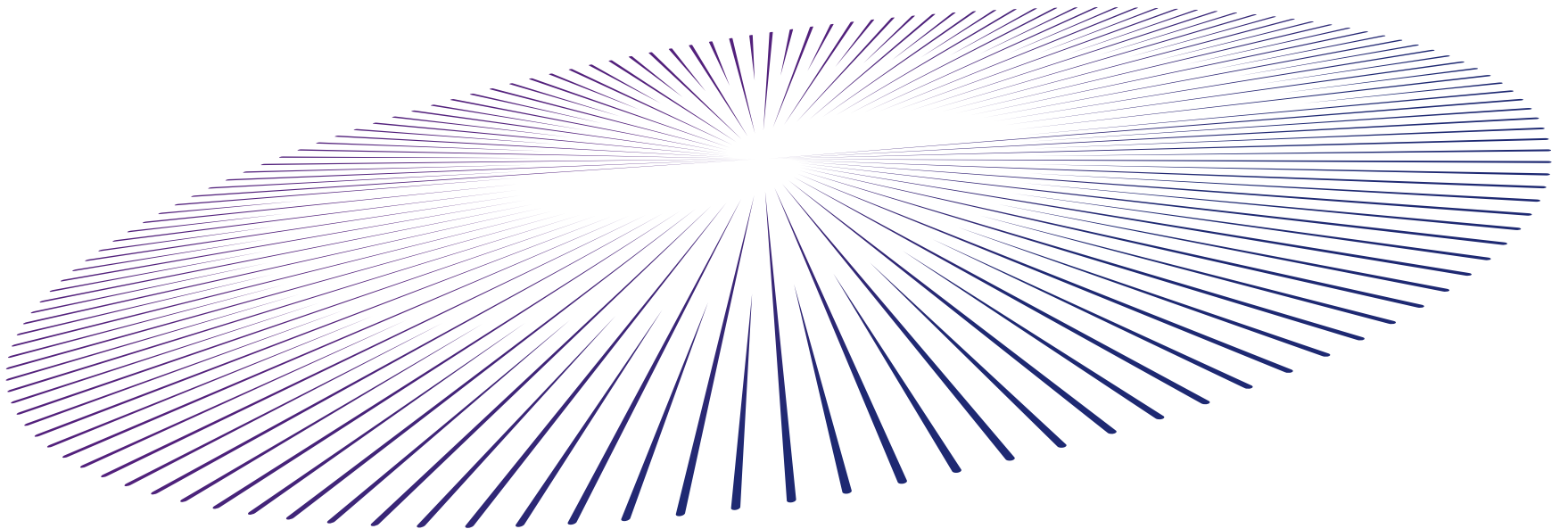


2025 Sustainability Report

HYOSUNG TNC

Hyosung TNC Sustainability Report



About This Report

Report Overview

Since publishing its first integrated group-wide sustainability report in 2012, Hyosung TNC has been sharing its sustainability performance through annual sustainability reports since 2018. The 2025 Hyosung TNC Sustainability Report is the company's second standalone sustainability report. Through this report, Hyosung TNC transparently discloses its sustainability strategies and performance in the environmental, social, and governance areas, and seeks to communicate with a wide range of stakeholders.

Reporting Principles

This report has been prepared in accordance with the GRI (Global Reporting Initiative) Standards, applying the Universal Standards—GRI 1: Foundation 2021, GRI 2: General Disclosures 2021, and GRI 3: Material Topics 2021—as well as the Topic Standards relevant to Hyosung TNC's business characteristics. To disclose activities by issue tailored to the characteristics of the industry, the report reflects the SASB (Sustainability Accounting Standards Board) industry standards and refers to the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures).

Reporting Period

This report covers the performance and activities from January 1, 2025 to December 31, 2025, with some qualitative information including activities through the first half of 2026, the time of the report's publication. To enable analysis of year-on-year trends, quantitative performance data is reported for three years, from 2023 to 2025. Where information disclosed in the previous report has been revised, the revised items and the reasons for revision are noted at the bottom of the relevant section.

Report Assurance

To ensure the reliability and fairness of the contents of this report, we received an independent assurance from Korea Productivity Center Quality Assurance (KPCQA), a professional third-party assurance body, based on the four principles of AA1000AS v3 (2020)—Materiality, Responsiveness, Inclusivity, and Impact—and the assurance results are included on page 128 of this report.

Reporting Cycle

Annual (Previous report published: June 2025)

Reporting Scope

The reporting scope of this report includes information on Hyosung TNC Corporation's domestic and overseas business sites, covering more than 91% of consolidated revenue. Financial information has been prepared on a consolidated basis in accordance with the Korean International Financial Reporting Standards (K-IFRS) and is consistent with Hyosung TNC Corporation's consolidated financial statements. Non-financial information covers all of Hyosung TNC Corporation's domestic business sites and major overseas subsidiaries (China, Vietnam, Türkiye, India, and Brazil). Where the reporting scope differs or changes have occurred in the reported data, separate notation is provided for the relevant information.



Cover Story

The cover of the 2025 Hyosung TNC Sustainability Report expresses the company's unrivaled technological capabilities in high-performance, eco-friendly fibers through precisely interconnecting lines. The circular flow of organically linked lines symbolizes how individual technologies connect, accumulate, and expand, embodying Hyosung TNC's aspiration to create sustainable value centered on material technology leadership. Building on the values of connection and expansion, Hyosung TNC will strive to become a trusted enterprise for all stakeholders through top-quality products and responsible corporate management.

For Additional Information and Inquiries

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Contents

● Introduction

CEO Message	05
Company Profile	06
Company History	08
Global Network	09
Our Business	10

● Approach to Sustainability

Sustainability Management System	14
Sustainable Value Chain	16
2025/26 Performance Highlights	17
Stakeholder Engagement	18
Double Materiality Assessment	19

● Environmental

Response to Climate Change	22
Sustainable Business Model	29
Environmental Management	35
Reduction of Environmental Impact	37

● Social

Talent Management	43
Human Rights Management	50
Safety and Health	54
Sustainable Supply Chain	60
Local Communities	63

● Governance

Board of Directors	68
Shareholders	71
Ethics and Compliance Management	72
Information Security and Personal Data Protection	74

● ESG Data

Reporting Scope	77
Hyosung TNC Corporation Data	78
Hyosung Neochem Corporation Data	104

● Appendix

Certifications	115
External Evaluations and Participation in Initiatives	116
GRI/SASB/TCFD Index	117
UN SDGs Aligned Activities	124
GHG Verification Report	125
Independent Third-Party Assurance Statement	128

INTERACTIVE GUIDE

The Hyosung TNC 2025 Sustainability Report has been produced as an interactive PDF, featuring navigation functions that allow readers to move directly to relevant pages within the report.

 Move to Cover Page

 Move to Contents Page

 Move to Previous View

 Move to Related Web Page

Introduction

CEO Message	05
Company Profile	06
Company History	08
Global Network	09
Our Business	10

CEO Message

Dear Hyosung TNC Stakeholders,

We sincerely thank you for your unwavering interest and support for Hyosung TNC throughout the past year.

The year 2025 was marked by intensifying global oversupply and growing uncertainty in the trade environment, demanding strategic decisions at every turn. Nevertheless, we delivered solid results based on our core business competitiveness and robust operational systems.

Building on these achievements, in 2026 Hyosung TNC has set out on a new journey. The transition to a co-CEO structure, with dedicated professional managers for the Textile Division and the Trading Division, is more than an organizational change. It expresses our commitment to advance more deeply, more swiftly, and more responsibly by dividing our half-century of expertise into two focused pillars. We would like to share Hyosung TNC's 2025 achievements across each area of sustainability management, along with the direction that lies beyond.



Chang-hwang Lee
CEO, Textile Division,
Hyosung TNC Corporation

A handwritten signature in blue ink, reading "C. H. Lee".

Response to Climate Change—Delivering Value Beyond Our Commitments

Hyosung TNC regards Korea's Nationally Determined Contribution (NDC) for greenhouse gas reduction as the minimum baseline for our business and is strengthening our reduction roadmap to respond to the climate crisis. Centered on the ESG Management Committee under the Board of Directors, we have established climate response as a core management priority, and will set reduction targets exceeding the industrial sector target of the 2035 NDC in line with the Science Based Targets initiative (SBTi). To achieve these targets, we will expand substantive reduction activities—including process efficiency improvements and the transition to renewable energy—across all business sites, without ceasing our efforts toward carbon neutrality.



Young-hwan Yoo
CEO, Trading Division,
Hyosung TNC Corporation

A handwritten signature in blue ink, reading "Y. H. Yoo".

Eco-Friendly Transition—Transforming Everything from Raw Materials to Products

Going beyond simply reducing carbon emissions, Hyosung TNC is dedicated to transforming the very way we produce. The Bio BDO production plant, currently under construction with a target operation date of 2026, will form the foundation of our eco-friendly vertical integration—from raw materials to finished products. Through such innovations, we will expand the proportion of sustainable product sales to 16% by 2030, ushering in an era in which eco-friendly materials become the substantive core of our business.

People and Society—Reflecting on the True Meaning of Growing Together

Hyosung TNC's sustainability management begins with placing people at the center. Achieving zero serious industrial accidents at our domestic business sites is a result we treasure above any financial outcome, and safety is a promise that must always come first. This commitment extends in the same direction toward mutual growth with our partners and coexistence with local communities. All of our social responsibility activities—from marine ecosystem restoration to educational support for future generations—reflect our heartfelt efforts to take healthy root in our society as a member of the community.

In 2026, under the management policy of "a company that drives results through relentless execution," Hyosung TNC will repay your trust not with words, but with action and sustainable value.

Thank you once again for your continued support.

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, the company maximizes customer value and leads the future of the global textile industry. In addition, 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 the enhancement of customers' lives by practicing the Hyosung Way.

Company Name

Hyosung TNC Corporation

Date of Establishment

June 4, 2018

CEO

Chang-hwang Lee, Young-hwan Yoo

Headquarters Location

119 Mapo-daero, Mapo-gu, Seoul,
Republic of Korea

Business

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



1,266 persons

Sales



KRW 7,694.8 billion

Operating Income



KRW 251.5 billion

External ESG Evaluations

KCGS

(Environmental A, Social A+, Governance B+) **A**

EcoVadis

Bronze

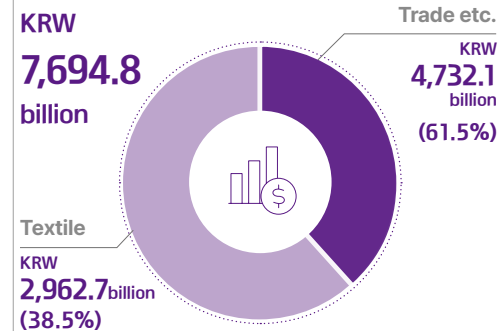
MSCI

AA

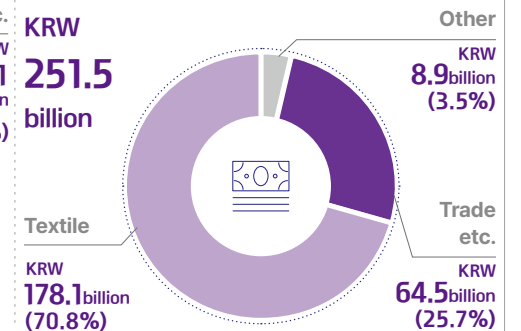
CDP

A-

Sales and Sales Proportion by Business Division



Operating Income Proportion by Business Division



Status of Subsidiaries and Affiliates*

Some Sevit Co., Ltd.

Korea **62.25%**

Hyosung International Trade (Jiaxing) Co., Ltd.

China **100%**

Hyosung International (HK) Limited

Hong Kong **100%**

Hyosung Japan Co., Ltd.

Japan **100%**

Hyosung Dong Nai Co., Ltd.

Vietnam **100%**

Hyosung Spain, S.L.

Spain **100%**

Hyosung USA INC.

USA **100%**

Hyosung Neochem Co., Ltd.

Korea **100%**

Hyosung Spandex (Guangdong) Co., Ltd.

China **100%**

Hyosung Spandex (Quzhou) Co., Ltd.

China **100%**

Hyosung TNC (Taiwan) Corporation

Taiwan **100%**

Hyosung India Pvt. Ltd.

India **100%**

Hyosung Istanbul TEKSTİL Ltd. Şti.

Türkiye **43.42%**

Hyosung Mexico City, S.A. de C.V.

Mexico **99.99%**

Hyosung Neochem Holdings Co., Ltd.

Korea **100%**

Hyosung Spandex (Jiaxing) Co., Ltd.

China **100%**

Hyosung New Material & High Technology (Quzhou) Co., Ltd.

China **100%**

Hyosung Corporation India Pvt. Ltd.

India **100%**

Hyosung Dong Nai Nylon Co., Ltd.

Vietnam **100%**

Hyosung Germany GmbH

Germany **80%**

Hyosung Brasil Industria e Comercio de Fibras Ltda.

Brazil **100%**

Hyosung Chemicals (Jiaxing) Co., Ltd.

China **100%**

Hyosung Spandex (Zhuhai) Co., Ltd.

China **75%**

Hyosung Spandex (Ningxia) Co., Ltd.

China **100%**

PT.HYOSUNG JAKARTA

Indonesia **99.90%**

Hyosung Europe S.R.L.

Italy **100%**

Galaxia Asset Management SAS

France **100%**

* The '%' figures in the chart indicate ownership percentage.

Company Profile

Vision

VISION 2030

Building on Spandex's stable cash generation, Hyosung TNC aims to secure sustainable cash flow, profitability, and growth by expanding earnings from nylon and polyester, growing its trading operations, and developing the high-growth, high-margin Specialty Gas business.

Spandex

CREORA Leadership &
Global No.1 M/S

Pursuing a two-track strategy tailored to each market

Expanding Pull Through Marketing by strengthening networks with global brands

Expanding business areas through the production of eco-friendly raw materials (Bio BDO)

Nylon·Polyester / Textile·Dyeing

Integrated Value Chain
Solutions Provider

Securing the position as a comprehensive nylon maker by expanding product lines

Entering the sewing industry to establish an integrated production system from yarn and fabric to sewing

Trade

Business Expansion &
Diversification

Expanding integrated trading sales through the discovery of new steel suppliers

Expanding market share in Europe and securing new global customers

Expanding exports of steel products for wind power generation

Specialty Gas

High-Growth Specialty
Gas Portfolio

Building a balanced portfolio by increasing the share of specialty gases beyond NF₃

Exploring overseas markets, including the U.S., Japan, and Taiwan

Management Philosophy

Building on the management philosophy of "Technology-driven Nation Building, National Service through Business, and Respect for People" pursued since the founding of Hyosung Corporation, Hyosung TNC practices the Hyosung Way, which is to "lead a better life for humanity based on top-tier technology and management capabilities." The pursuit of "improving the quality of human life," consistently pursued by parent company Hyosung Corporation over the past half-century, aligns with the values of today's sustainability management. Based on this philosophy, Hyosung TNC strives to contribute to creating a safer and more prosperous world for future generations.

Founding Spirit

Technology-driven Nation Building,
National Service through Business,
Respect for People



Mission

Enhance and enrich the quality of
life for humanity with its leading
technology and management
capability.



Global Excellence

Maximize the competitiveness with ceaseless self-improvement efforts to win in any situation continuous learning.

Blaze new trails in markets around the world with a global outlook.



Innovation

Eliminate all inefficiencies that do not add value.

Challenge new possibilities with a positive mindset.



Accountability

Act like owners and take charge in actions.

Never give up until achieving the goal.



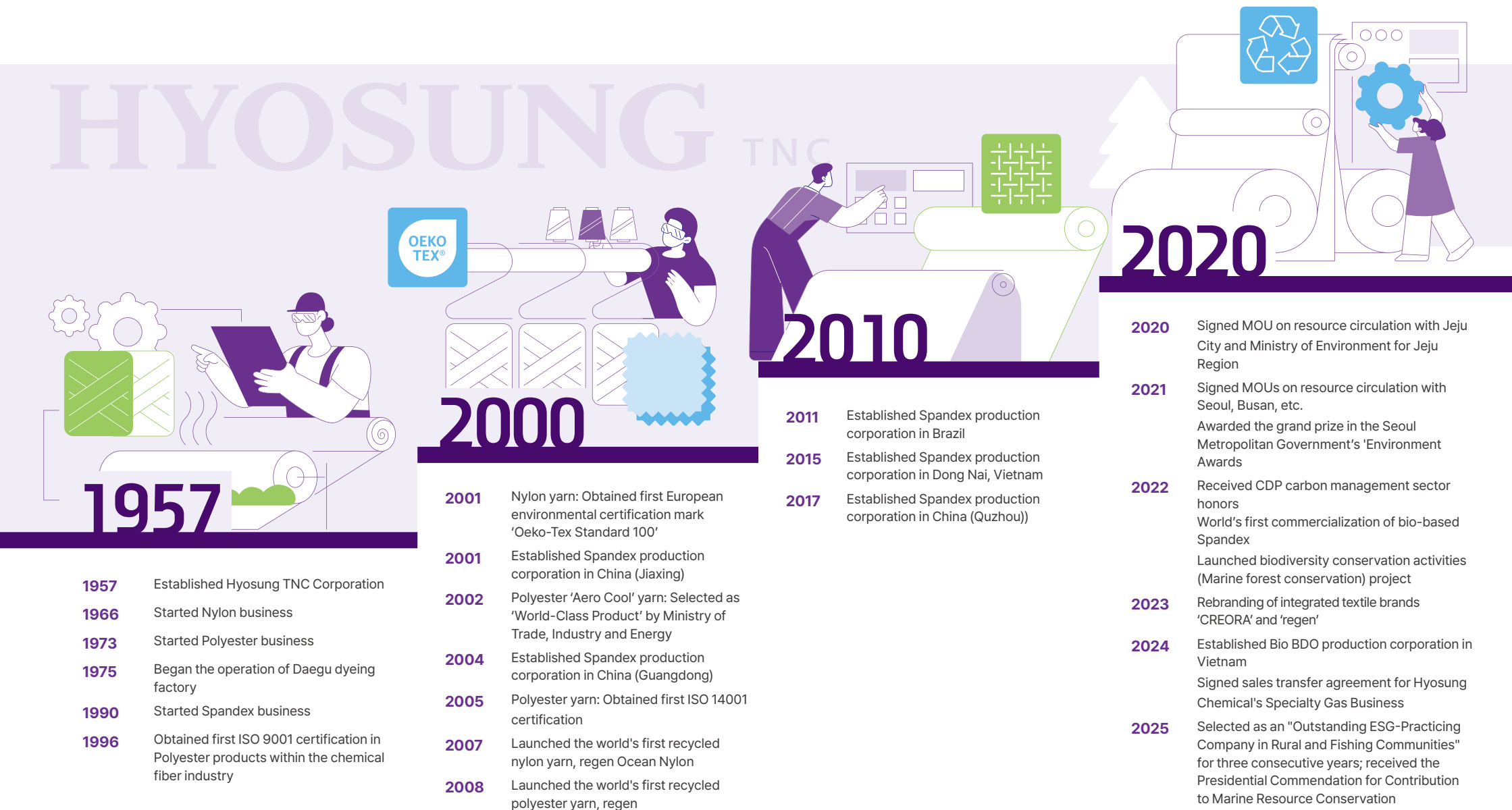
Integrity

Uphold transparency and fairness based on facts and principles.

Respect and cooperate with each other to make a happy workplace.



Company History



Global Network



Domestic (10)

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

Overseas (56)

Trading Subsidiary(10)		Trading Branch under Trading Subsidiary(11)		Trading Office(6)		Manufacturing Corporation(12)	Sales Office under Manufacturing Subsidiary(17)
• China(1)	• Spain(1)	• China(2)	• Spain(1)	• Bangladesh(1)	• Germany(1)	• China(7)	• China(14)
• Japan(1)	• Mexico(1)	• Japan(1)	• Taiwan(1)	• Malaysia(1)	• United Arab Emirates(1)	• Vietnam(2)	• Vietnam(1)
• India(1)	• Hong Kong(1)	• India(4)	• U.S.A(2)	• Thailand(1)	• France(1)	• Türkiye(1)	• Türkiye(1)
• Indonesia(1)	• Taiwan(1)					• India(1)	• Brazil(1)
• Italy(1)	• U.S.A(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 *for* a Better Tomorrow



GLOBAL PRODUCTION LINE

Hyosung TNC has established manufacturing subsidiaries in regions such as China, Vietnam, Türkiye, India, and Brazil to respond rapidly to demand and expand sales, while earning customer recognition for the highest quality.



SUSTAINABLE SOLUTION

Hyosung TNC, as a partner of the Textile Exchange, 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 trading partners by pioneering new markets such as Latin America, Africa, and the Middle East, and diversifying its trade structure by activating triangular 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

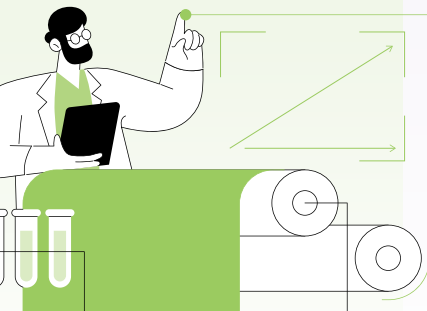
BIO product

regen BIO

Our Business

Spandex Business Division

Maintaining the No.1 Global M/S through enhanced value of the CREORA brand



Business Overview

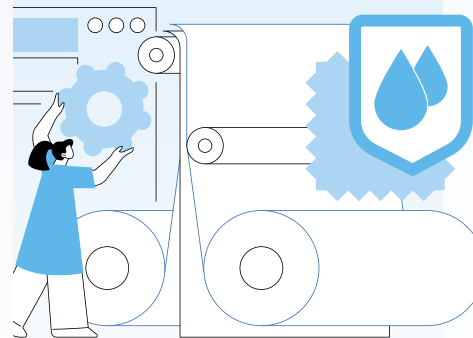
Hyosung TNC has established itself as the world's largest spandex manufacturer through its proprietary production technology, R&D capabilities, and global marketing platform. Backed by superior elasticity and resilience, the global brand 'CREORA Spandex' delivers high-value-added solutions across diverse industries including apparel and hygiene products. By building production sites at key strategic locations worldwide—including Korea, China, Vietnam, India, Türkiye, and Brazil—the company has completed a 'Local for Local' supply system, optimizing logistics costs and responding promptly to customer needs.

Business Direction

Hyosung TNC continues to strengthen its market competitiveness across the globe. The company is pursuing a Two-Track strategy: in China, reinforcing differentiated products and local brand marketing; and in regions outside China, expanding market dominance with a focus on growth markets such as India. In addition, by strengthening Pull-Through Marketing through collaboration with global brands and responding to the growing global interest in eco-friendly Spandex, the company is expanding its sustainable product portfolio centered on regen Spandex and regen BIO Spandex. In 2025, Hyosung TNC solidified its market position by securing production bases in India and Türkiye and completing the full commissioning of its Ningxia plant in China, while laying the foundation for an eco-friendly transition by initiating full-scale Bio BDO investment with operations targeted for 2026.

Nylon·Polyester / Textile·Dyeing Business Division

Establishing an integrated production system from yarn and fabric to sewing as a solution provider



Business Overview

Building on technological expertise accumulated since launching its nylon business in 1966, Hyosung TNC supplies high-performance CREORA Nylon globally and led sustainable textile innovation in 2007 by developing 'regen Ocean Nylon' from recycled discarded fishing nets. As a leading domestic polyester manufacturer, the company has expanded its eco-friendly portfolio with 'regen Polyester' and 'regen Ocean Polyester,' the latter certified with OBP (Ocean Bound Plastic) for long fibers. Through an integrated production system spanning yarn, weaving, dyeing, and finishing, Hyosung TNC supplies high-performance fabrics with differentiated quality in segments such as 2-way Stretch, while strengthening customer trust through in-house quality measurement and testing capabilities.

Business Direction

Hyosung TNC is reorganizing its production structure and product strategy to restore the competitiveness of its commodity nylon and polyester segments against Chinese rivals. For nylon, the company is securing cost competitiveness by relocating production from Korea to Vietnam, while for polyester, it is reinforcing niche market differentiation and expanding the share of differentiated products. The company is also strengthening its position as a comprehensive nylon Maker by expanding new offerings such as Nylon 66 and Bio Nylon. In addition, Hyosung TNC is entering the sewing industry in parallel to reinforce its integrated yarn-fabric-sewing production system. In 2025, the company improved profitability through production and cost structure innovation, while securing technological advantages in differentiated products such as bio-based materials to solidify its sustainable business foundation.

Our Business

Trade Business Division

Expanding business scale through continuous discovery of new business opportunities



Business Overview

Leveraging over 50 years of steel trading experience and its global network, Hyosung TNC sources major steel products and raw materials both domestically and overseas and conducts triangular trade, while providing customized services through its overseas processing centers. The company also supplies a diverse range of chemical raw materials sourced from petrochemical companies on a global scale, expanding its product range from upstream to downstream beyond traditional chemicals into mineral resources such as concentrates. Through this approach, Hyosung TNC delivers optimal portfolios tailored to timing, region, and product type, strengthening its competitiveness in the global market.

Business Direction

Hyosung TNC is pursuing supply chain diversification to enhance the sustainability and resilience of its global trade business. In China and Southeast Asia, the company is securing cost competitiveness through new supplier development, while building stable supply networks via integrated trade structures across steel and petrochemical products. It is also strengthening regional portfolio balance by expanding market share in high-growth markets such as Europe and acquiring new customers. In particular, Hyosung TNC continues to create new business opportunities by extending its value chain to eco-friendly steel products such as those for wind power generation, as well as mineral resources and recycling materials. Despite intensifying trade regulations in 2025, including the reduction of EU steel import quotas and the imposition of U.S. tariffs, the company demonstrated business resilience by leveraging strategic sourcing in quota-exempt regions, achieving year-on-year growth in both sales and volume.

Specialty Gas Business Division

Expanding profitability through strengthening the Specialty Gas portfolio



Business Overview

Hyosung TNC ranks 2nd globally in the Specialty Gas market with an annual NF_3 production capacity of 11,500 tons, and is expanding its portfolio by operating five additional specialty gas product lines. Based on its production sites in domestic Yongyeon and Oksan plants and its Quzhou plant in China, the company has built a stable supply infrastructure and provides customers with high supply reliability through a Just-In-Time delivery system. In addition, Hyosung TNC continues to enhance the quality reliability and sustainability of its specialty gas products through top-tier ultra-high-purity refining technology.

Business Direction

Hyosung TNC has secured global Top-Tier competitiveness in product quality, supply stability, and production capacity, operating a total of six specialty gas product lines including NF_3 , F_2/N_2 , Cl_2 , HCl , D_2 , and $\text{C}_4\text{F}_7\text{N}$. While NF_3 accounts for approximately 80% of total sales, the company aims to build a balanced portfolio by expanding the share of specialty gases beyond NF_3 . Hyosung TNC is steadily strengthening market trust through stable supply systems for major domestic clients, while simultaneously pursuing both top-line growth and profitability enhancement by adding 2,000 tons of production capacity and expanding its specialty gas line-up from 6 to 15 products. Through new customer acquisition in key overseas markets such as the U.S., Japan, and Taiwan, the company plans to accelerate global expansion and reinforce the growth foundation of its specialty gas business.

Approach to Sustainability

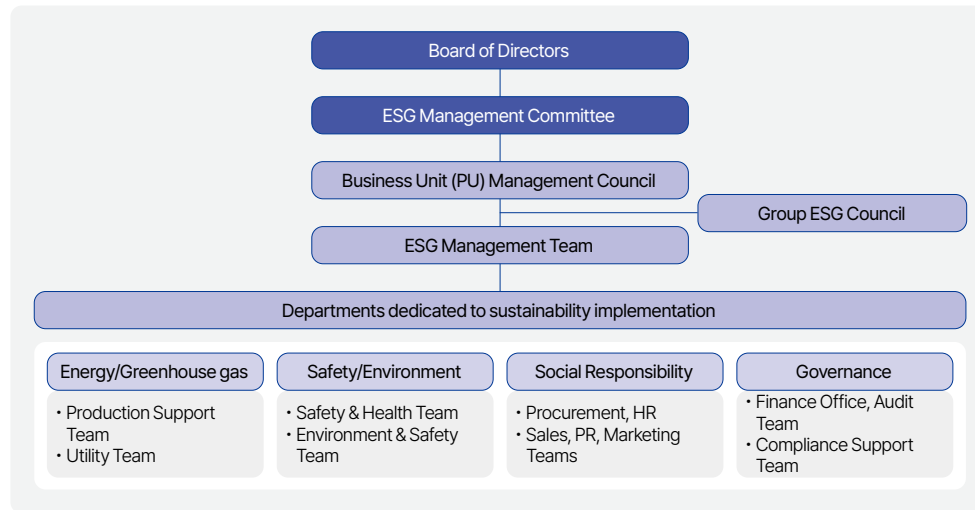
Sustainability Management System	14
Sustainable Value Chain	16
2025/26 Performance Highlights	17
Stakeholder Engagement	18
Double Materiality Assessment	19

Sustainability Management System

ESG Management Organization

Decision-Making and Implementation Framework

In 2025, Hyosung TNC established the ESG Management Committee under the Board of Directors to enhance the expertise and execution capability of its sustainability management system. The existing ESG Promotion Committee under the CEO, which previously convened semi-annually, was restructured into a monthly Business Unit (PU) Management Council to strengthen the regular reporting system. Through this, all business unit executives consistently review sustainability agendas and support the decision-making of the ESG Management Committee. The ESG Management Team and execution organizations realize sustainability management through company-wide implementation and monitoring of ESG strategic tasks.



Reporting Method and Frequency of Decision-Making Bodies

Category	Composition	Key Roles
Board of Directors	7 executive/independent directors, including Chairperson, Chang-hwang Lee	- Final decision and approval of sustainability management agendas - Resolution of material sustainability issues
ESG Management Committee	4 executive/independent directors, including Lead Independent Director, Chul-gyu Yoo	- Deliberation and resolution of ESG policies, targets, and risk management strategies - Deliberation and resolution of climate change response investments and activity plans
Business Unit (PU) Management Council	CEO and executives of each business unit	- Reporting of key sustainability management agendas - Review of ESG strategy and implementation performance

ESG Management Committee

The ESG Management Committee is the highest decision-making body for sustainability management, deliberating and resolving key matters including ESG policies and targets, risk management strategies, and climate change investments and action plans, while overseeing implementation. To enhance corporate transparency and protect shareholder rights, the Committee also reviews major management matters, including spin-offs, mergers, and related-party transactions, as well as shareholder return policies such as dividends and treasury stock buybacks.

2025 ESG Management Committee Operations

Date	Agenda	Type	Attendance Rate
2025.03.22	• Appointment of ESG Management Committee lead director	Approval	100%
2025.04.25	• Approval of fund lending to specially related persons	Approval	100%
	• Reporting of Q1 2025 ESG management status	Reporting	
2025.07.25	• Reporting of Q2 2025 ESG management status	Reporting	100%
2025.10.31	• Approval of large-scale internal transactions	Approval	100%
	• Prior deliberation of transactions between directors and the company	Approval	
	• Reporting of Q3 2025 ESG management status	Reporting	

ESG Council

Hyosung TNC participates in the 'Hyosung Group ESG Council (Sustainability Round Table)' to closely discuss sustainability management agendas with the holding company and major affiliates. Group-wide common ESG agendas derived through the ESG Council are organically linked with the decision-making of the Board of Directors and the implementation processes of working-level organizations, thereby enhancing the efficiency and execution of overall ESG management decision-making. In addition, by sharing Hyosung TNC's ESG best practices and performance with all affiliates, the company contributes to strengthening group-wide ESG management capabilities.

