding the minimum wage to all employees. Additionally, in accordance with our 'Human Rights Management Policy,' we explicitly prohibit any unjust wage discrimination based on gender, race, or other factors. This policy contributes to fostering inclusivity and enhancing diversity within the organization by ensuring that every employee has equal opportunities through a fair compensation system. For our employees, those in managerial positions receive salaries based on an annual basis, while junior staff and associates are on a monthly salary system. Field technicians are paid on an hourly basis, with annual pay increases determined by equitable performance evaluations and achievements. Furthermore, we operate an 'In-House Recognition System' and a 'Promotion Points System' to reward employees who contribute to the organization's growth, providing appropriate compensation and promotion opportunities to those who excel in proposing innovative ideas or demonstrating outstanding job performance.

SEOYON E-HWA Story

In-house Reward System

Seoyon E-Hwa operates a system to reward employees for exemplary behavior and outstanding meritorious achievements. At the end of the year, awards are presented in several categories, including merit, exemplary, and service awards, and winners are given cash or gold depending on the type of award to formally recognize their achievements and contributions.

Promotion Point System

Seoyon E-Hwa comprehensively evaluates and quantifies various factors such as employees' work performance, participation in training, language proficiency, and reward and disciplinary records, and uses them as a reference when making promotion decisions. We actively reward individual efforts by providing early promotion opportunities to employees who have demonstrated outstanding performance.

E-novation

Seoyon E-Hwa encourages creative ideas from employees every quarter through the E-novation scheme. This is divided into the categories of proposal/submission, new technology/new product, and new business/start-up. A total of more than 100 winners are selected each year. These awards are recorded in the HR data and evaluated as merit data in the future to fairly reward employees for their contributions to the Company's development and innovation.



Ensuring Basic Rights and Increasing Employee Value

Talent Cultivation

Talent Cultivation Policy

At Seoyon E-Hwa, our talent development strategy is to foster people with integrated thinking and a global mindset, and we strive to cultivate top-notch professionals who will lead the future of the automotive industry. To this end, we offer a variety of training programs and hands-on opportunities to equip our employees with the skills to compete on the global stage.

Talent Cultivation



Employee Trainings

Area	Details	Major Activities in 2023
Leadership training	<ul style="list-style-type: none"> Entry and promotion Competency enhancement for new executives Leadership enhancement for new team leaders Improvement of leadership by position 	<ul style="list-style-type: none"> Training courses for new recruits and promoted employees E-MBA Team project goal management techniques Team member development and empowering leadership Performance promotion skills and team leader authority and responsibility
Common job training	<ul style="list-style-type: none"> Improvement of common job competencies 	<ul style="list-style-type: none"> Accounting course Stress management and communication skills Time management, self-management and generational conflict Data talent training course and digital convergence
Technical training	<ul style="list-style-type: none"> Improvement of professional job competencies 	<ul style="list-style-type: none"> Injection molding specialist course New technology FMEA training course Understanding of the company's manufacturing methods Understanding of the process (design, development, production management, quality)
Special training	<ul style="list-style-type: none"> Improvement of global job competencies 	<ul style="list-style-type: none"> Training for new and returning expatriates Training for global key talents Training to improve global mindset

Global Talent Development Program

To successfully expand in markets around the world and strengthen our global competitiveness, Seoyon E-Hwa values strengthening the global capabilities of our domestic employees, given that overseas sales account for 70% of our total sales and we have approximately 8,000 overseas employees. To this end, we run a global talent training program in the second half of every year to help domestic employees communicate with overseas employees and perform their duties effectively when they are dispatched overseas or work as Group Managers. The program is aimed at employees at the Assistant Manager level and above, and participants receive various trainings for about five months. In addition to improving basic language skills, participants have the opportunity to understand different cultural backgrounds and gain a broader knowledge of global business practices.

Overview of Collective Training Curriculum for Global Talent in 2023

Classification	Major Activities in 2023
Training Purpose	<ul style="list-style-type: none"> Recognize the role and importance of being an expatriate Cultivate leadership and job competencies for the role of an expatriate Understand the business environment of the dispatched country through cross-cultural understanding
Training Target	<ul style="list-style-type: none"> Expatriate candidates scheduled to take office Global talent candidates
Training Content	<ul style="list-style-type: none"> Understand global business and the roles and responsibilities of expatriates Global Leadership Course (Global Organization Communication) Global Performance Management (Organization Intervention Strategy, Case Study)

Rotational Position System

Seoyon E-Hwa runs a talent rotation program to facilitate employees' career progression and skill development on their wishes and needs. This system applies to all Staff, allowing them to enhance their expertise and explore new technical domains. Annually, team leaders compile staffing requirements and submit them for review by the Human Resources Group, which assesses the suitability of the rotation and oversees internal or occasional recruitment for necessary positions.

Rotational roles include office management positions in key departments such as design, development, and quality, and field technical roles, primarily in areas where technology is essential, such as delivery, equipment fabrication, materials management, electrical/mechanical maintenance, and product inspection. Employees who transition into these roles gain opportunities to grow into specialists as they learn and acquire relevant skills. This gives them the opportunity to expand their capabilities and build a career in a new field.

We support our employees' personal growth, while at the same time aiming to strengthen our technical capabilities. The system allows employees to cultivate their careers in a variety of ways. As they establish long-term trajectories within the Company, we anticipate enhancing the collective skills of the entire organization, thereby contributing to sustainable growth.

Retiree Training in 2023

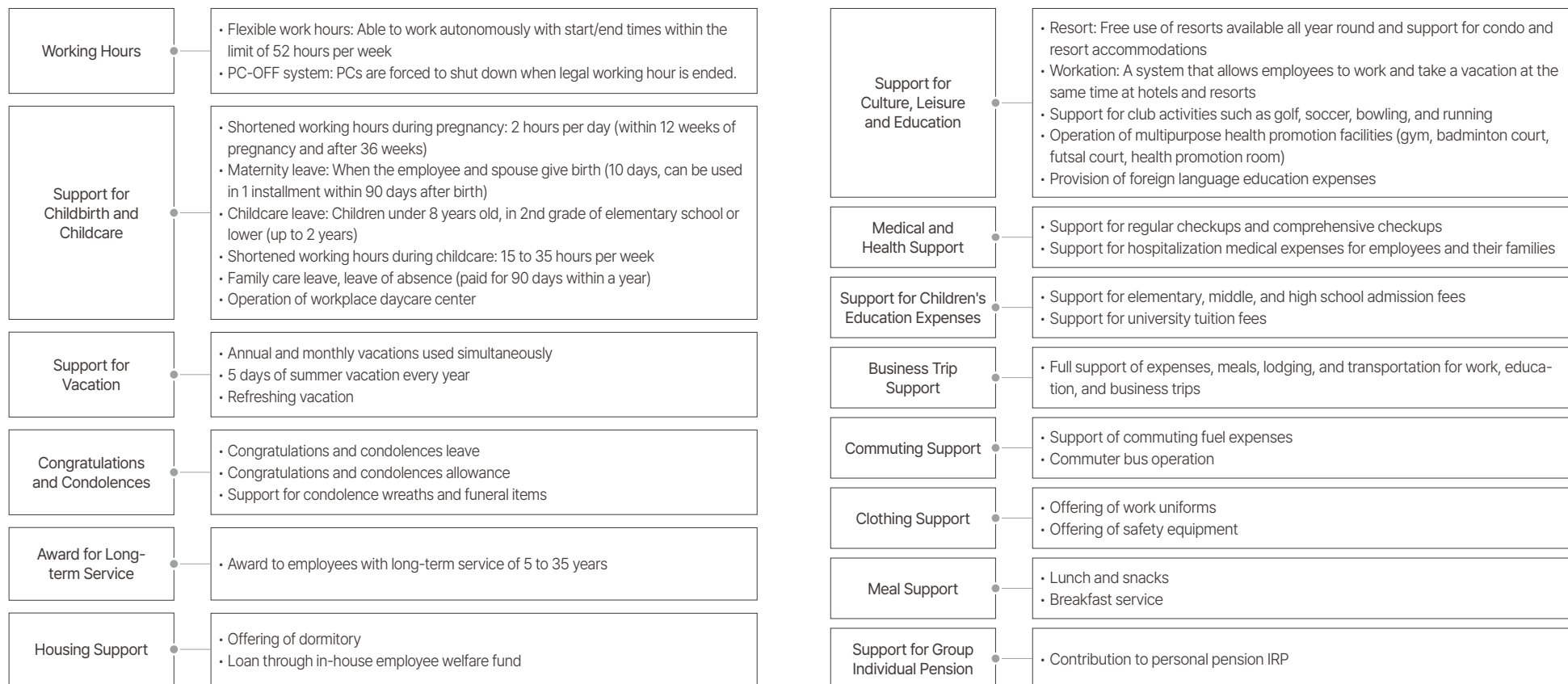


Ensuring Basic Rights and Increasing Employee Value

Welfare and Benefits

Seoyon E-Hwa prioritizes achieving a harmonious work-life balance for its employees and offers a comprehensive range of welfare benefits aimed at enhancing productivity. Our provisions include leave support, maternity and childcare assistance, flexible work arrangements, and commuting support policies to ensure comfortable travel to work. Additionally, we provide support across various domains such as culture, leisure, education, healthcare, and housing, all aimed at improving the overall quality of life for our employees. Through our Labor-Management Consultative Committee, we continually assess additional welfare benefits needed by our employees and strive to enhance existing programs or introduce new ones as necessary.

Overview of Welfare Benefit Programs



Ensuring Basic Rights and Increasing Employee Value

Organizational Culture

Roundtable Meetings by Position

Seoyon E-Hwa regularly organizes roundtable discussions by position under the auspices of the Human Resources Group. Staff can freely share their difficulties or needs about company life, and the Human Resources Group collects these opinions to take necessary measures. The meetings also provide an important opportunity for staff to interact with their peers, empathize with each other's difficulties, and form bonds.

SEOYON E-HWA Story

Workshop for Organizational Culture Manager and Staff

To continuously improve and develop its organizational culture, Seoyon E-Hwa conducted a workshop in collaboration with IGM-Kearney, an external expert agency. The workshop invited executives and managers to review the current state of the organizational culture and explore ways to improve it. IGM-Kearney visited our management team and shared ideas for internal improvements from the workshop, as well as suggestions for improvement from a specialist firm. The top management reviewed the proposed improvement measures in depth and set the direction for the development of organizational culture to promote sustainable growth and development of the organization.



New Staff Onboarding Program

Seoyon E-Hwa runs various programs for new staff to help them adapt to company life and cultivate their skills.

Introductory Training

Staff undergo a mandatory induction period of approximately three weeks after joining the Company. During the first two weeks, they participate in a variety of training programs to help get to know colleagues and understand the Company. During this time, they strengthen their bonds with colleagues through team building activities, film festivals, and communication skills improvement programs, and build a sense of loyalty and belonging through lectures from our CEO and factory tours. In the final week, they experience tasks such as assembly and packaging at the actual product production site through on-the-job training, gaining practical knowledge of the manufacturing process and deepening their understanding of the Company.

Jump-Up Program

When our newest Staff members have completed one year in the Company, we conduct a one-day jump-up program to facilitate their career progression and integration into the organization. The



Jump-Up Program

main objective of the program is to strengthen the bonds between colleagues and positively change the atmosphere within the Company by internalizing the Company's core values and strategy. The program involves senior employees from different teams sharing their experiences and the Company vision. Employees have the chance to understand the Company's direction and long-term goals. It also provides an opportunity to strengthen teamwork through various collaborative activities with their peers.

Mentoring Program

To help new Staff settle into the Company and gain the necessary knowledge, we run a mentoring program for about three months. The program helps new Staff gain the knowledge they need for company life and build an internal network. Mentors and mentees are matched in different functional areas, allowing mentees to understand different perspectives and build a wider network of contacts. To support the program, we provide a monthly stipend, which is used to fund mentoring activities. Each team is required to submit a monthly activity report, and at the end of the program, we select the best teams based on their reports and award prizes to encourage active participation by both mentors and mentees.



New Employee Welcome Night

Ensuring Basic Rights and Increasing Employee Value

Promise of the Month

Seoyon E-Hwa has been implementing campaign to revitalize the organizational culture since 2022 to promote a healthy and vibrant organizational culture. As part of this campaign, a new slogan is selected every quarter, and monthly activities are disseminated to employees to encourage their participation. The monthly activities are specific and easy for employees to fulfil, such as 'giving warm words and compliments to juniors' and 'expressing gratitude to seniors'. In addition, the best participants are rewarded with gifts and other events to activate the campaign and increase employee engagement.

Mid- to Long-term Roadmap for Activating Organizational Culture

Building Infrastructure	Activating	Internalizing
2022	2023	2024 ~
Booming Up Organizational Culture	Spreading Organizational Culture	Internalizing the Value of Organizational Culture
Campaign: Respect & Consideration • 1Q: Courtesy and Respect • 2Q: Establish a Smart Work Culture • 3Q: Practice Work-life Balance through Immersion • 4Q: Comply with the Basics of Work Life	Campaign: Communication & Innovation • 1Q: Activate communication • 2Q: Learn the basics of innovation • 3Q: Work diet • 4Q: Create a fun company dinner culture	Campaign: Autonomy & Responsibility • 1Q: Leader's example • 2Q: Clear work instructions • 3Q: Top-oriented • 4Q: Autonomous and responsible activities



Promise of the Month Poster

Labor-Management Relationship Policy

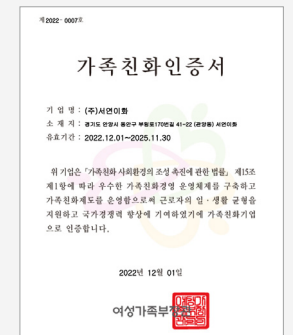
Seoyon E-Hwa supports and legally guarantees freedom of association so that employees can protect and promote their rights and interests. Employees have the right to freely elect representatives to represent their interests, and the elected representatives form trade unions to engage in collective bargaining with the Company. This bargaining process is based on mutual respect and understanding, where both sides share their views and seek mutually beneficial solutions. Collective bargaining takes place between April and October each year, during which agreements are made on wages and working conditions. These agreements play an important role in protecting workers' rights and welfare and improving working conditions. Employees can also request improvements to benefits and workplace safety and health through the Labor-Management Council and Occupational Safety and Health Committee, which convene every quarter.

Negotiation and Consultation	Details	Key Discussion Results
Collective Bargaining	<ul style="list-style-type: none"> Negotiation of wage and collective bargaining Agreement on employee performance bonus and better working conditions 	<ul style="list-style-type: none"> Wage increases and performance bonus payment
Labor-Management Council	<ul style="list-style-type: none"> Regular labor-management council meetings Employee grievance handling and welfare improvement Discussion on productivity improvement 	<ul style="list-style-type: none"> Payment of quality improvement incentives Contribution to the Labor Welfare Fund Replacement of all office chairs Establishment of a rooftop rest area
Industrial Safety and Health Committee	<ul style="list-style-type: none"> Improvement of working environment and prevention of industrial accidents Consultation on occupational health and health 	<ul style="list-style-type: none"> Implementation of work environment measurement Implementation of on-site risk assessment Rewarding excellent accident-free production lines



Family-friendly Corporate Certification

Seoyon E-Hwa has been pursuing a harmonious balance between work and family. To this end, we have introduced various policies such as flexible working hours, telecommuting, and maternity and paternity leave systems to help our employees achieve a balance between their families and the Company. As a result of these efforts, we were awarded the Family-Friendly Corporate Certification by the Ministry of Gender Equality and Family in 2022. We will continue to develop these family-friendly policies and create an environment where employees are satisfied at work and at home, so that they and their families can be happy.



Supply Chain Management and Supplier Policy

Supply Chain Management and Assessment

Supplier Code of Conduct

Seoyon E-Hwa aims to respond to the rapidly changing environment in the automotive and parts industry by building a stable supply chain. In response, we have adopted the Seoyon E-Hwa Supplier Code of Conduct to foster a more transparent and ethical relationship with our suppliers. The Code of Conduct sets out requirements for all suppliers with whom we do business in terms of legal, ethical, environmental, labor and human rights, safety and health, and management systems. We may inspect and conduct due diligence on our suppliers, either directly or through third-party organizations delegated by our customers, to ensure compliance with this Code of Conduct, and we aim to manage our supply chain more effectively by recommending improvements for any risks identified.



Major Topics of Supplier Code of Conduct

	Laws and Ethics	Anti-corruption, conflict of interest prevention, unfair trade prevention, counterfeit parts prevention, information protection, intellectual property protection, and responsible material purchasing
	Environment	Establishment of environmental systems, greenhouse gas emissions management, water resource management, air pollutant management, waste management, chemical management, and animal welfare
	Labor and Human Rights	Prohibition of discrimination, provision of wages and benefits, management of working hours, humane treatment, guarantee of freedom of association, and prohibition of child labor and forced labor
	Health and Safety	Establishment of safety and health management system, safety management of machinery and equipment, emergency response, accident management, safety diagnosis, and health management
	Management System	Publication of corporate statements, appointment of personnel, risk assessment, education and communication, information management, operation of grievance handling system, management of partners, and compliance with regulations

Supplier Evaluation and Selection Process

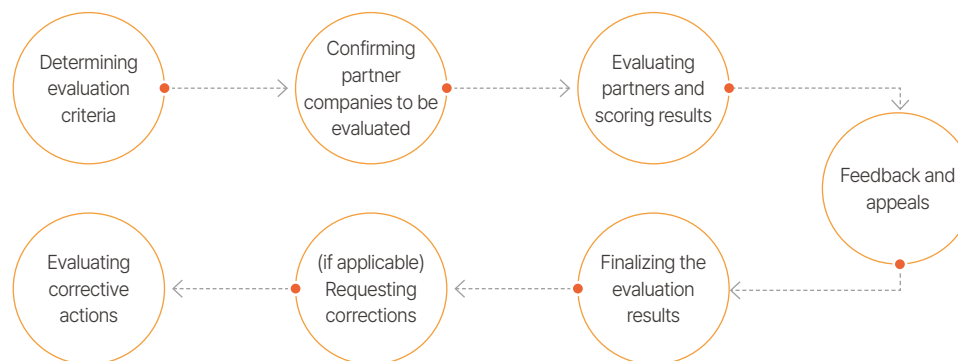
Seoyon E-Hwa evaluates, selects, and manages its suppliers according to a supplier management process developed in-house. Based on this system, we conduct an evaluation of all first-tier suppliers once a year. The results serve as the basis for us to assign scores to suppliers on supplier risk, quality defects, compliance with delivery deadlines, and quality control capabilities. The scores are used as priority consideration for future supplier re-selection. After the assessment, we may require some suppliers to take corrective actions and provide guidance on how they should proceed in terms of human rights, health and safety, environment, and product quality. We continuously monitor our suppliers to ensure that corrective actions are taken appropriately, and ultimately to ensure that they produce products that satisfy our customers in terms of quality, human rights, and the environment.

Partners

(Unit: companies)

Classification	2021	2022	2023
Number of partners	247	238	280
Number of major partners	22	23	23

Partner Evaluation Process



Supply Chain Management and Supplier Policy

On-site Inspection of Partners

Seoyon E-Hwa regularly inspects the safety management practices of its domestic OEM production suppliers to ensure sustainable supply chain management. These inspections include safety management of maintenance work, checking the functioning of facility safety devices, and verifying the normal operation of fire prevention systems. Any deficiencies found during the inspections require suppliers to take remedial measures, and subsequent inspections verify whether the remedial measures have been implemented.

By doing this, we encourage our suppliers to establish an autonomous safety and health management system, which is expected to improve their ability to prevent industrial accidents and strengthen throughout the supply chain. We plan to further develop the safety and health management system in our supply chain through regular inspection activities and communication with our suppliers.

Performance in On-site Inspection of Partners

Classification	1st half of 2023	2nd half of 2023
Number of partners subject to inspection*	25 companies	25 companies
Inspection content	<ul style="list-style-type: none"> Secondary inspection of fire and safety related to the preservation work of partners Inspection of the management status of safety devices and construction devices of partners' facilities Inspection of the status of chemical management 	<ul style="list-style-type: none"> Inspection of the establishment of a fire prevention system Inspection of the implementation plan and status of fire education and training Inspection of compliance with the environment, ethics, and worker human rights Inspection of the mold management status

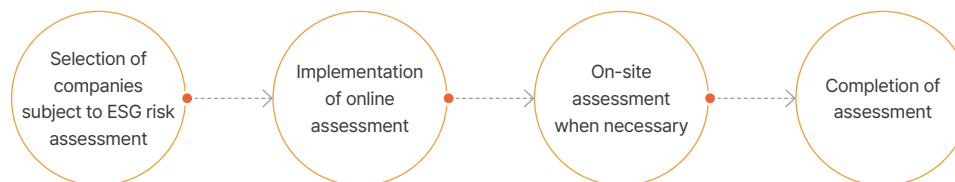
* Key partners among tier 1 partners

Assessing Suppliers' ESG Risk

To mitigate ESG risks while growing together with our suppliers, Seoyon E-Hwa has established an ESG risk assessment strategy for suppliers in 2023. In 2024, we will conduct ESG risk assessments for 25 key tier 1 suppliers. As of the end of May 2024, we have completed written assessments of environmental management, employee safety, and ESG disclosure for 25 of our suppliers. Based on these written assessments, we have determined the issues to focus on in the on-site assessments, and for any deficiencies found in the assessments, we will provide ESG-related consulting to the suppliers and request improvements.

