

GLOBAL PRACTICE FOR SUSTAINABILITY

Hyosung TNC 2024 Sustainability Report

HYOSUNG TNC

About This Report

Report Overview

Since 2025, Hyosung TNC has independently published a Sustainability Report to actively communicate with stakeholders and to share the company's efforts and key achievements in promoting sustainability management. Hyosung TNC aims to transparently disclose its strategies and performance in sustainability management across the company's environmental, social, governance areas, while engaging with various stakeholders through the annual publication of Sustainability Report.

Reporting Period

This report covers performance and activities from January 1 to December 31 of 2024 with some qualitative achievements' reporting period extends to first half of 2025. Quantitative data is reported for three years from 2022 to 2024 to allow year-over-year trend analysis. If any corrections were made to previous reports, they are recalculated as of 2025 and detailed with reasons at the bottom.

Reporting Scope

The scope of this report includes information from domestic and international operations of Hyosung TNC, which accounts for more than 91% of the consolidated sales revenue. Financial information is prepared on a consolidated basis in accordance with Korean International Financial Reporting Standards (K-IFRS) and is consistent with the consolidated financial statements of Hyosung TNC. Non-financial information includes data from all domestic business sites and major overseas subsidiaries (China, Vietnam, Türkiye, India, Brazil) of Hyosung TNC. If there are differences in the reporting scope or changes in the reported data, separate notation is provided for such information.

Reporting Standards

This report is prepared in accordance with GRI (Global Reporting Initiative) Standards 2021, the global framework for sustainability reporting. To disclose activities specific to issues relevant to the company's industry characteristics, Hyosung TNC incorporated the SASB (Sustainability Accounting Standards Board) industry standards and referred to the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures).

Report Assurance

To ensure the reliability and fairness of the report content, an independent professional organization, Korea Management Registrar (KMR), conducted a verification review based on the four principles (Materiality, Responsiveness, Inclusivity, Impact) of AA1000AS v3 (2020). The verification results are presented on page 98-99 of the report.

Reporting Frequency

Annually (Previous report published: July 2024)

For Additional Information and Inquiries

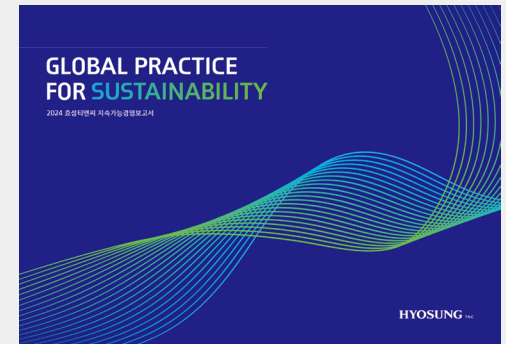
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Cover Story

Hyosung TNC pursues sustainability management based on the group's four core values, 'Global Excellence,' 'Innovation,' 'Accountability,' and 'Integrity' and the sustainability vision 'Innovation for a Better Tomorrow.' The cover of the 2024 Hyosung TNC Sustainability Report features a design symbolizing our flagship textile yarn products, representing our relentless challenge and innovation toward sustainability management. Hyosung TNC will strive to become a trusted enterprise for all stakeholders through top-quality products and responsible corporate management.

Contents

● Introduction

CEO Message	05
Company Profile	06
Company History	07
Global Network	08
Our Business	09

● Approach to Sustainability

Sustainability Management System.....	13
Sustainable Value Chain.....	14
2024/25 Performance Highlights	15
Stakeholder Engagement	16
Double Materiality Assessment	17
TCFD Special Section	19

● Environmental

Environmental Management	25
Sustainable Business Model	27
Reduction of Environmental Impact	34

● Social

Talent Management	40
Human Rights Management.....	47
Safety and Health	51
Sustainable Supply Chain	57
Local Communities.....	60

● Governance

Board of Directors	65
Shareholders	68
Ethics and Compliance Management...	69
Information Security and Personal Data Protection	71

● Appendix

ESG Performance Data	74
Certifications, Awards, and Memberships..	87
ESG Ratings and Participation in Global Initiatives.....	88
GRI/SASB/TCFD Index	89
UN SDGs Aligned Activities.....	94
GHG Verification Report.....	95
Independent Third-Party Assurance Statement.....	98

01. Introduction

CEO Message	05
Company Profile	06
Company History	07
Global Network	08
Our Business	09

CEO Message

“

Dear Hyosung TNC Stakeholders,

We express our sincere gratitude for your unwavering interest and support for Hyosung TNC throughout the year. Despite the uncertain business environment, Hyosung TNC has continued to grow steadily in the global market by leveraging innovative materials and technologies as well as differentiated product competitiveness. In particular, by systematically implementing activities such as expanding the sales of sustainable products represented by 'regen' and reducing carbon emissions at our manufacturing sites, the company has been able to earn even stronger trust from many stakeholders. Going forward, Hyosung TNC promises to make the following commitments for sustainable growth.

First, Hyosung TNC will respond to climate change risks through continuous innovation and secure future competitiveness.

Hyosung TNC is steadily reducing carbon emissions in key business sectors in line with the global transition toward a carbon-neutral society. The company is reducing energy consumption at its manufacturing facilities through various initiatives, including the operation of smart factories to enhance production efficiency. In the long term, the company will establish an integrated strategy to achieve carbon neutrality by 2050 and systematically implement greenhouse gas reduction efforts at all global business sites. The company will transparently disclose all these processes and fulfill its social responsibilities. Furthermore, by strengthening technological leadership in sustainable materials that minimize carbon emissions compared to fossil-based textile yarns and enhancing sales capabilities, the company aims to secure resilient competitiveness to withstand volatile business environments and elevate sustainability across the entire textile value chain.

Secondly, Hyosung TNC is committed to creating a safe working environment and strengthening its role as a company that grows together with our society

Hyosung TNC is committed to creating a healthy and safe working environment not only for the company's employees but also for those at small and medium-sized partner companies. Each year, in collaboration with the Korea Foundation for Cooperation of Large & Small Business, the company supports safety capacity building for its small and medium-sized partner companies. Additionally, the company is expanding its collaborative ecosystem through various initiatives aimed at the development of local communities and shared growth with its partner companies. Hyosung TNC will strive even harder to be recognized as a company that grows together with our society.

Third, Hyosung TNC will become a more trusted company through responsible management that communicates and listens to a wide range of stakeholders.

Hyosung TNC is strengthening compliance and ethical management across all business activities. The company will become a trusted company that enhances corporate value over the long term by practicing responsible management based on proactive risk management and active communication with stakeholders.

Hyosung TNC will continue to embrace challenges and evolve by practicing its vision of "Innovation for a Better Tomorrow." Thank you for the continued support from our stakeholders, and utmost efforts will be made to reciprocate with even greater achievements.

Thank you.



CEO, Hyosung TNC
Chi-hyung Kim

A handwritten signature in black ink, appearing to read 'Chi-hyung Kim'.

Company Profile

General Overview

Hyosung TNC is a global textile and trading specialist company launched as an independent affiliate following the business restructuring of Hyosung Corporation in 2018. Through the development of advanced textile materials and technological innovation, it maximizes customer value and leads the future of the global textile industry. Additionally, it solidifies its position in the global market through distribution and logistics networks in the steel and chemical sectors. Hyosung TNC will continue striving to become a world-class global enterprise contributing to improving customers' lives by practicing the Hyosung Way.

Company Name	Hyosung TNC Corporation
Date of Establishment	June 4, 2018
CEO	Chi-hyung Kim
Headquarters Location	119 Mapo-daero, Mapo-gu, Seoul, Republic of Korea
Business	<ul style="list-style-type: none">• Textile : Spandex, Nylon/Polyester, Textile/ Dyeing• Trade/Other : Steel and Metal, Chemical Products, Some Sevit Business, Gwangju Cold Storage Warehouse Business
Production Sites	China, Vietnam, Türkiye, India, Brazil, etc.
Key Export Regions	Americas, Europe, Asia, etc.

Number of Employees

1,317 people

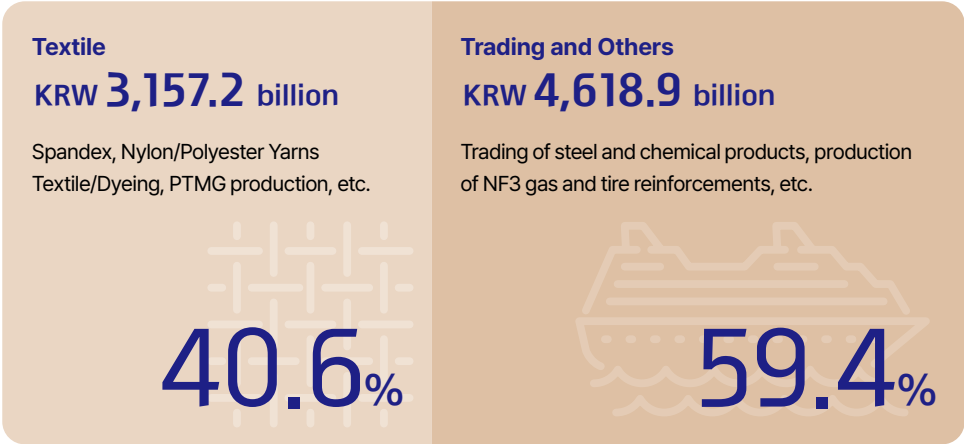
Sales

KRW 7,776.1 billion

Operating Income

KRW 270.7 billion

Sales and Sales Proportion by Business Division

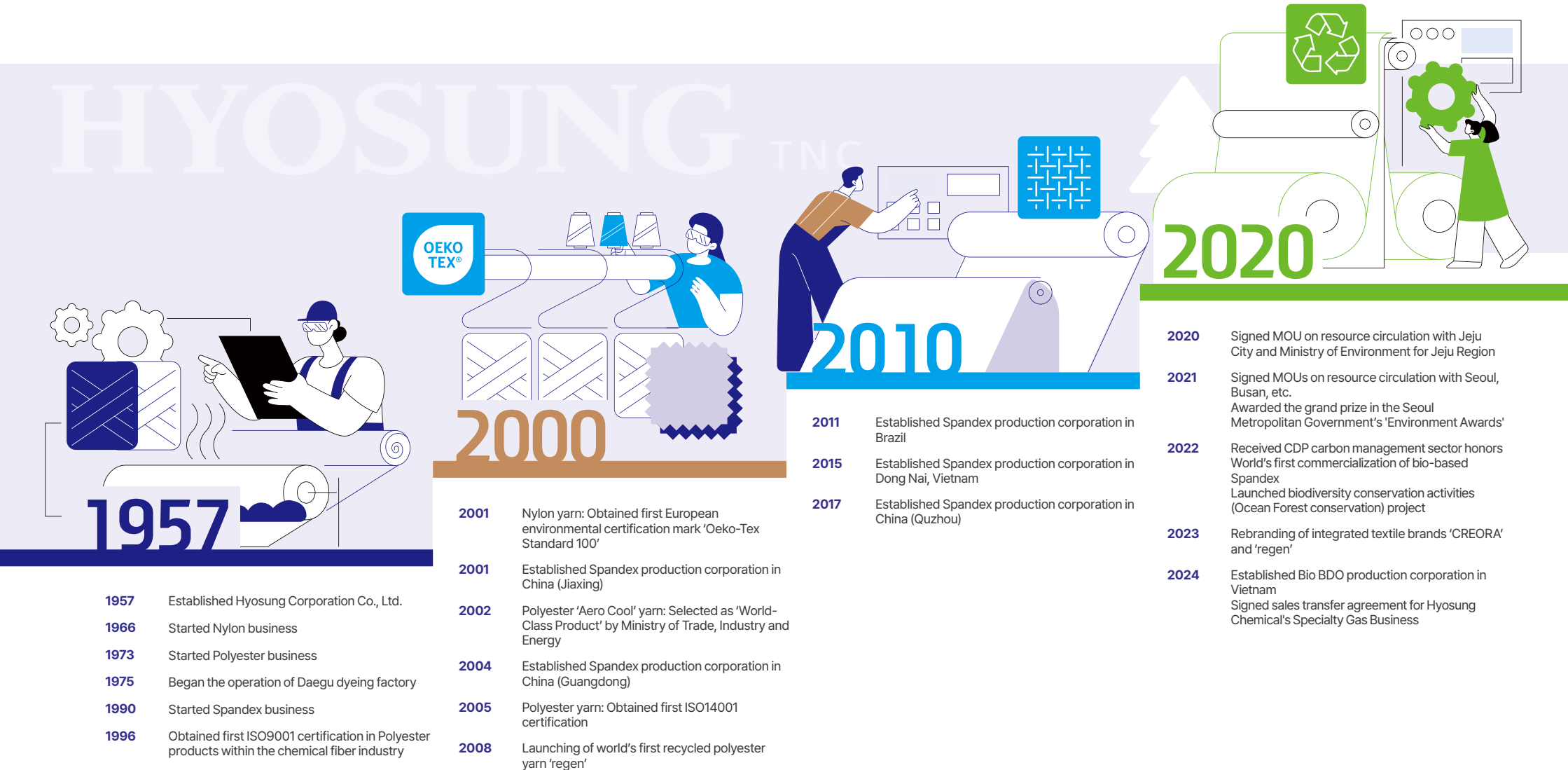


Creation and Distribution of Economic Value

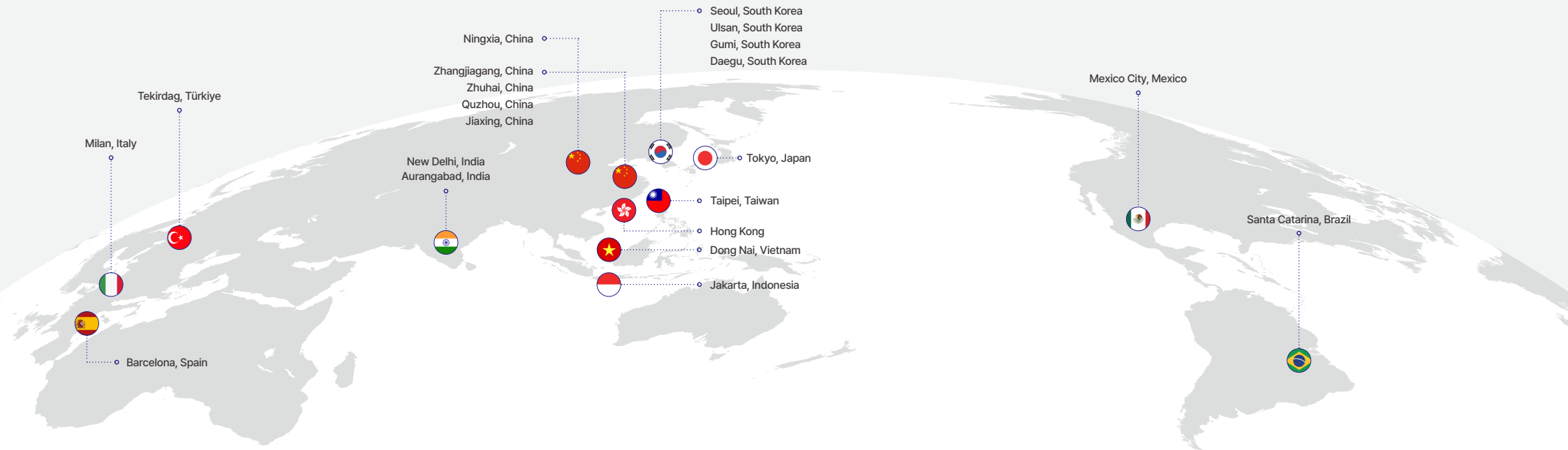
(Unit: KRW Million)

Category	Stakeholder	Criteria for Evaluation	2024
Creation of Economic Value	Customer	Sales	7,776,065
	Corporate	Purchase of property, plant and equipment	312,510
	Shareholders and investors	Interest expense Dividends	63,649 43,157
Distribution of Economic Value	Employees	Salaries, employee benefits, and post-employee benefits	331,495
	Partner Companies	Raw material purchases, outsourcing expenses, and services expense	1,401,693
	Local community	Donations	3,338
	Government	Income taxes paid	29,359

Company History



Global Network



Domestic (10)

- Headquarters(2)
- Manufacturing corporation(3)
- Sales offices(2)
- R&D(1)
- Etc.(2)

Overseas (57)

Trading Subsidiary (9)		Trading Branch under Trading Subsidiary (10)		Trade Office(7)		Manufacturing Subsidiary(13)	Sales Office under Manufacturing Subsidiary(18)
• China(1)	• Spain(1)	• China(3)	• Indonesia(1)	• Bangladesh(1)	• Germany(1)	• China(8)	• China(15)
• Japan(1)	• Mexico(1)	• Japan(1)	• Taiwan(1)	• Malaysia(1)	• United Arab Emirates (1)	• Vietnam(2)	• Vietnam(1)
• India(1)	• Hong Kong(1)	• India(3)	• Spain(1)	• Singapore(1)	• Panama(1)	• Türkiye(1)	• Türkiye(1)
• Indonesia(1)	• Taiwan(1)			• Thailand(1)		• India(1)	• Brazil(1)
• Italy(1)						• Brazil(1)	

*The countries indicated on the map represent the locations of overseas subsidiaries; the numbers in parentheses next to each country in the table indicate the number of business locations within that country.

Hyosung TNC:
New Innovations for a Sustainable Life

Innovation a Better Tomorrow



GLOBAL PRODUCTION SITE

Hyosung TNC has established manufacturing subsidiaries in regions such as China, Vietnam, Türkiye, India, and Brazil to expand sales for rapid response to demand while being recognized by customers for the highest quality.



SUSTAINABLE SOLUTION

Hyosung TNC, as a partner of the Textile Exchange Association, provides sustainable solutions through the development and research of new products, such as regen, the recycled fiber brand which has obtained GRS certification, and regen BIO, which uses renewable raw materials.



GLOBAL TRADING NETWORK

Hyosung TNC is growing together with export-import partners by pioneering new markets such as Latin America, Africa, and the Middle East and diversifying trade structures that activate intermediary trade.

Hyosung TNC is committed to transforming people's daily lives for the better through technological innovation and sustainable solutions.

Crafting a Better Future

Spandex

Nylon

Polyester

CREORA

CREORA

CREORA

For the Next Generation

Recycled product

regen

BIO product

regen BIO

Our Business

[Textile Brand Website](#)

Hyosung TNC maximizes customer value through its innovative textile technology and global trading network. The Textile Division supplies fibers, fabrics, and dyed products, such as spandex, nylon, and polyester, boasting world-class competitiveness in technology, quality, and customer service. Through continuous research and development and the launch of innovative new products, the division leads market changes. Additionally, the Trade Division of Hyosung TNC offers superior marketing services across various fields, focusing on steel and chemical sectors. These services are delivered through the company's extensive network of overseas branches around the globe, encompassing distribution and logistics. By developing new products and pioneering new markets, the division continues to grow at the center of global trade.

Textile Division

Spandex PU



World's No.1 Market Share, Global No.1 Spandex Brand

Hyosung TNC has grown into the world's largest spandex manufacturer based on proprietary production technology, R&D, and global marketing activities. The spandex brand 'Creora Spandex,' ranked No.1 in global market share, continuously develops new functional products that meet customer needs and establishes production and sales networks across continents to deliver products quickly and reliably. Additionally, by providing sustainable textile materials like regen BIO Spandex made from renewable resources and recycled yarns like regen Spandex, the company contributes to a sustainable environment in the global textile market.

Nylon/Polyester PU



Leading Sustainable Innovation, Nylon

Hyosung TNC, originally established in 1966 as the pioneering Korean company in exclusive nylon production technology, has amassed over 60 years of expertise and know-how. Hyosung TNC supplies high-performance Creora Nylon for various goods, including luxury lingerie, sportswear, and outdoor products, continuously reinforcing its presence in the global market through ongoing innovation. Furthermore, Hyosung TNC developed the world's first 'regen Ocean Nylon' in 2007, made from recycled discarded fishing nets, leading positive change in the global textile industry through sustainable yarn production.

Sustainable High-Performance, Polyester Fibers

As a leading player in the domestic polyester fiber market, Hyosung TNC supplies various differentiated high-performance Creora polyester yarns. In 2008, Hyosung TNC launched regen Polyester yarn, a recycled fiber made from PET bottles for the first time in Korea. In 2021, the company also produced regen Ocean Polyester, acquiring the first domestic certification for Ocean Bound Plastic (OBP) for long fibers. Additionally, Hyosung TNC is continuously developing and commercializing regen Polyester products that feature enhanced cooling and moisture-wicking, quick-dry properties, contributing to the growth of the sustainable fiber market.

Textile/Dyeing



High-Quality Fabrics and Dyeing Processing for Various Fields

Based on an integrated production system from yarn to weaving, dyeing, and finishing, Hyosung TNC develops high-performance fabric products and supplies differentiated products tailored to customer needs across various fields including general apparel fabrics, workwear fabrics, and industrial fabrics. As a leading domestic dyeing processing company, the company operates a comprehensive dyeing factory equipped with top-level technology in Korea. In particular, The company excels in nylon/polyester 2-way stretch fabrics, consistently outperforming competitors in quality. It is expanding its industrial fabric production by developing new processing technologies for IT materials. With state-of-the-art quality measurement and testing equipment, Hyosung TNC ensures superior product quality, always prioritizing customer trust and satisfaction.

Innovation
a Better Tomorrow

Our Business

[Hyosung TNC Website](#)

Trade Division

Steel and Metal PU



Hyosung TNC leverages over 50 years of Steel and Metal trading experience and a global network to conduct trilateral trade sourcing products from major domestic steel companies such as POSCO and Hyundai Steel as well as steel companies from various countries. The company deals in a variety of steel products, including hot-rolled, cold-rolled, heavy plate, stainless, and specialty steels, as well as raw materials like zinc. Hyosung TNC also runs steel processing centers internationally to provide customized services.

Chemical Products PU



Hyosung TNC operates globally, offering diverse chemical raw materials sourced from petrochemical companies worldwide. The company uses its robust global sourcing capabilities to expand its product range from upstream to downstream, moving beyond traditional chemicals to include minerals like concentrates. This approach ensures customers receive optimal portfolios tailored to timing, region, and product type.



Other Division

Some Sevit Business Division



Some Sevit, a Complex Waterside Cultural Space on the Han River

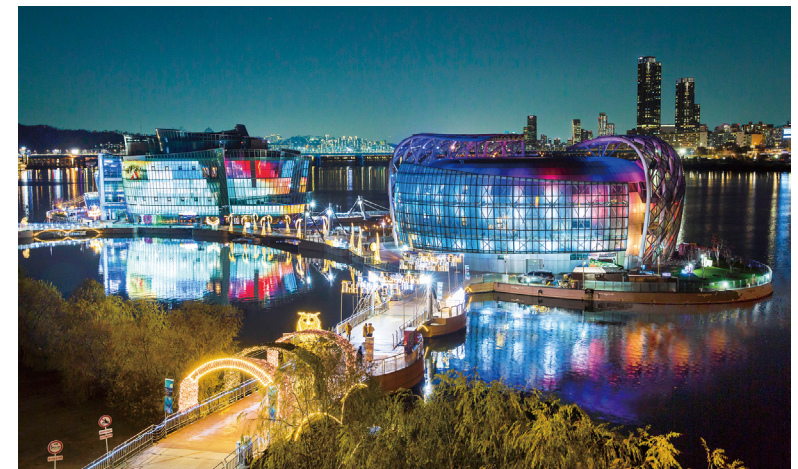
Hyosung TNC operates 'Some Sevit', a multifaceted cultural space located on the Han River in Seoul. Comprising three artificial islands, 'Some Sevit' is built using the world's first floating architectural technology, offering a unique waterfront experience. It features upscale restaurants, cafes, yachts, and various facilities, providing both domestic and international visitors with a distinctive experience.



Gwangju Cold Storage Warehouse Business Office

Urban-Type Frozen and Refrigerated Warehouse Serving as a Logistics Hub

The Gwangju Cold Storage Warehouse is strategically located near major markets in the metropolitan area, playing a vital role as a logistics hub. The facility is fully equipped with emergency generators to prepare for blackouts and is subscribed to fire insurance plan to ensure comprehensive protection of customers' assets. With facilities including Freezer Room, Refrigerated Room, Ultra-low Temperature Room, and Rapid Freezing Room, it strives to maximize customer satisfaction.



The Night View of Some Sevit, a Complex Cultural Space

02.

Approach to Sustainability

Sustainability Management System.....	13
Sustainable Value Chain.....	14
2024/25 Performance Highlights	15
Stakeholder Engagement	16
Double Materiality Assessment	17
TCFD Special Section	19

Sustainability Management System

Decision-Making and Execution System

Under the leadership of the CEO, Hyosung TNC is establishing a sustainability management system centered around the ESG Management Steering Committee, which oversees the ESG Management Team and the departments responsible for each ESG area. As the top decision-making body, the ESG Promotion Committee convenes semi-annually to review and approve key sustainability strategies. The ESG Management Team develops detailed strategies by incorporating stakeholder feedback, thereby guiding the corresponding execution teams. Starting in 2025, a new ESG Committee under the Board of Directors will bolster oversight of sustainability strategies and performance.



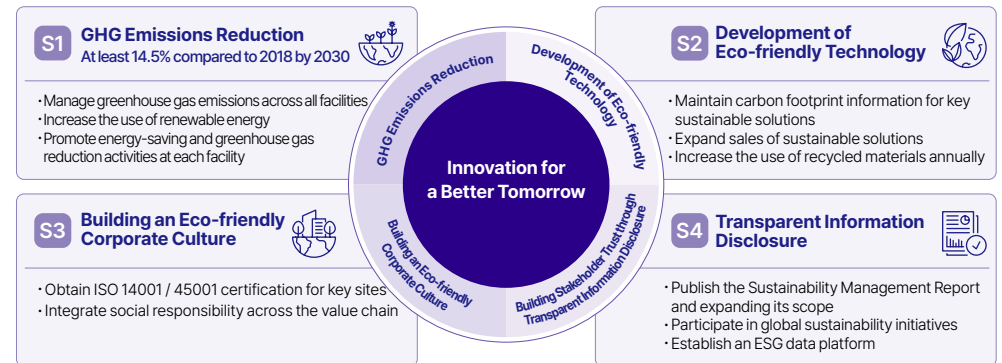
Key Resolutions/Reports of the 2024 ESG Promotion Committee

H1	H2
<ul style="list-style-type: none"> Established 2030 Sales Roadmap for Sustainable Solutions Reviewed EU CSDDD implementation Reported on financial disclosure regulations for sustainability (IFRS/CSRD) Established mid- to long-term safety & health strategy Reported on H1 win-win cooperation activities Approved consultancy services for calculating greenhouse gas emissions in overseas subsidiaries Reported on plans to acquire environmental and safety ISO certifications for consolidated subsidiaries 	<ul style="list-style-type: none"> Announcement of a new stakeholder response process for external ESG information requests Presentation of the 2024 ESG evaluation results and identification of areas for improvement Report on and approval of the publication of the 2024 Sustainability Management Report Update on how ESG requests from external stakeholders are being addressed

Implementation Strategy

Guided by the Vision, 'Innovation for a Better Tomorrow,' Hyosung TNC aligns its ESG management with Hyosung Corporation's 'Green Management 2030.' This alignment led to the development of 'Sustainability Vision 2030' and its associated strategic tasks.

Sustainability Vision 2030



Our Sustainability Strategy: 2024 Progress & 2030 Targets

Hyosung TNC has developed key sustainability management strategic initiatives and goals. The company monitors the progress of these initiatives and reports the results annually to the ESG Management Committee.

Area	Strategic Task	KPI	Performance		Targets
			2023	2024	2030
Environmental	GHG reduction rate (%) (vs. 2018, Domestic)	GHG emissions reduction rate (%)	36.1	40.4	14.5
	Expand sales of sustainable solutions	Sustainable Solutions sales (%)	5.2	6.1	16.0
	Obtain ISO 14001 certification at key sites	Certified sites (count)	8/33	9/32***	19/32***
Social	Maintain "Zero" serious accidents	Serious accidents (count)	0	0	0
	Obtain ISO 45001 certification at key sites*	Certified sites (count)	4/33	6/32***	19/32***

* Sustainable solutions include the regen (recycle and bio) product line and regen tech (dope-dyed yarn) product line.

***Key business sites' are defined as the primary manufacturing facilities for sustainable solutions, selected from consolidated subsidiaries.

*** The total number of business locations decreased to 32 due to withdrawal of the Singapore subsidiary.

Sustainable Value Chain

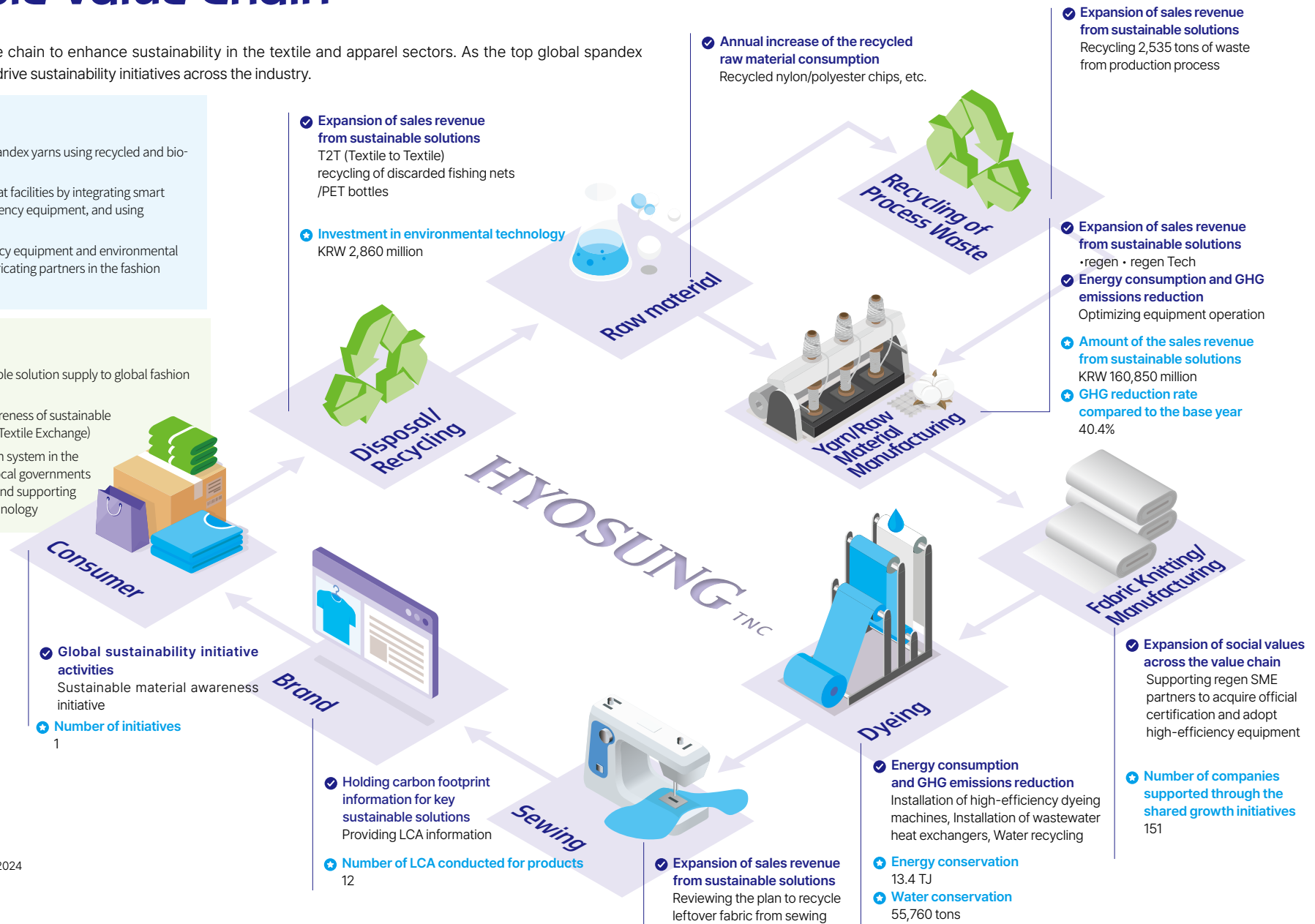
Hyosung TNC is building a value chain to enhance sustainability in the textile and apparel sectors. As the top global spandex producer, Hyosung TNC plans to drive sustainability initiatives across the industry.

Upstream

- Production of nylon, polyester, and spandex yarns using recycled and bio-based raw materials
- Minimizing greenhouse gas emissions at facilities by integrating smart factory processes, adopting high-efficiency equipment, and using renewable energy
- Supporting investment in high-efficiency equipment and environmental certification costs for weaving and fabricating partners in the fashion industry

Downstream

- Expansion of Hyosung TNC's sustainable solution supply to global fashion brands
- Participation in initiatives to raise awareness of sustainable materials within the fashion industry (Textile Exchange)
- Establishment of a resource circulation system in the fashion industry : collaborating with local governments to build a circular recycling structure and supporting investments in garment recycling technology



✓ **Strategy** ✦ **Achievements**

Each figure represents the performance for 2024

2024/25 Performance Highlights

INVESTMENT & BUSINESS

Securing the world's largest bio BDO plant

- Establishment of a bio BDO production plant in Vietnam
(Annual production of 200,000 tons planned by 2040)

Enhanced production capacity at overseas facilities

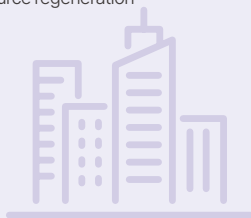
- Investment in the expansion of Spandex/PTMG in China
- Investment in the expansion of Diaper Spandex in India and Türkiye

Securing drivers for future growth

- Acquisition of Hyosung Chemical's Specialty Gas Business
- Establishment of a subsidiary Hyosung Neochem

Revitalizing the recycled fiber market

- Signing of an MOU for the production of recycled fibers through resource regeneration



ENVIRONMENTAL

Reduction of GHG emissions

- 40.4% reduction in GHG emissions compared to the baseline year
*Based on domestic business sites

Expansion of sustainable solutions

- Proportion of Sales from Sustainable Solutions Increased by 17% Compared to the Previous Year

Expansion of GHG emissions calculation scope

- Calculation and third-party verification of Scope 1, 2, and 3 emissions for 14 overseas subsidiaries

Expansion of Life Cycle Assessment (LCA) scope

- Increase in the number of items assessed under Life Cycle Assessment (LCA) (from 8 to 12)

regen Renewable Campaign

- Collected 42,693 used PET bottles internally through the campaign



SOCIAL

Establishment of a Supply Chain Management Committee

- Establishment of a sustainable supply chain management system

Renewal and acquisition of certifications

- Maintained ISO 45001 certification for the Gumi and Ulsan plants
- Maintained PSM grade S
- Renewed Family Friendly Management Certification
- Received CSR in the community certification for Ulsan plant
- Recognition for funding endangered species conservation by the National Institute of Ecology

Expansion of Win-Win cooperation

- Support through the mutual cooperation program nearly doubled in 2024 compared to 2023 (2023 : 75 companies, 2024 : 151 companies)

Promoting local community sustainability

- Selected as an exemplary company for ESG practices in rural and fishing areas (2023-2024)
- Received the Minister of Trade, Industry and Energy Award for the Cooperative Fund for Rural Communities
- Awarded the Presidential Citation for Contributions to Marine Resource Conservation

Enhanced Safety and Health Management System

- Establishment of the "Safety and Health Policy"

GOVERNANCE

Establishment of the ESG Management Committee under the Board of Directors in 2025

Establishment of the Compensation Committee under the Board of Directors in 2025

Expansion of ethics management training targets for employees

- Delivered ethics management training for employees of overseas subsidiaries
(All employees at the Dong Nai subsidiary in Vietnam and office staff at the Jiaying Chemical subsidiary in China)

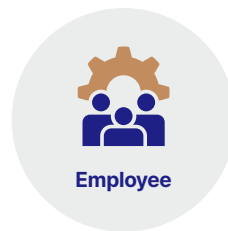


Stakeholder Engagement

Hyosung TNC values communication with various stakeholders for sustainability management. The company operates online and offline communication channels to incorporate the opinions of key stakeholders such as customers, employees, partners, shareholders, investors, and the community into its management activities. Through these channels, the company regularly listens to feedback and reviews the positive and negative impacts of management activities on stakeholders. Based on the findings from these reviews, Hyosung TNC identifies and integrates priority initiatives and improvement tasks into its management practices.



Customer



Employee



Business Partner



Shareholder/
investor



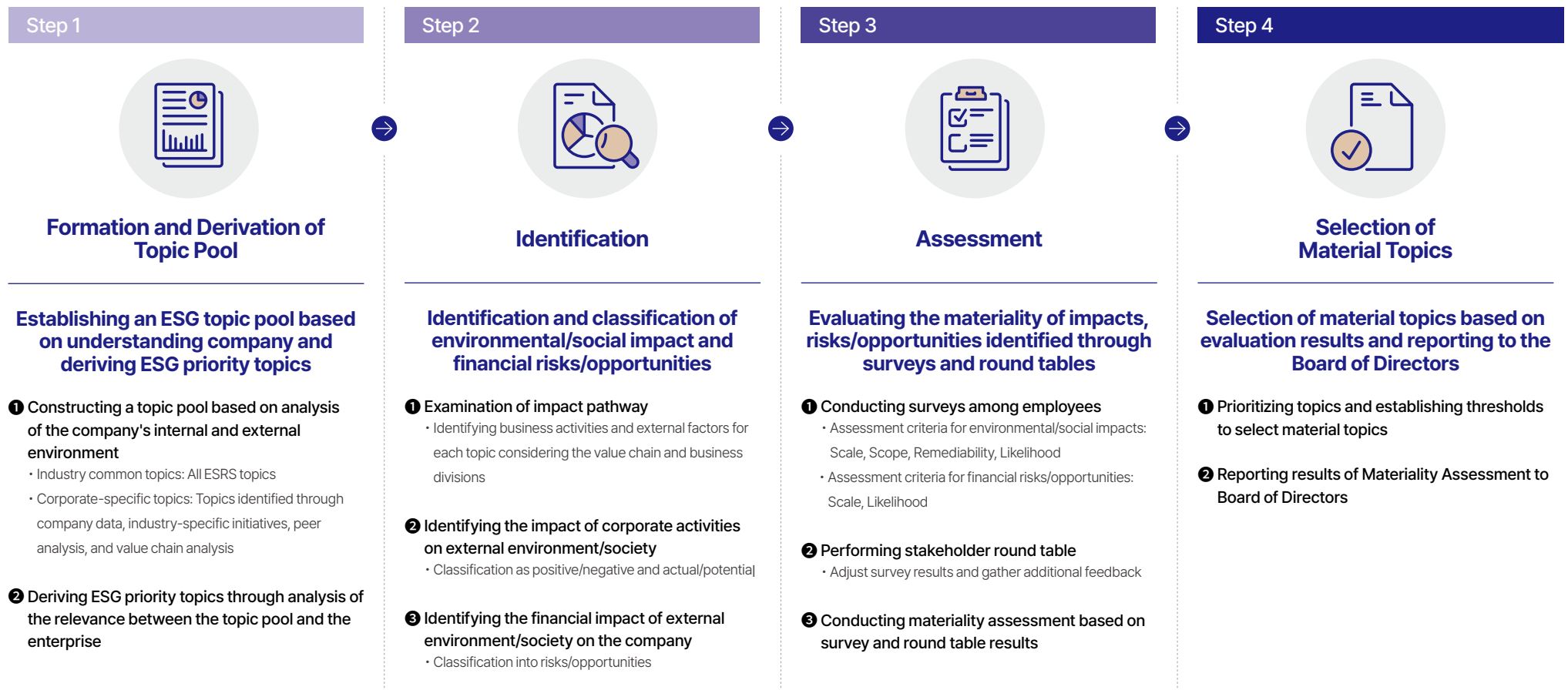
Local Community

Key Interests	<ul style="list-style-type: none"> • Provision of high-quality, sustainable products and services • Strengthening price competitiveness • Risk management for human rights and environment • Strengthening sustainability management activities 	<ul style="list-style-type: none"> • Fair evaluation and opportunity provision • Respect for human rights • Activation of communication between management and employees • Work-life balance • Creation of safe and healthy work environment 	<ul style="list-style-type: none"> • Activation of communication and Win-Win management • Equitable sharing of rewards from achieved results • Avoidance of unjust demands and unnecessary management interference • Creating a Foundation for Fair Trading Practices • Support for strengthening sustainability management capabilities of partner companies 	<ul style="list-style-type: none"> • Securing financial soundness and profitability • Securing future growth engines • Securing management credibility and governance transparency • Management of sustainability risks 	<ul style="list-style-type: none"> • Partnership with local community • Activation of communication • Implementation of authentic corporate social responsibility activities
Communication Channels and Frequency	<ul style="list-style-type: none"> • Corporate website, Blog, SNS, YouTube (ongoing) • Global exhibitions (ongoing) • Technology exchange meetings (ongoing) • VOC (Voice of Customer) program (ongoing) 	<ul style="list-style-type: none"> • Intranet WagleWagle, Tongtong Bulletin Board (ongoing) • HR Counseling Center, Grievance Handling Office (ongoing) • Website Report Center (ongoing) • Dialogue with management (quarterly) • Intranet management messages (twice a year) • Company newsletter (monthly) • HBS (Hyosung Broadcasting System) (twice a week) 	<ul style="list-style-type: none"> • Partners meetings (ongoing) • Operation of partner support programs (ongoing) • Website Report Center (ongoing) 	<ul style="list-style-type: none"> • Corporate IR (Investor Relations) activities (ongoing) • Board of Directors (at least quarterly) and General Meeting of Shareholders (annually) • Business Report (annually) • Disclosure materials (ongoing) 	<ul style="list-style-type: none"> • Environmental cleanup activities near business locations (monthly) • Social contribution programs (ongoing) • Factory invitation events for local residents (at least annually)

Double Materiality Assessment

Double Materiality Assessment Process

Hyosung TNC has performed a double materiality assessment to identify ESG topics that have significant impacts on its business. This assessment considers the impact materiality, which is the effect Hyosung TNC has on the external environment/society, and the financial materiality, which is the financial impact the external environment/society has on Hyosung TNC. Based on the assessment results, three topics were selected as Hyosung TNC's material topics for 2024. The management activities and status of these ESG topics are transparently disclosed through the Sustainability Report.