2025 ESG Council (SRT) Operations

Date	Agenda	
2025.08.28	• Review and selection of group-wide common ESG improvement task	• Review of employee performance management system reform
2025.10.23	• Sharing and consultation on group-wide human rights management direction	• Discussion on GHG Scope 3 calculation methodology
	• Establishment of group-wide materiality assessment ESG issues (Long-list)	
2025.12.02	• Review of ESG quantitative data system implementation	• Discussion on climate-related financial impact analysis

Sustainability Management System

Implementation Strategy

Hyosung TNC is advancing its ESG management under the vision of 'Innovation for a Better Tomorrow.' Building on the management vision 'Green Management 2030' of its parent company, Hyosung Corporation, the company has established 'Sustainability Vision 2030' along with key sustainability strategies and task targets. Hyosung TNC monitors implementation progress and reports performance outcomes to the ESG Management Committee.

Sustainability Vision 2030



Sustainability Strategic Tasks: Implementation Status & Targets

Area	Strategic Task	KPI	2024 Performance	2025 Performance	2030 Target
Environmental 	GHG emissions reduction	GHG emissions reduction rate (%)	40.0% reduction vs. 2018 (Domestic)	40.5% reduction vs. 2018 (Domestic)	14.5% reduction vs. 2018 (Domestic) ¹⁾
	Expand sales of sustainable solutions ²⁾	Share of related product sales (%)	6.1	7	16
	Obtain ISO 14001 certification at operating sites	Certified sites (count)	9/32	14/32	19/32
Social 	Achieve zero serious accidents	Serious accidents (count)	0	0	0
	Obtain ISO 45001 certification at operating sites	Certified sites (count)	6/32	10/32	19/32

1) New SBTi-based targets to be established (H2 2026)
2) Sustainable solutions include the regen (recycle/bio) product line and regen Tech (dope-dyed yarn) product line.

Sustainable Value Chain

Hyosung TNC is building a foundation to enhance sustainability across the entire value chain of the textile and apparel industry. As the world's No.1 spandex producer, Hyosung TNC plans to drive a wide range of initiatives to elevate sustainability throughout the value chain.

Upstream

- Producing nylon, polyester, and spandex yarns from recycled and bio-based raw materials
- Minimizing GHG emissions at business sites through smart factory processes, high-efficiency equipment, and renewable energy
- Supporting high-efficiency equipment investments and eco-certification costs for knitting and weaving partners in the fashion industry

Downstream

- Expanding the supply of Hyosung TNC's sustainable solutions to global fashion brands
- Joining initiatives to raise awareness of sustainable materials in the fashion industry (Textile Exchange)
- Establishing a resource circulation system in the fashion industry, partnering with local governments to build circular recycling structures and supporting garment recycling technology investments

- ✓ **Global sustainability initiative Activities**
Sustainable material awareness initiative

- ✦ **Number of initiatives**
1

- ✓ **Holding carbon footprint information for key sustainable solutions**
Providing LCA information

- ✦ **Number of LCA conducted for products**
13

- ✓ **Expansion of sales revenue from sustainable solutions**
Reviewing the plan to recycle leftover fabric from sewing

- ✓ **Expansion of sales revenue from sustainable solutions**
Recycling of discarded fishing nets/PET bottles

- ✦ **Investment in environmental technology**
KRW 2,638 million

- ✓ **Annual increase in recycled raw material consumption**
Recycled nylon/polyester chips, etc.

- ✓ **Expansion of sales revenue from sustainable solutions**
Recycling of waste from production process: 3,287 tons

- ✓ **Expansion of sales revenue from sustainable solutions**
regen · regen Tech
- ✓ **Energy consumption and GHG emissions reduction**
Optimizing equipment operation

- ✦ **Amount of the sales revenue from sustainable solutions**
KRW 174,282 million
- ✦ **GHG reduction rate compared to the base year**
40.5%

- ✓ **Expansion of social values across the value chain**
Supporting SME partners to acquire certification, adopt equipment, and expand sales channels

- ✦ **Number of companies supported through the shared growth initiatives**
102

- ✓ **Energy consumption and GHG emissions reduction**
Installation of high-efficiency dyeing machines, installation of wastewater heat exchangers, water recycling

- ✦ **Energy conservation**
9.2 TJ
- ✦ **Water conservation**
9,808 tons

✓ Strategy ✦ Value

All figures represent 2025 performance

2025/26 Performance Highlights

PRIDE

Define the Global Standard

Securing the World's Largest Spandex Production Capacity

- Optimizing global production hubs through capacity expansion at the Ningxia subsidiary in China and other facilities

Securing Future Growth Engines

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

Strengthening Leadership in the Global Textile Industry

- Received the 'International Collaboration' award at the ITMF Global Awards

Strengthening Governance Transparency

- Operation of the ESG Management Committee and Compensation Committee

Outstanding ESG Ratings, Domestically and Globally

- KCGS (Korea Institute of Corporate Governance and Sustainability): A
- MSCI ESG Ratings: AA
- CDP Climate Change: A-

VISION

Sustainable Future

Establishment of the World's Largest Bio BDO Plant

- New Bio BDO production plant in Vietnam (planned annual production of 200,000 tons by 2040)

Expansion of Recycled Fiber Production Hubs

- Construction of 'regen Spandex' recycling facility at the Türkiye subsidiary (Construction completed at the Guangdong and Zhuhai subsidiaries in China and the Vietnam subsidiary)

T2T Fiber Pilot Production at the Gumi Plant

- Conducting fabric weaving/knitting tests through pilot facility operation

Advancement of GHG Emissions Management System

- Completion of emissions calculation and third-party verification for 16 consolidated subsidiaries

Realization of Safe Workplaces

- Achieved Zero serious accidents at domestic business sites

TOGETHER

Happy & Valuable

Establishment of Supply Chain Governance

- Establishment and operation of the Supply Chain Management Committee

Foundation for Sustainable Growth in the Textile Industry

- Expansion of shared growth support programs for SMEs

Shared Value with Communities & Ecosystems

- Selected as an 'Outstanding Rural ESG Practice Company' for three consecutive years
- Selected as a 'Recognized Sponsor for Endangered Wildlife Conservation'

Fostering a Sustainable Textile and Fashion Culture

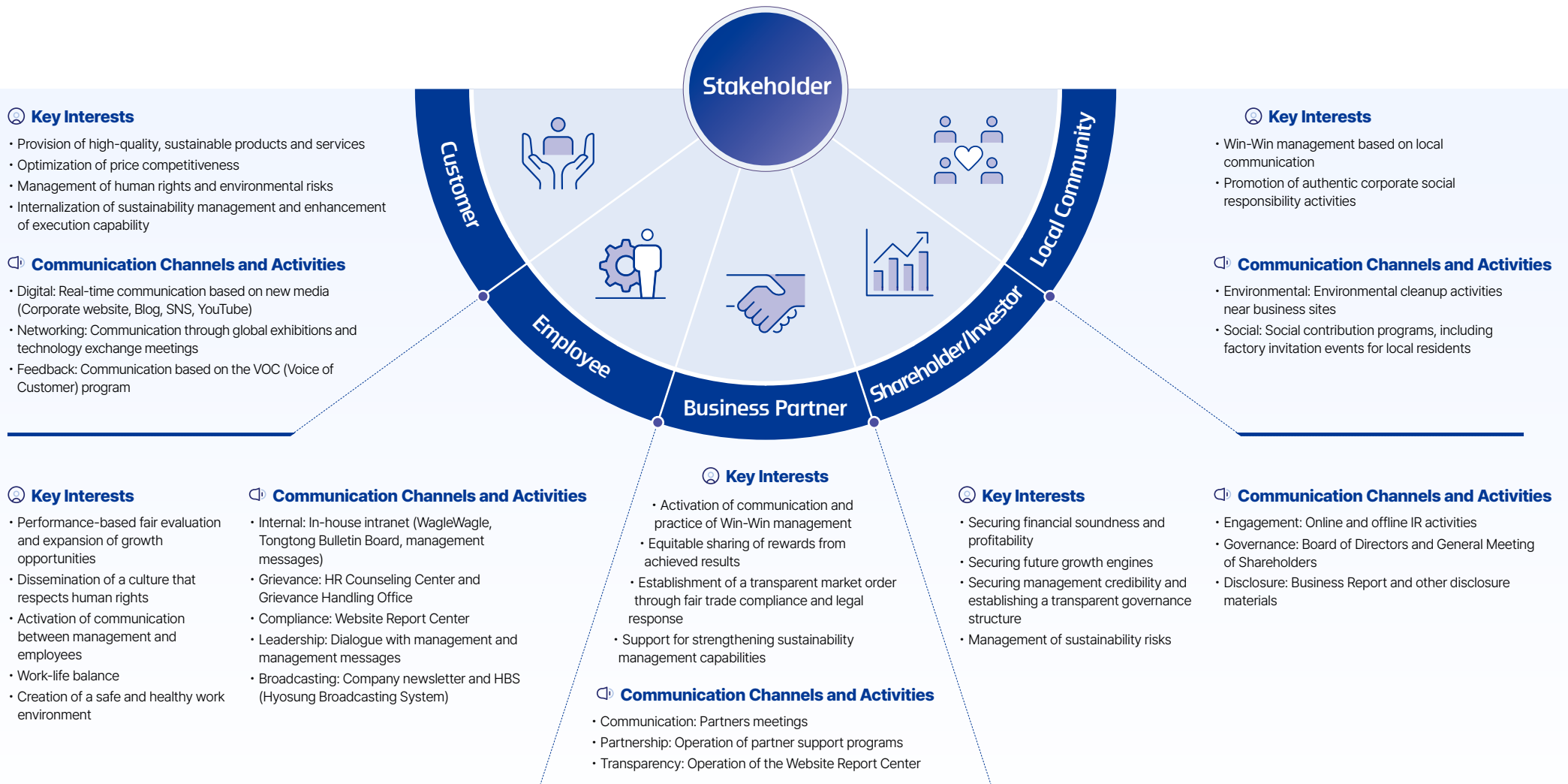
- Conducting collaborations with domestic and overseas brands such as MUSINSA and Lenzing

Expanding ESG Value to Stakeholders

- Providing Environmental Education to Rural Students
- Providing ESG training to partner companies

Stakeholder Engagement

Hyosung TNC prioritizes strategic communication with its stakeholders to realize the value of sustainability management. The company operates diverse online and offline communication channels to embed the requirements of its stakeholders—including customers, employees, partners, shareholders and investors, and local communities—across all management activities. In particular, Hyosung TNC closely analyzes the impacts of its business activities on stakeholders, and integrates the key issues identified through this process into its management strategy to drive tangible change.



Double Materiality Assessment

Double Materiality Assessment Process

Hyosung TNC has performed a double materiality assessment to identify ESG issues that have significant impacts on its business. The assessment considers both the Impact Materiality, which refers to the effect Hyosung TNC has on the external environment and society, and the Financial Materiality, which refers to the financial impact the external environment and society have on Hyosung TNC. Based on the results of the double materiality assessment, three material topics were ultimately selected, and the management activities and current status of these material topics are transparently disclosed through the Sustainability Report.

Step 1



Formation and Derivation of Topic Pool

Establishing an ESG topic pool based on understanding company and deriving ESG priority topics

- 1** Constructing a topic pool based on analysis of the company's internal and external environment
 - Industry common topics: All ERSR topics
 - Corporate-specific topics: Topics identified through company data, industry-specific initiatives, peer analysis, and value chain analysis
- 2** Deriving ESG priority topics through analysis of the relevance between the topic pool and the enterprise

Step 2



Impact Identification

Identification and classification of environmental/social impact and financial risks/opportunities

- 1** Examination of impact pathway
 - Identifying business activities and external factors for each topic considering the value chain and business divisions
- 2** Identifying the impact of corporate activities on the external environment and society (Impact Materiality)
 - Classification as positive/negative and actual/potential
- 3** Identifying the financial impact of the external environment and society on the company (Financial Materiality)
 - Classification into risks/opportunities

Step 3



Impact Assessment

Evaluating the materiality of impacts, risks/opportunities identified through surveys and round tables

- 1** Conducting surveys among employees
 - Assessment criteria for environmental/social impacts: Scale, Scope, Irremediability, Likelihood
 - Assessment criteria for financial risks/opportunities: Scale, Likelihood
- 2** Performing stakeholder round table
 - Adjust survey results and gather additional feedback
- 3** Conducting materiality assessment based on survey and round table results

Step 4



Selection of Material Topics

Selection of material topics based on evaluation results and reporting to the Board of Directors

- 1** Selecting material issues by prioritizing topics and considering evaluation results and industry characteristics
- 2** Reporting the final results of the Materiality Assessment to the Board of Directors

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 2025. 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 sustainability.

Risk Opportunity

ESG Material Topics	Impact and Risk/Opportunity	Environmental/Social Impact	Financial Risks/Opportunities	Level of Impact	GRI	Page
Climate Change	Causing extreme climate change including abnormal temperature and rising sea levels	Negative/Actual			GRI 302 GRI 305	22~28
	Increase in manufacturing overhead due to rising electricity and energy prices					
	Costs incurred for low-carbon process/equipment transition and technology R&D					
Resource Circulation and Sustainable Business Model	Mitigation of climate change and environmental pollution impacts	Positive/Actual			GRI 301 GRI 306	29~34
	Increase in sustainable product sales due to enhanced sustainable brand value					
	Increase in costs for asset acquisition and maintenance due to expansion of sustainable product facilities					
	Reduction in process waste disposal costs					
	Reduction in raw and subsidiary material costs through recycling of process waste and waste plastics					
	Increase in marketing costs for sustainable products					
Employee Safety and Health	Negative impacts on employee health due to injury risks and safety accidents	Negative/Actual			GRI 403	54~59

Environmental

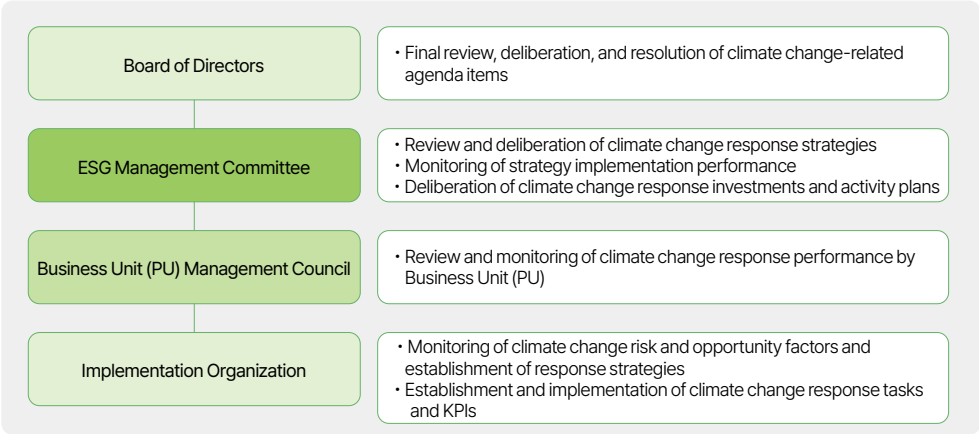
Response to Climate Change	22
Sustainable Business Model	29
Environmental Management	35
Reduction of Environmental Impact	37

Response to Climate Change

Governance

Decision-making and Implementation Framework

The Board of Directors of Hyosung TNC, as the highest decision-making body, comprehensively reviews, deliberates, and resolves major agenda items related to climate change. In 2025, Hyosung TNC newly established the ESG Management Committee under the Board to systematically operate its climate change response process—from establishing climate change response strategies to monitoring implementation performance. In addition, through regular and ad hoc meetings of the ESG Management Committee, the company proactively addresses climate-related risks. Going forward, Hyosung TNC plans to further advance its Board-led governance system to strengthen management execution capabilities in response to climate crises.



Reporting Method and Frequency to Decision-Making Bodies

Category	ESG Management Committee	Business Unit (PU) Management Council
Composition	4 executive and independent directors	CEO and executives of each Business Unit
Reporting Entity	Executive in charge of ESG Management	ESG Management Team (Implementation Organization)
Reporting Contents	Deliberation and resolution results on climate change response strategies and activity performance	Climate change response strategies and task-related agenda items
Reporting Frequency	Held at least once per quarter (or more frequently as needed)	Held once per month

Status of Information Acquisition During the Reporting Period

Decision-making Body	Date Held	Reporting Contents
ESG Management Committee	2025.04.25	• Q1 2025 stakeholder climate-related requirements • Future response requirements such as renewable energy transition • Domestic greenhouse gas emissions status and projected surplus emission allowances
	2025.07.25	• Q2 2025 stakeholder climate-related requirements • Future response requirements such as product carbon emissions calculation • Status of Greenhouse Gas Emissions Calculation and Management for Overseas Subsidiaries on a Consolidated Basis
	2025.10.31	• Q3 2025 stakeholder climate-related requirements • Future response requirements such as greenhouse gas emissions reduction

Climate Change KPI

To strengthen its climate change response capabilities, Hyosung TNC incorporates climate change response targets into employees' Key Performance Indicators (KPIs) and links them with the compensation system. Each business site's plant manager manages greenhouse gas emissions and energy efficiency as performance indicators, while working-level departments such as the Production Support Team and the Technology & Utility Team also quantify and reflect greenhouse gas reduction targets and energy-saving performance into their evaluations.

Dedicated Team	Climate Change KPI
Production Support Team, Technology & Utility Team	• Greenhouse gas emissions (reduction compared to the previous year) • Energy efficiency management (intensity per unit of production)
New Business Team	• Identification and implementation of new business projects related to carbon reduction

Response to Climate Change

Strategy

Climate Change Response Strategy

Based on the 'Green Management Vision 2030' of its holding company, Hyosung Corporation, Hyosung TNC has established greenhouse gas reduction targets and developed four core implementation strategies to achieve them. In addition, the company plans to upgrade its existing greenhouse gas reduction targets in alignment with the industrial sector targets of the 2035 NDC announced in 2025, thereby further strengthening its execution capabilities for climate crisis response. By systematically implementing future strategies and targets, Hyosung TNC will realize an advanced carbon neutrality roadmap and proactively align with the government's low-carbon economy transition policies.

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 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

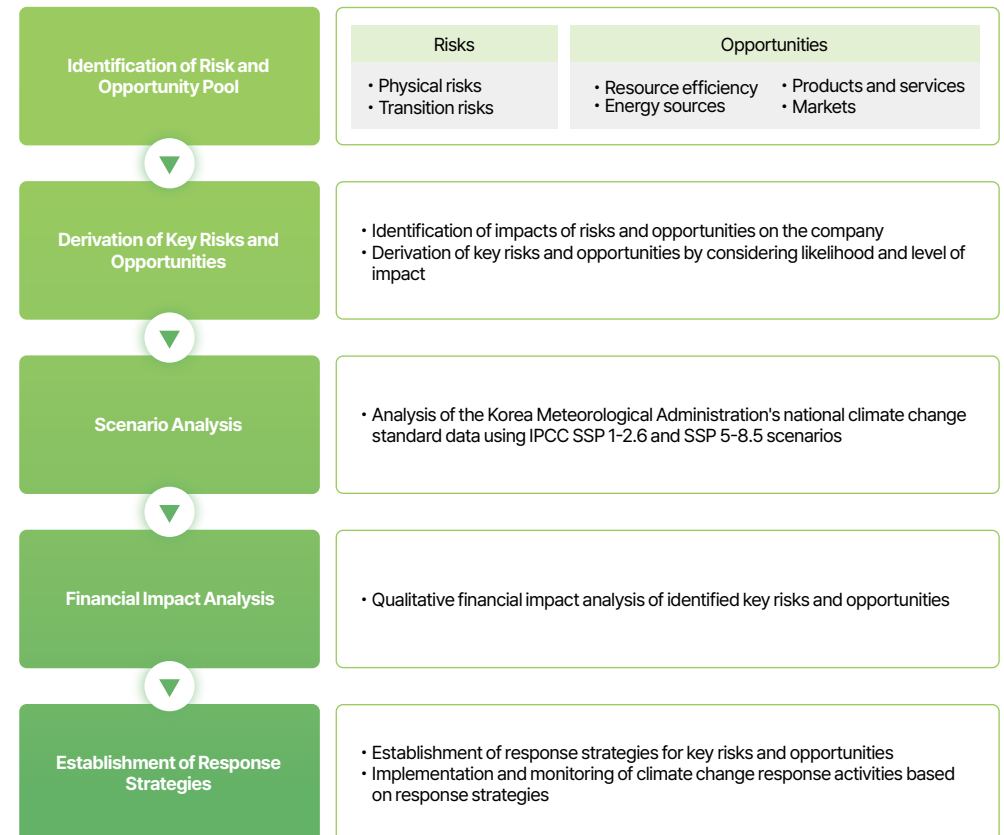
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Risk hedging and opportunity identification through the establishment of a climate change risk and opportunity identification process

*New SBTi-based targets to be established (H2 2026)

Climate Risk and Opportunity Analysis Process

Hyosung TNC identifies and manages climate risk and opportunity factors to understand their potential impacts on the business. In addition, the company analyzes the financial impact of identified climate risks and opportunities on the management environment to develop climate change response strategies. By continuously advancing its climate risk and opportunity analysis process, Hyosung TNC plans to enhance its adaptability to the changing climate and secure climate-related competitiveness in the low-carbon economy.



Response to Climate Change

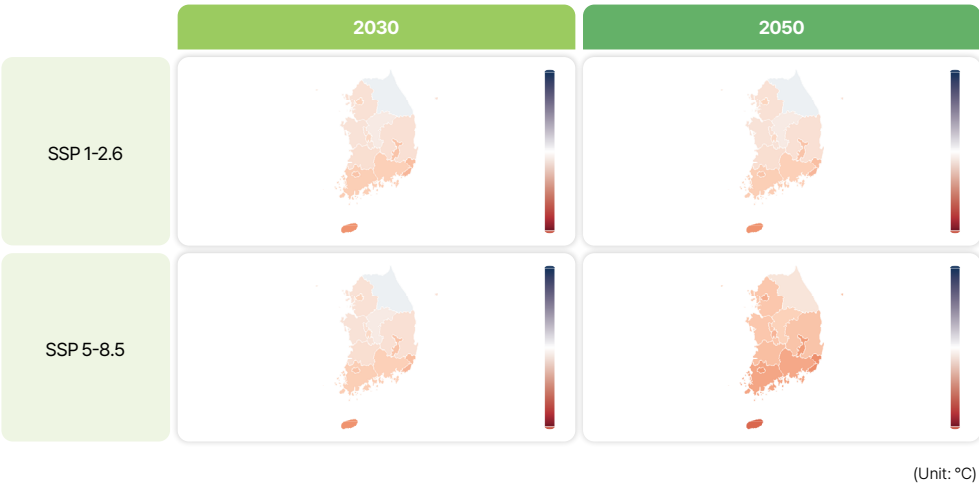
Strategy

Climate Scenario Analysis

To proactively respond to physical risks arising from climate change, Hyosung TNC conducted scenario analysis using the Korea Meteorological Administration's national climate change standard data based on the IPCC SSP 1-2.6 and SSP 5-8.5 scenarios. The company analyzed potential risks in line with the projected changes in average temperature and the number of heatwave days during the 2030s and 2050s at its key domestic business sites (Gumi, Ulsan, and Daegu). To minimize the potential impact of such temperature rise risks on business operations, Hyosung TNC is implementing energy efficiency and carbon reduction initiatives, and plans to strengthen its company-wide response system for climate change through continuous monitoring.

Average Temperature Analysis

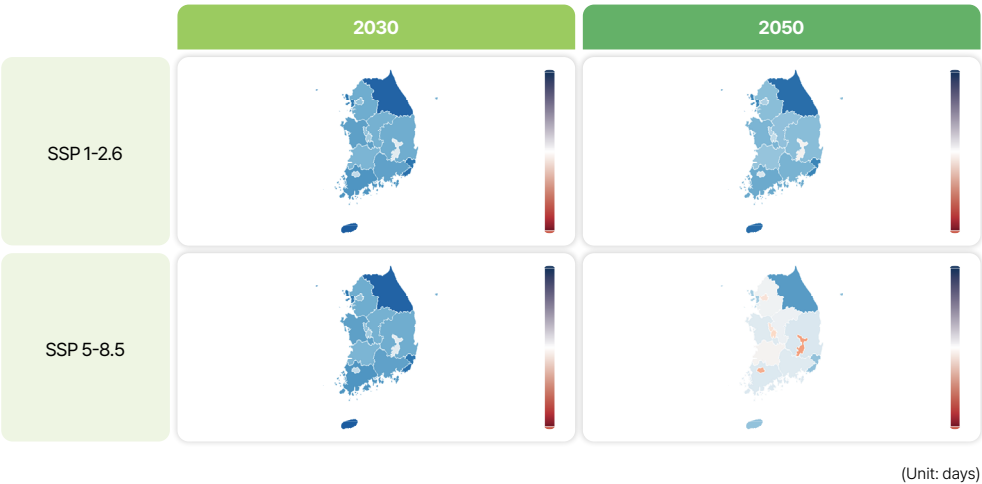
Hyosung TNC analyzed average temperature changes against the 2010s by scenario at its key domestic business sites. Under the SSP 5-8.5 scenario, the average temperature at the three sites is projected to rise by 1.7°C in the 2030s and 3.1°C in the 2050s—about 22% higher than the 2010s. In particular, the Ulsan plant is expected to see the most significant change, reaching 18.3°C in the 2050s. Such temperature rises may lead to financial impacts, including higher energy costs and reduced productivity from increased cooling loads and lower process efficiency.



Year (Period)	Scenario	Business Sites		
		Gumi	Ulsan	Daegu
2030	SSP 1-2.6	14.2	16.8	15.6
	SSP 5-8.5	14.4	16.9	15.8
2050	SSP 1-2.6	14.3	16.9	15.8
	SSP 5-8.5	15.8	18.3	17.3

Heatwave Days Analysis

Hyosung TNC analyzed heatwave day changes against the 2010s by scenario at its key domestic business sites. The average number of heatwave days in the 2050s is projected at 41.2 days under SSP 1-2.6 and 57.9 days under SSP 5-8.5, confirming risk variation depending on the level of climate response by scenario. Notably, under SSP 5-8.5, heatwave days are projected to rise by about 152% compared to the 2010s. This growing frequency may lead to financial impacts, including higher maintenance costs and lower operational efficiency due to equipment overload.



Year (Period)	Scenario	Business Sites		
		Gumi	Ulsan	Daegu
2030	SSP 1-2.6	39.8	27.3	45.6
	SSP 5-8.5	42.8	24.3	48.6
2050	SSP 1-2.6	43.9	30.1	49.7
	SSP 5-8.5	61.0	44.6	68.2

Response to Climate Change

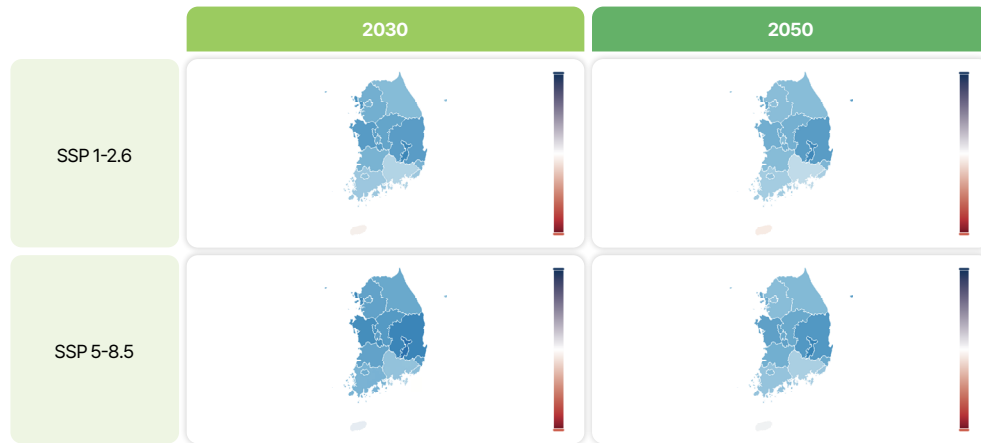
Strategy

Climate Scenario Analysis

To proactively respond to physical risks arising from climate change, Hyosung TNC conducted scenario analysis using the Korea Meteorological Administration's national climate change standard data based on the IPCC SSP 1-2.6 and SSP 5-8.5 scenarios. The company analyzed potential risks in line with the projected changes in precipitation and the number of heavy rainfall days during the 2030s and 2050s at its key domestic business sites (Gumi, Ulsan, and Daegu). To stably manage physical risks caused by such variability in precipitation patterns, Hyosung TNC closely reviews disaster prevention infrastructure and water resource management status at each business site, and plans to continuously secure climate resilience by advancing its response capabilities for extreme weather events.

Precipitation Analysis

Hyosung TNC analyzed precipitation changes against the 2010s by scenario at its key domestic business sites. The average precipitation in the 2050s is projected to increase by approximately 7.1% under the SSP 1-2.6 scenario, while showing a more modest 2.8% increase under the SSP 5-8.5 scenario, confirming variations across scenarios. In particular, the Ulsan plant showed a declining trend in precipitation during both the 2030s and 2050s compared to the 2010s under the SSP 5-8.5 scenario. The resulting water supply imbalance may lead to financial impacts, including higher water procurement costs and increased uncertainty in production operations.

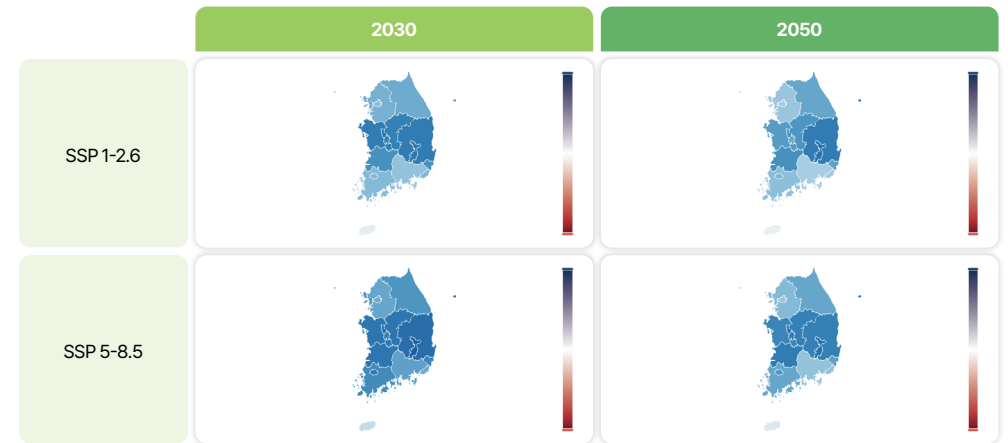


(Unit: mm)

Year (Period)	Scenario	Business Sites		
		Gumi	Ulsan	Daegu
2030	SSP 1-2.6	1,109	1,285	1,168
	SSP 5-8.5	1,010	1,174	1,036
2050	SSP 1-2.6	1,105	1,302	1,191
	SSP 5-8.5	1,085	1,241	1,145

Heavy Rainfall Days Analysis

Hyosung TNC analyzed heavy rainfall day changes by scenario at its key domestic business sites. Under the SSP 5-8.5 scenario, the average number of heavy rainfall days in the 2050s is projected to remain at the 2010s level, while the Ulsan and Daegu plants showed a decrease in heavy rainfall days regardless of the scenario, indicating a low likelihood of risk intensification. These results demonstrate that the likelihood of physical damage from heavy rainfall remains within Hyosung TNC's proactive risk management capacity, and the actual financial impacts—including asset losses—are expected to be limited.