We regularly report the ESG management status of our suppliers to the BOD and aim to operate a supply chain with minimal ESG risks. We plan to conduct ESG assessments of our suppliers on an annual basis and make improvements if problems are found, thus strengthening ESG management throughout the supply chain.

Partner ESG Risk Assessment Process



Responsible Minerals Procurement Policy

Seoyon E-Hwa has established a 'Conflict Minerals (Responsible Minerals) Policy' in accordance with the OECD Due Diligence Guide to contribute to a sustainable future. We prohibit the use of four major conflict minerals, including tin, tantalum, tungsten, and gold, which may be unethically mined in conflict zones around the world, and strengthen supply chain management of minerals with human rights violations or environmental destruction issues. In addition, we continuously monitor and respond to new controversial minerals and thoroughly investigate the use of conflict minerals in our products to ensure that we source only ethical products. We also provide conflict mineral management guidelines to our suppliers and conduct regular surveys to ensure that they purchase minerals that respect human rights and the environment.



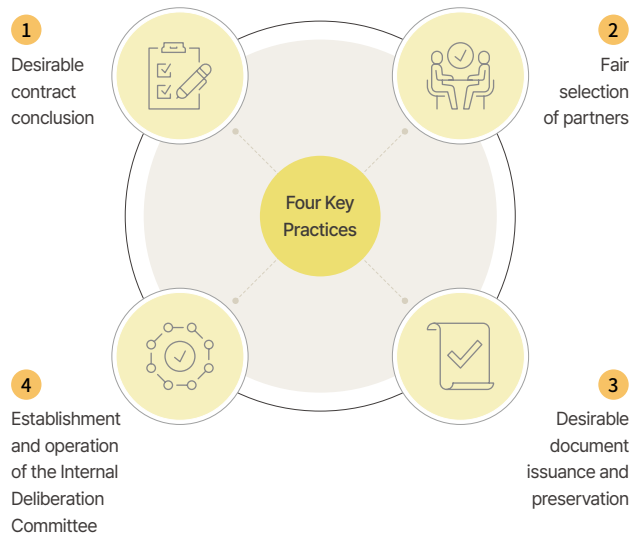
Supply Chain Management and Supplier Policy

Supporting Suppliers and Shared Growth

Four Key Practices for Fair Transaction

Seoyon E-Hwa is committed to preventing unfair trade practices and creating a healthy culture of subcontracting through the establishment of a fair trade order. As part of this, we have modelled our own practices for fair transactions after the Fair Trade Commission's Four Practices in accordance with our situation and reality and shared them with our suppliers by posting them on our website. We promise to establish constructive working relationships with our suppliers and lay the foundation for mutual growth.

Four Key Practices for Fair Transaction



Financial Support

Seoyon E-Hwa has developed a number of support measures for mutual growth and improved relationships with its suppliers. These are provided to help suppliers maintain financial stability and strengthen their competitiveness in the market in the event of business difficulties or temporary shortage of funds while implementing new projects.

This is mainly done by supporting the securitization of bonds held by suppliers, and through this, enables our suppliers to easily obtain the funds they need to run their business in a timely manner.

Through our support, we are building stable partnerships based on mutual trust with our suppliers, and we will continue these activities in the future to maintain a stable supply chain.

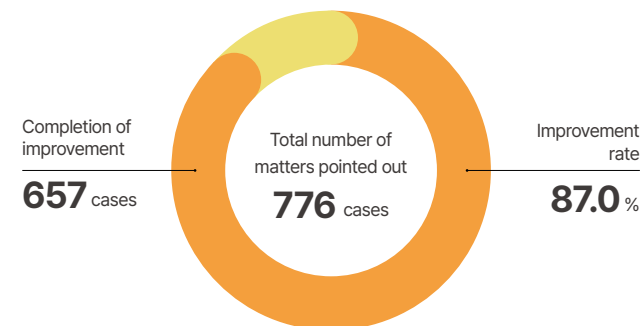
Financial Support Programs

Issuance of promissory note on product purchasing	When purchasing materials, the payment is made by promissory note, and a loan limit is operated to enable the operation of funds by securitizing trade receivables as collateral when necessary.
Early payment system	Support smooth financial operation by paying early upon request from partners

Quality Level-up

Seoyon E-Hwa strengthens the quality management capabilities of its suppliers through the 'Quality Level-up' program. We produce process management standard guides for key processes and distribute them to our suppliers, and conduct inspections and guidance to ensure that they are implemented properly. By analyzing past quality issues, we select and inspect processes in problem-prone industries to help suppliers pinpoint necessary improvements and provide them with root cause analysis and improvement plans. Within 14 days of completion of the inspection, our suppliers prepare improvement measures and share them with us. We then implement process improvements to prevent the same issues from recurring. In fiscal 2023, we visited 20 factories of 15 suppliers to inspect and provide guidance in industries such as assembly, injection, and wrapping, and requested improvements for each industry where problems occurred. In fiscal 2024, based on the results of these activities and the difficulties encountered by our suppliers, we will select new industries to inspect and conduct more intensive inspections, including selecting suppliers' Heads of Quality Management.

Quality Level-up Activities in 2023



Supply Chain Management and Supplier Policy

Communication with Partners

Seoyon E-Hwa seeks to build a culture where we can grow together and communicate effectively through close relationships with our suppliers. To this end, we operate various communication channels and listen to various opinions from our suppliers. In doing so, we endeavor to enhance mutual understanding between us and our suppliers, and to maintain stronger partnerships.

Collaboration Roundtable and Seminars

Seoyon E-Hwa hosts Collaboration Roundtable with seven major module suppliers. Through this meeting for cooperation, we listen directly to the challenges of our suppliers and reflect their opinions in our policies. We also hold an annual representative seminar for 25 of our major suppliers, providing them with the opportunity to share their company-wide strategies, strategies of major organizations, purchasing strategies and policies. Through these seminars, we further strengthen our relationships with our suppliers and promote mutual growth by understanding each other's business direction.

Partnership Day

Seoyon E-Hwa regularly organizes Partnership Days to share deeper bonds with our suppliers beyond just business. Specifically, once a quarter, our executives and representatives of our key suppliers come together to conduct workshops and have dinner together. Participants have the opportunity to share their thoughts and experiences in an informal and relaxed atmosphere, and to communicate on a variety of topics that may be difficult to bring up in the normal course of business. Through this, we seek to build solid business partnerships with our suppliers based on mutual trust.

Open Communication Channel

Seoyon E-Hwa operates the Cyber Complaint Center channel on its website to maintain smooth trading relationships with suppliers and to prevent and resolve disputes that may arise between suppliers or with us. We receive various types of suggestions and difficulties such as improving trading relationships, payment, compensation, supplier support programs and other requests. All matters received are strictly managed by designated personnel in the Supplier Cooperation Group, and the protection of the private information is given top priority. In addition, we promptly and objectively check the contents of the complaint and reply with possible actions and results, contributing to the creation of a transparent and fair trade environment.



Partners' General Meeting



Partnership Day

Shared Growth

Overview Action Plans and Documents **Difficulties**

At Seoyon E-Hwa, we operate a "Cyber Complaint Center" to improve business relationships by listening to the difficulties and suggestions of partners that deal with us directly or indirectly and serve as a mediator in resolving disputes that may arise between partners or with us.

Cyber Complaint Center Report Submission Types

- Improving business relationship
- Payment
- Compensation related matters
- Business partners Support program
- Other requests

※ We will strictly manage the information sent to the designated employees in the Win-win Partnership Division to prevent any damage from reporting to the individual sender or the relevant partner companies. In addition, we will check the facts from an objective standpoint as soon as possible with respect to the received matters and provide a reply on possible action results.

Submit

Open Communication Channel on Corporate Website

Supply Chain Management and Supplier Policy

Training for Supplier Employees

Seoyon E-Hwa seeks to strengthen its relationship with its suppliers through systematic training programs and to develop the capabilities of its suppliers' employees to ultimately create one supply chain system that can supply and produce products of high quality. To this end, we provide the following training programs.

Quality Training for On-site Managers

Seoyon E-Hwa offers quality training for on-site managers of suppliers every year. The training is conducted through in-person visits to selected key suppliers, with the main focus on qualitative quality improvement measures and analyses of quality failure cases. The training was designed to ultimately raise the level of quality management by not only delivering theory, but also conducting discussions and practical exercises on how site managers can apply what they have learnt in their actual working environment.



Quality Training for On-site Managers of Partners

Partner Employee Training

(Unit: companies)

Classification	2021	2022	2023
Number of partners that received on-site quality training	-	-	11
Number of partners that received job training	45	43	39
Number of partners that received ESG training	-	-	20

ESG Training

Seoyon E-Hwa provides ESG training to help suppliers recognize the importance of ESG and build management systems that meet these standards. The training enables our suppliers to clearly understand the ESG assessment criteria, determine their current level of ESG management and identify necessary improvements. In this process, we collaborate with expert organizations to help our suppliers acquire sufficient ESG knowledge and integrate it into their management strategies before conducting ESG supply chain assessments.



ESG Training for Partners

Job Training

Seoyon E-Hwa operates job competency training programs for its suppliers' employees every year in order to strengthen their job competencies and ultimately increase the competitiveness of its product quality. At the beginning of each year, a training demand survey is conducted to determine the schedule, and collective training is conducted at the Ulsan Plant or Asan Plant about 10 times a year. At the end of October each year, a report on the results of the training is created by the training manager to review the effectiveness and improvement of the training, and based on this, a training plan for the next year is established.



Job Training for Partners

Safe Workplace and Employee Health

Vision

Building a safe and healthy workplace by preventing serious accidents

Goal

ZERO serious accident **Industrial accident rate: 0%**

Mid- and Long-term Strategy



KPIs

Key Indicator	Detailed Promotion Plan	Unit	Goal	Performance Management
Number of serious accidents	Strict compliance with safety and health laws and regulations	Cases	0 case	Disclosure of goals and performances by indicator (in the sustainability report)
Industrial accident rate management	Pursuing zero industrial accident rate through safe workplace management	%	0%	

Safe Workplace and Employee Health

Safety at Workplaces


Health and Safety Policy


Seoyon E-Hwa considers the health and safety of its employees to be a top priority, and based on this, the Company implements a set of health and safety management policy. This policy pursues to contribute to improving productivity and increasing work efficiency by ensuring that employees can work in a safe and healthy working environment. Accordingly, we carry out programs for safety and health of our employees and periodically conduct safety-related campaigns.


These efforts help prevent workplace accidents and illnesses in the short term, and lay the foundation for our sustainable growth in the long term. We believe that a culture that emphasizes the health and safety of our employees will enhance employee trust and play a key role in attracting and retaining top talent.





Health and Safety Management Guidelines at Seoyon E-Hwa

- 

Establish a sustainable safety and health management system based on self-regulation to prevent industrial accidents and secure sufficient human and material resources for removing and controlling risk factors at workplaces
- 

Establish safety and health goals, and implement detailed execution plans to achieve them
- 

Comply with safety and health related laws and establish and faithfully implement internal regulations for self-regulation
- 

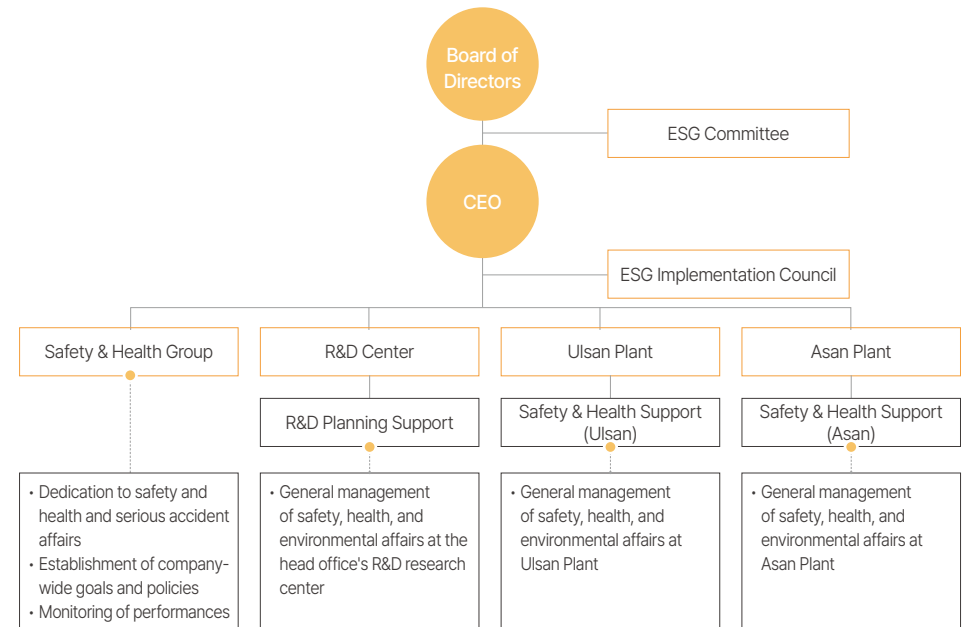
Identify potential risks through worker participation, improve them, manage them to an acceptable level, and share them through education
- 

Ensure that all executives and employees shall faithfully comply with their responsibilities and obligations for safety and health activities

Health and Safety Governance

Seoyon E-Hwa has established a Safety & Health Group under the CEO to ensure prompt response to safety accidents that may occur in the course of management activities. The Safety & Health Group sets health and safety performance targets every year, reports them to the management together with the previous year's performance, and receives approval from the Board of Directors. Health and safety issues from the previous year are selected as priority improvement measures, and the targets are finally selected in consideration of safety accidents in other companies and the difficulties of employees, and then confirmed by the management. The Safety & Health Group ensures that policies related to health and safety, which are determined company-wide, are followed by the support departments at plants and R&D Center. Compliance with health and safety policies deemed insufficient are reported to the Safety & Health Group, and matters deemed critical are reported to the top management.

Safety and Health Management Promotion Organization*



* Same as environmental management organization system

Safe Workplace and Employee Health

Safety Management Risk Mitigation

Complying with the Serious Accidents Punishment Act

With the enforcement of the Serious Accidents Punishment Act, Seoyon E-Hwa has established a systematic inspection system to ensure thorough compliance with the requirements of the Act. We have developed indicators to quantify the main points required by the Act, divided into 17 detailed items, and are checking whether these elements are managed appropriately. Every half-year, we conduct our own inspections at workplace based on these indicators, and if the inspections reveal areas that need to be addressed, we provide guidance and encourage improvement.

As the Act will apply to workplaces with fewer than 50 employees from 2024, Seoyon E-Hwa will further strengthen our health and safety system for all suppliers, including in-house contractors. We will analyze the feedback we received from each workplace in relation to the 2023 assessment, and based on the results, we will set more specific standards for the 2024 assessment to ensure that our workplaces do not violate the law.

Participate in Customer-led Safety Councils

Seoyon E-Hwa is a key participant in the Automotive Component Manufacturers' Safety Council, which is organized by our customers. Established in 2023, the Council aims to share safety-related trends and information within the automotive industry and to prevent industrial accidents. We regularly hold the first and second meetings of the Council, as well as major policy announcements and safety awareness events.

We play a leading role in the Council by organizing safety seminars and sharing smart safety equipment and risk assessment techniques with other companies. We also benchmark the best practices of other companies and apply them to our sites to strengthen safety at our workplaces. We will continue to put the safety of our employees at the forefront of our efforts to strengthen safety in our workplaces.



Safety Council

Intelligent Fire Management System

Seoyon E-Hwa has established an intelligent fire management system for quick and accurate response in the event of a fire. The system enables safety managers to check the situation on site at all times, and allows them to check the location of the fire not only through the receiver but also through the situation room equipped with workstations and personal mobile phones. In addition, it is possible to check the malfunction and operation history of firefighting facilities in real time to improve the efficiency of maintenance and remotely control alarms caused by malfunctions.



Safe Workplace and Employee Health

Emergency Response to Safety Accident

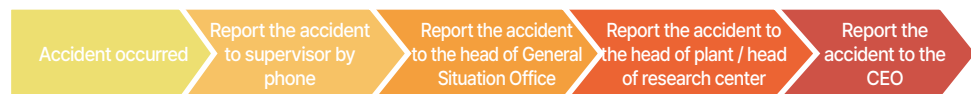
Seoyon E-Hwa has developed and manualized a systematic emergency management process to minimize casualties and business disruption caused by industrial accidents and natural disasters. The manual details the procedures for responding to accidents, which are classified into three crisis levels - white, blue, and red - depending on the scale of the damage. The response procedures for each crisis level clearly define the roles and responsibilities of each department, enabling a quick and efficient response in the event of an accident.

We also take steps to prevent recurrence and limit damage through continuous monitoring and follow-up even after the incident response is complete. This enables us to respond more quickly and effectively should a similar incident occur again, ultimately contributing to the safety of our employees and the protection of our assets.

In Case of a White Level Incident



In Case of a Blue Level Incident



Industrial Accident Rate Status

Classification	Unit	2022	2023	2024
Target industrial accident rate	%	1.0	0.4	0.0
Actual number of serious accidents	Cases	0	0	-
Actual number of industrial accidents	Cases	2	1	-
Actual industrial accident rate	%	0.4	0.2	-

Health and Safety Management System Certification

Seoyon E-Hwa has obtained ISO 45001 certification through an external audit of its domestic and overseas workplaces and conducts regular internal audits to systematically manage the organization's health and safety. ISO 45001 certification is an internationally recognized standard to protect employees' health and safety and manage risks in the workplace, and provides requirements for organizations to effectively operate a health and safety management system.

As of the end of December 2023, we maintained this certification for our domestic operations and 12 international locations. We are on target to achieve certification in June 2024 for our Urban operations in the United States, which are not yet certified.



Obtainment of ISO 45001 Certification

Classification	Workplace	Certification	Valid Period		
				Domestic	
100%	Manufacturing	Ulsan	○	2025-10-27	
		Asan	○	2025-10-27	
	Non-manufacturing	Pyeongchon (Head Office R&D Center)	○	2025-10-27	
92%	Asia	Jiangsu, China	○	2026-06-10	
		Beijing, China	○	2027-03-22	
		India, India	○	2025-04-29	
		Chennai, India	○	2026-03-16	
		Anantapur, India	○	2025-03-31	
		Türkiye	○	2024-07-26	
	Manufacturing	Europe	Slovakia	○	2025-05-19
			Poland	○	2027-03-15
		Americas	Alabama, USA	○	2024-10-18
			Georgia, USA	○	2026-03-30
			Auburn, USA	×	Scheduled to June 2024
			Brazil	○	2026-08-10
Mexico	○	2026-06-08			

Safe Workplace and Employee Health

Health and Safety Activities

Daily Workplace Inspection

To manage safety in the workplace and prevent accidents, Seoyon E-Hwa operates a safety management system that categorizes workplaces into 'red zones' and 'yellow zones'. Areas with a history of accidents or a high risk of accidents are designated as red zones for intensive management, and equipment that may pose a safety threat is inspected daily. In addition, workers are checked daily for safety protective equipment, compliance with two-person work, and possession of a safe work permit, and the results of the inspections are reported to the head of plant daily.

Areas that are less dangerous than red zones but still have the potential for accidents are classified and managed as 'yellow zones'. They mainly include facilities such as assembly lines, and even in these areas, we continue to monitor and inspect them on a daily basis, prioritizing worker safety. In addition, we also carry out daily inspections of fire-fighting facilities to ensure quick response in the event of a fire. Fire extinguishers, fire hydrants, and fire pump rooms are checked for proper functioning and no abnormalities, and the results are also reported to the plant manager through a computerized system.

Red Zone

Equipment to be inspected
Injection, mold repair space, start room

Inspection items
Inspection of workers' use of safety equipment, compliance with the two-person work schedule, possession of a safety work permit, etc.

Yellow Zone

Equipment to be inspected
Assembly line, etc.

