



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

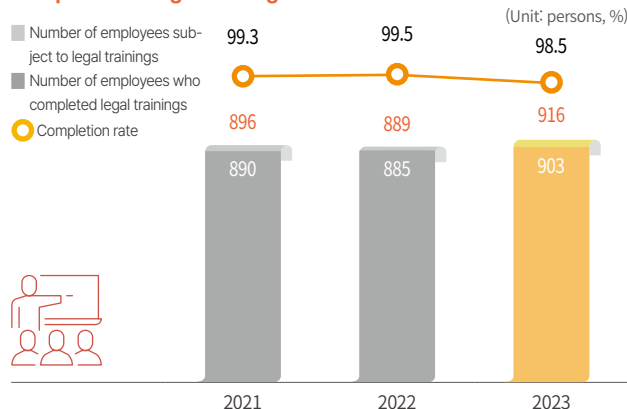
Human Rights Risk	Stakeholder	Response Measures
Compliance with working conditions	Employees, partners	<ul style="list-style-type: none"> Check whether employment contracts are concluded and complied with Implementation of flexible work system and PC-OFF system Check compliance with partner code of conduct
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

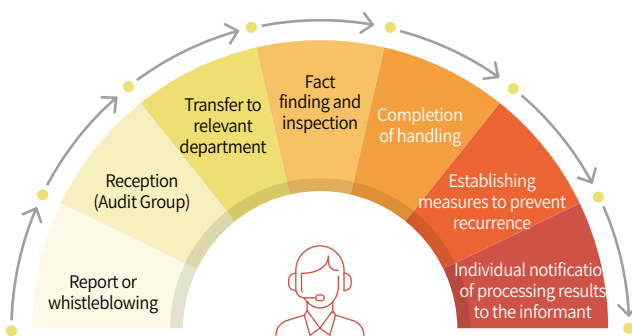


Ensuring Basic Rights and Increasing Employee Value

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)