Double Materiality Assessment

Results of the Double Materiality Assessment

Through the Double Materiality Assessment, Hyosung TNC identified Climate Change, Resource Circulation and Sustainable Business Model, and Employee Safety and Health as material topics for 2024. The results of the assessment were reported to the Board of Directors for thorough review. Additionally, the company has established response strategies for each identified material topic's impacts and risks/opportunities, and plans to continuously monitor the implementation progress to enhance its response strategies.

					Risk Opportunity	
Material Topics	Impact and Risk/Opportunity	Environmental/ Social Impact	Financial Risks/ Opportunities	Level of Impact	GRI	Reported Page
Climate Change	Causing extreme climate change including abnormal temperature and rising sea levels	Negative/Actual		<div><div></div></div>	GRI 302 GRI 305	19~23
	Increase in cost for responding to greenhouse gas emission regulations/energy transition			<div><div></div></div>		
	Costs incurred for low-carbon process/equipment transition and technology R&D			<div><div></div></div>		
	Increase in power and energy procurement costs			<div><div></div></div>		
Resource Circulation and Sustainable Business Model	Deterioration of ecosystem balance, including soil and water pollution	Negative/Actual		<div><div></div></div>	GRI 306	27~33
	Mitigation of climate change and environmental pollution impacts	Positive/Actual		<div><div></div></div>		
	Reduction in costs for raw material and consumables procurement, and process waste disposal (within manufacturing overhead) due to recycling of waste/plastics			<div><div></div></div>		
	Increase in sales due to enhanced sustainable brand value			<div><div></div></div>		
	Increase in costs for sustainable product R&D and expansion of production facilities (acquisition costs/depreciation/maintenance costs)			<div><div></div></div>		
	Loss of production and reduced sales due to raw material supply disruptions			<div><div></div></div>		
	Increase in production costs for sustainable products compared to conventional products			<div><div></div></div>		
	Increase in marketing costs for sustainable products			<div><div></div></div>		
Employee Safety and Health	Negative impacts on employee health due to injury risks and safety accidents	Negative/Actual		<div><div></div></div>	GRI 403	51~56

TCFD Special Section

Governance

Decision-making and Implementation Framework

The Board of Directors of Hyosung TNC, as the highest decision-making body, comprehensively reviews, deliberates, and approves major agenda items related to climate change. Beginning in 2025, Hyosung TNC has established the ESG Management Committee under the Board to review and approve the company's climate change strategies and plans, and to continuously monitor implementation performance. In addition to its regular meetings, the committee convenes as needed to conduct in-depth discussions on climate-related agenda items. Hyosung TNC plans to further advance its climate governance system under the leadership of the Board of Directors, reinforcing its role and responsibility in driving sustainable growth.



* Until 2024, the ESG Promotion Committee was operated under the CEO, and in 2025, the company established the ESG Management Committee under the Board of Directors.

Reporting Method and Frequency of Decision-Making Bodies

Decision-Making Bodies	Board of Directors	ESG Management Committee
Reporting Subject	ESG Management Committee	ESG Council and Implementing Organization
Contents	Decisions on the performance of implementing sustainability policies, strategies, and activities, including climate change	Topics on ESG projects and strategies addressing climate change
Reporting Frequency & Period	Held at least once per quarter (or more frequently as needed)	Held at least once every half year

Status of Information Acquisition During the Reporting Period

Decision-making bodies	Date Held	Agenda	Related Information
ESG Promotion Committee	June, 2024	(Resolution) Initiated consulting services to assess Greenhouse Gas Emissions for overseas subsidiaries	<ul style="list-style-type: none"> • Global ESG trends and outlook, including mandatory climate disclosure regulations • Consulting Initiatives for overseas subsidiaries
		(Report) Activities promoting shared growth for climate change response	<ul style="list-style-type: none"> • Support for partners' environmental certifications (GRS/OBP Certification) • Support for partners' energy-saving consulting

TCFD Special Section

Strategy

Risk and Opportunity Analysis Process

Hyosung TNC proactively identifies and monitors climate change risks and opportunities to understand their potential impacts on the company. In addition, the company analyzes the financial impact of identified climate change risks and opportunities, facilitating the development of detailed strategies for climate change response.



Results of Risk and Opportunity Analysis

Risk and Opportunity Type			Time Horizon	Financial Impact	Response Strategy
Transition Risk	Policy and Law	Reinforced greenhouse gas related policy and regulation	Medium to long term	<ul style="list-style-type: none"> Increase in carbon tax and the debt costs of greenhouse gas emission Increase in manufacturing overhead costs due to rising electricity/energy prices 	<ul style="list-style-type: none"> Implementation and performance monitoring of energy conservation at business sites Calculation and verification of greenhouse gas emissions and establishment of annual reduction roadmap across all global business sites Review of purchasing plans by means of renewable energy considering economic feasibility and expansion of renewable energy ratio
	Technology	Sustainable technology for greenhouse gas reduction	Medium to long term	<ul style="list-style-type: none"> Costs incurred for transitioning to low-carbon processes/equipment Increase in R&D costs for the development of sustainable technologies 	<ul style="list-style-type: none"> Development of sustainable material and fiber technology <ul style="list-style-type: none"> Development and expansion of fibers using sustainable raw materials (recycled and bio-based) Development and commercialization of T2T (Textile to Textile) technology
	Markets	Increased demand from clients to reduce greenhouse gas emission	Medium to long term	<ul style="list-style-type: none"> Decrease in product and service sales due to not meeting clients' requirements 	<ul style="list-style-type: none"> Development and expansion of sustainable products applying low-carbon technology Establishment of a mid- to long-term strategy for sustainable products (Achieve 16.0% share of sustainable product sales within total fiber yarn sales by 2030)
	Reputation	Increased investors' interest in climate change response efforts	Medium term	<ul style="list-style-type: none"> Reduction in investment due to decline in ESG ratings 	<ul style="list-style-type: none"> Expansion of the scope and transparent disclosure of internal and external sustainability management information (activities and achievements) Acquisition of global official certifications (GRS, OBP, ISO, OEKO-TEX, etc.) and expansion of scope
Physical Risk	Acute	Heat wave, typhoon, hurricane	Long term	<ul style="list-style-type: none"> Increase in utility facility power consumption due to rising temperature 	<ul style="list-style-type: none"> Reduction of power consumption through improvements in utility facility efficiency Supplementary investments to prepare for abnormal climate conditions Optimization of processes through energy audits of manufacturing facilities
	Chronic	Average temperature rise	Long term	<ul style="list-style-type: none"> Decrease in product quality due to flooding/leakage 	
Opportunity	Products and Services	Expanding sustainable product development and sales	Short term	<ul style="list-style-type: none"> Enhancement of corporate image through expansion of sustainable product development Increase in corporate revenue due to rising consumption of sustainable products 	<ul style="list-style-type: none"> Obtain GRS and OBP certification for sustainable products Expansion in the development and production of textile products using recycled and bio technologies Evaluation in conducting life cycle assessment for products related to business of Hyosung TNC

TCFD Special Section

Strategy

Climate Change Response Strategy

Hyosung TNC is a global company that specializes in businesses significantly impacting climate change. To minimize the effects of climate change, Hyosung Corporation, the holding company, has established the 'Green Management Vision 2030' upon which Hyosung TNC is undertaking activities to respond to climate change. In order to achieve the industrial sector targets outlined in the Nationally Determined Contributions (NDC) announced in 2021, Hyosung TNC set greenhouse gas reduction targets based on the 'Green Management Vision 2030' and developed four implementation strategies to accomplish these targets. Using these four strategies as a foundation, Hyosung TNC is operating with concrete company-wide detailed plans for climate change response and intends to continually advance these measures.

Implementation Strategy

An eco-friendly company that enhances and enriches quality of life for humanity

At least 14.5% reduction of GHG emissions by 2030 compared to 2018

1

GHG reduction through external reduction projects such as SDM* in accordance with the new climate regime

2

GHG reduction through energy-saving activities at business sites and expanded adoption of renewable energy

3

Efficient GHG management through the operation of an in-house carbon asset management system and a product carbon footprint calculation system

4

Establishing processes to identify climate change risks and opportunities for risk hedging and opportunity exploration

* SDM(Sustainable Development Mechanisms) : Sustainable development framework under the Paris Agreement

Scenario Analysis

Hyosung TNC conducted scenario analysis to evaluate the impact of climate change on its business activities. According to South Korea's 2030 Nationally Determined Contributions (NDC) and the 2050 carbon neutrality scenario, the textile industry's total greenhouse gas emissions are expected to reduce by 80.4% from 260.5 million tons in 2018 to 51.1 million tons, as a substantial portion of fossil fuels in the final energy sources for the sector is replaced with electricity. Hyosung TNC performed regression analysis on energy consumption, sales trend, and economic growth rates to predict future absolute volumes and set the industry's targets outlined in the 2030 NDC as its greenhouse gas reduction targets. Additionally, the company applied the RCP 8.5 scenario provided by the Korea Meteorological Administration to analyze the impact of climate change on its business sectors. Hyosung TNC plans to further refine its analysis of climate change risks and opportunities by utilizing various climate scenarios in the future.

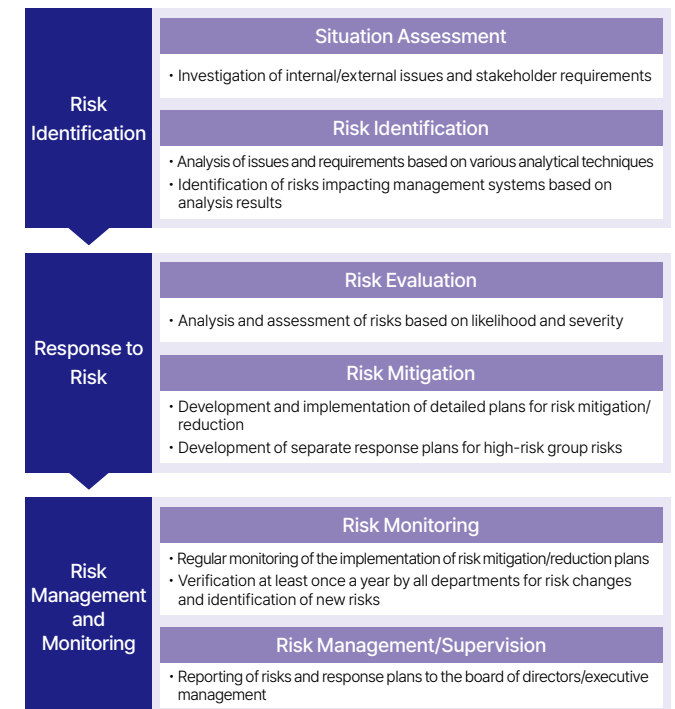
Scenario Type	Scenario Scope	Temperature Changes Applied to the Scenario
South Korea's 2030 Nationally Determined Contributions (NDC) and 2050 Carbon Neutral Scenario	Company wide	1.6°C – 2°C
RCP 8.5* Scenario provided by the Korea Meteorological Administration	Company wide	4.7°C (Based on the Korean Peninsula in the year 2100)

*RCP 8.5 (Representative Concentration Pathways) refers to 'Emitting greenhouse gas according to the current trend'.

Risk Management

Risk Management Process

Hyosung TNC manages risks that affect the overall management of the company, including climate change, through its enterprise risk management process. The company identifies risks by analyzing internal and external issues, stakeholder requirements, macroeconomic indicators, and domestic and international climate policy trends. Identified risks are assessed based on their likelihood and impact. Additionally, detailed management plans for the assessed risks are established and monitored, with changes in climate change risks being identified at least once a year.



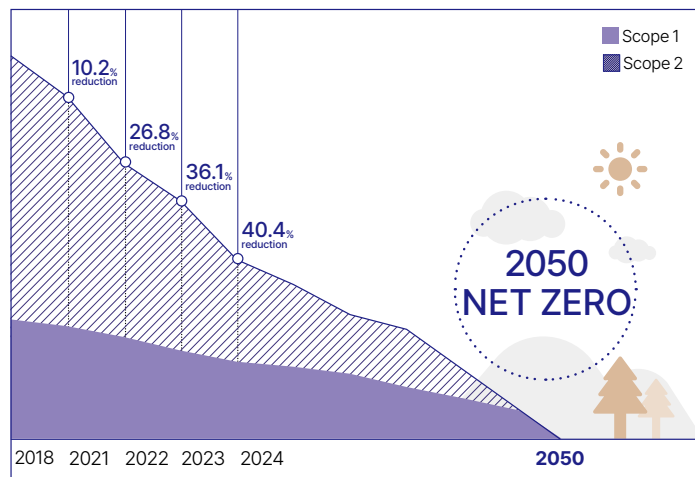
TCFD Special Section

Metrics & Targets

2050 Net Zero

Hyosung TNC has established a 2050 Carbon Neutrality (Net Zero) roadmap to contribute to global carbon neutrality efforts. The company is undertaking various greenhouse gas reduction initiatives across its business operations to achieve the 2050 carbon neutrality targets. In 2024, the company reduced greenhouse gas emissions by 40.4% compared to 2018 levels at its domestic sites, thereby achieving the 'Green Management 2030' greenhouse gas reduction target. Starting in 2025, Hyosung TNC has established a global greenhouse gas management system through the calculation and verification of emissions not only at domestic sites but also at overseas subsidiaries. The company also plans to set company-wide greenhouse gas reduction targets and develop a mid-to long-term roadmap to achieve them. The company will also explore various reduction measures, including transitioning to low-carbon fuels and purchasing electric/hybrid vehicles for direct emissions reduction. Additionally, Hyosung TNC will promote the expansion of renewable energy usage through various transition methods, such as Power Purchase Agreements (PPA) and Renewable Energy Certificates (REC).

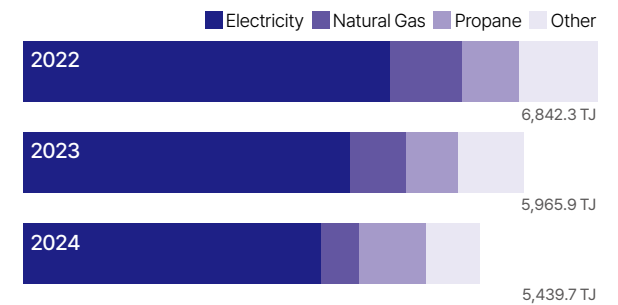
Roadmap to Net Zero by 2050



Energy Consumption Reduction

Hyosung TNC is continuously reducing greenhouse gas emissions by decreasing energy consumption through investments in low-power equipment, improving the efficiency of process and utility facilities, and maintaining equipment to reduce energy waste. In 2024, the company implemented energy-saving activities at its sites, including replacing old equipment with new low-pressure compressors and installing air pre-heaters and turbo blowers at wastewater treatment facilities. Hyosung TNC plans to continue improving processes and facilities each year to consistently reduce energy consumption at its business sites.

3-year Energy Consumption Trend



Energy Reduction Case

Hyosung TNC's Gumi plant reduced energy consumption by replacing its low-pressure compressors, which supply compressed air necessary for the yarn chip transportation process, with new equipment. The new equipment provides more compressed air with the same amount of energy consumption, resulting in a reduction of 880 MW in power compared to the previous low-pressure compressors. Hyosung TNC will continue to strive to build an efficient production environment that maintains the stability of process equipment while reducing greenhouse gas emissions.

Unit Consumption and Flow Rate Before and After Replacement

Classification	Unit	Before	After	Difference
Unit consumption	KW/Nm ³	0.104	0.095	▲0.009
Flow rate	Nm ³ /hr	10,000	11,159	1,159

Energy Audit

Hyosung TNC is regularly conducting efficiency in energy use use efficiency. Through the inspection of operation conditions for each energy-utilizing facility, the company analyzes the current status of energy usage within the site and identify factors for energy loss and reduction. Based on the results of the energy audit, the company is establishing plans for optimizing energy use efficiency for each facility. The company also establishes short and mid- to long-term plans for the replacement and investment in equipment, reviewing the feasibility of implementation.

TCFD Special Section

Metrics & Targets

Greenhouse Gas Metric Management

Hyosung TNC annually reports the Scope 1 and 2 emissions for each of its domestic business sites to the government and calculates the Scope 3 emissions for 8 out of the 15 categories, which are publicly disclosed. Starting in 2023, the company has established an organization to manage greenhouse gas emissions data for overseas subsidiaries included in the reporting scope, and is calculating Scope 1 and 2 emissions. From 2024 onwards, the calculation scope has been expanded to include Scope 3 emissions as well. Hyosung TNC conducts third-party verification of greenhouse gas emissions for both domestic and overseas subsidiaries and plans to continually expand the scope of greenhouse gas emissions calculation in the future.

(Unit : tCO₂eq)

Classification		2022	2023	2024
Scope1	Domestic	84,107	70,830	72,405
	Overseas	270,522	254,578	268,474
Scope2	Domestic	213,577	188,932	171,692
	Overseas	858,860	949,118	1,053,933
Total		1,427,066	1,463,458	1,566,504
Scope3*		1,610,264	1,123,587	10,936,241

*Scope 3 emissions were calculated for 8 out of the 15 categories. Starting from 2024, scope 3 emissions for overseas sites have been included.

Greenhouse Gas Reduction Investment

Hyosung TNC is establishing and implementing annual investment plans for the introduction of high-efficiency energy equipment to promote energy-conservation and greenhouse gas reduction activities at its business sites. The company also monitors the performance of these implementations.

(Unit : KRW million)

Classification	Investment Cost
2022	293
2023	636
2024	790

Smart Factory

Hyosung TNC has established smart factories at domestic and international business sites to optimize production efficiency and reduce energy consumption. The Daegu plant participated in the 'Seongseo Industrial Complex Smart Energy Platform Construction Project,' where the company has installed 20 meters on key power facilities and is utilizing the Factory Energy Management System (FEMS) to identify conservation opportunities and systematically manage energy consumption. The Gumi plant has introduced a smart factory-based daily energy management process to detect and respond to usage fluctuations early, and analyze the causes of these fluctuations. At overseas business sites, an integrated control system is operated to efficiently manage energy usage status. Hyosung TNC aims to continuously advance the smart factory system to optimize energy consumption.

Renewable Energy Use

Hyosung TNC is utilizing waste heat supplied from a nearby municipal waste incineration plant as renewable energy (based on domestic standards). Furthermore, in November 2024, the company signed a contract to receive by-product gas containing 17~20% hydrogen from a nearby company as a fuel source. Starting in March 2025, the company has been contributing to greenhouse gas reduction through this supply. Considering that electricity consumption accounts for over 70% of their greenhouse gas emission, Hyosung TNC is reviewing the adoption of various renewable energy transition methods, such as domestic third-party PPAs and RECs. The company is also establishing an execution plan to expand the proportion of renewable energy application and plans to implement progressively.

Internal Carbon Pricing System

Hyosung TNC has adopted an internal carbon pricing system to integrate climate-related risks and opportunities into company-wide business strategies and investment decisions. The internal carbon pricing system refers to a voluntary mechanism by which the company assigns a monetary value to carbon emissions generated from its business operations, thereby internalizing the economic cost of greenhouse gas emissions. Based on this internal carbon price, Hyosung TNC evaluates the value of new investments and business strategies. Carbon reduction from energy conservation is monetized and reflected in economic feasibility assessments, and the system is applied to decision-making on energy equipment replacement, plant expansion, and business investments.

Climate Change KPI

Hyosung TNC incorporates climate-related targets into employees' Key Performance Indicators (KPIs) and links them to compensation. Energy reduction targets are assigned to production executives and plant managers, while greenhouse gas reduction targets are applied to greenhouse gas reduction personnel as part of their performance evaluation. Incentives are provided based on the evaluation results. Additionally, to embed ESG management into the company culture, ESG-related KPIs are assigned to employees and incorporated into performance assessments. Accordingly, all teams and personnel involved in energy conservation and greenhouse gas reduction including the Business Management Team, Production Support Team, Technology & Utility Team, and relevant C-level executives are evaluated based on climate-related performance indicators, with incentives granted according to outcomes.

Dedicated Team	Climate Change KPI
ESG Management Team	Company-wide greenhouse gas reduction strategy, management of emissions and reductions for overseas subsidiaries
Business Management Team	Management of domestic greenhouse gas reductions, chemical substance management
Production Support Team, Technology & Utility Team	Energy consumption and reduction amount management

03. Environmental

Environmental Management 25

Sustainable Business Model 27

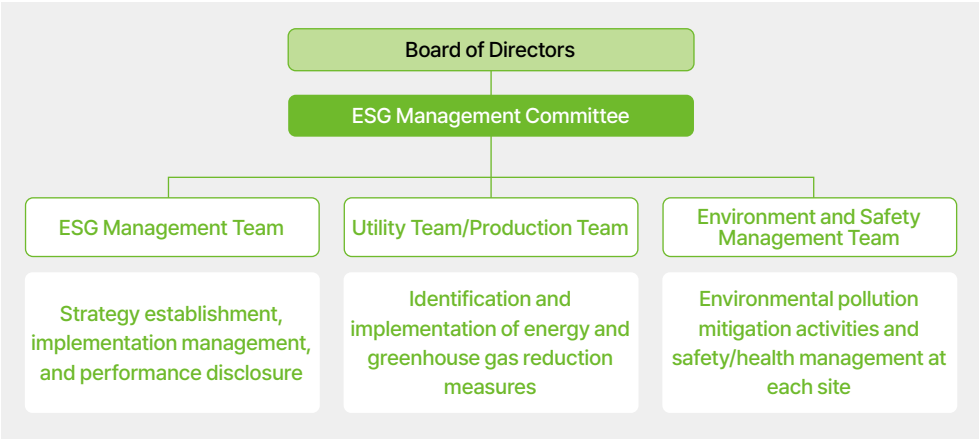
Reduction of Environmental Impact 34

Environmental Management

Environmental Management Framework

Decision-Making and Implementation Framework

Hyosung TNC is continuously enhancing its ESG governance to effectively implement sustainable environmental management. Until 2024, the ESG Promotion Committee, which reports directly to the CEO, has taken the lead in identifying key environmental agenda items. The committee convened semi-annually to deliberate on these items, which were then reported to the Board of Directors. Key agenda items include setting greenhouse gas reduction targets, developing low-carbon products and sustainable technologies, establishing an ERP system for green management, and investing in environmental facilities. To strengthen the momentum of ESG management, Hyosung TNC operates an ESG Management Team directly under the CEO to systematically oversee the development and implementation of company-wide environmental strategies. At each site, the Production Team and Utility Team promote initiatives to improve energy efficiency and reduce greenhouse gas emissions, while the Environment and Safety Management Team carries out various mitigation activities to minimize the emission of environmental pollutants. Starting in 2025, Hyosung TNC has established an ESG Management Committee under the Board of Directors to further enhance the clarity and accountability of strategic decision-making related to environmental management. This committee will not only make final resolutions on environmental matters but also conduct in-depth reviews of strategies and performance and play a structured role in monitoring and oversight. Hyosung TNC will continue to advance its environmental management decision-making framework as part of its commitment to sustainable management and fulfilling its corporate social responsibilities.



* Until 2024, the ESG Promotion Committee operated under the CEO, and in 2025, the ESG Management Committee was established under the Board of Directors.

Environmental Management Policy

Hyosung TNC promotes environmental management under the philosophy that humanity, the environment, and society must coexist in harmony to enhance the quality of life and create greater value for humankind. To actively implement environmental management, the company has established an Environmental Management Policy and continuously improves its environmental performance in alignment with its business strategy. The policy encourages compliance by all stakeholders, including employees and partner companies. Hyosung TNC will continue to advance this policy to minimize negative environmental impacts across the value chain and to create sustainable corporate value.

[Hyosung TNC Environmental Management Policy](#)

Environmental Management Principles

Product Environmental Management Principles	Development of sustainable products and technologies					
	Measurement and improvement of environmental impacts across the product lifecycle					
Production Environmental Management Principles	Establishment of sustainable procurement system					
	GHG/Energy	Water/Wastewater	Waste	Resource circulation	Air pollutants	Chemical substances
Management Activity Principles	Establishment of sustainable brand strategy and marketing system					
	Enhancement of stakeholder communication					

Environmental Management KPI

Hyosung TNC incorporates environmental management KPIs into the performance plans of all employees within the dedicated environmental management organization, including C-level executives, team leaders, and team members. These KPIs are established annually, and monetary incentives are provided based on performance outcomes.

Dedicated Team	Environmental Management KPI
Environment and Safety Management Team	Management of environmental regulation violations and environmental load reduction figures (waste, water/air pollutant emission, etc.)
ESG Management Team	Publication of the Sustainability Report, response to assessments by ESG rating agencies (KCGS), ESG Management Committee meetings (quarterly)
Utility Team	Implementation of energy and greenhouse gas reduction activities at sites

Environmental Management

Environmental Management Framework

Environmental Management System (ISO14001)

Hyosung TNC has established and has operated a systematic environmental management system by developing an environmental operation management process based on ISO 14001 certification. The company strengthens this system through green management communication with various stakeholders, environmental management capacity-building education and training, and an environmental and safety emergency response framework. The Ulsan and Gumi plants have obtained ISO 14001 certification and continuously manage and improve their environmental management systems through regular internal and external audits as well as recertification audits every three years. Additionally, the Daegu plant has acquired ZDHC certification, an international standard aimed at minimizing the use of hazardous substances in the textile industry, thereby complying with global requirements for hazardous chemical management. As of now, 9 out of Hyosung TNC's 32 key business sites have acquired and are maintaining ISO 14001 certification. The company has set a target to expand certification to 19 sites by 2030. Hyosung TNC plans to continue expanding ISO 14001 certification across its operations to build a company-wide environmental management system.

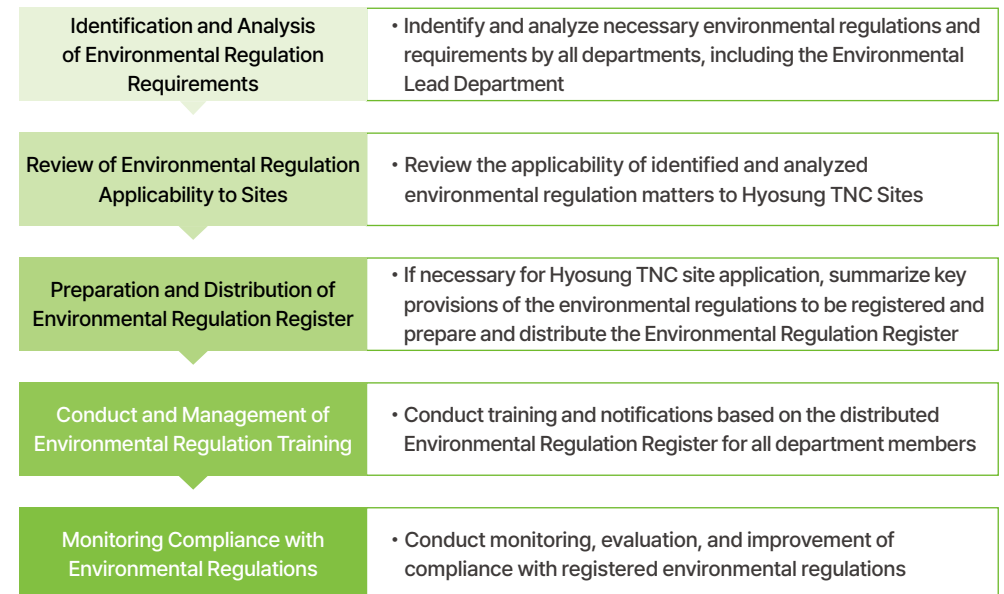
Environmental Management System



Environmental Management Compliance

Hyosung TNC has established an environmental regulation management process to ensure compliance with environmental laws and efficiently manage environmental risks. The company closely reviews environmental laws and regulations related to its business activities, promptly incorporates any amendments, and evaluates compliance on an annual basis. Hyosung TNC transparently discloses its compliance status to stakeholders through various channels such as the Sustainability Report, Environmental Information Disclosure System, and CDP. The company is committed to continuously monitoring the requirements of environmental laws and regulations to prevent any violations of environmental compliance across all its business sites.

Environmental Regulation Management Process



Sustainable Business Model

Sustainable Business Management Framework

Decision-Making and Implementation Framework

Under the Chief Marketing Officer (CMO), Hyosung TNC's marketing and sales divisions establish strategies and set targets for sustainable solutions. The CEO monitors decision-making and the performance of implementation related to the sustainable solutions strategy.



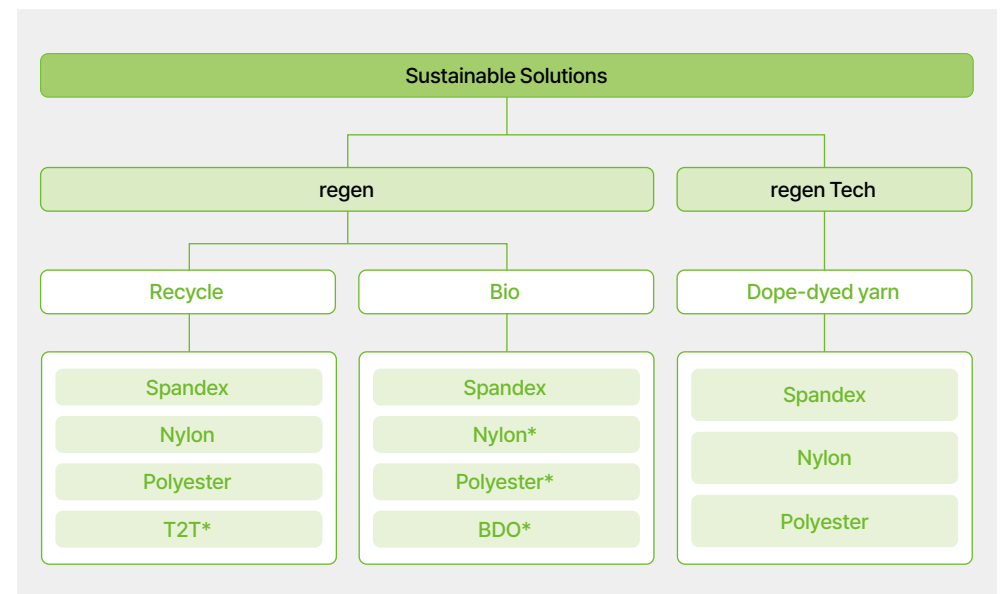
Implementation Strategies and Targets

To minimize the negative environmental impacts of the textile industry across the value chain, Hyosung TNC has adopted the expansion of sustainable solution sales as a core business strategy. As part of this effort, the company has set a target to increase the share of sustainable solutions to 16% of total yarn product sales by 2030. In 2024, the proportion of sustainable solution sales reached 6.1%. Hyosung TNC plans to continuously expand its portfolio of sustainable solutions to achieve its 2025 sales target.



Sustainable Solutions

With the European Union (EU) significantly expanding the scope of the Ecodesign for Sustainable Products Regulation (ESPR), the importance of developing sustainable products and technologies in the textile industry has been increasingly emphasized. In response to the global shift toward a circular economy, Hyosung TNC is actively promoting the development of sustainable products and technologies. The company's 'sustainable solutions' are divided into two product groups, regen and regen Tech. regen refers to a line of products manufactured by incorporating recycled raw materials or renewable bio-based materials derived from plants during the raw material stage of production. regen Tech refers to a line of products designed to help customer companies reduce negative environmental impacts, such as carbon emissions and water consumption, during their own production processes.



* Products currently under development.

Sustainable Business Model

Development of Sustainable Products and Technologies

Bio BDO

BDO is a raw material used in the production of PTMG (Poly Tetramethylene Ether Glycol), the main ingredient of Spandex, and is typically extracted from fossil fuels. Recently, its applications have expanded beyond Spandex (PTMG) fibers to include biodegradable resins (PBAT) like TPU used in automotive interiors, packaging materials, shoe soles, and industrial compounds across various industries. Bio BDO is produced by fermenting sugars derived from sources such as sugar cane or corn, thus completely replacing traditional fossil raw materials and minimizing environmental impact. Bio BDO can reduce greenhouse gas emissions by up to 90% compared to processes that use fossil fuels, and it is recognized for its high environmental value and versatility. Hyosung TNC has invested a total of 1 trillion won to establish a new plant in Vietnam with an annual capacity of 200,000 tons for bio BDO production, proactively responding to the global materials market's shift towards eco-friendly products. This has resulted in Hyosung TNC securing the world's largest bio Spandex plant and plans to establish a fully integrated production system for bio Spandex from raw material to fiber for the first time globally. This integrated production system for bio Spandex enhances production efficiency, including stable raw material supply, ensures cost competitiveness through reduced transportation costs, and lessens environmental impact. Hyosung TNC has signed a technology agreement with 'Geno', a US biotechnology company, to expand bio BDO production. Geno holds the world's only proprietary technology capable of converting sugarcane into specific chemicals, and bio BDO utilizing this technology offers over a 90% reduction in carbon emissions compared to conventional fossil-based products. Through its bio BDO business, Hyosung TNC plans to cultivate sustainability within the textile industry and improve the quality of bio BDO products through strict quality control and research and development.

regen Tech Dope-Dyed Yarn

Hyosung TNC's dope-dyed yarn effectively reduces environmental impact in the fiber production process by achieving color without the need for post-dyeing processes. By eliminating the post-dyeing stage, the consumption of water and energy is significantly reduced, and virtually no wastewater is generated during the dyeing process, minimizing the burden of wastewater treatment and the risk of water pollution. Additionally, the reduction in environmental pollutants and the use of high-temperature equipment improves the working conditions for workers involved in the dyeing process. Hyosung TNC plans to continue leading the establishment of sustainable fiber production systems, including dope-dyed yarn, in the future.

T2T(Textile to Textile) Technology

Annually, up to 100 million tons of clothing are discarded due to scrap fabrics from product development, and an increase in discarded and surplus clothing caused by fast fashion trends. Carbon emissions from the incineration and landfill of textile waste continue to contribute to environmental pollution and climate warming. To minimize environmental pollution and carbon emissions during the textile product manufacturing process, Hyosung TNC is developing Textile to Textile (T2T) technology. T2T technology involves physically and chemically recycling discarded fabrics and clothing into textile materials. The physical recycling method collects, crushes, and remelts waste fabric and clothing made of 100% polyester and nylon, achieving significant carbon emission reductions by minimizing chemical and thermal processing compared to other methods. The chemical recycling method involves separating and sorting waste fabric and clothing, followed by a polymer-level preprocessing to separate materials. Hyosung TNC is implementing nylon garment recycling using chemical recycling methods based on its existing depolymerization technology for discarded nylon fishing nets. Depolymerization technology reverses the plastic polymers back to raw material stages by applying chemicals or heat, overcoming the recycling limitations of textile waste, which is difficult to separate by material due to the mixture of various additives, colors, and contaminants. This technology restores the inherent material of fibers, allowing for high-quality yarn recycling as a key advantage.

Textile to Textile Collaboration Case

To strengthen its Textile to Textile (T2T) technology capabilities, Hyosung TNC is collaborating with global companies. In 2024, the company signed an MOU with 'Ambercycle', a global materials science company, for 'circular recycled fiber production,' becoming the first domestic company to expand the supply of circular polyester. Ambercycle possesses unique technology that recycles waste fabric and clothing into polyester raw material chips and has a long-term purchase agreement with the global fashion company 'Inditex'. Hyosung TNC manufactures polyester fiber using the recycled polyester raw materials produced by Ambercycle, and is implementing a joint marketing program that includes launching clothing products in collaboration with multiple fashion brands. Through these efforts, Hyosung TNC plans to expand the production of apparel products based on T2T technology and aims to collaborate with various companies possessing recycling technology for waste fabric and clothing to establish a resource circulation system within the textile industry and expand the sustainable fiber market.

Sustainable Business Model

Development of Sustainable Products and Technologies

Open Innovation Project

Hyosung TNC is conducting an Open Innovation Project to identify and collaborate with textile technology startups, particularly in areas such as eco-friendly fibers and smart textiles. Open innovation is a management strategy in which large companies enhance their competitiveness by innovating business models and core technologies through collaboration with external entities such as startups. Hyosung TNC provides various forms of support to final selected startups, including joint development of new products, technical development assistance, technology validation, and equity investment. In 2024, the company selected two startups possessing T2T(Textile to Textile) technologies capable of recycling waste fabrics and discarded clothing, and proceeded with collaboration. Hyosung TNC assessed the technology development status and technical requirements of each startup and provided consultation on technology development and product production. Going forward, Hyosung TNC plans to further expand R&D investment in textile technology startups to build a textile recycling supply chain and system, while also broadening the scope of applications to include new materials and technologies beyond textiles.