Inspection items
Inspection of workers' use of safety equipment, operation of safety equipment

Inspection of Hazardous Machinery, Equipment, and Facilities

Seoyon E-Hwa has developed the 'Procedure for the Management of Highly Hazardous Machinery and Equipment' to prevent accidents caused by the use of highly hazardous machinery and equipment specified by the Occupational Safety and Health Act. In accordance with this procedure, health and safety teams conduct regular safety inspections at least once a year on machines, equipment, and facilities subject to safety inspections. If any abnormalities are found during the inspection process, we immediately stop using the equipment and take necessary follow-up measures. We also report the problems found and the measures taken in detail to safety managers, so that the issues are clearly identified and managed. After measures are taken, we also report the results to external organizations, such as the Korea Occupational Safety and Health Agency, if necessary, under the circumstances. Through these procedures, we strengthen our internal safety management and contribute to raising the level of occupational safety.



Inspection of hazardous machinery, equipment and facilities

Managing Health and Safety Situation

In areas with risk factors for employees, a 24-hour Safety and Health Monitoring System (Safety and health situation board) is established to ensure that there are no safety blind spots. Also, we have a systematic disaster response system that handles accidents quickly and accurately. Through this, we will strive to establish a safe workplace so that employees of all businesses can work comfortably.



Safety and health situation board

Safe Workplace and Employee Health

Safety Culture Campaign

Since 2022, Seoyon E-Hwa has been holding semi-annual safety culture campaigns to raise employees' safety awareness and encourage autonomous industrial accident prevention activities. Starting with the health and safety slogan contest, the Company has been conducting many campaigns such as the 'Near-Miss' discovery contest and 'Make Your Mind 365 Safety Campaign' to foster a safety culture company-wide. In addition, the Company selects the best works among those participating in the event, awards cash and non-cash prizes to the winners, and displays the winning works to encourage employees' active participation and interest.



Safety Culture Promotion Campaign Poster



Fire Drill

Seoyon E-Hwa focuses on strengthening the capabilities of the autonomous fire station to respond quickly and efficiently in potentially dangerous situations. To this end, we conduct periodic joint fire drills to build response capabilities of our firefighters and improve the evacuation capabilities of our employees to minimize human and material damage.

The fire drills, which are held quarterly, teach essential response strategies, including how to respond initially in the event of a fire, fire containment procedures, and evacuation tips. The course also emphasizes the proper use of fire equipment and guiding skills to safely evacuate employees.



Fire Drill

Employee Training on Health and Safety

Seoyon E-Hwa conducts customized safety training for all employees and managers to strengthen employees' safety awareness and health and safety knowledge.

Training for All Employees

We offer a monthly program covering a variety of topics, with each training session lasting approximately two hours. In principle, all employees are expected to attend the program, and signatures are required to track attendance.

Training for Manager Positions

Heads of plant safety and health receive statutory training appropriate to their position and role, while team leaders and assistant managers receive annual training as management supervisors to strengthen their safety capabilities. They also receive refresher training at statutory intervals to keep them up to date with the latest safety techniques and enhance their safety awareness.

In addition, we implement various health and safety-related training plans, such as risk assessment practitioner training and ISO45001 internal auditor training, to strengthen the expertise and competence of staff member.

Safe Workplace and Employee Health

Employee Health

Healthcare Center with Medical Staff

Seoyon E-Hwa operates a healthcare center to quickly respond to injuries during work and to continuously manage the health status of employees. It is operated by a professional nurse, who personally checks the condition of injured employees. This allows us to accurately identify their condition and provide timely treatment so that they can return to work as soon as possible.

Beyond treatment, the healthcare room also provides health counselling and check-ups. In-body measurements provide employees with an accurate picture of their physical condition and give them the opportunity to take more active control of their health. Through counselling such as smoking cessation and diet counselling, we help employees develop healthy lifestyles and ultimately improve their quality of life.



Healthcare Center

Support for Medical Check-up

Seoyon E-Hwa values the health of its employees and their family members, which is why we have a policy to cover the cost of medical examinations. This policy encourages employees to undergo regular check-ups and provides them with the opportunity to continuously manage their health conditions.

Specifically, we provide reimbursement for special check-up and general check-up. Special medical examinations are conducted once or twice a year for employees who work in hazardous processes in the workplace, and include assessments for noise, dust, and hazardous chemicals. General check-ups are held every two years for employees over the age of 35, and family members of employees are covered for medical examinations every three years.


Conducting Employee Health Check-ups

(Unit: persons)

Classification	2022	2023	2024
General check-up	633	716	644
Comprehensive check-up	318	234	293
Special check-up	119	77	73
Total	951	950	937


Health Management Programs

Seoyon E-Hwa provides employees with tailored health management programs that take into account their individual health conditions. After receiving the results of the medical examinations that employees have undergone with their consent, we provide a tailored program for regular health checks and management for those with medical opinions or disease. We also offer management programs to employees who are interested in their future health, even if they do not have a medical condition, to ensure that everyone in the Company can prevent and manage potential health problems.




Health Promotion Programs

- Providing health counselling and regular health management for employees with medical opinions or disease based on screening results



Musculoskeletal Preventable Disease Program

- Investigation of hazardous factors, improvement of work environment, implementation of rehabilitation treatment program



Brain and Cardiovascular Disease Program

- Intensive care of employees at high risk for hypertension, diabetes, hyperlipidemia, triglycerides, liver disease and obesity

Safe Workplace and Employee Health

SEOYON E-HWA Story

Winner of the 2nd Ergonomic Workplace Improvement Best Practice Competition

On 16 November 2023, Seoyon E-Hwa won the top prize at the '2nd Best Practice Contest for Ergonomic Work Improvement' hosted by the Ergonomics Society of Korea and sponsored by the Ministry of Employment, Labor and Welfare and the Korea Occupational Safety and Health Agency. The contest was held as part of the ESK's Autumn Conference, the largest ergonomics-related event in Korea, and aims to discover and encourage best practices that contribute to the prevention of musculoskeletal diseases through ergonomic improvement of work and work sites. A total of 42 companies participated in the competition, competing on ergonomic issues they had discovered and improved at their workplaces. In this competition, our company proposed the project 'Installation of a lift to prevent musculoskeletal diseases of workers' as a way to improve musculoskeletal strain work in the seat cushion assembly process, which was discovered in the 'regular risk assessment'. The project proved that it was possible to significantly reduce the musculoskeletal strain of workers, and we were awarded the President's Award, the Grand Prize, at the competition.



Psychological Counselling

Seoyon E-Hwa is committed to managing not only the physical health of its employees, but also their mental health. In collaboration with Ulsan's Buk-gu Office, we provide EEG-based psychological counselling, which allows employees to objectively identify their current mental health status based on data obtained through EEG measurements. We also provide employees with the opportunity to talk about various issues such as job stress, conflicts at workplace, and interpersonal problems with professional counsellors.

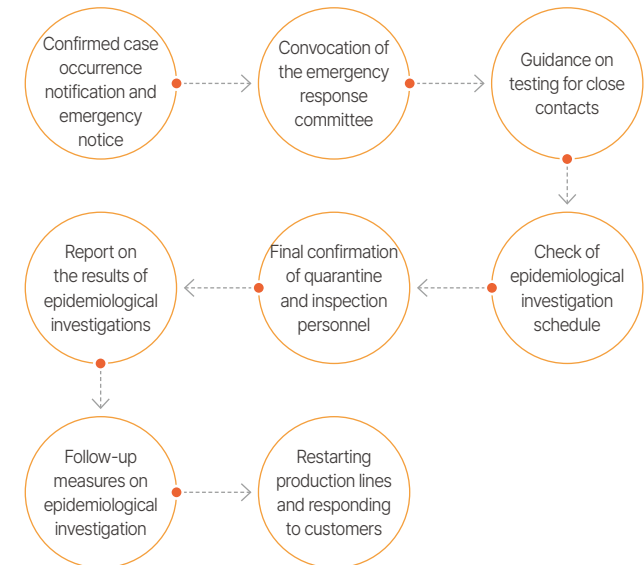


Psychological Counselling

Contagious Disease Outbreak Response

Seoyon E-Hwa has an Epidemic Response Manual in place to ensure a quick and effective response in the event of a national catastrophic epidemic such as COVID-19. The manual details the procedures to be followed depending on the severity of the epidemic, enabling an immediate and systematic response in the event of an epidemic. We regularly update the epidemic response manual to ensure that all employees are trained to respond safely for an epidemic, and to maintain business continuity should an unexpected situation such as an epidemic strike.

Contagious Disease Outbreak Response Process



Customer Satisfaction and Quality Management

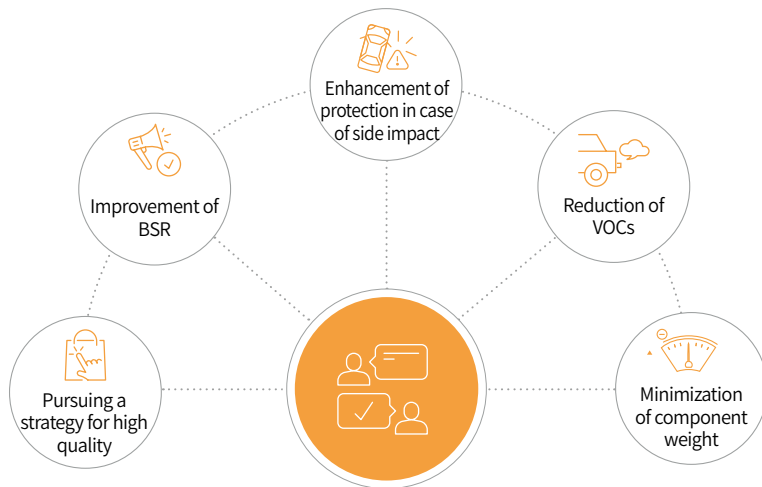
Enhance Customer Satisfaction

Strategies for Customer Satisfaction Management

At Seoyon E-Hwa, customer satisfaction is a key element of our business strategy, and to this end, we invest in product quality improvement and technological innovation. To ensure that our customers have a positive experience with our products, we seek to better understand their needs and expectations and seek ways to fulfil them. As part of this strategy, we publish our responses to customer requirements on our website. Based on these requirements, we use internal processes to develop and produce products that meet customer expectations.

In this way, our customers can be assured that they will receive high-quality products from us, and we will be able to provide better products to the end consumer. As such, we aim to realize customer satisfaction, develop partnerships that support each other's success, and ultimately contribute to the development of the automotive industry as a whole.

Response to Key Customer Requirements

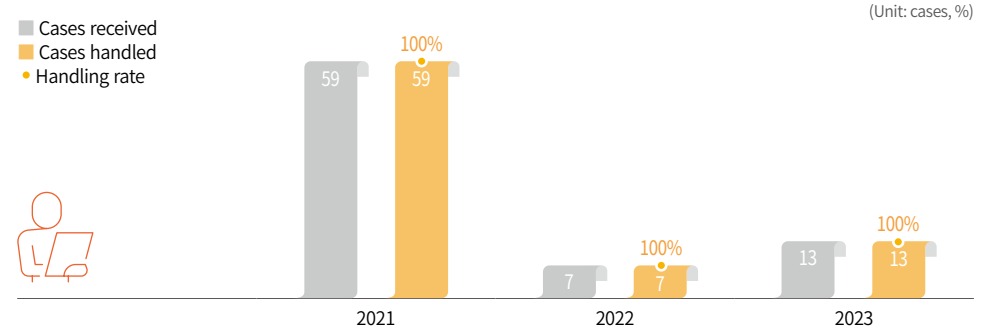


Handling customer complaints

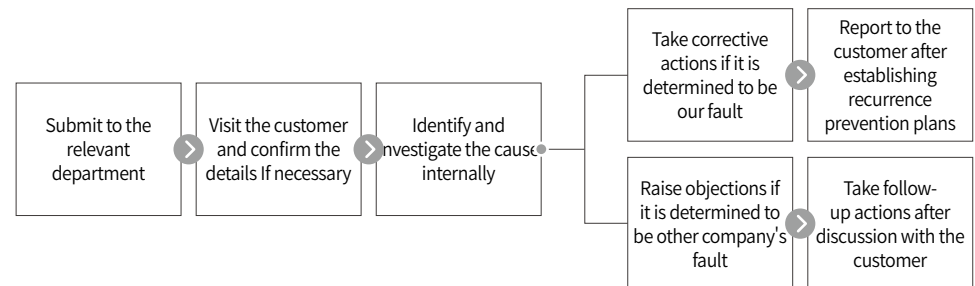
Seoyon E-Hwa operates a systematic customer complaint process to minimize customer inconvenience and to resolve issues promptly. We operate a grievance center on our website, where customers can easily report issues related to our products.

However, due to the nature of B2B business, customers often contact the relevant department directly instead of going through the grievance center. We have built our customer complaint process with this aspect in mind, so that we can maintain customer trust and long-term customer relationships.

Customer Complaint Handling Status



Customer Complaint Handling Process



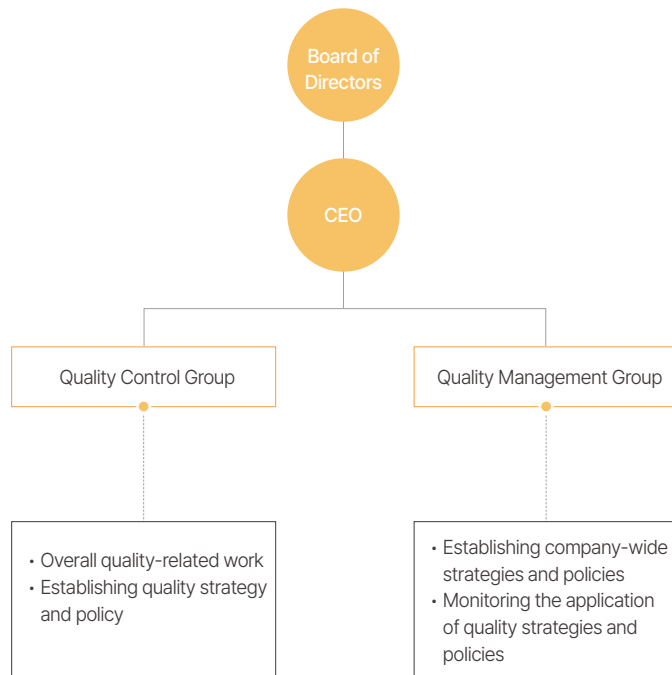
Customer Satisfaction and Quality Management

Quality Control and Quality Management

Quality Management Governance

Seoyon E-Hwa operates a separate Head of Quality department directly under the Board of Directors to ensure the best quality management based on customer satisfaction. This enables the Board of Directors to communicate directly with the Head of Quality so that quality issues can be discussed in greater depth and resolved without delay if the issues broke out. In addition, the separation of the Quality Management Group, which establishes the overall strategy for quality, and the Quality Control Group, responsible for the concrete realization of this strategy, enables us to manage quality issues more reliably. This allows each department to focus on its own role and increases the efficiency of the overall quality management system.

Quality Management Promotion System



Quality Strategy

By establishing five policies on quality, Seoyon E-Hwa aims to achieve zero-defect quality and ultimately secure quality competitiveness that satisfies both domestic and overseas customers. The five policies are Management Quality, New Vehicle Quality, Reliability Quality, Mass Production Quality, and Global Quality, respectively, and they aim to achieve customer satisfaction based on zero-defect quality.



Customer Satisfaction and Quality Management

Quality Management System Certification

Seoyon E-Hwa has obtained the IATF 16949 certification, an international standard for quality management systems, and systematically operates quality management policies at domestic and business sites based on this. As of December 2023, we have certifications on 3 domestic and 18 overseas plants, and we are thoroughly managing them for periodic certification renewal. In addition, we aim to obtain the certification in June 2024 for the Urban plant in the United States, which has not yet been certified.



Internal Quality Reporting

Seoyon E-Hwa holds regular meetings on quality as part of its product quality improvement activities. These meetings, held twice a month, review the status of quality-related targets and newly discovered quality-related issues, and discuss ways to manage and improve quality.

The meeting is led by the Quality Control Group and the Head of the Quality Management Group, who report to the executive team on the quality management performance during the period and any issues that have arisen. New quality issues that have arisen since the previous meeting are also discussed, and the causes of the issues are analyzed and solutions are devised. We then review the appropriateness of previously established quality objectives to achieve quality improvement.

Obtainment of IATF 16949 Certification

Classification	Workplace	Certification	Valid Period	
Domestic 100%	Manufacturing Ulsan	O	2027-03-08	
	Asan	O	2027-03-12	
	Duseo	O	2027-03-27	
Overseas 95%	Manufacturing Jiangsu, China	O	2024-09-16	
		Beijing, China	O	2024-08-24
	Asia	PLANT 1	O	2025-02-14
		India, India PLANT 2	O	2025-03-01
		PLANT 5	O	2027-04-07
		Chennai, India	O	2024-03-27
		Anantapur, India	O	2025-01-24
	Europe	SITE 1	O	2024-09-16
		Türkiye SITE 2	O	2024-09-16
		SITE 3	O	2024-09-16
	Americas	Slovakia Dubica and Vahom	O	2024-07-14
		Povazska Bystrica	O	2024-07-13
		Poland	O	2027-04-15
		Alabama, USA Montgomery	O	2025-05-02
		Selma	O	2024-09-02
Georgia, USA		O	2027-04-10	
Auburn, USA		X	(Scheduled to June 2024)	
Brazil	O	2026-11-14		
Mexico	O	2024-08-14		

Customer Satisfaction and Quality Management

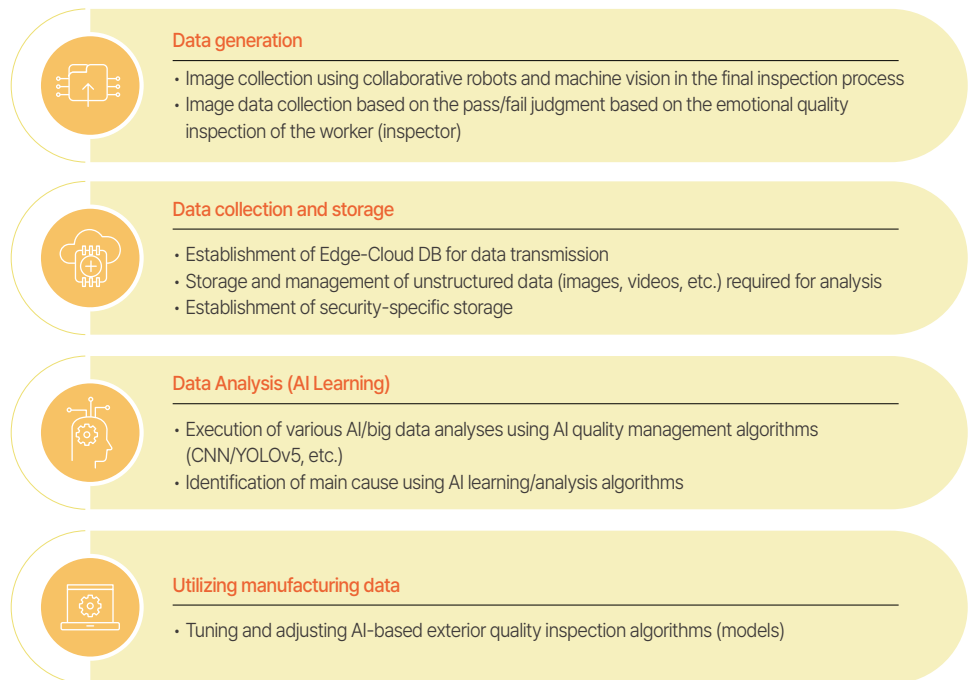
AI-based Quality Management

Vision Inspection System

To improve the quality and reliability of our products and minimize the number of defects that may occur during the delivery process, Seoyon E-Hwa began using the Vision inspection system in 2020. The system is optimized for the characteristics of our products and is linked to deep learning technology, where artificial intelligence is trained to determine and identify defects.

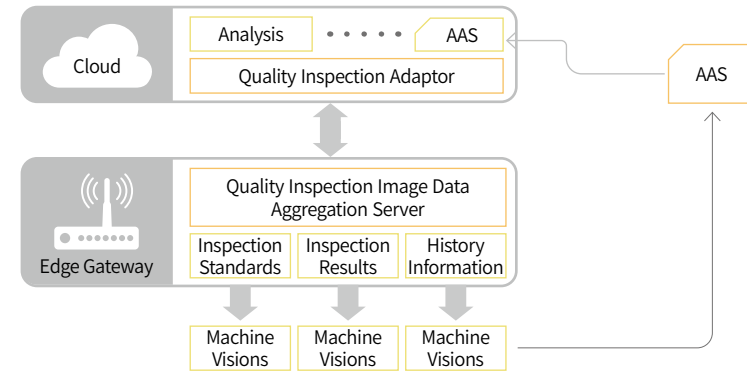
The system is still in its early stages and will continue to learn and evolve to become more precise in its inspection capabilities. We will continue to update and modernize the learning algorithm to dramatically improve quality issues.