(Unit: days)

Year (Period)	Scenario	Business Sites		
		Gumi	Ulsan	Daegu
2030	SSP 1-2.6	1.5	2.2	1.9
	SSP 5-8.5	1.3	1.9	1.2
2050	SSP 1-2.6	1.5	2.5	1.6
	SSP 5-8.5	1.4	2.5	1.7

Response to Climate Change

Strategy

Results of Climate Risk and Opportunity Analysis

Risk and Opportunity Type			Time Horizon	Expected Financial Impact	Response Strategy
Transition Risk	Policy and Legal	Strengthened GHG-related policies and regulations	Medium to long term	• Increase in costs due to the introduction of a carbon tax and the funding of emissions trading liabilities • Rise in electricity and utility unit costs due to energy transition cost pass-through	• Establishment of management system including calculation and verification of Scope 1, 2, and 3 emissions at domestic and overseas business sites • Review of expanded share of renewable energy procurement • Advancement of investment decision-making system through operation of an internal carbon pricing system
	Technology	Transition to low-carbon processes and adoption of innovative technologies	Medium to long term	• Expansion of capital expenditures for high-efficiency equipment and process improvements • Increase in R&D investment costs to secure low-carbon technology competitiveness	• Strategic capital allocation in line with the low-carbon transition plan • Process optimization based on energy diagnostics of manufacturing facilities and adoption of low-carbon technologies • Real-time anomaly detection and equipment operation optimization utilizing smart factory infrastructure
	Markets	Strengthened carbon management requirements from clients	Medium to long term	• Decline in market share and sales due to failure to meet client requirements	• Development and commercialization of sustainable solutions (Bio BDO, etc.) • Acquisition of internationally recognized certifications (GRS, OBP, OEKO-TEX, etc.) • Conducting Life Cycle Assessment (LCA) on key product lines
	Reputation	Stakeholder demands for climate information disclosure and performance	Medium term	• Rise in capital procurement costs and decline in investment due to lower ESG ratings	• Advancement of disclosure system for climate information (activities and performance) and enhancement of data transparency • Linkage of management compensation system with climate management performance indicators
Physical Risk	Acute/Chronic	Extreme climate events (typhoons, heatwaves, etc.) and average temperature rise	Long term	• Asset losses and product quality risks due to extreme weather events • Increase in manufacturing overhead costs due to rising temperatures	• Investment in expanding disaster prevention infrastructure to prepare for extreme weather events • Climate scenario-based quantitative financial impact analysis and resilience assessment (planned)
Opportunity	Products and Services	Development and expansion of sustainable solutions	Short term	• New market entry and sales expansion through expansion of sustainable solutions • Improvement of profit structure through enhanced eco-friendly image	• Establishment and implementation of mid- to long-term sales strategy for sustainable products • (Achieving 16% share of sustainable product sales by 2030)

Response to Climate Change

Strategy

Smart Factory

Hyosung TNC achieves production efficiency optimization through a smart factory-based energy management system. The Daegu and Gumi plants have introduced the Factory Energy Management System (FEMS) and a smart-based daily management process to proactively respond to energy usage fluctuations. Global business sites have transitioned to an integrated energy control system (VAS), advancing the target management framework through the segmentation of energy source indicators such as electricity and fuel. In particular, by utilizing dedicated energy management applications within the system, the company has established a framework to analyze abnormal signs in processes, such as steam leaks, in real time and take immediate corrective action. In addition, through optimization of distillation column operation and flexible adjustment of heater usage ratios by facility, Hyosung TNC is accelerating energy efficiency improvements and greenhouse gas reduction.

Low-Carbon Fuel and Renewable Energy Use

Hyosung TNC is accelerating greenhouse gas reduction through the introduction of low-carbon fuels and the transition to renewable energy. To secure low-carbon fuels, the Gumi plant is supplied with hydrogen-containing by-product gas from a nearby company, while the Daegu and Gumi plants are enhancing energy efficiency by reusing waste heat from local incineration plants. These transition efforts have also extended overseas, with the India and Brazil business sites expanding the use of biomass fuels such as briquettes and wood chips. For renewable energy, the China Jiaying site is supplied with solar power from external power generation operators, securing 796.4 MWh in 2025. Considering that electricity use accounts for approximately 63% of total greenhouse gas emissions, Hyosung TNC plans to diversify renewable energy adoption methods, including third-party PPAs and REC purchases, and to systematically expand the share of renewable energy in line with a phased roadmap.

Internal Carbon Pricing System

Hyosung TNC operates an internal carbon pricing system to reflect climate risks and opportunities across management. By quantifying carbon reduction and incorporating it into economic feasibility assessments, the system is utilized as an objective indicator for company-wide decision-making, ranging from energy equipment replacement to plant construction and expansion and new investments.

Energy Consumption Reduction

Hyosung TNC is reducing energy consumption by improving the operational efficiency of process and utility facilities and conducting regular energy audits. The company has introduced air pre-heaters to preheat combustion air using waste heat from exhaust gases, thereby reducing fuel consumption in heat-medium boilers. In addition, the company operates a waste heat recovery system that re-evaporates generated condensate to reuse it as low-pressure steam or boiler feedwater. During process equipment operation, the company optimizes the usage ratio of electric heaters and heat-medium heaters to ensure stable heat supply, effectively reducing energy costs and greenhouse gas emissions. Furthermore, through regular energy audits, Hyosung TNC is reviewing phased implementation plans ranging from short-term improvements to mid- to long-term investments. In 2025, the Gumi plant minimized power loss by identifying and repairing 397 compressor leakage points in cooperation with an external specialized agency.

CASE

Energy Savings at Business Sites

Hyosung TNC is accelerating energy efficiency improvements through the replacement of aging equipment and process optimization at domestic and overseas business sites. At the Gumi plant PET process, the existing Chip Dryer high-capacity Fan was replaced with a high-efficiency unit, improving blower efficiency and achieving uniform drying, thereby reducing energy use. Also at the Gumi plant Spandex process, the company enhanced combustion efficiency by replacing the Boiler air pre-heater, and improved overall process heat recovery and cooling efficiency through condenser Economizer efficiency improvements and the installation of HVAC Cooling Pads, realizing energy-saving outcomes.

Meanwhile, the Türkiye subsidiary improved waste heat recovery efficiency for waste heat generated during the process in 2025 through the replacement of an aging economizer, and plans to additionally replace two more economizers in 2026. The company also optimized input heat by reorganizing the distillation column operation method from the existing serial structure into separately processed lines, distributing the operational load of individual equipment. This has improved purification yields and reduced the operating frequency of subsequent drying equipment, leading to energy use reduction across the entire process. Hyosung TNC plans to continuously identify energy-saving factors and pursue equipment optimization across both domestic and overseas business sites to consistently improve energy efficiency.

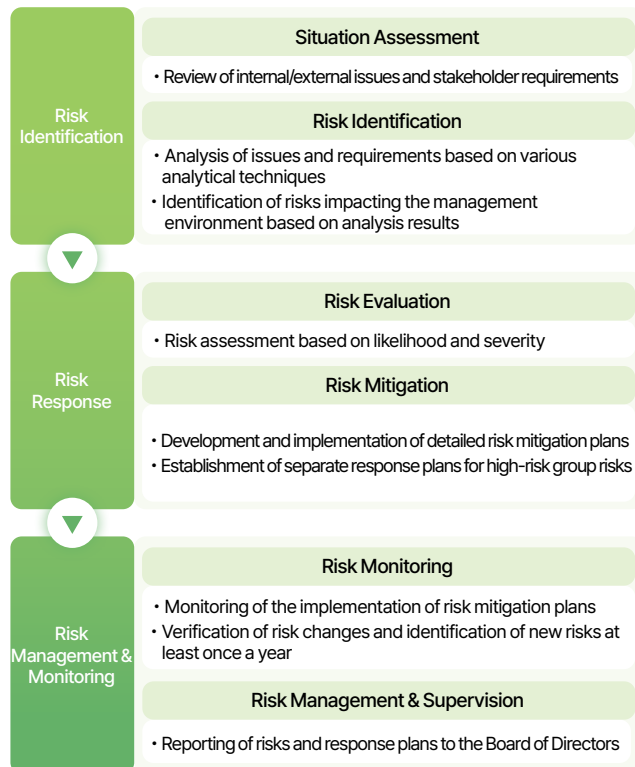
Business Site	Savings (TJ/year)	Production (tons)	Unit Consumption (GJ/ton)
Gumi Plant (PET)	11.73	98,331	0.119
Gumi Plant (Spandex)	5.0	15,152	0.333

Response to Climate Change

Risk Management

Risk Management Process

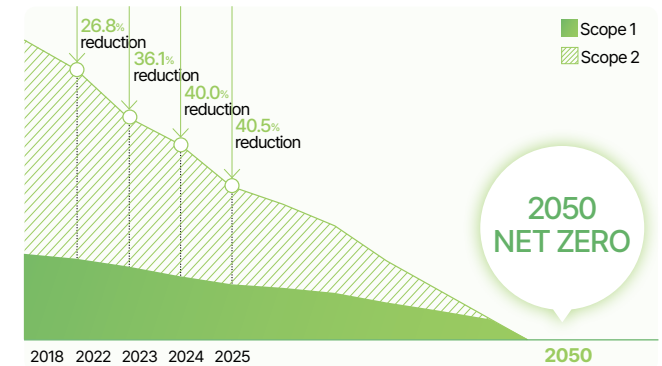
Hyosung TNC integrally manages potential factors affecting overall management, including climate change, in accordance with its company-wide risk management process. The company identifies risks by analyzing internal and external issues, stakeholder requirements, and global climate policy trends from multiple perspectives, and conducts assessments based on the likelihood and severity of each factor. For identified and assessed risks, detailed response plans are established and monitored, with the effectiveness of risk management enhanced by reviewing changes at least once a year.



Metrics & Targets

2050 Carbon Neutrality (Net Zero)

To achieve carbon neutrality, Hyosung TNC has established the '2050 Carbon Neutrality (Net Zero)' roadmap and is implementing greenhouse gas reduction across all business activities. As a result, in 2025, the company reduced emissions by 40.5% compared to 2018 levels at its domestic sites, achieving the 'Green Management 2030' target ahead of schedule. In 2026, building on these outcomes, Hyosung TNC plans to advance its carbon neutrality roadmap and fully pursue diversified reduction measures, including the transition to low-carbon fuels and the expansion of renewable energy adoption utilizing PPAs and RECs.



Greenhouse Gas Emissions Management

Hyosung TNC calculates and transparently discloses Scope 1, 2, and 3 greenhouse gas emissions for its domestic business sites and overseas subsidiaries. All emissions data secures objective reliability through third-party verification by specialized agencies, and the company continues to expand the scope of greenhouse gas calculation to strengthen its global greenhouse gas management capabilities. In 2025, two trading subsidiaries were newly included in the calculation scope, completing the establishment of a greenhouse gas emissions management system for a total of 16 overseas subsidiaries.

Category		2023	2024	2025
Scope 1	Domestic	70,830	72,405	95,377
	Overseas subsidiaries	249,565	263,415	279,230
Scope 2	Domestic	188,932	171,692	146,452
	Overseas subsidiaries	965,614	1,072,735	1,117,450
Total		1,474,941	1,580,247	1,638,509
Scope 3 (Domestic + Overseas)		11,308,494	12,565,067	12,816,315

Greenhouse Gas Reduction Investment

Hyosung TNC establishes and implements annual investment plans for the introduction of high-efficiency equipment to promote energy savings and greenhouse gas reduction at its business sites, and systematically monitors the outcomes. In 2025, the company executed greenhouse gas reduction investments amounting to KRW 6.5 million, and plans to continuously expand the share of greenhouse gas reduction investments going forward to achieve carbon neutrality.

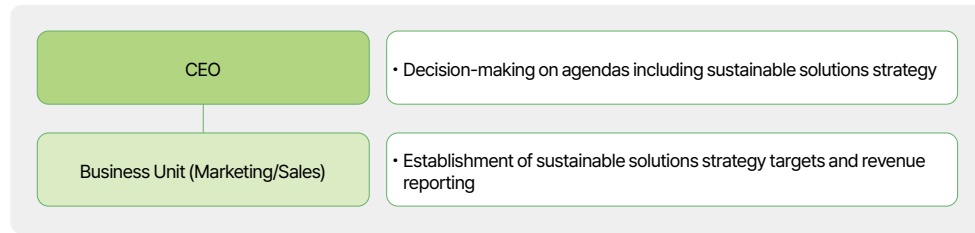
Category	Investment Cost (KRW million)
2023	636
2024	790
2025	650

Sustainable Business Model

Sustainable Business Management Framework

Decision-Making and Implementation Framework

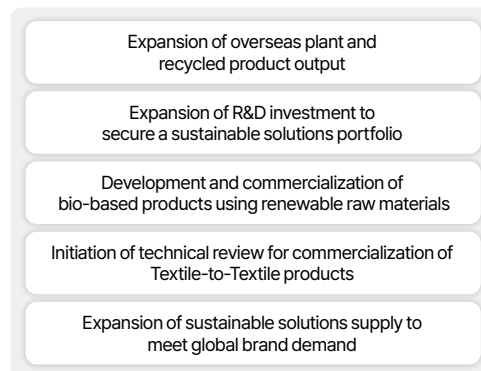
Hyosung TNC establishes and implements its sustainable solutions strategy centered on the marketing and sales divisions under the CMO (Chief Marketing Officer). Agendas related to sustainable solutions are reported to the CEO for final decision-making, and implementation outcomes are subsequently subject to thorough monitoring to enhance execution effectiveness.



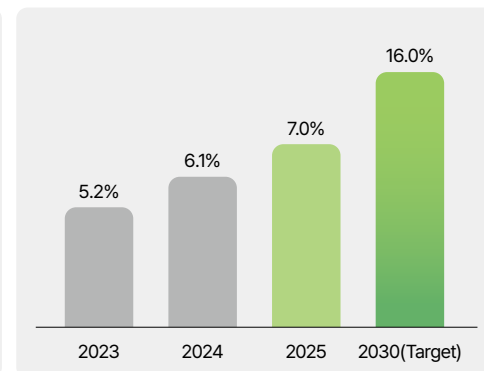
Implementation Strategies and Targets

Hyosung TNC has set the expansion of sustainable solutions as a key business strategy to minimize environmental impacts across its value chain. Accordingly, the company has set a mid- to long-term target of achieving a 16% share of sustainable solutions sales by 2030, and recorded approximately 7% in 2025. In 2026, building on a stable business foundation, Hyosung TNC plans to progressively expand the supply share of sustainable solutions.

Implementation Strategies

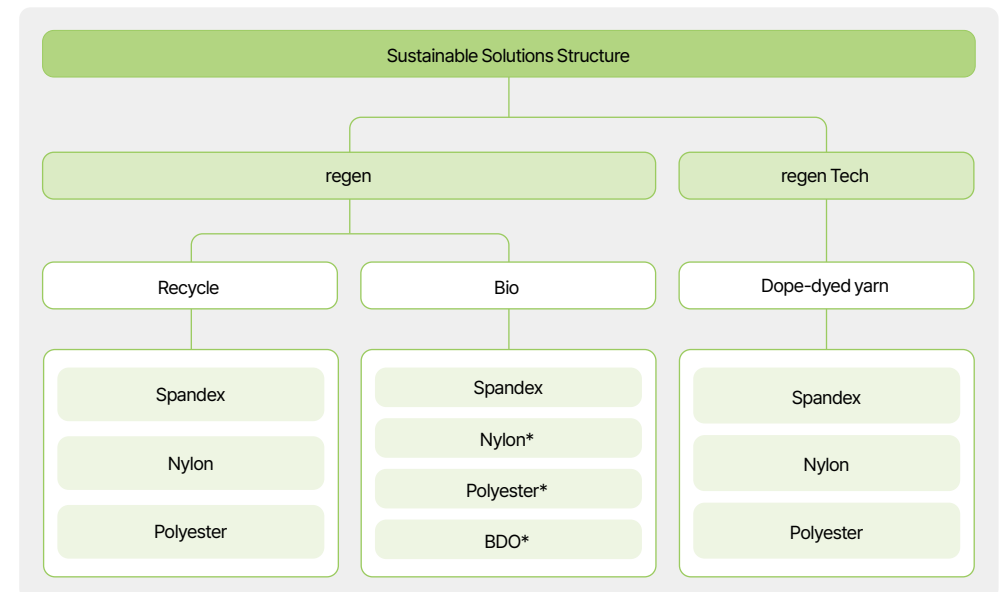


Targets and Implementation Status



Sustainable Solutions

With the European Union (EU) enforcing the Ecodesign for Sustainable Products Regulation (ESPR) in earnest, and textile products being designated as a priority application target, the necessity of developing eco-friendly technologies within the industry is being further emphasized. Hyosung TNC is accelerating the development of sustainable products and technologies in response to this global circular economy transition. 'Sustainable solutions' consist of regen and regen Tech. regen refers to a product line that incorporates recycled or bio-based raw materials at the raw material stage, while regen Tech refers to a solution-type product line that contributes to mitigating environmental impacts by reducing carbon emissions and water consumption within customer companies' processes.



* Product line currently under development.

Sustainable Business Model

Development of Sustainable Products and Technologies

Bio BDO

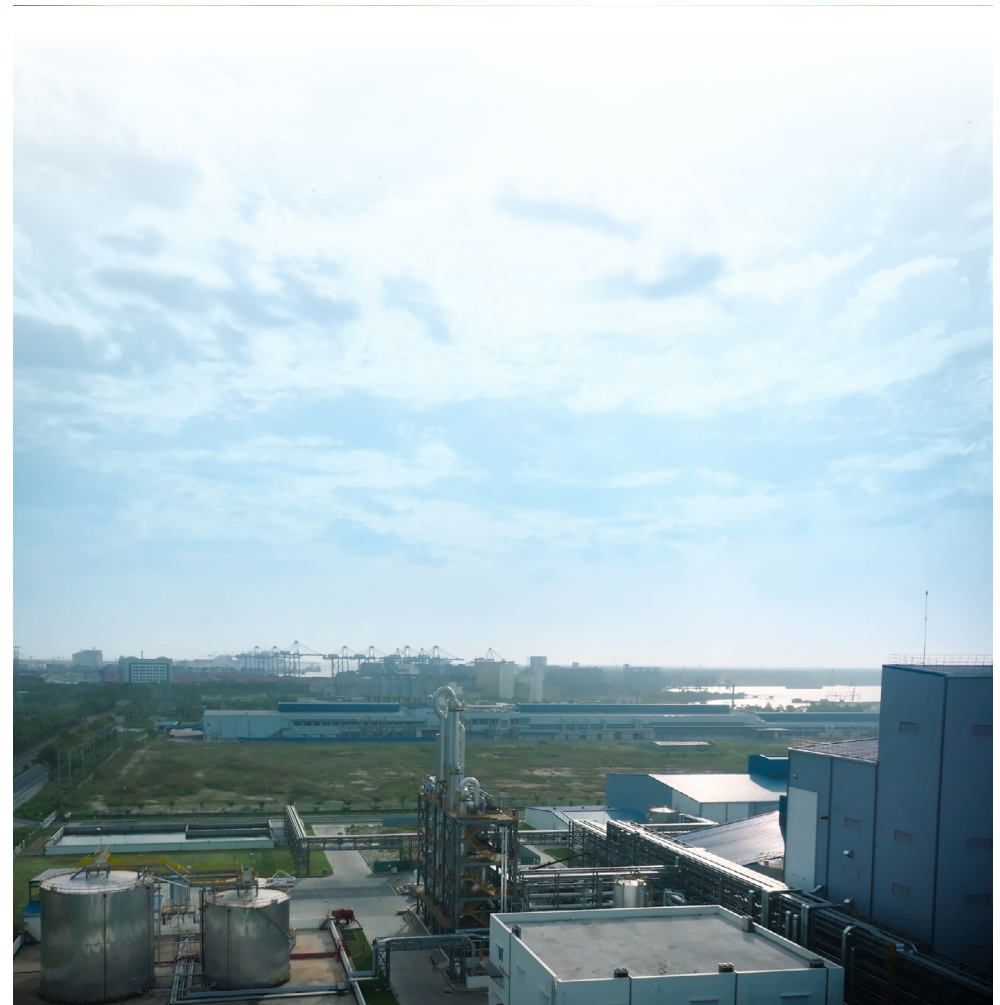
Hyosung TNC is promoting the introduction of an eco-friendly process to replace conventional fossil-based raw materials by developing Bio BDO technology for producing Bio BDO through the fermentation of sugars derived from sugarcane or corn. Bio BDO technology is a sustainable solution that can reduce greenhouse gas emissions generated during the manufacturing process by up to 90% compared to conventional fossil fuels. Hyosung TNC is investing a total of KRW 1 trillion to establish a Bio BDO production plant with an annual capacity of 200,000 tons, with the goal of full-scale operation in the second quarter of 2026. Through this initiative, the company has completed a vertically integrated system covering everything from raw materials to fiber products for the first time in the world, securing a differentiated strategic advantage in the global market. Furthermore, building on this structural strength, Hyosung TNC plans to achieve stable raw material supply and process optimization, and further solidify the competitiveness of its integrated bio Spandex production system.

Bio BDO Process



regen Tech, Dope-Dyed Yarn

Hyosung TNC reduces environmental impact during the fiber production process through dope-dyed yarn, which achieves color without a separate dyeing process. By eliminating the post-dyeing process, the company not only reduces water and energy consumption but also fundamentally blocks wastewater generation, minimizing water pollution and the burden of wastewater treatment. This process simplification also reduces the discharge of environmental pollutants and the use of high-temperature equipment, leading to improved worker safety and working conditions. To further strengthen this sustainable production system, Hyosung TNC successfully developed automotive-use black dope-dyed yarn in 2025, and based on this milestone, plans to further expand its eco-friendly fiber portfolio, including dope-dyed yarn.



Panoramic View of Hyosung Dong Nai Co., Ltd.

Sustainable Business Model

Development of Sustainable Products and Technologies

R&D for Sustainable Product and Technology Development

To minimize the textile industry's environmental impact, Hyosung TNC continuously promotes R&D investment for the development of sustainable technologies and products. Through the development of bio-based fibers and resource recycling technologies, the company reduces environmental impacts compared to conventional chemical fibers, and develops eco-friendly processes that reduce hazardous chemical substances used in manufacturing processes, striving to secure both product safety and sustainability.

2025 Sustainable Product and Technology Development Achievements

Product Development Utilizing Bio-based Materials	- Secured proprietary production technology for Bio BDO - Promoted development of Biomass & Bio-degradable Spandex - Developed 100% bio-based NY510 yarn
Resource Recycling Technology Development	- Developed nylon material separation and Monomer purification technology from waste fabrics and waste clothing - Developed chemical recycling technology for PET waste fabrics
Eco-Friendly Process Development	- Replaced DMAC solvent with eco-friendly solvent - Developed technology to reduce residual DMAC in Diaper-use Spandex
Eco-Friendly Patent Acquisition	- Manufacture of highly processable polyester materials based on eco-friendly catalysts - Manufacture of high heat-resistant and high-stability eco-friendly polyester materials - Manufacture of high-performance biodegradable elastic yarn

Sustainable Product and Technology Development Support

To establish a resource circulation ecosystem in the textile industry, Hyosung TNC is strengthening strategic partnerships with venture companies that possess proprietary recycling technologies. As part of this effort, in 2025, the company supported the establishment of melt-extrusion pretreatment research facilities essential for implementing biocatalyst-utilizing PET specific reactions at venture companies. Through this, the product productivity of next-generation recycling processes was significantly improved, and by enhancing the maturity of biocatalyst recycling technology, the commercialization of mixed-fabric waste decomposition technology is being accelerated. In addition, by supporting investments in precision upgrades of aging facilities and new equipment such as induction heaters at venture companies, the company has contributed to optimizing process efficiency and securing a sustainable product manufacturing system with enhanced quality. Going forward, Hyosung TNC plans to expand technological cooperation with promising companies and systematically provide research infrastructure to lead the resource circulation paradigm of the global textile market.

2025 Sustainable Product and Technology Development Support Achievements

2025 Support Items	Expected Effects
Support for establishment of melt-extrusion pretreatment research facilities	- Reduction of testing period and cost for fiber product recycling - Diversification of waste raw materials and advancement of biocatalyst recycling pretreatment technology
Support for introduction of fiber recycling regenerated chip production equipment	- Reduction of defective products through chip cooling that removes chip moisture - Increase in production efficiency and energy savings through stabilization of operating temperature

Sustainable Product and Technology R&D Investment

(Unit: KRW million)

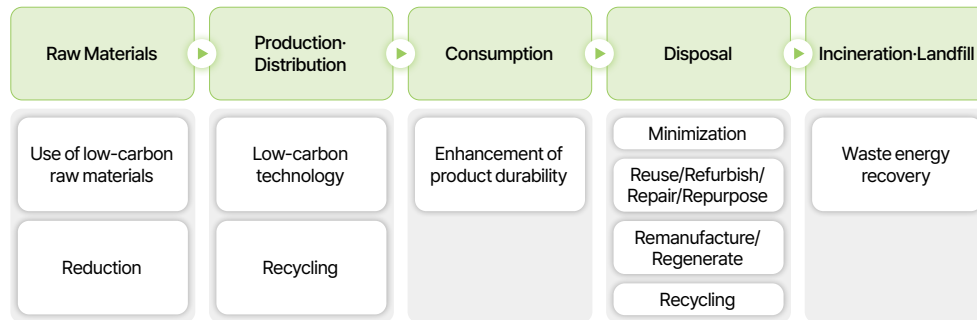
Year	2023	2024	2025
Performance	2,321	2,860	2,638

Sustainable Business Model

Establishment of Resource Circulation System

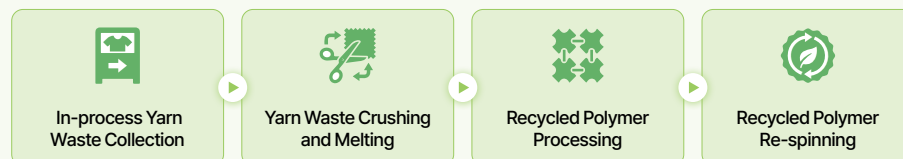
Resource Circulation Process

Hyosung TNC is implementing a company-wide approach centered on resource circulation for future generations. Throughout the entire product life cycle—from raw material supply to disposal—the company is building a circular system that enhances resource efficiency. In particular, Hyosung TNC contributes to realizing the circular economy by developing sustainable materials using recycle waste fishing nets and waste PET bottles.



CASE Waste Circulation System

Hyosung TNC has established and implemented a recycling system that converts yarn waste generated during the product manufacturing process into resources. Through this resource circulation system, waste yarn collected from the production process is crushed and reintroduced as raw material. Leveraging this process, in 2019 Hyosung TNC became the world's first to commercialize 'regen Spandex,' a recycled spandex made from 100% recycled waste yarn. In 2025, the company recycled a total of 3,287 tons of yarn waste across global business sites in China, Vietnam, and Türkiye.



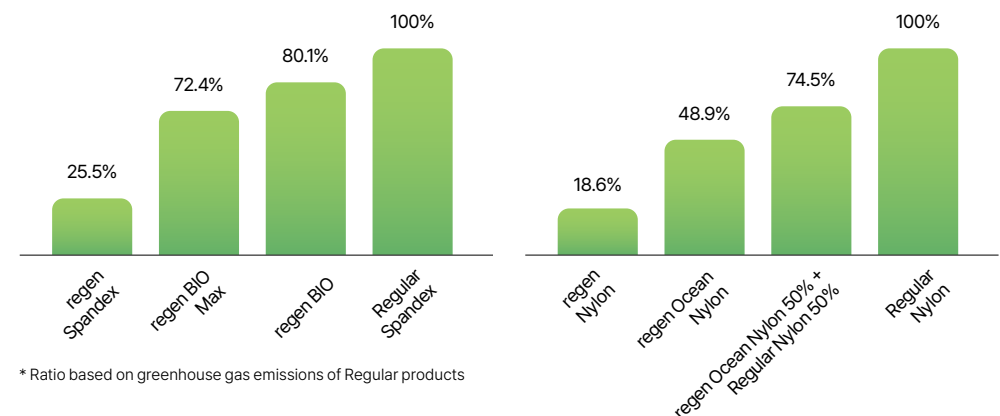
Life Cycle Assessment (LCA)

To proactively respond to strengthening global environmental regulations such as the Ecodesign for Sustainable Products Regulation (ESPR) and the Digital Product Passport (DPP), Hyosung TNC continues to expand the scope of its Life Cycle Assessment (LCA). Starting with representative products in 2022, in 2024 the company extended the scope to sustainable solutions including bio Spandex, recycled nylon, and others, and in 2025 completed the assessment of Spandex for diapers. Going forward, Hyosung TNC plans to expand the assessment scope to all products and advance its carbon footprint management system to strengthen global competitiveness.

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, domestic and international LCI DB		
Calculation Tool	GaBi (currently Sphera LCA Software, based on ISO 14040 and ISO 14044)		
Impact Category	• Resource depletion • Acidification • Eutrophication • Climate change	• Ozone layer depletion • Photochemical oxidant formation • Ecotoxicity • Human toxicity	• Ionizing radiation • Land use • Particulate Matter (PM) • Water use

Greenhouse Gas Emissions by Key Products*



* Ratio based on greenhouse gas emissions of Regular products

Sustainable Business Model

Fostering a Sustainable Textile and Fashion Culture

Eco-Label Certification for regen

Hyosung TNC's flagship product 'regen' became the first in Korea's textile industry to obtain the 'Environmental Label Certification (EL314)' issued by the Korea Environmental Industry & Technology Institute under the Ministry of Environment, validating its eco-friendly technological capabilities. The Environmental Label Certification is a system that promotes eco-friendly consumption by providing consumers with environmental information about products and encourages companies to establish sustainable production and consumption systems. Through this certification, customers can practice eco-friendly values using regen without separate verification procedures, and Hyosung TNC has secured a differentiated market competitiveness linked to the green product preferential purchase system of government and public institutions.

Turning Ocean Waste into 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 for collection and recycling are urgently needed. As an innovative solution, Hyosung TNC developed 'regen Ocean Nylon' and is leading marine environmental protection. In 2025, the company collected and recycled approximately 544 tons of discarded fishing nets and transformed them into high-quality recycled yarn, achieving meaningful results that contribute not only to marine ecosystem protection but also to expanding and practicing sustainable fiber and fashion values.



regen Ocean Nylon

Winning the 2025 ITMF Global Awards

Hyosung TNC was named as a winner in the 'International Collaboration' category at the '2025 ITMF Awards' organized by the International Textile Manufacturers Federation (ITMF), confirming its global competitiveness. This award recognizes the worldwide achievements of the 'waste-fiber-based circular supply chain model' that Hyosung TNC built in partnership with Canada's Loop Industries and Korean brand PLEATSMAMA. In particular, the collaboration system—which maximized carbon reduction effects by manufacturing eco-friendly bags from PET chip raw materials made from recycled waste fibers—was highly praised for presenting a sustainable future for the textile industry.

Wear the Future: Hyosung TNC's Global Sustainable Fashion Collaboration

Hyosung TNC is expanding the boundaries of resource circulation worldwide through strategic partnerships with global companies. Recently, the company partnered with Austrian wood-based cellulose fiber specialist 'Lenzing' to launch a 'Yoga Fabric Collection' combining bio Spandex and wood-extracted fiber. In addition, Hyosung TNC unveiled the 'Ocean Flex' line based on 'regen Ocean Nylon'—a fishing-net-recycled material—in collaboration with global swimwear brand 'Speedo,' and successfully launched the ultralight backpack series made of 'regen Ocean Robic Nylon' with U.S. outdoor brand 'Big Agnes.' Going forward, Hyosung TNC plans to continuously deliver high-performance sustainable solutions that simultaneously realize carbon reduction and resource circulation in cooperation with partners across the entire value chain.

Realizing Eco-friendly Values through MUSINSA earth Partnership and 'regen Askin'

Hyosung TNC has signed a strategic Memorandum of Understanding (MOU) with sustainable lifestyle curation platform 'MUSINSA earth' to advance an eco-friendly fashion culture. From eco-friendly material market analysis to new product development and marketing, the two companies have established a close cooperation system, and have presented a win-win model by sharing recycled fiber trends and supporting product commercialization education for tenant brands. In addition, in celebration of World Environment Day, Hyosung TNC launched a cooling-functional collection applying 'regen Askin'—an eco-friendly material made by recycling waste PET bottles.