R&D for Sustainable Product and Technology Development

To minimize the environmental impact of the textile industry, Hyosung TNC annually invests in R&D expenses for developing sustainable technologies and products. By developing renewable fibers using bio-based materials extracted from plants, the company reduces environmental footprints compared to conventional chemical fibers. The company is also creating resource recycling technologies to promote resource circulation and achieves carbon reduction effects within the textile industry. In addition, Hyosung TNC is expanding sustainable solutions by developing products using raw materials with low carbon emissions and employing lightweight materials and reduced harmful chemical substances.

Direction and Outcomes of Sustainable Product and Technology Development

Product Development Utilizing Bio-based Materials



- Development and mass production of bio-based Spandex utilizing bio PDO (Propane diol)
- Introduction of production technology and promotion of mass production of bio BDO (Butane diol), a raw material for Spandex
- Promotion of 100% bio-based nylon yarn development
- Investment in a manufacturer of bio AN (Acrylonitrile), a raw material for carbon fiber production
- Promotion of development of biomass and biodegradable soft Spandex

Development of Resource Recycling Technology



- Development of physical recycling technology for nylon waste chips/yarn and chemical recycling technology for nylon waste nets
- Development of industrial yarns such as tire cords/technical yarn using recycled polyester materials
- Development of nylon6 depolymerization catalysts and cost reduction in purification processes
- Development of material separation technology for nylon waste fabric/clothing and monomer purification technology

Status of Research and Development Expenses for Sustainable Products and Technologies

(Unit : KRW million)

Year	2022	2023	2024
R&D Expenses	606	2,321	2,860



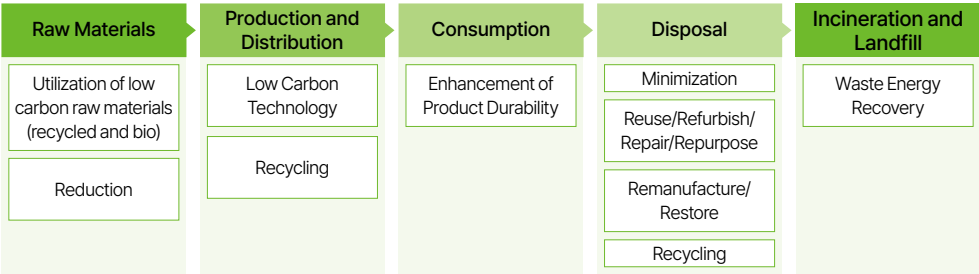
Open Innovation Project

Sustainable Business Model

Establishment of Resource Circulation System

Resource Circulation Process

To help preserve the Earth’s resources for future generations, Hyosung TNC adopts a company-wide approach to resource circularity. The company aims to efficiently utilize resources throughout all stages of the product life cycle—including raw material use, production and distribution, consumption, disposal, incineration, and landfilling—in order to promote waste recycling. To contribute to the creation of a sustainable circular economy, Hyosung TNC has established processes for each stage and has developed sustainable materials using recycled fishing nets and PET bottles to help realize resource circularity.



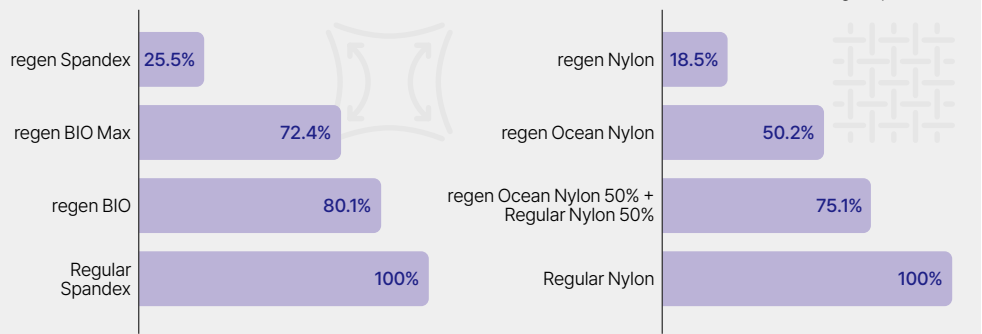
Life Cycle Assessment (LCA)

As a global textile materials company, Hyosung TNC is undertaking Life Cycle Assessment (LCA) to systematically manage the environmental impact of its products. With the increasing importance of environmental protection and resource circulation worldwide, sustainable and environmentally responsible product production has emerged as a critical task across the textile industry, necessitating proactive responses. LCA quantitatively analyzes the environmental impact throughout the entire life cycle of a product from planning and design, raw material procurement, manufacturing, distribution, use, to disposal. Through LCA, Hyosung TNC preemptively identifies environmental risks associated with their products and derives mitigation plans, thereby providing sustainable solutions. Hyosung TNC has established a carbon emission calculation system within the Cradle-to-Gate (raw material extraction to manufacturing completion) scope based on the international standards ISO 14040, 14044, and 14067. The company began LCA assessments in 2022 and expanded the scope to sustainable products such as bio-based Spandex and recycled nylon in 2024. LCA results are used to identify key factors that cause significant environmental impacts during the product life cycle and to drive design and process innovation activities for improvement. Additionally, LCA serves as fundamental data to respond to Scope 3 carbon emission information requests from global clients and stakeholders and to support obtaining key eco-friendly certifications such as the Global Recycled Standard (GRS), ISCC+, and Carbon Footprint certification. Hyosung TNC plans to continuously enhance its product life cycle assessment system to strengthen its global sustainable product competitiveness and expand transparent communication with customers and stakeholders.

Overview of Life Cycle Assessment Analysis

Scope of LCA Calculation	Cradle-to-Gate (Raw material acquisition and production-Raw material transportation-Product manufacturing)	
Collected Data	On-site data, LCI DB	
Calculation Program	GaBi (Based on ISO 14040 and ISO 14044)	
Impact Category	• Resource depletion	• Ecotoxicity
	• Acidification	• Human toxicity
	• Eutrophication	• Ionizing radiation
	• Climate change	• Land use
	• Ozone layer depletion	• Particulate matter (fine dust)
	• Photochemical oxidant formation	• Water footprint

Greenhouse Gas Emissions by Key Products



Sustainable Business Model

Fostering a Sustainable Fiber and Fashion Culture

regen Korea

Hyosung TNC has been working to reduce the environmental impact of fiber production and, in 2020, initiated a collaboration (MOU) with Jeju Special Self-Governing Province and Jeju Development Corporation (Samdasu) on a project named 'regen, Recycling to be Reborn.' As part of this project, Hyosung TNC has recycled transparent waste PET bottles collected from Jeju City to produce recycled fiber called 'regen@jeju.' In 2024, Hyosung TNC, Jeju Development Corporation, and the outdoor brand 'Discovery Expedition' collaborated to launch 'Jeju Recycle Edition' T-shirts in four versions. Furthermore, to address the issue of the rapid increase in plastic consumption in Seoul due to factors such as COVID-19, Hyosung TNC collaborated with the Seoul Metropolitan Government to recycle waste PET bottles collected from Gangnam-gu, Geumcheon-gu, and Yeongdeungpo-gu, producing recycled fiber known as 'regen@seoul.' Hyosung TNC has unified 'regen jeju' and 'regen seoul' under the brand name 'regen Korea,' laying the foundation for expanding their sustainable fiber business nationwide.

Ocean Waste to Outdoor, regen Ocean Nylon

Discarded fishing nets, which account for about 10% of ocean plastic waste, pose a serious threat to marine ecosystems, and global efforts are being made to find solutions for their collection and recycling. As a solution, Hyosung TNC has developed 'regen Ocean Nylon'. For the 2023 S/S season, it collaborated with domestic outdoor brands such as K2 and The North Face to launch a variety of products using this material, recycling approximately 36 tons of discarded fishing nets. Hyosung TNC plans to continue pursuing various collaborations to expand and promote sustainable fibers within the fashion industry.

Seoul Fashion Week: Hyosung TNC's 'Sustainable Fashion'

In 2024, Hyosung TNC participated in the '2025 S/S Seoul Fashion Week,' held a presentation show under the theme of 'Sustainable Fashion,' a next-generation fashion keyword. The presentation was a showcase introducing high-value fashion industry-leading fabrics and collections to domestic and international buyers and the press. Recognized for its leadership in the field of eco-friendly materials, Hyosung TNC was the only company to participate as a speaker. To promote the importance of sustainable fashion and raise awareness of its eco-friendly materials as a circular economy innovator, Hyosung TNC organized the presentation show into four themes. It provided detailed insight into each material and manufacturing process of its regen products, which are gaining attention in the global recycled fiber market, and displayed verified effects along with the actual raw materials and applied products. Furthermore, the show debuted the 'T2T (Textile to Textile)' technology, seen as the starting point for an ideal virtuous cycle in the fashion industry, and showcased products using T2T technology.



Hyosung TNC Presentation Show at 2025 S/S Seoul Fashion Week

Hyosung TNC's Global Collaborations in Sustainable Fashion

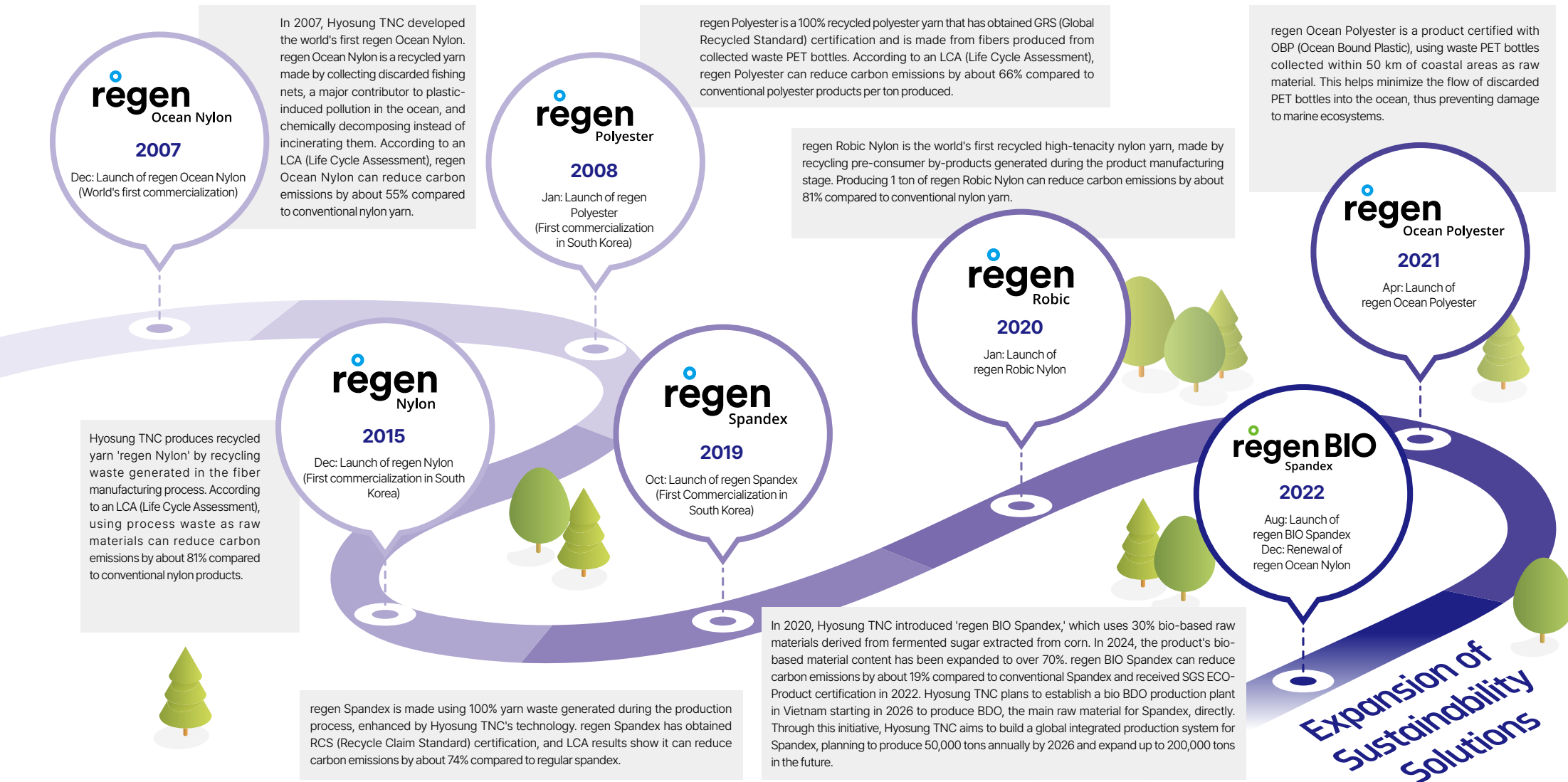
Hyosung TNC is collaborating with various global fashion brands to expand sustainable fashion. In 2024, Hyosung TNC partnered with 'OSPREY', the global leader in outdoor backpacks, to introduce backpacks in the Talon Earth collection for the S/S season. These backpacks feature regen Ocean Robic, a high-quality nylon yarn made from recycled ocean plastic waste. This product achieved the 'bluesign®' certification, marking the first time for an OSPREY backpack to receive this eco-friendly certification. Additionally, Hyosung TNC collaborated with 'The North Face', a global outdoor brand, to create fashion products such as T-shirts, sweatshirts, and pants made from regen Korea, a yarn recycled from waste PET bottles collected in Korea. Hyosung TNC also showcased sustainable solution products at major global textile fashion exhibitions. At the 'Outdoor Retailer Show 2023,' the largest outdoor industry exhibition in North America, Hyosung TNC garnered attention by exhibiting regen Ocean Nylon and regen Ocean Robic fibers. In the same year, Hyosung TNC enhanced its presence in the European market with distinctive recycled products at the 'FFE (Future Fabric Expo)' held in London, UK.

Global Collaboration Case

Hyosung TNC unveiled FishTale, a 100% recycled fabric jointly developed with Italian textile manufacturer Hung Yen Knitting & Dyeing. This fully recycled fabric was showcased at 'Interfilere Paris 2023,' the world's largest swimwear and lingerie textile exhibition. The company also collaborated with U.S. swimwear brand 'Vitamin A' to launch the Relux swimwear collection. This collection uses Hyosung TNC's GRS-certified 100% recycled Ocean Nylon made from discarded fishing nets and RCS-certified 100% recycled regen Spandex. According to an independent third-party LCA (Life Cycle Assessment), producing 1kg of regen Ocean Nylon results in a 56% reduction in carbon emissions compared to conventional nylon.

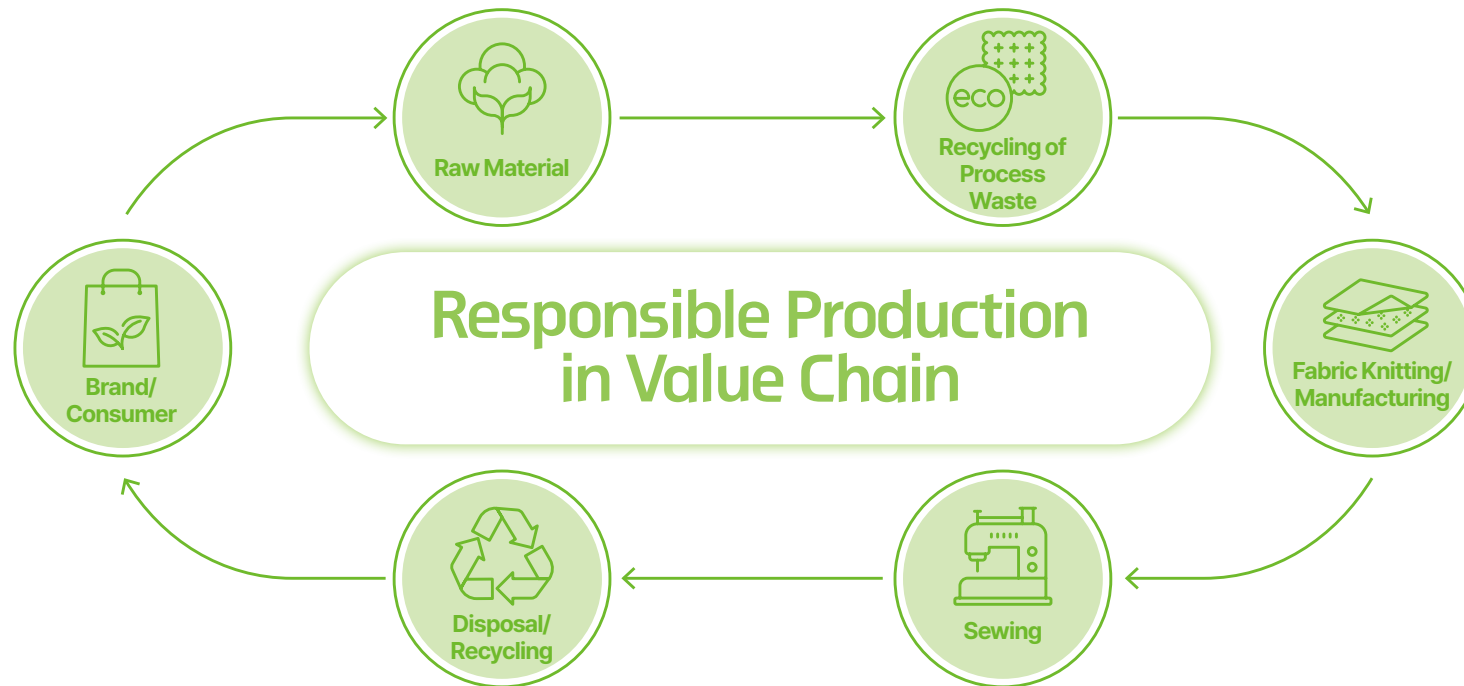
Sustainable Business Model

Special Page | The Journey of Sustainable Textiles with regen



Sustainable Business Model

Special Page | Creating Circular Value Within the Value Chain



	Raw Material	Recycling of Process Waste	Fabric Knitting/ Manufacturing	Sewing	Disposal/Recycling		Brand/Consumer	
Value creation	Support to strengthen major raw material partners' capacity to respond to climate change	Circular production system enabled by the regen brand	Support for partners in enhancing sustainability capabilities and expanding global market channels	Establishment of T2T recycling system	Advancement of T2T systems with partners	Production of recycled fibers through global partnerships	Support for new product development and marketing of domestic eco-friendly fashion startups	Collaboration with eco-friendly fashion brands
Resource recycling	<ul style="list-style-type: none">• Support for upgrading outdated equipment and energy-conservation facilities for partners• LCA consulting support for partners	<ul style="list-style-type: none">• Production of recycled fibers made from process waste, such as 'regen Spandex' and 'regen Nylon'	<ul style="list-style-type: none">• Support for partners in acquiring eco-friendly certifications for 'sustainable solutions'• Support for textile and knitting partners to participate in exhibitions• Support for payment guarantee fees for partners	<ul style="list-style-type: none">• Development of T2T technology through collaboration with sewing vendors	<ul style="list-style-type: none">• Support for equipment investment for partners possessing T2T technology	<ul style="list-style-type: none">• Joint marketing promotion of recycled material products through an MOU with Ambercycle	<ul style="list-style-type: none">• Support for PLEATSMAMA's waste PET bottle collection trucks and campaign implementation• Support for research and development of new products using eco-friendly materials	<ul style="list-style-type: none">• Exhibition of recycled clothing products in collaboration with the Mongsenu brand at 2025 S/S Seoul Fashion Week

Reduction of Environmental Impact

Air Pollutant Management

Air Pollutant Emissions Management Framework

To reduce the environmental impact of air pollutants, Hyosung TNC complies with legally permitted emission standards and has established its own internal emission limits that are stricter than regulatory requirements. The company continuously monitors general air pollutant emissions and performs biweekly measurements of designated hazardous air pollutants through certified third-party agencies in accordance with legal measurement cycles. A total emission cap system is in place at each business site, assigning a specific allowable amount of air pollutant emissions to prevent exceedance. This system enables efficient management of nitrogen oxide (NOx) emissions. Even for facilities exempt from mandatory installation of air pollution prevention systems, Hyosung TNC conducts annual in-house measurements to ensure thorough control of air pollutant emissions. Additionally, to minimize complaints related to odor emissions, the company performs quarterly odor monitoring at both emission outlets and site boundaries.

Air Pollutant Reduction Activities

Hyosung TNC's Ulsan plant has introduced a Tele-Monitoring System (TMS) for air pollutant emission facilities, which allows for real-time management of air pollutant emissions. The Daegu plant has reduced air pollutant emissions through equipment improvements such as increasing boiler airflow, while the Gumi plant has decreased dust and nitrogen oxides (NOx) emissions by replacing outdated scrubber equipment and enhancing wastewater treatment facilities. Hyosung TNC plans to continue improving and replacing processes and equipment within its facilities to reduce environmental impact caused by air pollutants.

Waste Management

Waste Management Framework

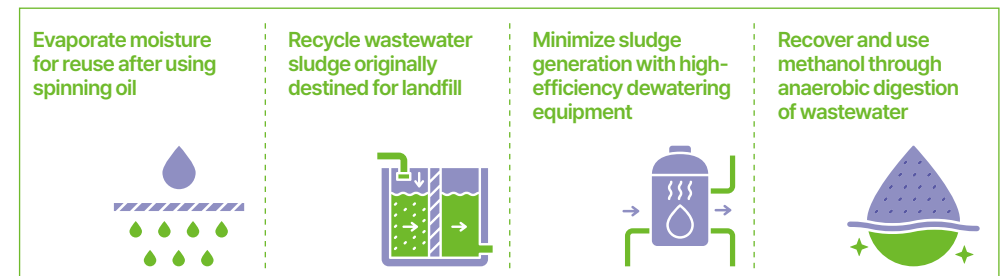
Hyosung TNC has established a waste management process to minimize environmental impact by limiting waste generation as much as possible and ensuring that all generated waste is properly treated. The company proactively identifies the types and expected volumes of waste that may result from new or expanded facilities and establishes annual plans to reduce both waste volume and disposal costs. Waste generated at business sites is safely managed through third-party waste treatment contractors selected based on thorough evaluation.

Waste Management Process



Waste Management Activities

Hyosung TNC is carrying out various activities to increase its waste recycling rate. At the Gumi plant, steam generated from incinerating waste at external facilities is recovered and reused in the manufacturing process. Additionally, water from used spinning oil at the site is evaporated for reuse. The company also recycles defective chips and yarn generated during production by processing them into forms suitable for resale instead of disposing of them, and sells them to recycling companies.



Reduction of Environmental Impact

Water Pollutant Management

Water Pollutant Management Framework

To minimize environmental impact from water pollutants, Hyosung TNC has established internal discharge standards that are more stringent than legal requirements and continuously monitors compliance. The Gumi plant operates its own wastewater treatment facilities to initially treat all wastewater generated by manufacturing processes, ensuring compliance with legal discharge limits before release. Additionally, the Gumi plant commissions monthly water quality analyses by external agencies to manage water pollutant emissions, thereby minimizing environmental pollution in the Nakdong River basin caused by water pollutants. The Ulsan plant has introduced a Tele-Monitoring System (TMS) for real-time monitoring of water pollutant emissions. The Daegu plant operates an environmentally responsible wastewater management system in accordance with ZDHC wastewater guidelines, which are international guidelines for efficient management of wastewater generated by the textile and apparel industry. Furthermore, as a key supplier to global brands, the Daegu plant has completed a self-assessment for the Higg FEM certification, and has been recognized for its wastewater treatment performance.



Higg FEM Self-assessment Certificate

Water Resource Management

Water Resource Management Framework

To establish a sustainable water resource management strategy, Hyosung TNC conducts annual assessments of water-related risks using the Aqueduct 4.0 framework developed by the World Resources Institute (WRI). The company identified and evaluated water risks such as water stress, drought, and flooding across 13 indicators, taking into account the geographic location of both domestic and overseas business sites. In addition, Hyosung TNC applied the IPCC's climate change scenarios to analyze projections for water-related risks in 2030 and 2050. The company plans to continuously monitor the results of annual water risk assessments and carry out ongoing water risk mitigation measures and activities, including improvement in efficiency of water usage and securing alternative water sources.

Results of Water Resource Risk Analysis

Country	Region	Water Risk	Physical Risk	Water Stress			Water Depletion	Drought	Flood (River)	Regulatory/Reputation Risk
				baseline	2030	2050				
South Korea	Mapo Headquarters	L - M	M - H	M - H	M - H	M - H	L - M	L - M	L	L
	Ulsan Plant	M - H	H	M - H	M - H	M - H	L - M	M	E-H	M - H
	Gumi Plant	L - M	M - H	M - H	M - H	M - H	L - M	M	L - M	L
	Daegu Plant	L - M	M - H	M - H	M - H	M - H	L - M	M	L - M	L
Vietnam	Dong Nai	H	H	L - M	L - M	L - M	L	M	E-H	H
	Jiaxing Spandex	H	E-H	E-H	H	H	L - M	M - H	H	M - H
	Jiaxing Chemicals	H	E-H	H	H	H	L - M	M - H	E-H	M - H
	Jiaxing Trade	H	E-H	E-H	H	H	L - M	M - H	H	M - H
China	GuangDong Spandex	M - H	L - M	L	L	L	L	M	M - H	M - H
	Zhuhai Spandex	M - H	L - M	L	L	L	L	M	M - H	M - H
	Ningxia Spandex	H	H	M - H	H	H	L - M	M - H	H	H
	Quzhou Spandex	H	H	H	H	H	L - M	M	M - H	M - H
	Quzhou Neochem	H	H	H	H	H	L - M	M	M - H	M - H
	Brazil	L - M	L - M	L	L	L	L	M	E-H	H
India	India	E-H	E-H	E-H	E-H	E-H	L - M	H	M - H	H
	Türkiye	M - H	H	M - H	M - H	H	L - M	M - H	L	L - M
	Italy	L - M	M - H	L - M	L - M	L - M	L - M	M - H	L	L

1. Water Resource Risk: Comprehensive indicator aggregating quantity, quality, regulatory, and reputation risk indicators
2. Water Stress: Ratio of total demand to available surface water and groundwater supply
3. Magnitude of Impact: L <10%, L-M 10-20%, M-H 20-40%, H 40-80%, E-H >80%

Water Resource Management Activities

Hyosung TNC carries out water resource management activities to minimize unnecessary water consumption in its production processes. At the Ulsan plant, rainwater is collected and stored in an on-site reservoir and reused as cooling water. Additionally, water used in production processes is recycled to reduce overall water consumption. At the Gumi plant, primary treated wastewater discharged from the in-house treatment facility is further treated at the Gumi municipal sewage treatment plant and then supplied back to the plant as reclaimed water. Hyosung TNC plans to expand its water resource management initiatives to mitigate the impact of water stress and other water-related risks.

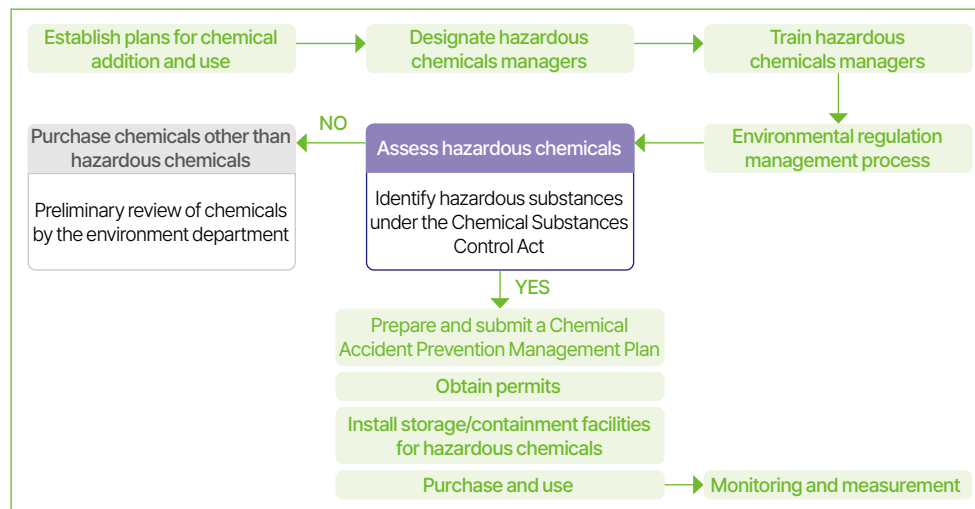
Reduction of Environmental Impact

Chemical Substance Management

Chemical Substance Management Framework

Hyosung TNC has established a structured chemical substance management process to ensure the legal and safe use of all chemicals used at its business sites. All chemical substances used at the business sites are reported to regional and local environmental authorities, and information on hazardous chemicals is transparently disclosed through the national chemical information system. All chemicals used in production processes are managed through an ERP-based system, and the purchase of materials is approved only after confirming compliance with relevant chemical regulations. For all chemicals purchased, the provision of Material Safety Data Sheets (MSDS) is mandatory. The received MSDS documents are made easily accessible to employees at the workplace. To strengthen chemical management, the company has prepared a Chemical Accident Prevention and Management Plan, and in addition to the legally mandated annual inspections, weekly inspections of hazardous chemical handling facilities are conducted by the responsible team and the Environment and Safety Team. To further enhance systematic chemical management, the Daegu plant has participated in the 'ZDHC Supplier to Zero' program. About 60% of the chemicals used at the Daegu plant meet the chemical usage standards set by ZDHC. As a result of its robust chemical management system, the plant has obtained ZDHC Progressive Level certification.

Chemical Substance Management Process



Chemical Accident Prevention

Since 2016, the Gumi plant has participated in a chemical safety alliance organized by the Daegu regional environmental office and business sites handling hazardous chemicals. This alliance aims to prevent chemical accidents and ensure rapid emergency response when incidents occur. The plant also exchanges information and collaborates with other companies to build an effective emergency response system and conducts regular joint emergency drills. The Ulsan plant is a member of the Ulsan Environmental Technicians Association and the Gyeongnam regional public-private chemical accident response council. It actively shares information related to the handling of hazardous chemicals and works with nearby companies to respond jointly in the event of a chemical incident. Additionally, whenever new hazardous chemicals are introduced, the plant prepares a prevention for chemical accidents and management plan to minimize accident risk.

Hazardous Chemical Management Training

Hyosung TNC designates hazardous chemical managers at its business sites to minimize the risk of accidents involving hazardous substances. The company provides training on hazardous chemical management to employees. In accordance with chemical safety laws, designated hazardous chemical managers undergo legal training every two years. Newly appointed managers must complete certified training programs for hazardous chemical handling. Additionally, hazardous chemical supervisors conduct annual training for both chemical managers and handlers.

Reduction of Hazardous Chemical Use

To reduce the use of hazardous chemicals that pose risks to human health and the environment, Hyosung TNC continuously engages in R&D. Antimony trioxide, a catalyst commonly used in polyester production, is classified as a hazardous chemical. To reduce its use, the company introduced antimony glycolate, achieving a 30% reduction in hazardous chemical usage. Furthermore, Hyosung TNC is taking the lead in reducing hazardous chemicals by developing safer alternative catalysts. The company has developed a tin (Sn)-based, antimony-free catalyst to replace antimony glycolate previously used in nylon and polyester production. This new catalyst reduces the amount of catalyst required to about 10% of the previous level. Moreover, it can reduce plastic waste by more than 50% during polyester production. Hyosung TNC plans to apply this antimony-free catalyst to all polyester fiber production processes going forward. Through this initiative, the company aims to minimize hazardous chemical use and strengthen its strategy for replacing harmful substances with safer alternatives, thereby establishing a more sustainable production system.

Reduction of Environmental Impact

Biodiversity Management

Biodiversity and Deforestation Prevention Policy

Hyosung TNC recognizes biodiversity conservation as a critical global environmental issue and has established a biodiversity policy to contribute to the conservation of biodiversity and the sustainable use of natural resources. To prevent deforestation that may occur throughout its business operations, the company has also established an anti-deforestation policy by referencing international frameworks such as the REDD+ initiative under the UNFCCC and the IUCN (International Union for Conservation of Nature) guidelines on protected area categories. Based on these policies, Hyosung TNC plans to actively promote a variety of biodiversity conservation activities.

[Hyosung TNC Biodiversity Policy](#)

[Hyosung TNC Anti-Deforestation Policy](#)

Biodiversity Conservation Activities

Hyosung TNC is conducting various biodiversity conservation activities based on policies for biodiversity conservation and deforestation. To raise awareness among employees regarding biodiversity, the company conducts annual biodiversity training and engages in diverse biodiversity conservation activities with stakeholders such as employees and local communities.

Geoje, Gyeongnam/ Wando, Jeonnam	Ocean forest creation and conservation
Yeongyang, Gyeongbuk	Support for the installation of metal fences for the protection of endangered mountain goats
Gimhae, Gyeongnam	Protection of endangered winter migratory birds around the Hwapo Stream Wetlands
Daegu	Sponsorship of the Biodiversity Festival held at Dalseong Wetlands
Seoul	Plogging at Hangang Park and creation of the 'Hyosung Sharing Forest'

Biodiversity Management Framework

Hyosung TNC recognizes the importance of ecosystem conservation and has conducted a biodiversity risk analysis for its domestic and overseas business sites using the Biodiversity Risk Filter (BRF) developed by WWF (World Wide Fund for Nature). Based on the geographic location of each site, the company assessed biodiversity-related risks across three dimensions: pressure, state, and response. Using impact risk indicators based on physical risks to biodiversity, Hyosung TNC identified key risks specific to each business site. Based on the results of this risk identification and assessment, the company plans to strengthen biodiversity management around its sites and expand its biodiversity conservation activities.

Results of Biodiversity Risk Analysis

Country	Region	Business Character-istics	Physical Risk	Reputation Risk	Risk Indicators among Physical Risks			Endangered Species	
					Heat Wave	Tropical Cyclone	Pollutants Disposal	Endangered Wild Animals (Domestic)	IUCN Red List
South Korea	Seoul (Headquarters)	Office	3	2.1	3.5	4	3.3	3	84
	Ulsan Plant	Manufacture	3.2	3.3	3	4	4.3	12	98
	Gumi Plant	Manufacture	3	2.6	3.5	4	4.3	23	27
	Daegu Plant	Manufacture	3	3.1	3	4	4.3	7	28
Vietnam	Dong Nai	Manufacture	3.2	3	3.5	3	4.4		312
	Jiaxing Spandex	Manufacture	3.5	3.1	4	4	4.6		36
	Jiaxing Chemical	Manufacture	3.1	3.1	4	4	4.6		123
	Jiaxing Trade	Office	3	2.6	4.5	4	3.1		36
China	Guangdong Spandex	Manufacture	3.4	3.1	3.5	4	4.6		183
	Zhuhai Spandex	Manufacture	3.4	3.1	3.5	4	4.6		183
	Ningxia Spandex	Manufacture	2.9	3.1	3	2.5	4.4	N/A	18
	Quzhou Spandex	Manufacture	3	3.4	3.5	4	4.6		42
	Quzhou Neochem	Manufacture	3	3.4	3.5	4	4.6		42
	Brazil	Manufacture	2.9	3.4	3.5	2	4.3		140
India	India	Manufacture	3	3	3.5	3	4.7		32
	Türkiye	Manufacture	2.6	3.1	2.5	2	4.3		98
	Italy	Office	2.8	3.1	2.5	2	4.4		157

1. Physical Risk Indicators: Selection of items classified as High Risk and Very High Risk in seven or more categories (heatwave, tropical cyclone, pollutant emissions)
Very Low Risk: 1.0≤x≤1.8, Low Risk: 1.8<x≤2.6, Medium Risk: 2.6<x≤3.4, High Risk: 3.4<x≤4.2, Very High Risk: 4.2<x≤5.0

2. Nationally endangered wildlife in South Korea are documented based on the 'Statistics Compendium of Endangered Wildlife' published by the National Institute of Ecology's Endangered Species Restoration Center in 2023

3. The IUCN Red List is compiled by the International Union for Conservation of Nature, listing endangered species within a 25km radius of the site, categorized as critically endangered (CR), endangered (EN), and vulnerable (VU)

Reduction of Environmental Impact

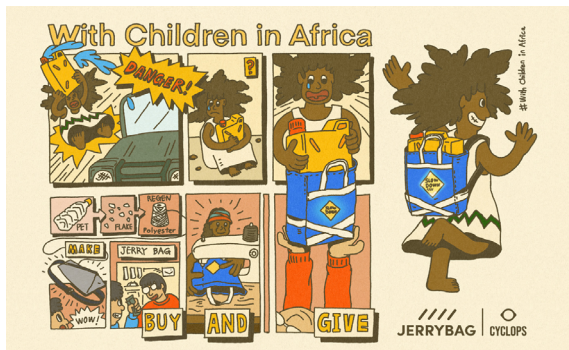
Environmental Impact Reduction Activities

'Zero Single-Use Office Items' Campaign

Since 2021, Hyosung TNC has been conducting the 'Zero Single-Use Office Items' Campaign for employees working at its Mapo and Banpo locations. This campaign eliminates disposable items like paper cups from lounges, and provides purchase subsidies to encourage employees to use personal tumblers, contributing to the enhancement of environmental awareness among employees. Hyosung TNC plans to continually identify and implement various activities to reduce environmental impact in everyday life.

regen Renewable Campaign

Since 2022, Hyosung TNC has been running the 'regen Renewable Campaign' focused on domestic business sites, encouraging voluntary employee participation to foster a sustainable work culture through daily resource circulation practices. The company has installed waste PET bottle collection bins within its business sites for employees to dispose of used bottles, which are then recycled every year as raw materials for 'regen Polyester,' a recycled fiber. Furthermore, in collaboration with various eco-friendly small fashion brands, the company operates a circular campaign returning regen fashion items to employees, thereby reinforcing the significance of resource circulation. In 2024, the campaign expanded in partnership with 'JERRYBAG', an eco-friendly social brand and a member of the RE:GEN Alliance. Additional waste PET bottle collection bins were installed in the headquarters building, broadening the campaign's reach from Hyosung TNC employees to all headquarters staff. Through the regen Renewable Campaign, Hyosung TNC has enabled employees to naturally integrate the value of resource recycling into their daily lives and recognize the importance of reducing environmental impact as part of sustainable management.



regen Renewable Campaign Collaboration with Brand JERRYBAG

Environmental Training for Employees

Hyosung TNC is delivering various environmental trainings to enhance employee understanding of environmental issues. Annual environmental training is provided to all employees, and customized environmental training, such as greenhouse gas emissions trading schemes and LCA calculations, is offered to practitioners in each department. Hyosung TNC plans to strengthen the employees' ability to respond to environmental issues by expanding regular online and offline environmental training programs.