Vision Inspection Process



Smart Quality (Biga data-based Quality Management)

Seoyon E-Hwa has implemented a "big data system" to systematically manage and resolve problems that may arise at various stages, from product design to manufacturing, delivery to customers, and actual use. Through this system, we identify possible problems, database information about them, and systematically manage them. For particularly critical problems, we develop solutions based on the collected data and verify them. In this way, we can take specific actions to resolve the issues and take preventive measures to ensure that the same issues do not occur in the future under similar circumstances.



Customer Satisfaction and Quality Management

Employee Training on Quality Improvement

With the goal of improving product quality, Seoyon E-Hwa focuses on enhancing the capabilities of its production employees through training programs conducted at the Technical Training Centre. All trainings are based on the principle of in-person collective training, and a certain number of credits are awarded for each training, allowing employees to acquire the necessary knowledge and skills according to the number of credits they need to complete.

We believe that our systematic training program will help to raise the skill level of our employees, thus improving the quality of our overall products. It will also provide them with essential knowledge and deepened expertise, enabling them to take their careers to the next level, thereby contributing to the competitiveness of the Company as a whole.



Quality Training

Quality Audit on Partners

Seoyon E-Hwa conducts quality audits of our suppliers twice a month. The top five suppliers that have had quality issues as of that date are invited to participate in a quality audit, and their representatives are invited to discuss in-depth the specific types of quality issues and improvement measures. If necessary, we verify that the suppliers are complying with our quality standards and that appropriate measures are being taken to achieve our quality goals, and we request improvements based on the results of the assessment.

Through this process, we increase the assurance level of quality management within our overall supply chain. This contributes to improving the quality of the products that reach the end consumer, thereby strengthening our competitiveness and increasing consumer satisfaction.



Quality Audit

SEOYON E-HWA Story

Awards at the 49th National Quality Management Convention

Seoyon E-Hwa won the Presidential Gold and Silver Awards at the '49th National Quality Management Convention' held at the Suncheon Bay Ecology and Culture Education Center from 28 August to 1 September 2023. Under the theme of 'Leading Korea's Future 100 Years with Quality Innovation', 273 quality teams from across the country have participated in the competition. We received gold and silver awards for our innovative achievements in the R&D category for "Development of BSR test method for environmental operation durability to reduce door trim noise" and the Win-Win Cooperation category for "Reduction of non-conformity rate by improving the automotive battery cell carrier process." With these awards, we have won the President's Award continuously since our participation in 1996, further consolidating our position as a leader in quality improvement activities in the automotive interior parts production industry.



Social Contribution

Social Contribution Goals

Company-wide Social Contribution Goals

Under the vision of a "Trusted company that fulfils its social responsibilities," Seoyon E-Hwa carries out social contribution activities. These activities focus on two main areas: support for the underprivileged and community development. We fulfil our role as a member of society by providing physical and psychological support to the underprivileged. We also aim to grow together with the local community by implementing various programs and activities.

By voluntarily participating in social contribution activities, employees feel a sense of responsibility towards society and contribute to the realization of social values. This process also strengthens the bonds between employees, and enhances labor-management relations as employees understand the values we seek to promote.

Through these social contribution activities, we are reinforcing the corporate image that we seek to promote. A company that practices social responsibility sends a positive message not only to its employees but also to society as a whole, modelling the role of a company in building a better future. We plan to continue to expand our various social contribution activities centered on the two pillars of community development and support for the underprivileged.

Major Social Contribution Activities



Social Contribution

Support for Marginalized Groups and Communities

Labor-Management Union Volunteering

Happiness Package Sharing

Twice a year, Seoyon E-Hwa creates and distributes 'Happy Packages' to underprivileged neighbors. The packages include nutritious foods such as red ginseng Yanggang and abalone porridge, along with handwritten letters from employees. Through these activities, we extend practical help to vulnerable people registered at the Ulsan Buk-gu Volunteer Center, engaging with the local community and strengthening solidarity with neighbors in need.



Happiness Package Sharing

Movie Day

Seoyon E-Hwa holds Cinema Day twice a year to enhance the cultural life of the people with developmental disorder and hearing disability. The event is aimed at people with disabilities who are enrolled in welfare facilities and special schools in Ulsan, and the entire cinema is rented out for the event. This is more than just a chance to watch a film; an important opportunity for people with disabilities to experience cultural activities and mingle with other members of society. Through this endeavor, we hope to promote cultural accessibility for people with disabilities and contribute to breaking down barriers between people with and without disabilities.



Movie Day Event

Seasonal Kimchi Sharing

Seoyon E-Hwa engages in biannual or triannual collaborations with Ulsan Buk-gu to organize seasonal kimchi-making events for solitary elderly residents. These events serve the purpose of alleviating the loneliness often felt by elderly individuals living alone in Ulsan Buk-gu, while also promoting adherence to a nutritious diet. The handmade kimchi is subsequently distributed to these elderly residents, fostering opportunities for neighborly companionship.



Seasonal Kimchi Sharing Event

Social Contribution

Support for National Disaster Relief

Seoyon E-Hwa carries out support activities for affected communities and residents in various national disasters situations. Specifically, in 2020 and 2021, during the COVID-19 pandemic that hit the world, we made financial donations, including supplies such as masks to prevent infection and pet plants to restore emotions following prolonged social disconnection, to underprivileged communities in areas that were difficult to access, and in 2022, we delivered donations to victims of wildfires in Gangneung, Gangwon Province and Uljin, Gyeongbuk Province. In this way, we are helping to rebuild the lives of people suffering from disasters and supporting the rapid recovery of affected areas. We will continue to respond quickly to national disasters and implement various activities to support affected communities.



Support for overcoming COVID-19 pandemic

Angel Fellowships

Seoyon E-Hwa's 'Angel Fellowships' was established in 2011 by employees of Asan Plant and has been conducting various activities for the development and mutual growth of the local community. Initially, the group volunteered to bathe children at nursery schools, donated books to orphanages, and provided gifts for low-income children. Since then, it has been actively engaged in sharing goods and emergency support projects for hungry children and the elderly living alone in cooperation with public institutions and local communities.



Angel Fellowships

SEOYON E-HWA Story

Winner of Ulsan Community Chest of Korea

The employees of Seoyon E-Hwa Ulsan Plant have significantly contributed to the local community through diverse charitable donations and social initiatives. Their endeavors garnered recognition from the Ulsan Community Chest of Korea, resulting in their receipt of the Ulsan Metropolitan Mayor's Award during the Community Service Award Ceremony held on December 27, 2023. Seoyon E-Hwa will continue to spread the culture of sharing and serve as an example to the local community.



Social Contribution

Activities of the Holding Company

Supporting Culture and Art

Since 2016, Seoyon E-Hwa has been supporting the arts and culture sector in collaboration with the organization Beautiful Mind. Beautiful Mind is an organization that holds concerts at home and abroad and donates profits and sponsorships to social welfare institutions, creating a culture of love and harmony through the participation of all artists. In particular, they discover talents and possibilities through the 'Beautiful Mind Music Academy' for underprivileged children and youth who have difficulty accessing music education. Seoyon E-Hwa relates with these activities and contributes to expanding cultural participation opportunities for the underprivileged by donating money and actively participating as a sponsor of the Vision Concert.



Beautiful Mind

Academic Sponsorship

To advance the field of automotive engineering and foster excellent human resources, Seoyon E-Hwa signed a Memorandum of Understanding (MOU) with the Korea Society of Automotive Engineers in 2015 and established the Seoyon Academic Award to support individuals or groups who have contributed to the development of the automotive industry and academia. Each year, the winners are awarded a small cash prize and a plaque to encourage their research activities, thereby contributing to the development of new ideas and innovations in the field of automotive engineering and fostering human resources essential to the development of the industry. We plan to continue our partnership with the Korea Society of Automotive Engineers to support the continued development of the domestic automotive industry and strengthen its competitiveness on the global stage.



Seoyon Academic Award

Other Activities

SEOYON E-HWA Story

Installation of EV Charging Stations

To encourage the use of EV as an eco-friendly means of transport and contribute to the local community, Seoyon E-Hwa is implementing a project to build EV charging stations at its Ulsan site that is free to local residents. A total of three charging facilities will be installed and open for 24-hour access to maximize the convenience of local residents.

As of June 2024, we are in the process of installing and inspecting the facilities, and once completed, we expect to be able to provide services from October. The establishment of these EV charging stations will be an important step in enabling collaboration with the local community and fulfilling our commitment to a sustainable environment.



Governance



Key Performance



Newly established

ESG Committee



BOD attendance rate

98%



Launched a new service

Dividend Inquiry



Number of accidents in term of information protection

ZERO

Sound and Transparent Governance

68

Enhancement of Ethics and Compliance Management System

74

Company-wide Integrated Risk Management

78

Sound and Transparent Governance

BOD Structure

Composition of BOD

Seoyon E-Hwa's Board of Directors consists of six directors, three inside directors and three outside directors. The BOD resolves matters stipulated in the laws or articles of association, matters delegated by the general meeting of shareholders, basic management policies, and important issues related to the execution of business, and supervises the execution of the duties of directors. The BOD is the premier permanent decision-making body of the Company and has the authority to appoint Inside and outside directors by setting and approving the agenda for the general meeting of shareholders.

Appointment of Directors

To ensure fairness and independence in the appointment of outside directors, they are appointed by determining their qualifications based on the Commercial Act and related laws and regulations. In addition, Seoyon E-Hwa's Articles of Incorporation and the Audit Committee Terms of Reference stipulate that the Chair of the Board of Directors shall be the Audit Committee Chair, and the Audit Committee Chair shall be selected from the outside directors.

BOD Independence and Conflict of Interest

The BOD of Seoyon E-Hwa consists of more than a majority of outside directors, which is higher than the mandatory standard set by the Commercial Act (more than one-fourth of the total number of directors) to ensure that the BOD perform its functions independently of management and controlling shareholders, and manages and supervises conflicts of interest in accordance with relevant laws and regulations, including Articles 397 and 398 of the Commercial Act. In addition, the number of directorships of other companies held by outside directors is limited to one in accordance with the Commercial Act. The Board of Directors' Operating Regulations stipulate that a director's concurrent appointment as director of another company is subject to approval agenda.

BOD Members

Director	Name	Gender	Nationality	Position	Appointment	Term	Expiration Date	Consecutive Terms	Expertise	Concurrent Position (Organization/Position)	Career
	Yongsuk Kang	Male	Korea	CEO	Mar. 28, 2024	1 year	11th general shareholders' meeting (in 2025)	2 times	General management	-	<ul style="list-style-type: none"> Former) Head of Global Business Management Group, Seoyon E-Hwa Current) CEO, Seoyon E-Hwa
Inside Director	Sooyik Lee	Male	Korea	Inside Director	Mar. 28, 2024	1 year	11th general shareholders' meeting (in 2025)	6 times	Finance (accounting/finance)	-	<ul style="list-style-type: none"> Former) Managing Director, Hanwha Galleria Current) Vice President in Human Resources and Finance, Seoyon E-Hwa
	Sangcheon Mun	Male	Korea	Inside Director	Mar. 28, 2024	1 year	11th general shareholders' meeting (in 2025)	5 times	Audit/IT/compliance (law)	-	<ul style="list-style-type: none"> Former) Head of Audit Office, Asiana Airlines Current) Vice President in Planning and Information, Seoyon E-Hwa
	Hyunmoo Kong	Male	Korea	Outside Director, BOD Chairman	Mar. 29, 2023	2 years	11th general shareholders' meeting (in 2025)	Once	Audit/management/finance	SNT Dynamics Co., Ltd./ Standing Auditor	<ul style="list-style-type: none"> Former) Vice President, KB Securities Current) CEO, en2m
Outside Director	Sangdo Noh	Male	Korea	Outside Director	Mar. 29, 2023	2 years	11th general shareholders' meeting (in 2025)	Once	Industrial engineering	LG Innotek Co., Ltd./ Outside Director, Audit Committee Member	<ul style="list-style-type: none"> Former) President, Korean CDE Society Current) Vice President, Korean Society of Industrial Engineers, Professor at Sungkyunkwan University (Department of Systems Management, Department of Industrial Engineering)
	Youngjae Kim	Male	Korea	Outside Director	Mar. 28, 2024	2 years	12th general shareholders' meeting (in 2026)	Once	Accounting/finance	Samjin Co., Ltd./ Outside Director	<ul style="list-style-type: none"> Former) Director, KPMG Samjong Accounting Corporation Current) Partner CPA of LIAN Accounting corporation

Sound and Transparent Governance

Diversity and Expertise of the BOD

The BOD at Seoyon E-Hwa is comprised of experts in various fields, including accounting, corporate management, law, and industrial engineering. To ensure professionalism and diversity, we do not limit the fields of expertise when nominating directors. For example, CEO Yongsuk Kang has worked in the automotive industry for over 30 years and has a broad understanding and expertise in the automotive industry and the Company's operations.

Director Sooyik Lee has been in charge of the finance department for many years and has extensive experience in corporate operations and capital markets. Director Sangcheon Moon has experience and expertise in corporate operations, having worked in the planning, legal and audit sectors for many years. Director Hyunmoo Gong, an outside director, has worked for many years at a leading securities company and financial institution in Korea and has expertise in corporate management and financial systems. Director Sangdo Noh, another outside director, has outstanding research achievements based on his academic knowledge gained as a professor of systems management engineering and industrial engineering, and diverse industrial field experience gained through industry-academia collaboration activities. Director Youngjae Kim is an outstanding expert in the field of accounting and finance, having worked for many years at an accounting firm and the Korea Exchange, and has a strong understanding of corporate management and capital markets.

Board Skills Matrix (BSM)

Classification	Inside Director			Outside Director		
	Yongsuk Kang	Sooyik Lee	Sangcheon Mun	Hyunmoo Kong	Sangdo Noh	Youngjae Kim
Management	○	○	○	○		
Global Experience	○					
Industrial Experience	○	○		○	○	○
Finance		○		○		○
Law/Policy			○			
Audit			○	○	○	○
R&D	○				○	
Risk Management	○	○	○	○	○	○

Subcommittees under the BOD

To strengthen independence, transparency, and efficient operation, the subcommittees of the BOD are currently composed entirely of outside directors. In particular, the Audit Committee consists of professionals with expertise and experience in accounting, finance, and auditing to strengthen expertise in finance, accounting, and internal control within the organization.

Subcommittee Members

Name	Outside Director	Experience in Accounting, Finance, and Audit	Subcommittees under the BOD*	
			Audit Committee	ESG Committee
Hyunmoo Kong	○	○	●	●
Sangdo Noh	○	-	○	○
Youngjae Kim	○	○	○	○

* As of March 2024 / ● (Chairman), ○ (Member)

Audit Committee

Seoyon E-Hwa currently has an independent Audit Committee to enhance transparency in corporate management. The Audit Committee audits the Company's accounts and affairs in accordance with relevant laws and internal regulations and submits an audit report every financial year. The Audit Committee may at any time request the directors to report on business operations or investigate the Company's property status, and may require relevant executives, employees and external auditors to attend meetings if necessary, and may request experts to provide advisory services at the Company's expenses.

ESG Committee

On 28 March 2024, Seoyon E-Hwa established the ESG Committee under the BOD for strategic and systematic management of ESG issues. The ESG Committee will be responsible for checking and supervising the planning and implementation of major ESG issues, and will deliberate and resolve on major initiatives and tasks related to ESG management proposed by the ESG Implementation Council and the ESG Committee.

Sound and Transparent Governance

BOD Operation

Convocation of the BOD

In 2023, the Board of Directors meeting was held eight times and deliberated and decided on all proposed agenda items.

BOD Operation Results

Classification	Unit	2021	2022	2023
Number of meetings held	Times	9	9	8
Director attendance rate	%	87	91	98
Number of agenda items reported	Items	10	9	10
Number of agenda items concluded	Items	35	24	33
Percentage of votes in favor of agenda items	%	100	100	100

BOD Activities

Date	Category	Discussion	Approval
Feb. 10	Regular	Report on and approval of safety and health plans in 2023	Concluded
		Approval of the 9th consolidated and separate financial statements and business report	Concluded
		Establishment of overseas subsidiaries, capital contribution to affiliates and subsidiaries, and borrowing of operating funds from the headquarters	Concluded
		9th compliance inspection and operation status of internal accounting management system	Reported
Mar. 14	Ad-hoc	Approval of the 9th consolidated and separate financial statements, business report, cash dividend, electronic voting system at general shareholders' meeting	Concluded
		General approval of inter-affiliate transactions in 10th fiscal year, payment of retirement benefits for executives, and retention of payment guarantee for subsidiaries	Concluded
		Report on evaluation of 9th internal accounting management system operation and submission of audit report	Reported
Mar. 29	Ad-hoc	Appointment of the CEO and borrowing of operating funds from the headquarters	Concluded
Apr. 04	Ad-hoc	Increase in capital of subsidiaries and payment guarantee	Concluded
May 11	Regular	Conclusion of merger agreement, shareholder confirmation date, and approval of borrowing of operating funds from the headquarters and payment guarantee for subsidiaries	Concluded
		Report on the performance of the first quarter of 2023 and progress of previously approved agenda items	Reported
		Approval of small-scale mergers and capital contribution and payment guarantees for subsidiaries	Concluded
Aug. 11	Regular	Approval of capital contribution and payment guarantees for subsidiaries, inter-affiliate transactions, and borrowing of operating funds from the headquarters	Concluded
		Report on the performance of the second quarter of 2023 and progress of previously approved agenda items	Reported
Oct. 04	Ad-hoc	Report on and disclosure of termination of merger and payment guarantee for subsidiaries	Concluded
Nov. 10	Regular	Approval of policy fund borrowing, payment guarantee for subsidiaries, joint guarantee, debt succession/extension	Concluded
		Report on the performance of the third quarter of 2023 and progress of previously approved agenda items	Reported

The operation details of the Audit Committee and ESG Committee under the Board of Directors in 2023 are as follows.

Subcommittee Operation Results

	Classification	Unit	2021	2022	2023
Audit	Number of meetings held	Times	6	6	6
	Director attendance rate	%	100	94	94
Committee	Number of agenda items reported and concluded	Items	14	14	15
	Percentage of votes in favor of agenda items	%	100	100	100

ESG Committee Operation in 2024

Number of meetings held	Director attendance rate	Number of agenda items reported and concluded	Percentage of votes in favor of agenda items
Once	100%	3 items	100%

Audit Committee Activities

Date	Discussion	Approval
Feb. 10	Approval of selection of independent auditors	Concluded
	Report on the 9th consolidated and separate settlement performance and the operation status of the internal accounting management system	Reported
Mar. 14	Approval of the 9th internal accounting management system operation status evaluation report and audit report	Concluded
	Report on post-evaluation of external auditor contract performance	Reported
Mar. 29	Appointment of the Audit Committee Chairman	Concluded
May 11	Report on consolidated and separate financial statements for the first quarter of the 10th fiscal year	Reported
	Communication between the governing body and external auditors for the first quarter of the 10th fiscal year	Discussed
Aug. 11	Report on consolidated and separate financial statements for the second quarter of the 10th fiscal year	Reported
Nov. 10	Report on consolidated and separate financial statements for the third quarter of the 10th fiscal year	Reported
	Communication between the governing body and independent auditors for the third quarter of the 10th fiscal year	Discussed

ESG Committee Activities in 2024

Date	Discussion	Approval
May 14	Report on the results of ESG management consulting in 2023	Reported
	Report on the ESG management promotion plan in 2024	Reported
	Approval of the criteria and budget use for the ESG management promotion plan in 2024	Concluded

Sound and Transparent Governance

BOD Training

To help outside directors perform their duties professionally and improve their understanding of the business, Seoyon E-Hwa regularly provides education to outside directors on legal amendments and important management issues through in-house experts or external training institutions.

BOD Trainings for Three Years

Date of commencement	Training Provider	Target (Outside Directors)	Content
Mar. 26, 2021	Our Company	Jaehyun Song Hyunmoo Kong Sangdo Noh	1) Changes in the industrial safety and health regulatory environment, main contents of the Industrial Safety and Health Act and the Serious Accident Punishment Act 2) Guide to establishment of information security and health planning work
Nov. 11, 2021	Our Company	Jaehyun Song Hyunmoo Kong Sangdo Noh	1) Concept and necessity of ESG 2) Establishment of Seoyon E-Hwa Corporate Governance Charter and main system
Jun. 16, 2022	Our Company	Hyunmoo Kong Sangdo Noh Youngjae Kim	1) Tour of Ulsan Plant (Briefing on plant status/products/production/development process, observation of factory production site) 2) Briefing on the status of smart factory construction and on-site inspection
Nov. 10, 2023	Samjong KPMG	Hyunmoo Kong Sangdo Noh Youngjae Kim	1) Introduction to Samjong KPMG 2) Training on internal accounting management system trends and operating cases (Audit Committee)

BOD Remuneration

Remuneration Payment Criteria

Outside directors' remuneration is determined based on internal criteria and comprehensive evaluation indicators, such as the director remuneration table approved by the Board of Directors, within the director remuneration limit approved by the general shareholders' meeting. In addition, the average remuneration data of outside directors and audit committee members of listed companies is also used as reference material when reviewing appropriateness.