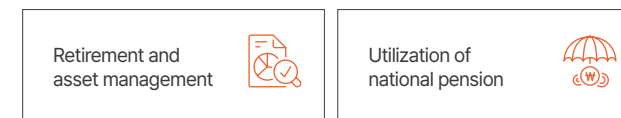
Rotational Position System

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

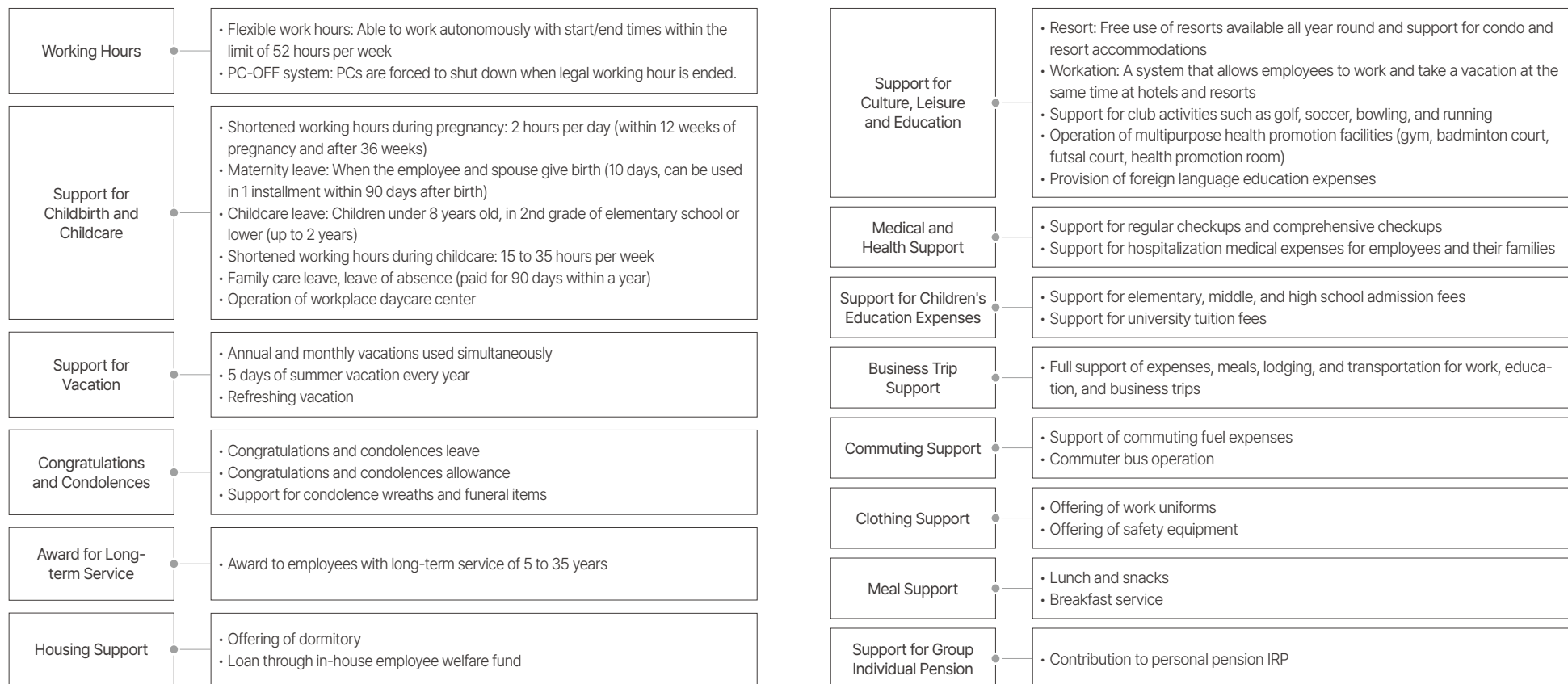


Ensuring Basic Rights and Increasing Employee Value

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

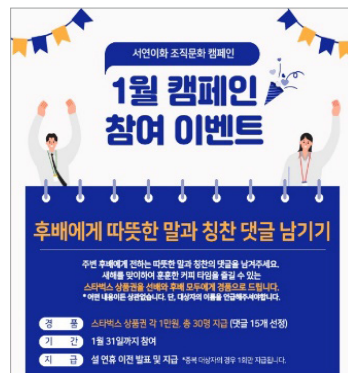
Ensuring Basic Rights and Increasing Employee Value

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

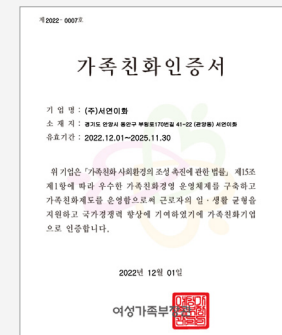
Seoyon E-Hwa supports and legally guarantees freedom of association so that employees can protect and promote their rights and interests. Employees have the right to freely elect representatives to represent their interests, and the elected representatives form trade unions to engage in collective bargaining 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

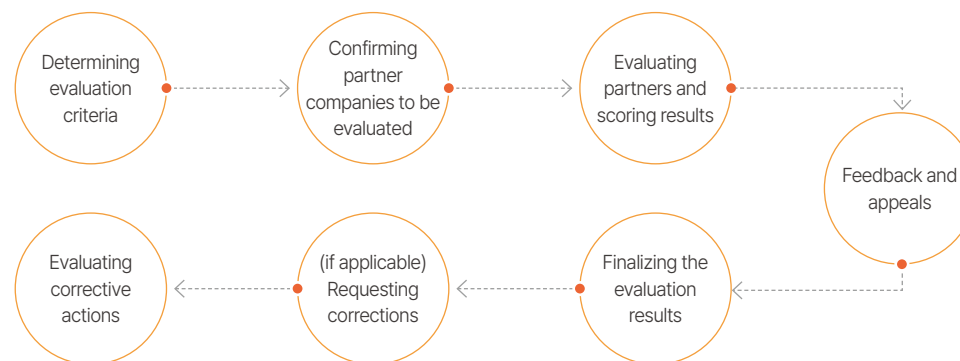
Seoyon E-Hwa evaluates, selects, and manages its suppliers according to a supplier management process developed in-house. Based on this system, we conduct an evaluation of all first-tier suppliers once a year. The results serve as the basis for us to assign scores to suppliers on supplier risk, quality 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

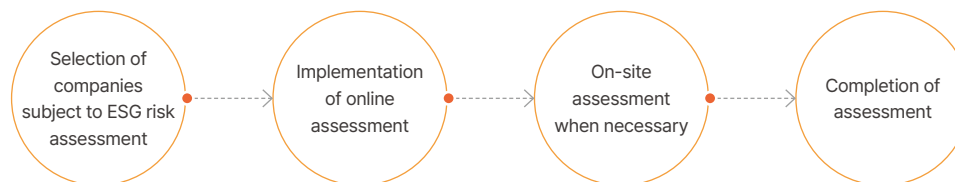
* Key partners among tier 1 partners

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.