Course Name	Target	Training Content
ESG Management Training: 'Understanding Greenwashing'		<ul style="list-style-type: none"> Analysis of greenwashing cases and understanding of recent trends Strategies to prevent corporate greenwashing
ESG Management Training: 'Climate Change and Biodiversity'	All employees	<ul style="list-style-type: none"> Impact of climate change and corporate response strategies Factors contributing to biodiversity loss due to climate change and conservation strategies
Insight Forum Lecture: 'Carbon Neutrality and Climate Tech Business Strategy'		<ul style="list-style-type: none"> Development of corporate carbon neutrality strategies and risk analysis in response to the climate crisis

Employee-Participatory Resource Circulation Campaign, 'regen Eco Truck'

As part of the 'regen Renewable Campaign,' Hyosung TNC organized the 'regen Eco Truck Event with Employees' in 2024 in celebration of Resource Circulation Day. This campaign was designed in collaboration with the eco-friendly fashion startup brand PLEATSMAMA to encourage direct employee participation and foster awareness of resource circulation. Employees who participated in the campaign experienced the significance of resource circulation through activities such as a game to create recycled fiber regen and making regen goods using the eco truck. In addition, event props and goods applying the T2T (Textile-to-Textile) technology, which the Hyosung TNC R&D and New Business Team is developing, were also showcased. Moving forward, Hyosung TNC plans to expand the regen Renewable Campaign utilizing the Eco Truck, extending its reach beyond employees to the surrounding local communities, thereby practicing and promoting the values of ESG management.



regen Eco Truck Event with Employees

04. Social

Talent Management	40
Human Rights Management.....	47
Safety and Health	51
Sustainable Supply Chain	57
Local Communities.....	60

Talent Management

Talent Management System

Talent Development Process



Talent Management

Talent Management System

Talent Management System and Objectives

In line with Hyosung Group's philosophy—"Leading a better life for humanity through top-tier technology and business capabilities"—Hyosung TNC promotes four core values: Excellence, Innovation, Accountability, and Integrity. The company encourages all employees to internalize and apply work principles based on these values through customized training by job level. Recognizing the growing importance of talent management amid business transformation and site expansion, Hyosung TNC continues to strengthen systems for developing job-specific expertise and enhancing employee capabilities. The company also aims to achieve meaningful outcomes in workforce diversity and inclusion.

Hyosung TNC Model Employee

Global Excellence

Talents with global competitiveness and the highest capabilities

Talents who continuously learn to gain expertise to succeed in the competitive global market

Innovation

Talents who challenge a new possibilities

Talents who always approach work with a new perspective, strive for efficient solutions, and have a positive mindset to tackle challenges

Accountability

Talents who work with a sense of ownership

Talents who take full responsibility until tasks are completed and relentlessly strive to achieve differentiation in value-in-use (VIU) for customers

Integrity

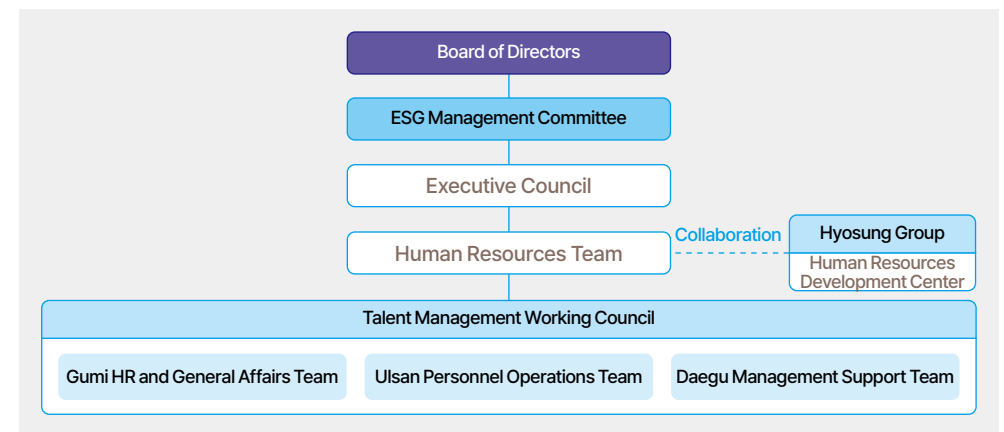
Talents who build a trust with colleagues and in their work

Talents who work fairly based on facts and principles, respect customers, collaborate with colleagues, and make efforts to create a happy workplace



Talent Management Governance

Hyosung TNC's decision-making structure for talent management is systematically organized to ensure effective management and sustainable development. The Board of Directors holds the final authority for approval and decisions. The CEO reports talent management-related matters to the Board to ensure transparency in governance. Talent-related issues are presented and decided upon at monthly executive council meetings. Depending on the importance of the issues, they are submitted quarterly to the ESG Management Committee for further review and then reported to the Board. The HR team at headquarters, directly under the CEO, is responsible for company-wide recruitment and human resources management. It collaborates with the Human Resources Development Center to develop and deliver training programs for talent development. Additionally, each business site has its own HR and general affairs unit to efficiently manage and develop talent suited to the specific needs of each location.



Talent Management

Human Resource Development

Employee Competency Development Program

To realize Hyosung Group's vision of "Enhancing the quality of life for humanity through world-class technology and management," Hyosung TNC operates a talent development system based on four principles: Global Excellence, Innovation, Accountability, and Integrity. The company provides systematic and diverse training programs to strengthen employee capabilities. Each year, assessments on individual competency are conducted for all employees to set the strategic direction for training. Based on these assessments, Hyosung TNC reinforces job-specific professional education to create an environment that facilitates continuous growth and development for its employees.



Category	Program Name	Objective	Training Target	Main Content
Leadership Training	GMC*	Leadership development for executive candidates	Executive candidates	Develop future business leaders through strategic management, marketing, and finance studies, and by completing individual performance tasks
	Training for Promoted Employees	Enhance understanding of roles at each promotion level	Promoted executives and employees	Strengthen leadership and competencies via tailored training specific to each position
	Insight Forum	Share insights on future trends and strategic directions	Executives and team leaders or higher	Analyze trends in domestic and foreign management environments and future business strategies
Job Training	CREORA School	Offer in-depth job-specific training	Sales staff and related department employees	Strengthen technical capabilities and differentiated product knowledge through application and differentiation training
	VOC Capability Enhancement Training	Increase understanding of VOC management	All employees (varied by position)	Enhance VOC capabilities through systematic information collection on market, customers, and competitors
	Job-specific Training	Improve understanding and application of statistical process control concepts	Related department employees	Enhance problem-solving skills based on real process data and reports
Foreign Language Training	Online Globalization Education	Enhance foreign language skills in response to globalization	All employees	Online training available in 13 languages (e.g., English, Chinese)
	External Foreign Language Education			Provide financial support for external language institutes, online courses, and telephone language programs
ESG Education	ESG Training	Increase understanding of ESG management	All employees	Provide education on recent trends across ESG areas such as environment, human rights, ethics/compliance, and security
New Employee Training	New Employee Competence Enhancement Training	Enhance understanding of company values and culture, and instill a sense of belonging	New employees	Provide training on founding principles, core company values, and corporate culture
	OJT**	Facilitate quick organizational adaptation	New employees	Provide introductory training on business division setup and job programs
Academic Support	Bachelor's Degree Support Program	Enhance capabilities through degree acquisition	All employees	Reduce tuition at cyber universities for bachelor's degree

* GMC : Global Management Course

**OJT : On the Job Training

Talent Management

Human Resource Development

Job-Level Training

Hyosung TNC's job-level training is a strategic initiative to strengthen the roles and competencies required at each position, aligned with the company's vision and priorities. The program fosters leadership skills and supports employees in fulfilling their responsibilities and achieving continuous growth throughout their careers. By offering customized leadership training by level, the company aims to develop "team leaders" and ultimately cultivate future "business leaders" who will drive organizational success.

GMC (Global Management Course)

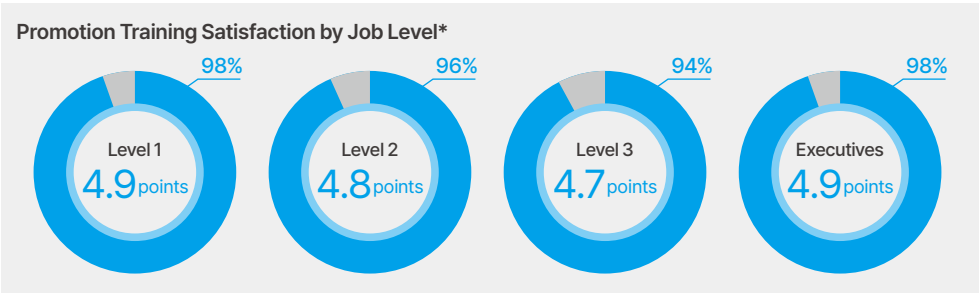
The GMC program is a training course for executives, conducted twice in 2024, once in the first half and once in the second half of the year. This program includes various management fields such as strategic management, marketing, HR and organizational development, finance and accounting, and production management, along with individual performance assignments. The program aims to expand participants' business perspectives and cultivate them into future leaders with strong management capabilities.

Insight Forum

Hyosung TNC conducts the "Insight Forum" six times a year for executives and team leaders, offering both online and offline sessions, with strong encouragement to attend. In July 2024, the forum focused on "Carbon Neutrality and Climate Tech Business Strategy," providing executives and leaders with insights essential for developing sustainable future strategies.

Executive and Staff Promotion Training

Each year, Hyosung Group's HR Development Center provides trainings customized for respective positions for newly promoted executives and employees. The training for promoted executives aims to enhance recognition of their roles as managers and strengthen leadership and management competencies. Training for newly promoted employees focuses on practical, job-applied learning. After the training, participants are assigned action tasks linked to their business operations, and the implementation is continuously monitored. Training effectiveness is also assessed through satisfaction surveys conducted with program participants.



* Hyosung TNC's job level system consists of Level 1_ Professional, Level 2_ Performance Manager, Level 3_ Performance Leader.

New Employee Competency Development Program

Hyosung TNC runs job-level onboarding programs to help new employees quickly adapt and perform. New hires begin with an orientation covering Hyosung's core values, history, business skills, and guest lectures, followed by job-specific and On-the-Job Training(OJT) to support practical adaptation. Experienced new employees receive quarterly training on corporate culture and internal systems. Newly appointed executives are supported through Hyosung Group's executive networking sessions to deepen their understanding of the company's culture and management philosophy.

Leadership Development Training Program by Job Level

Program	Target Group	Program Details
Promoted Executive Training	Promoted Executives	Enhance basic management competencies and support the mindset needed for executive roles
GMC*	Executive Candidates	Facilitate quick adaptation by helping candidates understand key management functions and improve actual work through tasks
Team Leader Communication Training	Team Leaders	Enhance communication, leadership, and feedback skills for effective team operation (Scheduled for 2024-2025)
New Team Leader Training	Team Leaders	Enable new team leaders to fulfill responsibilities in performance, personnel, organization, and management

* GMC : Global Management Course

Internal Adaptation Training Program by Job Level

Target Group	Program Details
New Employees	• Introductory training incorporating Hyosung's core values, history, business skills, and expert lectures
	• Introductory sessions at headquarters and business sites tailored to each business department for understanding business operations and roles
	• On-the-Job Training (OJT) program
Experienced Employees	• Quarterly training sessions introducing the new organization's core values, organizational culture, structure, and internal systems
Recruited Executive	• Training to facilitate understanding of management status, organizational structure, company culture, and philosophy through executive networking sessions

Talent Management

Human Resource Development

Job-Specific Competency Development Program

Hyosung TNC provides structured training programs tailored to each job function—such as sales, production, R&D, and administration—to enhance collaborative capabilities across all business sectors. Through these programs, employees are enabled to build expertise in their respective fields and, ultimately, develop into professionals capable of demonstrating strong, specialized capabilities.

Job Competency Development and Specialized Job-Specific Training

Hyosung TNC offers monthly business training programs, such as the Creora School, for all employees across headquarters and overseas subsidiaries. Each year, the company selects essential training topics by job function and delivers customized programs. Training for domestic and global sales and marketing teams is closely aligned with company products and market trends, while promoting communication among subsidiaries in China, Vietnam, India, and Türkiye. To help employees respond to a changing business environment, Hyosung TNC develops new themes on annual trainings on topics such as global ESG regulations, sustainable management, new products, and competitor trends. The company also performs job-specific specialized training; In 2024, statistical process management training and effectiveness evaluation were conducted at Gumi plant with the aim of improving problem-solving capabilities through process data analysis and DMAC methods.

Program	Job Category	Training Contents
Job Training	VOC Education	Understanding proper VOC (Voice of Customer) management
	Research	Understanding technology management in advanced fields, technical planning, and research project management
	Accounting	Reading financial statements, financial analysis, cost management, cost/profit analysis, business feasibility analysis, and company valuation
Business Competency Enhancement Training (Creora School)	General	introduction to company products and differentiated products, product applications, and competitor analysis
	Sales/Marketing	Market characteristics analysis, team-specific VOC, differentiated product sales, and marketing strategy development
	Manufacturing	Product application training, technical knowledge and skills by product
	Management	Competitor and market characteristics, and competitor education
	ESG	Global ESG management trends, greenwashing, and stakeholder-specific ESG requirements
	Global	Global market education, market-specific differentiated products
Specialized Training	Process Management	Process data analysis and problem-solving skills enhancement using the DMAC method

VOC Competency Training

Based on a proper understanding of Voice of Customer (VOC) management, Hyosung TNC provides VOC competency training for sales leaders, sales personnel, and non-sales leaders. In 2024, Hyosung Group conducted 23 training sessions, with 214 Hyosung TNC employees completing the program.

In-Depth and Global Online Education by Job Function

Hyosung TNC offers online education for 806 job-specific courses and 437 globalization courses. The job-specific courses include book learning, trend analysis, leadership, coaching, and industry-specific professional training. The globalization courses offer language education in 13 languages, including English, Chinese, Japanese, and Vietnamese. All employees can apply for and complete one job-specific course and one globalization course each month.

ESG Training

To promote sustainable management, Hyosung TNC operates training programs across key ESG fields, including human rights, safety, environment, and ethical management. The company provides in-depth, specialized training to employees responsible for ESG-related functions to strengthen their competencies. Additionally, ESG-related education is offered to all employees to enhance their understanding of the company's sustainability strategy, keep up with the latest ESG trends, and proactively prevent and mitigate potential risks in their daily operations.

Degree Support Program

Hyosung TNC has partnered with 7 online universities to offer a degree support program, allowing employees enrolled in undergraduate or degree programs to receive up to a 50% tuition discount.

Talent Management

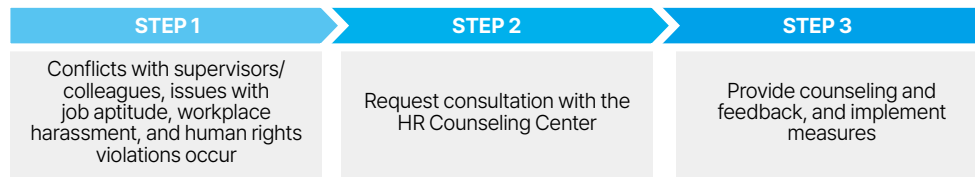
Organizational Culture

Employee Engagement and Communication Culture

Employee Communication Channels

Hyosung TNC actively promotes communication with employees through both online and offline channels. The HR Counseling Center is available to all employees, including contract workers, to support them in addressing concerns related to human rights, working conditions, and other workplace conflicts. The dedicated HR department conducts counseling and investigations to resolve these issues and takes appropriate measures. Confidentiality is strictly adhered to for all reports. In 2024, two human rights-related inquiries were fully addressed, achieving a 100% resolution rate. Additionally, since 2020, the company has operated the anonymous "Tong-Tong Bulletin Board" to allow employees to freely express their opinions. Relevant departments review suggestions and proposals from the board and actively incorporate employee feedback to implement meaningful improvements.

HR Consultation process



Family Friendly Management Certification by the Ministry of Gender Equality and Family

Since 2020, Hyosung TNC has maintained its certification as a family-friendly company, an accreditation awarded to private companies and public institutions that have successfully operated exemplary family-friendly policies for five consecutive years. Hyosung TNC has adopted a flexible working hours system that supports work-life balance, enabling employees to effectively manage both professional and personal responsibilities. Additionally, the company operates an in-house daycare center and provides an extra five days of summer leave beyond the annual paid leave. These and other welfare programs have contributed to improving employees' quality of life and were recognized through the certification.



T-Family Program

Since 2024, Hyosung TNC has introduced and operated the "T-Family" program to strengthen business relationships with value-chain partners and enhance employee satisfaction. Every month, employees are invited to submit stories of joyful news or events warranting celebration, involving themselves, their families, or colleagues. Selected stories are rewarded with gift certificates from partner companies and shared on the company's internal bulletin board, fostering a family-friendly culture where all employees can join in the celebrations.

T-ESG Day

Since 2024, Hyosung TNC has operated "T-ESG Day," an employee engagement campaign to promote a healthy and enjoyable workplace culture. Celebrating global environmental and social awareness days, the campaign gives all employees a chance to remind on the importance of environmental protection and social value. A highlight is the photo and storytelling contest, where employees share blue-sky photos and personal anecdotes, spreading positive energy and enhancing a sense of belonging. T-ESG Day helps foster a vibrant work environment and will expand into broader programs for the creation of social values, shaping Hyosung TNC's unique and positive corporate culture.

Date	Campaign Name	Campaign Content
2/2	World Wetlands Day	Quiz campaign on Hyosung TNC biodiversity activities for all employees
3/22	World Water Day	Collaboration campaign on tumbler use with a Seoul city café staffed by disabled baristas, aimed at headquarters employees
4/22	Earth Day	regen-themed quiz event for all employees and distribution of regen Polyester bags from partner companies
5/12	World Oceans Day	Volunteering event for all employees to participate in building Ocean Forest (seagrass) in Wando
5/22	International Day for Biological Diversity	Community festival participation by employees for local development near the Daegu site
6/5	World Environment Day	Collaborative quiz campaign for all employees with an upcycling brand using waste fabric from the Daegu plant
9/6	Resource Circulation Day	Interactive 'regen Eco Truck' event for headquarters employees and improvement of employee awareness of regen
9/7	International Day of Clean Air for Blue Skies	Blue Sky Photo Campaign for all employees and distribution of regen umbrellas from partner companies

Talent Management

Organizational Culture

Employee Welfare and Benefits

Hyosung TNC operates a variety of welfare programs to help employees maintain work-life balance and remain engaged in their work. These include a flexible working hours system, optional working hours, designated holidays, and refresh leave policies, all supported to ensure that employees can fully utilize them. The company also promotes a family-friendly work environment through programs like "Happy Together" and "T-Family," and has introduced a psychological counseling program to relieve stress and support employees' mental health and stability. Hyosung TNC aims to continuously expand its welfare initiatives to foster a better work environment, promote family-friendly management, and enhance communication internally and externally, with the ultimate target of helping employees achieve balance between work and life.

T-Organizational Culture

Work-Life Balance



Support for a sustainable life through flexible working and ample rest

Health & Wellbeing



Well-being benefits for physical and mental health of employees

Maternity & Parental Benefits



Low-birthrate countermeasures through welfare supporting childbirth, childcare, caregiving, and education

Family-Friendly Workplace



Family-friendly benefits that add value to employees' lives

Education & Development



Educational benefits supporting self-development and diverse skills enhancement

Employee Benefits Program

Category	Program	Details
Work-Life Balance	Flexible Working Hours	Selective working hours for all office employees; flexible working hours for some functional roles
	Overtime Pay	Payment according to legal working hours and overtime regulations
	Leave Encouragement System	Encouragement to use annual leave (minimum of 15 days)
	Summer Vacation and Travel Benefits	Additional 5 days of summer leave and vacation expenses
	Designated Holiday System	Company-designated leave on bridge holidays and months without legal holidays
	Refresh Leave System	5 consecutive days of refresh leave available
	Employee Loyalty Awards	Vacation and bonuses for 10 and 20 years of service
	Congratulatory and Condolence Benefits	Leave and monetary support for celebrations and bereavements
Health & Wellbeing	Health Check-ups	Comprehensive screenings for all employees and spouses aged 40+
	Psychological Counseling Program	Support for mental health through counseling
	Group Accident Insurance	Medical expense support and accident insurance for all employees
	Residential Housing & Dormitory Operation	Provided for employees at regional sites
Maternity & Parental Benefits	Informal Group Activities	Financial support for internal clubs (soccer, baseball, hiking, etc.)
	Maternity Protection System	90-120 days of leave before and after childbirth and leave for prenatal check-ups Reduction of working hours for pregnant employees and restriction on night and holiday work Leave and medical expense support in the event of miscarriage or stillbirth
	Parental Leave and Reduced Working Hours	Post-birth reduced hours and parental leave
	Dedicated Women's Rest Area	Ensured breastfeeding time and nursing room
	Family Care Leave	Paternal leave for spouses, family care leave
	Child Tuition Support	Support for high school and university tuition for employees' children
Family-Friendly Workplace	Workplace Daycare Centers	Operated at headquarters, Gumi, and Ulsan plants
	Employee Loan Support	Loan support for all employees (Saetbyeol loan)
	Happy Together	Gifts for employees and one designee on special anniversaries (twice a year)
	T-Family	Gift certificates from partner companies for employee stories
	Anniversary Gift	Commemorative gifts for company anniversary for all employees
	Condo Membership Support	Usage support for condo memberships for employees and direct family members
Education & Development	Employee Discount Partnership	Employee discounts available at Hyosung Group's welfare mall and Seom Sevit
	Bachelor's Degree Support	Tuition discounts for a bachelor's degree at partnered cyber universities
	External Education Support	Financial support for job-related, language education
	Language Skill Development Support	Support for language exam fees
	Online Education & Self-Development	Support for online education and self-development applications
Post-Retirement Support		- Career development and planning education for upcoming retirees - Severance pay and external education support for voluntary retirees - Support for career design education for involuntary retirees

Human Rights Management

Human Rights Management Framework

Human Rights Management Policy

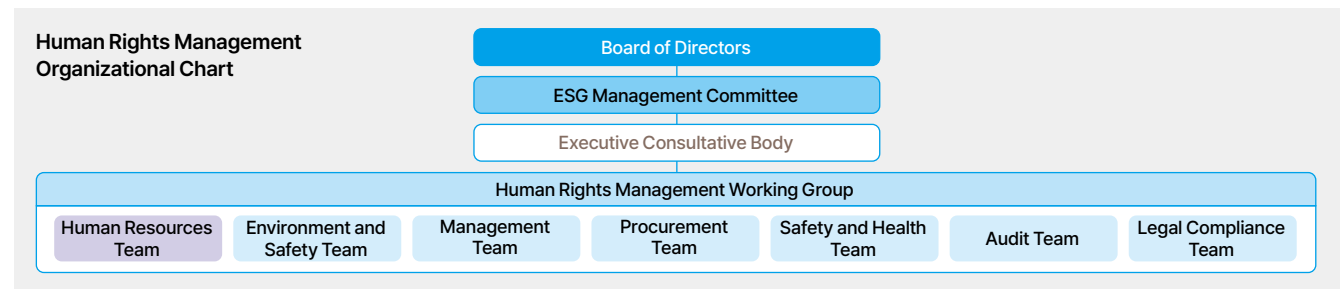
Based on Hyosung Group's founding principle of "Respect for Humanity," Hyosung TNC is committed to key international human rights standards. These include the 10 Principles of the UN Global Compact (e.g., Principle 1: support and respect for internationally proclaimed human rights), the UN Universal Declaration of Human Rights, ILO core conventions, OECD Guidelines for Multinational Enterprises, and the EU Corporate Sustainability Due Diligence Directive. Hyosung TNC's human rights policy identifies stakeholders who are vulnerable to human rights risks and is disclosed publicly alongside the CEO's statement of commitment. The company also distributes supplier guidelines addressing the prohibition of child labor, forced labor, and human trafficking. Hyosung TNC will continue to update its policies in line with evolving global standards and strengthen its culture of human rights respect.

Hyosung TNC's 9 Principles of Human Rights Management



Human Rights Management Governance

Hyosung TNC practices human rights management across all business operations to uphold the rights of both employees and external stakeholders. In February 2023, the company established its Human Rights Management Policy, followed by the declaration of a Human Rights Statement in December 2024. Human rights governance is led by the HR Team under the CEO, with support from a dedicated task force responsible for identifying, managing, and monitoring human rights risks, developing assessment indicators, conducting risk evaluations, and implementing corrective measures. Relevant matters are reviewed monthly at executive council meetings, while key decisions and performance updates are submitted to the ESG Management Committee, which convenes quarterly and reports to the Board of Directors.



2030 Human Rights Management Roadmap



Human Rights Management

Human Rights Management Framework

Hyosung TNC is continuously strengthening its human rights management system with the aim of "protecting and respecting the rights of all stakeholders." To achieve this objective, the company has set 3 strategic pillars: Building a Culture of Respect for Human Rights, Practicing Transparent Human Rights Management, and Establishing a Risk Analysis and Response System. Under these strategic directions, implementation tasks have been identified and are continuously monitored to enhance the human rights management framework. In 2024, Hyosung TNC refined its criteria for human rights impact assessments and discussed measures to address high-risk areas by identifying improvement tasks and establishing corresponding response systems through the Executive Council. The company also achieved a 100% investigation and resolution rate for human rights-related inquiries received through the HR Counseling Center. Additionally, Hyosung TNC partnered with external experts to implement a new mental health counseling and grievance management program for employees, thereby reinforcing both human rights protection and mental well-being. Hyosung TNC is committed to the continuous advancement of its human rights management system to create an environment where all stakeholders are respected and valued.

Human Rights Management Strategies and Achievements

Target	Management Protecting and Respecting All Stakeholders' Human Rights		
Strategic Direction	Building a Culture of Respect for Human Rights	Practicing Transparent Human Rights Management	Establishing a Risk Analysis and Response System
Improve	<ul style="list-style-type: none"> Improve human rights management policies and guidelines in accordance with global standards Elevate awareness through human rights training for all employees Establish clear sanctions and procedures for addressing human rights violations 	<ul style="list-style-type: none"> Publicly announce the Human Rights Management Declaration Disclose activities and achievements related to human rights management Communicate with internal and external stakeholders to exchange opinions Establish and promote adherence to human rights standards among suppliers within the supply chain 	<ul style="list-style-type: none"> Conduct human rights impact assessments and risk analysis Develop improvement plans for human rights violation issues in high-risk areas Strengthen the grievance management system for all stakeholders
2024 Initiatives and Achievements	<ul style="list-style-type: none"> Implemented human rights management training for all employees at domestic headquarters and sites Expanded the scope of human rights training by distributing educational materials to employees at overseas subsidiaries Conducted specialized online/offline training with external experts for personnel responsible for human rights management 	<ul style="list-style-type: none"> Announced the Human Rights Management Declaration under the CEO's name and post it on the homepage Revised Human Rights Management Policies to meet global standards and publish them on the homepage Conducted written assessments and on-site inspections of ESG risks among suppliers within the supply chain 	<ul style="list-style-type: none"> Improved human rights impact assessment criteria (8 issues, 164 indicators) Analyzed results and develop future improvement initiatives based on reviews with external experts Investigated reports of human rights violations from the HR Counseling Center (2 cases) Established new employee counseling and grievance programs with specialists

Employee Human Rights Training

Hyosung TNC delivers annual training for all employees on key human rights topics, including diversity, discrimination, and workplace harassment, to promote a culture of respect for human rights throughout the organization. In 2024, the training addressed subjects such as human rights, sexual harassment prevention, disability awareness, and the prevention of workplace bullying.



Human Rights Management

Establishment of Culture of Respect for Human Rights

Building a Human Rights-Respecting Culture

Hyosung TNC mandates human rights training for all employees, expanding beyond the required legal topics—such as sexual harassment and violence prevention, abuse of authority, bullying, and disability awareness—to include additional education on prevention of human rights violation. The company also provides relevant training materials to expatriates at overseas sites. To reinforce internal awareness, Hyosung TNC incorporates campaigns involving persons with disabilities and other vulnerable groups into employee engagement events. These efforts aim to foster a workplace culture that respects and upholds human rights.

Practicing Transparent Human Rights Management

In 2023, Hyosung TNC established and disclosed key policies, including the Human Rights Policy, Redress Manual for Human Rights Violations, Diversity and Inclusion Policy, Policy to Support the Elimination of Forced Labor and Human Trafficking, and Anti-Discrimination and Harassment Policy. These were made publicly available on the company's website. In 2024, the Human Rights Management Policy was revised, and the CEO issued a Human Rights Statement reaffirming the company's commitment. The Sustainable Supply Chain Management Policy was also updated to reflect evolving global ESG standards, clarifying human rights expectations for partner companies and encouraging compliance.

Policies Related to Human Rights Management

- [Policy to Support the Elimination of Forced Labor and Human Trafficking](#)
- [Anti-Discrimination and Harassment Policy](#)
- [Sustainable Supply Chain Management Policy](#)
- [Redress Manual for Human Rights Violations](#)
- [Human Rights Policy](#)
- [Diversity and Inclusion Policy](#)
- [Supply Chain Due Diligence Guidelines](#)

Human Rights Risk Management

Based on updated risk classification criteria, Hyosung TNC identified and prioritized potential adverse human rights impacts through its 2024 human rights impact assessment. Key areas of risk included the need to strengthen the system for human rights management, establish a responsible supply chain management framework, and revise regulations prohibiting child labor. These items have been designated as priorities for continuous monitoring, with corresponding improvement and follow-up measures to be implemented.

Risk Analysis and Response System

Human Rights Impact Assessment

Hyosung TNC conducts annual human rights impact assessment using the guidelines and checklists issued by the National Human Rights Commission of Korea. Trained evaluators certified by external institutions are deployed to ensure assessment quality. Evaluation accuracy is continuously enhanced through interviews and coaching during the process. In 2024, the company revised its Human Rights Management Policy and refined its risk assessment framework. A five-point scale was introduced to evaluate the severity and likelihood of impacts, supported by defined grading criteria. Final risk levels are determined based on calculated scores, followed by corresponding mitigation and monitoring measures. The HR team reports assessment results and improvement plans during monthly executive council meetings as needed. Key issues are submitted quarterly to the ESG Management Committee under the Board of Directors.

Human Rights Impact Assessment Process



Stakeholders Involved in the Human Rights Impact Assessment

Stakeholder	Potential Risk	Response Measures
Employees	Employment Discrimination	<ul style="list-style-type: none">• Employment preferential policies for socially vulnerable groups such as disabled and foreign workers• Establish maternity protection systems to prevent career interruption due to childbirth and parenting• Run employment activation programs for women from vulnerable groups to expand female workforce recruitment
	Discrimination/Harassment	<ul style="list-style-type: none">• Operate an internal reporting center for consultations and remediation requests related to human rights violations
	Safety and Health	<ul style="list-style-type: none">• Health screening programs (including cerebrovascular disease prevention program, employee health check-ups, and operating a health fund)• Implement healing training and mental wellness programs for managing employee mental health
	Prohibition of Forced Labor	<ul style="list-style-type: none">• Establish systems to ensure compliance with statutory working hours (such as implementing flexible working arrangements)
Customer	Customer Human Rights Violations	<ul style="list-style-type: none">• Enhance customer information security by establishing a policy on personal information protection and designating an information security officer and responsible departments.
Partners	Safety and Health	<ul style="list-style-type: none">• Strengthen partner safety management systems (including the self-led safety inspection system by partners and safety and health mentoring for new partners)
	Human Rights Protection	<ul style="list-style-type: none">• Deliver training on human rights management for socially vulnerable groups among partner companies• Support improvements in working conditions for partners, such as preventing heat-related illnesses
Local Communities	Assuring Environmental Rights in Business Sites	<ul style="list-style-type: none">• Establish a sustainable workplace through investment in environmental facilities

Human Rights Management

Human Rights Management Risk Management

Establishment of a Risk Analysis and Response System

Human Rights Impact Assessment Results and Risk Analysis

Hyosung TNC conducted human rights impact assessments at its headquarters and business sites in Gumi, Daegu, and Ulsan. The assessment relied on a checklist comprised of 8 areas and 164 indicators, designed to evaluate the current status of human rights management at each site. Responses and feedback from participants in each area were analyzed to identify tasks for improving human rights. The 2024 human rights impact assessment led to the development of specific response measures for stakeholders vulnerable to human rights risks. Key initiatives included the establishment of human rights risk classification criteria, the enactment of a child labor prohibition policy, and the implementation of human rights risk management measures for suppliers. Hyosung TNC plans to expand the scope of future assessments to additional business sites.

2024 Human Rights Impact Assessment Results

Human Rights Management System <ul style="list-style-type: none"> Regular updates required for human rights regulations Establishment needed for human rights due diligence process 	Prohibition of Employment Discrimination <ul style="list-style-type: none"> Strict compliance with domestic laws related to employment discrimination in human rights 	Freedom of Association and Collective Bargaining <ul style="list-style-type: none"> Guarantee of the establishment and activities of labor unions Compliance with labor relations legislation 	Prohibition of Forced Labor <ul style="list-style-type: none"> Strict adherence to domestic laws Existence of publicly disclosed policies
Responsible Supply Chain Management <ul style="list-style-type: none"> Activities to prevent human rights violations among partners Improvement of partner monitoring processes 	Prohibition of Child Labor <ul style="list-style-type: none"> Strict adherence to domestic laws Absence of publicly disclosed policies outside internal regulations 	Assurance of Industrial Safety <ul style="list-style-type: none"> Equipped with a safety management system 	Assurance of Environmental Rights <ul style="list-style-type: none"> Establishment and maintenance of an environmental management system

Human Rights Grievance Mechanism

To ensure remedies and prevent escalation of human rights violations involving employees, Hyosung TNC operates a grievance resolution system. The HR Counseling Center now includes "counseling on violation of human rights and remedy requests," with a certified labor attorney from the HR team assigned as the dedicated counselor. Based on labor laws and relevant regulations, the counselor determines whether further investigation is required and initiates appropriate follow-up actions. Each case is reviewed based on its severity by a review committee comprising the in-house labor attorney, legal counsel, HR director, and external experts, who determine necessary remedies. Once a decision is made, the outcome is communicated to the complainant, and disciplinary actions are taken against the respondent if needed. In 2024, two human rights-related cases were reported, both of which were fully investigated and resolved.

Human Rights Violation Remediation Process



*In cases where the issue is clear without room for dispute, proceed with management's decision-making without committee review

Labor Relations and Labor-Management Council

Hyosung TNC has five labor unions at its domestic sites and one at an overseas subsidiary. Regular collective bargaining is conducted with the domestic unions, and since the corporate spin-off in 2018, agreements have consistently been reached without strikes or arbitration. In 2024, a wage agreement was concluded without formal negotiation, supported by close dialogue with labor unions. Labor-management councils are held quarterly at the headquarters and each site in accordance with relevant laws. These meetings share business performance and decision items in advance, enabling discussion on topics such as performance, benefits, compensation, and employee demands. In 2024, the council focused on enhancing employee welfare, resulting in the launch of a psychological counseling program and the "T-Family" celebration initiative, both of which contributed meaningfully to improving employee well-being.

Safety and Health

Safety and Health Management System

Safety and Health Policy

Hyosung TNC prioritizes safety, health, and the environment as the company's core values, establishing an Occupational Safety and Health Policy and Safety, Health, and Environment (SHE) Management Policy applicable to all employees and stakeholders. The company actively fosters a safety culture and continuously strives to enhance safety and health standards across the organization. In line with the Occupational Safety and Health Act and the Serious Accidents Punishment Act, the company reports its annual safety and health plans and achievements to the Board for approval. In 2024, the company presented major achievements, including safety compliance checks, evaluations of safety and health duties, maintenance of ISO 45001 certifications at key sites, and safety and health support initiatives for partner companies, along with the 2025 safety and health plan, as agenda items to the Board.

[Hyosung TNC Safety and Health Policy](#)[Hyosung TNC Safety, Health, and Environment Management Policy](#)

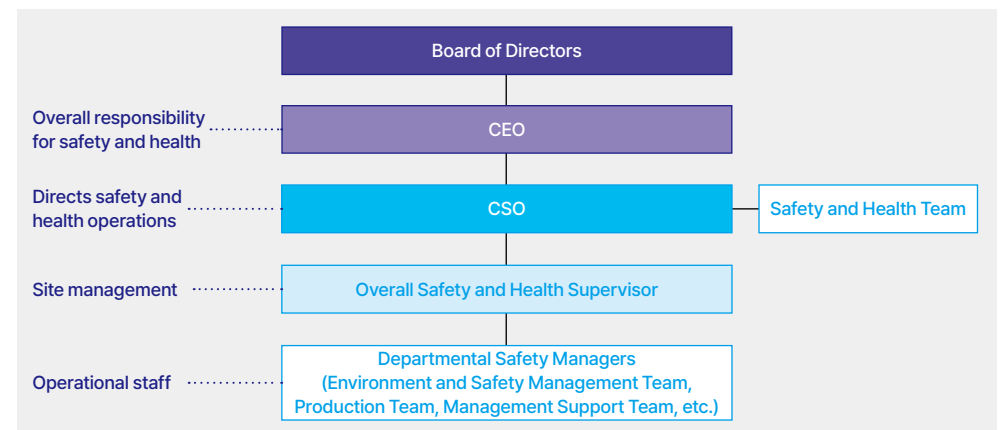
Safety, Health, and Environment Management Policy

Management Representative's Determination to Act	The management representative must deem the 'protection of employee and stakeholder lives,' the 'cultivation of a safe working environment,' and the 'active engagement in safety, health, and environmental management' the primary objectives within all aspects of corporate operations.
Establishment of Safety-Health-Environmental Management System	To respect human values and build a prosperous and sustainable society, a safety, health, and environment management system must be established and continuously implemented with integrity.
Compliance Management	All suppliers and contractors must strictly comply with regulations, standards, and agreements pertaining to safety, health, and the environment.
Accident-Free Workplace	With the contribution of employees in identifying risk factors, the identified risk factors must be improved, thereby ensuring the establishment of an accident-free workplace through training and sustained preventive and corrective activities.
Green Management	The company must pursue the sustainable use of resources and energy and reduce pollutants, and uphold social responsibilities throughout the entire process of development, production, sales, consumption, and disposal.
Establishment of Safety, Health, and Environment Culture	The risks associated with safety, health, and the environment must be efficient managed, with the resulting performance transparently disclosed to stakeholders, thereby striving for the establishment of an advanced safety, health, and environmental culture.

Decision-Making and Execution System

Hyosung TNC has appointed a Chief Safety Officer (CSO) under the direct supervision of the CEO to systematically manage occupational health and safety (OHS) operations. This is done in coordination with the heads of the Safety and Health Team and safety managers in each department. The Board of Directors receives regular reports on OHS-related policies and provides approvals. The CEO, as the ultimate accountable officer, reports safety and health plans to the Board. The CSO oversees all safety and health-related activities, with the Safety and Health Team under their supervision responsible for executing safety and health management tasks. Each business site appoints a head of the local safety and health team to comprehensively manage OHS at that site, supported by departments such as the Environment and Safety Management Team, which is responsible for establishing, operating, and managing site-specific safety and health plans. Additionally, each site holds monthly safety and health meetings to share updates on key activities and performance, exchange best practices, and ensure systematic implementation and effective management of OHS-related initiatives.