BOD Remuneration Payment Criteria

Classification	Remuneration Payment Criteria
Registered director (excluding outside directors and the Audit Committee members)	The base salary is determined by comprehensively reflecting the position, leadership, expertise, and contribution to the company based on internal standards such as the executive remuneration table within the total remuneration amount for executives approved at the general shareholders' meeting. Performance-based pay is determined by comprehensively considering the results of quantitative evaluations such as the company's sales and operating profit, as well as qualitative evaluations such as the achievement of strategic goals and leadership.
Outside directors and the Audit Committee members	The base salary is determined by comprehensively reflecting the position, leadership, expertise, and contribution to the company based on internal standards such as the executive remuneration table within the total remuneration amount for executives approved at the general shareholders' meeting.

Remuneration Payment Status

To strengthen the soundness and transparency of the governance structure, Seoyon E-Hwa discloses the total remuneration of inside directors, other non-executive directors, outside directors, and unregistered executives in the business report. To ensure independence and transparency, the Audit Committee members are paid only fixed compensation without separate performance-based bonuses.

BOD Remuneration Status

Classification		Unit	2021	2022	2023
Inside Director	Number of members	Persons	3	3	3
	Total remuneration	KRW in million	894	843	929
	Average remuneration per person	KRW in million	298	281	310
Outside Director	Number of members	Persons	3	3	3
	Total remuneration	KRW in million	120	123	124
	Average remuneration per person	KRW in million	40	41	41

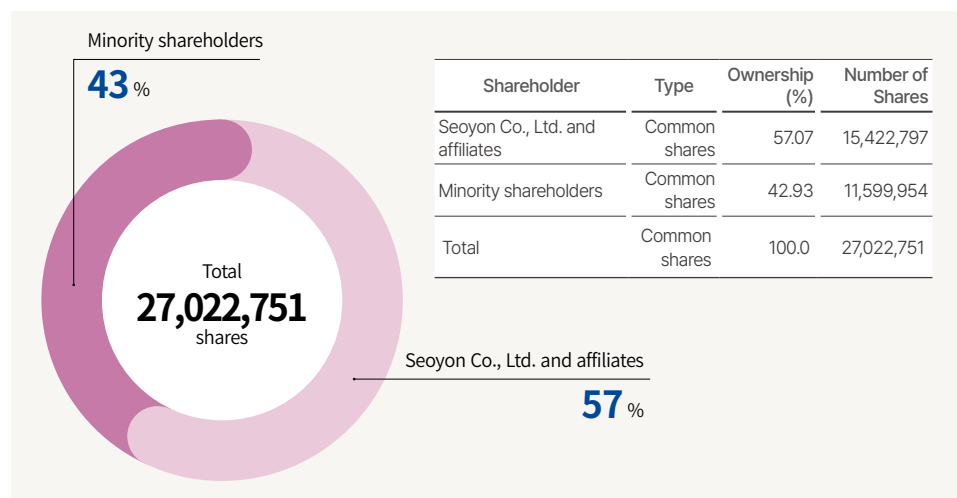
Sound and Transparent Governance

Shareholders

Share Ownership

As of the end of 2023, the total number of shares issued by Seoyon E-Hwa is 27,028,437 (including 5,686 treasury shares), of which the largest shareholder, Seoyon Co., Ltd. and affiliates hold approximately 57.07% ownership (15,422,797 shares).

Shareholder Structure



Convocation of Shareholders' Meeting

Seoyon E-Hwa discloses the convocation of the shareholders' meeting two weeks prior to the meeting so that shareholders can exercise their voting rights after sufficiently reviewing the agenda. The company operates an electronic voting system for the annual general shareholders' meeting and strives to hold the general shareholders' meeting on a date when there are no concentrated general shareholders' meetings. In addition, when holding the general shareholders' meeting, proxy voting is conducted for all shareholders in accordance with relevant laws. In addition, when notifying shareholders of the convocation of the shareholders' meeting, we provide materials so that shareholders can sufficiently consider our management performance and current status to help them exercise their voting rights. These include business reports, audit reports, outside director activities and compensation, and transaction details with the largest shareholder and affiliates.

Protection of Shareholder Rights

Seoyon E-Hwa's Corporate Governance Charter sets out the company's policy on protecting shareholder rights and is posted on the corporate website.

Classification	Details
Corporate Governance Charter (Chapter 2 Protection of Shareholder Rights: Article 7 Shareholder Rights)	1. The company guarantees the following basic rights of shareholders in accordance with the Commercial Act and other related laws: - Right to participate in profit distribution - Right to attend and vote at general shareholders' meetings - Other rights guaranteed by the Commercial Act and related laws and regulations and articles of incorporation
	2. The following matters that bring about significant changes to the existence of the company and shareholder rights must be decided at the general shareholders' meeting in a way that protects shareholder rights to the maximum extent possible. - Amendment of articles of incorporation - Merger, transfer of business, and spin-off - Dissolution - Reduction of capital - Comprehensive exchange and transfer of shares, etc.
	3. The company guarantees one vote per share. However, voting rights for specific shareholders are restricted in accordance with the law.
	4. The Board of Directors shall ensure that shareholders who oppose major structural changes, such as mergers or transfers of business, may exercise their appraisal right at a fair price reflecting the actual value of their shares in accordance with the provisions of the law.
	5. The company must guarantee the exercise of minority shareholder rights to protect the interests of all shareholders. On the other hand, controlling shareholders who exert influence over the management of the company must act for the interests of the company and shareholders, and must endeavor not to infringe upon the rights of other general shareholders by acting against these interests.

Transparent Information Disclosure

Seoyon E-Hwa's management information is provided through the website and the Financial Supervisory Service DART system. In order to improve the accessibility of information to shareholders and investors, the company has established investment information and ESG (governance structure) sections on the website. The investment information section provides financial, public disclosure, stock price information, and dividend inquiry services, and the ESG (governance structure) section provides various information related to governance (articles of incorporation, governance charter, shareholders, Board of Directors, Audit Committee, etc.). In order to protect the rights and interests of foreign shareholders, the website is also operated in English, and audit reports are also provided in English on the Investor Relations section of the website.

Sound and Transparent Governance

Shareholder-friendly Management

Shareholder Return Policy

Seoyon E-Hwa pays dividends through a resolution of the general meeting of shareholders to enhance shareholder value and has established policy of paying dividends of 20-30% of the par value of its shares each year based on a comprehensive review of the uncertain internal and external business environment. Based on the current level of dividend, we plan to maintain the direction of shareholder-friendly dividend policy by comprehensively reviewing the internal and external business environment, the Company's investment plans and cash flows, the profit for the year, and the surplus.

In addition, Seoyon E-Hwa transparently announces and shares its dividend policy and implementation plan with shareholders through electronic disclosures (periodic reports such as business reports) and on its website at least once a year. In addition, the Company launched the online Seoyon E-Hwa Dividend Inquiry Service replaced the existing mailed dividend notice in April 2023, to improve shareholder convenience.



[Dividend Inquiry Service - Login \(srpage.co.kr\)](http://srpage.co.kr)

Dividend Status

Classification		Unit	2021	2022	2023
Common share	Dividend per share	KRW	150	150	200
	Total dividend payment	KRW in million	4,053	4,053	5,405
	Cash dividend payout ratio (consolidated)	%	15.4	7.3	3.4
Dividend yield	Par value	KRW	500	500	500
	Par value dividend yield	%	30	30	40
	Dividend yield	%	2.1	1.8	1.1
Ratio of shareholder return*		%	14.4	8.2	3.5

* Ratio of shareholder return: Shareholder return amount / (consolidated) net profit for the year

Shareholder Communication

Seoyon E-Hwa responds to requests for separate meetings or explanations of the Company's status to strengthen communication with all stakeholders, including shareholders, securities companies, asset managers, and investment advisors.

In addition, to improve shareholders' access to company information, the Company's website is divided into categories such as financial information, disclosure information, stock price information, and ESG governance information. An IR inquiry center has also been established to receive related inquiries directly from the relevant department on the Company's website, including a telephone consultation channel through a representative of the IR department.

IR Activities

Date	Target	Type	주요 내용
Jan. 01 to May 03, 2024 (Responded on a regular basis)	Domestic institutional investors and minority shareholders	Face-to-face meeting, conference call, landline call	1) Guide to establishing safety and health plans, including monthly and quarterly performance trends and future outlook 2) Dividend policy and payment period, etc. 3) Performance trends and future outlook of overseas subsidiaries, etc.
Jan. 01 to Dec. 31, 2023 (Responded on a regular basis)	Domestic institutional investors and minority shareholders	Face-to-face meeting, conference call, landline call	1) Guide to establishing safety and health plans, including monthly and quarterly performance trends and future outlook 2) Dividend policy and payment period, etc. 3) Performance trends and future outlook of overseas subsidiaries, etc.

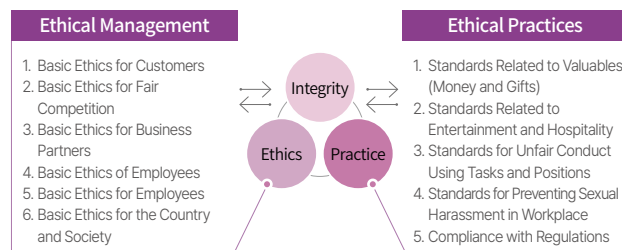
Enhancement of Ethics and Compliance Management System

Ethical Management and Anti-corruption Activities

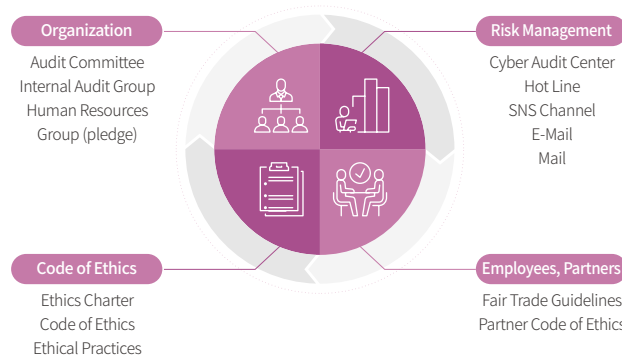
Seoyon E-Hwa's Declaration of Righteousness Management

Righteousness Management entails fulfilling the responsibility and obligation to align actions with the expectations, standards, and values of stakeholders—including customers, employees, and investors—while also ensuring sustainable profitability. Seoyon E-Hwa is dedicated to fostering a mature organizational culture founded on mutual trust and understanding. This commitment is demonstrated through the promotion of customer and shareholder rights, the establishment of supplier partnerships, and the respectful treatment of each employee as an independent individual.

 [Seoyon E-Hwa's Righteousness Management](#)



Righteousness Management System



Code of Ethics and Ethical Practices

Charter of Ethics

Seoyon E-Hwa has created the Ethics Charter with five key themes. This initiative aims to promote transparent management in alignment with our corporate Ideology, which prioritizes customer satisfaction through creative management that respects the dignity of all human beings.

 [Seoyon E-Hwa's Ethics Charter](#)

Ethics Charter with Five Key Themes

We "protect the rights and interests of stakeholders and impress customers."	<ul style="list-style-type: none"> • We strive to protect the rights and interests of shareholders and investors and to provide information. • We provide the best quality and services to customers and keep our promises.
We "conduct fair trade and win-win partnerships with partners."	<ul style="list-style-type: none"> • We establish a fair competition and transparent trade order. • We pursue win-win partnership with our partners.
We "create a workplace that is fun and pleasant to work in."	<ul style="list-style-type: none"> • We are not afraid of failure, challenge and innovate, and actively cooperate with colleagues and other teams. • We do our best to manage workplace safety.
We "create a corporate culture of trust."	<ul style="list-style-type: none"> • We respect each other as human beings with mutual trust. • We promote work to nurture creative talents and provide equal opportunities.
We "comply with laws and love the environment"	<ul style="list-style-type: none"> • We observe and comply with all laws and regulations. • We fulfill environmental protection and social responsibility.

Code of Ethics

Seoyon E-Hwa has defined its responsibilities and obligations to various stakeholders in the Code of Conduct. For each stakeholder group, the Company has established precise behavioral standards rooted in the fundamental principles that guide both the organization and its employees

 [Seoyon E-Hwa's Code of Ethics](#)



Ethical Practices

Seoyon E-Hwa has implemented the Ethical Practice Guidelines to uphold ethical management principles. These guidelines provide detailed standards for gifts, entertainment, and hospitality, address misconduct related to duties and positions, prevent sexual harassment within the Company, and ensure compliance with regulations. Additionally, the guidelines specify how to apply the Code of Ethics, outline regulated subjects, and provide detailed practice guidelines. This comprehensive approach enables all employees to adhere to the Code of Ethics.

 [Seoyon E-Hwa's Ethical Practices](#)

Enhancement of Ethics and Compliance Management System

Practicing and Embedding Ethical Management

Ethics audit and Ethical Management Reporting Channel

To achieve ethical and compliant management and enhance employee ethical awareness, Seoyon E-Hwa conducts regular inspections at both domestic and overseas business sites in alignment with the annual business plan. Additionally, periodic inspections are carried out, considering social issues and anonymous reports. Furthermore, we maintain a dedicated professional channel for ethical management reporting. This channel facilitates the reporting, receipt, and investigation of unethical and illegal activities related to the Company, including bribery, entertainment, human rights violations, trade secret infringements, and unfair trade practices. Violators are addressed in accordance with internal procedures.

Status of Ethics and Internal Audit, and Inspection Activities

Classification		Unit	2021	2022	2023
Ethics and Internal Audit	Business sites subject to audit (domestic/overseas)	Places	9	6	4
	Business sites that conducted audit (domestic/overseas)	Places	9	6	4
	Ratio of business sites that conducted audit	%	100	100	100
Inspection Activities	Number of regular inspections	Cases	9	9	7
	Number of random inspections	Cases	4	-	2
	Number of post-inspections	Cases	-	2	1
	Number of transparency investigations (cyber-report investigations, etc.)	Cases	-	1	3


Types and Status of Reports Received


Classification	Unit	2021	2022	2023
Cyber Audit Center		1	-	-
SNS Channels		-	-	1
Hot-line (phone)		-	-	2
Post	Cases	1	1	-
E-mail		-	-	-
Total number of violations/reports		2	1	3

Actions Taken for Violations of the Code of Ethics

Classification	Unit	2021	2022	2023
Dismissal		-	-	-
Suspension		1	2	-
Pay reduction		2	-	1
Reprimand	Cases	2	-	-
Warning		-	-	-
Other		-	-	-
Total number of actions		5	2	1

Report Type

- ① Cyber Audit Center
 - ② Hot-line: +82-31-420-3202
 - ③ Kakao Talk
 - ④ E-mail: holigun@seoyoneh.com
 - ⑤ Post: Seoyon E-hwa Internal Audit Group, 41-22, Burim-ro 170beongil, Dongan-gu, Anyang-si, Gyeonggi-do (14055)
- 

Report to Seoyon E-Hwa
- 

Kakao Talk Open Chatting



Reception of bribery, money transactions, and entertainment, hospitality



Embezzlement of public money, theft, and fraudulent behavior



Abuse of authority, position and solicitation



Violation of the Fair Trade Act



Environmental issues



Human rights violations, workplace harassment, and sexual harassment



Matters related to work discipline



Infringement of trade secrets



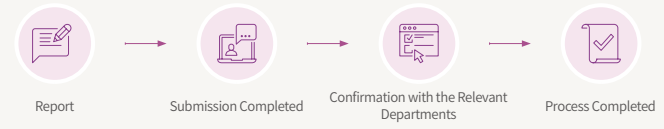
Information security violations



Other issues

Reporting Procedure

Confirmation and internal due diligence will be conducted with the relevant department within 15-20 days, and reports and consultations will be conducted in a strictly confidential manner. (However, in the case of anonymous reports, additional confirmation schedule is required, and if necessary, transfer can be made to the relevant department)



Protection of Informant



Confidentiality of Identity of Informant

- #### Compensation Payment and Exemption Standards for Informant
- A certain level of compensation is paid if the report has the effect of increasing the company's profits and reducing losses.
 - In the case of a voluntary report, the informant is exempted from all liability including sanctions regardless of the content of the report or the reporting period.
- #### Prohibition of Revealing and Tracking Down Informant
- All employees must not reveal the identity of the informant, even if they recognize the identity of the informant by accident or on the job.
 - Any activity that may reveal the identity of the informant, such as inquiries about the identity of the informant and inquiry activities to track down the informant, is prohibited.
 - Disclosing or implying the identity of the informant and investigative supporter without consent is prohibited.
 - Violation of the duty to protect identity may result in punishment for those involved.

Enhancement of Ethics and Compliance Management System

Ethical Management Training

For the purpose of enhancing corporate value through transparent and fair business practices, Seoyon E-Hwa regularly conducts training on ethics, dispute resolution and business ethics for all employees, including candidates, and lays the foundation for the company's implementation of Ethics Management.

Ethical Management Training Result

Trained by	Training Content	Classification	Unit	2021	2022	2023
Chief Audit Executive	Ethical management training for department heads and request for disseminating training	Completed	Persons	-	25	49
		Completion rate	%	-	88	83
Chief Executive Officer	Conducting ethics training for executives and employees	Completed	Persons	-	-	120
		Completion rate	%	-	-	98
Human Resources Group	Ethical management training for new employees (Serious Accident Punishment Act, contracts, ethics, subcontracting, compliance)	Completed	Persons	34	46	85
		Completion rate	%	100	100	100

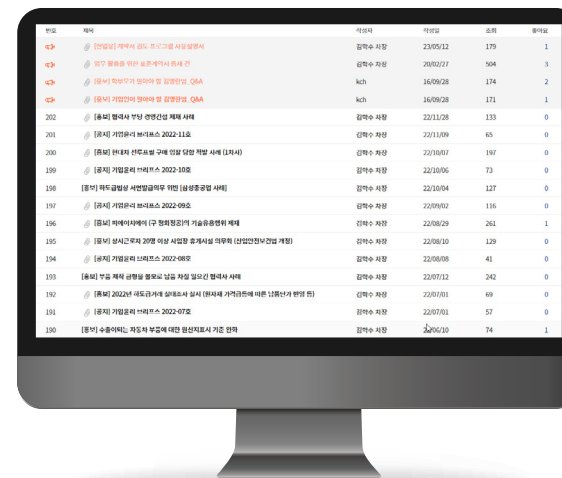


Reinforcement of Ethical Awareness

Seoyon E-Hwa employs various channels to enhance employees' ethical awareness. The internal compliance support (Audit Group NEWS) bulletin board, provides employees with a comprehensive understanding of the Company's compliance initiatives and ethical principles. Additionally, the Seoyon E-Hwa Group actively leads the 'Transparent and Ethical Management Together' campaign, emphasizing the significance of ethical values and transparent management for all employees. This campaign encourages and supports employees in practicing these principles, contributing to the establishment of an open and transparent and ethical management culture across the entire organization.

Activities to Reinforce Ethical Awareness

Channel	Activities	Cycle	Unit	2021	2022	2023
Bulletin Board/ Compliance Support (Audit Group NEWS)	Sharing materials to strengthen ethical awareness	Frequent	Cases	24	27	29
Groupware (GW) Mail	Sending e-mails requesting the cooperation in the campaign	Before and after holidays (Lunar New Year, Chuseok)	Times	2	2	2



Audit Group NEWS



Screen of campaign for transparent and ethical management

Enhancement of Ethics and Compliance Management System

Compliance Management

Establishing and Operating Compliance System

Seoyon E-Hwa has established and enforced the Compliance Control Standards to promote fair and transparent business conduct by complying with laws and regulations and to secure the sound development of the company and the trust of customers, and has appointed one compliance officer with legal qualifications to check and supervise whether employees comply with established laws and regulations and properly conduct company management. The status as of the date of submission of this report is as follows:

Compliance Officer

Name	Date of Appointment	Career
Sangcheon Mun	Mar. 28, 2024	Former) Audit Director, Asiana Airlines Co., Ltd. Current) Vice President of Planning and IT Innovation, Seoyon E-Hwa

Compliance Support Organization

Department	Number of Members	Duty
Internal Audit Group	4 persons	<ul style="list-style-type: none"> Establishment and implementation of compliance education and programs Management of compliance control standards and compliance inspection Quarterly execution of internal inspection/preliminary inspection/compliance inspection Dissemination of compliance guidelines, department-specific risk inspection, etc.