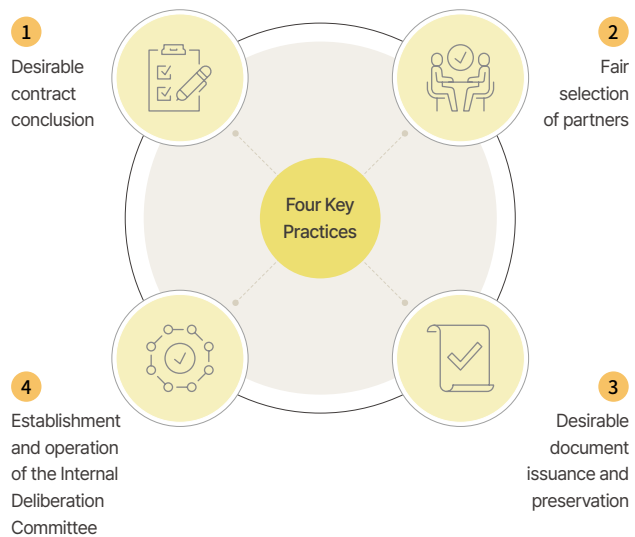
Supply Chain Management and Supplier Policy

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.

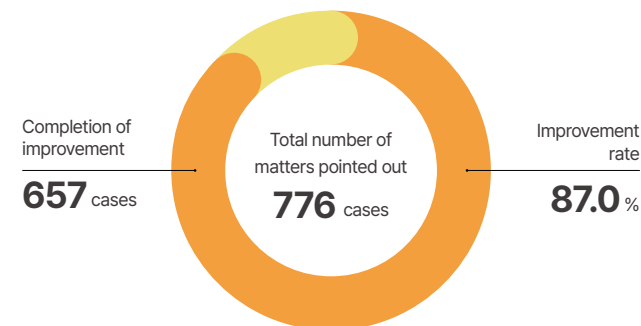
Financial Support Programs

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

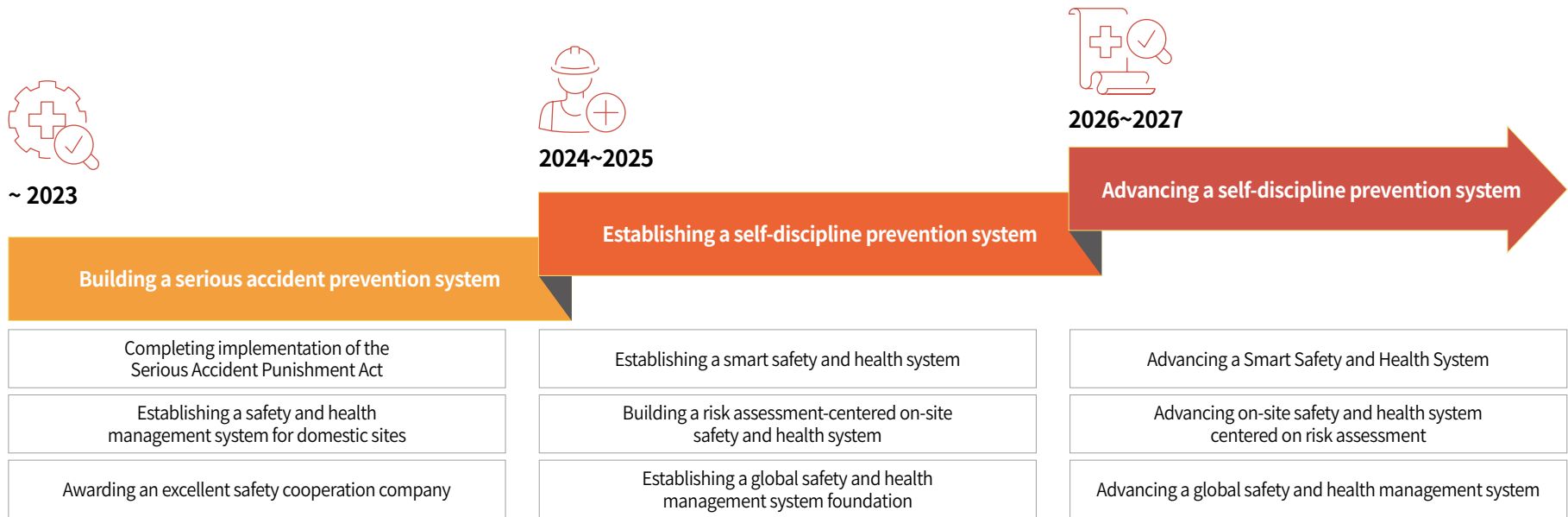
Vision

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
- 

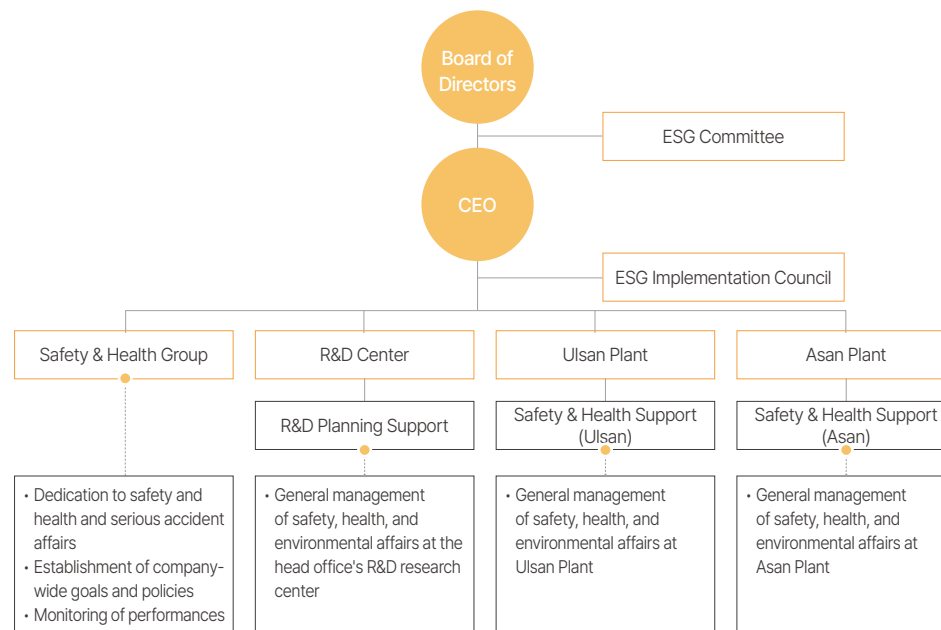
Identify potential risks through worker participation, improve them, manage them to an acceptable level, and share them through education
- 

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

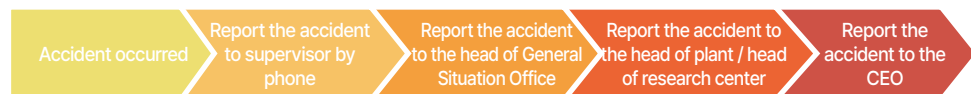
Seoyon E-Hwa has developed and manualized a systematic emergency management process to minimize casualties and business disruption caused by industrial accidents and natural disasters. The manual details the procedures for responding to accidents, which are classified into three crisis levels - white, 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		
100%	Domestic	Manufacturing	Ulsan	○	2025-10-27	
			Asan	○	2025-10-27	
		Non-manufacturing	Pyeongchon (Head Office R&D Center)	○	2025-10-27	
92%	Overseas	Manufacturing	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
			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