Safety and Health Implementation Organizational Chart



2024 Board
Agenda for
Safety and Health

2024 major achievements and
plans for 2025

Safety incident status and
safety inspection updates

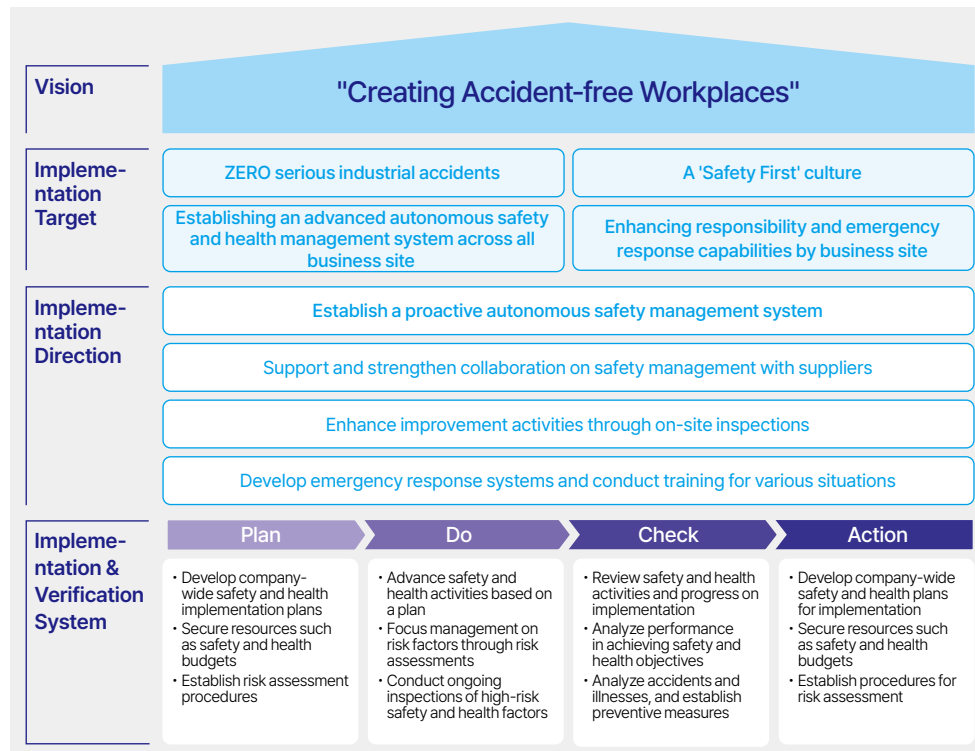
Safety and Health

Safety and Health Management System

Strategic Direction

Hyosung TNC has established the vision of "Creating Accident-free Workplaces" and has set four core safety and health objectives to realize this vision. Each business site develops detailed annual targets and implementation plans aligned with these objectives and carries them out faithfully. Additionally, to systematically achieve its safety and health vision and strategic objectives, Hyosung TNC has formulated the Safety and Health 2030 Roadmap, which is being implemented in phased stages.

Safety and Health Strategic Direction for Safety and Health



Mid- to Long-Term Safety and Health Roadmap

Hyosung TNC's mid- to long-term safety and health roadmap aims to progressively reduce the integrated frequency rate encompassing both employees and partner company personnel, and to cement a global-level safety and health culture where all members actively identify and improve hazardous and risk factors. To realize this roadmap, Hyosung TNC performs detailed and focused on-site inspection at each business location, including safety patrols, hazard reporting, and team-level self-checks. In addition to legally mandated biannual compliance inspections, starting February 2025, the company will carry out monthly intensive inspections at each business site to continuously discover risk factors and fortify its safety and health culture.

Safety and Health 2030 Roadmap

Year	~2024	~2026	~2030
Key Tasks	<ul style="list-style-type: none"> Establish a self-regulatory prevention system → TBM* activities targeting hazardous and risk factors Solidify risk assessment → Specialized training for supervisors Expand/support mutual cooperation initiatives → Support internal contractors and construction partners in hazard assessment/potential risk identification 	<ul style="list-style-type: none"> Establish a self-regulatory prevention system Build a global safety and health cooperative body (including overseas subsidiaries) Support the enhancement of safety and health management levels for internal contractors and construction partners 	<ul style="list-style-type: none"> Cultivate a global-level safety management mindset Develop safety management systems for overseas subsidiaries Advance the safety and health management system through voluntary participation from all employees and partner companies
Integrated Frequency Rate**	2.45	1.98	1.30

*TBM: Tool Box Meeting

**Integrated Frequency rate : Integrated standard for all employees and partner company members
(Number of incidents/Total annual working hours x1,000,000)

Safety and Health

Safety and Health Management System

Safety and Health Management System (ISO 45001)

Hyosung TNC operates a safety and health management system to ensure full compliance with applicable regulations, such as the Serious Accidents Punishment Act and the Occupational Safety and Health Act, and to prevent industrial accidents. This system applies to all employees across all business sites, including headquarters. Major sites in Gumi and Ulsan regularly maintain and renew ISO 45001 certification, verifying the system's suitability and effectiveness annually through internal audits and third-party certification. Additionally, the company maintains an S-grade in PSM (Process Safety Management) and continuously strengthens its safety and health management framework through internal audits every four years and external audits every two years. Furthermore, at major business sites, in-house safety and health experts conduct monthly internal inspections to assess and improve the on-site safety and health performance.

Safety and Health Certification Status



- Gumi plant Spandex PU site
- Gumi plant Nylon/Polyester PU site
- Ulsan plant Nylon/Polyester PU site



- ISO 45001 (Maintained)
 - PSM* S-grade (Maintained)
- *Process Safety Management



ISO 45001 - Spandex PU

ISO 45001 - Nylon/Polyester Yarn PU

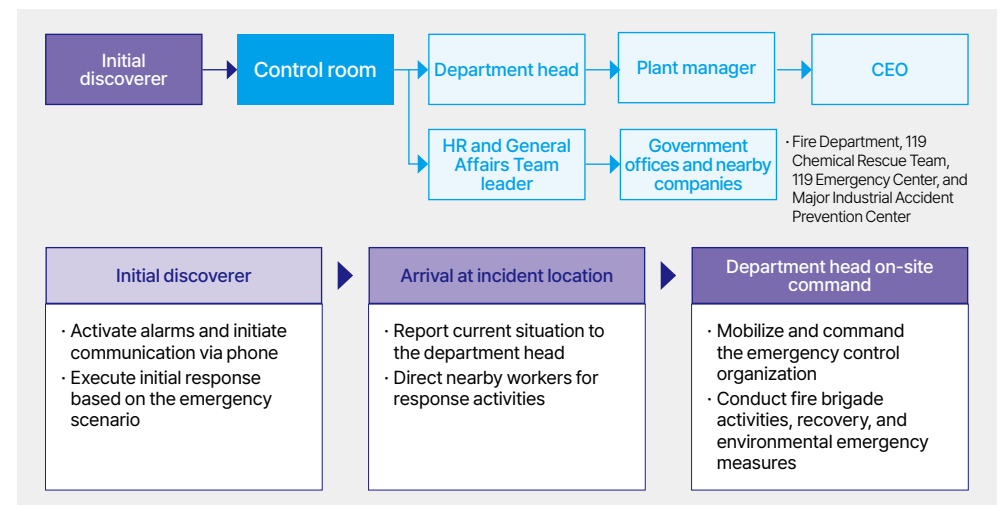
Safety and Health KPIs

To enhance the effectiveness of safety and health operations, Hyosung TNC integrates the performance evaluations of safety and health personnel into the HR system. For site-safety supervisors and overall safety managers, the key performance indicator "fulfillment of safety and health responsibilities" accounts for 15% of their evaluation.

Safety and Health Emergency Response System

Hyosung TNC operates a systematic emergency response system to ensure rapid and effective action in the event of major incidents such as large-scale hazardous material leaks, fires, or explosions. In case of an incident, each business site immediately communicates the emergency on-site and activates its internal emergency contact network, coordinating with related departments, including the Environment and Safety Management Team and in-house fire brigade, to implement response procedures according to predefined scenarios. The company also promptly notifies external stakeholders such as local authorities, fire and emergency services, and nearby facilities to minimize the risk of secondary damage. Additionally, root cause analysis and recurrence prevention measures are established, and regular emergency drills are conducted in accordance with emergency response plans to continuously strengthen response capabilities across all business sites.

Emergency Response System



Safety and Health

Safety and Health Risk Management

Safety and Health Risk Assessment

Hyosung TNC performs regular risk assessments to prevent safety accidents at its business sites, systematically managing a wide range of safety and health risk factors, including working environments, machinery, equipment, raw materials, and work behaviors. Before conducting assessments, the company provides training for safety and health supervisors designated as risk assessors and utilizes an employee feedback survey to incorporate their insights, ensuring employee participation. This employee-driven evaluation framework helps identify practical, on-site risk factors. As of 2024, a total of 26 significant risk items were identified, and Hyosung TNC developed and established specific measures for improvement. The assessment results are incorporated into ongoing employee training and Toolbox Meeting (TBM) activities at the process level, ensuring effective safety and health education. Alongside formal risk assessments, Hyosung TNC performs various levels of safety inspections to proactively identify and mitigate potential hazards. In 2024, all identified risks were promptly addressed and resolved with actions for further improvement.

Risk Assessment Process



Safety Inspection Activities

Hyosung TNC performs frequent safety inspections through various methods, including joint safety and health checks, safety reporting via SNS, environmental safety patrols, and team-based self-inspections. Any risk factors identified during these activities are shared through monthly reports, and their improvement progress is continuously monitored.

Activity Name	Frequency	Description	Number of Cases Identified (2024)
Joint Safety and Health Inspection (Top Patrol)	Quarterly	Conduct safety and health inspections in factory and contractor work areas and implement improvements	18
SNS Safety Reporting (Courageous Reporter)	Ad-hoc	Field workers directly report hazardous factors via SNS; Environment and Safety Management Team directly requests corrective action from the respective department	28
Environmental Safety Patrol	Daily	Environment and Safety Management Team conducts daily patrols, covering safety, fire prevention, environment, and chemicals	200
Team Self-Inspection	Monthly	Conduct safety and health inspections and identify/improve issues in areas under the supervision of each team leader	560

Equipment Safety and Performance Evaluation at Business Sites

To ensure a safe workplace, Hyosung TNC conducts regular safety and performance evaluations of all equipment and machinery based on internal safety regulations and inspection schedules. Newly introduced equipment also undergoes safety assessments at the initial implementation stage. As of 2024, the company completed 15 safety and performance evaluations and continues monthly monitoring to prevent potential safety and health risks.



Safety and Health

Safety and Health Management Activities

Promotion of Employee Safety and Health

Health Promotion Programs

Hyosung TNC offers an array of health wellness programs and initiatives to improve the well-being of its employees and those of partner companies working on-site.



Health Promotion Programs

- Cerebrovascular disease prevention program
- Health funds related to obesity, smoking cessation, and musculoskeletal disorders



Worker Health Check-ups

- Operation of a health management office
- Special/temporary/ad-hoc health examinations



Work Environment Management

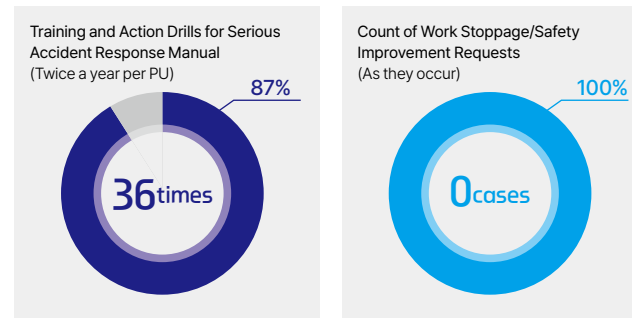
- Musculoskeletal disorder management program
- Confined space work management program
- Hearing conservation program

Employee Health Promotion Case

Hyosung TNC's Gumi plant operates a variety of health clinic programs aimed at promoting employee health. In 2022, the plant obtained the "Healthy Workplace (Navi)" certification from the City of Gumi and has maintained this certification since. Regularly, the plant conducts "Obesity Clinics" for employees and "Smoking Cessation Clinics" in partnership with the Gumi Public Health Center. As of 2024, 36 individuals participated in the obesity clinic, and 16 took part in the smoking cessation clinic, with the number of participants steadily increasing each year.

Right to Stop Work for Safety Reasons (Worker Stop-Work Authority)

Hyosung TNC implements the Right to Stop Work for Safety Reasons policy. All employees and workers from on-site partner companies working in high-risk environments are granted the authority to stop work and request safety improvements if necessary.



Safety Awareness Campaigns

Hyosung TNC carries out various safety awareness campaigns to promote a culture of safety among workers.

PSM* Brochure	Produce and distribute PSM brochures
Distribution of Hazard Information Brochures	Create and disseminate to construction partners within the Gumi plant to inform them of plant hazards
Safety Campaign	Team leaders, office staff, group leaders, and partner representatives join in chanting safety slogans and promoting safety rules
Safety and Health Resolution Meeting	Pledge to achieve zero serious accidents and industrial incidents, and discuss plans for hazard improvement
Safety Certification Reward System	Provide rewards and cover training expenses for employees who obtain environment and safety-related certifications (4 participants in 2024)

*PSM (Process Safety Management): A systematic management system aimed at ensuring process safety and preventing major industrial accidents.

Safety and Health Training for Employees

Hyosung TNC offers not only legally required safety training but also a variety of extra safety and health education programs and drills for employees.

Category	Details
Mandatory Safety Education	<ul style="list-style-type: none"> • Regular safety education every six months (6 hours for office workers, 12 hours for non-office workers) • Training upon change in job content (2 hours) • Training at the time of hiring (8 hours) • Regular training for supervisors (16 hours) • Special training (16 hours) • Chemical safety management law and accident prevention education (16 hours)
Employee Safety and Health Training (Beyond Mandatory Education)	<ul style="list-style-type: none"> • Emergency response drills • In-house fire brigade training • Safety management education for chemicals and hazardous materials • Chemical accident prevention and response training (annually) • CPR training for administrators
Additional Safety Education	<ul style="list-style-type: none"> • Risk assessment training • Joint training with public organizations (e.g., fire department joint education drills)



Safety and Health

Safety and Health Management Activities

Creating a Safer Business Sites

Fire Safety Activities

Hyosung TNC ensures the safety of its employees by proactively carrying out fire prevention and safety activities.

Activity Name	Inspection Details
Fire Safety Improvements	install CCTV for fire monitoring, enhance fire alarm integration systems, improve fire-resistant performance in air duct systems, and enhance automated re-detection equipment performance
Fire Safety Professional Diagnostics	Conduct fire operational/comprehensive functional inspections through specialized companies and implement improvements based on inspection recommendations (2024 Gumi plant : 145 improvement recommendation, 100% improvement rate)
Fire Advisory Committee Training	Provide training on fire prevention and suppression methods through various fire incident case studies
Fire Drills	Conduct joint fire drill at the outdoor hazardous material tank storage of the polyester polymerization recovery building, in cooperation with the local fire station and the in-house fire brigade, based on a fire scenario

Smart Safety Management Systems

Hyosung TNC is continuously expanding the introduction of advanced safety equipment and building a smart safety management system to prevent workplace accidents in its factories. The company has installed additional safety features such as forklift line beams, blue lights, and fence lights to prevent collisions and has deployed mobile CCTVs to monitor hazardous areas.

On-Site Feedback Collection Activities

Hyosung TNC holds quarterly industrial safety and health committee meetings at sites with over 100 full-time employees and conducts monthly feedback sessions at smaller sites. The company also runs a monthly safety and health council with suppliers to share legal updates on safety, health, and fire protection, while collecting safety-related feedback from supplier employees for improvement. In 2024, on-site feedback led to actions such as reinforcing compliance with safety rules and the Serious Accidents Punishment Act.

Safety and Health Management for On-Site Suppliers

Safety and Health Mentoring Program

Hyosung TNC designates safety management personnel for each on-site supplier and operates a safety and health mentoring program to share the company's know-how and experience with suppliers, enhancing their safety and health management standards.

Recognition of Outstanding Suppliers in Safety and Health

Hyosung TNC selects outstanding suppliers in safety and health each quarter and half-year, awarding them at the end of the year. Additionally, the company annually recognizes high-performing on-site contractors and construction suppliers for their contributions to accident prevention and the promotion of a voluntary safety culture.

Safety and Health Idea and Case Contest

To establish a culture of open communication and site-focused participation, Hyosung TNC hosts contests to collect ideas and cases of 'near-miss' incidents and prevention practices, integrating these into improvement activities.

Shared Growth Initiatives with Suppliers

Support for Supplier Safety Management

Hyosung TNC supported the safety management activities of on-site suppliers at its Gumi and Ulsan Plants. The company provided financial assistance for the training of supervisors and risk assessment personnel, as well as for outsourced safety management services, thereby enhancing the suppliers' capabilities in safety oversight and proactive risk response.

Support for Safety Supervisor Training

- Education fees for managerial supervisors
- Education fees for risk assessment personnel

2 companies

Support for Outsourced Safety Management

- Financial support for outsourced safety management services

19 companies

Support of Safety Equipment to Suppliers

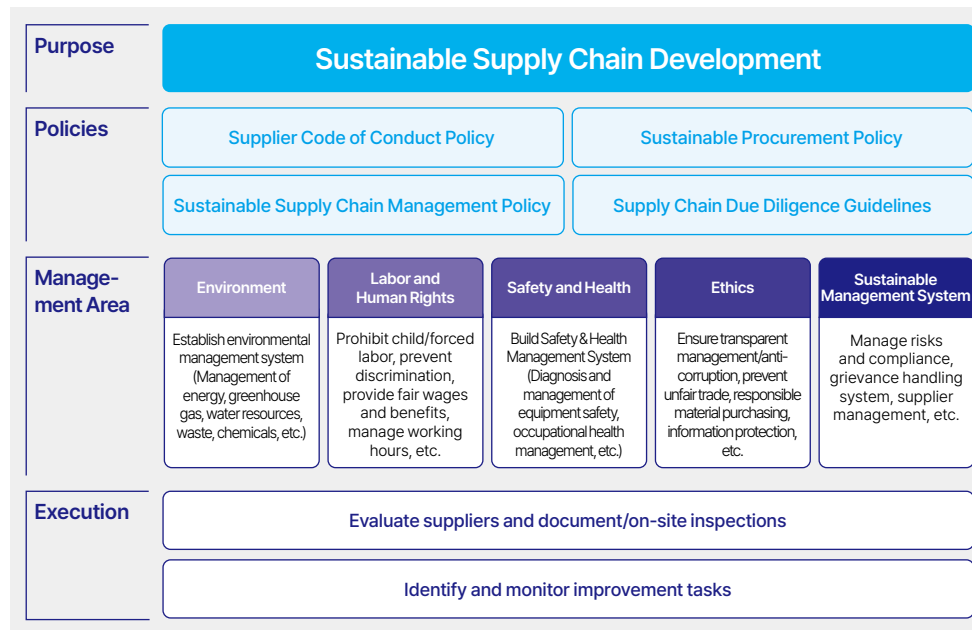
Hyosung TNC supports on-site suppliers at its Gumi and Ulsan plants by providing safety supplies tailored to their needs. In 2024, the company offered equipment to 25 suppliers, such as fire evacuation masks, forklift safety devices, mobile CCTVs, aerial work platforms, and PPE, helping prevent workplace accidents. It also distributed safety vests made from 'regen'-a sustainable yarn recycled from PET bottles-to 37 suppliers. These vests featured reflective strips more than twice as wide as standard products for improved nighttime visibility and were color-coded by work type to enhance on-site identification. This initiative supported both worker safety and a more sustainable work environment.

Sustainable Supply Chain

Supply Chain Management System

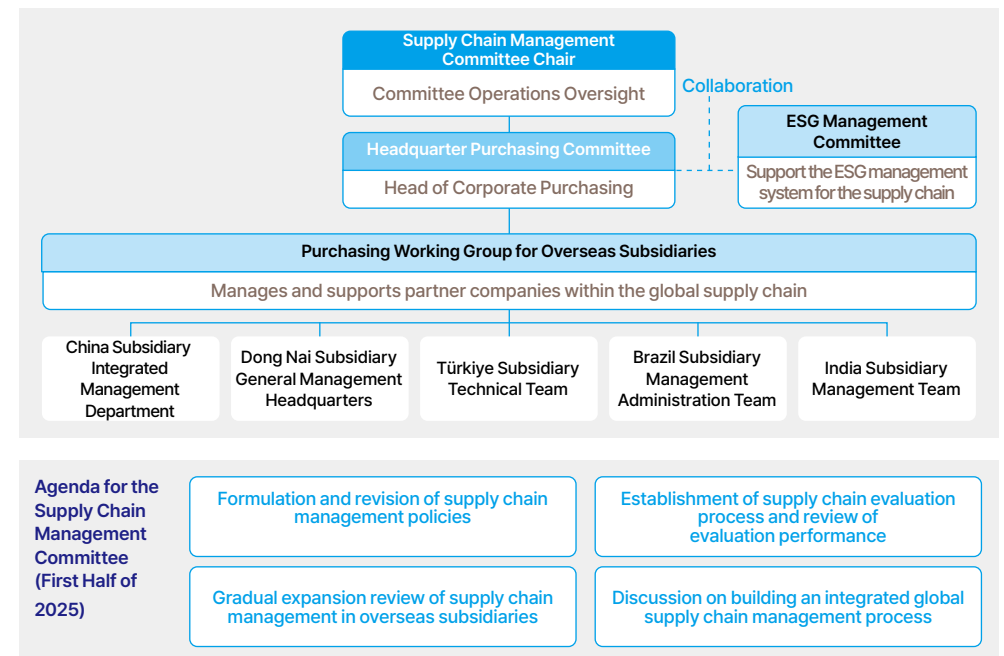
Supply Chain ESG Management Framework

Hyosung TNC operates a structured supply chain management system with the target of building a sustainable supply chain. In 2024, the company established the 'Sustainable Supply Chain Management Policy,' and issued the 'Sustainable Supply Chain Declaration,' thereby formally expressing the CEO's commitment. In addition, Hyosung TNC revised the 'Supply Chain Due Diligence Guidelines,' to include items for additional assessment and established the Supply Chain Management Committee to strengthen governance over supply chain oversight. Leveraging this management framework, Hyosung TNC plans to establish mid- to long-term supply chain targets and detailed strategies by 2030.



Supply Chain Governance

Hyosung TNC holds the Supply Chain Management Committee twice a year to enhance the expertise of its global supply chain operations. Chaired by the head of corporate purchasing, the committee includes purchasing managers from overseas subsidiaries and ESG Management Team executives. It reviews and decides on key supply chain issues across business sites. In the first half of 2025, the committee shared newly established or revised supply chain management policies and presented the results of ESG risk assessments for corporate suppliers. Discussions also covered expanding supply chain oversight at overseas subsidiaries and developing a globally integrated supply chain management process. Depending on the significance of each agenda item, matters are reported to the Board of Directors through the ESG Management Committee, which convenes quarterly.



Sustainable Supply Chain

Supply Chain Management System

Supply Chain Management Policy

Hyosung TNC has systematically managed its supply chain by establishing a set of policies, such as the 'Sustainable Procurement Policy, 'Sustainable Supply Chain Management Policy, and 'Supply Chain Due Diligence Guidelines, based on global supply chain regulations, including the EU Corporate Sustainability Due Diligence Directive (CSDDD). To foster transparent and fair trading relationships with suppliers, the company also recommends signing a Supplier Code of Conduct Compliance Pledge. As of 2024, 200 existing suppliers and 33 new suppliers have signed this pledge, actively participating in sustainable supply chain management.

EU Corporate Sustainability Due Diligence Directive (CSDDD)

Overview

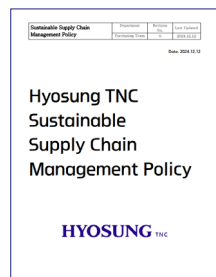
Disclosure of negative impact identification/mitigation measures through due diligence on human rights and the environment in the supply chain

2024 Response Activities

Advancement of Supply Chain Risk Assessment and Due Diligence Policy

- Established the 'Sustainable Supply Chain Management Policy,
- Publicly announced the 'Sustainable Supply Chain Management Declaration,
- Completed the 3rd revision of the 'Supply Chain Due Diligence Guidelines, (including additional assessment items)
- Established the Supply Chain Management Committee
- Systematized the diagnosis and verification of human rights and environmental risks based on due diligence elements

Sustainable Supply Chain Management Policy and Declaration



Sustainable Supply Chain Management Policy

[Hyosung TNC Sustainable Supply Chain Management Policy](#)

[Sustainable Procurement Policy](#)

[Sustainable Supply Chain Management Declaration](#)

[Supplier Code of Conduct](#)

[Hyosung TNC Supply Chain Due Diligence Guidelines](#)

Supply Chain ESG Risk Management

Supply Chain ESG Risk Assessment

Hyosung TNC conducts annual supplier ESG evaluations and risk diagnostics in accordance with the 'Supply Chain Due Diligence Guidelines. The Corporate Integrated Procurement Team identifies "key suppliers" based on ESG risks by country and industry, as well as transaction volume. From this group, "focus-managed suppliers" are selected through a comprehensive review considering transaction importance, ESG scores, and substitutability. For these selected suppliers, annual assessments are conducted through documentation or on-site audits, and "high-risk" suppliers are advised to undertake corrective actions. When necessary, Hyosung TNC also provides ESG capability enhancement training for high-risk key suppliers and continuously performs follow-up management and monitoring. In 2024, 31 out of 51 key suppliers were designated as priority management suppliers, with document-based assessments 100% completed for all 20 domestic companies. Going forward, the scope of these assessments will gradually expand to include overseas focus-managed suppliers. Additionally, an on-site audit was conducted for a high-risk supplier who was requested to implement plans for improvement in 2023. The company reviewed the progress of corrective actions, shared the evaluation results, and recommended follow-up measures to mitigate risks.

2024 Supply Chain ESG Risk Assessment



Sustainable Supply Chain

Supply Chain ESG Risk Management

Based on its supplier ESG risk assessment, Hyosung TNC selects key suppliers and conducts structured ESG risk mitigation activities. Particularly for major raw material suppliers, the company supports direct ESG risk direct efforts in mitigating ESG risks such as assistance with energy-conservation equipment and Life Cycle Assessment (LCA) consulting. Additionally, Hyosung TNC has provided advanced ESG training for small packaging suppliers and other suppliers requiring capacity building. Using the results from the 2024 ESG risk assessment, the company plans tailored education and support activities for key suppliers in 2025 to aid ESG management improvements. Moreover, Hyosung TNC assists suppliers and partner companies at its business sites by providing supplies for preventing heat stress and PC upgrades. For top-performing suppliers, Hyosung TNC contributes to improved cash flow by issuing cash payments for material purchases.

Environmental Risk Management and Improvement Support

Support for Energy Reduction Equipment

Hyosung TNC supports energy efficiency improvements for major nylon raw material suppliers. In 2021, the company conducted on-site diagnostics and consulting on the supplier's overall management system and has continued follow-up support based on identified improvement tasks. In 2024, Hyosung TNC supported equipment upgrades to enhance energy efficiency, including retrofitting aging extruder heaters, installing extruder inverters, and replacing lighting with LEDs, thereby strengthening the supplier's energy management capabilities.

Support for Life Cycle Assessment (LCA) Consulting

Hyosung TNC supported two major recycled raw material suppliers by providing product-specific Life Cycle Assessment (LCA) consulting and assistance in report publication. Through this consulting support, the suppliers enhanced their capacity to respond more quickly and effectively to customer demands for environmental information. Furthermore, they established a foundation for managing quantitative product environmental information systems that can be utilized in future sustainability disclosures.

Support for Sustainable Solution Facility Investments

Hyosung TNC supported two major suppliers of Sustainable Solutions by assisting with equipment upgrades and covering investment costs. For a polyester recycled material supplier, the company supported the introduction of new PET washing equipment. For a nylon recycled material supplier, Hyosung TNC assisted in upgrading production plant facilities. These improvements helped enhance both the productivity and product quality of domestically sourced recycled materials.



New Washing Equipment

Production Plant

Environmental Risk Management Support Key Suppliers

Recycled Nylon Material Supplier
(Located in Hwaseong, Gyeonggi Province)

Recycled Polyester Material Supplier
(Located in Gimcheon, Gyeongsangbuk Province)

Support for Strengthening ESG Capabilities

ESG Management Training and Consulting Support for Suppliers

Hyosung TNC provided ESG training to 10 suppliers classified as "high-risk" in its ESG risk assessment, including three key suppliers. Professional consultants made on-site visits to deliver general ESG trainings for all employees and practical training for those with ESG-related responsibilities. Based on the 2024 assessment results, the company plans to continue tailored training and support activities for key suppliers in 2025.

Basic ESG Education for All Employees

- Changes in ESG environment domestically and internationally
- Necessity of implementing ESG management
- Overview of ESG evaluation indicators and introduction of items

Specialized Practical ESG Training for Responsible Staff

- Guidance on relevant departments for each ESG area
- Tailored ESG management plan training for practitioners

Support for Improving Supplier Working Conditions

Hyosung TNC supported 9 suppliers with heating and cooling appliances, such as warm-air blowers and air circulators, to prevent heat-related illnesses and improve workplace comfort and productivity. The company also upgraded office environments for 10 suppliers by replacing outdated PCs and providing new monitors, keyboards, and mouse sets.

Fair Trade Agreement and Support for Outstanding Suppliers

Hyosung TNC signs annual fair trade agreements with outstanding suppliers selected through evaluations and obtains signed pledges for compliance with the supplier code of conduct. The agreement includes commitments to comply with fair trade regulations and outlines support measures such as cash payments. Notably, Hyosung TNC contributes to the improvement of suppliers' cash flow by paying for goods in cash within 10 days of tax invoice issuance.

Number of Outstanding Suppliers and Total Cash Payments in 2024






Category	Hyosung TNC
Number of Suppliers under Fair Trade Agreements	49
Cash Payment Amount (KRW million)	23,352
*Estimated Interest Savings Amount (KRW million)	146

*Calculated based on Hyosung TNC's average interest rate in 2024

Local Communities

Governance and Implementation Framework

Hyosung TNC operates on-site working groups at each business site to promote mutual growth and create social value with local communities. The initiatives for community engagement are implemented in alignment with the company-wide social contribution strategy led by the Corporate Communications Office, with relevant plans and outcomes reported to the monthly executive council, as necessary. For shared growth, the ESG Management Teams across Hyosung Group jointly participate in the Shared Growth Committee, which convenes monthly to evaluate the adequacy of related initiatives. Depending on materiality, key topics are escalated to the Board of Directors via the quarterly ESG Management Committee. The working groups at headquarters and business sites collaborate with the ESG Management Team and the Corporate Communications Office to plan and execute community contribution and supplier support programs, incorporating stakeholder feedback.

Vision	Empowering Beneficiaries to Shape Their Own Future through Education and Sharing				
Strategy	<div>Environment</div> <div></div> <div>Support healthy and safe lives through environmental management.</div>	<div>Vulnerable Groups and Veterans</div> <div></div> <div>Support growth into self-reliant community members.</div>	<div>Culture and Arts</div> <div></div> <div>Promote social integration through culture and arts.</div>	<div>Shared Growth</div> <div></div> <div>Facilitate joint development through cooperation between large and small enterprises.</div>	<div>Local Communities</div> <div></div> <div>Form sustainable community ecosystems.</div>
Key Tasks	<ul style="list-style-type: none">Biodiversity conservation projectsEstablish domestic resource circular systemsEnvironmental cleanup activities near business sites	<ul style="list-style-type: none">Support for sister relationships with local communitiesCash and in-kind contributions to vulnerable groupsSupport for military units	<ul style="list-style-type: none">Sponsor ecological and local festivalsEnvironmental education and supply of educational materials to elementary schools	<ul style="list-style-type: none">Equipment and R&D support for suppliersMarketing and sales channel development support for suppliersregen Fabric-Up project	<ul style="list-style-type: none">recognized as an excellent practicing company in rural areas in 2024Consecutively recognized for rural practice in 2023 and 2024Focused activities in communities surrounding domestic and overseas business sites

Implementation Strategy

Based on Hyosung Group's vision of becoming a company that "empowers beneficiaries to shape their own future through education and sharing," Hyosung TNC is committed to creating social value across five strategic themes: the environment, vulnerable groups, veterans and patriots, culture and the arts, shared growth, and local communities. To achieve this, the company identifies both positive and negative impacts—environmental, economic, and social—of its operations on nearby communities. It develops shared growth initiatives aimed at mitigating negative impacts and maximizing positive outcomes. These initiatives are planned and implemented collaboratively with stakeholders in the regions where the company operates. Hyosung TNC goes beyond one-time support, aiming to foster a society where beneficiaries can achieve self-reliance. The company actively contributes to the growth and development of the local communities where its sites are located and participates in solving critical issues in ecologically important areas through regionally focused shared growth initiatives.

Long-Term Roadmap for Realizing Social Value

Timeline	Short Term (~2024)	Medium Term (~2027)	Long Term (~2030)
Expansion of Community Scope	Focused on domestic business sites (3 areas)	Expanded to domestic business sites and nearby local communities (4 areas)	Expanded to domestic and overseas business sites, nearby local communities (5 areas)
Expansion of Stakeholder Scope	<ul style="list-style-type: none">Local communities near business sitesDomestic rural communities	<ul style="list-style-type: none">Local communities near business sitesDomestic rural communitiesVulnerable groups	<ul style="list-style-type: none">Local communities near business sitesDomestic rural communitiesVulnerable groupsSuppliers within the value chain
Mid- to long-term KPIs	<ul style="list-style-type: none">Task implementation rate 80%Discover new business-linked support projects (at least 1 per year)	<ul style="list-style-type: none">Task implementation rate 100%Discover new business-linked support projects (at least 2 per year)	<ul style="list-style-type: none">Expand social value realization projects groups (at least 1 overseas subsidiary)Establish and disclose global social value targets

Local Communities

Local Community Contribution Activities

Environment

Biodiversity Conservation Projects

Hyosung TNC operates a variety of biodiversity conservation initiatives, including programs dedicated to protecting endangered species. In recognition of its contributions to biodiversity preservation, the company was named a "Corporate Patron for the Conservation of Endangered Species" by the National Institute of Ecology in 2024.

Winter Migratory Bird Conservation Activities (2023-2027)



- Signed an MOU with Gimhae City and Hyosung Group for biodiversity conservation at Hwapocheon Wetland
- Support for the rescue and release of winter migratory birds at Hwapocheon Wetland
- Provision of domestic agricultural and livestock feed

Blue Carbon Ocean Forest Creation Activities (2022-2027)



- Signed an MOU with Wando County, Korea Fisheries Resources Agency, and Hyosung Group for carbon neutrality and sustainable marine ecosystem conservation
- Ocean forest creation and management in Dadaedapo Fishing Port and Donggo-ri, Sinji-myeon, Wando-gun

Endangered Wildlife Protection Activities (2023-2024)



- Support for installing protective wire fences for wildlife around farmland in Yeongyang County, Gyeongsangbuk-do
- Protection of endangered wildlife such as the Korean musk deer and prevention of crop damage in agricultural areas

Endangered Insects Propagation Support Activities (2024-2027)



- Support for artificial propagation facilities for endangered insects
- Release and feeding activities for the jewel beetle and diving beetle
- Signed an MOU with the National Institute of Ecology, Little Friends in the Forest Co., and Hyosung Group

Domestic Resource Circularity MOU

In 2023, Hyosung TNC signed a Memorandum of Understanding (MOU) with Jeju Development Corporation and F&F Co., Ltd. to expand the "Jeju Marine Plastic Resource Circulation System." Under the agreement, Jeju Development Corporation collects PET bottles waste from the coastline of Jeju Island, which Hyosung TNC recycles into regen Polyester. In 2024, F&F's Discovery Expedition brand introduced the "Jeju Recycle Edition" collection, made using regen Polyester.

Employee-Led Environmental Cleanup Activities Near Business Sites

Hyosung TNC regularly conducts environmental cleanup activities involving employee participation in areas surrounding its business sites.

1 Company 1 Stream	Plogging in the area around Yeocheon Stream near the Ulsan plant
1 Company 1 Road	Environmental cleanup in the area around Napdo-ro near the Ulsan plant

1 Company 1 School	Trash collection near Ulsan Jangsaengpo Elementary School
Han River Plogging	Plogging in Banpo Hangang Park near the Banpo Building

Support for Vulnerable Groups and Patriots

Support through Sister Partnerships

Hyosung TNC provides regular support to rural villages and schools partnered with its business sites through sisterhood agreements, assisting vulnerable groups in the surrounding communities.

1 Company 1 Village	Holiday gifts for vulnerable groups in Jisan-ri village near the Gumi plant
1 Company 1 School	Scholarships and certificates in the name of the plant manager at the graduation ceremony of Dosong Middle School in Gyeongbuk

Support for Vulnerable Groups

Hyosung TNC provides financial and in-kind support to nearby social welfare institutions and local communities, focusing on areas where its business sites are located.

Gumi Plant

Local agricultural product gift package support for vulnerable groups

Hyosung TNC is working to address issues of regional decline such as aging and low birth rates in rural areas of Gumi by delivering "local agricultural product gift package" composed of eco-friendly specialty agricultural products produced by farms near the Gumi plant. This initiative contributes to supplementing the nutrition of vulnerable groups such as social welfare facilities, solitary seniors, single mothers, malnourished children, and low-income seniors, while also boosting the income of small farms and revitalizing the local economy through the purchase of local eco-friendly produce.



Cash and in-kind support for social welfare institutions:

- Hanmaeum Welfare Association for Disabled Children, Gumi Community Welfare Center, Korean Red Cross, Goodwill Store, etc.

Year-end donation support

- Community Chest of Korea, Green Umbrella Children's Foundation

Employee participation volunteer activities:

- Meal preparation and delivery at Gumi Community Welfare Center,
- Community Kimchi Sharing Program
- Blood donation

Daegu Plant

- Year-end donation (Community Chest of Korea)

Ulsan Plant

- Support for relief goods and nutritious meals for vulnerable groups near the plant during holidays
- Year-end donation support to the Community Chest of Korea

Local Communities

Local Community Contribution Activities

Culture and Arts

Sponsorship of the Daegu Dalseong Wetlands Biodiversity Festival

Hyosung TNC sponsored the 10th Dalseong Wetlands Biodiversity Festival, held near the Daegu plant. The festival featured various programs, including biodiversity exploration, ecological relay tours, and stargazing, designed to engage local residents and tourists in experiencing the ecological and cultural environment. Through this sponsorship, Hyosung TNC aimed to contribute to the promotion of ecological tourism and enhance the image and economic vitality of the region surrounding its operations.

Support for Gunbuk Local Festivals

Hyosung TNC supports local festivals in Gunbuk-myeon, Gyeongsangnam-do, including "Haman County Residents' Day" and the "Gunbuk Local Community Festival." By sponsoring food ingredients for these events, the company contributes to community unity and the fostering of cultural exchange, aiding in the economic revitalization of Gunbuk-myeon and the promotion of regional culture.

Sponsorship of the Gumi City Volleyball Championship

Hyosung TNC supports the Gumi City Association Volleyball Championship as part of its cultural and arts sponsorship efforts. Since 2017, the company has consistently contributed to the development of local sports culture and the activation of the community near its Gumi plant.

Support for Educational, Cultural, and Sports Infrastructure in Rural Areas

Hyosung TNC is supporting the construction of a gymnasium at Gunbuk Elementary School in Haman, Gyeongsangnam-do from 2023 to 2026 to expand sports and cultural infrastructure and promote the health of students and local residents. The company also signed an MOU with the Gumi Education Support Center to provide resource circulation education to elementary schools in nearby rural areas. Going forward, Hyosung TNC plans to enhance educational and living conditions in rural communities by expanding support targets and developing new programs.



Hyosung TNC regen Recycling Education

Shared Growth Cooperation

Establishment of Resource Circulation System in Fashion Industry Value Chain

Hyosung TNC strives to enhance sustainability by supporting the establishment of a virtuous cycle system within the fashion industry through sustainable investments and collaboration with small and medium enterprises in the textile sector.