Launch of the MUSINSA earth Eco-friendly Collection

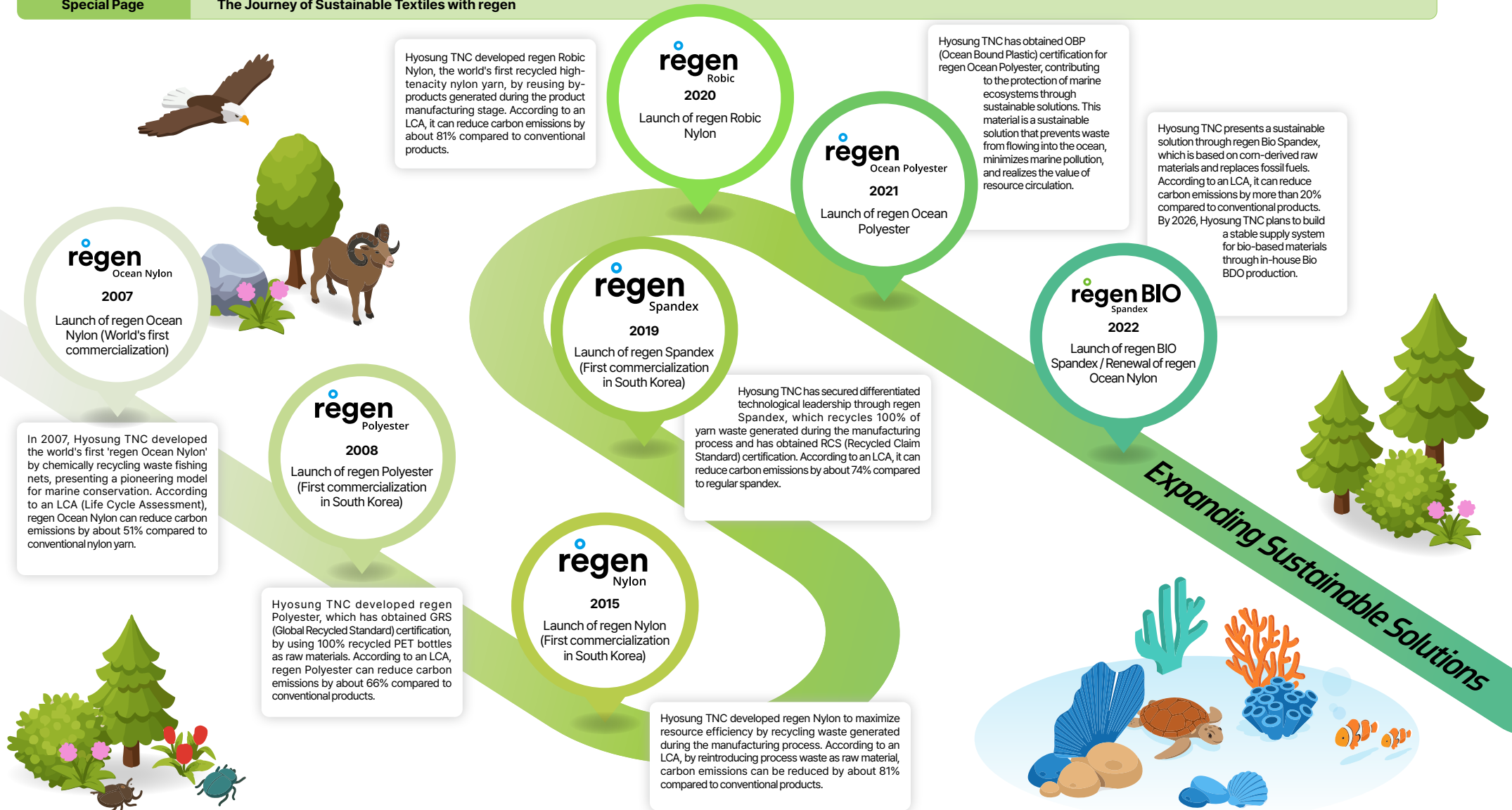
Process Optimization Solutions for Customers

Hyosung TNC supports product longevity and durability by providing customers with full-process product handling guidelines that include the product use phase. Through systematic product storage guidelines—such as temperature and humidity control, blocking exposure to UV rays and exhaust gases, and shelf-life management—the company prevents product deterioration and maximizes resource efficiency. In addition, by presenting optimal process conditions that minimize yarn breakage and rupture during the manufacturing process, Hyosung TNC offers practical solutions that prevent the deterioration of final product properties and enhance durability.

Sustainable Business Model

Special Page

The Journey of Sustainable Textiles with regen



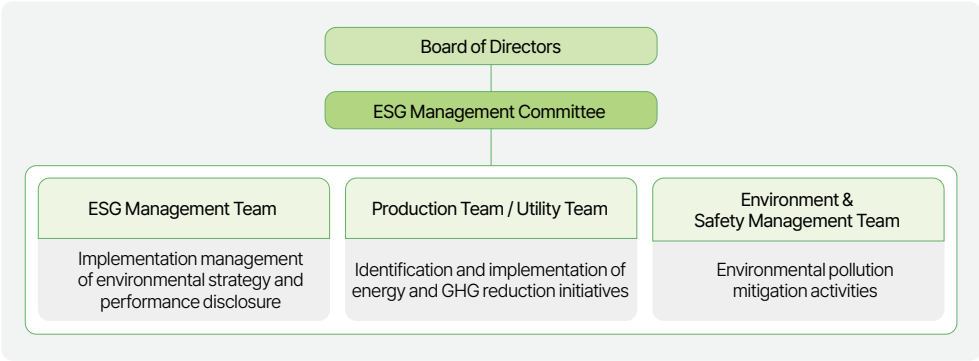
* The reduction in carbon emissions was verified based on third-party LCA validation reports by KSLCA/Korea Testing Laboratory and LCA calculation result reports by Networks Y/Eco Networks/EnSTAR/FAIRGREENLAB

Environmental Management

Environmental Management Framework

Decision-Making and Implementation System

Hyosung TNC continuously enhances its governance framework to strengthen the expertise and execution capability of environmental management. The ESG Management Committee, newly established under the Board of Directors in 2025, makes strategic decisions on environmental policies and target setting, risk management, and key investment plans, while overseeing and supervising overall environmental management performance. The ESG Management Committee regularly reports its activity results to the Board of Directors. In 2025, environmental management agendas including domestic GHG emissions and surplus emission allowance status, as well as GHG calculation results for 14 subsidiaries, were reported. As the dedicated working organization, the ESG Management Team under the CEO systematically oversees the implementation status of company-wide strategic tasks, while the Production Team, Utility Team, and Environment & Safety Management Team carry out site-centered tasks to realize environmental management.



2025 ESG Management Committee Environmental Management Reports

Report Date	Reporting Items
2025.04.25	• Status of 2024 domestic GHG emissions and surplus emission allowances
2025.07.25	• GHG calculation for overseas subsidiaries • Implementation of regular environmental training for all employees

Environmental Management Policy

Hyosung TNC establishes its environmental management strategy in alignment with company-wide business strategy and continuously improves its environmental performance. The Environmental Management Policy applies to all employees and encourages compliance by all stakeholders, including partner companies. In addition, response strategies to minimize environmental impacts across the value chain—including GHG emissions, air pollution, and chemical substances—are clearly specified in the Environmental Management Policy and systematically implemented.

Hyosung TNC Environmental Management Policy

Environmental Management KPI

Hyosung TNC reflects environmental performance in C-Level KPIs to manage its environmental management practices. Environmental management KPIs consist of quantitative items linked to management R&R, and incorporate improvement requirements from the K-ESG Diagnostic System and external assessment agencies. Furthermore, key indicators such as the sales proportion of eco-friendly products, GHG emissions, and compliance with environmental regulations are managed with a weighting of more than 10%. Hyosung TNC plans to continuously enhance its performance management system to internalize the execution capability of environmental management.

Environmental Training for Employees

Hyosung TNC regularly conducts environmental training to enhance employees' understanding of environmental management and strengthen their practical capabilities. Annual online and offline environmental training is provided to all employees. In 2025, with resource circulation and climate change selected as core themes, training sessions on "Sustainability Management (Circular Economy)" and "Climate Crisis and Carbon Neutrality" were conducted.

Course Name	Target	Training Content
Sustainability Management (Circular Economy)	All employees	• Background and concept of the circular economy • Circular economy and climate crisis
Climate Crisis and Carbon Neutrality		• Causes of the climate crisis • Domestic and international climate change response and carbon neutrality practices

Environmental Management

Environmental Management Framework

Environmental Management System (ISO 14001)

Hyosung TNC systematically operates its environmental management system through an environmental operation management process based on ISO 14001 certification. As of 2025, 14 out of 32 operating sites (43.8%) have obtained ISO 14001 certification, and certified sites continuously improve the system through annual regular internal/external audits and three-year recertification audits. In addition, Hyosung TNC plans to strengthen its management capabilities with the goal of expanding ISO 14001 certified sites to 19 by 2030.

ISO 14001 Certification Status

Category		Number of Sites	Site and Subsidiary Names	
Domestic	Nylon-Polyester PU	5	• Headquarters • Ulsan • Gumi Plant	• R&D Center • Yeongnam Sales Office
	Spandex PU	1	• Gumi Plant	
Overseas		8	• Hyosung Spandex (Jiaxing) • Hyosung Spandex (Ningxia) • Hyosung Dong Nai • Hyosung Dong Nai Nylon	• Hyosung India • Hyosung Chemicals (Jiaxing) • Hyosung New Material & High Technology (Quzhou) • Hyosung Istanbul TEKSTIL

Environmental Impact Assessment

Hyosung TNC regularly conducts environmental impact assessments to systematically manage environmental impacts arising from business operations. The company evaluates the scale, severity, likelihood of occurrence, and legal compliance for each environmental impact—including air, water, soil, and waste—and includes potential impacts under emergency situations within the scope of review. In addition, factors across the entire value chain—from raw material hazards to end-product biodegradability and recyclability—are comprehensively assessed, and improvement tasks are derived based on the assessment results to carry out substantive reduction activities.

Environmental Impact Assessment Implementation Rate
at Domestic Manufacturing Sites

100%



Environmental Management Compliance

Hyosung TNC has established and operates an environmental regulation management process to ensure environmental management compliance. The company closely reviews environmental laws and regulations related to its business activities, promptly incorporates any amendments, and evaluates compliance on an annual basis. In addition, the company transparently discloses its environmental compliance status to stakeholders through various channels such as the Sustainability Report, Environmental Information Disclosure System, and CDP.

Environmental Regulation Management Process



Reduction of Environmental Impact

Air Pollutant Management

Air Pollutant Management Framework

To reduce environmental impact caused by air pollutants, Hyosung TNC applies internal emission limits stricter than legally permitted standards and systematically operates its air pollutant emissions measurement process. Hazardous air pollutants are measured twice a month in accordance with legal measurement cycles, and self-measurements are conducted once a year even at facilities exempt from the mandatory installation of prevention systems. In addition, the company has introduced a total emission cap allocation system that assigns air pollutant emission limits by site for management, and measures noise levels by process through semi-annual working environment measurements.

Air Pollutant Reduction Activities

Hyosung TNC carries out various reduction activities tailored to the characteristics of each site to minimize environmental impact caused by air pollutants. The Ulsan plant has introduced a stack Tele-Monitoring System (TMS) for real-time management of air pollutant emissions, and the Gumi plant has reduced dust and nitrogen oxides (NOx) emissions through the replacement of outdated scrubber equipment and improvement of wastewater treatment facilities. The Daegu plant reduced nitrogen oxide (NOx) emissions by approximately 34% compared to previous levels by increasing boiler air supply volume and introducing an exhaust gas reuse system.

Noise Mitigation Activities

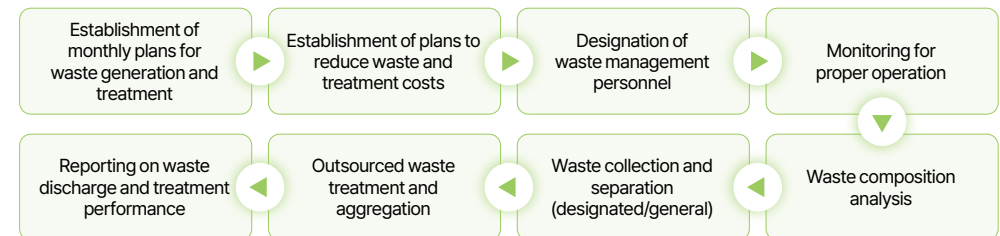
Although Hyosung TNC's main business sites are located within national industrial complexes and industrial zones with low proximity to residential areas, the company carries out noise mitigation activities to improve the working environment within sites and comply with legal noise standards. Working environment measurements are conducted semi-annually in accordance with the Occupational Safety and Health Act, and immediate improvement measures are established and implemented when noise exposure standards are exceeded. The Gumi plant installed 8 soundproof booths to block noise spread from the spinning process and double doors in key areas requiring on-site noise blocking.

Waste Management

Waste Management Framework

Hyosung TNC operates a systematic management process to minimize environmental impact caused by waste. The company establishes annual plans to reduce waste generation and treatment costs, and proactively identifies the types and expected volumes of waste anticipated from new or expanded facilities. Site waste, including hazardous waste, is safely entrusted to qualified contractors selected through evaluation. In addition, the company strengthens its accountability for waste management by transparently identifying the entire process up to the final disposal location through the sharing of treatment methods and locations from waste treatment contractors.

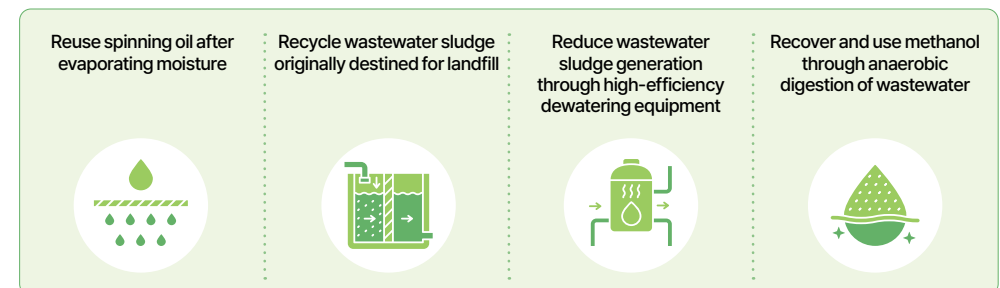
Waste Management Process



Waste Management Activities

Hyosung TNC carries out various activities to expand its waste recycling rate. The Gumi plant recycles steam generated by waste incineration at external facilities back into the manufacturing process, and reuses spinning oil used at the site by evaporating the moisture inside it. In addition, the company processes defective chips and yarn generated during production at sites into resalable forms, instead of disposing of them, and resells them to recycling companies.

Waste Management Activities



Reduction of Environmental Impact

Water Pollutant Management

Water Pollutant Management Framework

To minimize environmental impact caused by water pollutants, Hyosung TNC has established internal discharge standards stricter than legal requirements and conducts diverse management activities at each site. The Gumi plant safely conducts primary treatment of process wastewater through its own wastewater treatment facility before discharge, and manages water pollutant emission status through monthly water quality analyses commissioned to external agencies. The Ulsan plant operates a Tele-Monitoring System (TMS) for water quality, and also operates a wastewater management system in accordance with ZDHC (Zero Discharge of Hazardous Chemicals) guidelines, the management standard of the global textile industry. As a key supplier to global brands, the Daegu plant has secured the credibility of its water pollutant management system by completing the Higg FEM self-assessment and verification.



Higg FEM Self-Assessment Verification Certificate

Water Resource Management

Water Resource Management Framework

To establish a company-wide sustainable water resource management strategy, Hyosung TNC annually analyzes water-related risks using the Aqeduct 4.0 framework developed by the World Resources Institute (WRI). Based on the geographic location information of major domestic and overseas business sites, the company identifies risks across 13 indicators—including water stress, drought, and flooding—and applies the IPCC's climate change scenarios to analyze projections for water-related risks in 2030 and 2050. Based on the analysis results, Hyosung TNC plans to establish response strategies for sites where risks have been identified and pursue risk mitigation activities, including improvement of water-use efficiency and securing alternative water sources.

Results of Water Resource Risk Analysis

Site	Comprehensive Risk ¹⁾	Water Stress ²⁾			Physical Risk			Regulatory/Reputation Risk
		baseline	2030 Projection	2050 Projection	Water Depletion	Drought	Flood (River)	
Seoul HQ	L - M	M - H	M - H	M - H	M - H	L - M	L - M	L
Ulsan Plant	M - H	H	M - H	M - H	M - H	L - M	M	E-H
Gumi Plant	L - M	M - H	M - H	M - H	M - H	L - M	M	L - M
Daegu Plant	L - M	M - H	M - H	M - H	M - H	L - M	M	L - M
Dong Nai	H	H	L - M	L - M	L - M	L	M	E-H
Jiaying Spandex	H	E-H	E-H	H	H	L - M	M - H	H
Jiaying Chemical	H	E-H	H	H	H	L - M	M - H	E-H
Jiaying Trade	H	E-H	E-H	H	H	L - M	M - H	H
Guangdong Spandex	M - H	L - M	L	L	L	L	M	M - H
Zhuhai Spandex	M - H	L - M	L	L	L	L	M	M - H
Ningxia Spandex	H	H	M - H	H	H	L - M	M - H	H
Quzhou Spandex	H	H	H	H	H	L - M	M	M - H
Quzhou Neochem	H	H	H	H	H	L - M	M	M - H
India Spandex	E-H	E-H	E-H	E-H	E-H	L - M	H	M - H
India Trade	E-H	E-H	E-H	E-H	E-H	E-H	H	H
Brazil Spandex	L - M	H	M - H	M - H	M - H	L - M	M	L - M
Türkiye Spandex	L - M	L - M	L	L	L	L	M	E-H
Tokyo Trade	M - H	H	M - H	M - H	H	L - M	M - H	L
Milan Trade	L - M	M - H	L - M	L - M	L - M	L - M	M - H	L

1) Comprehensive Risk: Aggregated assessment result of water quantity, water quality, and regulatory/reputation risk indicators

2) Water Stress: Assessment of the ratio of total water withdrawal against available surface and groundwater supply

3) Risk Levels: L(Low) < 10%, L-M(Low-Medium) 10~20%, M-H(Medium-High) 20~40%, H(High) 40~80%, E-H(Extremely High) > 80%

Water Resource Management Activities

Hyosung TNC carries out diverse water resource management activities tailored to each site to reduce water consumption. The Ulsan plant utilizes its on-site reservoir to reuse rainwater as cooling water, and reduces water consumption by recycling water within processes. The Gumi plant sends self-treated wastewater to an external sewage treatment plant where it undergoes a retreatment process, and supplies the reused water back to the site for reuse. The Daegu plant monitors water consumption in real time through water supply flow meters installed for each process, and plans to establish and implement a water conservation plan based on the collected data.

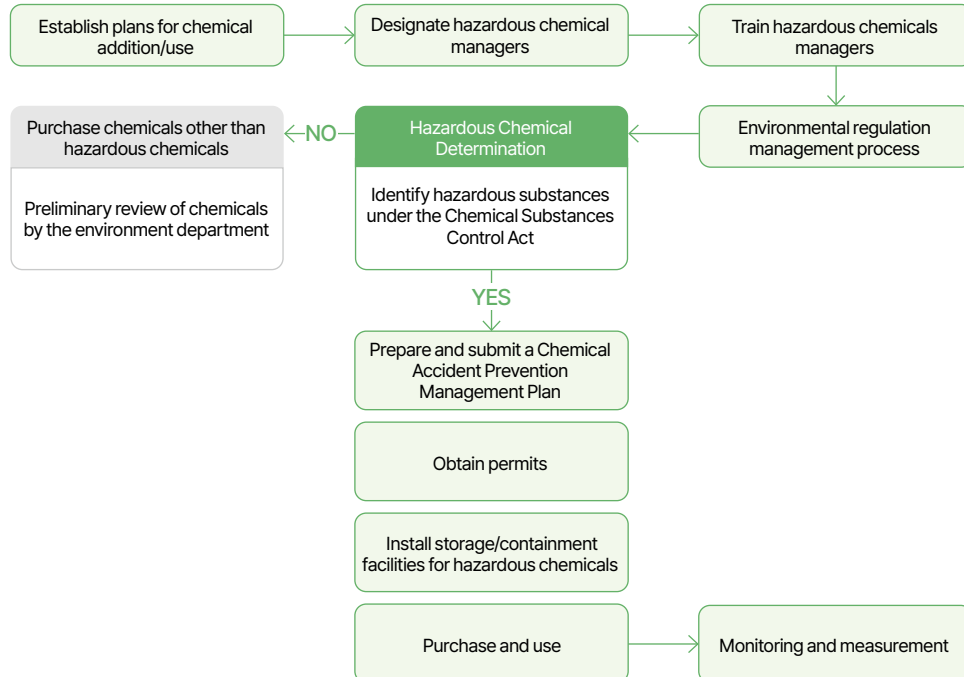
Reduction of Environmental Impact

Chemical Substance Management

Chemical Substance Management Framework

Hyosung TNC safely manages the entire process of chemicals—from introduction to disposal—through its ERP system. When purchasing new materials, regulatory compliance is automatically verified, and risks are minimized by conducting regular MSDS (Material Safety Data Sheet) management and weekly facility inspections at all sites. In addition, in accordance with the Chemical Substances Control Act, hazardous chemical emissions at major domestic sites are surveyed and reported annually, and the Gumi plant has established an integrated monitoring system to ensure prompt recognition of and initial response to incident situations. The Ulsan, Daegu, and Gumi plants participate in regional public-private joint councils to share emergency response systems and utilize the latest regulatory trends as internal risk indicators. As a result of such proactive management, the total hazardous chemical emissions of three sites in 2025 amounted to approximately 196 kg, far below the legal standard (1 ton/year), and are stably managed.

Chemical Substance Management Process



Hazardous Chemical Use Reduction Activities

Hyosung TNC continuously pursues R&D to reduce the use of hazardous chemicals. The company has developed a tin (Sn)-based 'antimony-free' catalyst that can lower catalyst input to about 10% compared to conventional levels, and through this is expected to reduce plastic waste emissions in processes by more than 50%. Furthermore, by replacing antimony trioxide catalyst, classified as a hazardous chemical, with antimony glycolate, the company has reduced hazardous chemical use by 30% and plans to apply the antimony-free catalyst across all polyester production processes going forward.

Hazardous Chemical Management Training

Hyosung TNC designates dedicated hazardous chemical managers to safely manage chemicals at its business sites. Managers regularly complete legally required training every two years in accordance with relevant laws, and newly appointed managers secure essential practical capabilities through onboarding training. In addition, the company conducts annual training for both managers and handlers under the supervision of the hazardous chemical lead, striving to enforce on-site chemical management protocols and enhance safety awareness.

CASE

Site Chemical Substance Management

The Daegu plant participates in the 'Supplier to Zero' program of ZDHC (Zero Discharge of Hazardous Chemicals), a global chemical management initiative, to advance its chemical management system. When obtaining product certification, the plant verifies the suitability of chemicals based on information registered in the global chemical database ZDHC Gateway and the InCheck Report issued by the chemical management solution platform The BHive. In addition, the status of chemicals within process wastewater is regularly checked through the wastewater verification program ClearStream. Based on this systematic verification and monitoring, approximately 61% of the chemicals used meet ZDHC standards, and the plant has been recognized for its management excellence by obtaining ZDHC 'Progressive Level 2' certification.



Reduction of Environmental Impact

Biodiversity Management

Biodiversity Policy

Hyosung TNC has established a 'Biodiversity Policy' to realize ecosystem conservation and the sustainable use of resources. This policy applies to all domestic and overseas business sites and employees, and compliance is encouraged across the entire supply chain, including partner companies. Hyosung TNC plans to minimize environmental impacts through the management of biodiversity risks and opportunity factors, and to pursue ecosystem conservation activities in collaboration with diverse stakeholders.

[Hyosung TNC Biodiversity Policy](#)

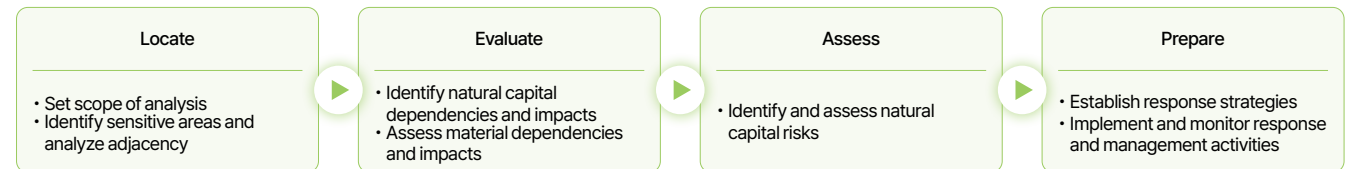
Anti-Deforestation Policy

Hyosung TNC has established an 'Anti-Deforestation Policy' to prevent deforestation that may occur throughout business operations. This policy complies with global standards such as the UN REDD+ and IUCN guidelines, and applies to all domestic and overseas business sites, with compliance also encouraged across the entire supply chain, including partners and suppliers. Hyosung TNC plans to pursue forest protection, restoration, and expansion activities to achieve Net-zero Deforestation by 2050, and to transparently disclose the related performance to stakeholders.

[Hyosung TNC Anti-Deforestation Policy](#)

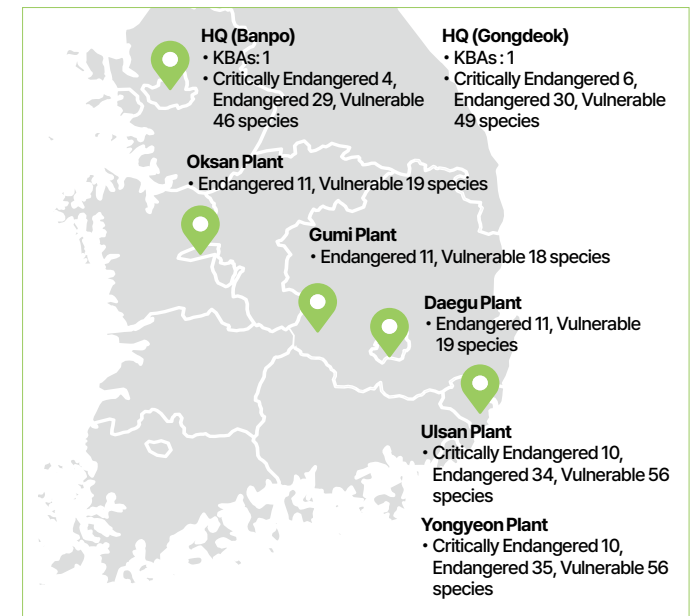
Biodiversity Risk Management Framework

Based on the LEAP methodology of TNFD (Taskforce on Nature-related Financial Disclosures), Hyosung TNC identifies biodiversity dependencies and impacts, and manages risks at sites and surrounding areas. Specifically, the company analyzed interactions with ecosystem services using the global analysis tool ENCORE, and analyzed physical and reputational risks based on the geographical characteristics of each site through WWF's BRF (Biodiversity Risk Filter). Based on these analysis results, Hyosung TNC plans to establish and implement strategic action plans for natural capital protection and biodiversity conservation.



Sensitive Area Identification (Locate)

Hyosung TNC conducted sensitive area identification for 8 domestic business sites in accordance with the Locate stage of the TNFD LEAP methodology. To sufficiently cover the direct area of influence and ecosystems of the sites, a radius of 25 km based on geographic coordinates was set as the scope of analysis, and ecological sensitivity was analyzed using internationally recognized and credible databases such as the IUCN Red List and KBAs (Key Biodiversity Areas). As a result of the analysis, the possibility of endangered species habitats and adjacency to KBAs were confirmed in the vicinity of all sites; accordingly, these sites were identified as sensitive areas and it was decided to strengthen the management framework for them.



Reduction of Environmental Impact

Biodiversity Management

Dependency and Impact Assessment (Evaluate)

To carry out the Evaluate stage, Hyosung TNC classified its four business sectors based on the UN International Standard Industrial Classification (ISIC) and assessed natural capital dependencies and impacts using the global analysis tool ENCORE. As a result of the analysis, the company identified dependencies on services that protect site assets and contribute to maintaining stable operating conditions from physical risks such as abnormal weather—such as flood and storm damage prevention, water flow regulation, and water supply. From the impact perspective, the company also confirmed that ecosystem disturbance (noise, light) and soil/water pollutant emissions occurring during production processes and business operations may have negative impacts on changes in the natural state.

	Category	Definition
Dependency	Flood Damage Prevention	Mitigates flood risks and protects physical assets through natural ecosystems' rainwater absorption
	Storm Damage Prevention	Reduces damage to site facilities by absorbing energy from storms through vegetation, topography, etc.
	Water Flow Regulation	Regulates water resource flows during droughts and floods, maintaining water levels of rivers and groundwater and securing stable water intake
	Water Supply	Continuously supplies industrial water essential for business operations such as manufacturing processes from rivers and groundwater
Impact	Ecosystem Disturbance (Noise, Light)	Causes wildlife habitat disturbance and negative ecosystem impacts due to noise and light pollution generated during business operations
	Soil and Water Pollutant Emissions	Deteriorates water and soil environments and reduces ecosystem self-purification capacity due to chemicals and wastewater discharge in production processes

Risk Assessment (Assess)

For sensitive areas identified in the Locate stage, Hyosung TNC conducted a risk assessment using WWF's BRF (Biodiversity Risk Filter). Through this, the company systematically analyzed physical risks based on natural capital dependency and reputational risks based on changes in biodiversity regulations and the market. In particular, by quantifying the risk exposure level by indicator for each sensitive area, the relative level of physical and reputational risk by site was quantitatively identified.

	Very Low (1.0-1.8)	Low (1.8-2.6)	Medium (2.6-3.4)		High (3.4-4.2)	Very High (4.2-5.0)
Physical Risk			HQ Daegu Oksan	Ulsan Yongyeon	Gumi	
Reputational Risk			HQ		Ulsan Yongyeon	Daegu Oksan

Establishment and Disclosure of Response Strategies (Prepare)

To mitigate factors identified and analyzed in the Evaluate and Assess stages, Hyosung TNC carries out diverse biodiversity conservation activities. In 2025, to expand carbon sinks in marine ecosystems, the company is creating and managing 159 ha of marine forest in the Donggo-ri area of Sinji-myeon, Wando-gun, and to enhance the habitat density of the marine forest, 1,000 kg of seaweed zoospore suspension was spread over subtidal rocks. In addition, to recover the population of the jewel beetle (*Chrysochroa coreana*)—an endangered wildlife species—release activities were conducted at the Pyochungsa Temple habitat in Miryang, Gyeongsangnam-do, achieving a 70% increase in propagation rate compared to the previous year. Furthermore, through a biodiversity exploration project that records species in the Dalseong Wetlands near the Daegu plant, the company has secured baseline data for ecosystem conservation and plans to continuously monitor ecosystem changes by regularly conducting exploration activities.