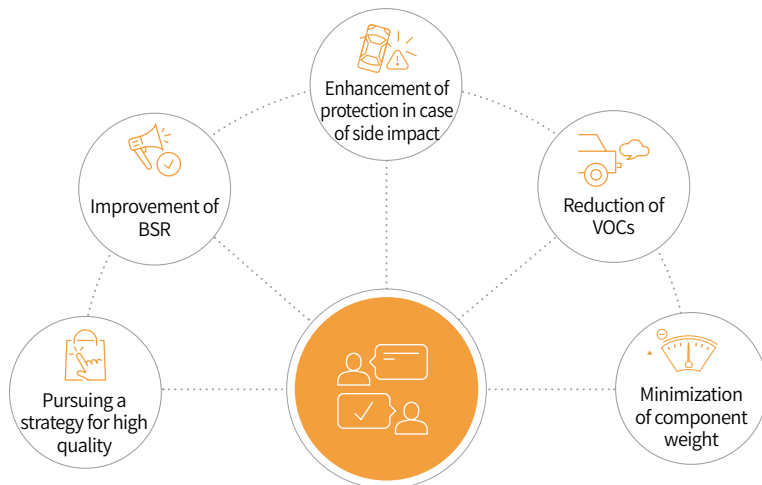
Enhance Customer Satisfaction

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

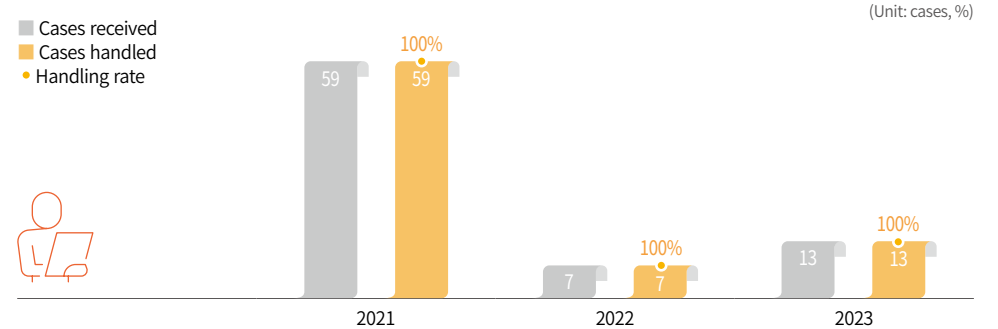


Handling customer complaints

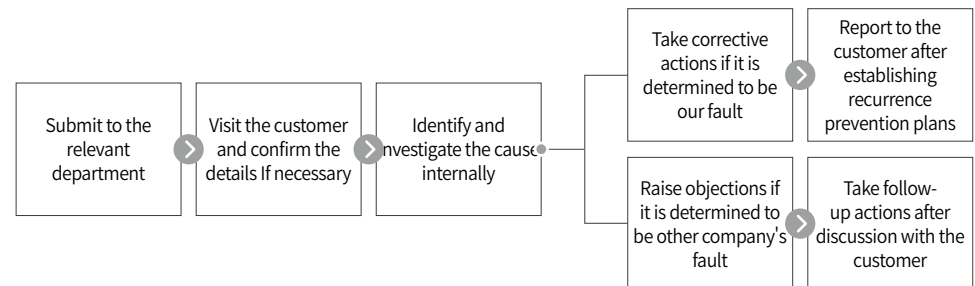
Seoyon E-Hwa operates a systematic customer complaint process to minimize customer inconvenience and to resolve issues promptly. We operate a grievance center on our website, where customers can easily report issues related to our products.

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



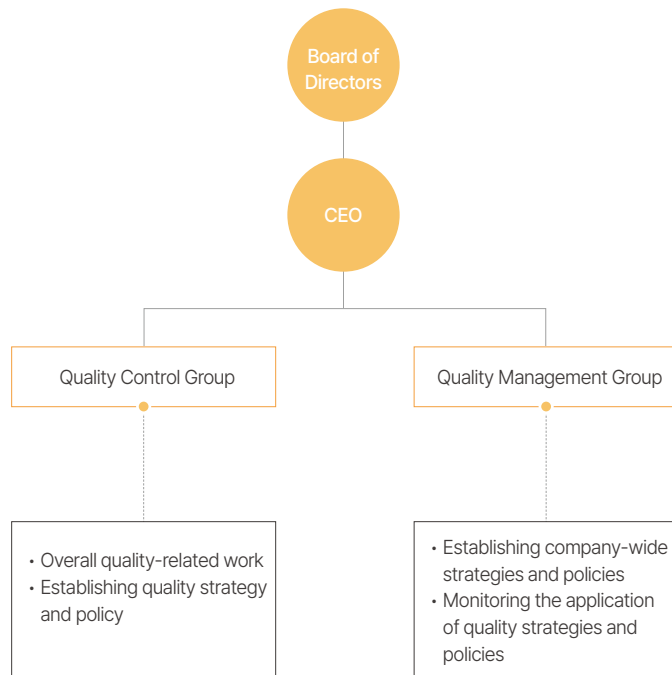
Customer Satisfaction and Quality Management