Raising Compliance Awareness

To enhance compliance awareness and deepen employees' understanding, Seoyon E-Hwa conducts annual legal training sessions covering various laws. These include regulations related to workplace harassment, general criminal offenses, the Personal Information Protection Act, the Serious Accidents Punishment Act, the Subcontracting Act, and the Fair Trade Act. Additionally, Seoyon E-Hwa has established an internal control system to ensure compliance with standards. Regular self-checks are conducted semi-annually, during which employees provide electronic signatures via the system.

Compliance Awareness Activities

Channel	Classification	Cycle	Unit	2021	2022	2023
Electronic Signature / Compliance Control	Self-inspection rate	First half of year	%	98.8	99.1	98.5
		Second half of year		95.9	99.8	99.2

Fair Trade

Fair Trade Compliance Activities

Seoyon E-Hwa disseminates distinct internal regulations and guidelines related to fair trade to both employees and suppliers. These guidelines stipulate reporting and action procedures for violators when violations of the Company's transparent management regulations occur, and specify related disciplinary standards and items.

Additionally, Seoyon E-Hwa has incorporated fundamental ethical principles for suppliers within its Code of Conduct. This inclusion aims to foster mutually beneficial collaboration with suppliers and prevent instances of unfair trade or competition. The Code of Conduct specifies that Seoyon E-Hwa employees and suppliers who encounter requests, entertainment, or solicitations falling under relevant disciplinary guidelines must promptly complete either a 'Declaration Report of Request of Money and Valuables, and Solicitation' or a 'Confirmation Sheet of Receipt of Money and Valuables, and Entertainment,' depending on the circumstances. These reports are then submitted to the Company's Internal Audit Group or Cyber Audit Office to prevent recurrence.

Furthermore, Seoyon E-Hwa diligently adheres to laws and regulations related to subcontracting, including the Fair Transactions in Subcontracting Act, to establish a fair trade environment. The Company has also selected and publicly disclosed the 'Four Practices for Fair Trade (Fair Trade Guidelines)' on its official website.

Fostering Fair Trade Culture

Seoyon E-Hwa provides annual training for its employees to foster fair trade culture, enhance employees' understanding of contracts, and promote fairness in subcontracting transactions. Additionally, Seoyon E-Hwa internally collects compliance pledges from new staff members regarding adherence to the Code of Ethics. This practice ensures the implementation of transparent management procedures.

Pledge to Comply with the Code of Ethics for New Employees

Classification	Unit	2021	2022	2023
Number of targets	Persons	59	63	120
Pledge ratio	%	100	100	100

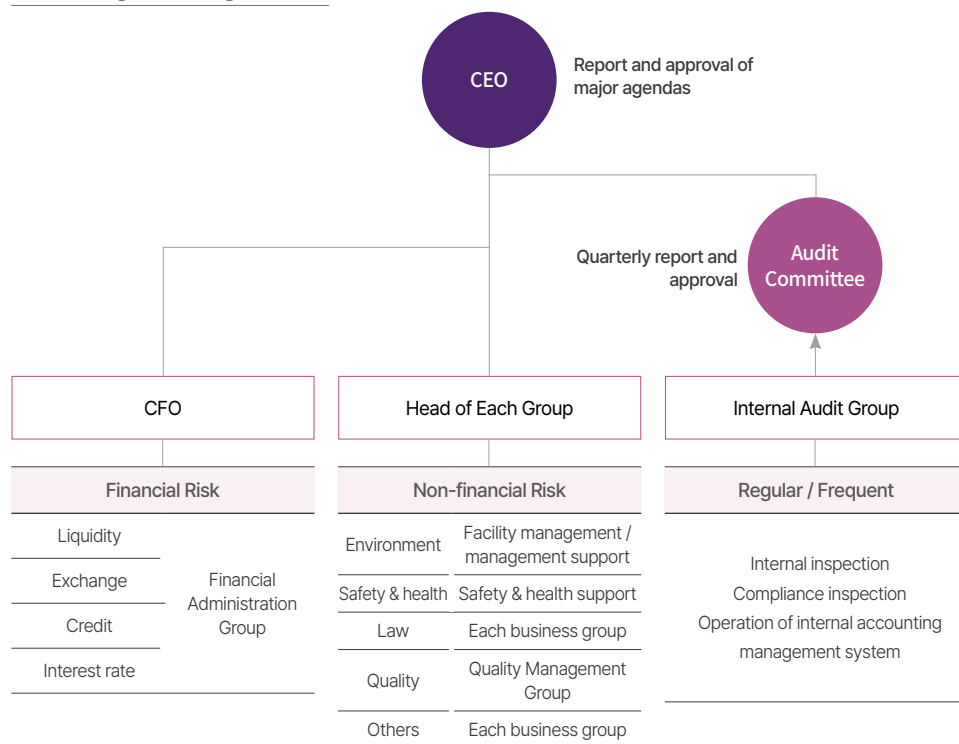
Seoyon E-Hwa employs contracts that adhere to standard forms and requirements for subcontracting transactions, as recommended by relevant government departments, fair trade commissions, and industry associations in the countries where each business site is located—including Korea. This practice aims to minimize violations of pertinent laws, such as the Subcontracting Act, and eliminate anti-competitive and unfair trade practices.

Company-wide Integrated Risk Management

Risk Management Governance

Establishing and Operating Management System

Risk Management Organization



Seoyon E-Hwa has implemented a continuous monitoring and management system to enhance risk response and follow-up procedures. The risk management organization involves the Board of Directors and the Audit Committee. Financial risks are overseen by the Finance Department, while non-financial risks fall under the purview of the relevant business departments. Notably, the Internal Audit Group, which provides support to the Audit Committee, conducts routine internal inspections, compliance assessments, and maintains the internal accounting control system. Quarterly reports on these activities are submitted to the Audit Committee.

Risk Mitigation by Type

Financial and Non-financial Risk

Seoyon E-Hwa classifies risks into two main categories: financial and non-financial risks. Financial risks include currency risk, interest rate risk, credit risk, and liquidity risk arising from both domestic and overseas business operations. Non-financial risks stem from changes in the business environment, encompassing areas such as environmental factors, health and safety, legal compliance, and quality. As of the report submission date, each responsible organizational unit diligently manages and responds to these risks in a detailed manner.

Major Risks

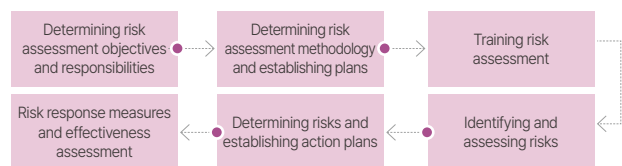
	Classification	Description	Impact on Business	Response and Management
Financial Risks	Liquidity risk	Risk due to lack of cash liquidity	Excessive exposure to market risk	Managing financial plans and building financing system
	Exchange risk	Risk due to fluctuations in international exchange rates	Exchange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

Company-wide Integrated Risk Management

Risk Management Process

Seoyon E-Hwa evaluates risk factors through a preemptive management process for potential risks and establishes action plans for each factor.

Risk Management and Assessment Process



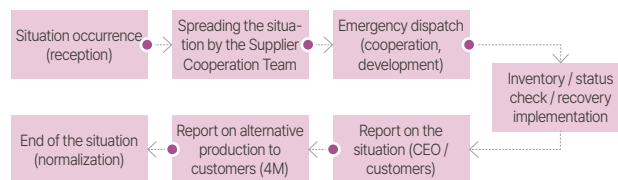
Risk Assessment Targets, Responsibilities and Management Methods

Assessment Target	Assessment Responsibility	Risk Management Method
Organizational management	All departments	Business plan
Process & unit work		Risk analysis table
Product	Engineering Design	DFMEA
Manufacturing process	Production Technology	PFMEA
Project	PM	Risk analysis table
Outsourcing (partner)	Supplier Cooperation	Purchase policy or audit plan
Outsourced Parts	PM	PFMEA
Environment, safety and health	Safety & Health Staff of Management Support	Environmental and risk improvement plan
Business continuity		Crisis response manual and recovery plan
Plant, facility, and equipment planning	Production Technology	Modified production and investment plan or business plan
Test equipment	Quality Testing	Business plan through Capa analysis
Change management	Quality Management	4M change management ledger, EO change management ledger
Temporary change of process management	Production Technology	PFMEA
Modification (repair)	Production/Quality Management	
Field return	Quality Management	
Customer complaints	Customer Management	DFMEA, PFMEA
Product recall		
Disposal	Responsible team in manufacturing division	
Quality regulations	Quality Testing	Reliability test plan

Serious Accident Management Process

In the event of a major disaster (such as fire or natural disaster), Seoyon E-Hwa has established and thoroughly familiarized itself with the serious accident emergency response manual. It outlines standardized procedures and detailed actions to be taken during crises, ensuring both production continuity and the safety of employees and suppliers. During emergencies, Seoyon E-Hwa implements an optimal preemptive response process. This involves simultaneous coordination of emergency response scenarios between the Company and its suppliers, overseen by the Situation Room. Additionally, we proactively manage safety by conducting comprehensive inspections and improvements at our supplier sites.

Emergency Response Scenario Process



Risk Assessment Procedure

Seoyon E-Hwa operates its proprietary Risk Assessment (RA) system to identify, analyze, and evaluate risks within the scope of the Business Continuity Management System (BCMS). In pursuing this objective, management teams develop customized risk questionnaires for analysis. Risk ratings are calculated, taking into account various evaluation criteria such as the probability of occurrence, average response time, and impact scope. The relevant risk assessments receive approval from the heads of respective implementing departments. Additionally, the Management Support Team reviews the validity of scores assigned based on each department's risk assessment and may make adjustments as necessary.

Environmental, Health and Safety Emergency Management Procedure

Seoyon E-Hwa has implemented environmental, health, and safety emergency management procedures to mitigate damage related to environmental pollution and safeguard health and safety during emergencies. Under the leadership of the Head of Health and Safety, we proactively identify potential disasters and anticipated emergencies that could impact the entire company. Subsequently, we establish comprehensive emergency action plans. When an emergency is declared, we convene and operate a disaster safety countermeasures headquarters according to the circumstances of the situation to disseminate the situation, carry out restoration measures, report the results of measures, and establish post-management and preventive measures. In addition, company-wide emergency drills are conducted at least once a year with the approval of the CEO to establish a quick emergency response system for employees.

Tax Risk

Seoyon E-Hwa recognizes the significant impact that rightful tax payment, in compliance with tax laws, has on both the country and the local community. To mitigate related tax risks, Seoyon E-Hwa fulfills its social responsibilities across various domains, including accurate tax payment and reporting obligations. The Company has established a systematic organization to efficiently manage all domestic and international tax risks associated with its business operations. Major tax items, such as corporate income tax and withholding tax, are meticulously classified and overseen by each responsible department. These tax departments carefully evaluate tax-related matters with the guidance of external experts. Subsequently, relevant findings and agendas are regularly and irregularly reported to the Chief Financial Officer (CFO) and the Board of Directors. Furthermore, Seoyon E-Hwa has implemented a management process to effectively address the ever-evolving business environment and tax risks, both domestically and abroad. This proactive approach includes considerations for new business expansions. Through these efforts, the Company ensures comprehensive compliance with tax laws, regulations, and systems.

Company-wide Integrated Risk Management

Information Security

Policy Guidelines on Information Security

Seoyon E-Hwa operates an information security management system in accordance with information protection laws and the internal information security management process (SMS-A-20). Information security management is divided into administrative, physical, and technical security areas. Departments and designated personnel responsible for each area conduct regular inspections and management activities in accordance with established regulations. Seoyon E-Hwa's information protection policy applies universally to all employees, contractors, visitors, and information assets (including records, storage, utilization media, computer equipment, and management facilities). The policy is meticulously determined, effectively communicated, and diligently implemented through the Security Council. Responsibilities and roles are clearly delineated for the security organization to ensure that information security activities proceed clearly and smoothly. In the event of a violation of the security policy, we first determine the severity of the violation. If it is determined to be a violation of the security policy, appropriate action is taken after reporting to the CISO. We then take follow-up measures after handling security incidents in accordance with the internal security procedures (SMS-A-20-W01 IT Security Incident Response Guidelines).

Information Security Management Regulations

Process	Management Area	Duty	Related Procedure/Guideline
Enterprise security management process	1. Managerial security	1) Security organization structure and management 2) Security pledge management 3) Security training 5) Security violator management	- Computer security management procedures (security training and activities) - Personal information management guidelines - Overseas staff management procedures
	2. Physical security	4) Retiree management 6) Security inspection	
	3. Technical security	1) Establishment of protection zones 2) Control of asset export/import 3) CCTV operation and facility monitoring 4) Business continuity management	- Access control management procedures - Environmental, safety, and health emergency management procedures
		1) User security 2) Network security 3) System security 4) Security system operation 5) IT security incident management	- User security guidelines - Network security guidelines - System security guidelines - Security system operation guidelines - IT security incident response guidelines

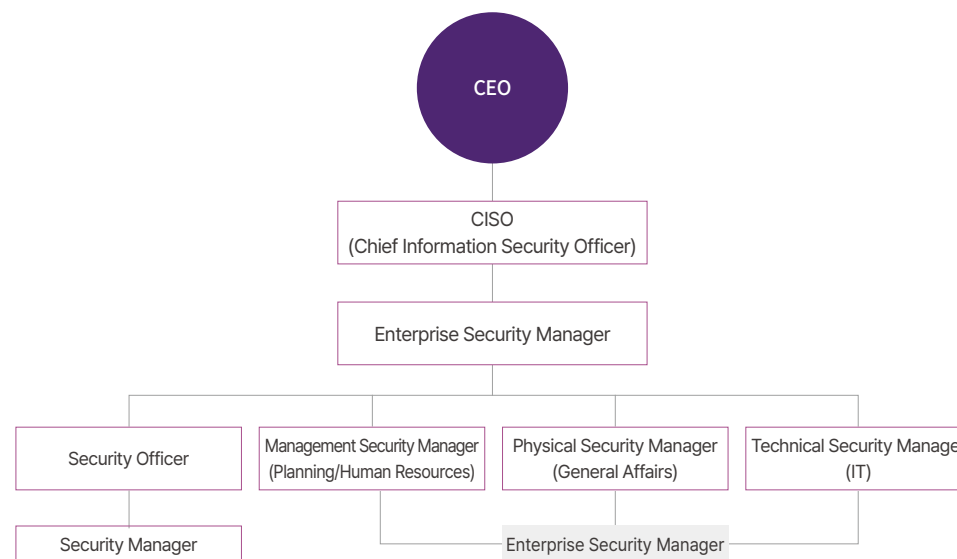
Details of Computer Security Management Procedures

Classification	Description
Security training	Security training for employees
Information security activities	Pledge on information security Writing information security pledges for employees and related parties
	PC management security Account management, login, screen saver, file sharing, Windows security updates
	External security Virus/worm/spyware vaccine, E-mail security, firewall, breach security, blocking of harmful factors
	Internal security Virus/worm/spyware vaccine, E-mail security, firewall, breach security, blocking of harmful factors
	Security for application programs Information leak prevention and internal hacking security system
Intrusion accident/disaster recovery	Network, database, sequence system

Information Security Management System

Seoyon E-Hwa has established an information security organization for systematic information protection. The Chief Information Security Officer (CISO) is in charge of comprehensive information protection work, including determining all policy areas related to security, appointing enterprise security managers and personnel, and supervising the implementation of security measures. Enterprise security managers and enterprise security staff (divided into administrative security staff, physical security staff, and technical security staff) appointed by the CISO plan and manage information security activities, including information security policies, regulations, training, and follow-up. The management process is operated in such a way that the person in charge of enterprise security replies to the enterprise security manager with the action method/schedule for the requested improvement. Upon completion, the results are reported back to the enterprise security manager and ultimately to the head of enterprise security.

Organization for Information Security Management



Company-wide Integrated Risk Management

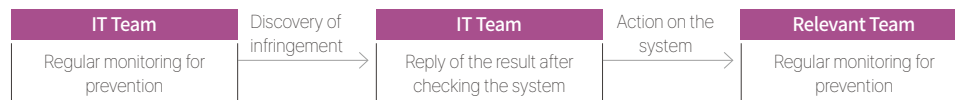
Data / Trade Secret Breach and Incident Response System

Seoyon E-Hwa has a thorough security incident management system in place for prompt and effective response to data/trade secret breach and incidents. In advance, we proactively define potential security incident types and continuously engage in preventive measures through mock drills and training. In the event of a security incident, Seoyon E-Hwa swiftly establishes a dedicated security incident response organization and formulates an initial response plan for rapid action. Also, Seoyon E-Hwa supports effective response in the process of handling incidents through safe management of evidence materials. After an incident occurs, we establish a management plan, educate employees, and periodically review and enhance our security incident response procedures. In addition, we strengthen our response to cyberattacks by conducting our own response drills and forming an emergency response team. When security policies are violated, Seoyon E-Hwa promptly reports and addresses such incidents in accordance with the IT Security Incident Response Guidelines. Violators are classified as minor or major based on our internal criteria, considering the severity of their actions

Detailed Guidelines on Technical Security

Classification	Description
IT security incident response guidelines	Management guidelines for ensuring continuous business activities through standardization of security incident prevention, response procedures, and reporting systems
Network security guidelines	Management guidelines for improving the level of information protection required when connecting to internal and external networks and for operating a stable network infrastructure
Security system operation guidelines	Management guidelines for establishing management policies for technical security systems to respond to internal/external technical security threats
User security guidelines	Management guidelines for safely utilizing the company's information assets and preventing damage from threatening activities (information leaks, Internet intrusions, etc.)
System security guidelines	Management guidelines for preventing illegal use and protecting assets by defining work procedures for safe management of the system

Recovery Procedures in Case of Infringement



(Scope: Network, D/B, Sequential System, etc.)

Investment in Information Protection

Seoyon E-Hwa strategically increases its investment in information protection to enhance information security operation system. Annually, we disclose information protection status on the comprehensive information protection disclosure portal managed by the Korea Internet & Security Agency (KISA), according to the "Enforcement Decree of the Personal Information Protection Act" and the "Notification on Information Protection Disclosure."

Investments in the Information Technology and Security Sector

Classification	Unit	2021	2022	2023
Investments in information technology	KRW in millions	6,843	8,309	8,975
Investments in information security		667	838	1,066
Investment in information security to total IT-related investment	%	9.8	10.1	11.9

Activities to Strengthen Information Security and Improve Awareness

Seoyon E-Hwa conducts IT information security training once a year to strengthen employees' security mindset and prevent security accidents. In addition, we complete security training on external intrusions hosted by Hyundai Motors every quarter to develop more practical security response capabilities.

Employee Security Training in 2023

Training	Hosted by	Completion of Training		
		Target (persons)	Completed (persons)	Completion Rate (%)
Information Technology Management Training for AEO Certification	IT Team (IT Innovation Team)	339	323	95
Online Training on Industrial Security	Korea Industrial Technology Protection Association	467	422	90

Employee Information Security Campaign

Campaign	Hosted by	Posting	Posting Date
Trade Secret Security Training	IT Team (IT Innovation Team)	Pop-up bulletin board	1st and 3rd week of every month
Security Advisory for Ransomware Infections			2nd and 4th week of every month

In addition to trainings, Seoyon E-Hwa conducts regular information security campaigns for its employees every month through pop-up bulletin boards. We receive personal information protection pledges from in-house personal information handlers and security pledges from outsourced personnel once a year to emphasize security obligations. Human Resources Group handles personal information comprehensively and has subscribed to personal information protection insurance to prepare for personal information leakage incidents. As a result of these efforts, there have been no cases of customer personal information protection or information security breaches as of 2023.