2025 Endangered Insect Propagation Status

(Unit: number of individuals)

Endangered Species	2024	2025
Jewel Beetle	120	204
Giant Water Bug	45	98



2025 Dalseong Wetlands Biodiversity Exploration



Marine Forest Creation Eelgrass Transplantation Experience Event

Social

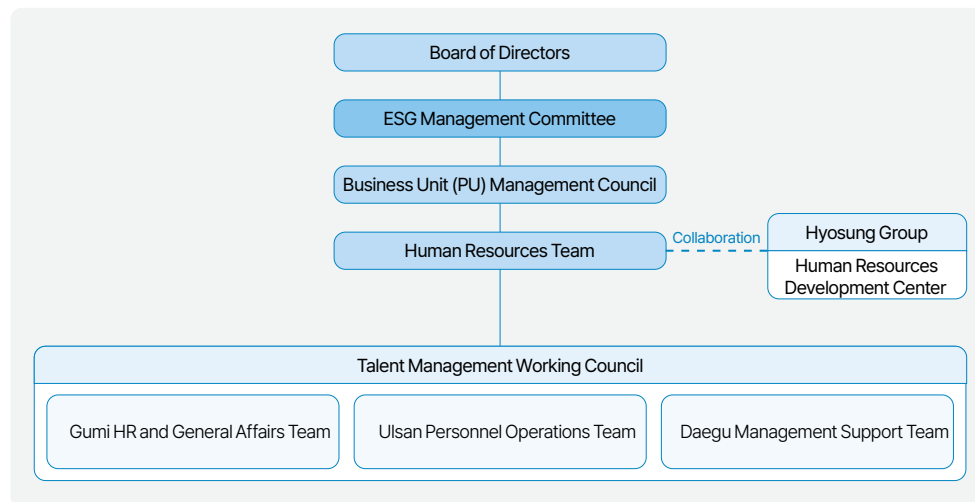
Talent Management	43
Human Rights Management	50
Safety and Health	54
Sustainable Supply Chain	60
Local Communities	63

Talent Management

Talent Management System

Decision-Making and Implementation Framework

The Board of Directors of Hyosung TNC holds the final authority for approval and decision-making on talent management matters, and the CEO transparently reports key matters to the Board. Talent management agenda items are reviewed and decided upon at the monthly Performance Unit (PU) executive council meetings, and depending on their importance, they are submitted to the quarterly ESG Management Committee and reported to the Board of Directors. The HR Team at headquarters, directly under the CEO, oversees company-wide recruitment and human resources management, and collaborates with the Human Resources Development Center to develop and operate talent development programs. In addition, each business site operates its own dedicated HR and general affairs unit to foster talent suited to the characteristics of each site and to manage the workforce efficiently.



Talent Management Strategy and Management Process

Implementation Strategy and Objectives

Under Hyosung Group's management philosophy of "Leading a better life for humanity through top-tier technology and business capabilities," Hyosung TNC practices the four core values of Excellence, Innovation, Accountability, and Integrity, and aims to provide an environment where employees can grow into global leaders. The company operates a capability-building training system—including customized training by job level and job-specific expertise training—so that employees can internalize the "work principles" based on these core values, and promotes an HR culture that expands organizational diversity and inclusion.

Hyosung TNC Ideal Talent



Talent Management

Talent Management Strategy and Management Process

Talent Development Process



Respecting Workforce Diversity

Hyosung TNC operates preferential hiring policies for national veterans, persons with disabilities, and socially disadvantaged groups. In particular, the company identifies suitable jobs for persons with disabilities and has established and operated a sports team so that even individuals with severe disabilities can work in a stable environment. As a result, the rate of employees with disabilities has steadily risen from 1.9% in 2020, stably exceeding the legally mandated employment rate of 3.1% by 2025.

Fair Recruitment and Operation Monitoring

Hyosung TNC conducts regular audits of its recruitment process through an internal accounting management TFT. In 2025, the company analyzed the results of new and experienced hires and reinforced the fairness and transparency of the recruitment process by establishing and reporting the 2025 training plan for these employees.

Fostering a Culture of Diversity and Inclusion

Hyosung TNC strengthens the management of mandatory legal training completion for employees to spread an organizational culture that respects the values of diversity and inclusion. The company encourages training participation not only for domestic and overseas site workers but also for new hires throughout the year and personnel requiring additional training. In 2025, all domestic employees received sexual harassment prevention training, workplace bullying prevention training, and disability awareness improvement training, and separate training materials were distributed to employees at overseas subsidiaries.

Recognition of Outstanding Employees

Hyosung TNC strengthens the motivation to achieve management targets by selecting and rewarding outstanding employees by job type based on quantitative and qualitative performance.

- Proud Hyosung Awards (quarterly and annual Hyosung Group awards)
- Excellent Employee Awards (semiannual Hyosung Group awards)
- T-Awards (semiannual Hyosung TNC CEO awards)
- PU Awards (quarterly Hyosung TNC internal awards)

Talent Management

Talent Development and Capability Building

Employee Capability Building Programs

Hyosung TNC provides systematic and diverse training programs to strengthen employee capabilities. The company sets the direction of its training curricula based on individual competency assessments conducted each year, and creates a learning environment where employees can continuously grow by expanding job-specific customized professional training.

Capability Building Programs by Job Level¹⁾

Program Name	Training Target	Main Content
GMC ²⁾	Executive candidates	Develop future leaders through learning in strategy, marketing, finance/accounting, HR, and production management, and through individual performance tasks
Training for Promoted Executives and Promotion Candidates	Promoted executives and promotion candidates	Strengthen leadership and competencies through tailored training specific to each position
New Employee Orientation	New employees	Training to enhance understanding of the Group's founding philosophy, core values, and each business unit
OJT ³⁾	New employees	A program (5 months) to learn overall job knowledge and practical work under the guidance of senior employees
VOC Capability Advanced Training	Sales team leaders, planning team leaders	Strengthen practical application capabilities through market/customer/competitor analysis, VIU (Value-In-Use) identification, and case studies on strategy development and execution
Strategy Development and Execution Capability Building – L3 Strategy Development and Execution	L3, 2nd year	Understand the relationship between business strategy and performance goal-setting, utilize strategy development tools, and develop team strategy
Strategy Development and Execution Capability Building – L2 Strategy Development Methods	L2, 2nd year	Understand strategic thinking and decision-making methods, and learn strategy development tools
Strategy Development and Execution Capability Building – L1 Problem-Solving Methods	L1, 5th year	Strengthen problem-solving capabilities, the foundation of strategy development and execution
Insight Forum	Executives and team leaders or higher	Provide insight into future strategy through analysis of domestic and overseas management environment trends
Management Forum	Executives at the PU head level or higher	Strengthen insight through understanding of domestic and overseas economic trends

Capability Building Programs by Job Function

Program Name	Training Target	Main Content
CREORA School	Sales staff and employees of related departments	Strengthen business capabilities and differentiated product knowledge through application training and differentiated product training
Basic Training for VOC Capability Building	All employees	Enhance VOC capabilities for the systematic collection of market, customer, and competitor information
Accounting Training	All employees	Enhance cash flow-centered profitability and corporate value based on accounting knowledge
Trade Resident Officer Candidate Training	Trade resident officer candidates	Strengthen capabilities to capture global business opportunities, build networks, and manage local hiring
Job Online Training	All employees	Provide online job training courses such as book learning, trends, leadership, coaching, and industry-specific expertise
Globalization Online Training	All employees	Provide online training in 13 languages, including English and Chinese
External Foreign Language Training	All employees	Provide financial support for external language institutes, online courses, and telephone language programs
ESG Training	All employees	Provide education on recent ESG trends and by field (environment, human rights, ethics/compliance, security, etc.)
Degree Acquisition System	All employees	Reduce tuition at cyber universities
Negotiation Capability Building	L2, 1st–5th year (sales/purchasing roles)	Strengthen capabilities through negotiation theory and practice
Generative AI Prompt Engineering	1–2 persons selected per team	Strengthen prompt usage capabilities tailored to job-specific work purposes through theory and practice
AI Special Lecture	All employees	Understand AI literacy and trends

1) Hyosung TNC's job-level system consists of Level 1_Professional (Staff, Assistant Manager), Level 2_Performance Manager (Manager, Deputy General Manager), and Level 3_Performance Leader (General Manager).

2) GMC: Global Management Course

3) OJT: On the Job Training

Talent Management

Talent Development and Capability Building

Job-Level Training

Hyosung TNC's job-level training is a key talent development strategy for realizing the company's vision and core tasks, operated with a focus on strengthening the roles and competencies required at each position. Through this program, the company establishes a foundation that enables employees to develop leadership and effectively fulfill their roles at each level. In particular, Hyosung TNC fosters "team leaders" through customized leadership training by job level and ultimately aims to cultivate "business leaders" who will lead the organization over the long term.

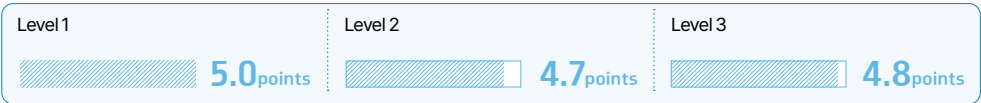
GMC (Global Management Course)

The GMC program is a training course for executive candidates, conducted once a year. This program includes various management fields such as strategic management, marketing, HR and organizational development, and finance, accounting, and production management, along with individual performance assignments. The program supports participants in expanding their business perspectives as executives and developing the professional management capabilities of future leaders.

Training for Promoted Employees

Each year, Hyosung TNC, together with the Human Resources Development Institute, provides trainings customized to 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. The training for promoted employees focuses on practical, job-applied learning to help participants understand their changed roles and apply this to their work. After the training, the company conducts satisfaction surveys with participants to assess training effectiveness and improve the curriculum. In 2025, the company reflected participant feedback on the strategy development methodology course by adding case studies to enhance understanding.

Promotion Training Satisfaction by Job Level*



* Hyosung TNC's job-level system consists of Level 1_Professional (Staff, Assistant Manager), Level 2_Performance Manager (Manager, Deputy General Manager), and Level 3_Performance Leader (General Manager).

New Member Onboarding Training

Hyosung TNC runs job-level onboarding programs to help new members adapt. New hires begin with an orientation covering Hyosung's values, business skills, and guest lectures, followed by job-specific training and On-the-Job Training (OJT) to support adaptation. Each year, the company conducts pre- and post-training assessments of new members' understanding of the company and work, communication methods, and practical skills to verify training effectiveness. For those who joined in 2025, the post-training assessment score improved by 35.2% compared with the pre-training score. Experienced new hires receive quarterly training on organizational culture and internal systems, and new executives are supported through Hyosung Group's executive networking sessions to deepen their understanding of the company's culture and management philosophy.

Strategy Development and Execution Capability Training by Job Level

Hyosung TNC operates strategy development and execution capability training tailored to each job-level growth stage, supporting employees in systematically developing strategic thinking and execution capabilities. At the L3 level, employees understand the link between business strategy and performance goal-setting and strengthen team-level strategy development capabilities using strategy development tools. At the L2 level, employees learn core competencies centered on strategic thinking, decision-making methods, and the use of strategy development tools. At the L1 level, the program is structured to strengthen basic strategy execution capabilities based on problem-solving, systematically internalizing strategy execution capabilities by year of service and job function.

Company-Wide Leader Insight Forum

Hyosung TNC operates a program to provide company-wide leaders with insight into the changing management environment. The company offers the "Insight Forum" special lecture both online and offline for executives and team leaders, with encouragement to attend. In 2025, the forum was held a total of five times on topics such as changes in the international situation following the launch of the new U.S. administration, providing insights to respond to changes in the global environment. In addition, the company operates the "Management Forum" for executives at the PU head level or above to strengthen their understanding of domestic and overseas economic trends.

Communication Training

Based on Hyosung Group's common communication principles, Hyosung TNC spreads a culture of the "aesthetics of communication and empathy." To strengthen communication between senior and junior levels, the company operates communication training for team leaders and team members, and monitors changes in working methods among employees working alongside the executives who completed the training to assess training effectiveness.

Hyosung TNC Communication Principles



Program Name	Target Group	Program Details
Leader Communication	Team Leaders	Enhance communication leadership and feedback capabilities to support effective team operation (Conducted 2024–2025)
Member Communication	Team Members	Operate online training to improve key communication skills such as clear expression, active listening, recognition, and proposing alternatives

Talent Management

Talent Development and Capability Building

Job-Specific Training

Hyosung TNC offers phased training programs tailored to each job function—including sales, production, R&D, and administration—to help employees build expertise and grow into specialists. In designing the 2025 curriculum revisions, the company comprehensively reflected employee training needs surveys and management feedback, and continuously reviews the adequacy and effectiveness of its job training programs to refine and improve them.

CREORA School

Hyosung TNC runs a monthly business competency enhancement program (CREORA School) for all employees at headquarters and overseas subsidiaries. The training is provided for domestic and overseas sales and marketing teams on topics directly related to practical work, such as company products and global market conditions, while providing communication opportunities with overseas subsidiaries. In addition, contents on global ESG regulations, new products, and competitor trends are continuously updated to help employees respond effectively to a rapidly changing business environment.

VOC Training

VOC (Voice of Customer) training is conducted for sales leaders and field staff, as well as leaders of non-sales divisions, to enable them to perform market, customer, and competitor analyses and, based on these analyses, to strengthen their capabilities in VIU identification, strategy formulation, and execution. Through this program, Hyosung TNC supports employees in deepening their understanding of the company's VOC management and enhancing their ability to apply it in practice.

Accounting Training

Accounting training is offered to all employees to strengthen financial competencies essential for their duties, such as reading financial statements and conducting financial analysis. Based on accounting understanding, employees learn cash flow-based profitability and corporate value enhancement perspectives, improving financial decision-making capabilities directly applicable to practical work.

AI Training

Hyosung TNC has launched AI training to strengthen employees' digital capabilities. The Generative AI Prompt Engineering course selects 1–2 trainees per team and provides a theory- and practice-based program to build prompt utilization capabilities aligned with job-specific objectives. AI special lectures are also offered to all employees, supporting AI literacy and the latest trend awareness to secure fundamental capabilities for a changing technological environment.

Specialized Training

Hyosung TNC plans and operates customized specialized training programs each year based on job-specific characteristics. In 2025, training was conducted for trade expatriate candidates on the topics of building local networks in their host countries and identifying global business opportunities.

Negotiation Capability Enhancement Training

The Negotiation Capability Enhancement Training is a program designed for sales and procurement employees at Job Level L2 with 1–5 years of experience, aimed at understanding the concepts and principles of negotiation and applying them in actual work. The curriculum covers effective preparation methods, approaches to addressing issues that may arise during negotiations, and key considerations to keep in mind, and is structured around hands-on practice to substantively enhance negotiation capabilities.

ESG Training

Hyosung TNC operates ESG training programs across various areas, including human rights, safety, environment, and ethical management, and provides in-depth training for employees in charge of related duties. In addition, the company conducts training on the latest ESG trends for all employees to raise awareness of sustainable management and to prevent risks that may arise during work processes. ESG training is incorporated not only into company-wide training but also into new employee onboarding programs, and is delivered through various formats, including human rights card-news and educational handbooks. In 2025, the company newly established compliance management training for all executives and team leaders across the company.

Job-Specific and Globalization Online Training

Hyosung TNC operates online training composed of job-specific and globalization courses. Job-specific courses include book learning, trend analysis, leadership, coaching, and industry-specific training, while globalization courses offer language training in 13 languages including English, Chinese, Japanese, and Vietnamese. Course details are updated monthly, and all employees may apply for one job-specific and one globalization course each month.

Bachelor's Degree Support Program

Through partnerships with seven cyber universities, Hyosung TNC operates a Bachelor's Degree Acquisition Support Program, which provides up to 50% of tuition fees for employees enrolled in bachelor's degree courses.

Talent Management

Organizational Culture and Work Environment

Employee Engagement and Communication Culture

Employee Communication Channels

Hyosung TNC engages with employees through online and offline channels. An HR counseling center serves all employees, including contract workers, addressing concerns such as human rights infringement, workplace harassment, and working environment issues, while protecting whistleblowers under strict confidentiality. Upon receiving a report, the HR team promptly takes appropriate action through counseling and investigation. In 2025, all 2 human rights-related counseling requests were fully resolved (100% resolution rate). The anonymous "Tong-Tong Bulletin Board," operated since 2020, also lets employees freely raise opinions, which relevant departments thoroughly review to drive substantive improvements.

HR Counseling Process



Family-Friendly Management Certification

Hyosung TNC operates a wide range of welfare and benefit programs that support work-life balance, contributing to improving the quality of life for its employees. As a result, the company has maintained the Family-Friendly Management Certification, awarded by the Ministry of Gender Equality and Family to companies that exemplarily operate family-friendly systems, for six consecutive years since first obtaining it in 2020.



Building a Communication Culture

To foster a culture of internal communication, the Hyosung Group operates direct communication programs between management and staff, such as the Dialogue with the CEO. Building on this initiative, Hyosung TNC runs its own communication programs, including the CEO-Staff Townhall and the Team-Level Connect Session (T-Connect Session). The CEO-Staff Townhall is held quarterly in a discussion format, serving as a forum to share the company's direction and PU-specific goals, while also revitalizing communication between PUs and teams. In addition, the T-Connect Session functions as a communication channel between staff and management by sharing the concerns of field employees through team-level dialogue, thereby contributing to the spread of an open communication culture.

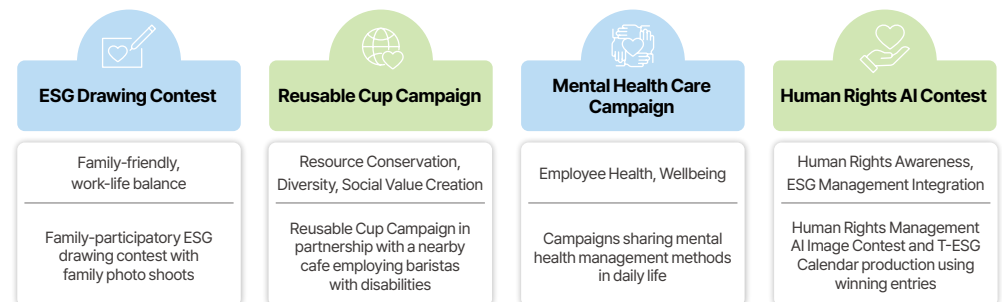
T-Family Program

Through the T-Family program, Hyosung TNC invites employees monthly to submit stories of themselves, family, or colleagues that deserve celebration, and provides partner company gift certificates to selected contributors. Selected stories are shared with employees through an internal bulletin board, spreading a warm celebration culture. The T-Family program strengthens partnerships with partner companies within the value chain while also contributing to enhancing employee work satisfaction.

T-ESG Day

Hyosung TNC operates the participatory campaign T-ESG Day to encourage ESG practices in daily lives. By offering diverse programs aligned with major commemorative days in environmental and social fields, the campaign raises employee interest in ESG management and provides opportunities for participation. Going forward, the company plans to expand the T-ESG Day campaign into a program for employee-led sustainable value creation, thereby fostering a positive corporate culture.

2025 T-ESG Day Campaign



Talent Management

Organizational Culture and Work Environment

Employee Benefits and Work Environment Support

Hyosung TNC has introduced a flexible working system to substantively expand employees' work flexibility. The company also operates various in-house health management programs, including comprehensive health check-ups for all employees as well as check-up benefits extended to spouses of employees aged 40 or older. In addition, by continuously identifying new welfare and benefit programs—such as fitness center membership support—Hyosung TNC fosters a pleasant work environment in which employees can maintain physical and mental health and fully focus on their work.

Welfare and Benefits Programs

Work-Life Balance

- Flexible working system
- Overtime allowance
- Vacation use promotion system
- Summer vacation and expense support
- Designated holiday system
- Refresh leave system (5 consecutive days of vacation use encouraged)
- Long-service employee rewards
- Congratulatory and condolence allowances and leave

Employee Health & Wellbeing

- Health check-ups
- Psychological counseling program
- Employee fitness support
- Group accident insurance enrollment and medical expense support
- Operation of company housing and dormitories at regional business sites
- Support for informal groups (in-house clubs)

Maternity & Childcare Benefits

- Maternity Protection System
 - Pre- and post-natal leave; prenatal checkup leave
 - Reduced working hours and restrictions on night and holiday work
 - Miscarriage and stillbirth leave
- Parental leave and reduced working hours
- Childbirth congratulatory allowance
- Compensation for employees sharing the workload of colleagues on parental leave
- Dedicated rest areas for female employees (operating nursing rooms)
- Family care leave
- Children's tuition support
- On-site daycare (HQ, Gumi, Ulsan)

Family-Friendly Workplace

- Employee loan support (Saetbyeol Loan)
- Happy Together (anniversary gifts)
- T-Family (gifts through story submission)
- T-ESG Day (employee participatory campaign)
- Support for regional business site commuting
- Founding anniversary gifts
- Condo membership support
- Employee partner discounts (e.g., Welfare Mall)

Education & Self-Development

- Bachelor's/degree acquisition support (tuition reduction at partnered cyber universities)
- External training expense support for competency development
- Language ability development expense (test fee) support
- Online education and self-development app expense support
- Retiree support program (re-employment support, career planning education, retirement consolation pay, external training expense support)

Flexible Work and Adequate Rest for Sustainable Lifestyles



Employee Physical and Mental Well-being



Supporting Families through Childbirth, Childcare, Caregiving, and Education



Enriching Employees' Lives with Family-Friendly Benefits



Fostering Self-Development and Competency Building



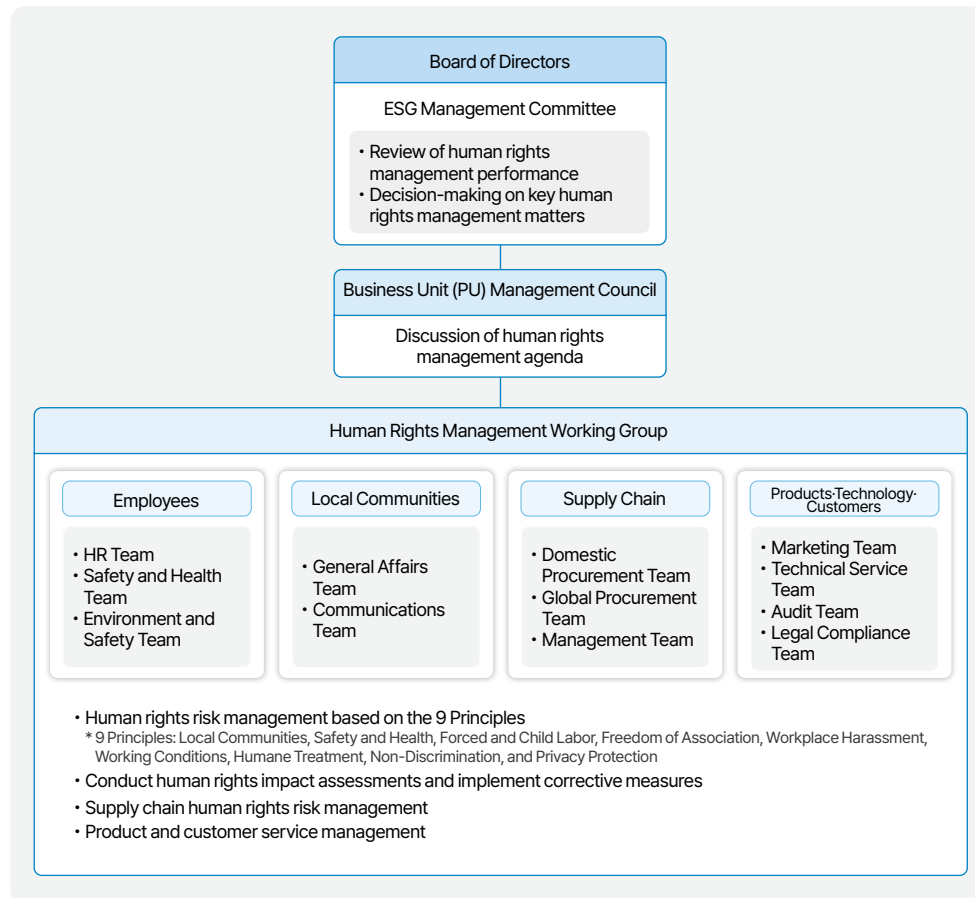
Human Rights Management

Human Rights Management Framework

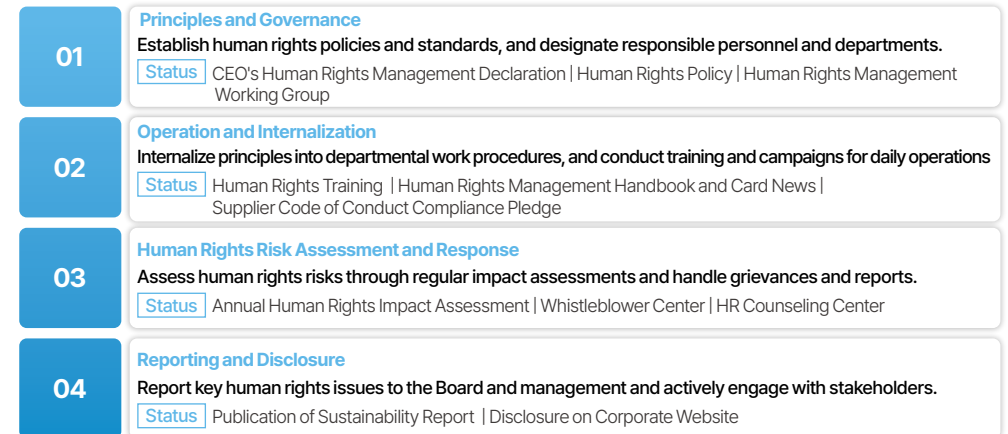
Decision-Making and Execution System

Hyosung TNC has established and operates a Human Rights Management Working Group, led by the HR Team under the CEO. This working group is responsible for managing, improving, and monitoring human rights risks, as well as developing human rights impact assessment indicators, conducting evaluations, and implementing corrective measures. Key human rights management agenda items are discussed at the monthly Performance Unit (PU) executive council meetings, while matters requiring decision-making and performance reporting are submitted to the Board of Directors through the quarterly ESG Management Committee, thereby advancing the company's human rights management.

Human Rights Management Organizational Chart

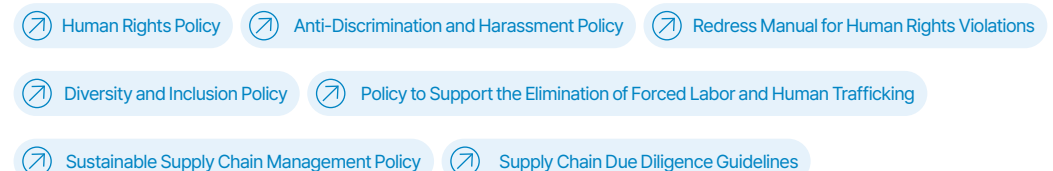


Human Rights Management Implementation System



Human Rights Management Policy

Based on Hyosung Group's founding philosophy of "Respect for Humanity," Hyosung TNC supports key international human rights norms—including the UNGC 10 Principles, the UN Universal Declaration of Human Rights, the ILO core conventions, the OECD Guidelines for Multinational Enterprises, and the EU Corporate Sustainability Due Diligence Directive—through its Human Rights Management Policy. The Policy specifies stakeholders vulnerable to human rights issues, and is disclosed on the company's website along with the Human Rights Management Declaration in which the CEO expresses his commitment. Hyosung TNC also develops and distributes guidelines to suppliers prohibiting child labor, forced labor, and human trafficking.



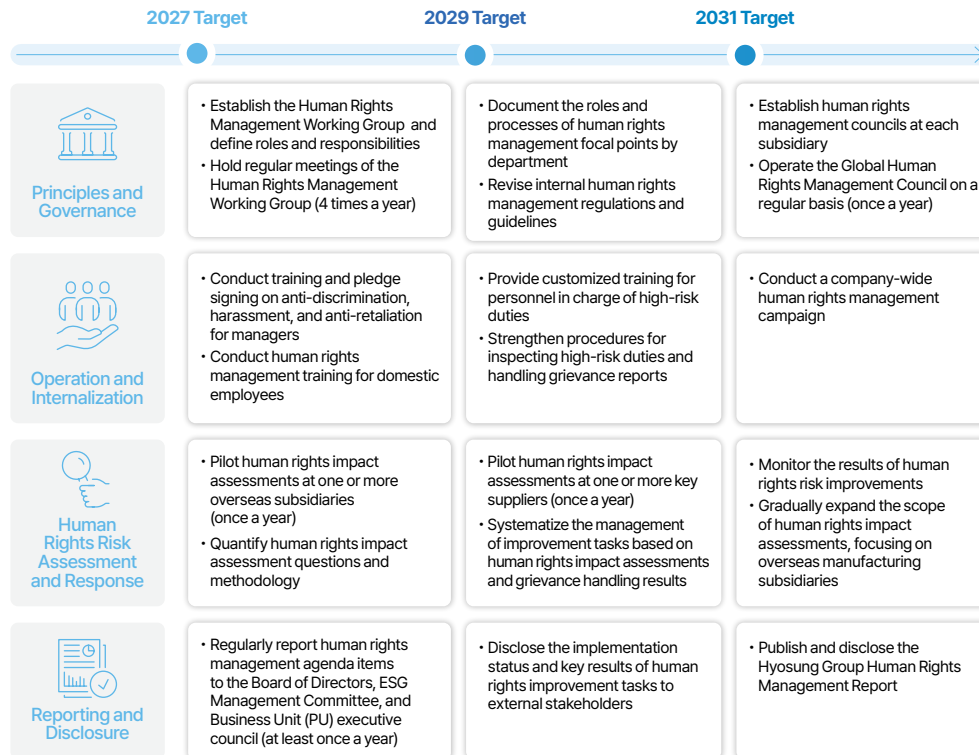
Human Rights Management

Human Rights Management Strategy and Operations

Mid- to Long-Term Human Rights Management Goals

Hyosung TNC advances human rights management based on shared goals and standards to protect the dignity and rights of all stakeholders. The company fosters a company-wide culture of respect for human rights and implements detailed action tasks reflecting its business characteristics and key human rights risks, strengthening the management of risks across its global business sites and supply chain. In the first half of 2026, Hyosung TNC established an implementation framework based on four core strategic pillars and expanded its management scope to overseas subsidiaries and major suppliers. By setting more specific action tasks and quantitative and qualitative targets, the company is further enhancing its execution capability and management standard.

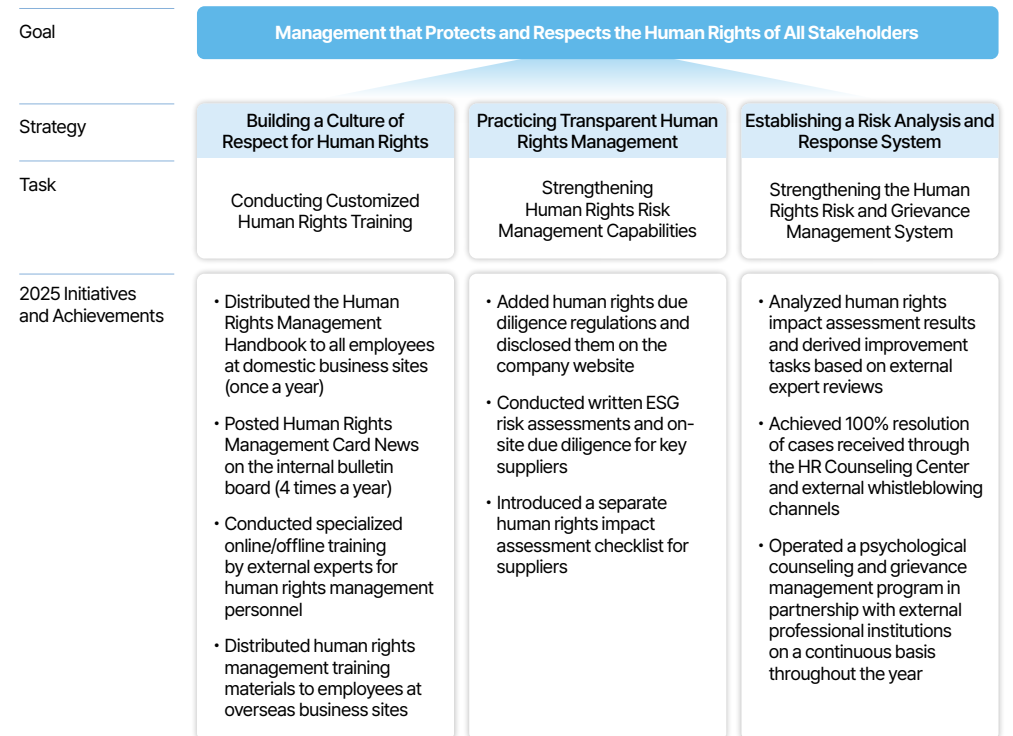
Human Rights Management Roadmap



Human Rights Management Initiatives and Activities

Hyosung TNC systematically advances its human rights management tasks under three strategic directions, aiming to "Protect and Respect the Human Rights of Stakeholders." In 2025, the company refined its human rights due diligence regulations and expanded its impact assessment indicators. By newly introducing due diligence and checklists for suppliers, the company strengthened risk management capabilities, including identifying improvement tasks for high-risk areas in the supply chain. In addition, all human rights violation cases reported to the HR Counseling Center were 100% addressed, and an annual psychological counseling program with external professional institutions is in place to protect employees' rights and support their mental well-being.

