

**Leading Sustainable
Auto Parts**

Sustainability Report 2025

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

Department SEOYON E-Hwa ESG TFT
Tel. +82 031-420-3200
E-mail esg@seoyoneh.com
Website www.seoyoneh.com

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Corporate Governance

Board of Directors Overview

Board Composition

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

Director Appointment

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

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

Board Independence and Conflict of Interest Management

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

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

Diversity and Expertise of the Board

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

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

Board Skills Matrix (BSM)

* As of May 2025

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

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Corporate Governance

Board Committees

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

Audit Committee

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

[Audit Committee Operational Guidelines](#)

ESG Committee

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

Board Committees Operation Status

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

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

Director Remuneration

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

Board Remuneration Criteria *

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

Category	Compensation Criteria
Registered Directors (Excluding Outside Directors and Audit Committee Members)	<ul style="list-style-type: none">Within the total compensation amount for executives approved by the general shareholders' meeting, base salary is determined by comprehensively reflecting internal criteria such as the executive compensation table, position, leadership, expertise, and contribution to the organizationPerformance-based bonuses are paid based on a comprehensive evaluation of quantitative results such as revenues and operating profits, and qualitative factors such as leadership and achievement of goals
Outside Directors and Audit Committee Members	<ul style="list-style-type: none">Within the total compensation amount for executives approved by the general shareholders' meeting, base salary is determined by comprehensively reflecting internal criteria such as the executive compensation table, position, leadership, expertise, and contribution to the organization

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

Board Compensation Status

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

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Corporate Governance

Board Operations

Board of Directors Operation Status

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

Board of Directors Operation Status

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

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

Board Education

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

Board Education Record for the Past Three Years

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

Shareholders and Equity

Shareholder and Equity Status

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

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

(Unit: shares)

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

Shareholding Status (As of the End of 2024)

(Unit: shares)

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

Convening and Holding of General Shareholders' Meetings

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

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

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Corporate Governance

Protection of Shareholders’ Rights

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

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

- 01

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

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

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

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

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

Transparent Disclosure of Information

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

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

Shareholder-Friendly Management

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

 [Dividend Inquiry Service](#)

Dividend Status

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

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Ethical Management

Ethical Management Overview

Principles of Righteousness Management

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

[Seoyon E-Hwa Righteousness Management](#)

Seoyon E-Hwa's Righteousness Management System



Ethics Charter and Code of Conduct

Under the management philosophy of “realizing customer satisfaction through creative management that respects human dignity,” Seoyon E-Hwa has established an Ethics Charter to promote transparent management practices. To enable employees to actively implement righteous management, we have also adopted a separate Code of Ethics that provides specific behavioral standards in support of the Ethics Charter.

[Ethics Charter](#) [Code of Ethics](#)

Five Principles of Seoyon E-Hwa's Ethics Charter

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

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

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

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

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

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

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

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

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

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

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Ethical Management

Ethical Audits and Whistleblower Channels

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

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

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

Whistleblowing Types and Status

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

Disciplinary Actions on Ethics Violations

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

Types of Whistleblowing Reports

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

Reception of bribery, money transactions, and entertainment, hospitality

Embezzlement of public money, theft, and fraudulent behavior

Abuse of authority, position and solicitation

Violation of the Fair Trade Act /

Environmental issues

Human rights violations, workplace harassment, and sexual harassment

Matters related to work discipline

Infringement of trade secrets

Information security violations

Other issues

Whistleblowing Procedure

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



Whistleblower Protection

- #### Confidentiality of the Whistleblower's Identity
- Reward and exemption criteria for whistleblowers**
- A reward may be provided if the report results in increased company profit or reduced losses.
 - Voluntary reports are exempt from penalties, including sanctions against suppliers, regardless of content or timing.
- Prohibition on disclosure or tracing of whistleblower's identity**
- Employees, even if they become aware of a whistleblower's identity in the course of fulfilling their duties or by chance, must not disclose it.
 - All acts that may reveal the identity of a whistleblower—such as inquiries or probing—are strictly prohibited.
 - Disclosure or implication of the whistleblower or cooperating parties' identity without their consent is prohibited.
 - Violation of identity protection obligations may result in disciplinary action.