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Financial Performance

Economy

Summarized Income Statement (consolidated)

Classification	Unit	2021	2022	2023
Sales	KRW in millions	2,180,066	2,845,253	3,574,266
Cost of sales		1,882,948	2,393,532	3,028,542
Gross profit		297,117	451,722	545,724
Selling and administrative expenses		231,148	301,040	352,614
Operating profit (loss)		65,969	150,682	193,110
Profit before tax (loss)		51,219	116,258	194,997
Corporation tax		21,476	55,783	30,957
Net profit (loss)		29,743	60,475	164,040

Sales by Region (consolidated)

Classification	Unit	2021	2022	2023
Korea	KRW in millions	788,270	908,096	1,114,870
Europe		440,480	592,258	689,938
China		101,646	119,240	81,792
India		392,613	558,557	568,152
USA		282,570	452,888	878,279
Mexico		86,813	109,331	150,130
Brazil		81,733	97,615	88,502
Others		5,941	7,270	2,603
Total		2,180,066	2,845,253	3,574,266

Summarized Financial Position (consolidated)

Classification	Unit	2021	2022	2023
Current assets	KRW in millions	771,779	968,983	1,008,713
Non-current assets held for sale		-	-	26,506
Non-current assets		1,018,746	961,349	1,322,631
Total assets		1,790,525	1,930,332	2,357,851
Current liabilities		869,150	986,276	1,118,745
Non-current liabilities held for sale		-	-	16,334
Non-current liabilities		223,637	187,170	297,187
Total liabilities		1,092,787	1,173,446	1,432,266
Capital stock		13,514	13,514	13,514
Capital surplus		445,818	445,818	445,800
Non-controlling interests	33,316	35,127	43,952	
Accumulated other comprehensive income	48,474	49,699	62,794	
Retained earnings	156,769	212,881	359,678	
Total equity	697,739	756,886	925,585	

Distribution of Economic Value (consolidated)

Classification	Unit	2021	2022	2023	
Retirement pension (employees)	Number of subscribers	Persons	896	868	864
	Subscription ratio	%	98	97	93
	Cumulative external reserve ratio		96	100	105
Employees	Total salary		76,210	83,123	97,647
	Total retirement pension		56,590	63,719	69,339
	Total welfare expenses		12,553	10,443	13,539
Partners	Raw material cost (domestic)		591,969	696,764	771,427
	Raw material cost (overseas)	KRW in millions	-	-	-
Government	Corporation tax		21,476	55,783	30,957
Local communities	Social contribution expenses (donations and subsidies, etc.)		73	73	77
Debtors	Cost-based interest expenses		5,755	5,787	11,530
Shareholders	Total dividends to shareholders		3,925	5,416	5,499

ESG Performance Data

R&D

R&D Expenditure

Classification		Unit	2021	2022	2023
Total R&D expenditure (R&D investment)	Selling and administrative expenses	KRW in millions	38,613	40,604	49,026
	Government subsidies		1,498	2,121	3,188
	Manufacturing expenses		241	221	470
	Development expenses (intangible assets)		638	767	322
R&D expenses to sales ratio		%	3.6	3.3	3.1

R&D Personnel

Classification		Unit	2021	2022	2023
Total R&D personnel (Number of R&D staff)	Research personnel	Persons	158	143	161
	Research assistants		28	29	29
	Domestic employees		912	896	933
Ratio of R&D personnel to domestic employees		%	20.4	19.2	20.4

Patent (Intellectual Property Rights)

Classification		Unit	2021	2022	2023
Number of domestic and overseas patent applications for the automobile parts business	Domestic	Cases	151	122	136
	Overseas		36	54	62
Number of domestic and overseas patents registered in the automobile parts business	Domestic	Cases	145	152	88
	Overseas		23	25	34

Governance

Violations of the Code of Ethics and Reporting

Classification		Unit	2021	2022	2023
Violations of the code of ethics and reporting	Total number of violations and reports	Cases	2	1	3
	Bribes, monetary transactions, and receiving entertainment		1	-	2
	Embezzlement and theft of public funds, and seeking personal gain		-	-	-
	Abuse of authority and solicitation		-	-	-
	Violations of the Fair Trade Act		1	-	-
	Infringement of human rights, workplace bullying and sexual harassment		-	1	-
	Matters related to work discipline		-	-	-
	Infringement of trade secrets		-	-	1
Compliance with regulations	Violation of the Personal Information Protection Act	KRW 100 million	-	-	-
	Violation of laws and regulations		-	-	-
	Total fines		-	-	-

Anti-competitive Practices

Classification		Unit	2021	2022	2023
Financial loss due to anti-competitive acts, etc.		KRW 100 million	-	-	-
Legal actions on unfair trade practices such as anti-competitive acts and monopolies		Cases	-	-	-

Information Security

Classification		Unit	2021	2022	2023
Information security training	Number of employees subject to trainings	Persons	297	420	339
	Number of employees who completed trainings	Persons	276	408	323
	Completion rate	%	93	97	95
Number of Information Security Vulnerability Checks		Times	-	1	8
Number of Information Security Incidents		Cases	-	-	-
Information security violations and detection	Number of cases	Cases	-	-	-
	Fines	KRW in millions	-	-	-

ESG Performance Data

Environmental

Greenhouse Gas Emissions

Classification		Unit	2021	2022	2023
Emissions (domestic)	Scope 1	tCO ₂ eq	575.2	687.1	710.5
	Scope 2		5,840.6	6,002.7	6,473.9
	Scope 1+2		6,415.8	6,689.7	7,184.3
	GHG emissions intensity	tCO ₂ eq/KRW 100 million	0.60	0.54	0.45
	Scope 3	tCO ₂ eq	-	-	2,419.5
GHG emissions intensity target		tCO ₂ eq/KRW 100 million	-	0.58	0.52
Reduction	Total amount of reduction	tCO ₂ eq	-	(273.99)	(494.57)
	Scope 1		-	(111.88)	(23.39)
	Scope 2		-	(162.10)	(471.18)
	Year-on-year GHG reduction	%	-	-	(81)

* Collected based on ISO14054 and IPCC2006

** Applied emission factor: Environmental Product Declaration (EPD) assessment factor

*** Applied conversion factor: Korea Energy Agency petroleum product unit

*** Recalculated performance in 2021 and 2022 due to change in measurement method

Energy Consumption

Classification		Unit	2021	2022	2023
Non-renewable Energy	Electricity	TJ	122.1	125.1	135.3
	Fuel		7.1	8.1	7.8
	Others		3.0	3.6	4.3
	Total energy consumption		132.1	136.7	147.3
	Energy consumption intensity	TJ/KRW 100 million	0.0123	0.0110	0.0093

* Recalculated performance in 2021 and 2022 due to change in measurement method

Water Resource Consumption

Classification		Unit	2021	2022	2023
Water intake	Total	ton	56,091	58,592	54,718
	Water supply (Ulsan)		17,499	7,069	8,992
	Groundwater (Ulsan)		6,876	19,506	18,778
	Water supply (Asan)		11,960	15,261	6,074
	Groundwater (Asan)		12,970	9,900	13,620
	Water supply (Pyeongchon)		6,786	6,856	7,254
Water consumption	Total	ton	56,091	58,592	54,718
	Water supply (Ulsan)		17,499	7,069	8,992
	Groundwater (Ulsan)		6,876	19,506	18,778
	Water supply (Asan)		11,960	15,261	6,074
	Groundwater (Asan)		12,970	9,900	13,620
	Water supply (Pyeongchon)		6,786	6,856	7,254
Water discharge	Groundwater (Pyeongchon)	ton/KRW 100 million	-	-	-
	Water intensity		5.20	4.73	3.44
	Total		-	-	-
Water saving	Water supply	ton	7,059	6,866	7,059
	Groundwater		(9,560)	(2,992)	(9,560)
Water use reduction rate compared to the previous year		%	-	(4)	7

* Recalculated performance in 2021 and 2022 due to change in measurement method

ESG Performance Data

Waste Generation

Classification		Unit	2021	2022	2023
General waste	Incineration	ton	233.40	143.70	243.60
	Landfill		-	-	-
	Recycling		209.11	98.95	121.18
	Sale		165.24	46.70	80.27
	Total		442.51	242.65	364.78
Designated waste	Incineration	ton	-	-	-
	Landfill		-	-	0.08
	Recycling		6.60	2.30	11.55
	Sale		-	-	-
	Total		6.60	2.30	11.63
Waste generation intensity		ton/KRW 100 million	0.04	0.02	0.02

* Recalculated performance in 2021 and 2022 due to change in measurement method

Waste Recycling

Classification	Unit	2021	2022	2023
Waste recycled	ton	215.71	101.25	132.73
Waste recycling rate	%	48.0	41.3	35.3

Discharge of Chemicals

Classification		Unit	2021	2022	2023
Chemicals	TCE	kg	-	-	-
	Chromium		-	-	-
	Manganese		-	-	-
	Tin		-	-	-
	Copper		-	-	-

Hazardous Chemicals

Classification	Unit	2021	2022	2023
Hazardous chemicals consumption	ton	-	-	-
Hazardous chemicals consumption intensity	ton/KRW 100 million	-	-	-

Eco-friendly Sales

Classification	Unit	2021	2022	2023
Sales of eco-friendly automotive parts	KRW 100 million	337.62	415.69	412.08

Violation of Environmental Laws

Classification	Unit	2021	2022	2023
Number of violations of environmental laws	Cases	-	-	-

Environmental Risk Assessment

Classification	Unit	2021	2022	2023
Percentage of business sites that received assessment	%	-	-	-

Environmental Management and Environmental Training

Classification		Unit	2021	2022	2023
Environmental management system certification (ISO14001)	Business sites subject to obtainment	Sites	15	15	16
	Business sites that obtained the certification	Sites	14	13	14
	Obtainment rate	%	93	87	88
Environmental training	Employees subject to environmental training	Persons	207	235	243
	Participants in environmental training	Persons	205	216	231
	Ratio of participants in environmental training	%	99	92	95

ESG Performance Data

Social

Employee Status*

Classification	Unit	2021	2022	2023
Total	Persons	980	962	15,539
Korea		926	900	939
USA		6	11	1,947
India		16	16	4,893
China		9	10	943
Mexico		5	6	1,028
Slovakia		5	6	1,554
Türkiye		4	4	1,864
Poland		3	4	1,727
Brazil		4	3	376
Indonesia		2	2	266
Thailand		-	-	2

* Until 2022, only the number of employees at domestic workplaces was counted, and from 2023, the scope was expanded to include local employees.

Detailed Employment Status

Classification	Unit	2021	2022	2023		
Total	Persons	980	962	10,099		
Gender		Male	823	817	865	
		Female	152	145	144	
Employment type		Regular	Male	824	817	860
			Female	148	142	137
		Non-regular	Male	1	-	5
			Female	2	3	7
Age		Under 30	47	44	54	
		30~49	650	624	668	
		50 and older	278	294	287	
Job type*		Office	270	232	339	
		Production	465	449	408	
		Research	198	238	223	
	Number of employees with disabilities	35	35	35		
Socially disadvantaged	Number of veteran employees	17	17	17		
	Male	307	358	270		
	Female			75		

* Excluding executives

** Non-affiliated workers perform tasks such as logistics, cleaning, and security.

Locally Hired Managers

Classification	Unit	2021	2022	2023
Number of managers	Persons	1,414	1,521	1,458
Number of locally hired managers		1,360	1,463	1,168
Ratio of locally hired managers	%	96	96	80

ESG Performance Data

Female Employees

Classification		Unit	2021	2022	2023
Executives	Total	Persons	47	43	39
	Female		1	1	1
	Female ratio		%	2	2
Employees	Total	Persons	928	919	970
	Female		149	144	143
	Female ratio		%	16	16
Managers	Total	Persons	497	507	567
	Female		19	15	15
	Female ratio		%	4	3
Managers working in sales generating departments*	Total	Persons	88	110	123
	Female		1	1	1
	Female ratio		%	1	1
Researchers	Total	Persons	198	238	223
	Female		7	5	5
	Female ratio		%	4	2

* Refers to the cost, cooperation and overseas business departments.

New Employment

Classification		Unit	2021	2022	2023
Total		Persons	62	64	120
Gender	Male		59	62	113
	Female		3	2	7
Age	Under 30		23	23	28
	30-49		26	34	87
	50 and older	13	5	5	

Internal Employment

Classification		Unit	2021	2022	2023
Number of internally hired employees		Persons	2	2	3
Ratio of internally hired employees among new hires needed		%	3.1	3	2.4

* Refers to the cost, cooperation and overseas business departments.

Retirees

Classification		Unit	2021	2022	2023
Total		Persons	53	83	64
Number of voluntary retirees			39	53	38
Gender	Male		47	74	60
	Female		6	9	4
Voluntary retirees by gender	Male		36	48	35
	Female		3	5	3
Age	Under 30		8	10	6
	30-49		19	36	27
	50 and older		26	36	31
Voluntary retirees by age	Under 30		8	10	6
	30-49		18	32	27
	50 and older		13	11	5
Retirement rate			%	5	9
Voluntary retirement rate		4		6	4

Wage by Gender

Classification		Unit	2021	2022	2023
Average wage of all employees		KRW in millions	79.71	86.69	108.83
Average wage of male employees			79.73	86.62	110.9
Average wage of female employees			79.58	87.09	103.8
Ratio of average wage of female employees compared to male employees		%	99.8	100.5	93.6

ESG Performance Data

Parental Leave

Classification		Unit	2021	2022	2023
Employees subject to parental leave	Total	Persons	201	211	218
	Male		195	205	212
	Female		6	6	6
Employees who used parental leave	Total		12	8	8
	Male		6	4	3
	Female		6	4	5
Employees on parental leave	Total		8	3	4
	Male		5	3	1
	Female		3	-	3
Employees who returned to work after parental leave	Total		3	5	8
	Male	-	1	4	
	Female	3	4	4	
Employees who have worked at least 12 months after parental leave	Total	3	5	8	
	Male	-	1	4	
	Female	3	4	4	
Rate of return after parental leave	Total	%	60	42	100
	Male		-	17	100
	Female		75	71	100
Ratio of employees who have worked at least 12 months after returning to work	Total		60	42	100
	Male		-	17	100
	Female		75	71	100

Employee Training*

Classification	Unit	2021	2022	2023
Employees who participated in trainings	Persons	921	899	939
Training hours per employee	Hours	13,483	16,451	23,981
Total training expenses	KRW in millions	121	215	254
Training expenses per employee	KRW	125,180	225,830	255,950

* Calculated regardless of office or production job, gender

Employee Training by Category (Number of Employees)*

Classification	Unit	2021	2022	2023
Total number of employees who participated in trainings	Persons	921	899	960
Quality		183	122	135
Ethics		47	72	128
Job		454	530	682
Competency		1,138	1,107	839
New employees		34	46	85
Retirees		12	21	25

* Calculated regardless of office or production job, gender

Employee Training by Category (Training Hours)*

Classification	Unit	2021	2022	2023
Total training hours	Hours	13,483	16,451	24,044
Quality		1,038	640	1,560
Ethics		188	507	1,835
Job		5,421	7,389	8,232
Competency		5,851	5,336	10,442
New employees		949	2,516	1,900
Retirees		36	63	75

* Calculated regardless of office or production job, gender

ESG Performance Data

Welfare Benefits

Classification	Unit	2021	2022	2023
Total welfare expenses	KRW in millions	12,553	10,443	13,539
Welfare expenses per employee		12.87	10.86	13.42

Employee Grievance Handling

Classification	Unit	2021	2022	2023
Number of grievances received	Cases	2	1	2
Number of grievances handled		2	1	2
Grievance handling rate	%	100	100	100

Labor Hours

Classification	Unit	2021	2022	2023
Annual working hours per person	Hours	2,211	2,245	2,219
Average weekly working hours		42	40	44

Performance Evaluation

Classification	Unit	2021	2022	2023
Number of employees subject to performance evaluation	Male	475	484	545
	Female			
Number of employees who received performance evaluation	Male	475	484	545
	Female			
Ratio of employees who received performance evaluation	Male	100	100	100
	Female			

Labor Union

Classification	Unit	2021	2022	2023
Number of employees eligible for union membership	Persons	542	527	523
Number of employees who have joined the labor union		542	527	523
Ratio of union members	%	100	100	100
Minimum notice period for changes in management*	Days	60	60	60

* In accordance with our collective agreement (establishment and revision of regulations)

Social Contribution (Donation)

Classification	Unit	2021	2022	2023	
Total amount of donations	KRW in millions	19.95	24.64	37.20	
Donation by category		Charitable donations	1.00	2.00	0.20
		Community donations	18.95	22.64	37.00
Donations by subject		Corporate donations	18.95	22.64	35.48
		Employee donations	1.00	2.00	2.20

Social Contribution (Volunteer Activity)

Classification	Unit	2021	2022	2023
Total number of volunteers	Persons	150	424	741
Number of volunteer activities	Times	12.00	13.00	27.00
Number of volunteer activities per person		9.60	10.40	21.60
Total volunteer hours	Hours	20.00	33.00	68.00
Volunteer hours per person		16.00	26.40	54.40

ESG Performance Data

Claim Expenses

Classification	Unit	2021	2022	2023
Claim expenses per KRW 100 in sales	KRW	5.3	6.5	5.6

Customer Claims

Classification	Unit	2021	2022	2023
Number of claims received	Cases	59	7	13
Number of claims handled		59	7	13
Claim handling rate	%	100	100	100

Violation of Safety and Health Regulations

Classification	Unit	2021	2022	2023
Number of violations of safety and health regulations	Cases	1	-	-
Fines due to violations of safety and health regulations	KRW in millions	3	-	-

Safety and Health Training

Classification	Unit	2021	2022	2023
Employees who completed training	Ulsan	438	450	389
	Asan	161	166	180
	Headquarters	182	213	230
Ratio of employees who completed training	Ulsan	93	97	91
	Asan	94	96	94
	Headquarters	99	96	95

Industrial Accidents

Classification	Unit	2021	2022	2023
Number of industrial accidents	Ulsan	5	2	1
	Asan	-	-	-
	Headquarters	-	-	-
Industrial accident rate	Ulsan	0.96	0.40	0.21
	Asan	-	-	-
	Headquarters	-	-	-
Frequency rate	Ulsan	5.28	2.13	1.08
	Asan	-	-	-
	Headquarters	-	-	-
Severity rate	Ulsan	1.63	0.34	0.12
	Asan	-	-	-
	Headquarters	-	-	-
Number of fatalities	Ulsan	-	-	-
	Asan	-	-	-
	Headquarters	-	-	-
Fatality rate per 10,000 people	Ulsan	-	-	-
	Asan	-	-	-
	Headquarters	-	-	-
LTIFR (Lost-Time Injuries Frequency Rate)	Ulsan	3.49	1.43	0.74
	Asan	-	-	-
	Headquarters	-	-	-
FSI (Frequency-Severity Indicator)	Ulsan	2.93	0.84	0.36
	Asan	-	-	-
	Headquarters	-	-	-

ESG Performance Data

Partners

Classification	Unit	2021	2022	2023
Total number of partners	Companies	247	238	280
Number of major partners among partners		22	23	23
Total transaction amount with partners (parts)	KRW in millions	727,245	846,279	982,150
Total transaction amount with partners (raw materials)		293,295	354,228	422,594
Total transaction amount with partners (total)		1,020,540	1,200,507	1,404,745
Transaction amount with major partners among total purchase amount		651,938	749,836	871,011
Total number of partners	Companies	247	238	280
Total purchase amount from all partners	KRW in millions	1,020,540	1,200,507	1,404,745
Number of new partners	Companies	-	-	13

Industrial Accidents of Partners

Classification	Unit	2021	2022	2023
LTIFR (Lost-Time Injuries Frequency Rate)	Ulsan	-	11.39	11.38
	Asan	4.47	-	-
	Headquarters	-	-	-
Fatality rate per 10,000 people	Ulsan	-	-	-
	Asan	-	-	-
	Headquarters	-	-	-

Evaluation by External Organizations Related to Partners

Classification	Unit	2021	2022	2023
Shared growth index evaluation by the Korea Commission for Corporate Partnership	Rating	Good	Good	Good

Shared Growth with Partners

Classification	Unit	2021	2022	2023
Number of partners with whom a fair trade agreement has been signed	Companies	247	238	280
Amount of financial support provided to partners	KRW in millions	21,300	95,300	101,190
Time spent on quality guidance for partners	Hours	411.50	560.50	439.00

Training for and Communication with Partners

Classification	Unit	2021	2022	2023	
Training on practical skills for partners' employees	Number of trained partners	Companies	88	35	39
	Ratio of trained partners to total partners	%	100	100	100
	Number of partners' employees who completed training	Persons	90	96	193
Number of meetings held	Times	4	4	4	
Handling of partner grievances	Number of grievances received	Cases	4	4	10
	Number of grievances handled		3	2	2
Partners who received environmental and safety training	Companies	20	20	20	
Visits to partners for environmental and safety inspections	Times	2	2	2	

Supply Chain ESG Assessment

Classification	Unit	2021	2022	2023	
Occupational Safety and Health Management System Certification (ISO 45001)	Partners with the certification	Companies	-	-	1
Environmental Management System Certification (ISO 14001)	Partners with the certification		-	-	17

GRI Content Index

Overview	Seoyon E-Hwa reports data for the period from January 1 to December 31, 2023 in accordance with GRI Standards 2021. (Including some information in 2024)
Applied GRI 1	GRI 1: Foundation 2021
Applicable GRI Sector Standards	As of June 2024, when Seoyon E-Hwa publishes its Sustainability Report, there are no applicable GRI Sector Standards.