Development of Resource Circulation Infrastructure

- Strengthen the resource circulation system within the fashion industry by investing in partner companies' recycling equipment
- Support partner companies by providing "regen Eco-Trucks" equipped for PET bottle collection

Support for Eco-friendly New Material R&D

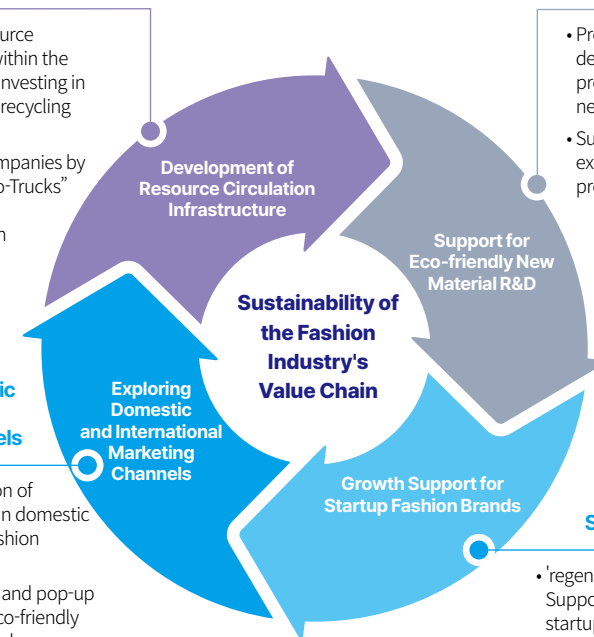
- Provide research and development funding for prototypes utilizing eco-friendly new materials by partners
- Support partner companies in expanding sustainable material product lines

Exploring Domestic and International Marketing Channels

- Support participation of partner companies in domestic and international fashion exhibitions
- Support campaigns and pop-up store activities for eco-friendly startup fashion brand
- Support a startup fashion brand through online marketing initiatives such as website development and social media promotion

Growth Support for Startup Fashion Brands

- 'regen Fabric-UP Project' Support youth fashion upcycling startup brands by providing waste fabric from the Daegu plant
- Support eco-friendly packaging and environmental education kit development by startup fashion brands



Local Communities

Local Community Contribution Activities

Local Communities

Hyosung TNC carries out diverse initiatives to realize social value in communities near its domestic and overseas business sites. By identifying ESG risks in each region and engaging local stakeholders, the company develops programs tailored to community needs, aiming to support regional development and expand social impact. In recognition of its leadership in rural community engagement, Hyosung TNC was selected as an Outstanding ESG Enterprise for Rural Development and received a plaque of appreciation in 2024 from Large and Small Business, Agriculture and Fisheries Cooperation Foundation. It was also recognized by the National Institute of Ecology as a Corporate Patron for the Conservation of Endangered Wildlife. Furthermore, Hyosung TNC's Ulsan Plant has maintained the "Certified Company for Community Contribution" certification for five consecutive years, in recognition of its continued local engagement efforts such as the "One Company–One School" and "One Company–One River" initiatives. The company will continue to expand partnerships with communities at home and abroad as a responsible member of society.

Domestic



Near Mapo Headquarters

- Support for rehabilitation treatment for children with disabilities and their non-disabled siblings
- Support for employment activation of women with career interruptions
- Sponsorship of homes for army veterans
- Employee voice donations for barrier-free films

Near Gumi Plant

- Sister partnerships (1 company, 1 village; 1 company, 1 school)
- Employee volunteer activities
- Cash and product donations
- Purchasing local specialty eco-friendly agricultural products and supporting vulnerable groups
- Educational and equipment support for elementary schools in rural communities

Near Daegu Plant

- Sponsorship of biodiversity festivals
- Year-end donations for vulnerable groups

Miryang-si, Gyeongnam

- Support for facilities and activities for endangered species

Yeongyang-gun, Gyeongbuk

- Installation of protective steel fences for the protection of the endangered grade 1 musk deer
- Provision of facilities to prevent crop damage for local farms in areas where wildlife roams

Near Ulsan Plant

- Sister partnerships (1 company, 1 stream; 1 company, 1 school; 1 company, 1 road)
- Support for relief goods and year-end donations to vulnerable groups

Gimhae, Gyeongnam

- Support for rescue and release of endangered migratory winter birds
- Provision of domestically produced agricultural and livestock feed for winter birds
- Support for local community festivals

Gunbuk, Gyeongnam

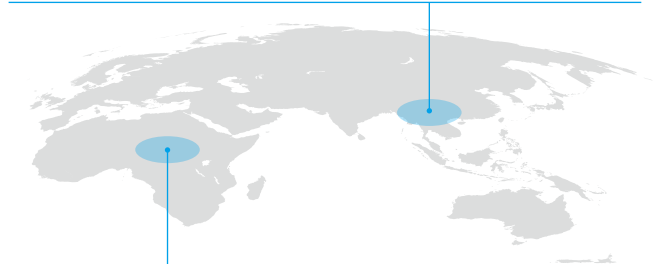
- Support for fashion products made with recycled regen
- Support for the construction of gymnasiums and cafeterias at Gunbuk Elementary School
- Sponsorship of rural community festivals
- Support for heating oil assistance to vulnerable groups

Wando-gun, Jeollanam-do

- Support for the creation and management of ocean forests

Overseas

Vietnam Child Sponsorship Program | Through voluntary payroll donations, Hyosung TNC supports children living near its Vietnam business sites by providing assistance for education, clean water and sanitation, and basic living expenses. The company matches employee contributions through a matching grant program, and the combined funds are used to improve local living conditions—such as expanding classrooms, enhancing water access, conducting awareness campaigns, and building libraries.



Support for African Children and Women's Employment | In 2024, Hyosung TNC collaborated with the social brand JERRYBAG to carry out the 'regen Renewable Campaign'. When customers purchase JERRYBAG products made with Hyosung TNC's recycled yarn, regen, a portion of the proceeds is used to provide jerrycan backpacks to children in Uganda, Africa. These bags enhance walking safety and help ease water access issues in the region. JERRYBAG also supports vulnerable women in Uganda by offering sewing and design entrepreneurship training and employing them as designers, contributing to skills development and job creation.

05. Governance

Board of Directors	65
Shareholders	68
Ethics and Compliance Management...	69
Information Security and Personal Data Protection	71

Board of Directors

Board Composition

Board Composition Status

Hyosung TNC ensures transparent and independent decision-making authority within the Board to enhance the rights and interests of shareholders and other stakeholders. As the company's highest decision-making body, the Board deliberates and resolves key strategies and management issues in accordance with laws and Articles of Incorporation. As of December 2024, the Board consists of six directors: three executive directors and three independent directors, with more than 50 percent of the Board composed of independent directors. In accordance with the Board regulations, the chairperson is elected by resolution of the Board. On March 16, 2024, CEO Chi-hyung Kim was appointed as chairperson of the Board.

Category	Name	Gender	Date of Initial Appointment	Term	Background of Appointment
Executive Directors	Chi-hyung Kim (CEO)	Male	March 17, 2022 (Reappointment)	March 19, 2026	Appointed based on extensive experience working with the company, leading to a high level of understanding of the company and the management environment. Expected to excellently fulfill the role of an executive director and play a significant role in the company's continuous growth and development.
	Hyun-joon Cho	Male	March 17, 2022 (Reappointment)	March 19, 2026	With proven management capabilities, this individual has driven the global business growth of the group and strengthened efforts in customer-centered management, responsible management, and transparent management across the entire group. Appointed with an expectation to play a significant role in the company's continuous development.
	Joon-jae Jung	Male	March 14, 2024	March 19, 2026	Appointed based on extensive experience working with the company and demonstrated expertise in the business field, along with outstanding business operation capabilities. Expected to excellently fulfill the role of an executive director and contribute to the company's growth and development.
Independent Directors	Jae-woo Lee	Male	March 30, 2024	March 19, 2026	Appointed based on expertise in both domestic and international financial markets and organizational management experience gained from serving as a leader in investment firms and financial councils. Expected to contribute to the company's growth through oversight of management and deliberation and resolution on key matters.
	Chul-gyu Yoo	Male	March 14, 2024	March 19, 2026	Appointed as an independent director, expected to excel in the role based on extensive research achievements as a medical expert, coupled with experience in administrative and organizational management gained as a president of a medical association and serving as an independent director in a large corporation.
	In-gang Jo	Male	March 19, 2020 (Reappointment)	August 18, 2025	Appointed as an independent director with an expectation to contribute to the transparency of the company's accounting management and financial soundness, based on his expertise as a financial, economic, and fiscal specialist with experience as the Director of the Capital Markets Bureau at the Financial Services Commission and Standing Auditor at the Korea Credit Guarantee Fund.

* Jae-woo Lee, an independent director, was nominated on March 14, 2024, and his term began on March 31, 2024.

Board Operations

Board Operations Status

Hyosung TNC categorizes its board meetings into regular board meetings and special board meetings. Regular board meetings are held quarterly, while special board meetings are convened as needed. Meetings are called by the CEO, who serves as chairperson, and resolutions require the attendance of a majority of the directors and approval by a majority of those present. According to the Board's operational regulations, matters falling under Articles 397-2 (Prohibition of Appropriation of Company Opportunities and Assets) and 398 (Transactions between Directors, etc. and Company) of the Commercial Act require at least two-thirds of the Board members for resolution. In 2024, the Board held four regular and three special meetings, during which 16 resolutions and 14 reports were processed. Major resolutions included the approval of safety and health plans, appointment of the CEO and chairperson of the Board, appointment of members of the Independent Director Candidate Recommendation Committee, and approval of the acquisition of Hyosung Chemical's Specialty Gas Business.

Board Operation Status in 2024

Category		2024
Number of Board Meetings Held	Number of meetings held	7
Resolution Status	Number of resolutions	16/16

Board Attendance Status in 2024

Category	Executive Directors			Independent Directors		
	Chi-hyung Kim	Hyun-joon Cho	Joon-jae Jung	Jae-woo Lee	Chul-gyu Yoo	In-gang Jo
Attendance rate	100%	86%	100%	100%	100%	100%

* Hyun-joon Cho did not participate in the decision-making process on December 12, 2024, for the sales and transfer contract parties of Hyosung Chemical's Specialty Gas Business, to ensure the fairness of the board resolution, as he is the largest shareholder of Hyosung Corporation, the parent company of these parties.

Board of Directors

Board Operations

Board Independence

Hyosung TNC actively enhances Board independence to establish a transparent and sound governance structure. Under the Board's regulations, directors with a material interest in a particular resolution are prohibited from voting and are not counted toward the quorum. To secure independence, the Audit Committee, which oversees company-wide management, is composed entirely of independent directors. In addition, the ESG Management Committee, Compensation Committee, and Independent Director Candidate Recommendation Committee are composed of a majority of independent directors, and each committee is chaired by an independent director. The Independent Director Candidate Recommendation Committee screens candidates to ensure they do not fall under the disqualification criteria specified in Article 77 of the Korea Exchange's KOSPI Market Listing Regulations.

Board Diversity and Expertise

In accordance with the Corporate Governance Charter, Hyosung TNC appoints directors who possess expertise that contributes to management. Director appointments are not limited by gender, race, age, religion, disability, nationality, region, or political orientation. The Board includes independent directors with expertise in areas such as management and leadership, economics and industry, accounting and finance, and risk management, enabling in-depth reviews of agenda items based on professional insights. In 2024, the company appointed two independent directors with expertise in finance and accounting. To support their roles, the Board Secretariat provides necessary assistance, including distribution of preliminary materials and explanatory briefings. The Secretariat also supplies ongoing information on major internal matters. In addition, Hyosung TNC plans to invite independent directors to visit domestic and international business sites and receive on-site briefings to deepen their understanding of company operations. To further strengthen the Board's expertise, the company offers training on major management issues, relevant laws (such as the Commercial Act, Fair Trade Act, and the Act on External Audit), and regulatory changes. Going forward, independent directors will be encouraged to attend external training programs, forums, and seminars offered by professional institutions.

Status of Training Conducted for Independent Directors

Training Date	Organizer	Attending Independent Directors	Key Training Contents
January 30, 2024	Hyosung TNC	Byeong-hui Oh, In-gang Jo, Byoung-deok Choi	Conducted training on the Occupational Safety and Health Act and the Fair Trade Act
February 22, 2024	Hyosung TNC	Byeong-hui Oh, In-gang Jo, Byoung-deok Choi	Conducted training on the Commercial Act and the Fair Trade Act
April 25, 2024	Hyosung TNC	In-gang Jo, Jae-woo Lee, Chul-gyu Yoo	Conducted training on the Commercial Act and the Fair Trade Act
June 30, 2024	Samil PwC	Chul-gyu Yoo	Completion of board course organized by Samil PwC Governance Center
July 24, 2024	Hyosung TNC	In-gang Jo, Jae-woo Lee, Chul-gyu Yoo	Conducted training on the Commercial Act and the Fair Trade Act
August 31, 2024	Samil PwC	In-gang Jo	Completion of board course organized by Samil PwC Governance Center
October 28, 2024	Hyosung TNC	In-gang Jo, Jae-woo Lee, Chul-gyu Yoo	Conducted training on the Commercial Act and the Fair Trade Act
November 21, 2024	Samil PwC	Jae-woo Lee	Attendance at seminar course for board members organized by Samil PwC Governance Center

Status of External Training Conducted for the Audit Committee

Training Date	Organizer	Attending Independent Directors	Key Training Contents
August 31, 2024	Samil PwC	In-gang Jo	Completion of introductory and advanced courses for audit committee members organized by Samil PwC Governance Center
November 21, 2024	Samil PwC	Jae-woo Lee	Attendance at seminar course for auditors and audit committee members organized by Samil PwC Governance Center

Board of Directors

Committees under the Board

In accordance with the Articles of Incorporation and Board regulations, the Board operates the Independent Director Candidate Recommendation Committee, Audit Committee, and Management Committee and established the ESG Management Committee and Compensation Committee in 2025. Each committee has been delegated specific professional authority to enhance the expertise and objectivity of Board decision-making and improve the efficiency of Board operations. To ensure fairness and independence, the ESG Management Committee, Compensation Committee, and Independent Director Candidate Recommendation Committee are composed of a majority of independent directors.

Status of Board Committee Composition (as of March 2025)

Category	Key Roles	Composition (*Chairperson)			
		Executive Directors		Independent Directors	
ESG Management Committee	Deliberation and decision-making on major ESG-related matters such as environment, safety, and response to climate change	Chi-hyung Kim		Chul-gyu Yoo*	Jae-woo Lee Seong-soo Eun
Independent Director Candidate Recommendation Committee	Recommendation, deliberation, decision-making, and verification of candidates for independent directors suitable for shareholder interests and company management	Hyun-joon Cho		Chul-gyu Yoo*	Seong-soo Eun
Audit Committee	Oversight of the transparency and fairness of accounting through audit of the company's accounts and operations; investigation of subsidiaries' business and asset status, and selection and dismissal of external auditors			Seong-soo Eun*	Jae-woo Lee Chul-gyu Yoo
Management Committee	Decision-making on major management matters, including determining and changing fundamental management policies, and matters related to new business and investments	Chi-hyung Kim *	Joon-jae Jung		
Compensation Committee	Ensuring transparency and objectivity in the director compensation process by deliberating the compensation limit for registered directors to be submitted at the shareholders' meeting, approving compensation plans for registered directors, and deciding on matters related to the establishment and revision of compensation regulations	Chi-hyung Kim		Jae-woo Lee*	Chul-gyu Yoo

Board Compensation

Executive directors of Hyosung TNC receive compensation in accordance with the executive compensation policy and within the limits approved at the general shareholders' meeting. Performance-based compensation for executive directors is calculated based on both quantitative indicators (such as revenue, operating profit, and net income) and qualitative indicators (including global management performance and contributions to the company), all within the compensation limit approved by the shareholders. Outside directors receive a fixed monthly activity fee under the executive compensation policy, with the same amount paid to all outside directors. In 2024, the compensation limit for directors approved at the general shareholders' meeting was KRW 10 billion, and a total of KRW 783 million was paid to the six directors. In cases where the average compensation per director exceeds KRW 500 million, it is disclosed in the company's semiannual and annual reports in accordance with applicable laws.

Board Compensation Status

(Unit : KRW million)

Category	Number of Members	Total Compensation Amount	Average Compensation per Person
Registered directors (excluding independent directors and Audit Committee members)	3	622	311
Independent directors (Audit Committee members)	3	161	54
Total	6	783	157

Shareholders

Shareholder Composition

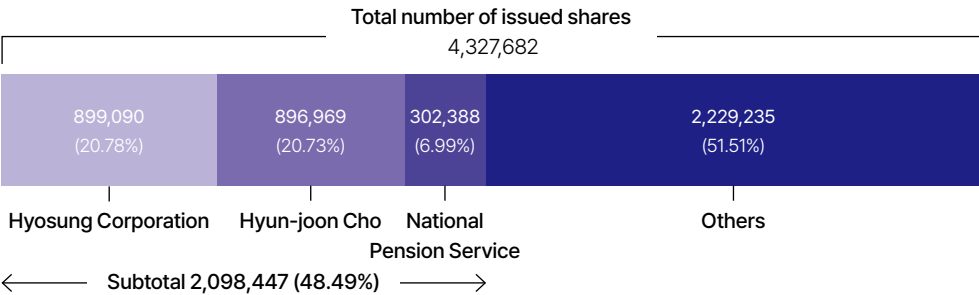
Shareholder Composition Status

As of December 31, 2024, Hyosung TNC has a total of 4,327,682 shares issued, all of which are common shares. The largest shareholder is Hyosung Corporation, which holds 899,090 shares (20.78%). Shareholders holding more than 5% of issued shares include Hyosung Corporation, Hyun-joon Cho, and the National Pension Service of Korea. The combined ownership of the largest shareholder and related parties is 42.66%, while the National Pension Service holds 6.99% of total issued shares.

Status of Stock Issuance

Category		Number of Shares
Preferred shares		0
Common shares	Number of shares with voting rights	4,315,690
	Number of shares without voting rights	11,992
Total number of issued shares		4,327,682

Major Shareholder Stock Ownership Status



Enhancing Shareholder Value

General Shareholders' Meeting

To enhance shareholder value, Hyosung TNC holds annual general shareholders' meetings to share key management issues and actively gather shareholder feedback. In order to protect shareholder rights, the company provides sufficient advance notice—at least three weeks—of the date, location, and agenda of the meeting. The company also strives to schedule regular general meetings on non-peak dates to encourage broader participation. The meeting location and time are selected to maximize shareholder attendance. Meeting notices are disclosed through the Korea Exchange's electronic disclosure system, and proxy voting is encouraged to make it easier for shareholders to exercise their voting rights.

Shareholder Returns

Hyosung TNC is committed to returning value to shareholders by distributing dividends based on its core principle of actively enhancing shareholder returns. Dividend decisions are made by considering various factors, including the company's investment needs for continued growth, management performance, cash flow, financial structure, and legally distributable income under the Commercial Act. When determining the size of the annual dividend, the company also considers market dividend yields, industry benchmarks, and planned investment scale. To strengthen its shareholder return policy and reduce uncertainty about dividends, Hyosung TNC has moved away from an annual settlement-based dividend to allow for more regular distributions. The company has also amended its Articles of Incorporation to enable interim dividends pursuant to Article 462-3 of the Commercial Act, thereby enhancing shareholders' actual dividend yield. Dividend plans and related information are transparently disclosed through public filings, including "cash and stock dividend announcements." Since the division, Hyosung TNC has continuously paid dividends for the past seven years and intends to maintain an appropriate level of dividends within the scope of distributable income.

Shareholder Communication

Hyosung TNC regularly conducts NDRs (Non-Deal Roadshows) for domestic and Asian institutional investors to announce annual and quarterly earnings. In addition to NDRs, the company actively participates in conferences hosted by securities firms, holds investor meetings, conducts conference calls, and organizes yard tours. Considering the expected growth in foreign shareholder ownership, the company is also reviewing the option of hosting separate events for international investors. Hyosung TNC also transparently discloses its ESG strategies and activities to shareholders and other stakeholders through the publication of its Sustainability Report and Corporate Governance Report.

Ethics and Compliance Management

Ethics and Compliance System

Ethical Management Implementation Framework

As a global company operating in various countries, Hyosung TNC has established and implements a Code of Ethics, Code of Practice, Anti-Corruption Policy, and Tax Policy to become a trusted company among all stakeholders. Activities related to ethics and compliance are managed by the Audit Team and Legal Compliance Team, which consist of employees with professional knowledge of relevant business operations. The Tax Policy is managed by the Global Accounting and Tax Team. Hyosung TNC also appoints independent internal auditors to conduct thorough oversight across the company. In the event of an ethical issue, related items are reported to the PU heads management meeting chaired by the CEO and the results of compliance support activities are regularly reported to the Board in accordance with internal compliance control standards. Starting in 2025, the ESG Management Committee under the Board will deliberate and resolve agenda items related to fair trade and ethical management.

Policies and Standards

To promote transparent and principled business conduct, Hyosung TNC has established a Code of Ethics and Code of Practice that guide all employees in making ethical decisions. The company also enforces an Anti-Corruption Policy that ensures employees comply with anti-bribery laws and provides procedures for reporting potential risks. Additionally, a Tax Policy is in place to ensure compliance with domestic and international tax regulations and to minimize tax-related risks.

Code of Ethics	Code of Practice	Anti-Corruption Policy	Tax Policy
Ethical values and behavioral standards that all employees must adhere to, as well as transparent and ongoing corporate decision-making and behavioral guidelines, are specified.	Specific behavioral guidelines for practicing the Code of Ethics, including the principles and practices for each stakeholder, are provided.	Anti-corruption behavior standards for employees in management activities are specified, with disciplinary actions considered for violations according to internal regulations.	Ethical tax strategies for fair tax payment and compliance guidelines with international tax standards are outlined, and tax risk management strategies have been established.

Ethics and Compliance Reporting System

Hyosung TNC operates a whistleblowing channel accessible to all stakeholders, including employees, customers, suppliers, and members of local communities. The principles of whistleblower protection is in place, which includes confidentiality, protection against retaliation, and release of liability. Reports can be submitted anonymously or with the whistleblower's identity. Once a report is received, the company sends a confirmation notice to the whistleblower. All reports are reviewed based on objective evidence, and investigation plans are developed and executed in accordance with internal procedures. Upon completion, the results are communicated and resolved in line with company regulations.

Ethics and Compliance Management Activities

Promotion of Ethics and Compliance Culture

To foster an ethical culture and raise awareness among all employees, Hyosung TNC conducts regular training on ethics, anti-corruption, and fair trade across both domestic and overseas sites. The company also creates and distributes promotional videos and internal magazines to reinforce compliance awareness. New hires are required to sign a pledge affirming their commitment to ethical conduct, including a Compliance Pledge and a Pledge to Prohibit Improper Solicitation and Receipt of Gifts. Departments with elevated risk due to direct interactions with partner companies receive training on the Fair Transactions in Subcontracting Act and contract violation cases. The sales division receives training on the protection of trade secret, misconduct cases such as embezzlement or bribery, and relevant regulations including the Fair Trade Act and Fair Agency Transaction Act. To raise awareness of ethical practices throughout the supply chain, Hyosung TNC collects Supplier Code of Conduct Compliance Pledges and offers ESG consulting, including ethics and compliance training, to small and medium-sized suppliers.

2024 Ethical Management Training Performance

Training Program Title	Target Audience	Training Objective
Anti-corruption training (ethical management, company regulations, etc.)	All employees at headquarters (including contract employees)	Strengthening employees' compliance awareness
Vietnam local employees' ethical management training	All employees of the subsidiary	Enhancing the ethical awareness of employees at overseas subsidiaries and establishing ethical management
Ethical management training at Jiaxing chemical subsidiaries in China	Office staff of the subsidiary	

Ethical Risk Management

Hyosung TNC investigates all reports of ethical misconduct submitted from both internal and external sources. The Audit Team conducts regular audits of select domestic and international business sites and subsidiaries, following internal audit procedures. Special audits are carried out when necessary to assess compliance with company policies, operational appropriateness, and ethical conduct. To protect whistleblowers and audit subjects from retaliation, anonymity is strictly maintained. Disciplinary action, including warnings, sanctions, or compensation, is taken based on the severity of any violation. All audit results are reported to the CEO. Audit subjects are required to implement corrective measures immediately and prevent recurrence through ongoing monitoring. In 2024, Hyosung TNC systematically managed the ethical management risks of overseas subsidiaries by implementing disciplinary actions against those who violated job regulations and anti-corruption policies at the Türkiye Corporation, Dong Nai Nylon Corporation, and Mexico Corporation.

Ethics and Compliance Management

Fair Trade

Fair Trade Principles

Hyosung TNC promotes a fair and equitable business culture with its partner companies by adopting and implementing the four core practices recommended by the Korea Fair Trade Commission as part of its internal corporate regulations. The company has also issued internal guidelines prohibiting retaliatory practices such as unilateral trade restrictions or termination of business with partner companies, thereby establishing a foundation for fair partnerships and transparent, rational trade relationships.

Fair Trade Compliance Program (CP)

The Fair Trade Compliance Program (CP) is an internal legal compliance system developed and operated by companies to ensure adherence to fair trade laws. It consists of monitoring, training, supervision, and disciplinary components to proactively prevent losses caused by legal violations and to cultivate a responsible corporate culture rooted in compliance and competition. Hyosung TNC has continuously operated the Fair Trade Compliance Program (CP), which was introduced by Hyosung Corporation in September 2006, and subsequently inherited during the spin-off in June 2018. To ensure that employees can verify compliance standards and related matters for fair trade regulations while performing their duties, the 'Fair Trade Compliance Manual' is provided to serve as the program's operational guidelines. This manual is updated and distributed annually. The Legal Compliance Team oversees CP-related operations to minimize fair trade related risks, including training, internal monitoring, and ensuring that all employees understand and follow CP guidelines. A Compliance Officer, appointed by the Board, serves as the program administrator and is authorized to report significant issues directly to the Board and senior management.

2024 Fair Trade Compliance Activity Performance

Activity Name	Activity Target
Fair trade training (Fair Transactions in Subcontracting Act, Improper Solicitation and Graft Act, Unfair Competition Prevention and Trade Secret Protection Act, etc.)	All employees at headquarters
Fair Trade Commission's survey on subcontracting and agency transactions (examination of payment details for subcontracting and consigned transactions)	Procurement Team

Raising Fair Trade Awareness

Hyosung TNC conducts annual fair trade compliance training for all employees to raise awareness. Training topics include the Fair Transactions in Subcontracting Act, Improper Solicitation and Graft Act, Unfair Competition Prevention and Trade Secret Protection Act, and the procedures and requirements of the CP system. In addition, to prevent violations of fair trade-related regulations in each department, actual court case precedents are shared to raise awareness of risks and illustrate practical mitigation strategies. The company rigorously adheres to contract review procedures prior to execution and uses standardized contract templates to prevent legal risks. Internal reviews are conducted for all contracts to eliminate unfair or ambiguous clauses, thereby minimizing the potential for legal disputes.

Operation of the Subcontracting Review Committee

To foster a fair subcontracting environment and ensure transparency in transactions, Hyosung TNC operates an internal review committee to evaluate the legality and fairness of subcontracting practices. The committee conducts self-monitoring to identify and prevent legal violations and unfair practices. The committee consists of at least three employees, including executives responsible for subcontracting matters. It reviews the appropriateness of criteria and procedures for partner company registration and cancellation, objections to partner company rejection or removal, fairness in contracts exceeding KRW 2 billion, and compliance with subcontracting laws. When necessary, the committee collects input from the relevant partner companies while guaranteeing anonymity. The committee also uses a checklist to verify legal compliance for individual subcontracting agreements before transactions begin. It ensures that written contracts are issued in advance and that there are no violations such as unfair price reductions, forced provision of goods or services, or demands for unjust economic benefits. After the transaction, it checks for issues such as delayed payments, misuse of technical data, or unjust reductions in subcontracting fees.

Information Security and Personal Data Protection

Information Security Management System

Information Security Policy

Hyosung TNC has established an information security policy that defines organizational roles and responsibilities in order to minimize information security risks. The company-wide policy has been approved by top management and is publicly disclosed. It is binding for all internal and external stakeholders, including employees, partner companies, site visitors, trainees, temporary workers, and contracted personnel. The company regularly updates the policy by monitoring changes in domestic and international laws and requirements related to information security.

Information Protection Declaration

Hyosung TNC Information Protection Declaration

- ① We strictly comply with information security regulations and related rules.
- ② We recognize the importance of information security and fulfill our responsibility towards it.
- ③ We protect critical information assets from unauthorized leakage and access.
- ④ We enhance security awareness through information protection activities.
- ⑤ We comply with legal requirements related to information protection and fulfill our responsibilities.
- ⑥ We collect personal data legally and use it safely within its intended purpose.

Information Security Governance

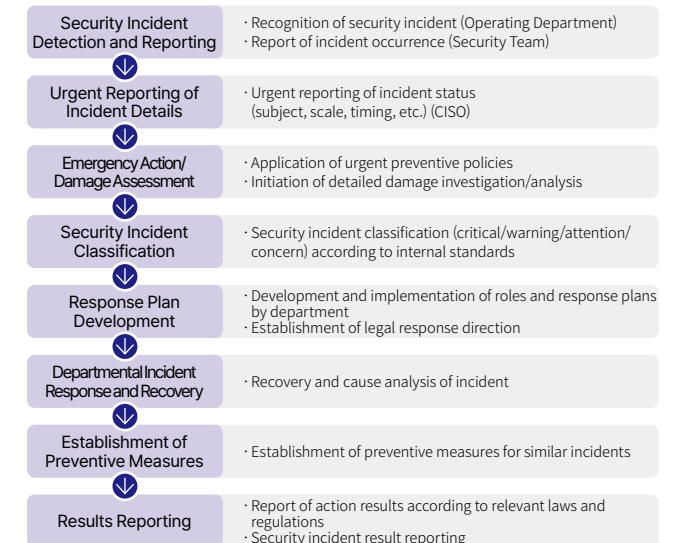
Hyosung TNC has appointed a Chief Information Security Officer (CISO) to oversee company-wide information security activities. The CISO ensures that the information security policy is effectively implemented. Each business site designates a local security officer, and individual teams appoint information security staff to ensure comprehensive application of security practices across the company. Hyosung TNC will continue to enhance its security posture by strengthening the capabilities of information security personnel and securing dedicated staff.

Responsible Department	Roles and Responsibilities
Chief Information Security Officer (CISO)	<ul style="list-style-type: none"> Oversee and manage information protection tasks Support prescribed security activities
Chief Privacy Officer (CPO)	<ul style="list-style-type: none"> Oversee personal information protection tasks Supervise compliance with personal information protection-related regulations
Local Security Officer	<ul style="list-style-type: none"> Perform information security tasks within the site, including site security inspections
Team Security Officer	<ul style="list-style-type: none"> Manage and oversee compliance with information protection policies within the team
Team Security Staff	<ul style="list-style-type: none"> Disseminate security education/news and share security issues

Information Security Incident Response

Hyosung TNC has established an incident response system to swiftly address and mitigate information security breaches, including the leakage of personal data. The company accepts reports of potential incidents, including those involving personal information, during business operations. If unauthorized access is detected during system or network monitoring, it is immediately reported to the information security manager. In the case of personal data leaks, Hyosung TNC complies with legal requirements to report such incidents within 72 hours and notifies affected individuals with details about the type, timing, and cause of the breach. The information security team conducts a detailed analysis to determine the root cause of the incident and establishes a response plan. The CISO is then provided with a report on preventive measures detailing the cause, actions taken, and follow-up measures.

Information Security Incident Response Process



Information Security and Personal Data Protection

Information Security Activities

Hyosung TNC engages in a variety of information security activities to protect internal confidential data, including proprietary technologies and the personal data of employees and customers. These activities help prevent information security violations and incidents, and the company continuously upgrades its internal systems to minimize potential risks.

Hi-Cloud (Centralized Document Control System)

To strengthen information security and improve operational efficiency, Hyosung TNC uses Hi-Cloud, a centralized internal document management system. All internal documents are systematically managed within the Hi-Cloud system, enabling smooth collaboration and file sharing. Document access and storage are centralized by user and team, and controls are in place to monitor document exports and circulation, preventing potential data leakage.

Centralized Log Management System

Hyosung TNC centrally manages logs generated by security tools such as servers, network devices, and firewalls to prevent data loss or tampering. The company invests in expanding storage capacity to ensure stable handling of large log volumes, forming a solid foundation for preventing security incidents. Through its SIEM (Security Information & Event Management) solution, the company triggers immediate responses when log activity exceeds preset thresholds, which are periodically reviewed and adjusted.

24/7 Security Monitoring System

To prevent cyberattacks such as hacking, Hyosung TNC operates a 24-hour security monitoring system in cooperation with its internal security team and outsourced monitoring specialists. Threat intelligence from both domestic and international incidents is proactively applied to the company's security infrastructure to prevent similar breaches. Real-time monitoring enables early detection and response to abnormal activity.

Phishing and Cyberattack Response Training

To prevent cybersecurity incidents, Hyosung TNC conducts quarterly simulation training for phishing emails and cyberattack response. Based on the results of these drills, additional training is provided to employees to prevent future incidents and enhance their ability to respond to information security threats.

Personal Information Handling Policy

To minimize the risk of personal data breaches, Hyosung TNC has publicly disclosed its personal information handling guidelines for internal and external stakeholders. These guidelines clearly define the usage and handling of personal data. In accordance with internal regulations, access logs to personal information systems are retained for at least one year and are reviewed through monthly internal audits. To help external stakeholders, including customers, better understand the company's personal data protection practices, Hyosung TNC has visualized its personal information handling policy as an infographic. This allows users to intuitively grasp the lifecycle of their data, including the purpose of collection, use, and disposal.

[Personal Information Handling Policy](#) 

Information Protection for Partner Companies

Starting in 2025, Hyosung TNC is requiring on-site visits to partner companies' facilities for the signing of information security agreements. This initiative aims to prevent the leakage of key partner information assets such as core technologies and design drawings. In addition, video-based training on information protection will be provided to external personnel dispatched by partner companies. Except for external contractors in dining services and waste management, all outsourced and newly contracted personnel will also be required to sign a Security Pledge for External Staff.

Information Security Training

To enhance employee awareness and share the latest updates in information security, Hyosung TNC provides annual training on information security, including legally required personal data protection training. The training covers key areas such as the company's security policies, email security, and PC management. Under the personal data management plan, the designated data protection officer prepares an annual training plan, reviews its outcomes, and incorporates improvements into the following year's curriculum. Information security training is offered in multiple formats, including classroom sessions, online modules, and through the company's groupware system. External experts or organizations are invited as needed. When critical incidents occur or updates are made to privacy-related policies, targeted training is conducted for employees handling personal data.

Information Security/Personal Data Protection Training Program

Program Name	Training Content	Hour	Number of Participants (People)
Industrial Technology Leak Cases/ Information Protection	Activities to protect technology through cases of industrial technology leaks and the "Top 10 Security Rules" for employees	1	873
Office Worker LAW Map	Definition and importance of personal data, and the significance of responding to and preventing personal data leaks	1	682

06. Appendix

ESG Performance Data 74

Certifications, Awards, and Memberships·· 87

ESG Ratings and Participation in

Global Initiatives 88

GRI/SASB/TCFD Index 89

UN SDGs Aligned Activities..... 94

GHG Verification Report..... 95

Independent Third-Party Assurance

Statement 98

ESG Performance Data

Reporting Scope

1. This report's ESG performance includes the subsidiaries listed below, which together account for over 91% of Hyosung TNC's consolidated sales. The data for Hyosung TNC and its subsidiaries is presented separately, and subsidiary data is provided starting from 2022. Some items may not include data from all subsidiaries, in which case relevant notes are provided as footnotes.

Subsidiaries	Countries of Operation
Hyosung Spandex (Jiaxing) Co., Ltd.	China
Hyosung Spandex (Quzhou) Co., Ltd.	
Hyosung Spandex (GuangDong) Co., Ltd.	
Hyosung Spandex (Zhuhai) Co., Ltd.	
Hyosung Spandex (Ningxia) Co., Ltd.	
Hyosung International Trade (Jiaxing) Co., Ltd.	
Hyosung Chemicals (Jiaxing) Co., Ltd.	Vietnam
Hyosung Dong Nai Co., Ltd.	
Hyosung Dong Nai Nylon Co., Ltd.	India
Hyosung India Pvt. Ltd.	
Hyosung Brasil industria e comercio de fibras LTDA	Brazil
Hyosung Istanbul TEKSTIL LTD.STI	Türkiye

*The reporting boundary for GHG emissions data additionally includes two subsidiaries not listed above: Hyosung New Materials & High Technology (Quzhou) Co., Ltd. and Hyosung Europe S.R.L.

Data Reporting Notes

1. 'N/A' is used for items that are not applicable or cannot be measured, and '-' is used where data was not collected. Special cases are explained in footnotes provided under each item.
2. Figures are rounded, so totals may differ slightly from the sum of individual values.