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

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Ethical Management

Implementation of Ethical Management

Ethics Training

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

Ethical Management Training Status

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

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

Ethical Awareness Activities

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

Activities to Strengthen Ethical Awareness

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

Fair Trade and Compliance Management

Fair Trade Compliance Activities

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

Ethics Pledge by New Employees

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

* Reflects reconfirmation of target number in 2022

Compliance Management System and Activities

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

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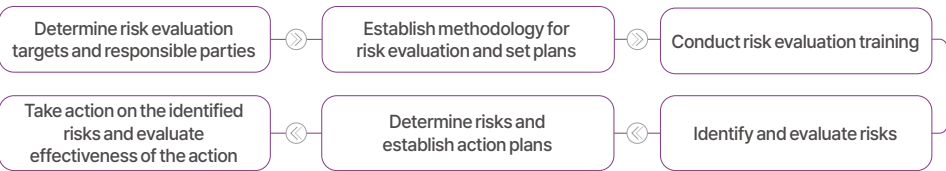
Enterprise-wide Integrated Risk Management

Risk Management System

Risk Management Governance

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

Key Types of Risks



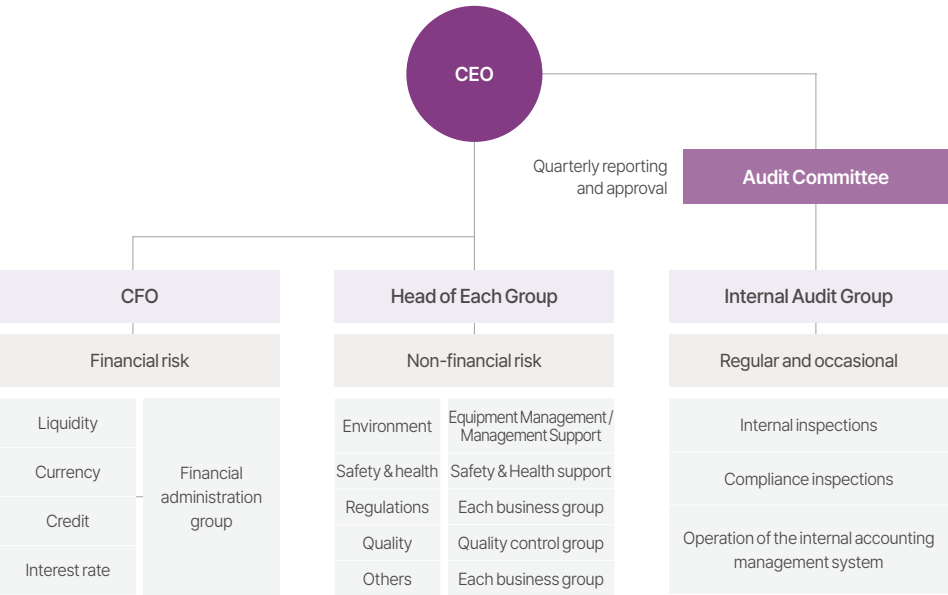
Risk Management by Category

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

Key Types of Risk

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

Risk Management Organization Chart



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Enterprise-wide Integrated Risk Management