2025 Human Rights Management Initiatives and Activities



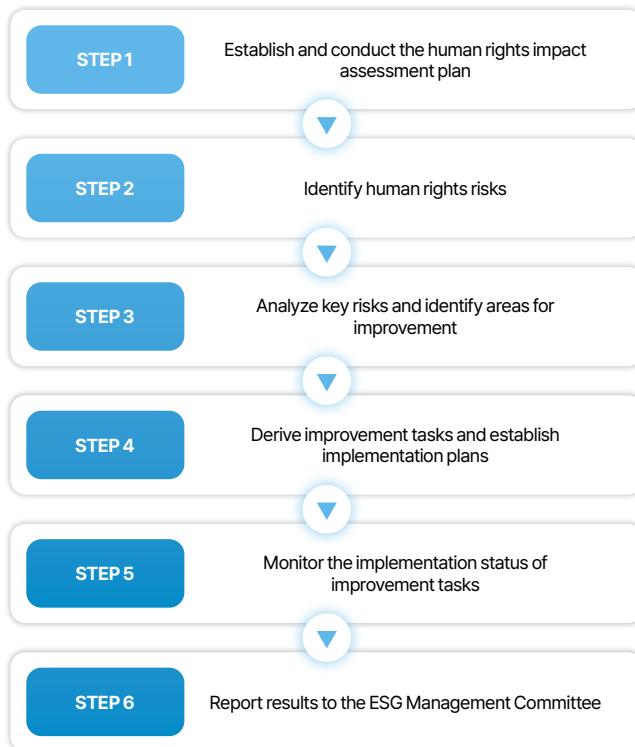
Human Rights Management

Human Rights Risk Management

Human Rights Impact Assessment

Hyosung TNC conducts annual human rights impact assessments using a checklist aligned with domestic and international guidelines, including those of the National Human Rights Commission of Korea. Risk severity is evaluated by impact level and likelihood, and corrective measures are taken for high-risk items. Results and improvement plans are reported to the monthly Performance Unit (PU) executive council as needed, and key agenda items are submitted to the quarterly ESG Management Committee under the Board of Directors for monitoring.

Human Rights Impact Assessment Process



Advancement of Human Rights Impact Assessment

Hyosung TNC performs human rights impact assessments at major domestic sites to identify potential risks and vulnerable stakeholders—employees, customers, suppliers, and local communities. In 2025, the framework was revised to reflect both domestic and international human rights management guidelines and expanded to 11 areas and 203 questions, with a dedicated checklist of 3 areas and 29 questions newly introduced for partner companies of the Gumi plant, a key domestic site. The assessment identified key risks—including the establishment of the human rights management framework, the securing of industrial safety, and responsible supply chain management—for which improvement tasks and response measures have been developed and implementation is continuously monitored.

Human Rights Impact Assessment Topics and Stakeholders



2025 Human Rights Impact Assessment Results and Improvement Tasks

Risk Category	Vulnerable Stakeholder	Key Issues	2026 Improvement Tasks
Establishment of the Human Rights Management Framework	Employees	- Advancement of the human rights management framework - Internalization of human rights management - Expansion of human rights impact assessment	- Specify the implementation framework and response system within the Human Rights Policy - Include human rights training within ESG management training for executives - Gradually expand the scope of business sites subject to human rights impact assessment
Securing Industrial Safety	Employees	Response to infectious diseases	Establish common business site guidelines for infectious disease response
Responsible Supply Chain Management	Partner companies	- Protecting the Human Rights of Employees at Partner Companies - Supply chain management	- Specify human rights compliance clauses in contracts - Gradually expand human rights violation prevention training for suppliers - Gradually expand the scope of supply chain ESG risk evaluations and due diligence

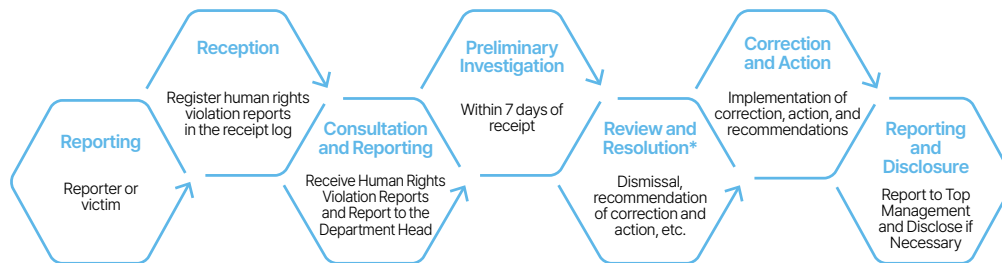
Human Rights Management

Building a Culture of Respect for Human Rights

Human Rights Grievance Mechanism

Hyosung TNC operates a grievance mechanism to provide remedies and prevent the escalation of human rights issues. The HR Counseling Center includes "counseling on human rights violations and remedy requests," with an in-house certified labor attorney designated as the dedicated counselor providing professional consultation. Based on labor laws and regulations, the counselor reviews each case to determine the need for further action, while a review committee involving internal and external experts decides on the necessity and methods of remedial measures. Once decisions are made, outcomes are immediately communicated to the complainant, and separate HR and disciplinary procedures are applied to the respondent. In addition, the company manages human rights issues across the entire value chain by enabling supplier employees to file reports through the Whistleblower Center on the company website. In 2025, two human rights consultation requests related to discrimination and workplace harassment were received, and 100% were resolved.

Human Rights Grievance Process



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

Labor Relations and Labor-Management Council

Hyosung TNC has labor unions established at five domestic business sites and one overseas business site, maintaining cooperative labor relations based on mutual trust through regular collective bargaining. Since the corporate spin-off in 2018, the company has consistently reached amicable agreements through negotiations without strikes or labor disputes. In addition, the headquarters and each business site operate labor-management councils on a quarterly basis in accordance with relevant laws, sharing key agenda items related to employees—such as welfare enhancement, wage increases and rewards, and working environment improvements—in advance and gathering opinions, thereby strengthening mutual communication and cooperation.

Human Rights Management Training and Campaigns

Hyosung TNC conducts human rights violation prevention training for all employees in addition to the legally required training—such as sexual harassment prevention, workplace harassment prevention, and disability awareness—to foster a culture of respect for human rights. Friendly service training and security training are also provided for physical security personnel to ensure clear understanding of the scope of their authority and compliance with situation-specific response standards considering human rights protection. In 2025, four Human Rights Management Card News issues were posted on the internal bulletin board, and an internalization campaign was conducted to enhance employee awareness. The Human Rights Management Handbook was also distributed to employees to spread a culture of respect for human rights.

2025 Human Rights Management Card News Topics

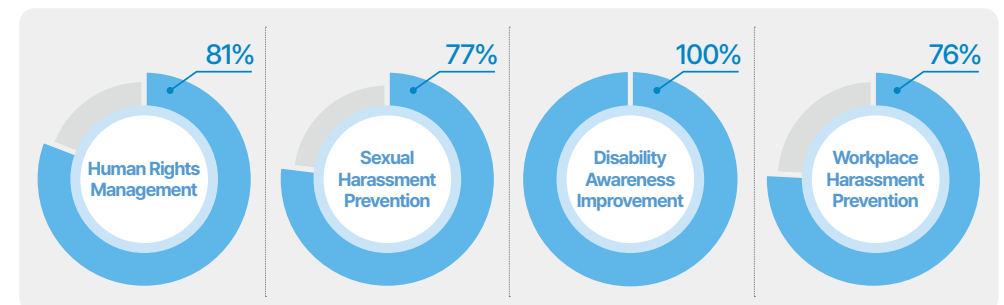
- Human Rights Management
- Human Rights Violation Remedy Procedures
- EU Supply Chain Due Diligence Directive (EU CSDDD)
- Human Rights Due Diligence

2025 Human Rights Management Handbook Contents

- Human Rights Management Framework
- Human Rights Management Declaration
- Human Rights Violation Remedy Procedures
- Employee Remuneration Process
- Communication Culture
- Employee Welfare and Benefits

Hyosung TNC conducts annual training on key human rights issues—such as diversity, discrimination, and harassment—for all employees to foster a culture of respect for human rights. In 2025, training was conducted on topics including human rights management, sexual harassment prevention, disability awareness improvement, and workplace harassment prevention.

2025 Human Rights Training Participation Rate

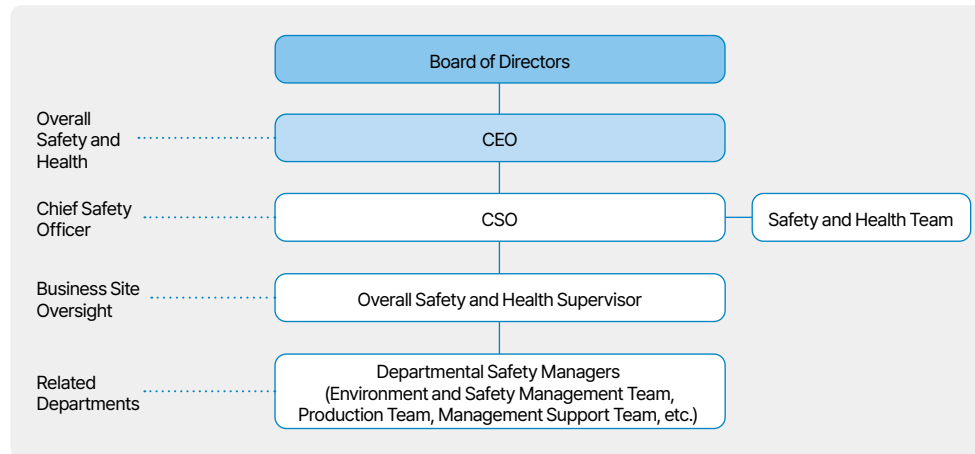


Safety and Health

Safety and Health Management System

Decision-Making and Execution System

Hyosung TNC operates a safety and health management system in which the headquarters' dedicated organization, led by the Chief Safety Officer (CSO) under the CEO, organically collaborates with safety and health managers at each business site. Per relevant laws, the annual plan and performance results are reported to the Board for approval, with the CEO—as the executive with overall responsibility for management—reporting the plan to the Board. Each business site appoints a person responsible for overall safety and health management to oversee on-site safety and run practical plans with related departments. Monthly safety and health meetings are held to share key status updates and improvement cases, thereby strengthening on-site response capabilities. In 2025, the Board was briefed on the safety and health duty implementation review results, ISO 45001 certification renewal at major sites, partner support program achievements, and the 2026 safety and health budget and operating plan.



2025 Board Agenda for Safety and Health

- Safety and Health Management Policy
- Composition, personnel, and roles of the management organization
- Safety and health budget performance and facility status
- Major 2024 activity results and 2025 activity plan

Safety and Health Policy

Hyosung TNC has set safety and health as the top priority value of corporate activities and established the Safety and Health Policy and the Safety, Health, and Environment Management Policy, which apply to all employees and stakeholders. The Safety and Health Policy and the Safety, Health, and Environment Management Policy are implemented upon CEO approval, and the responsible department is the Safety and Health Team under the CSO. The established policies serve as the core foundation for creating a healthy and safe workplace and are faithfully implemented as the foundation and an ongoing commitment across all management activities.

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 a Safety, Health, and Environment Culture

The risks associated with safety, health, and the environment must be efficiently managed, with the resulting performance transparently disclosed to stakeholders, thereby striving for the establishment of an advanced safety, health, and environmental culture.

Safety and Health

Safety and Health Management System

Occupational Safety and Health Management System

To comply with relevant laws such as the Serious Accidents Punishment Act and the Occupational Safety and Health Act and to prevent industrial accidents, Hyosung TNC operates a safety and health management system covering its headquarters and all business sites. As of 2025, 10 (31.3%) of its 32 operating sites have obtained ISO 45001 certification, with the system's suitability and effectiveness verified through annual internal/external audits and triennial recertification audits. The company also maintains the highest S-grade in PSM (Process Safety Management) and continuously improves the system through monthly on-site inspections by in-house safety and health experts at major sites.

ISO 45001 Certification Status

	Category	No. of Sites	Site / Entity Name
Domestic	Spandex PU	1	• Gumi Plant
	Nylon-Polyester PU	2	• Gumi Plant • Ulsan Plant
Overseas		7	• Hyosung Spandex (Jiaxing) • Hyosung Spandex (Ningxia) • Hyosung Dong Nai Nylon • Hyosung Dong Nai • Hyosung Istanbul TEKSTIL LTD.STI. • Hyosung Chemicals (Jiaxing) • Hyosung New Material & High Technology (Quzhou)

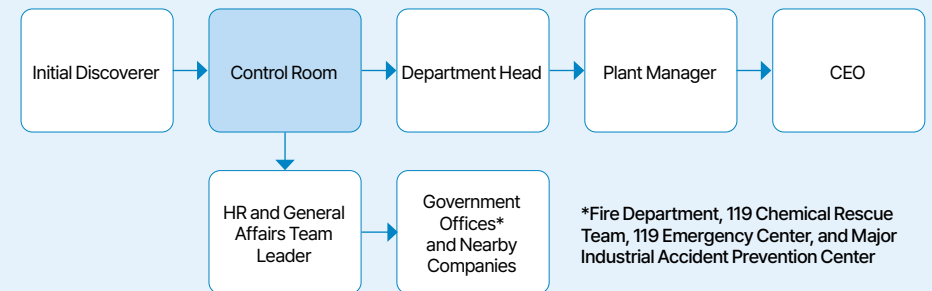
Safety and Health KPIs

To enhance the practical execution capabilities of safety and health personnel, Hyosung TNC operates a performance management system that integrates work performance evaluation results into its HR system. As of 2025, "fulfillment of safety and health responsibilities" accounts for 15% of the Key Performance Indicators (KPIs) for site safety supervisors and overall safety managers, thereby securing managerial accountability and execution capability.

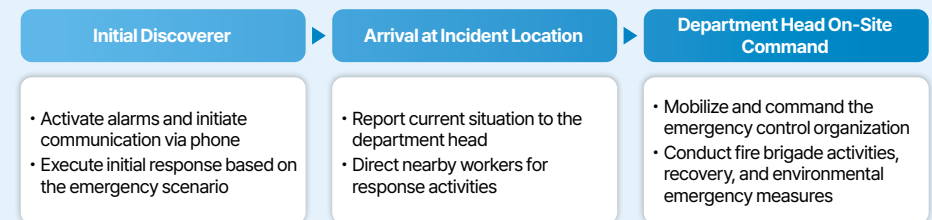
Safety and Health Emergency Response System

Hyosung TNC operates an emergency response system to effectively address incidents such as hazardous material leaks, fires, and explosions. Upon an incident, each site immediately communicates the situation on-site and activates its internal emergency contact network, working with related departments—including the Environment and Safety Management Team and the in-house fire brigade—to execute scenario-based response procedures. Secondary damage is minimized through prompt information sharing with external stakeholders such as local authorities, fire and emergency services, and nearby sites. After an incident, thorough root cause analysis supports the establishment of recurrence prevention measures, and regular emergency drills continuously strengthen the on-site response capabilities of all business sites.

Emergency Contact Response System



On-Site Initial Response System



Safety and Health

Safety and Health Strategy and Management Process

Strategic Direction and Objectives

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.

Safety and Health Strategic Direction



Mid- to Long-Term Safety and Health Roadmap

To achieve the goals defined in its safety and health strategy, Hyosung TNC has formulated the "Safety and Health 2030 Roadmap" and is implementing it in phased stages. The roadmap aims to progressively reduce the integrated frequency rate covering both employees and partner company personnel, and to establish a safety and health culture in which all members voluntarily identify and improve hazardous and risk factors. To this end, each business site conducts on-site, hands-on inspection activities such as safety patrols, hazard reporting, and team-level self-checks. Starting February 2025, the company further strengthened its proactive response to potential hazardous and risk factors by introducing an ad-hoc inspection system.

Safety and Health 2030 Roadmap

Year	~2025	~2026	~2030
Key Tasks	- Establish a self-regulatory prevention system → TBM (Tool Box Meeting) activities targeting hazardous and risk factors - Solidify risk assessment → Specialized training for supervisors - Expand mutual cooperation initiatives → Support internal contractors and construction partners in hazard assessment and potential risk identification	- Embed the 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	- 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*	2.20	1.98	1.30

* Integrated Frequency Rate: Integrated standard for all employees and partner company members (Number of incidents / Total annual working hours × 1,000,000)

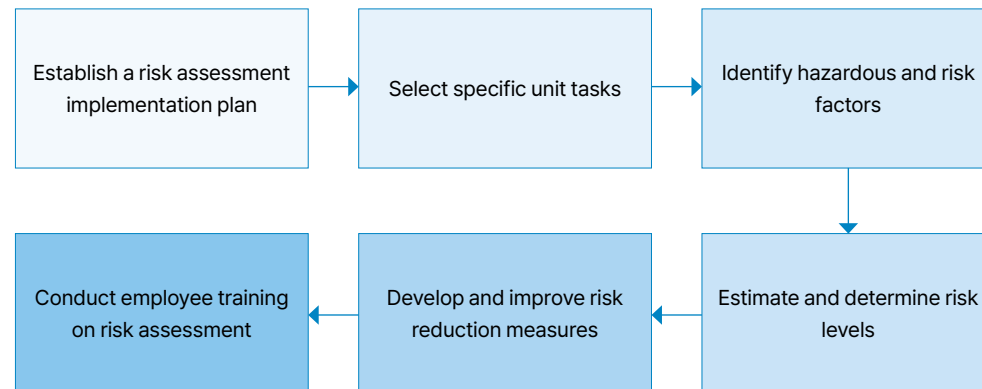
Safety and Health

Safety and Health Risk Management

Safety and Health Risk Assessment

Hyosung TNC proactively identifies safety and health risks across working environments, equipment, raw materials, and work behaviors through regular risk assessments. To enhance the effectiveness of these assessments, the company provides training for management supervisors and actively collects on-site opinions through worker feedback surveys. Specific corrective measures are established and implemented for the identified risk factors, and on-site safety awareness is reinforced by linking the results to employee training and process-specific TBM (Tool Box Meeting) activities. In addition, the effectiveness of corrective measures is rigorously verified by quantitatively analyzing changes in risk levels before and after improvements. In 2025, a total of 38 major risk factors were identified, and 100% of corrective measures for all identified factors were completed, thereby securing the safety of business sites.

Risk Assessment Process



Equipment Safety and Performance Evaluation at Business Sites

Hyosung TNC conducts regular performance evaluations to ensure the safety of equipment and machinery at its business sites. Thorough inspections are carried out in accordance with internal safety regulations and equipment-specific inspection cycles, and pre-installation safety evaluations are performed from the initial deployment stage of new equipment to proactively prevent potential hazards. In 2025, the Gumi plant completed safety inspections of a total of 65 hazardous machines and equipment, and continuously manages equipment safety performance through monthly regular monitoring.

Safety Inspection Activities

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

Activity Name	Frequency	Description	Number of Cases Identified (2025)
Joint Safety and Health Inspection (Top Patrol)	Quarterly	Conduct safety and health inspections in factory and contractor work areas and implement improvements	31
SNS Safety Reporting (Courageous Reporter)	Ad-hoc	Field workers directly report hazardous factors via SNS; the Environment and Safety Management Team requests corrective action from the respective department	32
Environmental Safety Patrol	Daily	Environment and Safety Management Team conducts daily patrols, covering safety, fire prevention, environment, and chemicals	229
Team Self-Inspection	Monthly	Each team conducts safety and health inspections in areas under its supervision and identifies/improves issues	411

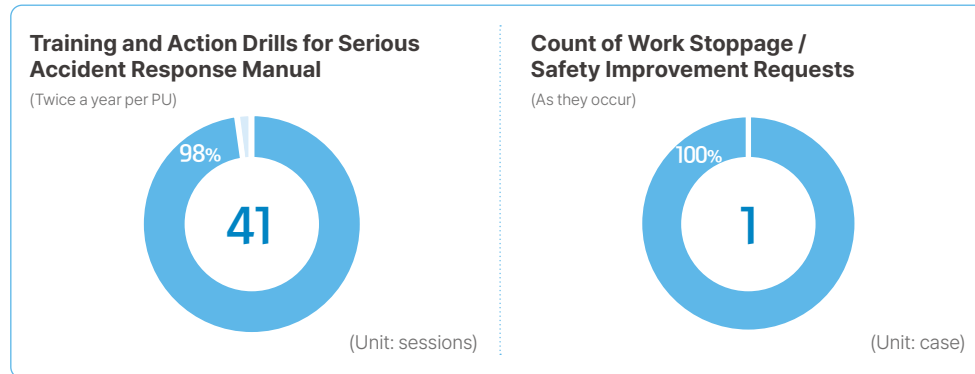
Safety and Health

Safety Accident Prevention and Diffusion of Safety Culture

Strengthening the Safety and Health Management System

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

Hyosung TNC operates the "Right to Stop Work for Safety Reasons" system to substantively protect the safety of all employees. Employees and partner company workers in high-risk work areas are granted the right to immediately stop work and request safety improvements upon recognizing a hazardous situation. In 2025, a total of 1 case of stop-work authority was exercised, for which immediate on-site improvements and follow-up measures were completed.



On-Site Opinion Collection Activities

Hyosung TNC operates communication channels tailored to each site's size to reflect worker voices in safety policies. Sites with 100 or more regular workers hold quarterly Industrial Safety and Health Committee meetings, while smaller sites collect worker voices through monthly on-site briefings and other self-managed channels. The company also runs a monthly partner company safety and health council to share regulatory updates and drive improvements based on partner workers' feedback. Going forward, Hyosung TNC will actively leverage these channels to closely manage on-site risk factors.

Smart Safety Management System

Hyosung TNC is introducing advanced safety equipment to prevent accidents and build a smart safety management system at its business sites. Visual alert systems such as line beams, blue lights, and fence lights have been installed to prevent forklift collisions, and mobile CCTV has been deployed to monitor high-risk areas and managerial blind spots in real time. Through these efforts, the company has strengthened around-the-clock monitoring of on-site risk factors and more precisely safeguards worker safety.

Safety Accident Prevention and Safety Culture

Safety Culture Diffusion Activities

Hyosung TNC carries out various safety promotion activities to spread the safety culture among workers.

PSM* Brochure	Produce and distribute PSM brochures based on the safety, health, and environmental management policy
Distribution of Hazard Information Brochures	Produce and distribute in-plant hazard information brochures for construction partners within the Gumi plant
Safety Campaign	Team leaders, office staff, group leaders, and partner company representatives chant safety slogans and promote 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 training expense support for employees who obtain environment and safety-related certifications (7 certified in 2025)

* PSM (Process Safety Management) : A management system that secures process safety and prevents major industrial accidents.

Fire Safety Activities

Hyosung TNC carries out a range of fire safety activities, including fire prevention initiatives, to protect worker safety.

Activity	Inspection Details	
Fire Safety Improvements	- Install fire monitoring CCTV - Enhance fire alarm integration systems	- Reinforce HVAC duct fire protection performance - Reinforce automatic fire detection equipment performance
Fire Safety Professional Diagnostics	Conduct firefighting operation/integrated functional inspection and improvement based on results (106 improvement recommendations issued at the Gumi plant in 2025; 100% improvement rate)	
Fire Advisory Committee Training	Provide training on fire prevention and fire response methods based on case studies	
Fire Drills	Joint drills with local jurisdictional fire stations and the in-house fire brigade	

Safety and Health

Safety Accident Prevention and Diffusion of Safety Culture

Strengthening Safety and Health Capabilities and Health Management

Employee Health Promotion System

Hyosung TNC operates a variety of health promotion systems and programs for its employees and partner company workers on-site.



Health Promotion Programs

- Job stress survey and follow-up management program
- Health funds related to obesity, smoking cessation, and musculoskeletal disorders



Worker Health Check-ups

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



Work Environment Management

- Musculoskeletal disorder management program
- Confined space work management program

CASE Customized Health Clinic Program for Gumi Plant Employees

Since obtaining the "Gumi City Healthy Workplace (Navi)" certification in 2018, the Gumi plant has maintained the certification through 2025 and operates various programs to promote workers' health and prevent diseases. Representative programs include the regularly offered "Obesity Clinics" and the "Smoking Cessation Clinics," run in partnership with the Gumi Public Health Center. As of 2025, 38 individuals participated in the obesity clinic with a 34% success rate, and 10 individuals took part in the smoking cessation clinic with an 80% success rate. These efforts have produced positive effects on employee health protection, including reduced cerebrovascular disease risk.

Employee Safety and Health Training

Through legally required safety and health training under relevant regulations, Hyosung TNC equips employees with fundamental safety knowledge. The company also diversifies customized training and hands-on drill programs that reflect on-site characteristics, fostering a safety culture capable of immediate response to emergencies.

Category	Content
Mandatory Safety Training	• Semi-annual safety training (6 hours for office workers, 12 hours for non-office workers) • Training upon change in job content (2 hours) • Training upon hiring (8 hours) • Regular training for supervisors (16 hours) • Special training (16 hours) • Training on Chemical Substances Control Act and accident prevention (16 hours)
Employee Safety and Health Training (Beyond Mandatory Education)	• Emergency response drills • In-house fire brigade training • Safety management training for chemicals and hazardous materials • Chemical accident prevention and response training (annually) • CPR training for managers
Additional Safety Training	• Risk assessment training • Public-private joint drills (e.g., joint training with fire departments)

Occupational Disease Prevention Program

Hyosung TNC runs a hearing conservation program to prevent occupational diseases. Earplugs and other personal protective equipment are provided at all sites at all times, with external specialists conducting annual fit testing and proper-use training. Follow-up management based on special health exam results is also reinforced through distribution of noise-induced hearing loss prevention materials and 1:1 consultations with occupational health physicians for high-risk groups.

Partner Company Safety and Health Management

Hyosung TNC builds a mutual cooperation framework by providing specialized mentoring and systematic management programs to strengthen partners' safety and health capabilities. Through outstanding partner recognition and close on-site communication, the company also spreads an autonomous safety culture and helps partners independently secure sustainable safety management capabilities.

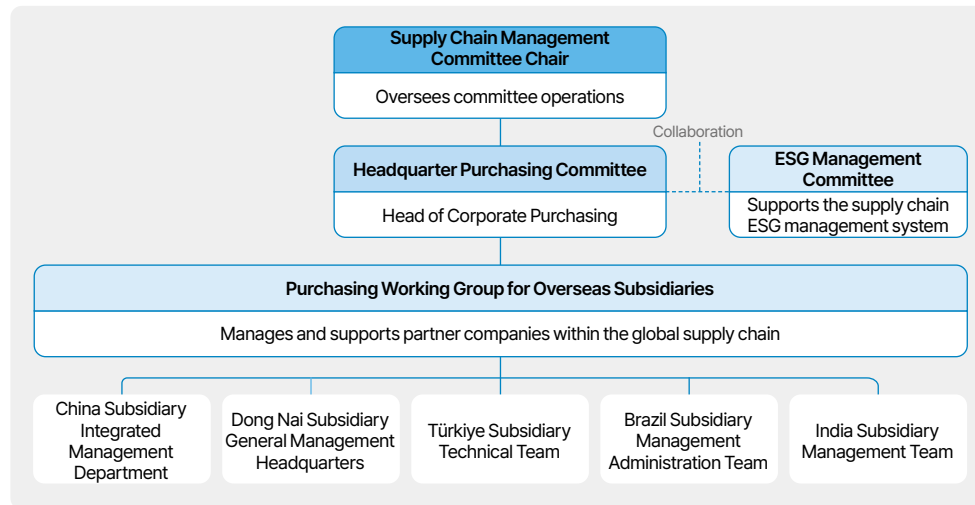
Category	Content
Partner Company Safety Management Support	• Subsidies for Safety Management of In-house Partners at Gumi Plant (18 companies in 2025)
Safety and Health Mentoring Program	• Designation of a safety management officer for each in-house partner • Sharing of safety and health know-how and experience with the designated officers
Awards for Outstanding Partner Companies in Safety and Health	• Quarterly and semi-annual awards for outstanding partner companies in safety and health • Annual awards for outstanding in-house contractors and construction companies
Safety and Health Idea and Case Contest	• Contest for safety and health ideas as well as cases of near-miss incidents and their prevention • Implementation of improvement activities based on the submitted cases

Sustainable Supply Chain

Supply Chain Management System

Decision-Making and Execution System

Hyosung TNC holds the Supply Chain Management Committee twice a year to enhance the expertise of its company-wide supply chain management system. Chaired by the head of corporate purchasing at the headquarters, the committee includes purchasing managers from both the headquarters and overseas subsidiaries, as well as the ESG Management Team executive serving as working-level members. The committee reviews and resolves key supply chain issues across each business site. In 2025, discussions focused primarily on the new designation and scope expansion of entities subject to supply chain management, as well as on identifying improvement tasks for 2026. Based on the outcomes of these discussions, key agenda items are reported to the Board of Directors through the quarterly ESG Management Committee, depending on their level of significance.



2025 Supply Chain Management Committee Agenda

H1 (First Half)	H2 (Second Half)
- Establishment and revision of new supply chain management policies - Establishment of supply chain evaluation process and review of evaluation performance - Review of the gradual expansion of supply chain management to overseas subsidiaries - Discussion on building an integrated global supply chain management process	- Review of the expansion of supply chain management operating entities and selection of target subsidiaries - Identification of supply chain management improvement tasks for 2026 - Expansion of ESG contract clauses for key and focus managed suppliers - Establishment of a sustainable procurement KPI system for the purchasing division

Supply Chain Management Policy

Hyosung TNC has established the Sustainable Procurement Policy, the Sustainable Supply Chain Management Policy, and the Supply Chain Due Diligence Guidelines to establish a systematic supply chain management foundation and proactively respond to increasingly stringent global regulations, such as the EU Corporate Sustainability Due Diligence Directive (CSDDD). In particular, the company has included ESG compliance clauses in its standard supply agreements and purchase contracts, thereby codifying the obligation to comply with the Supplier Code of Conduct, and has strengthened enforcement through the signing of a Supplier Code of Conduct Compliance Pledge. Based on this management framework, in 2025, 233 existing suppliers and 4 new suppliers completed the signing of the Pledge, actively participating in the development of a sustainable supply chain.

Policy	Responsible Department	Key Contents
Sustainable Supply Chain Management Policy	HQ Purchasing Team, ESG Management Team	- Principles and action plans for managing ESG risks across domestic and overseas supply chains, including environmental, labor, and human rights issues - Support for enhancing supply chain ESG capabilities
Sustainable Supply Chain Management Declaration	HQ Purchasing Team, ESG Management Team	Statement of the CEO's commitment to building a sustainable supply chain
Supply Chain Due Diligence Guidelines	HQ Purchasing Team, ESG Management Team	- Scope of supply chain due diligence - Supply chain due diligence and ESG assessment criteria - Post-management measures for supply chain due diligence results
Sustainable Procurement Policy	HQ Purchasing Team	Enhancement of eco-friendly procurement, supply chain management, and enhancement of procurement competitiveness
Supplier Code of Conduct	HQ Purchasing Team, ESG Management Team	- Standards for suppliers' practices in ethics, environment, labor and human rights, safety and health, and management system operations - Management measures for the Supplier Code of Conduct Compliance Pledge and compliance status

[Sustainable Supply Chain Management Policy](#)
[Supply Chain Due Diligence Guidelines](#)
[Sustainable Supply Chain Management Declaration](#)
[Sustainable Procurement Policy](#)
[Supplier Code of Conduct](#)

Sustainable Supply Chain

Supply Chain Management Strategy and Goals

Implementation Strategy and Goals

In accordance with its Supply Chain Management Policy, Hyosung TNC focuses on managing five key areas: Environment, Labor and Human Rights, Safety and Health, Ethics, and Sustainable Management System. Based on supply chain ESG assessments, the company identifies core improvement tasks and continuously monitors their implementation status to advance the level of management in each area. Furthermore, to proactively respond to changes in the global regulatory environment, Hyosung TNC plans to establish a mid- to long-term roadmap and detailed execution strategies, thereby fully advancing the development of a sustainable supply chain.