ESG Performance Data

Governance and Economic

Environmental

Social

Consolidated Financial Information

Category	Unit	2022	2023	2024
Total Assets		4,319,879	4,070,471	4,724,183
Current Assets		2,143,068	1,856,067	2,034,208
Non-Current Assets		2,176,811	2,214,405	2,689,975
Total Liabilities	KRW million	2,804,356	2,501,729	2,904,245
Current Liabilities		2,184,964	1,881,749	2,328,368
Non-Current Liabilities		619,391	619,980	575,877
Total Equity		1,515,524	1,568,743	1,819,938

Consolidated Statement of Comprehensive Income

Category	Unit	2022	2023	2024
Revenue (Sales)		8,882,730	7,526,919	7,776,065
Operating Profit	KRW million	123,594	213,393	270,728
Net Income		19,183	98,706	183,832

Corporate Tax by Country¹

Category	Sub-category	Unit	202	2023	2024
South Korea	Revenue	KRW million	5,370,548	4,460,120	4,671,336
	Profit Before Tax	KRW million	300,044	105,420	202,048
	Corporate Tax	KRW million	13,910	13,777	47,914
	Tax Rate	%	27.5	23.1	23.1
	Effective Tax Rate	%	4.6	13.1	23.7
China	Revenue	KRW million	2,910,793	2,530,209	2,380,133
	Profit Before Tax	KRW million	(115,571)	12,010	(27,948)
	Corporate Tax	KRW million	(40,889)	1,325	7,731
	Tax Rate	%	25	25	25
	Effective Tax Rate	%	35.4	11	-27.7

Corporate Tax by Country¹

Category	Sub-category	Unit	2022	2023	2024
Vietnam	Revenue	KRW million	1,630,858	1,281,306	1,465,202
	Profit Before Tax	KRW million	133,088	66,643	65,870
	Corporate Tax	KRW million	12,486	4,526	8,738
	Tax Rate	%	5	5	5
	Effective Tax Rate	%	9.4	6.8	13.3
India	Revenue	KRW million	198,888	192,636	258,592
	Profit Before Tax	KRW million	(37,925)	(17,298)	(4,294)
	Corporate Tax	KRW million	(4,082)	(3,594)	(580)
	Tax Rate	%	25.2	25.2	25.2
	Effective Tax Rate	%	10.8	20.8	13.5
Türkiye	Revenue	KRW million	316,217	238,630	239,932
	Profit Before Tax	KRW million	113,742	(13,459)	64,852
	Corporate Tax	KRW million	21,206	(3,351)	(3,900)
	Tax Rate	%	23	25	25
	Effective Tax Rate	%	18.6	24.9	(6)
Brazil	Revenue	KRW million	215,587	146,634	152,343
	Profit Before Tax	KRW million	12,915	7,444	14,084
	Corporate Tax	KRW million	1,886	(11,785)	6,304
	Tax Rate	%	34	34	34
	Effective Tax Rate	%	14.6	(158.3)	44.8
Japan	Revenue	KRW million	706,668	635,874	596,070
	Profit Before Tax	KRW million	5,124	3,887	3,994
	Corporate Tax	KRW million	1,963	1,243	1,416
	Tax Rate	%	30.6	30.6	30.6
	Effective Tax Rate	%	38.3	32	35.5

1. The 2022 and 2023 data have been revised based on the disclosure criteria in the business report.

ESG Performance Data

Governance and Economic

Environmental

Social

Corporate Tax by Country¹

Country	Category	Unit	2022	2023	2024
Italy	Revenue	KRW million	96,984	81,662	93,787
	Profit Before Tax	KRW million	2,556	2,149	2,828
	Corporate Tax	KRW million	781	688	1,144
	Tax Rate	%	27.9	27.9	27.9
	Effective Tax Rate	%	30.6	32	40.5
Indonesia	Revenue	KRW million	16,378	26,185	27,686
	Profit Before Tax	KRW million	(7,096)	770	575
	Corporate Tax	KRW million	0	0	142
	Tax Rate	%	22	22	22
	Effective Tax Rate	%	0	0	24.7
Spain	Revenue	KRW million	0	3,952	10,086
	Profit Before Tax	KRW million	0	149	641
	Corporate Tax	KRW million	0	0	211
	Tax Rate	%	0	25	25
	Effective Tax Rate	%	0	0	32.9
Hong Kong	Revenue	KRW million	16,242	16,007	16,141
	Profit Before Tax	KRW million	263	123	561
	Corporate Tax	KRW million	116	1,021	13
	Tax Rate	%	8.3	8.3	8.3
	Effective Tax Rate	%	44.1	830.1	2.3
Taiwan	Revenue	KRW million	3,073	2,338	2,966
	Profit Before Tax	KRW million	550	195	268
	Corporate Tax	KRW million	140	78	74
	Tax Rate	%	20	20	20
	Effective Tax Rate	%	25.5	40	27.6
Mexico	Revenue	KRW million	1,863	1,908	2,111
	Profit Before Tax	KRW million	158	(388)	347
	Corporate Tax	KRW million	47	(228)	140
	Tax Rate	%	30	30	30
	Effective Tax Rate	%	29.7	58.8	40.3

1. The 2022 and 2023 data have been revised based on the disclosure criteria in the business report.

Compliance with Ethics and Laws

Category		Unit	Hyosung TNC			Subsidiaries		
			2022	2023	2024	2022	2023	2024
Employee discrimination	Total No. of discrimination incidents	Case	0	0	0	-	-	-
	Reviewed incidents of discrimination	Case	0	0	0	-	-	-
Non-compliance with laws and regulations	Total amount of fines	KRW/million	16	1	5	29	86	128
	Cases of fines-imposed	Case	3	1	3	18	16	32
	No. of employees with records of investment-related investigations, customer complaints, lawsuits, or legal sanctions	Person	0	0	1	-	-	-
Unfair transaction	No. of unfair transaction practices	Case	0	1	1	-	-	-
	Fine for unfair transaction practices	KRW/million	0	0	0	-	-	-
Anti-Corruption	No. of reported incidents of anti-corruption violations	Case	2	2	2	-	-	-
	No. of employees dismissed or disciplined for anti-corruption violations	Person	0	3	1	-	-	-
	No. of business sites that performed anti-corruption risk assessments	Site	6	1	7	-	-	-
	No. of board members educated on anti-corruption policies	Person	1	0	1	-	-	-
	Percentage of board members educated on ² anti-corruption policies ²	%	16.7	0	20	-	-	-
	No. of employees educated on anti-corruption policies	Person	1,343	1,357	1,148	2,906	3,587	2,406
	Percentage of employees educated on anti-corruption policies ²	%	93.6	97.7	87.2	52.8	61.2	36.8

2. The 2022 and 2023 data have been revised due to aggregation errors by the headquarters and certain subsidiaries.

ESG Performance Data

Governance and Economic

Environmental

Social

GHG Emissions(Scope 1&2)¹

Category	Unit	Hyosung TNC			Subsidiaries ²		
		2022	2023	2024	2022	2023	2024
Total GHG emissions (Scope 1&2) ³		297,684	259,762	244,092	1,129,382	1,203,695	1,322,408
Subtotal		84,107	70,830	72,405	270,522	254,578	268,474
Direct GHG emissions (Scope 1)		82,920	70,069	71,147	257,141	240,486	256,785
Stationary combustion							
Mobile combustion		361	264	239	1,801	2,380	2,694
Waste disposal		826	497	1,019	11,579	11,711	8,993
Others	tCO ₂ eq	0	0	0	0.7	0.8	1.6
Subtotal		213,577	188,932	171,692	858,860	949,118	1,053,933
Indirect GHG emissions (Scope 2)		209,292	186,426	169,667	667,600	729,280	808,475
Electricity		4,285	2,506	2,025	191,253	219,821	245,440
Steam		0	0	0	7	16	19
Others							
Subtotal		5.5	5.8	5.2	32.1	39.2	42.5
GHG emissions intensity	tCO ₂ eq/	1.6	1.6	1.6	7.7	7.2	7.6
Scope 1	KRW 100 million	4	4.2	3.7	24.4	27	30
Scope 2							
Sales ⁴	KRW 100 million	53,645	44,530	46,638	35,182	30,739	31,123

1. The GHG emissions of the headquarters have been revised due to aggregation error.

2. Through the 2024 GHG emissions verification, Scope 1 and 2 emissions over a three-year period were recalculated for subsidiaries.

3. In 2024, the domestic GHG emissions target was set at 285,494 tCO₂eq, and actual emissions were recorded at 244,092 tCO₂eq.

4. The sales figures of the headquarters and subsidiaries have been revised due to changes in the sales calculation criteria.

GHG Emissions (Scope 3)

Category	Unit	Hyosung TNC ⁵			Subsidiaries ⁶		
		2022	2023	2024	2022	2023	2024
GHG emissions (Scope 3)		1,610,264	1,123,587	1,073,484	7,504,907	9,112,834	9,862,757
Purchased goods and services		1,522,236	1,044,380	980,231	3,513,297	4,382,260	4,900,558
Capital goods		19	19	13	106	130	161
Fuel- and energy-related activities		41,187	37,478	34,709	476,120	566,994	661,173
Upstream transportation and distribution		16,634	19,857	23,529	93,615	112,984	112,248
Waste generated in operations		1,011	648	5,755	48,976	56,310	55,735
Business travel	tCO ₂ eq	646	1,063	1,188	310	627	629
Employee commuting		-	-	-	10,889	10,567	11,443
Upstream leased assets		-	-	-	1,149	1,057	987
Downstream transportation and distribution		28,531	20,142	28,060	81,008	82,435	133,645
Use of sold products		-	-	-	2,952,887	3,496,506	3,454,126
End-of-life treatment of sold products		-	-	-	306,810	382,712	511,826
Investments		-	-	-	19,740	20,252	20,226

5. The data has been revised following the completion of the GHG emissions verification for the headquarters after the publication of the 2023 Sustainability Report.

6. Through the 2024 GHG emissions verification, Scope 3 emissions over a three-year period were calculated for subsidiaries.

Energy Consumption

Category	Unit	Hyosung TNC ⁷			Subsidiaries ⁸		
		2022	2023	2024	2022	2023	2024
Total energy consumption ⁹	TJ	6842.3	5965.9	5439.7	11536.5	12214.5	13380.0
Subtotal		1,537.4	1,323.0	1,251.4	3,851.6	3,653.8	3,852.7
Liquefied Natural Gas (LNG)		828.7	658.0	446.5	2,314.9	2,041.2	2,162.8
Gasoline		1.3	0	0	0	0	0
Diesel		2.9	0	0	5.6	6.9	9.4
Liquefied Petroleum Gas (LPG)		1.2	0	0	3.6	3.4	3.5
Propane		670.8	629.9	803.6	0	0	0
Kerosene		0.4	0	0.3	0	0	0
Bunker-C Oil		8.5	2.2	0	0	0	0
Biogas		23.7	32.6	1.1	0	0	0
Anthracite coal		0	0	0	1,479.1	1,447.3	1,553.9
Others		0	0	0	48.4	154.9	123
Subtotal		0	4	3	28	36	41
Direct energy consumption (Stationary combustion)							
Gasoline		0	1	1	14	23	26
Diesel		0	2	1	5	3	3
Liquefied Petroleum Gas (LPG)		0	1	1	9	11	13
Subtotal		5,305	4,639	4,110	7,657	8,524	9,486
Electricity		4,374	3,896	3,545	4,453	4,841	5,373
Steam		526	397	283	3,204	3,683	4,112
Heat from waste incineration		406	347	356	0	0	0
Others		0	0	0	0.1	0.3	0.3
Energy intensity	TJ/KRW 100 million	0.1	0.1	0.1	0.3	0.4	0.4
Sales ¹⁰	KRW 100 million	53,645	44,530	46,638	35,182	30,739	31,123
Subtotal		429.3	379.4	357.3	0	0	0
Heat from waste incineration		405.6	346.8	356.3	0	0	0
Biogas		23.7	32.6	1.1	0	0	0
Renewable energy ratio	%	6.3	6.4	6.6	0	0	0

7. The energy consumption data of the headquarters has been revised due to aggregation error.

8. Through the 2024 GHG emissions verification, energy consumption over a three-year period was recalculated for subsidiaries.

9. In 2024, the domestic energy consumption target was set at 6,359 TJ, while the actual consumption amounted to 5,439.7 TJ.

10. The sales figures of the headquarters and subsidiaries have been revised due to changes in the sales calculation criteria.

ESG Performance Data

Governance and Economic

Environmental

Social

Waste Management¹

Category			Unit	Hyosung TNC			Subsidiaries		
				2022	2023	2024	2022	2023	2024
Total waste generated ²				15,773	13,126	12,878	29,830	26,964	25,764
Subtotal				13,403	10,925	10,670	9,785	9,551	8,494
Non-hazardous waste generated	Outsourced treatment	Recycling(㉠)		11,649	9,659	9,787	8,020	7,568	6,604
		Incineration		1,235	1,021	731	1,652	1,154	1,150
		Landfill		519	244	152	112	829	741
Subtotal				2,370	2,201	2,208	20,045	17,413	17,270
Hazardous waste generated	On-site treatment	Recycling(㉡)	Ton	439	56	105	0	0	0
		Recycling(㉢)		308	445	375	1,451	3,008	3,089
	Outsourced treatment	Incineration		1,623	1,699	1,727	11,885	12,591	12,377
		Landfill		0	0	0	859	99	50
		Others		0	1	2	5,850	1,715	1,753
Total waste recycled(㉠+㉡+㉢)				12,396	10,161	10,266	9,472	10,575	9,693
Total ratio of waste recycled			%	78.6	77.4	79.7	31.8	39.2	37.6

1. The data has been revised due to aggregation errors by the headquarters and certain subsidiaries.

2. The domestic waste generation target for 2024 is 12,621 tonnes, while the actual waste generated in 2024 is 12,878 tonnes.

Air Pollutant Emissions³

Category		Unit	Hyosung TNC ⁴			Subsidiaries ⁵		
			2022	2023	2024	2022	2023	2024
Air pollutant emissions	Nitrogen Oxides (NOx)		60.4	370	9.2	164.4	222.4	93.6
	Sulfur Oxides (SOx)		6.5	3.2	0.6	82.7	26.3	13.7
	Particulate Matter (PM)		3.9	3.6	1.7	84.6	65.5	52.2
	Total Hydrocarbons (THC)		-	1.6	0.4	-	-	-
	Volatile Organic Compounds (VOCs)		0.02	0.2	0.7	54.6	51.0	32.2
	Hazardous Air Pollutants (HAPs)	Hydrogen Chloride (HCl)	-	0.4	0.02	-	0	0
		Carbon Monoxide (CO)	-	5.5	0	-	9.2	0

3. The data has been revised due to aggregation errors by the headquarters and certain subsidiaries.

4. The 2024 air pollutant emissions from the headquarters were calculated based on data from the Ulsan plant.

5. The 2024 air pollutant emissions of subsidiaries were calculated by excluding the emissions of the Türkiye subsidiary, considering its measurement method.

Water Management⁶

Category	Unit	Hyosung TNC			Subsidiaries		
		2022	2023	2024	2022	2023	2024
Water consumption ⁷⁻⁸		7,096,094	6,887,724	5,785,936	5,847,295	6,005,795	5,766,557
Municipal water	Ton	75,103	74,096	73,440	2,630,542	2,653,538	2,856,015
Industrial water		5,936,915	5,800,520	4,520,192	2,584,296	2,713,990	2,288,458
Reclaimed wastewater		1,084,076	1,013,108	1,192,304	0	0	0
Groundwater		0	0	0	632,457	638,267	622,084
Water reused		3,826,899	3,747,425	2,501,461	127,913	141,955	234,630
Ratio of water reused	%	53.9	54.4	43.2	2.2	2.4	4.1

6. The data has been revised due to aggregation errors by the headquarters and certain subsidiaries.

7. In 2024, the domestic water consumption target was set at 6,218,458 tons, while the actual consumption amounted to 5,785,936 tons.

8. The volume of water consumption by source at domestic sites in 2024 is as follows:

- Seoul: Municipal water – 9,680 tons / Ulsan: Industrial water – 3,485,109 tons

- Daegu: Municipal water – 7,733 tons / Industrial water – 612,960 tons

- Gumi: Municipal water – 56,027 tons / Industrial water – 422,133 tons / Reclaimed wastewater 1,192,304 tons

Wastewater and Water Pollutant Discharges⁹

Category		Unit	Hyosung TNC			Subsidiaries		
			2022	2023	2024	2022	2023	2024
Wastewater discharge by destination	Total wastewater discharge	Ton	1,387,108	1,400,254	1,532,498	1,196,920	1,751,332	1,557,402
	Wastewater treatment		1,387,108	1,400,254	1,532,436	933,716	1,367,772	1,176,849
	Outsourced treatment		0	0	62	263,204	383,560	380,553
Water pollutants discharged	Biochemical Oxygen Demand (BOD)	Ton	7.6	4.4	5.6	22.4	26.5	20.1
	Total Organic Carbon (TOC) ¹⁰		20.7	18.9	13.0	-	-	-
	Chemical Oxygen Demand (COD) ¹⁰		-	-	-	24.5	144.3	164.9
	Suspended Solids (SS)		13.6	10.0	13.8	40.9	74.5	78.6
	Total Nitrogen (T-N)		20.5	11.4	34.8	26.1	50.6	65.6
	Total Phosphorus (T-P)		0.4	0.3	0.6	0.2	0.6	1.0

9. The data has been revised due to tabulation errors by the headquarters and certain subsidiaries.

10. TOC is measured at domestic sites, while COD is measured at overseas sites.

ESG Performance Data

Governance and Economic

Environmental

Social

Environmentally Friendly Products Sales and Purchases¹

Category		Unit	Hyosung TNC			Subsidiaries		
			2022	2023	2024	2022	2023	2024
Sales	Sales of environmentally friendly products and services	KRW million	73,035	86,520	71,349	59,729	45,032	55,816
	Total product sales		5,364,506	4,453,045	4,663,802	3,518,224	3,073,874	3,112,263
	Percentage of environmentally friendly product and service sales	%	1.4	1.9	1.5	1.7	1.5	1.8
Purchases	Purchases of environmentally friendly products and services	KRW million	28,800	15,691	21,508	9,342	8,810	5,029
	Total product purchases		838,463	740,758	561,123	1,815,300	1,993,374	2,071,633
	Percentage of environmentally friendly product and service purchases	%	3.4	2.1	3.8	0.5	0.4	0.2

1. The data has been revised due to aggregation errors and changes in the calculation criteria by the headquarters and certain subsidiaries.

Raw, Renewable, and Recycled Material Consumption²

Category		Unit	Hyosung TNC			Subsidiaries		
			2022	2023	2024	2022	2023	2024
Raw, Renewable, and Recycled Material Consumption	Total raw material consumption	Ton	560,799	508,351	513,391	1,198,502	1,248,974	1,357,399
	Recycled material consumption		27,291	41,852	44,265	358,425	479,970	521,759
	Non-renewable material consumption		548,905	466,499	469,126	840,077	769,003	835,639
	Percentage of recycled material consumption	%	4.9	8.2	8.6	42.4	38.4	38.4

2. The 2023 data has been recalculated due to changes in the calculation criteria for raw, renewable, and recycled materials.

Reclaimed Packaging Materials

Category		Unit	Hyosung TNC ³			Subsidiaries ⁴		
			2022	2023	2024	2022	2023	2024
Packaging materials	Total amount of packaging materials sold	Ton	11,389	10,455	9,829	-	42,977	47,190
	Total amount of re-claimed packaging materials		2,302	2,296	1,933	-	1,682	1,795
	Percentage of re-claimed products and packaging materials	%	20.2	22.0	19.7	-	3.9	3.8

3. The data of the headquarters has been revised due to the expansion of the scope for packaging materials.

4. The reclaimed packaging materials data of subsidiaries has been recalculated starting in 2023.

Environmental Investment⁵

Category	Unit	Hyosung TNC			Subsidiaries		
		2022	2023	2024	2022	2023	2024
Total environmental investment		4,557	6,416	5,758	8,299	12,092	13,042
Costs for waste and wastewater treatment		2,617	2,476	2,064	5,085	9,996	9,309
Environmental management costs	KRW million	374	730	662	507	1,595	1,449
Investment in facilities for environmental improvement		960	888	172	2,707	501	2,284
Investment in eco-friendly technologies		606	2,321	2,860	-	-	-

5. The data has been revised due to aggregation errors by the headquarters and certain subsidiaries.

ESG Performance Data

Chemical Substances Management

Category	Unit	Hyosung TNC			Subsidiaries ¹		
		2022	2023	2024	2022	2023	2024
Hazardous chemicals consumption ²	Ton	7,174	5,783	6,008	-	219,243	559,442
Chemical substance emissions ³		0.2	0.3	0.2	-	-	-

1. The data has been revised due to aggregation errors by certain subsidiaries.
2. The 2024 hazardous chemical consumption of subsidiaries increased compared to the previous year due to the inclusion of consumption data from the Hyosung Chemicals (Jiaxing) subsidiary.
3. The chemical emissions of subsidiaries were excluded from the calculation due to insufficient data.

Eco-friendly Vehicles⁴

Category	Unit	Hyosung TNC			Subsidiaries		
		2022	2023	2024	2022	2023	2024
Off-road vehicles Electric vehicle	Vehicle	66	57	56	26	133	145
On-road vehicles Electric vehicle		-	1	1	-	0	0
Total No. of company vehicles		137	125	123	124	461	509
Ratio of eco-friendly vehicle	%	48.2	46.4	46.3	21	28.9	28.5

4. The data has been revised due to aggregation errors and changes in the calculation criteria by the headquarters and certain subsidiaries..

Violation of Laws and Regulations

Category	Unit	Hyosung TNC			Subsidiaries		
		2022	2023	2024	2022	2023	2024
Number of environmental law violations	Case	3	1	3	0	3	0
Financial penalties for environmental law violations	KRW million	6	1	2.6	0	7	0

ESG Performance Data

Governance and Economic

Environmental

Social

Employees¹

Category	Sub-category	Unit	Hyosung TNC			Subsidiaries			
			2022	2023	2024	2022	2023	2024	
Total No. of employees		Person	1,435	1,389	1,317	5,508	5,865	6,531	
Region	Korea	Person	1,435	1,389	1,317	-	-	-	
	China	Person	-	-	-	2,370	2,634	3,014	
	Asia (excluding China)	Person	-	-	-	2,197	2,287	2,544	
	Americas	Person	-	-	-	401	425	442	
	Europe	Person	-	-	-	540	519	531	
Gender	Subtotal	Person	1,362	1,311	1,240	5,368	5,699	6,302	
	Permanent	Male	Person	1,106	1,068	989	3,870	4,105	4,547
		Female	Person	256	243	251	1,498	1,594	1,755
	Temporary	Subtotal	Person	73	78	77	140	166	229
		Male	Person	44	42	44	117	141	197
		Female	Person	29	36	33	23	25	32
Age	Subtotal	Person	1,362	1,311	1,240	5,368	5,699	6,302	
	Permanent	Under 30	Person	186	169	149	2,237	2,348	2,500
		30-50	Person	778	749	676	3,011	3,196	3,602
		51 and above	Person	398	393	415	120	155	200
		Subtotal	Person	73	78	77	140	166	229
	Temporary	Under 30	Person	15	20	16	72	86	169
		30-50	Person	14	10	12	60	73	53
		51 and above	Person	44	48	49	8	7	7
Job level		Subtotal	Person	1,362	1,311	1,240	5,368	5,699	6,302
	Permanent	Executive	Person	24	22	23	45	62	62
		Manager level or higher	Person	319	318	311	383	404	430
		Non-manager level	Person	1,019	971	906	4,940	5,233	5,810
		Subtotal	Person	73	78	77	140	166	229
	Temporary	Executive	Person	0	1	0	0	0	0
		Manager level or higher	Person	0	1	0	1	2	2
		Non-manager level	Person	73	76	77	139	164	227
Job Group		Permanent	Office	Person	760	751	766	1,347	1,435
	Technical		Person	602	560	474	4,021	4,260	4,750

Category	Sub-category	Unit	Hyosung TNC			Subsidiaries		
			2022	2023	2024	2022	2023	2024
Diversity	Gender diversity in the Board of Directors	Person	6	6	5	55	60	56
	Male	Person	6	6	5	53	58	53
	Female	Person	0	0	0	2	2	3
	Subtotal	Person	6	6	5	55	60	56
	Age diversity in the Board of Directors	Person	0	0	0	0	0	0
	Under 30	Person	0	0	0	29	34	29
Employee diversity ²	30-50	Person	0	0	0	29	34	29
	51 and above	Person	6	6	5	26	26	27
	Subtotal	Person	340	331	341	1,646	1,758	1,944
	Female	Person	285	279	284	1,521	1,625	1,784
	Employees with disability	Person	34	33	28	34	36	37
	Veterans	Person	17	14	12	0	0	0
Fostering female talent	Foreigners	Person	4	5	10	91	97	123
	Female employee ratio	%	19.9	20.1	21.6	27.6	27.6	27.4
	No. of Female at manager level ³	Person	46	43	43	110	128	138
	No. of male at manager level ³	Person	279	300	268	313	331	346
	Proportion of female at manager level ³	%	14.2	12.5	13.8	26.0	27.9	28.5
	Subtotal	Person	605	557	464	60	121	64
Non-affiliated workers ⁴	Gender	Person	463	416	347	41	97	46
	Male	Person	463	416	347	41	97	46
	Female	Person	142	141	117	19	24	18
Senior Managers ⁵	Total	Person	99	93	99	513	543	543
	Local senior managers	Person	99	93	99	132	136	139
	Percentage of local senior managers	%	100	100	100	25.7	25.0	25.6

1. The data has been revised due to aggregation errors by the headquarters and certain subsidiaries.

2. Hyosung TNC's 2025 gender diversity target: Increase the ratio of female new hires to 40% or higher.

Hyosung TNC's 2025 employment target for persons with disabilities: Maintain a 3.1% or higher employment rate of persons with disabilities out of all employees at the headquarters, with 50% or more being persons with severe disabilities.

3. Manager-level employees were aggregated as PM/Manager or higher at the headquarters and equivalent levels at each subsidiary.

4. Workers classified as affiliated workers in the business report were recorded under [subcontractor].

5. Senior Manager was aggregated as Team Leader, Department Head, Supervisor or higher.

ESG Performance Data

Governance and Economic

Environmental

Social

New Employee Hires¹

Category	Sub-category	Unit	Hyosung TNC			Subsidiaries			
			2022	2023	2024	2022	2023	2024	
New hires	Subtotal	Person	224	183	138	1,912	1,765	2,017	
	Korea	Person	224	183	138	-	-		
	China	Person	-	-	-	590	697	836	
	Asia (excluding China)	Person	-	-	-	968	768	817	
	Americas	Person	-	-	-	220	204	246	
	Europe	Person	-	-	-	134	96	118	
Gender	Subtotal	Person	224	183	138	1,912	1,765	2,017	
	Male	Person	144	118	89	1,448	1,377	1,503	
	Female	Person	80	65	49	464	388	514	
	Ratio	Male	%	64.3	64.5	64.5	75.7	78.0	74.5
		Female	%	35.7	35.5	35.5	24.3	22.0	25.5
	Age	Subtotal	Person	224	183	138	1,912	1,765	2,017
Under 30		Person	129	92	60	1,295	1,171	1,395	
30-50		Person	77	74	52	608	583	612	
51 and above		Person	18	17	26	9	11	10	
Ratio		Under 30	%	57.6	50.3	43.5	67.7	66.3	69.2
		30-50	%	34.4	40.4	37.7	31.8	33.0	30.3
		51 and above	%	8.0	9.3	18.8	0.5	0.6	0.5

1. The data has been revised due to aggregation errors by certain subsidiaries.

Employee Turnover^{2~3}

Category	Sub-category	Unit	Hyosung TNC			Subsidiaries		
			2022	2023	2024	2022	2023	2024
No. of employee turnover	Subtotal	Person	293	224	229	2,070	1,555	1,952
	Voluntary turnover	Person	169	140	113	1,448	1,253	1,520
	Transfer to affiliated company	Person	26	27	28	320	24	52
	Involuntary turnover	Person	98	57	88	302	278	380
	Voluntary turnover rate	%	11.8	10.1	8.6	26.3	21.4	23.3
	Total turnover rate	%	20.4	16.1	17.4	37.6	26.5	29.9
	Subtotal	Person	293	224	229	2,070	1,555	1,952
Gender	Male	Person	229	153	181	1,600	1,250	1,521
	Female	Person	64	71	48	470	305	431
Turnover rate by gender	Male	%	16.0	11.0	13.7	29.0	21.3	23.3
	Female	%	4.5	5.1	3.6	8.5	5.2	6.6
Age	Subtotal	Person	293	224	229	2,070	1,555	1,952
	Under 30	Person	82	65	42	1,276	984	1,170
	30-50	Person	101	103	85	769	553	763
	51 and above	Person	110	56	102	25	18	19
	Under 30	%	5.7	4.7	3.2	23.2	16.8	17.9
Turnover rate by age	30-50	%	7.0	7.4	6.5	14.0	9.4	11.7
	51 and above	%	7.7	4.0	7.7	0.5	0.3	0.3

2. The data has been revised due to aggregation errors by certain subsidiaries.

3. Ratio indicators were calculated based on the total number of employees.

ESG Performance Data

Governance and Economic

Environmental

Social

Employee Salary and Compensation¹

Category	Sub-category	Unit	Hyosung TNC			Subsidiaries			
			2022	2023	2024	2022	2023	2024	
Average total annual compensation for entry-level employees		KRW million	47	41	49	13	14	15	
Annual average legal minimum wage		KRW million	23	24	25	5	5	6	
New employee salary(Gender)	Male	KRW million	49	53	52	13	14	15	
	Female	KRW million	41	39	45	12	13	14	
Ratio of new employee salary to average legal minimum wage	Male	%	214.1	221.0	208.9	271.5	268.5	268.9	
	Female	%	177.3	163.6	183.2	250.1	256.2	259.4	
Total annual salary by gender and position	Male	Executive	KRW million	219	196	233	124	136	153
		Manager level	KRW million	93	97	96	45	51	55
		Non-manager level	KRW million	63	67	67	16	17	19
	Female	Executive	KRW million	155	148	169	16	16	17
		Manager level	KRW million	83	89	91	33	39	43
		Non-manager level	KRW million	41	47	47	15	16	18
Ratio of total salary of female to male by position	Executive	%	70.9	75.7	72.5	12.9	11.8	11.4	
	Manager level	%	89.9	92.0	94.9	73.3	75.9	77.9	
	Non-manager level	%	65.2	69.4	69.2	91.6	92.7	94.1	
Average Annual Salary of Employees		KRW million	70	71	74	20	20	22	
Highest-paid Individual	Total annual compensation	KRW million	320	301	338	171	189	223	
	Year-on-year increase in total compensation ²	%	(8.1)	(5.7)	12.3	-	10.8	18.1	
Employees (Excluding highest-paid individual)	Average annual compensation (excluding highest-paid individual)	KRW million	68	73	72	20	20	22	
	Median annual compensation	KRW million	68	73	70	16	18	19	
	Year-on-year increase in median compensation	%	(10.5)	7.7	(3.9)	15.1	11.4	8.5	
Ratio of the total annual salary for the highest-paid individual to the median for all employees (excluding the highest-paid individual)		Time	4.7	4.1	4.7	8.4	9.4	10.0	

1. The data has been revised due to aggregation errors and changes in the calculation criteria related to employee compensation at the headquarters and subsidiaries.

2. Reporting of the 2022 "Year-on-year increase in total salary for the highest-paid employee" has been omitted due to unavailability of data from certain subsidiaries.

Minimum Notice Periods regarding Operational Changes

If there is a legal standard such as a notice of dismissal, it is notified in advance in accordance with the stipulated timeframes.

Parental Leave³

Category	Sub-category	Unit	Hyosung TNC			Subsidiaries		
			2022	2023	2024	2022	2023	2024
Male	No. of employees entitled to parental leave	Person	140	155	132	607	701	747
	No. of employees on parental leave	Person	2	8	12	224	259	268
	No. of employees returning to work after parental leave	Person	0	8	6	222	258	265
	No. of employees who worked for at least 12 months after returning to work	Person	3	0	8	127	202	188
	Return rate after parental leave ⁴	%	0	100	50.0	99.1	99.6	98.9
	Rate of employees who worked for at least 12 months after returning to work ⁵⁻⁶	%	75.0	-	100	57.2	78.3	70.9
Female	No. of employees entitled to parental leave	Person	26	25	20	276	302	340
	No. of employees on parental leave	Person	9	10	11	114	122	142
	No. of employees returning to work after parental leave	Person	7	10	10	112	121	137
	No. of employees who worked for at least 12 months after returning to work	Person	8	5	8	63	108	102
	Return rate after parental leave	%	77.8	100	90.9	98.2	99.2	96.5
	Rate of employees who worked for at least 12 months after returning to work	%	61.5	71.4	80.0	56.3	89.3	74.5

3. The parental leave data for the headquarters and subsidiaries has been recalculated due to changes in the calculation criteria.

4. Return rate after parental leave (Headquarters/Subsidiaries): (Number of employees who returned from parental leave in the current year ÷ Number of employees who used parental leave in the current year) × 100

5. Rate of employees who worked for at least 12 months after returning to work (Headquarters): (Number of employees who worked for at least 12 months after returning to work in the current year ÷ Number of employees returning to work after parental leave in the previous year) × 100
Rate of employees who worked for at least 12 months after returning to work (Subsidiaries): (Number of employees who worked for at least 12 months after returning to work in the current year ÷ Number of employees returning to work after parental leave in the current year) × 100

6. Since the number of male employees who returned from parental leave in 2022 was zero, the 2023 'Rate of male employees who worked for at least 12 months after returning to work' has been omitted.

Labor Union and Collective Agreement⁷

Category	Unit	Hyosung TNC ⁸			Subsidiaries		
		2022	2023	2024	2022	2023	2024
No. of employees covered by collective agreements	Person	493	469	382	5,285	5,605	5,953
Ratio of employees covered by collective agreements	%	34.4	33.8	29.2	96.0	95.6	91.1
No. of employees subject to collective agreements	Person	438	413	313	4,309	4,954	5,431
Ratio of employees subject to collective agreements	%	88.8	88.1	81.5	81.5	88.4	91.2

7. The data has been revised due to aggregation errors by certain subsidiaries.

8. The collective bargaining agreement at Hyosung TNC Co., Ltd. applies to Grade 5 production workers at the Ulsan and Gumi plants, including expatriates and employees on overseas assignments.

ESG Performance Data

Governance and Economic

Environmental

Social

Retirement Pension¹

Category	Unit	Hyosung TNC			Subsidiaries		
		2022	2023	2024	2022	2023	2024
Total operation fund for retirement pensions (DB+DC)	KRW million	100,394	95,627	94,218	103	141	188
Operation fund for DB pension	KRW million	95,227	91,099	88,477	-	-	-
Operation fund for DC pension	KRW million	5,167	4,528	5,741	-	-	-
Total No. of members in retirement pension plans ²	Person	1,587	1,566	1,483	-	-	-
No. of DB pension members	Person	1,284	1,254	1,194	-	-	-
No. of DC pension members	Person	303	312	289	-	-	-

1. The data has been revised by aligning the data aggregation method of subsidiaries with the aggregation method used in the business report.

2. This figure includes expatriate employees of Hyosung TNC Co., Ltd.'s subsidiaries.

Performance Evaluation³

Category	Sub-category	Unit	Hyosung TNC			Subsidiaries			
			2022	2023	2024	2022	2023	2024	
No. of employees subject to performance evaluation ⁴		Person	1,362	1,311	1,317	4,660	4,887	5,098	
Ratio of employees who received performance evaluation ⁵		%	94.9	94.4	100	84.6	83.3	78.1	
Gender	No. of employees who received performance evaluation	Male	Person	1,102	1,066	1,032	3,345	3,495	3,660
		Female	Person	256	243	284	1,315	1,392	1,438
		Male	%	96.2	96.2	95.7	97.1	96.7	95.8
		Female	%	89.8	87.1	88.4	98.5	98.5	98.2
Job level	No. of employees who received performance evaluation	Executive	Person	20	20	23	35	51	49
		Manager level	Person	319	318	311	457	480	498
		Non-manager level	Person	1,019	971	982	4,171	4,359	4,551
	Performance evaluation rate by employee category	Executive	%	83.3	87.0	100	100	100	100
		Manager level	%	100	99.7	100	99.7	99.5	99.5
		Non-manager level	%	93.3	92.7	92.2	97.3	97.0	96.2

3. The data has been revised due to aggregation errors by the headquarters and certain subsidiaries.

4. Starting in 2024, the scope of performance evaluation was expanded from permanent employees to include both permanent and contract employees.

5. The ratio of employees subject to performance evaluation was calculated based on the total number of employees.

Employee Training^{6~7}

Category	Sub-category	Unit	Hyosung TNC			Subsidiaries		
			2022	2023	2024	2022	2023	2024
No. of training participants		Person	20,066	22,019	16,977	19,313	24,411	20,954
Total training expenses		KRW million	833	917	818	208	273	267
Total training hours		Hour	57,933	82,901	49,517	108,575	107,670	112,543
Average training hours per employee		Hour	40	60	38	20	18	17
Average training expenses per employee		KRW	580,200	660,470	621,333	37,677	46,538	40,831
Total training hours by job level	Executive	Hour	610	666	1,407	302	270	765
	Manager level	Hour	19,915	17,965	16,467	12,240	19,838	16,562
	Non-manager level	Hour	37,408	64,271	31,644	96,033	87,562	95,216
Total training hours per employee by job level	Executive	Hour	25	29	61	7	4	12
	Manager level	Hour	62	56	53	32	49	38
	Non-manager level	Hour	34	61	32	19	16	16
No. of participants in environmental training		Person	1,350	2,097	1,287	540	831	1,205
No. of participants in ethics and anti-corruption training		Person	1,343	1,426	1,202	3,088	3,021	2,406
No. of participants in fair trade training		Person	1,412	1,378	1,199	122	777	95
No. of participants in safety and health training		Person	3,156	3,618	2,056	5,478	6,691	8,317
No. of participants in human rights training		Person	5,829	5,885	5,226	1,082	1,366	874
No. of employees trained for information/physical security		Person	1,941	2,067	1,940	4,515	4,630	4,946
No. of employees trained for information security		Person	1,941	2,067	1,940	3,147	2,974	3,393
No. of employees trained for physical security		Person	0	0	0	1,368	1,656	1,553
No. of participants in sustainability management training		Person	1,119	1,410	1,274	764	3,311	911
No. of participants in retiree training		Person	54	4	1	228	231	571
No. of participants in supply chain risk management training		Person	0	2	1	0	287	314

6. The number of training participants represents the cumulative number of participants per course.

7. The data has been revised due to aggregation errors by the headquarters and certain subsidiaries.

ESG Performance Data

Governance and Economic

Environmental

Social

Occupational Health and Safety Management System¹

Category	Unit	Hyosung TNC		
		2022	2023	2024
Total No. of employees and non-affiliated workers	Person	2,040	1,946	1,781
No. of employees and workers covered by the occupational health and safety system	Person	2,040	1,946	1,781
Percentage of employees and workers covered by the occupational health and safety system	%	100	100	100
No. of employees and workers covered by an audited OHS system	Person	2,040	1,946	1,781
Percentage of employees and workers covered by an audited OHS system	%	100	100	100
No. of employees and workers covered by an externally audited/certified OHS system	Person	2,040	1,946	1,781
Percentage of employees and workers covered by an externally audited/certified OHS system	%	100	100	100

1. The data has been recalculated due to changes in the aggregation method for non-affiliated workers.

Occupational Accidents and Disease

Category	Sub-category	Unit	Hyosung TNC			Subsidiaries		
			2022	2023	2024	2022	2023	2024
Total No. of business sites	Site		6	6	6	20	20	20
Occupational accidents	No. of business sites where occupational accidents occurred	Site	2	3	2	7	5	5
	Percentage of business sites where occupational accidents occurred	%	33.3	50.0	33.3	35.0	25.0	25.0
	No. of occupational accidents cases (employees)	Case	3	4	3	21	14	16
	No. of occupational accidents cases (non-employees)	Case	1	0	4	-	-	-
	Accident Rate (employees) ²	%	0.21	0.29	0.23	0.38	0.24	0.24
	Accident rate (non-employees) ²	%	0.15	0	0.80	-	-	-
	Total work hours	Hour	2,996,280	2,900,232	2,749,996	11,500,704	12,246,120	13,636,728
	Serious accidents (excluding fatalities)	Case	0	0	0	2	3	3
	Fatalities	Person	0	0	0	0	0	0
	Fatality rate	%	0	0	0	0	0	0
Occupational diseases	No. of business sites where occupational diseases occurred	Site	2	2	1	1	1	2
	Percentage of business sites where occupational diseases occurred	%	33.3	33.3	16.7	5.0	5.0	10.0
	No. of occupational diseases cases	Case	5	7	3	2	3	5

2. Accident rate: (Number of occupational accidents cases / Total number of employees) × 100

Process Safety Incidents

Category	Unit	Hyosung TNC			Subsidiaries		
		2022	2023	2024	2022	2023	2024
No. of Process Safety Incidents (PSIC)	Case	0	0	0	2	4	3
No. of transport incidents	Case	0	0	0	0	0	0

Products Assessed for Information Labeling/Safety and Health^{3~4}

Category	Sub-category	Unit	Hyosung TNC		
			2022	2023	2024
Total No. of products	Spandex products	Product	15	15	15
	Nylon and polyester products	Product	35	37	38
No. of products assessed for information labeling	Spandex products	Product	2	10	10
	Nylon and polyester products	Product	16	15	37
No. of products assessed for safety and health	Spandex products	Product	2	10	10
	Nylon and polyester products	Product	16	15	37
Percentage of products assessed for information labeling	Total No. of products	%	36.0	48.1	88.7
	Spandex products	%	13.3	66.7	66.7
	Nylon and polyester products	%	45.7	40.5	97.4
Percentage of products assessed for safety and health	Total No. of products	%	36.0	48.1	88.7
	Spandex products	%	13.3	66.7	66.7
	Nylon and polyester products	%	45.7	40.5	97.4

3. Starting in 2024, the aggregation method for nylon and polyester products was changed to align with the method used for spandex products.