General Standard Disclosure

Topic	Disclosure	Page	Remark
GRI 2 : General Disclosures 2021			
Organization and reporting practices	2-1 Organization Details	6-7	
	2-2 Corporations included in the organization's Sustainable Management Report	2	
	2-3 Reporting period, cycle, and contact information	2	
	2-4 Re-description of information	-	This report is the first publication, so there is no relevant information.
	2-5 (impact of modifications to information provided in previous reports and reasons for modification)	99	
Activities and workers	2-6 External Verification	6-12, 45	
	2-7 Activities, value chains, and other business relationships (the organization's supply chain)	87	
	2-8 Employee employment status (employee, worker)	87	
Governance	2-9 Non-executive worker	15, 68-69	
	2-10 Governance Structure and Configuration	68	
	2-11 Recommendation and selection of the highest decision-making body	68	
	2-12 Chairman of the supreme decision-making body	70	
	2-13 Role of the highest decision-making body for impact management	70	
	2-14 Delegation of responsibility for impact management	70	
	2-15 The role of the highest decision-making body in sustainability reporting	68	
	2-16 Conflict of interest	70	
	2-17 Communication on important issues	69, 71	
	2-18 Comprehensive knowledge of the highest decision-making body	71	
	2-19 Evaluation of the performance of the highest decision-making body	71	
2-20 Compensation policy	17		
2-21 Remuneration decision procedure	71, 88	Refer to the BOD remuneration	

Topic	Disclosure	Page	Remark
Strategy, policy and practices	2-22 Percentage of total annual compensation	4	
	2-23 Statement on Sustainable Growth Strategy	14, 21, 38, 45, 51, 58, 74, 80	
	2-24 Policy commitment	14, 22-23, 38-39, 46-47, 52-53, 59-60, 75, 81	
	2-25 Inherent policy commitment	78-79	
	2-26 Negative Impact Improvement Process	48, 75	
	2-27 Mechanisms for concerns and advice raised	86, 911	Refer to page 353 of business report
	2-28 Compliance with legal regulations	102	
Stakeholder engagement	2-29 Affiliated society	17	
	2-30 Access to stakeholder involvement in the organization	44, 90	
GRI 3 : Material Disclosures 2021			
Material topics	3-1 Procedures for determining critical issues	18-19	
	3-2 List of critical issues	18-19	
	3-3 Managing Critical Issues	19	

GRI Content Index

Specific Standard Disclosure

Topic	Disclosure	Page	Remark
Materiality issues			
1. Sustainable supply chain management and co-prosperity	308-1	New suppliers that were screened using environmental criteria	46
	308-2	Negative environmental impacts within the supply chain and actions taken against them	45-46
	414-1	New partner companies screened through social impact assessment	46
	414-2	Negative social impacts within the supply chain and actions taken against them	46
2. Customer satisfaction and quality improvement	Non-GRI	-	58-62
3. Energy management and efficiency	302-1	Energy consumption within the organization	31, 85, 101
	302-2	Energy consumption outside of the organization	31, 85
	302-3	Energy intensity	85
4. Respect for human rights and diversity	406-1	Discrimination Cases and Corrective Actions	75, 84
5. Labor-management culture and welfare benefits	401-2	Benefits offered to full-time employees	42
6. Sound and transparent BOD operation	205-2	Communication and Training procedures related to anti-corruption policies	74-76
	205-3	Confirmed corruption cases and actions taken against them	75, 84
7. Expansion of social contribution	413-1	Operations with local community engagement, impact assessments, and development programs	63
8. Enhancement of ethical management system and anti-corruption activities	205-2	Communication and training about anti-corruption policies and procedures	74-76
	205-3	Confirmed incidents of corruption and actions taken	75, 84
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	78, 84
9. Carbon emission reduction management	305-1	Direct GHG emissions (Scope 1)	31, 85, 101
	305-2	Energy indirect GHG emissions (Scope 2)	31, 85, 101
	305-4	Greenhouse Gas (GHG) Emissions Intensity	85
	305-5	GHG reduction	85
	201-2	Direct economic value generated and distributed	28-32
10. Internalization of safety and health management	403-1	Occupational health and safety management system	53
	403-10	Work-related ill health	91
11. Waste reduction and recycling rate management	306-1	Discharge by water quality and destination	34, 86
	306-2	Waste by type and treatment method	34
	306-3	Discharged waste	34, 86
	306-4	Converted waste	34, 86
	306-5	Disposed Waste	34, 86

Topic	Disclosure	Page	Remark
12. Eco-friendly product development (innovation and R&D)	Non-GRI	-	24-27
General issues			
Water	303-3	Water intake	34, 85
	303-4	Water discharge	34, 85
	303-5	Water consumption	34, 85
Greenhouse gas	305-3	Other indirect GHG emissions (Scope 3)	34, 85
Employment	401-1	New recruitment and turnover	88
	401-3	Parental leave	89
Labor-management relationship	402-1	Minimum notice period for operational changes	90
	403-2	Hazard identification, risk assessment, and incident investigation	79
Occupational health and safety	403-3	Occupational health services	56
	403-4	Worker participation, consultation, and communication on occupational health and safety	44
	403-5	Worker training on occupational health and safety	55, 91
	403-6	Promotion of worker health	42, 56, 57
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	45, 46
	403-8	Workers covered by an occupational health and safety management system	53
	403-9	Work-related injuries	91
	404-1	Average training/Training time per employee(year)	89
Training and education	404-2	Employee Capability Enhancement and Transition Support Program	41, 89
	404-3	Percentage of employees subject to regular performance assessment and career development inspection	40, 90
Diversity and equal opportunity	405-1	Diversity of Board and Members	68, 87, 88
	405-2	Ratio of basic salary and remuneration for men and women	68, 88
Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	81

TCFD Index

Topic	TCFD Recommendation	Page	Remark
Governance	a) Describe the board's oversight of climate-related risks and opportunities	29	
	b) Describe management's role in assessing and managing climate-related risks and opportunities		
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	30	
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning		
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	-	
Risk Management	a) Describe the organization's processes for identifying and assessing climate related risks	30	
	b) Describe the organization's processes for managing climate-related risks		
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management		
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	31	
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks		
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets		

SASB Index

Auto Parts

Topic		Metric	Page	Remark
Energy Management	TR-AP-130a.1	(1) Total energy consumed,	85	
		(2) percentage grid electricity and		
		(3) percentage renewable		
Waste Management	TR-AP-150a.1	(1) Total amount of waste from manufacturing,	34, 86	
		(2) percentage hazardous,		
		(3) percentage recycled		
Product Safety	TR-AP-250a.1	Number of vehicles recalled	-	
Design for Fuel Efficiency	TR-AP-410a.1	Revenue from products designed to increase fuel efficiency or reduce emissions	86	
Materials Sourcing	TR-AP-440a.1	Description of the management of risks associated with the use of critical materials	45-49	
Materials Efficiency	TR-AP-440b.1	Percentage of products sold that are recyclable	-	
	TR-AP-440b.2	Percentage of input materials from recycled or remanufactured content	-	
Competitive Behavior	TR-AP-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	84	

UN SDGs Activities

UN SDGs	Linked Activities	Page
	<ul style="list-style-type: none"> Regular volunteer activities of in-house clubs Fundraising for neighborhood support 	63-66
	<ul style="list-style-type: none"> Operation of health management office and provision of health management programs Support for health checkup costs Provision of psychological counseling programs 	56-57
	<ul style="list-style-type: none"> "Beautiful Mind", a cultural and artistic support program for underprivileged children and youth 	66
	<ul style="list-style-type: none"> Article 1 of the Human Rights Management Policy (prohibition of discrimination) Grievance handling system 	38-39
	<ul style="list-style-type: none"> Waste disposal and monitoring of recycling Implementation of regular commissioned water quality tests 	34
	<ul style="list-style-type: none"> Energy consumption reduction through air compressor multi-control system and integrated energy management system Workplace energy saving campaign 	33
	<ul style="list-style-type: none"> Article 7 of the Human Rights Management Policy (prohibition of forced labor) Establishment of a safety and health vision to prevent major accidents 	38 50

UN SDGs	Linked Activities	Page
	<ul style="list-style-type: none"> Installation of electric vehicle charging stations accessible to all 	66
	<ul style="list-style-type: none"> Fair employment Publication of human rights management policy 	38-39
	<ul style="list-style-type: none"> Social contribution activities for local communities 	63-66
	<ul style="list-style-type: none"> Implementation and advancement of LCA (Life Cycle Assessment) 	32
	<ul style="list-style-type: none"> Establishment of greenhouse gas emission reduction response strategy Research and development of eco-friendly materials, research on eco-friendly construction methods 	28 24-27
	<ul style="list-style-type: none"> Advancement of ethical management and operation of reporting channels 	74-76
	<ul style="list-style-type: none"> Supply chain management and support for partners for shared growth Establishment of compliance management system and spread of fair trade culture 	45-49 77

Independent Assurance Statement

To: The Stakeholders of SEOYON E-HWA

Overview

The British Standards Institution (hereinafter referred to as the "Assurer") was requested to verify the SEOYON E-HWA Sustainability Report 2024 (hereinafter referred to as the "Report"). The Assurer is independent to SEOYON E-HWA and has no major operational financial interest other than the assurance of the Report. This assurance opinion statement is intended to provide information related to the assurance of the SEOYON E-HWA 's report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any other purpose. This assurance opinion statement is prepared based on the information presented by the SEOYON E-HWA. The verification does not extend beyond such information and is solely based on it. In performing such verification, the Assurer has assumed that all such information is complete and accurate.

SEOYON E-HWA has responsible for managing the relevant information contained within the scope of assurance, operating the relevant internal control procedures, and for all information and claims contained in the Report. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to SEOYON E-HWA only.

The Assurer is responsible for providing SEOYON E-HWA 's management team with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and to provide the information to all stakeholders of SEOYON E-HWA. The Assurer will not, in providing this Independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person or party by whom the Independent assurance opinion statement may be read.

Scope

The scope of engagement agreed upon with SEOYON E-HWA includes the following:

- Report contents during the period from January 1st to December 31st 2023 included in the Report, some data of 2024 are included.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review.
- Confirmation of the Report's compliance with the AA1000 AccountAbility Four Principles and, where applicable, the reliability of the sustainability performance information contained within the Report, based on the type of sustainability assurance performed in accordance with AA1000 AS v3.

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

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

Assurance Level and Type

The assurance level and type are as follows;

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

Description and sources of disclosures covered

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

[Universal Standards]

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

[Topic Standards]

201-2, 205-2~3, 206-1, 302-1~3, 303-3~5, 305-1~5, 306-1~5, 308-1-2, 401-1~3, 402-1, 403-1~10, 404-1~3, 405-1~2, 406-1, 414-1~2, 418-1

Methodology

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

- Validation of the materiality assessment and internal analytical process for determining assurance priorities, and a top-level review of issues that may be raised by external stakeholders in the context of sustainability.
- Discussion with managers and representatives on stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible departments.
- Review of the system for sustainability management strategy process and implementation.
- Review of the materiality issue analysis process and prioritization and verifying the results.
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures.
- An assessment of SEOYON E-HWA 's reporting and management processes against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles Standard (2018).
- Visit of the HQ of SEOYON E-HWA to confirm the data collection processes, record management practices.

Limitations and approach used to mitigate limitations

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

Competency and Independence

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

Opinion Statement

The assurance was conducted by a team of sustainability report assurers in accordance with the AA1000 Assurance Standard v3. The Assurer planned and performed the verification and collected sufficient evidence to explain SEOYON E-HWA 's approach to the AA1000 Assurance Standard and to provide confidence in its self-declaration of compliance with the GRI Standards. On the basis of our methodology and the activities described above, it is our opinion that the information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement. We

Independent Assurance Statement

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

Conclusions

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

Inclusivity: Stakeholder Engagement and Opinion

In consideration of the characteristics of the auto parts industry, SEOYON E-HWA operates response activities and communication channels based on key issues of interest for each group. It collects expectations and various opinions of each key stakeholder group through the stakeholder participation process, reflects the major issues related to sustainability, and discloses the process through the report.

Materiality: Identification and reporting of material sustainability topics

SEOYON E-HWA established a strategy related to sustainability management, established a process to derive reporting issues, applied the materiality evaluation method to evaluate financial impact and environmental and social impact for each issue. Three issues including supply chain and customer satisfaction from the perspective of impact importance, and four issues including safety and health management and carbon emission management from the perspective of financial importance. A total of 12 issues are selected through the report, and the process is disclosed through the report.

Responsiveness: Responding to material sustainability topics and related impacts

SEOYON E-HWA established a management process for key reporting issues determined by the materiality assessment. In order to properly respond to the expectations of stakeholders, the background of strategy establishment for key reporting issues, mid- to long-term goals and policies, the status of task performance, activity performance, and response performance, including improvement measures, are disclosed through the report.

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

SEOYON E-HWA has established a process to identify and evaluate the impact on organizations and stakeholders related to key reporting issues. The results of the analysis of the impact, risk, and opportunity factors on key reporting issues are used to make decisions for each issue's response strategy and mid- to long-term goal establishment and performance evaluation, and the process is disclosed through the report.

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

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

- GRI Topic Standards: 201-2, 205-2-3, 206-1, 302-1-3, 303-3-5, 305-1-5, 306-1-5, 308-1-2, 401-1-3, 402-1, 403-1-10, 404-1-3, 405-1-2, 406-1, 414-1-2, 418-1

Recommendations and Opportunity for improvement

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

- Through the publication of the first Sustainable Management Report, SEOYON E-HWA embodied its commitment to sustainability management to internal and external stakeholders. At the same time, it can help to ensure the balance of the report if it derives a sustainability issue with poor performance and specifies mid- to long-term strategies and goals related to it

GRI-reporting

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

Issue Date: 20/062024

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

BSI representative

Jong Ho Lee, Lead Assurer

Seonghwan Lim, Managing Director of BSI Korea



AA1000
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000-4/V3-RFW6I

GHG Emissions Verification Statement



DNV BUSINESS ASSURANCE

GREENHOUSE GAS EMISSIONS VERIFICATION OPINION

No.: AO-PRJN-568280-2023-AST-ENG

SEOYON E-HWA CO., LTD.

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by SEOYON E-HWA CO., LTD. ("SEYOON E-HWA") to verify the Greenhouse Gas Inventories of SEOYON E-HWA for the calendar year 2022, based upon a limited level of assurance. SEOYON E-HWA are responsible for the preparation of the GHG emissions data on the basis set out within the 'ISO 14064-1:2018 (Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals)'. Our responsibility in performing this work is to the management of SEOYON E-HWA only and in accordance with terms of reference agreed with them. DNV expressly disclaims any liability or responsibility for any decisions, whether investment or otherwise, based upon this verification opinion.

Scope of Assurance

The emissions data covered by our examination comprise Direct emissions (Scope 1) and Indirect emissions (Scope 2) within the organization's business sites of the company established in accordance with the operational control ;

- Organizational boundary: SEOYON E-HWA headquarters (Pyeongchon) and 2 production plants (Ulsan and Asan)
- Operational boundary: Direct emissions (Scope 1 – Emissions from Stationary and Mobile Combustion,) and Indirect emissions (Scope 2 – Emissions from purchased electricity)

Verification Approach

The verification has been conducted by DNV in July 2023 and performed in accordance with the verification principles and tasks outlined in ISO 14064-3:2019 (Greenhouse gases - Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions)'. We planned and performed our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level, concerning the completeness of the emission inventory as well as the reported emission figures in the unit of ton CO₂ equivalent. As part of the verification process:

- We have reviewed and verified the Greenhouse Gas Inventory System (Excel based)
- We have reviewed and verified the process to generate, aggregate and report the emissions data

Conclusions

Based on the above verification of core elements, it is the DNV's opinion that nothing comes to our attention to suggest that GHG Emissions are not properly calculated, and a significant uncertainty and error are not included in the GHG Emission of SEOYON E-HWA in the year 2022 below.

Greenhouse Gas Emissions of SEOYON E-HWA for Yr 2022

(Unit: ton CO₂ equivalent)

Corporation	Direct emissions (Scope 1)	Indirect emissions (Scope 2)	Total emissions
SEYOON E-HWA	687.063	6,002.682	6,690

※ In order to report the GHG emissions as an integer, the rounded number on the statement might be different from the number on the system with ± 1 tCO₂eq

※ Total emissions = Direct emissions(Scope 1) + Energy indirect emissions(Scope 2)

19th July 2023

Lee, Jang Sup
Country Manager
DNV Business Assurance Korea Ltd



GREENHOUSE GAS EMISSIONS VERIFICATION OPINION

SEOYON E-HWA CO., LTD.

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by Seoyon E-Hwa Co.,Ltd. ("Company") to perform third party verification for the Company's Greenhouse Gas Inventory Report ("the report"). The Company is responsible for the preparation of the GHG emissions data on the basis set out within the 'WRI/WBCSD GHG Protocol:2004' and '2006 IPCC Guidelines for National Greenhouse Gas Inventories'. Our responsibility in performing this work is to the management of the Company only and in accordance with terms of reference agreed with them. DNV expressly disclaims any liability or responsibility for any decisions, whether investment or otherwise, based upon this assurance opinion.

Objectives and scope of verification

The purpose of this verification is to present an independent verification opinion on the company's greenhouse gas emissions, and the scope of verification is as follows;

- Organizational Boundary: Seoyon E-Hwa Co., Ltd's Sites in Korea
- Operational Boundary: Scope 1 (Direct emissions), Scope 2 (Indirect emissions)
- Reporting period: 2023.01.01 ~2023.12.31

Verification Approach

The verification has been conducted in accordance with the verification principles and tasks outlined in the 'ISO 14064-3:2019', based upon a limited level of assurance. We planned and performed our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level, concerning the completeness of the emission inventory as well as the reported emission figures in ton CO₂ equivalent. As part of the verification process, we have reviewed as follows;

- Process to generate, aggregate and report the emissions data
- The data and information supporting the report were based on historical in nature. May include partially hypothetical and projected data and information (refer to the report for details)

Conclusions

Based on the process and procedures conducted, there is no evidence that the GHG statement is not materially correct and is not a fair representation of GHG data and information;

- DNV presents an 'Unmodified' opinion on Greenhouse Gas Emissions

(Unit: ton CO₂-eq)

	Direct Emissions (Scope 1)	Indirect Emissions (Scope 2)	Total emissions
Seoyon E-Hwa Co., Ltd.	710	6,474	7,184

※ Greenhouse gas emissions may differ by less than ± 1 tCO₂eq due to rounding to report as an integer.

30 May 2024
Seoul, Korea

Jang-Sub Lee
Country Representative
DNV Business Assurance Korea

Awards and Memberships

Awards (recent 3 years)

Year	Award Name	Hosted by
2024	Winner of 2023 iF Design Award	iF Design
	Awarded with the 'Supplier Of The Year' Safety Division at Hyundai Motor and Kia 『Partnership Day』	Hyundai Motor Group (HMG)
	Seoyon E-Hwa Wins Minister of Industry Award at the 2023 Korea Tech Show	Ministry of Trade, Industry, and Energy
2023	Selected as Company with Excellent Quality Competitiveness 2023	Ministry of Trade, Industry, and Energy
	Received the Gold Award of the Presidential Award at the 48th National Quality Circle Contest	Ministry of Trade, Industry, and Energy
	Winner of 2023 Red Dot Design Award	Red Dot Design
	Awarded with the 'Best Partnership and Cost Reduction' prize at Hyundai Motor's India Operations	Hyundai Motor Group (HMG)
	Winner of 2023 iF Design Award	iF Design
	Awarded with the 'Supplier Of The Year' Grand prize at Hyundai Motor and Kia 『Partnership Day』	Hyundai Motor Group (HMG)
	Received the Innovation Award	Korea HCI
	Received the 2022 IP-R&D Excellent Institution Selection (Patent Commissioner Award) distinction	The Korean Intellectual Property Office
	Received the Korea Volunteer Center Association Award	Korea Volunteer Center
	Received the winner of the 7th Person & Management Who Shined the Korean Economy in the Technology Innovation Management	Maekyung Media Group
2022	Inducted into the 'Hall of Fame' for companies with excellent quality competitiveness at the National Quality Management Competition	Ministry of Trade, Industry, and Energy
	Received the 2022 'Hong Dae-yong Award (Patent Commissioner Award)' for patent technology	The Korean Intellectual Property Office
	Received the Minister of SMEs and Startups Award at the 23rd Small and Medium Enterprise Innovative Technology Show	Ministry of SMEs and Startups
	Received the Gold Award of the Presidential Award at the 48th National Quality Circle Contest	Ministry of Trade, Industry, and Energy
	2022 'Good Design Korea' Product Design - Transportation Design Division	Ministry of Trade, Industry, and Energy
	Received the Korea Commission for Corporate Partnership Award in the ESG Corporate Partnership Sector at the 16th National Sustainability Management Awards	Korea Commission for Corporate Partnership
	Received the IR52 Jang Young Sil Award (22nd week of 2022)	Ministry of Science and ICT
	Received the Minister Award for the advancement of the automobile industry	Ministry of Trade, Industry, and Energy
	Received the Minister Award of Science and ICT Award hosted by Society for CDE	Society for CD&E

Association Membership

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

Contributors to This Report

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Contributors (Korean alphabetical order)

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