Supply Chain Management Strategy and Goals

Purpose	Building a Sustainable Supply Chain	
Policies	Supplier Code of Conduct	Sustainable Procurement Policy
	Sustainable Supply Chain Management Policy	Supply Chain Due Diligence Guidelines
Management Areas	Environment	Establish environmental management system (management of energy, greenhouse gas, water resources, waste, chemicals, etc.)
	Labor and Human Rights	Prohibit child/forced labor, prevent discrimination, provide fair wages and benefits, manage working hours, etc.
	Safety and Health	Establish safety and health management system (diagnosis and management of machinery and equipment safety, occupational health management, etc.)
	Ethics	Ensure transparent management, anti-corruption, prevent unfair trade, responsible material purchasing, information protection, etc.
	Sustainable Management System	Risk and compliance management, grievance handling system, supplier management, etc.
Execution	Supplier evaluation and document/on-site inspections	
	Identification and monitoring of improvement tasks	

Supply Chain ESG Risk Management

Supply Chain ESG Risk Assessment

In accordance with its Supply Chain Due Diligence Guidelines, Hyosung TNC conducts annual ESG risk assessments of its suppliers. The Corporate Integrated Procurement Team first identifies key suppliers based on country- and industry-specific ESG risks as well as transaction volume, and then selects focus-managed suppliers through a comprehensive review considering transaction importance, ESG assessment scores, and substitutability. For these selected suppliers, document-based or on-site audits are conducted annually, and based on the assessment results, suppliers classified as high-risk are advised to implement effective corrective measures. In addition, to strengthen suppliers' ESG capabilities, the company provides annual training and improvement support and continuously monitors implementation status. In 2025, 37 out of 54 key suppliers were designated as focus-managed suppliers. Document-based assessments were 100% completed for all 22 domestic suppliers, with 12 companies (54.5%) rated as satisfactory and 10 companies (45.5%) identified as requiring improvement. Among those requiring improvement, an on-site audit was conducted for one supplier classified as high-risk, and follow-up measures were recommended to mitigate risks. Going forward, Hyosung TNC plans to gradually expand the scope of due diligence to include focus-managed suppliers of its overseas subsidiaries.

2025 Supply Chain ESG Risk Assessment Results



2025 Document-Based Assessment Results

* Total of 22 companies / Risk assessment criteria applied based on differentiated standards by material type



Supply Chain ESG Risk Assessment Indicators

Area	Assessment Criteria
Environmental (E)	Environmental management strategy, energy efficiency, climate change response, pollutant emissions, waste management, etc.
Social (S)	Working conditions, occupational safety and health in the workplace, supply chain partner management, community engagement, etc.
Governance (G)	Decision-making system, fair trade, anti-corruption (ethical management), etc.

Sustainable Supply Chain

Supply Chain ESG Risk Management

Win-Win Cooperation and Fair Trade with Partners

Through supply chain ESG risk assessments, Hyosung TNC identifies key suppliers and promotes systematic support activities to mitigate risks. For focus-managed partner companies, the company provides ESG capability enhancement training to support improvements in their management standards. Furthermore, Hyosung TNC is expanding technical support for environmental management—including energy savings, investment in eco-friendly facilities, and LCA consulting—for partners across the entire value chain, while concurrently carrying out activities that create social value, such as improving working conditions.

Activity	Description	No. of Partners Supported in 2025
Supplier ESG Capability Enhancement Training	- Customized online ESG training for focus-managed suppliers - Sharing of ESG management concepts, recent trends, and supply chain management direction	11
Energy-Saving Consulting and Equipment Support	- Energy efficiency consulting for focus-managed raw material suppliers - Support for replacement of energy-saving LED lighting based on diagnostic results	1
Life Cycle Assessment (LCA) Consulting Support	- LCA consulting for focus-managed raw material suppliers - Support for LCA report preparation and establishing the foundation of a product environmental information management system	1
Sustainable Solutions Equipment Support	- Equipment support for sustainable solutions supplier development - Support for equipment improvements and investments for sustainable solutions partners	4
ESG Certification Support	- Support for obtaining eco-friendly certifications (e.g., GRS) - Support for obtaining ISO certifications	38
Talent Management and Working Environment Improvement Support	- Support for heat-related illness prevention equipment - Support for replacement of aging PCs and IT devices - Support for participation in job fairs	8

Strengthening Supply Chain Management Capabilities

Hyosung TNC conducts regular training for procurement personnel on environmental and social risks that may arise within the supply chain, thereby enhancing their understanding and supporting the strengthening of risk management capabilities. In 2025, the company provided supply chain training to approximately 10% of its procurement personnel, securing expertise to respond to global supply chain regulations, and newly established a Sustainable Procurement Target KPI Guideline. In addition, by setting the procurement amount of eco-friendly products and the rate of obtaining Supplier Code of Conduct Compliance Pledges as KPIs for purchasing executives and ESG managers within the purchasing organization, Hyosung TNC has institutionally strengthened accountability for supply chain ESG management.

Outstanding Partner Awards

Hyosung TNC selects and rewards outstanding partner companies that have contributed to win-win cooperation by comprehensively evaluating items across overall management areas, including human resources, payroll, labor relations, production, and safety management. In 2025, the company granted monetary awards to three partner companies that demonstrated excellent management performance and a strong commitment to ESG practices, thereby reinforcing its incentive system to encourage voluntary enhancement of ESG capabilities.

Fair Trade Support for Outstanding Suppliers

Hyosung TNC enters into Fair Trade Agreements annually with outstanding partner companies selected through supplier evaluations. These agreements explicitly stipulate not only compliance with fair trade-related laws and regulations but also substantive support measures, such as cash payment for goods. In particular, by paying the full amount in cash within 10 days of tax invoice issuance, Hyosung TNC contributes to its suppliers' smooth fund management and the securing of stable cash flow.

Category	Unit	2025 Status
Number of companies that signed Fair Trade Agreements	Companies	37
Cash payment amount	KRW Million	20,018
Estimated interest savings*	KRW Million	100

* Based on the 2025 average internal interest rate

CASE

Strengthening Supply Chain ESG Management Capabilities

Through due diligence, Hyosung TNC identified focus-managed raw material suppliers and provided customized support tailored to their level of ESG management, thereby enhancing the sustainability of the entire supply chain.

01 | LCA Consulting

Preparation of LCA reports and a product environmental information management system

02 | ISO 14001 Consulting

Acquisition of international certification for the environmental management system

03 | Energy Efficiency

Energy savings through energy efficiency diagnostics and LED lighting replacement

Local Communities

Local Community Contribution Management System

Decision-Making and Implementation Framework

Hyosung TNC pursues coexistence with local communities and social value creation through working-level consultative bodies at each business site. The Corporate Communications Office leads the Group-wide social contribution vision, while Hyosung TNC autonomously plans and implements additional strategic initiatives. Key outcomes are shared at monthly PU heads meetings, and the Shared Growth Division reviews initiatives via the Group's Integrated Shared Growth Committee, with major agendas reported to the headquarters-level ESG Management Committee. Headquarters and on-site working groups also incorporate stakeholder feedback to advance partner support and community contribution programs.

Local Community Contribution Strategy

Purpose	Empowering Beneficiaries to Shape Their Own Future through Education and Sharing				
Strategy	Environment Support healthy and safe lives through environmental management	Vulnerable Groups and Veterans Support growth into self-reliant community members	Culture and Arts Promote social integration through culture and arts	Shared Growth Facilitate joint development through cooperation between large and small enterprises	Local Communities Form sustainable community ecosystems
Key Tasks & Plans	- Biodiversity conservation projects - Establishment of domestic resource circulation system - Environmental cleanup activities near business sites	- Support for sister partnerships with business sites - Cash and in-kind support for vulnerable groups - Support for forest fire victims	- Sponsorship of ecological festivals - Sponsorship of local festivals - Environmental education and supply of educational materials to elementary schools	- Equipment and R&D support for suppliers - Marketing and sales channel development support for suppliers - Support for supplier consulting and certification acquisition costs	- Support for aging and low birth rate issues in rural communities - Expansion of shared growth activities with suppliers in rural and fishing communities

Local Community Contribution Strategy

Implementation Strategy and Goals

Guided by the Group vision of "empowering beneficiaries to shape their own future through education and sharing," Hyosung TNC systematically implements a social value roadmap based on five strategic themes: environment, vulnerable groups and veterans, culture and arts, shared growth, and local communities. Each business site operates customized programs that identify economic, social, and environmental impacts on neighboring communities to maximize positive impacts and mitigate negative impacts. Going beyond one-time support, the company is committed to enabling beneficiaries' substantive self-reliance and addressing sustainable growth and ecological challenges in local communities.

Mid- to Long-Term Roadmap for Social Value Realization

Category	~2025	Mid-Term (~2027)	Long-Term (~2030)
Expansion of Local 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, and nearby local communities (5 areas)
Expansion of Stakeholder Scope	- Local communities near business sites - Domestic rural communities - Vulnerable groups	- Local communities near business sites - Domestic rural communities - Vulnerable groups	- Local communities near business sites - Domestic rural communities - Vulnerable groups - Suppliers within the value chain
Mid- to Long-Term KPIs	- Task implementation rate 80% - Discover new business-linked support projects (at least 1 per year)	- Task implementation rate 100% - Discover new business-linked support projects (at least 2 per year)	- Expand social value realization projects targeting overseas subsidiaries (at least 1 overseas subsidiary) - Establish and disclose global social value targets

Local Communities

Major Social Contribution Activities

Environment

Local Community Biodiversity Conservation

Hyosung TNC contributes to ecosystem restoration and biodiversity conservation through local community biodiversity conservation projects. In recognition of such achievements, the company was selected as a "Corporate Patron for the Conservation of Endangered Species" by the National Institute of Ecology.

Winter Migratory Bird Conservation Activities 	• Biodiversity conservation partnership with Gimhae City • Migratory bird conservation and local livelihood support
Blue Carbon Ocean Forest Creation Activities 	• MOU for sustainable marine ecosystem conservation with KFRA • Marine forest creation in coastal and fishing communities
Endangered Wildlife Protection Activities 	• Wildlife protection fencing support for local farming communities • Endangered species conservation and crop damage prevention
Endangered Insects Propagation Support Activities 	• Signed an MOU on Endangered Insect Restoration and Biodiversity with the National Institute of Ecology and Little Friends in the Forest • Supported endangered insect breeding facilities and release programs for jewel beetles and diving beetles
Damaged Forest Restoration Activities 	• Signed an MOU on DMZ Ecosystem Restoration with the Korea National Arboretum and KOFA • Restored damaged forest areas in Yanggu County and supported local farmers through native plant cultivation

Expansion of Eco-Friendly Values in Rural Communities

Hyosung TNC promotes environmental awareness and sustainable consumption through eco-friendly product support programs. The company supports local communities by providing eco-friendly products and solar power facilities, contributing to community welfare and energy transition. It also promotes eco-friendly values through education using its Resource Circulation Education Kit.

Employee Local Community Environmental Cleanup Activities

Hyosung TNC conducts regular employee-led cleanup activities to preserve the environment around its business sites. The Ulsan Plant supports local environmental improvement through its "One Company–One Stream," "One Company–One Road," and "One Company–One School" programs. Headquarters employees also participate in royal palace cleanups and plogging activities to help improve the urban ecological environment.

Vulnerable Groups and Veterans

Sister Partnership Support with Business Sites

Hyosung TNC fosters local coexistence via sister partnerships with rural villages and schools near its sites. The Ulsan Plant funds school development and educational activities under its "One Company–One School" tie with Jangsaengpo Elementary, while the Gumi Plant supports its "One Company–One Village" partner (Jisan-ri) and donates scholarships to local schools to nurture local talent.

Support for Vulnerable Groups

Hyosung TNC provides financial and in-kind support to local communities and social welfare institutions.

Headquarters	• Community donations and sponsorship for disabled children, vulnerable groups, and disaster relief • Employee-led volunteering and blood donation activities
Gumi Plant	• Community donations and sponsorship programs • Food sharing, community volunteering, and blood donation activities
Daegu Plant	• Year-end donations to the Community Chest of Korea
Ulsan Plant	• Support for vulnerable groups through donations and sponsorship • Employee volunteer activities for vulnerable communities

Local Mutual Growth and Economic Revitalization

Hyosung TNC supports vulnerable groups, such as social welfare facilities and multicultural families, by providing them with "Local Agricultural Product Gift Packages" from farms near the Gumi Plant, while supporting the livelihood stability of vulnerable groups and the income growth of local farms. The company also promotes local consumption and supports small businesses by providing employee awards through Gumi Love Gift Certificates under an agreement with Gumi City.

Patriots and Veterans Support Activities

Hyosung TNC promotes a culture of honoring veterans by supporting housing renovation and living expenses for Korean War veterans in need. Headquarters employees also participate in cleanup activities at nine national cemetery sites.

Building a Local Community Social Safety Net

Hyosung TNC sponsors the "lut-Bodeumi (Neighborhood Care)" program operated by the Gumi Community Welfare Center to alleviate the isolation and care gaps faced by solitary households in rural areas, thereby contributing to addressing regional depopulation through the restoration of community networks.

Local Communities

Major Social Contribution Activities

Culture and Arts

Sponsorship of Cultural, Artistic Festivals and Activities

Hyosung TNC contributes to local culture by sponsoring diverse cultural, artistic, and athletic activities near its business sites. It supports the "Dalseong Wetland Biodiversity Festival" near its Daegu Plant, expanding residents' ecological and cultural experiences and regional tourism. The company also sponsors local festivals such as County Residents' Day and the "Gunbuk-myeon Community Festival" in Haman, Gyeongsangnam-do, strengthening community cohesion, and has long supported the Gumi City Association President's Cup Volleyball Tournament to promote community sports. Through the Korea-Japan Festival and the Kyungwoon Museum, it further expands cultural access and regional arts. In addition, Hyosung TNC donated waste fabric to the "SEA-nergy Children's Marine Culture and Arts Festival with the Seoul Metropolitan Government," raising marine conservation awareness among children and youth.

Support for Community Sports Infrastructure in Rural and Fishing Areas

Hyosung TNC supports the construction of a multipurpose auditorium at Gunbuk Elementary School in Haman, Gyeongsangnam-do, providing students with a safe educational environment and expanding community sports infrastructure available to local residents at all times, thereby practicing shared growth.

Sponsorship of Barrier-Free Film Production

Hyosung TNC continuously sponsors barrier-free film production to bridge information accessibility gaps and expand cultural enjoyment opportunities. The company supports the production of 2 films each year, and employees participate directly in voice donation activities by recording audio descriptions, contributing to creating a barrier-free content viewing environment for culturally vulnerable groups such as the visually and hearing impaired.

Improvement of Educational Conditions in Rural and Fishing Communities

In 2025, Hyosung TNC's Gumi Plant signed an MOU with the Gumi Office of Education in Gyeongsangbuk-do to revitalize environmental education for elementary students in rural Gumi. Under the agreement, the company ran its "regen Renewable Campaign," delivering "Visiting Environmental Education" at 2 schools in Gumi and 1 in Haman County. Together with eco-friendly startups, the participation-centered programs covered resource circulation, recycled fibers, hands-on activities, and eco-friendly souvenirs. Hyosung TNC also partnered with a climate-content company to create an environmental storybook on the recycling process of its sustainable fiber "regen," distributing it—with QR-based digital content—to schools near its Gumi and Daegu sites. These efforts expand environmental education for rural children and help close the urban-rural education gap.

Shared Growth

Building a Resource Circulation System in the Fashion Value Chain

Hyosung TNC, based on shared growth with small and medium-sized enterprises (SMEs), is building a resource circulation system within the value chain and continuously expanding investments across various fields, leading the strengthening of ESG capabilities throughout the fashion industry.

Enhancing Sustainability across the Fashion Industry Value Chain

Eco-Friendly New Material R&D Support

- Support for prototype R&D costs for eco-friendly new materials of suppliers
- Support for expanding sustainable material product line-ups of suppliers

Resource Circulation Infrastructure Development

- Investment in recycling equipment for suppliers
- Provision of waste PET collection vehicles for regen suppliers



Domestic and Overseas Marketing and Sales Channel Development

- Support for SME suppliers' participation in domestic and overseas fashion industry exhibitions
- Strengthening competitiveness of domestic SME suppliers by supporting certification acquisition
- Provision of regen waste fabric for environmental campaigns and events
- Support for online marketing activities of eco-friendly fashion startups

Eco-Friendly Brand Growth Support

- Support for the development of environmental education kits by eco-friendly fashion startups
- Equipment support for new product development of eco-friendly fashion startups

Local Communities

Major Social Contribution Activities

Local Communities

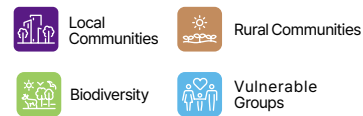
Hyosung TNC carries out customized social contribution activities reflecting regional characteristics, centered around the locations of its domestic and overseas business sites. Through communication with stakeholders, the company proactively identifies potential risks in local communities and is establishing a social contribution system that strategically develops qualitative support measures. In recognition of these efforts, Hyosung TNC has been selected as an "Outstanding ESG Enterprise for Rural Development" for 3 consecutive years. In particular, the Gumi Plant was honored with the "3rd Gumi City Social Contribution Award" at the "26th Social Welfare Day Commemorative Ceremony and Welfare Service Fair," organized by the Gumi City Social Welfare Council.

Overseas

Hyosung TNC continues its child support activities in marginalized areas of Quang Ngai Province in central Vietnam, in partnership with Plan International Korea, an international relief and development NGO. By applying a matching grant scheme, in which the company matches employee donations with an equal amount, the company secures sponsorship funds and utilizes them for projects to improve children's educational and living environments, such as classroom expansion, drinking water and sanitation improvement, and library construction. In January 2026, the company successfully completed a cafeteria and kitchen facility improvement project at Mang Den Boarding Elementary School, laying the foundation for a healthy school life. As a result of continued sponsorship activities, the child stunting rate in Quang Ngai Province decreased from 41.5% in 2009 to 28.1% in 2025*, leading to long-term and tangible changes.

* Source: Plan International Korea Project Performance Report

Domestic



Near Mapo Headquarters

- Rehabilitation treatment for disabled children and support for their non-disabled siblings
- Support for the employment activation of career-interrupted women
- Sponsorship for housing for army veterans
- Employee voice donations for barrier-free films

Near Gumi Plant

- Sister partnerships (One Company–One Village, One Company–One School)
- Employee volunteer activities
- Monetary and in-kind donations
- Purchasing eco-friendly local produce and supporting marginalized communities
- Educational and equipment support for rural elementary schools

Near Daegu Plant

- Sponsorship of biodiversity festivals for local community revitalization
- Book donations for rural elementary schools
- Year-end donations for vulnerable groups

Miryang-si, Gyeongnam

- Support for endangered species propagation facilities and release activities

Yeongyang-gun, Gyeongbuk

- Installation of steel fences to protect Class I endangered Korean gorals
- Provision of crop damage prevention facilities in areas where wildlife roams

Near Ulsan Plant

- Sister partnerships (One Company–One Stream, One Company–One School, One Company–One Road)
- Relief supplies and year-end donations for vulnerable groups
- Equipment support for technology development of suppliers located in rural and fishing communities

Gimhae, Gyeongnam

- Support for the rescue and release of endangered winter migratory birds
- Provision of domestic agricultural and livestock feed for winter migratory birds
- Festival support for local community revitalization

Gunbuk-myeon, Gyeongnam

- Education and recycled-material fashion product support for rural elementary schools
- Support for the construction of multipurpose auditoriums and cafeterias
- Sponsorship of rural community festivals
- Heating kerosene support for vulnerable groups

Wando-gun, Jeollanam-do

- Support for ocean forest creation and management in fishing communities

Governance

Board of Directors	68
Shareholders	71
Ethics and Compliance Management	72
Information Security and Personal Data Protection	74

Board of Directors

Board Composition

Board Composition

Hyosung TNC's Board, as the highest decision-making body reflecting shareholder and stakeholder input in management, deliberates and resolves key strategies and management issues in accordance with laws and the articles of incorporation. As of March 2026, the company strengthened business-specific expertise by appointing CEO Chang-hwang Lee (Textile Division) and CEO Young-hwan Yoo (Trading Division), and enhanced diversity by appointing one female independent director. The Board now comprises seven directors—three executive and four independent—maintaining at least 50% independent directors to ensure independent and transparent decision-making. At the Board meeting held on March 21, 2026, CEO Chang-hwang Lee was appointed chairperson, reinforcing the responsible management system.

Board Composition Status (As of March 2026)

Category	Name	Gender	Term	Background of Appointment	Affiliated Committee
Executive Directors	Chang-hwang Lee (CEO, Chairperson of the Board)	Male	March 19, 2028 (New Appointment)	Appointed with the expectation of playing a significant role in the company's continuous growth and development by strengthening business competitiveness based on profound insight, advanced expertise, and management capabilities across the entire business, including Spandex.	• ESG Management Committee • Management Committee
	Young-hwan Yoo (CEO)	Male	March 19, 2027 (New Appointment)	Appointed in recognition of deep understanding of the company, gained through extensive overseas experience and service in divisions including Strategy and Support, along with trade expertise and business operation capabilities expected to contribute to the company's growth and enhance corporate and shareholder value.	• Compensation Committee • Management Committee
	Hyun-joon Cho	Male	March 19, 2029 (Reappointment)	As Chairman of Hyosung Group with proven management skills based on 'Respect for People' and 'Emphasis on Technology', he has driven the global business growth of the Group via proactive investment and new growth engines, strengthening ESG, accountable and customer-centric management practices. Appointed to secure the trust of customers, shareholders, and the market.	• Independent Director Candidate Recommendation Committee
Independent Directors	Seong-soo Eun	Male	March 18, 2027	A macroeconomic and financial expert who previously served as Minister of Economy and Finance and Chairman of the Financial Services Commission. Expected to provide expert advice on global strategy and fund management and enhance communication with shareholders and both internal and external stakeholders through his extensive network.	• Audit Committee • ESG Management Committee • Independent Director Candidate Recommendation Committee
	Jae-woo Lee	Male	March 19, 2029 (Reappointment)	An expert in management and finance who has served as CEO of H&Q AP and Lehman Brothers and Chairman of the Korea Private Equity Association. Appointed with the expectation to contribute to the company's growth through management oversight and the deliberation and resolution of key matters, while enhancing overall management transparency by conducting fair audit duties.	• Audit Committee • ESG Management Committee • Compensation Committee
	Chul-gyu Yoo	Male	March 19, 2029 (Reappointment)	Appointed as a medical expert with professional expertise and diverse research achievements, expected to positively impact management's rational decision-making based on experience and leadership in administrative organization management, gained through positions such as president of academic societies.	• Audit Committee • ESG Management Committee • Compensation Committee
	Myung-ja Kim	Female	March 19, 2029 (New Appointment)	Appointed as an environmental and technology expert who served as Minister of Environment and President of the Korean Federation of Science and Technology Societies (KOFST). Based on extensive experience and knowledge in relevant fields, expected to significantly contribute to the global management and ESG management initiatives.	• Independent Director Candidate Recommendation Committee

Board Operations

Board Operations

The Hyosung TNC Board of Directors operates through a system of quarterly regular board meetings and ad-hoc special board meetings convened as needed. As a general rule, ordinary resolutions require the attendance of a majority of directors and approval by a majority of those present. To ensure transparency in decision-making, the Board's operational regulations stipulate that key matters—such as the prohibition of appropriation of company assets and transactions between directors—require approval by at least two-thirds of the Board members in accordance with the Commercial Act. In 2025, the Board convened a total of seven meetings, during which 13 agenda items were deliberated and resolved—including the approval of the establishment of committees under the Board and the approval of the safety and health plan—and 14 management related matters were reported.

Board Operations Status (As of December 2025)

Category	2025
Board Meetings Held (No.)	7
Resolutions Approved (No.)	13/13

Board Attendance Status (As of December 2025)

Category	Executive Directors			Independent Directors		
	Chi-hyung Kim	Hyun-joon Cho(*)	Joon-jae Jung	Seong-soo Eun	Jae-woo Lee	Chul-gyu Yoo
Attendance rate	100%	71%	100%	100%	100%	100%

* Executive Director Hyun-joon Cho, as the largest shareholder of Hyosung Corporation—the controlling company of the parties to the business transfer agreement for Hyosung Chemical's Specialty Gas Business—did not participate in the decision-making process in order to ensure the fairness of the Board resolution held on January 23, 2025.

Board of Directors

Board Operations

Board Independence

Hyosung TNC ensures Board independence to establish a transparent and sound governance structure. Directors are appointed at the general shareholders' meeting, and transparency in candidate recommendation is secured through rigorous screening—executive director candidates by the Board of Directors and independent director candidates by the Independent Director Candidate Recommendation Committee. In particular, when appointing independent directors, the company thoroughly verifies disqualification criteria in accordance with the Commercial Act and other relevant laws and regulations. In addition, pursuant to the Board's operational regulations, directors with a special interest in a particular resolution are restricted from exercising their voting rights and are excluded from the count of attending directors, thereby maintaining a system of mutual checks and independent decision-making.

Board Expertise

In accordance with the Corporate Governance Charter, Hyosung TNC composes its Board of Directors with experts in various fields, including management, finance, and risk management. In March 2026, the company further strengthened the expertise of its decision-making by appointing two independent directors with expertise in finance and accounting and one with expertise in environmental and sustainability management. In addition, through a dedicated support department, Hyosung TNC operates a support system that includes the distribution of preliminary agenda materials and on-site explanatory briefings, thereby creating an environment in which the expertise of independent directors can be fully reflected in management. Going forward, the company plans to operate the Board so that it fulfills its role as the core decision-making body driving the sustainable growth of the company, based on the sharing of key issues as well as on-site visits to and briefings on business operations.

 Hyosung TNC Board Skills Matrix

Board Diversity

Hyosung TNC broadly considers diversity factors—including gender, race, religion, and nationality—when appointing directors, in order to establish a flexible and fair governance structure that is not limited to any particular background. In March 2026, the company newly appointed one female independent director, thereby securing diversity within the Board. Going forward, Hyosung TNC plans to continuously expand the diversity of its Board composition and enhance corporate value through inclusive governance that integrates diverse perspectives and expertise.

Board Training

Hyosung TNC provides training programs for independent directors to ensure that they can fully exercise their professional competencies on the Board of Directors and its committees. Prior to each Board meeting, the company offers explanatory briefings to provide detailed information on the management status and the purpose of laws and regulations relevant to agenda items (such as the Commercial Act and the Fair Trade Act), and it plans to continuously conduct separate training sessions whenever relevant laws are amended. In addition, by actively supporting independent directors' participation in forums and seminars hosted by external professional institutions such as accounting firms, Hyosung TNC is laying the foundation for effective decision-making by independent directors.

Status of External Training Conducted for Independent Directors (As of December 2025)

Training Date	Organizer	Attending Independent Directors	Key Training Contents
2025.05.09	Deloitte Korea Center for Corporate Governance	Seong-soo Eun	2025 The Future of Corporate Governance: Domestic and Global Environmental Changes and Effective Response Strategies Seminar

Board of Directors

Board Operations

Committees under the Board

To enhance the efficiency and expertise of Board operations, Hyosung TNC operates five committees under the Board: the Audit Committee, Independent Director Candidate Recommendation Committee, Management Committee, ESG Management Committee, and Compensation Committee. To strictly uphold independent and transparent decision-making, the Audit Committee, the cornerstone of management oversight, consists entirely of independent directors. The ESG Management Committee, Compensation Committee, and Independent Director Candidate Recommendation Committee also maintain a majority of independent directors and are chaired by one, fostering an independent governance environment that ensures objectivity in decision-making.

Status of Board Committee Composition (as of March 2026)

Category	Chairperson	Key Roles	Key Agenda Items
ESG Management Committee	Chul-gyu Yoo	Deliberation and resolution on major ESG-related matters	• ESG management status report • Approval of large-scale internal transactions
Independent Director Candidate Recommendation Committee	Myung-ja Kim	Recommendation, deliberation, resolution, and verification of independent director candidates suitable for shareholder interests and company management	• Recommendation of independent director candidates
Audit Committee	Seong-soo Eun	Oversees accounting transparency and fairness through audits of company accounting and operations, reviews of subsidiaries' operations and assets, and appointment or dismissal of external auditors	• Approval of matters related to accounting and business audits • Investigation of subsidiaries' business operations and asset status
Management Committee	Chang-hwang Lee	Decision-making on key management matters of the company, including the determination and change of fundamental management policies as well as matters related to new businesses and investments	• Determination and change of fundamental management policies • Approval of new businesses and investments
Compensation Committee	Jae-woo Lee	Securing transparency and objectivity in the director compensation process through resolutions on matters concerning the compensation framework	• Approval of the compensation limit for registered directors • Establishment and amendment of compensation criteria for registered directors

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 and operating profit) and qualitative indicators (including global management performance and contributions to the company). Independent directors receive a fixed activity fee, with the same amount paid to all independent directors to maintain independence. In 2025, the compensation limit for directors approved at the general shareholders' meeting was KRW 10 billion, and a total of KRW 3,226 million was paid to the six directors. In cases where an individual's compensation is KRW 500 million or more, the details are transparently disclosed through the business report and other filings in accordance with relevant laws.

Board Compensation Status (as of December 2025)

Category	Number of Members	Total Compensation Amount	Average Compensation per Person
Registered directors (excluding independent directors and Audit Committee members)	3	3,063	1,021
Independent directors (Audit Committee members)	3	163	41
Total	6	3,226	461

Shareholders

Shareholder Composition

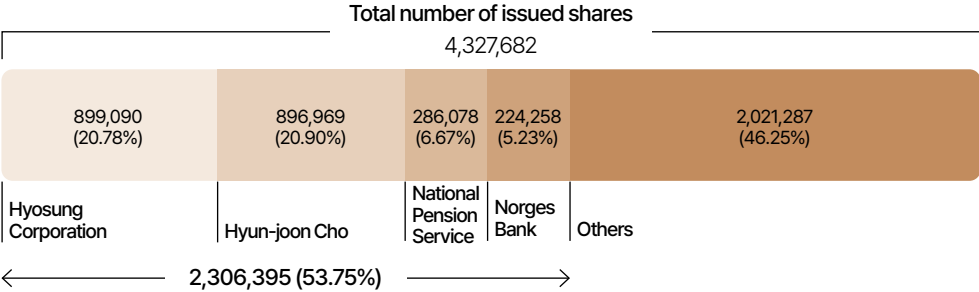
Shareholder Composition Status

As of December 31, 2025, 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 common shares (20.78%). Shareholders holding more than 5% of issued shares include Hyosung Corporation, Hyun-joon Cho, the National Pension Service of Korea, and Norges Bank. The combined ownership of the largest shareholder and its related parties is 42.72%, while the National Pension Service, a government institution, holds 6.67% of total issued shares.

Status of Stock Issuance

Category		Number of Shares
Preferred Shares		0
Common shares	Number of shares with voting rights	4,291,867
	Number of shares without voting rights	35,815
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 shareholders' right to know and right to participate, the company provides information on the date, location, and agenda of the meeting three weeks in advance. The company also strives to schedule meetings outside of peak shareholders' meeting dates to encourage broader participation. In addition, Hyosung TNC supports shareholders in easily exercising their voting rights by disclosing meeting notices through the electronic disclosure system and encouraging proxy voting.