4. This is the combined figure for the products manufactured by Hyosung TNC Co., Ltd. and its subsidiaries.

ESG Performance Data

Governance and Economic

Environmental

Social

Social Contribution

Category	Sub-Category	Unit	Hyosung TNC			Subsidiaries ¹		
			2022	2023	2024	2022	2023	2024
Social contribution investment		KRW million	785	862	460	130	287	366
No. of social contribution programs		Case	36	39	36	14	30	34
No. of employee participants in social contribution programs		Person	551	608	1,006	60	88	133
Total volunteer hours		Hour	1,108	1,156	1,896	247	385	842
Amount of social value generated ²		KRW million	N/A	1,893	1,815	201	296	374
Grievance mechanism for business partners ³	No. of cases received	Case	1	1	0	-	-	-
	No. of cases processed	Case	1	1	0	-	-	-
	Processing rate	%	100	100	-	-	-	-
No. of incidents of violation involving local community rights		Case	0	0	0	0	0	0
No. of child labor workers		Person	0	0	0	0	0	0

1. The data has been revised due to aggregation errors by certain subsidiaries.

2. The social value amount of Hyosung TNC Co., Ltd. has been aggregated since 2023 and includes donations in cash and goods, labor costs of volunteers, and wages of beneficiaries.

3. This is a centrally managed item by Hyosung TNC Co., Ltd., and therefore does not apply to subsidiaries.

Suppliers⁴

Category	Unit	Hyosung TNC			Subsidiaries		
		2022	2023	2024	2022	2023	2024
No. of suppliers	Company	625	561	520	837	914	932
Total purchase amount from suppliers	KRW million	906,160	589,809	561,123	2,875,922	1,993,374	2,059,083
Total purchase amount from local suppliers	KRW million	610,116	340,004	321,822	1,561,701	968,805	948,284
Proportion of purchases from local suppliers	%	67.3	57.6	57.4	54.3	48.6	46.1

4. The 2022 and 2023 data have been recalculated due to changes in the supplier classification criteria at the headquarters, and revised due to aggregation errors by certain subsidiaries.

Supply Chain ESG Management

Category	Sub-Category		Unit	Hyosung TNC				
				2022	2023	2024		
Social impact assessment of the supply chain	No. of new suppliers		Company	17	8	33		
	New suppliers	No. of new suppliers that conducted social impact assessments	Company	2	2	33		
		Percentage of new suppliers that conducted social impact assessments	%	11.8	25.0	100		
	Suppliers	No. of suppliers under focused management		Company	22	68	31	
		No. of suppliers that conducted social impact assessment		Company	13	68	20	
		No. of suppliers having practical or/and potential negative impact		Company	8	58	19	
		No. of suppliers that agreed improvement based on the results of social impact assessment		Company	6	15	5	
		Percentage of suppliers that agreed improvement based on the results of social impact assessment		%	46.2	22.1	25.0	
		No. of suppliers whose contracts were terminated based on the results of social impact assessment		Company	0	0	1	
		Percentage of suppliers whose contracts were terminated based on the results of social impact assessment		%	0	0	5.0	
		New suppliers	No. of new suppliers that conducted Environmental impact assessments	Company	2	2	33	
	Percentage of new suppliers that conducted Environmental impact assessments		%	11.8	25.0	100		
	Environmental impact assessment of the supply chain	Suppliers	No. of suppliers under focused management		Company	22	68	31
			No. of suppliers that conducted Environmental impact assessment		Company	13	68	20
No. of suppliers having practical or/and potential negative impact			Company	8	58	19		
No. of suppliers that agreed improvement based on the results of Environmental impact assessment			Company	6	15	5.0		
Percentage of suppliers that agreed improvement based on the results of Environmental impact assessment			%	46.2	22.1	25.0		
No. of suppliers whose contracts were terminated based on the results of Environmental impact assessment			Company	0	0	1		
Percentage of suppliers whose contracts were terminated based on the results of Environmental impact assessment			%	0	0	5		
No. of suppliers that signed the Sustainable Procurement Charter or Supplier Code of Conduct			Company	177	200	233		
Percentage of suppliers that signed the Sustainable Procurement Charter or Supplier Code of Conduct ³		%	28.3	35.7	44.8			

5. The number of suppliers who signed the Sustainable Procurement Charter/Supplier Code of Conduct has been corrected due to a data entry error.

Certifications, Awards, and Memberships

ISO Certifications

The International Organization for Standardization (ISO) is an international standard-setting body established to promote international trade and cooperation in technology, science, and economic activities through the standardization of facilities and operations related to goods and services. As of 2024, Hyosung TNC has acquired ISO 14001 (Environmental Management System) certification for 9 out of 32 business sites and ISO 45001 (Occupational Safety and Health Management System) certification for 5 business sites.

Certification Status

Category		Description	Certified Site
Issuing Organization	Certificate Name		
Control Union	GRS-Version 4.0	The Global Recycled Standard (GRS) is a certification issued by Textile Exchange, an international fiber association established to protect the environment and improve quality of life. Hyosung TNC annually renews the GRS certification to enhance the credibility of its recycled nylon and polyester products.	HQ / Ulsan / Daegu / Gumi / Overseas Subsidiaries etc.
	ISCC EU/ EU PLUS	The International Sustainability and Carbon Certification (ISCC) is a bioenergy certification issued by Control Union, a global certification body based in the Netherlands. Hyosung TNC obtained the ISCC certification for its Chemical PU trading business involving biodiesel feedstocks, fulfilling its responsibilities as a certified supplier.	HQ
	OBP-Version 1.1	The Ocean Bound Plastic (OBP) Certificate is a recycling certification developed by Control Union, a global certification agency, in collaboration with the non-profit organization Zero Plastic Oceans, to help address marine plastic waste entering the ocean. In September 2021, Hyosung TNC acquired OBP certification to enhance the credibility of its recycled products made from discarded PET bottles collected from marine environments, including fishing nets.	HQ / Gumi
OEKO-TEX	Standard 100	OEKO-TEX is an international association established to promote environmentally friendly textile products. The OEKO-TEX STANDARD 100 label is granted to products that meet the association's criteria, which restrict or prohibit the use of harmful chemicals and heavy metals during the production of apparel and home textiles. Hyosung TNC has obtained certification for Product Class II, which applies to items with direct skin contact, and renews this certification annually.	Daegu / Dong Nai

Certification Status

Category		Description	Certified Site
Issuing Organization	Certificate Name		
SGS	ECO/22/CEBEC/00026	SGS is a Switzerland-based testing and certification organization. The SGS ECO PRODUCT certification is awarded to products that comply with environmental regulations and minimize the use of hazardous substances throughout the production, use, and disposal stages. Hyosung TNC obtained SGS ECO PRODUCT certification for its "regen BIO Spandex" made by partially replacing petroleum-derived raw materials with USDA-certified corn-based components.	HQ
ZDHC	Supplier to Zero (Level 2)	ZDHC was launched by major global apparel, leather, and footwear brands and retailers to reduce hazardous chemicals in the supply chain or replace them with safer alternatives. ZDHC has developed the Manufacturing Restricted Substances List (MRSL), which specifies chemicals prohibited from being used during the manufacturing processes of raw materials or accessories for clothing, leather, and footwear.	Daegu

Awards & Recognitions





Award Title	Issuing Organization
Rural ESG Practice Recognition Institution (2023–2024)	Korea Foundation for Cooperation of Large & Small Business, Rural Affairs (KOFCA)
Outstanding Rural ESG Practice Recognition Institution (2024)	Korea Foundation for Cooperation of Large & Small Business, Rural Affairs (KOFCA)
Minister of Health and Welfare Award under the Community Contribution Recognition Program (Ulsan Plant)	Ministry of Health and Welfare-Korea National Council on Social Welfare
Endangered Species Conservation Sponsorship Recognition	National Institute of Ecology (under the Ministry of Environment)
Presidential Citation for Marine Resource Conservation (Individual)	Government of the Republic of Korea
Minister's Citation for Contribution to Rural Partnership Fund (Individual)	Ministry of Trade, Industry and Energy

Association Memberships

Korea Chemical Fibers Association	Korea International Trade Association	Korea Listed Companies Association
Korea Enterprises Federation	The Federation of Korean Industries	The Korea Chamber of Commerce & Industry
Korea Exchange	Korea Association for Chief Financial Officers	Korea Personnel Improvement Association
ICMC Signatory		

ESG Ratings and Participation in Global Initiatives




ESG Ratings

Evaluation Institution	Description	Rating
	As a public-interest institution, KCGS (Korea ESG Standards Institute) provides ESG ratings for all companies listed on the Korea Exchange (KRX) to promote capital market development by revising and activating key Codes. The results are used for the composition of KRX's responsible investment index.	B+ (Environment: A, Social: A+, Governance: B)
	MSCI (Morgan Stanley Capital International) is a global ESG rating agency established by Morgan Stanley, one of the world's top 3 investment banks. Since 2009, it has assessed over 2,800 companies worldwide based on disclosed data across 10 categories and 35 key issues.	A
	CDP (Carbon Disclosure Project) evaluates companies' climate change strategies, GHG emissions data, and reduction efforts, providing the results to investors and financial institutions.	A-
	Sustainvest is a leading SRI research firm in Korea that provides ESG evaluation, analysis, and advisory services for listed companies. The results are shared with major responsible investment funds, including public pension funds.	C

Participation in Global Initiatives

Initiative for Social Responsibility

An Initiative for social responsibility refers to a program or activity that makes a clear contribution toward achieving specific social responsibility objectives. As a responsible company, Hyosung TNC participates in various domestic and international initiatives related to environmental and social sustainability, with a strong sense of purpose to contribute to the sustainable development of society and expand its positive influence.

Initiative	Description
	TCFD is a global task force established by the Financial Stability Board (FSB) in 2015 at the G20 Finance Ministers and Central Bank Governors Meeting to promote climate-related financial disclosures. Hyosung TNC has expressed its support for TCFD to strengthen its climate change response and ESG management, which are emerging as core components of global corporate competitiveness. The company discloses climate-related information in its sustainability report in alignment with TCFD recommendations.
	CDP is an international non-profit organization established to make environmental disclosure and risk management a business norm, and to drive transparency, insight, and action toward a sustainable economy. CDP encourages companies to disclose their greenhouse gas emissions, risks and opportunities related to climate change, and carbon management strategies.
	Since 2021, Hyosung TNC has submitted reports on its strategy and operations to CDP and transparently discloses the content on its corporate website. Textile Exchange is a non-profit organization established in 2002 to promote sustainability in the fiber and materials industry. It operates various certification programs for sustainable fibers and materials, including GRS and RCS, and conducts benchmarking activities to track the sustainability performance of businesses across the value chain, including supply and distribution. Textile Exchange has launched the Climate+ initiative, which aims to reduce carbon emissions from fiber and material production by 45% by 2030, in response to the textile and fashion industry's contribution of approximately 8% of global greenhouse gas emissions. Hyosung TNC provides sustainable solutions to support member companies of Textile Exchange in expanding their use of sustainable materials and achieving their reduction targets.

GRI Standard Index

General Disclosures

Indicator	Disclosure Items	Page
GRI 2: General Disclosures		
2-1	Organizational details	6~11
2-2	Entities included in the organization's sustainability reporting	2
2-3	Reporting period, frequency and contact point	2
2-4	Restatements of information	74~87
2-5	External assurance	98~99
2-6	Activities, value chain and other business relationships	6~11
2-7	Employees	81
2-8	Workers who are not employees	81
2-9	Governance structure and composition	65~67
2-10	Nomination and selection of the highest governance body	65~67
2-11	Chair of the highest governance body	67
2-12	Role of the highest governance body in overseeing the management of impacts	13, 19, 25, 41, 47, 51, 67
2-13	Delegation of responsibility for managing impacts	13, 19, 25, 27, 41, 47, 51, 57, 71
2-14	Role of the highest governance body in sustainability reporting	65~67
2-15	Conflicts of interest	65~67
2-16	Communication of critical concerns	13, Homepage (BoD Operation)
2-17	Collective knowledge of the highest governance body	65~66
2-18	Evaluation of the performance of the highest governance body	67
2-19	Remuneration policies	67
2-20	Process to determine remuneration	67
2-21	Annual total compensation ratio	83
2-22	Statement on sustainable development strategy	2
2-23	Policy commitments	25, 37, 49, 51, 58
2-24	Embedding policy commitments	47, 58, 69, 71
2-25	Processes to remediate negative impacts	21, 30, 33, 35, 37, 47, 48, 49, 50, 54, 58, 59, 69, 71
2-26	Mechanisms for seeking advice and raising concerns	45
2-27	Compliance with laws and regulations	69~70
2-28	Membership associations	88
2-29	Approach to stakeholder engagement	16
2-30	Collective bargaining agreements	45, 50

Material Topics

Indicator	Disclosure Items	Page
GRI 3: Material Topics		
3-1	Process to determine material topics	17
3-2	List of material topics	18
3-3	Management of material topics	18

1. Climate Change

Indicator	Disclosure Items	Page
GRI 302: Energy		
302-1	Energy consumption within the organization	77
302-2	Energy consumption outside of the organization	77
302-3	Energy intensity	77
302-4	Reduction of energy consumption	14, 22
302-5	Reductions in energy requirements of products and services	30
GRI 305: Emissions		
305-1	Direct (Scope 1) GHG emissions	77
305-2	Energy indirect (Scope 2) GHG emissions	77
305-3	Other indirect (Scope 3) GHG emissions	77
305-4	GHG emissions intensity	77
305-5	Reduction of GHG emissions	23
305-6	Emissions of ozone-depleting substances (ODS)	Not applicable
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	78

GRI Standard Index

Material Topics

2. Resource Circulation and Sustainable Business Model

Indicator	Disclosure Items	Page
GRI 306 : Waste		
306-1	Waste generation and significant waste-related impacts	27~33
306-2	Management of significant waste-related impacts	27, 30, 34
306-3	Waste generated	78
306-4	Waste diverted from disposal	78
306-5	Waste directed to disposal	78

3. Employee Safety and Health

Indicator	Disclosure Items	Page
GRI 403 : Occupational Health and Safety		
403-1	Occupational health and safety management system	51~56
403-2	Hazard identification, risk assessment, and incident investigation	51~56
403-3	Occupational health services	51~56
403-4	Worker participation, consultation, and communication on occupational health and safety	51~56
403-5	Worker training on occupational health and safety	55~56
403-6	Promotion of worker health	55~56
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	53~55
403-8	Workers covered by an occupational health and safety management system	53, 85
403-9	Work-related injuries	85
403-10	Work-related ill health	85

Non-material Topics

Economics

Indicator	Disclosure Items	Page
GRI 201 : Economic Performance		
201-1	Direct economic value generated and distributed	6, 75
201-2	Financial implications and other risks and opportunities due to climate change	19~23
201-3	Defined benefit plan obligations and other retirement plans	84
201-4	Financial assistance received from government	Business Report p. 97
GRI 202 : Market Presence		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	83
202-2	Proportion of senior management hired from the local community	81
GRI 203 : Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	60~63
203-2	Significant indirect economic impacts	60~63
GRI 204 : Procurement Practices		
204-1	Proportion of spending on local suppliers	86
GRI 205 : Anti-corruption		
205-1	Operations assessed for risks related to corruption	76
205-2	Communication and training about anti-corruption policies and procedures	69, 84
205-3	Confirmed incidents of corruption and actions taken	69
GRI 206 : Anti-competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	76
GRI 207 : Tax		
207-1	Approach to tax	-
207-2	Tax governance, control, and risk management	69
207-3	Stakeholder engagement and management of concerns related to tax	69
207-4	Country-by-country reporting	75~76

GRI Standard Index

Non-material Topics

Environmental

Indicator	Disclosure Items	Page
GRI 301: Materials		
301-1	Materials used by weight or volume	79
301-2	Recycled input materials used	79
301-3	Reclaimed products and their packaging materials	79
GRI 303: Water and Effluents		
303-1	Interactions with water as a shared resource	35
303-2	Management of water discharge-related impacts	35
303-3	Water withdrawal	78
303-4	Water discharge	78
303-5	Water consumption	78
GRI 304: Biodiversity		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	37
304-2	Significant impacts of activities, products and services on biodiversity	37
304-3	Habitats protected or restored	37
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	37
GRI 308: Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	58~59
308-2	Negative environmental impacts in the supply chain and actions taken	58~59

Social

Indicator	Disclosure Items	Page
GRI 401: Employment		
401-1	New employee hires and employee turnover	82
401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	45~46
401-3	Parental leave	82
GRI 402: Labor/Management Relations		
402-1	Minimum notice periods regarding operational changes	83
GRI 404: Training and Education		
404-1	Average hours of training per year per employee	84
404-2	Programs for upgrading employee skills and transition assistance programs	42
404-3	Percentage of employees receiving regular performance and career development reviews	84

Social

Indicator	Disclosure Items	Page
GRI 405: Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	81
405-2	Ratio of basic salary and remuneration of women to men	83
GRI 406: Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	76
GRI 407: Freedom of Association and Collective Bargaining		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	86
GRI 408: Child Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	57~59
GRI 409: Forced or Compulsory Labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	57~59
GRI 410: Security Practices		
410-1	Security personnel trained in human rights policies or procedures	42
GRI 411: Rights of Indigenous Peoples		
411-1	Incidents of violations involving rights of indigenous peoples	86
GRI 413: Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	60~63
413-2	Operations with significant actual and potential negative impacts on local communities	60~63
GRI 414: Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	86
414-2	Negative social impacts in the supply chain and actions taken	57~59
GRI 416: Customer Health and Safety		
416-1	Assessment of the health and safety impacts of product and service categories	87
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	76
GRI 417: Marketing and Labeling		
417-1	Requirements for product and service information and labeling	87
417-2	Incidents of non-compliance concerning product and service information and labeling	76
417-3	Incidents of non-compliance concerning marketing communications	76
GRI 418: Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	87

SASB Index

Hyosung TNC discloses relevant information through its sustainability report in accordance with the standards of the Sustainability Accounting Standards Board (SASB), established in 2011, and the Sustainable Industry Classification System (SICS). SASB identifies financially material sustainability issues tailored to the characteristics of each industry and publishes standards across 77 industries within 11 sectors. Based on these standards, Hyosung TNC strives to enhance communication with stakeholders and implement sustainable management practices.

Chemicals

Sustainability Disclosure Topics & Accounting Metrics				
Topic	Code	Metrics	Category	Page
Greenhouse Gas Emissions	RT-CH-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	77
	RT-CH-110a.2	Scope 1 emissions and emissions reduction targets	Discussion and Analysis	22~23
		Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, and an analysis of performance against those targets		
Air Quality	RT-CH-120a.1	Air emissions of the following pollutants	Quantitative	78
		(1) NOx (excluding N ₂ O), (2) SOx		
		(3) Volatile organic compounds (VOCs), (4) Hazardous air pollutants (HAPs), etc.		
Energy Management	RT-CH-130a.1	(1) Total energy consumed, (2) Percentage grid electricity	Quantitative	77
		(3) Percentage renewable, (4) Total self-generated energy		
Water Management	RT-CH-140a.1	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	78
	RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Quantitative	80
	RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	35
Hazardous Waste Management	RT-CH-150a.1	(1) Amount of hazardous waste generated, (2) percentage recycled	Quantitative	78
Community Relations	RT-CH-210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	Discussion and Analysis	60~63
Workforce Health & Safety	RT-CH-320a.1	(1) Total recordable incident rate (TRIR)	Quantitative	85
		(2) Fatality rate for (a) direct employees and (b) contract employees		
	RT-CH-320a.2	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	Discussion and Analysis	53~56
Product Design for Use-phase Efficiency	RT-CH-410a.1	Revenue from products designed for use-phase resource efficiency	Quantitative	79
Safety & Environmental Stewardship of Chemicals	RT-CH-410b.1	(1) Percentage of products that contain Globally Harmonised System of Classification and Labelling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances	Quantitative	N/A
		(2) Percentage of such products that have undergone a hazard assessment		
	RT-CH-410b.2	Discussion of strategy to (1) manage chemicals of concern	Discussion and Analysis	36
		Discussion of strategy to (2) develop alternatives with reduced human or environmental impact		
Genetically Modified Organisms	RT-CH-410c.1	Percentage of products by revenue that contain genetically modified organisms (GMOs)	Quantitative	N/A
Management of the Legal & Regulatory Environment	RT-CH-530a.1	Discussion of corporate positions related to government regulations or policy proposals that address environmental and social factors affecting the industry	Discussion and Analysis	Homepage (Green Management)
Operational Safety, Emergency Preparedness & Response	RT-CH-540a.1	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	Quantitative	85
	RT-CH-540a.2	Number of transport incidents	Quantitative	

TCFD Index

TCFD Recommendations

Category	TCFD Recommended Disclosures	Page
Governance	a. Describe the board’s oversight of climate-related risks and opportunities.	19, 25
	b. Describe management’s role in assessing and managing climate-related risks and opportunities.	19, 25
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	20~23
	b. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	20
	c. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	20~21
Risk Management	a. Describe the organization’s processes for identifying and assessing climate-related risks.	19~21
	b. Describe the organization’s processes for managing climate-related risks.	19~21
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	19~21
Metrics and Targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	20
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	20~21
	c. Disclose the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	22~23



UN SDGs Aligned Activities

UN SDGs	Hyosung TNC's Key Activities
Goal 1. No Poverty End poverty in all its forms everywhere	<ul style="list-style-type: none"> Operated self-reliance support programs for vulnerable groups Promoted economic development through shared growth initiatives with local communities
Goal 3. Good Health and Well-being Ensure healthy lives and promote well-being for all at all ages	<ul style="list-style-type: none"> Improved quality of life by developing functional textiles Contributed to a sustainable and healthy environment through eco-friendly fiber solutions
Goal 4. Quality Education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<ul style="list-style-type: none"> Supported elementary education in rural and fishing villages to reduce educational disparity Operated academic and degree acquisition support programs for employees
Goal 5. Gender Equality Achieve gender equality and empower all women and girls	<ul style="list-style-type: none"> Promoted gender equality through anti-discrimination hiring policies and family-friendly systems Supported economic independence of African women by providing designer job opportunities
Goal 6. Clean Water and Sanitation Ensure availability and sustainable management of water and sanitation for all	<ul style="list-style-type: none"> Operated a wastewater management system aligned with ZDHC guidelines Identified and assessed water-related risks
Goal 7. Affordable and Clean Energy Ensure access to affordable, reliable, sustainable and modern energy for all	<ul style="list-style-type: none"> Carried out energy efficiency initiatives at production sites Built smart factory systems Reduced energy use through recovery of waste heat and by-product gases
Goal 8. Decent Work and Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<ul style="list-style-type: none"> Fostered sustainable growth through expanded shared growth programs with partners Provided decent jobs through safe and healthy work environments
Goal 9. Industry, Innovation and Infrastructure Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	<ul style="list-style-type: none"> Enhanced development of sustainable products and technologies Increased recycled product capacity and production

UN SDGs	Hyosung TNC's Key Activities
Goal 10. Reduced Inequalities Reduce inequality within and among countries	<ul style="list-style-type: none"> Provided equal employment opportunities for vulnerable groups Supported rural villages, schools, underprivileged groups, and social welfare organizations near business sites
Goal 11. Sustainable Cities and Communities Make cities and human settlements inclusive, safe, resilient and sustainable	<ul style="list-style-type: none"> Contributed to building a sustainable and safe urban environment through environmental cleanup activities
Goal 12. Responsible Consumption and Production Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> Developed T2T (textile-to-textile) recycling and bio-BDO technologies Developed recycled materials using waste PET bottles
Goal 13. Climate Action Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> Established the 2050 carbon neutrality roadmap Measured and verified GHG emissions at overseas subsidiaries through third-party assurance
Goal 14. Life Below Water Conserve and sustainably use the oceans, seas and marine resources for sustainable development	<ul style="list-style-type: none"> Developed technologies and products for recycling discarded fishing nets
Goal 15. Life on Land Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	<ul style="list-style-type: none"> Carried out biodiversity conservation activities Identified and assessed biodiversity-related risks
Goal 16. Peace, Justice and Strong Institutions Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	<ul style="list-style-type: none"> Established Code of Ethics and practical guidelines Expanded ethics training for overseas subsidiaries

GHG Verification Report

Hyosung TNC Corporation's Scope 1 & 2 GHG emissions in overseas sites

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by HYOSUNG TNC CORPORATION(here after "Company") to perform third-party verification for the Company's Greenhouse Gas Statement. The Company is responsible for the preparation of the GHG statement on the basis set out within 'ISO 14064-1:2018', 'WRI/WBCSD GHG Protocol: A Corporate Accounting and Reporting Standard', 'IPCC Guidelines: 2006'. The Company has full responsibility of the GHG statement. According to terms of contract, DNV expressly disclaims any liability or responsibility for any decisions, based upon the verification opinion.

Objective and Scope of Verification

The objective of the verification is to present an independent verification opinion on the company's GHG statement, and the scope of verification is as follows;

- Organizational Boundary : Hyosung TNC Corporation's 14 Overseas subsidiaries on a consolidated basis¹
- Reporting Boundary : Scope 1 (Direct emissions), Scope 2 (Indirect emissions)
- Reporting Period : 2022.01.01 ~ 2024.12.31

Verification Approach

The verification has been conducted in accordance with the verification principles and tasks outlined in the 'ISO 14064-3:2019', based upon a Limited Level of assurance. DNV planned and concluded our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level. As part of the verification process, we have reviewed as follows;

- Adequacy of GHG data control, collection and emission calculation and report process
- The GHG inventory is based on measurements and has inherent limitations that may arise from the process of calculating, estimating, and finalizing the reported data.

Conclusions

Based on the verification, there is no evidence that the GHG statement is not materially correct and is not a fair representation of GHG data and information.

• DNV represents "unmodified" opinion on Greenhouse Gas Emissions.

(Unit: ton CO₂eq)

Year	GHG Emissions(ton CO ₂ eq)			Energy Consumption(TJ)		
	Direct Emissions (Scope 1)	Indirect Emissions (Scope 2)	Total Emissions	Direct Emissions (Scope 1)	Indirect Emissions (Scope 2)	Total Emissions
2022	270,522	858,860	1,129,382	3,879	7,657	11,537
2023	254,578	949,118	1,203,695	3,690	8,524	12,214
2024	268,474	1,053,933	1,322,408	3,894	9,486	13,380

* In order to report the GHG emissions as an integer, the rounded number might be different from the number on the calculation tool with ± 1 tCO₂e

1.14 Overseas Subsidiaries on a consolidated basis of Hyosung TNC Corporation: Hyosung Chemicals(Jiaxing) Co., Ltd., Hyosung Spandex(Jiaxing) Co., Ltd., Hyosung International Trade(Jiaxing) Co., Ltd., Hyosung New Material & HighTechnology (Quzhou) Co., Ltd., Hyosung Spandex(Guangdong) Co., Ltd., Hyosung Spandex(Zhuhai) Co., Ltd., Hyosung Spandex(Ningxia) Co., Ltd., Hyosung Spandex(Quzhou) Co., Ltd., Hyosung India Private Limited, Hyosung Dong Nai Co., Ltd., Hyosung Don Nai Nylon Co., Ltd., Hyosung Istanbul TEKSTIL LTD. STI., Hyosung Europe S.R.L., Hyosung Brasil Industria e Comercio de Fibras Ltda.

2025. 6. 5
Seoul, Republic of Korea



Lee, Jang Sup
Country Representative
DNV Business Assurance Korea Ltd.

This Assurance Opinion is valid as of the date of the issuance. Please note that this Assurance Opinion would be revised if any material discrepancy which may impact the Greenhouse Gas Emissions of the Company is subsequently brought to our attention.

DNV Business Assurance Korea : 18F, 1, Jong-ro, Jongno-gu, Seoul, Rep. of Korea
PRJN-954476-01-AST-ENG

GHG Verification Report

Hyosung TNC Corporation's Scope 3 GHG emissions in domestic sites

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by HYOSUNG TNC CORPORATION (here after "Company") to perform third-party verification for the Company's Greenhouse Gas Statement. The Company is responsible for the preparation of the GHG statement on the basis set out within 'ISO 14064-1:2018' and 'The Corporate Value Chain (Scope 3) Accounting and Reporting Standard'. The Company has full responsibility of the GHG statement. According to terms of contract, DNV expressly disclaims any liability or co-responsibility for any decisions a person or an entity may make based on the verification opinion.

• DNV represents "unmodified" opinion on Greenhouse Gas Emissions (Unit: ton CO₂eq)

Yr 2024	Upstream	Downstream	Total Emissions
Hyosung TNC Sites in Korea	1,045,425	28,060	1,073,484

*The above GHG emissions may differ by less than ± 1 tCO₂eq due to rounding to report as an integer

Objective and Scope of Verification

The objective of the verification is to present an independent verification opinion on the company's GHG statement, and the scope of verification is as follows;

- Organizational Boundary : Company's sites in Korea
- Reporting Boundary : Scope 3 (Other indirect emissions: Category 1, 2, 3, 4, 5, 6, 9)
- Reporting Period : 2024.01.01 ~ 2024.12.31

Verification Approach

The verification has been conducted in accordance with the verification principles and tasks outlined in the 'ISO 14064-3:2019', based upon a Limited Level of assurance. DNV planned and concluded our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level. As part of the verification process, we have reviewed as follows;

- Adequacy of GHG data control, collection and emission calculation and report process
- The GHG inventory is based on measurements and has inherent limitations that may arise from the process of calculating, estimating, and finalizing the reported data.

Conclusions

Based on the verification, there is no evidence that the GHG statement is not materially correct and is not a fair representation of GHG data and information.



2025. 6. 5
Seoul, Republic of Korea

Lee, Jang Sup
Country Representative
DNV Business Assurance Korea Ltd.

This Assurance Opinion is valid as of the date of the issuance. Please note that this Assurance Opinion would be revised if any material discrepancy which may impact the Greenhouse Gas Emissions of the Company is subsequently brought to our attention.

DNV Business Assurance Korea : 18F, 1, Jong-ro, Jongno-gu, Seoul, Rep. of Korea
PRJN-954476-02-AST-ENG

GHG Verification Report

Hyosung TNC Corporation's Scope 3 GHG emissions in overseas sites

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by HYOSUNG TNC CORPORATION (here after "Company") to perform third-party verification for the Company's Greenhouse Gas Statement. The Company is responsible for the preparation of the GHG statement on the basis set out within 'ISO 14064-1:2018' and 'The Corporate Value Chain (Scope 3) Accounting and Reporting Standard'. The Company has full responsibility of the GHG statement. According to terms of contract, DNV expressly disclaims any liability or co-responsibility for any decisions a person or an entity may make based on the verification opinion.

Objective and Scope of Verification

The objective of the verification is to present an independent verification opinion on the company's GHG statement, and the scope of verification is as follows;

- Organizational Boundary : Company's 14 overseas' subsidiaries¹
- Reporting Boundary : Scope 3 (Other indirect emissions: Category 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 15)
- Reporting Period : 2022.01.01 ~ 2024.12.31

Verification Approach

The verification has been conducted in accordance with the verification principles and tasks outlined in the 'ISO 14064-3:2019', based upon a Limited Level of assurance. DNV planned and concluded our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level. As part of the verification process, we have reviewed as follows;

- Adequacy of GHG data control, collection and emission calculation and report process
- The GHG inventory is based on measurements and has inherent limitations that may arise from the process of calculating, estimating, and finalizing the reported data.

Conclusions

Based on the verification, there is no evidence that the GHG statement is not materially correct and is not a fair representation of GHG data and information.

• DNV represents "unmodified" opinion on Greenhouse Gas Emissions.

(Unit: ton CO₂eq)

Year	Upstream	Downstream	Total Emissions
Yr. 2024	5,742,934	4,119,823	9,862,757
Yr. 2023	5,130,928	3,981,905	9,112,834
Yr. 2022	4,144,463	3,360,444	7,504,907

*The above GHG emissions are the result of round up the emissions by category of each sit and adding them up

1.14 Overseas Subsidiaries on a consolidated basis of Hyosung TNC Corporation: Hyosung Chemicals(Jiaying) Co., Ltd., Hyosung Spandex(Jiaying) Co., Ltd., Hyosung International Trade(Jiaying) Co., Ltd., Hyosung New Material & HighTechnology (Quzhou) Co., Ltd., Hyosung Spandex(Guangdong) Co., Ltd., Hyosung Spandex(Zhuhai) Co., Ltd., Hyosung Spandex(Ningxia) Co., Ltd., Hyosung Spandex(Quzhou) Co., Ltd., Hyosung India Private Limited, Hyosung Dong Nai Co., Ltd., Hyosung Don Nai Nylon Co., Ltd., Hyosung Istanbul TEKSTIL LTD. STI, Hyosung Europe S.R.L., Hyosung Brasil Industria e Comercio de Fibras Ltda.

2025. 7. 25
Seoul, Republic of Korea

Lee, Jang Sup
Country Representative
DNV Business Assurance Korea Ltd.



This Assurance Opinion is valid as of the date of the issuance. Please note that this Assurance Opinion would be revised if any material discrepancy which may impact the Greenhouse Gas Emissions of the Company is subsequently brought to our attention.

DNV Business Assurance Korea : 18F, 1, Jong-ro, Jongno-gu, Seoul, Rep. of Korea
PRJN-954476-03-AST-ENG

Independent Third-Party Assurance Statement

Introduction

Korea Management Registrar (KMR) was engaged to conduct an independent assurance of 2024 Hyosung TNC Sustainability report for the year ending December 31, 2024. The preparation, information and internal control of the report are the sole responsibility of Hyosung TNC's the management. KMR's responsibility is to comply with the agreed engagement and express an opinion to Hyosung TNC's management.

Subject Matter

The reporting boundaries included the performance and activities of sustainability-related organizations as described in Hyosung TNC's report:

- 2024 Hyosung TNC Sustainability Report

Reference Standard

- GRI Standards 2021 : 2023 (GRI)

Assurance criteria

KMR conducted the verification in accordance with the globally recognized standard AA1000AS v3 and KMR's assurance standard SRV1000 based on requirements of ISO 17029 and KMR EDV 01, and set the levels of assurance and materiality as below. Under AA1000AS v3, We assessed the adherence to the four principles presented in AA1000AP:2018—Inclusivity, Materiality, Responsiveness, and Impact—and evaluated the reliability and quality of the data and information using the GRI index specified in the report. Under SRV1000, we conducted a multidimensional review aimed at zero data errors, applying expert judgment to determine the materiality criteria.

- ISO 17029 : 2019, ISO 14065 : 2020, AA1000AS v3 : 2020 (AccountAbility), AA1000AP : 2018 (AccountAbility), SRV 1000 : 2022 (KMR), KMR EDV 01 : 2024 (KMR)
- Levels of assurance/materiality: AA1000AS v3 – Type 2/moderate, limited/ not set

Scope of assurance

The scope of our assurance included the verification of compliance with the reporting requirements of the GRI Standards 2021. We confirmed that the following indicators of material topics were identified through the materiality assessment process.

- GRI Standards 2021 reporting principles
- Universal Standards
- Topic Specific Standards
 - GRI 302: Energy - GRI 306: Waste
 - GRI 305: Emissions - GRI 403: Occupational Health and Safety

As for the reporting boundary, the engagement excludes the data and information of Hyosung TNC's partners, suppliers and any third parties.

KMR's Approach

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

- Evaluating the appropriateness of the reference standard used as a basis for preparing sustainability information and the reliability of the materiality assessment process and its findings;
- Conducting inquiries to understand the data management and control environment, processes, and information systems (the effectiveness of controls was not tested);
- Evaluating the appropriateness and consistency of the methodology for estimation (note that the underlying data was not tested and KMR has not made any estimates);
- Visiting the headquarters, determining visit sites based on the site's contribution to sustainability and the possibility of unexpected changes since the previous period and sampling data, and carrying out due diligence on a limited number of source records at the sites visited;
- Interviewing people in charge of preparing the report;
- Considering whether the presentation and disclosures of sustainability information are accurate and clearly defined;
- Identifying errors through comparison and check against underlying information, recalculation, analyses, and backtracking; and
- Evaluating the reliability and balance of information based on independent external sources, public databases, and press releases.

Limitations and Recommendations

The absence of generally accepted reporting frameworks or well-established practices on which to draw to evaluate and measure non-financial information allows for different measures and measuring techniques, which can affect comparability between entities. Therefore, our assurance team relied on professional judgment. The scope of this assurance included the confirmation of the truthfulness of claims regarding results that have already been obtained as stipulated by ISO 17029. However, the plausibility of intended claims of forecasts or hypotheses was not validated even if the related content was contained in the report.

A limited assurance evaluates the appropriateness of the criteria used by Hyosung TNC for preparing sustainability information on subject matters, the risk of material misstatement in the sustainability information, whether due to fraud or error, responses to risks, and disclosure of the sustainability information on subject matters. However, the scope of the risk assessment process and the subsequent procedures performed in response to assessed risks, including an understanding of internal controls, is more limited than that of a reasonable assurance.

Our assurance team conducted our work to a limited extent through inquiries, analysis, and limited sampling based on the assumption that the data and information provided by Hyosung TNC are complete and sufficient. To overcome these limitations, we confirmed the quality and reliability of the information by referring to independent external sources and public databases, such as DART and the National GHGs Management System (NGMS).

Independent Third-Party Assurance Statement

Conclusion and Opinion

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

Inclusivity

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

Materiality

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

Responsiveness

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

Impact

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

Reliability of Specific Sustainability Performance Information

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

KMR's Competence, Independence, and Quality Control and Quality Control

Korea Management Registrar (KMR) is a verification body for the greenhouse gas emissions trading scheme, accredited by the Korea Laboratory Accreditation Scheme (KOLAS) under the National Institute of Technology and Standards of Korea for ISO/IEC 17029:2019 (Conformity Assessment - General principles and requirements for validation and verification bodies), ISO 14067, and additional accreditation criteria, ISO 14065. It is also recognized by the Korea Accreditation Board (KAB) for ISO/IEC 17021:2015 (Requirements for bodies providing audit and certification of management systems), and the National Institute of Environmental Research under the Ministry of Environment of Korea. Additionally, KMR maintains a comprehensive quality control system that includes documented policies and procedures of the KMR EDV 01:2024 (ESG Disclosure Assurance System) based on ISO/IEC 17029 requirements and compliant with IAASB ISQM1:2022 (International Standard on Quality Management 1 by the International Auditing and Assurance Standards Board). Furthermore, KMR adheres to the ethical requirements of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior in accordance with the IESBA Code:2023 (International Code of Ethics for Professional Accountants). Our assurance team consists of sustainability experts. Other than providing an independent assurance, KMR has no other contract with Hyosung TNC and did not provide any services to Hyosung TNC that could compromise the independence of our work.

Limitations of Use

This assurance statement is made solely for the management of Hyosung TNC for the purpose of enhancing an understanding of the organization's sustainability performance and activities. We assume no liability or responsibility for its use by third parties other than the management of Hyosung TNC. The statement is valid as of the assurance date below. Certain events that may occur between the assurance date and the time of reading this report could have a material impact on the report, which may lead to revisions to this assurance statement. Therefore, we recommend visiting the Hyosung TNC website and verifying whether this is the latest version.

June 15, 2025
CEO Eun Ju, Hwang

E. J. Hwang



HYOSUNG TNC