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

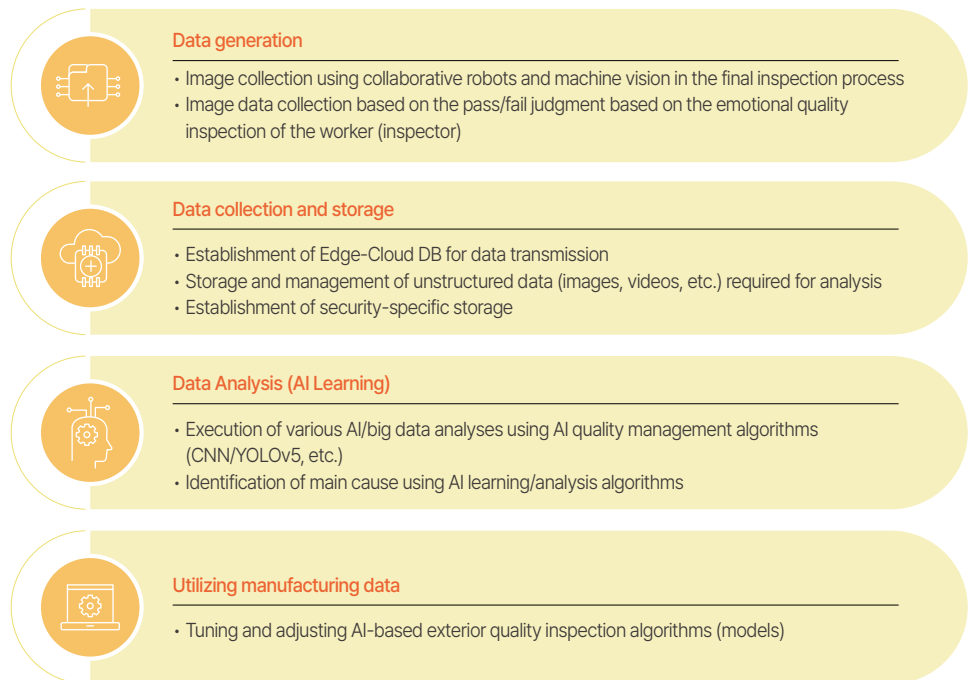
AI-based Quality Management

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.

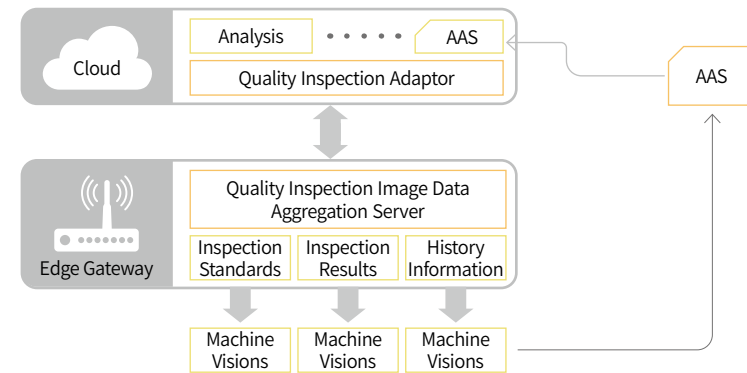
The system is still in its early stages and will continue to learn and evolve to become more precise in its inspection capabilities. We will continue to update and modernize the learning algorithm to dramatically improve quality issues.

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.



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	1,009		
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	
Socially disadvantaged	Number of employees with disabilities	35	35	35		
	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