Information Security

Information Security Policy

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

Information Security Management Regulations

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

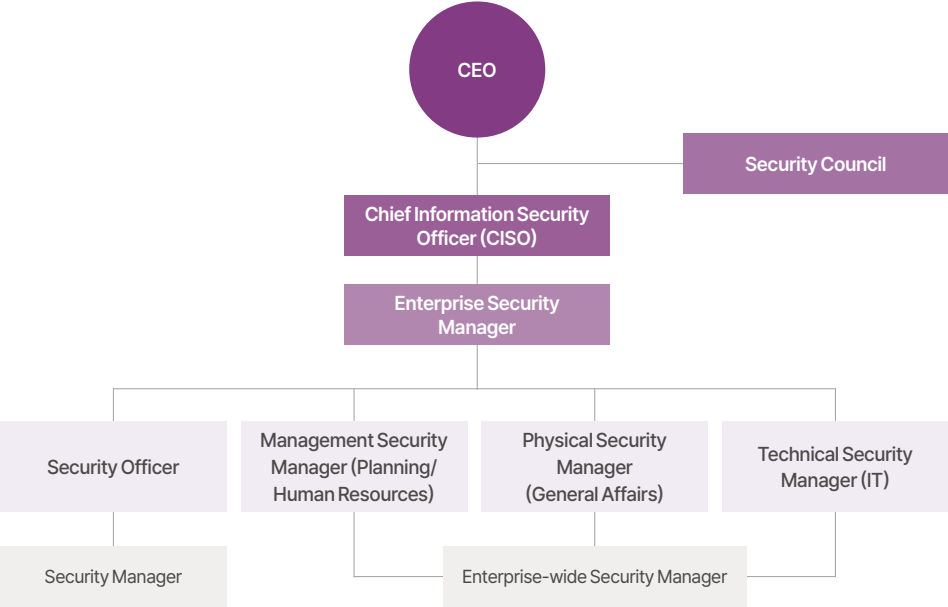
Details of IT Security Management Procedures

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

Information Security Management System

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

Information Security Management Organization Chart



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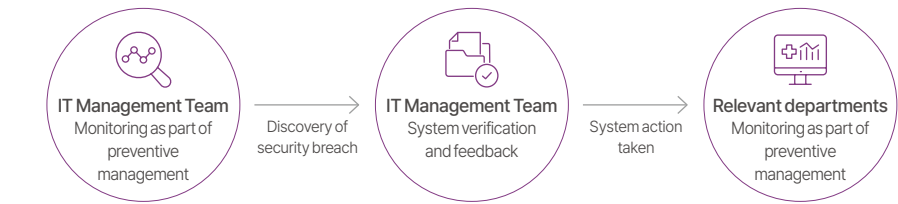
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Enterprise-wide Integrated Risk Management

Response System for Leaks of Data and Trade Secrets

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

Incident/Disaster Recovery Procedure*



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

Investments in Information Security

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

Investment in Information Technology and Protection Sectors

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

* Data corrected to account for revision of 2023 records

Information Security Training

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

Security Training for Employees in 2024

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

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

Security Campaign for Employees

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

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

Information Security Certification

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



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ESG Performance Data

R&D

R&D Expenditure

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

* Calculated based on sales figures from separate financial statements.

R&D Personnel

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

Patent(Intellectual Property Rights)

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

Governance

Violations of the Code of Ethics and Reporting*

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

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

** Data corrected due to changes in 2023 data.

Anti-competitive Practices

Classification		Unit	2022	2023	2024
Financial loss due to anti-competitive acts, etc.		KRW 100 millions	0	0	0
Legal actions on unfair trade practices such as anti-competitive acts and monopolies		Cases	0	0	0

Information Security

Classification		Unit	2022	2023	2024
Information security training	Number of employees subject to trainings	Persons	420	339	462
	Number of employees who completed trainings		408	323	443
	Completion rate		97	95	96
Number of Information Security Vulnerability Checks		Times	1	8	7
Number of Information Security Incidents		Cases	0	0	0
Information security violations and detection	Number of cases	Cases	0	0	0
	Fines	KRW in Millions	0	0	0
Investment Status Related to Information Technology and Security*	Investment Amount in Information Technology	KRW in Millions	8,309	9,390	5,999
	Investment Amount in Information Security		838	434	472
	Investment Ratio in Information Security Compared to Total IT-Related Investment Amount	%	10.1	4.6	7.9

* Data corrected due to changes in 2023 data.

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GHG Emissions Verification Statement

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