Shareholder Returns

Hyosung TNC places top priority on enhancing shareholder value and executes dividends by comprehensively considering management performance, financial position, and investment plans. In particular, the company has established the basis for interim dividends in its Articles of Incorporation to enhance dividend predictability, and has publicly disclosed through its "2025 Corporate Value-up Plan" that it will review distributing dividends of 20% or more of consolidated net income over the mid-to-long term. In 2025, the company recorded a shareholder return ratio of 113.5% and strengthened tangible shareholder benefits by meeting the requirements for separate taxation on shareholders' dividend income. Building on the trust earned through eight consecutive fiscal years of dividend payments since the spin-off, Hyosung TNC plans to maintain an appropriate level of dividends and transparently share related information to further solidify shareholder confidence.

Shareholder Communication

Hyosung TNC communicates with domestic and international investors through a variety of IR activities, including regular earnings announcements, NDRs (Non-Deal Roadshows), and conference participation, and is striving to expand its global shareholder touchpoints in line with the growing share of foreign ownership. To ensure investors' right to know, the company promptly discloses key management issues through the Financial Supervisory Service's electronic disclosure system(DART) and the company's website. In addition, Hyosung TNC publishes its Sustainability Report and Corporate Governance Report annually to transparently share the company's strategies and performance with all stakeholders.

Ethics and Compliance Management

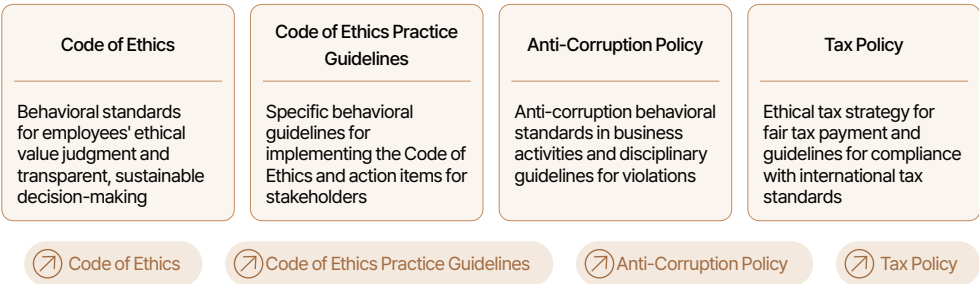
Ethics and Compliance System

Decision-Making and Implementation System

Hyosung TNC deliberates and resolves on agendas related to ethical and compliance management as well as fair trade through the ESG Management Committee under the Board, and regularly reviews compliance with relevant laws and the Code of Ethics Practice Guidelines. The company operates specialized operational teams, including the Audit Team, Compliance Support Team, and Global Accounting & Tax Team, ensuring oversight of overall management operations through independent internal audits. When ethical issues arise, agendas are promptly reported to the PU heads management council, and the results in accordance with compliance control standards are regularly reported to the Board.

Ethics and Compliance Management Policy

Hyosung TNC has established a Code of Ethics and Code of Ethics Practice Guidelines to guide sound decision-making by employees. By codifying key ethical risks—corruption, conflicts of interest, fraud, and money laundering—the company reinforces its ethics and compliance management. Its Anti-Corruption Policy mandates legal compliance and operates an immediate reporting system, while its Tax Policy manages domestic and international tax risks and enhances tax transparency.



Ethics Management Risk Management

Hyosung TNC conducts investigations of reported ethics violations and regular audits of domestic and overseas business sites and subsidiaries, led by the Audit Team. When specific issues arise, special audits are conducted to review the appropriateness of operations and identify unethical conduct, while strictly ensuring the anonymity of both informants and auditees to prevent any disadvantage. Audit results are reported to the CEO, and depending on the severity of the matter, measures such as warnings, disciplinary actions, or compensation are taken. Identified findings are addressed through immediate corrective actions and follow-up monitoring to prevent the recurrence of risks. In 2025, regular audits were conducted on major overseas subsidiaries including Vietnam and Brazil, as well as the Textile and Dyeing Business Unit, and special audits and whistleblower investigations were carried out for Some Sevit Business Division and Hyosung International Trade (Jiaxing) Co., Ltd..

Ethics and Compliance Management Activities

Promotion of Ethics and Compliance Culture

Hyosung TNC conducts ethics and compliance training annually and disseminates a compliance culture through tailored content such as promotional videos and magazines. All new hires pledge to practice ethics and compliance management and refrain from improper solicitation, internalizing their commitment to responsible management, while an advanced training system addresses job-specific ethical risks. Training on the Fair Transactions in Subcontracting Act and contract violations is delivered to departments interfacing with partner companies, and training on the Fair Trade Act, Fair Agency Transactions Act, and trade secret protection is delivered to sales departments, thereby strengthening legal risk management capabilities at the operational level.

2025 Ethics Management Training Performance

Training Program	Target Audience	Training Content
Headquarters Ethics Management Training	All HQ Employees (including contract workers)	Case analysis on compliance management, anti-corruption, etc.
Dong Nai Subsidiary Ethics Management Training	Subsidiary Office Staff	Explanation of employees' compliance with the Code of Ethics and the reporting process
Jiaxing Chemical Anti-Corruption and Fair Trade Training	All Subsidiary Employees	Cases of embezzlement and breach of trust, misappropriation of funds, illegal competing business; key elements of the Fair Trade Act; anti-corruption and fair competition review regulations
Brazil Spandex Ethics Management Training	All Subsidiary Employees	Explanations of anti-corruption, workplace harassment, and workplace sexual harassment; guidelines and specific cases, etc.
Daily Compliance Management at Jiaxing Spandex / Trading	Subsidiary Office Staff	Occupational Crimes and Prevention, Business Contract Management, Fair Trade
Quzhou Spandex ESG Legal Awareness Training	Manager (Department/Division Head) or above, Senior Associate, Team Leader	Anti-Corruption and Misconduct Prevention, Labor Relations Management, Business Contract Compliance Management

Operation of the Ethics and Compliance Reporting System

Hyosung TNC operates online and offline reporting channels accessible to all stakeholders, and explicitly stipulates strict confidentiality and identity protection in accordance with the principle of whistleblower protection. Upon receipt of a report, the company shares the progress with the informant through step-by-step notification emails, and all cases undergo an objective fact-finding process based on the company's internal investigation regulations. Actions taken based on the investigation results are strictly enforced in accordance with internal regulations, and the final outcomes are transparently communicated to the informant, thereby ensuring the credibility of the reporting channel's operation.

Ethics and Compliance Management

Fair Trade Implementation Framework

Fair Trade Principles

Hyosung TNC has incorporated the Korea Fair Trade Commission's Four Practices into its corporate regulations and strictly complies with them to foster a fair trading culture with its partner companies. In addition, the company has explicitly codified guidelines prohibiting retaliatory actions, such as the unilateral restriction or suspension of transactions with partner companies, thereby laying the foundation for a fair partnership. Through these efforts, Hyosung TNC has established a reasonable and transparent trading relationship grounded in mutual trust.

Fair Trade Compliance Program (CP)

Hyosung TNC operates the Fair Trade Compliance Program (CP) to proactively prevent losses caused by legal violations and to cultivate a fair competition culture. To ensure that employees can verify compliance standards immediately while performing their duties, the 'Fair Trade Compliance Manual' is updated and distributed annually. The Legal Compliance Team exclusively oversees the operation of the Fair Trade Compliance Program (CP), minimizing risks through guideline awareness training for all employees and continuous monitoring. In addition, the Compliance Officer, appointed by the Board of Directors, serves as the program administrator overseeing the entire program, and operates an effective reporting system based on the independent authority to report significant issues directly to the Board of Directors and senior management.

Operation of the Subcontracting Review Committee

Hyosung TNC operates the Subcontracting Review Committee to establish a fair subcontracting trade order and build transparent trade relationships. The Subcontracting Review Committee consists of at least three executives and employees, including executives responsible for subcontracting matters, and reviews the appropriateness of criteria for partner company registration and cancellation as well as related objections. In particular, for major transactions involving contracts exceeding KRW 2 billion, the committee rigorously reviews the fairness of price determination and compliance with subcontracting laws prior to contract execution. When necessary, it also collects input from partner companies anonymously to ensure the objectivity of its deliberations.

Fair Trade Compliance Activities

Raising Fair Trade Awareness

Hyosung TNC conducts regular training for all employees on key regulations such as the Fair Trade Act and the Fair Transactions in Subcontracting Act. In particular, for executives and team leaders, additional training is provided on international commercial transactions (including contract terms negotiation and dispute case studies), which are essential for substantive decision-making and risk management, thereby implementing differentiated training tailored to each position level. Building on this compliance awareness, Hyosung TNC operates a company-wide legal risk management system, rigorously adhering to contract review procedures from the pre-contract stage and utilizing standardized contract templates. Throughout this process, the company conducts strict internal reviews of all contracts to eliminate unfair or ambiguous clauses in advance, thereby minimizing the potential for legal disputes.

2025 Fair Trade Training Performance

Training Program	Target Audience	Key Training Contents
Fair Trade Compliance Training	Executives, Team Leaders	• Fair trade (Subcontracting transactions, etc.) • International commercial transactions (Contract terms negotiation, dispute cases, etc.)
	Employees	• Fair trade (Subcontracting transactions, etc.)

Subcontracting Risk Inspection

Hyosung TNC inspects the entire subcontracting process by utilizing the 'Checklist for Legal Compliance Review of Individual Contracts' to ensure fairness in subcontracting transactions. At the pre-transaction stage, the company strictly verifies the issuance of written contracts in advance, the prohibition of unfair price determination and forced provision of goods, and the absence of unjust demands for economic benefits before proceeding with transactions. Even after the completion of transactions, Hyosung TNC manages risks by thoroughly checking for issues such as delayed payments, violations of technical data protection, and unjust reductions. In addition, the company collects input from relevant partner companies when necessary, fully guaranteeing anonymity throughout the process to operate an effective voluntary compliance system.

Information Security and Personal Data Protection

Information Security Management System

Decision-Making and Implementation Framework

Hyosung TNC has appointed a Chief Information Security Officer (CISO) to oversee overall information security activities, and ensures company-wide implementation by designating local security officers at each site and security staff within each team. The company also participates in the group-wide Security Committee, held twice a year, to verify group security standards and maintain an ongoing consultative system. Key holding company decisions — including the establishment and revision of information security policies and the deliberation of security budgets and investments — are reflected in operational guidelines, enhancing the effectiveness of the information security management system.

Responsible Department	Roles and Responsibilities
Chief Information Security Officer (CISO)	- Overall management and supervision of information security tasks - Support for prescribed security activities
Chief Privacy Officer (CPO)	- Overall management of personal information protection tasks - Supervision of compliance with personal information protection laws and regulations
Local Security Officer	Performance of information security tasks within the site, including site security inspections
Team Security Officer	Management and supervision of compliance with information protection policies within the team
Team Security Staff	Delivery of information security training and sharing of security issues

Information Security Policy

To minimize information security risks, Hyosung TNC has established an information security policy that defines organizational roles and responsibilities, and implements it upon approval by top management. The policy is binding for all internal and external stakeholders in a contractual relationship with the company, including employees and partner companies. In addition, the company continuously monitors changes in domestic and international information security laws and requirements, and regularly reflects them in the policy.

Information Protection Declaration

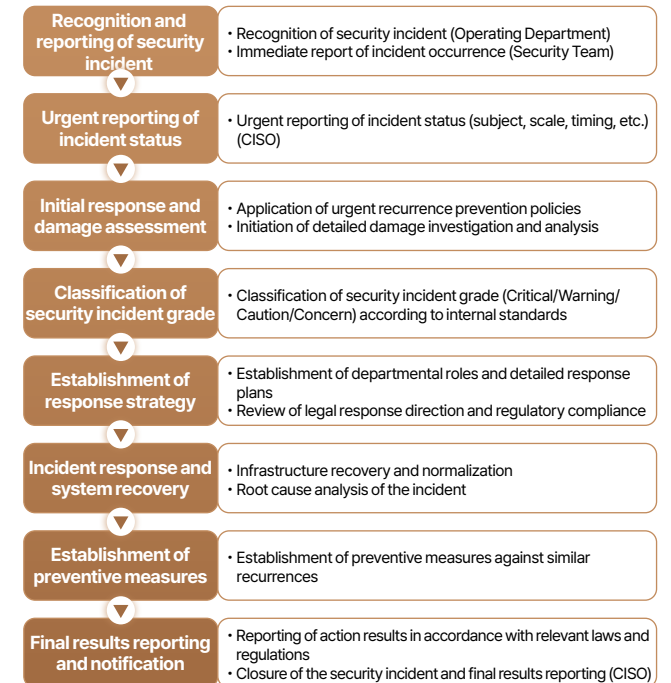
Hyosung TNC Information Protection Declaration

- 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 Incident Response

Hyosung TNC has established an incident response system in preparation for information security and personal data breach incidents. When signs of security incidents or unauthorized access are detected, the immediate reporting system is activated, and in the event of personal data leakage, the company complies with legal obligations to report the incident and notify affected individuals of the breach. After the incident is resolved, measures to prevent recurrence based on thorough analysis are reported to the Chief Information Security Officer (CISO). As of 2025, there have been zero cases of information security or personal data breach incidents, and there is no record of reporting to relevant regulatory authorities under applicable laws.

Information Security Incident Response Process



Information Security and Personal Data Protection

Information Security Activities

Document Centralization Solution

Hyosung TNC has adopted an Enterprise Content Management (ECM) solution to enhance security and work efficiency. By centralizing all internal documents as corporate assets, the company has built a secure collaboration environment and ensures reliability by managing access rights and revision history in real time. It also fundamentally prevents data leakage risks through pre-approval controls and continuous monitoring of critical document transfers.

Integrated Information Security Monitoring System

Hyosung TNC integrates the management of all security logs to prevent loss and tampering, and operates a 24/7 real-time security control system that combines a Security Information and Event Management (SIEM) solution with dedicated specialists. The company immediately incorporates the latest domestic and overseas security incident data into its infrastructure to proactively block similar attacks, and periodically optimizes detection thresholds to maintain a security environment capable of early detection and immediate response to anomalies.

Business Site Information Security Inspection

Hyosung TNC regularly inspects and monitors the effectiveness of information security systems at its key business sites to prevent production disruptions and safety incidents caused by cyberattacks such as ransomware. By conducting integrated inspections that cover not only the technical protection of production facilities but also physical and administrative areas, the company substantively strengthens on-site security capabilities. In 2025, Hyosung TNC conducted intensive inspections of equipment PC management and access control systems for restricted areas at key business sites to identify security risks, and based on the findings, developed improvement measures that further advanced the on-site security framework.

Personal Data Leakage Risk Analysis

Hyosung TNC conducts periodic risk analyses to proactively identify potential personal data leakage risks and immediately implements security measures based on the findings. In 2025, the company carried out an operational review of its personal data processing systems to identify and remediate vulnerabilities, thereby securely protecting the personal data of customers and employees from the risks of leakage and damage.

Malicious Email and Cyberattack Response Training

Hyosung TNC conducts quarterly malicious email simulation drills to proactively respond to cyberattacks and strengthens employees' security capabilities through customized training based on the results. The company also blocks security threats by evaluating the risk level of incoming external emails in real time and inserting warning messages, while sharing the latest phishing cases on a quarterly basis to enhance employees' understanding of potential security threats.

Privacy & Information Processing Policy

Hyosung TNC discloses its Privacy & Information Processing Policy for both internal and external stakeholders to prevent personal information leakage. In accordance with relevant regulations, the company retains access logs of its personal information processing systems for at least one year and verifies management status through monthly inspections. In addition, to help customers' understanding, Hyosung TNC visualizes the entire process—from collection to destruction—through infographics, thereby enhancing transparency and intuitiveness in personal information processing.



Privacy & Information Processing Policy

Information Security Training

Hyosung TNC provides annual practical information security training, both online and offline, to enhance employees' security awareness. After training, all employees sign a company-wide Information Security Pledge to internalize compliance, and the outcomes are analyzed and reflected in the next year's plan. The company also conducts ad-hoc training for relevant personnel when major issues arise, operating a practical, field-oriented training system.

Training Program	Target Audience	Training Content
Information Security Training	All Employees	- Information security threats - Recent key security issues - Changes in the IT usage environment
Personal Information Protection Training	Personal Information Handlers	- Understanding of updated regulatory requirements - Importance of personal information protection

Supplier Information Security

Hyosung TNC conducts on-site due diligence at business sites to prevent the leakage of partner companies' core technologies, design drawings, and other sensitive information. The company enhances security awareness by requiring all newly hired outsourced employees to watch security guideline training videos every year, and continuously strengthens its outsourcing security management system by mandating that partner companies and all external personnel sign security pledges.

ESG Data

Reporting Scope	77
Hyosung TNC Corp. Data	78
Hyosung Neochem Corp. Data	104

ESG Data

Reporting Scope

The ESG Performance section of this report includes data from overseas subsidiaries and domestic affiliates of Hyosung TNC, accounting for over 91% of consolidated sales revenue. Some data may exclude overseas subsidiaries and domestic affiliates, in which case the exclusions are indicated in footnotes. Hyosung Neochem, a domestic affiliate newly established in February 2025, is excluded from the reporting scope for 2023 and 2024 data.

Category		Business Sites and Subsidiaries	Country of Operation
Hyosung TNC Corporation	Domestic Business Sites	Seoul Office (Gongdeok / Banpo)	South Korea
		Ulsan Plant	
		Daegu Plant	
		Gumi Plant	
	Overseas Subsidiaries ¹⁾⁻²⁾	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.	Vietnam
		Hyosung Chemicals (Jiaxing) Co., Ltd.	
		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
	Domestic affiliates (Hyosung Neochem Co., Ltd.)	Seoul Office (Banpo)	South Korea
		Oksan Plant	
		Yongyeon Plant	

1) The data of four additional overseas subsidiaries (Hyosung Japan Co., Ltd., Hyosung Corporation India Private Limited, Hyosung Europe S.R.L., Hyosung New Material & High Technology (Quzhou) Co., Ltd.) have been included in the calculation, beyond the aforementioned entities, limited to GHG emissions and energy consumption data.

2) Although Hyosung New Material & High Technology (Quzhou) Co., Ltd. is a subsidiary of Hyosung TNC Corporation, considering the characteristics of its industry sector, it has been included within the disclosure scope of the overseas business sites of Hyosung Neochem Co., Ltd. for calculation purposes.

Hyosung TNC Co., Ltd.

Financial Performance

Summary of Consolidated Financial Information

Category	Unit	2023	2024	2025
Total assets	KRW million	4,070,471	4,724,183	5,739,089
Current assets		1,856,067	2,034,208	1,980,890
Non-Current assets		2,214,405	2,689,975	3,758,199
Total liabilities		2,501,729	2,904,245	3,782,178
Current liabilities		1,881,749	2,328,368	2,569,416
Non-Current liabilities		619,980	575,877	1,212,762
Total equity		1,568,743	1,819,938	1,956,911

Summary of Consolidated Statement of Comprehensive Income

Category	Unit	2023	2024	2025
Revenue	KRW million	7,526,919	7,776,065	7,694,844
Operating profit		213,393	270,728	251,503
Net income		98,706	183,832	38,196

Corporate Tax by Country

Category	Sub-category	Unit	2023	2024	2025
South Korea	Revenue	KRW million	4,460,120	4,671,336	4,474,077
	Profit before tax	KRW million	105,420	202,048	134,392
	Corporate income tax	KRW million	13,777	47,914	27,074
	Tax rate	%	23.1	23.1	23.1
	Effective tax rate	%	13.1	23.7	20.1
China	Revenue	KRW million	2,530,209	2,380,133	2,355,611
	Profit before tax	KRW million	12,010	-27,948	-11,654
	Corporate income tax	KRW million	1,325	7,731	5,098
	Tax rate	%	25	25	25
	Effective tax rate	%	11	-27.7	-43.7

Corporate Tax by Country

Category	Sub-category	Unit	2023	2024	2025
Vietnam	Revenue	KRW million	1,281,306	1,465,202	1,409,169
	Profit before tax	KRW million	66,643	65,870	70,267
	Corporate income tax	KRW million	4,526	8,738	18,675
	Tax rate	%	5	5	15
	Effective tax rate	%	6.8	13.3	26.6
India	Revenue	KRW million	192,636	258,592	58,582
	Profit before tax	KRW million	-17,298	-4,294	-372
	Corporate income tax	KRW million	-3,594	-580	145
	Tax rate	%	25.2	25.2	25
	Effective tax rate	%	20.8	13.5	-39
Türkiye	Revenue	KRW million	238,630	239,932	240,925
	Profit before tax	KRW million	-13,459	64,852	55,574
	Corporate income tax	KRW million	-3,351	-3,900	5,003
	Tax rate	%	25	25	25
	Effective tax rate	%	24.9	-6	9
Brazil	Revenue	KRW million	146,634	152,343	157,554
	Profit before tax	KRW million	7,444	14,084	28,949
	Corporate income tax	KRW million	-11,785	6,304	7,936
	Tax rate	%	34	34	34
	Effective tax rate	%	-158.3	44.8	27.4
Japan	Revenue	KRW million	635,874	596,070	673,633
	Profit before tax	KRW million	3,887	3,994	3,107
	Corporate income tax	KRW million	1,243	1,416	1,052
	Tax rate	%	30.6	30.6	30.6
	Effective tax rate	%	32	35.5	33.9
Italy	Revenue	KRW million	81,662	93,787	96,912
	Profit before tax	KRW million	2,149	2,828	2,371
	Corporate income tax	KRW million	688	1,144	838
	Tax rate	%	27.9	27.9	27.9
	Effective tax rate	%	32	40.5	35.3

Hyosung TNC Co., Ltd.

Financial Performance

Corporate Tax by Country

Category	Sub-category	Unit	2023	2024	2025
Indonesia	Revenue	KRW million	26,185	27,686	24,257
	Profit before tax	KRW million	770	575	231
	Corporate income tax	KRW million	0	142	51
	Tax rate	%	22	22	22
	Effective tax rate	%	0	24.7	22.1
Spain	Revenue	KRW million	3,952	10,086	9,863
	Profit before tax	KRW million	149	641	532
	Corporate income tax	KRW million	0	211	36
	Tax rate	%	25	25	25
	Effective tax rate	%	0	32.9	6.8
Hong Kong	Revenue	KRW million	16,007	16,141	12,516
	Profit before tax	KRW million	123	561	131
	Corporate income tax	KRW million	1,021	13	20
	Tax rate	%	8.3	8.3	15
	Effective tax rate	%	830.1	2.3	15.3
Taiwan	Revenue	KRW million	2,338	2,966	3,827
	Profit before tax	KRW million	195	268	204
	Corporate income tax	KRW million	78	74	77
	Tax rate	%	20	20	20
	Effective tax rate	%	40	27.6	37.7
Mexico	Revenue	KRW million	1,908	2,111	1,552
	Profit before tax	KRW million	-388	347	43
	Corporate income tax	KRW million	-228	140	-51
	Tax rate	%	30	30	30
	Effective tax rate	%	58.8	40.3	-118.6

Distribution of Economic Value

Category	Unit	2023	2024	2025
Dividends (Shareholders and investors)	KRW million	43,157	43,157	43,348
Interest expenses (Shareholders and investors)	KRW million	85,096	63,649	84,125
Employee wages and benefits (Employees)	KRW million	292,901	331,495	383,066
Raw material costs (Suppliers)	KRW million	2,549,402	2,525,502	2,276,722
Corporate income tax (Government)	KRW million	24,280	29,359	72,644
Donations (Local communities)	KRW million	9,225	3,338	5,776

Hyosung TNC Co., Ltd.

Governance Performance

Compliance with Ethics and Laws

Category	Sub-category	Unit	Domestic (Separate)			Overseas Subsidiaries			Domestic Affiliate	Total		
			2023	2024	2025	2023	2024	2025	2025	2023	2024	2025
Employee discrimination	Total number of discrimination incidents	Incidents	0	0	0	-	-	0	0	0	0	0
	Reviewed incidents of discrimination	Incidents	0	0	0	-	-	0	0	0	0	0
Non-compliance with laws and regulations	Total amount of fines	KRW million	1	5	2	86	128	25	0.6	87	133	276
	Number of cases with fines imposed	Incidents	1	3	1	16	32	4	1	17	35	6
	Number of employees with records of investment related investigations, customer complaints, lawsuits, or legal sanctions	Persons	0	1	0	-	-	0	0	0	1	0
Unfair transaction	Number of unfair transaction practices	Incidents	1	1	0	-	-	0	0	1	1	0
	Fine for unfair transaction practices	KRW million	0	0	0	-	-	0	0	0	0	0
Ethics management	Reports of ethical violations including anti-corruption	Incidents	2	2	5	-	-	5	0	2	2	10
	Number of employees dismissed or disciplined for anticorruption violations	Incidents	3	1	0	-	-	7	0	3	1	7
	Number of business sites that performed anti-corruption risk assessments	Sites	1	7	4	-	-	0	0	1	7	4
	Number of board members educated on anti-corruption policies	Persons	0	1	2	-	-	-	-	0	1	2
	Percentage of board members educated on anti-corruption policies	%	0	20	33.3	-	-	-	-	0	20.0	33.3

Hyosung TNC Co., Ltd.

Environmental Performance

Greenhouse Gas Emissions(Scope 1&2)^{1)~2)}

Category	Sub-category	Unit	Domestic (Separate)			Overseas Subsidiaries			Domestic Affiliate	Total		
			2023	2024	2025	2023	2024	2025	2025	2023	2024	2025
Total greenhouse gas emissions (Scope 1&2)		tCO ₂ eq	259,762	244,097	241,829	1,215,179	1,336,150	1,396,680	102,778	1,474,941	1,580,247	1,741,287
Direct greenhouse gas emissions (Scope 1)	Subtotal		70,830	72,405	95,377	249,565	263,415	279,230	1,498	320,395	335,820	376,105
	Stationary combustion		70,069	69,268	92,434	239,531	255,025	270,582	1,494	309,600	324,293	364,510
	Mobile combustion	tCO ₂ eq	264	239	236	2,446	2,755	2,008	4	2,710	2,994	2,248
	Waste disposal		497	2,898	2,707	7,587	5,633	6,639	0	8,084	8,531	9,346
	Others		0	0	0	1	2	1	0	0.8	1.6	1.2
Indirect greenhouse gas emissions (Scope 2)	Subtotal		188,932	171,692	146,452	965,614	1,072,735	1,117,450	101,280	1,154,546	1,244,427	1,365,182
	Electricity	tCO ₂ eq	186,426	169,667	145,762	729,356	808,552	845,107	101,280	915,782	978,219	1,092,148
	Steam		2,506	2,025	691	219,821	245,440	253,559	0	222,327	247,465	254,249
	Others	tCO ₂ eq	0	0	0	16,436	18,743	18,784	0	16,436	18,743	18,784
Greenhouse gas emissions intensity	Subtotal	tCO ₂ eq/KRW 100 million	5.8	5.2	5.6	52.7	56.5	36.2	72.7	21.8	22.5	20.9
	Scope 1	tCO ₂ eq/KRW 100 million	1.6	1.6	2.2	10.8	11.1	7.2	1.1	4.7	4.8	4.5
	Scope 2	tCO ₂ eq/KRW 100 million	4.2	3.7	3.4	41.9	45.3	28.9	71.7	17.1	17.7	16.4
	Sales ³⁾	KRW 100 million	44,530	46,638	43,252	23,037	23,662	38,599	1,413	67,567	70,300	83,265

1) Through the greenhouse gas emissions verification, the 2024 emissions of domestic business sites and the 2023 and 2024 emissions of overseas subsidiaries were recalculated.

2) The 2025 domestic greenhouse gas emissions target was set at 282,841 tCO₂eq, while the actual 2025 emissions amounted to 241,829 tCO₂eq.

3) Due to a change in the sales calculation method for overseas subsidiaries, the sales figures for the period of 2023–2025 have been recalculated.

Hyosung TNC Co., Ltd.

Environmental Performance

Greenhouse Gas Emissions (Scope 3)¹⁾

Category	Unit	Domestic (Separate)			Overseas Subsidiaries			Domestic Affiliate	Total		
		2023	2024	2025	2023	2024	2025	2025	2023	2024	2025
Greenhouse gas emissions (Scope 3)	tCO ₂ eq	1,123,587	1,073,485	889,887	10,184,907	11,491,582	11,926,428	20,455	11,308,494	12,565,067	12,836,770
Purchased goods and services	tCO ₂ eq	1,044,380	980,231	831,689	5,201,479	6,188,984	7,107,911	3,238	6,245,859	7,169,215	7,942,838
Capital goods	tCO ₂ eq	19	13	65	132	166	210	25	151	179	297
Fuel and energy related activities	tCO ₂ eq	37,478	34,709	7,362	732,542	851,052	859,333	15,679	770,020	885,761	882,374
Upstream transportation and distribution	tCO ₂ eq	19,857	23,529	20,971	122,736	123,369	111,117	36	142,593	146,898	132,124
Waste generated in operations	tCO ₂ eq	648	5,755	5,291	56,406	55,982	164,623	1,308	57,054	61,737	171,222
Business travel	tCO ₂ eq	1,063	1,188	902	7,554	6,727	7,866	59	8,617	7,915	8,828
Employee commuting	tCO ₂ eq	-	-	-	10,685	11,565	5,173	-	10,685	11,565	5,173
Upstream leased assets	tCO ₂ eq	-	-	-	2,408	2,372	1,605	-	2,408	2,372	1,605
Downstream transportation and distribution	tCO ₂ eq	20,142	28,060	23,606	151,496	265,189	248,218	111	171,638	293,249	271,935
Processing of sold products	tCO ₂ eq	-	-	-	-	-	14,510	-	-	-	14,510
Use of sold products	tCO ₂ eq	-	-	-	3,496,506	3,454,126	2,827,608	-	3,496,506	3,454,126	2,827,608
End of life treatment of sold products	tCO ₂ eq	-	-	-	382,712	511,826	561,445	-	382,712	511,826	561,445
Downstream leased assets	tCO ₂ eq	-	-	-	-	-	-	-	-	-	-
Franchises	tCO ₂ eq	-	-	-	-	-	-	-	-	-	-
Investments	tCO ₂ eq	-	-	-	20,252	20,226	16,809	-	20,252	20,226	16,809

1) Through the greenhouse gas emissions verification, the 2023 and 2024 emissions of overseas subsidiaries were recalculated.

Hyosung TNC Co., Ltd.

Environmental Performance

Energy Consumption^{1)~2)}

Category	Sub-category	Unit	Domestic (Separate)			Overseas Subsidiaries			Domestic Affiliate	Total		
			2023	2024	2025	2023	2024	2025	2025	2023	2024	2025
Total energy consumption		TJ	5,966.7	5,439.7	5,357.2	13,184.6	14,352.0	14,572.4	2,176.7	19,151.3	19,791.7	22,026.0
Direct energy consumption	Subtotal	TJ	1,322.7	1,251.4	1,884.5	4,347.4	4,509.6	4,537.8	35.4	5,670.1	5,761.0	6,457.7
	Liquefied natural gas (LNG)	TJ	658.0	446.5	319.3	2,021.1	2,126.8	1,805.4	5.4	2,679.1	2,573.3	2,130.1
	Gasoline	TJ	0	0	0	0	0	0	0	0	0	0
	Diesel	TJ	0	0	0	6.9	9.4	13.8	0	6.9	9.4	13.9
	Liquefied petroleum gas (LPG)	TJ	0	0	0	4.6	4.9	2.4	0	4.6	4.9	2.4
	Propane	TJ	629.9	803.6	735.2	0	0	0	0.2	629.9	803.6	735.4
	Kerosene	TJ	0	0.3	0.3	0	0	0	0	0	0.3	0.3
	Bunker-C oil	TJ	2.2	0	2.1	0	0	0	0	2.2	0	2.1
	Biogas	TJ	32.6	1.1	1.7	0	0	0	0	32.6	1.1	1.7
	Anthracite coal	TJ	0	0	0	1,447.3	1,553.9	1,897.2	0	1,447.3	1,553.9	1,897.2
	Others	TJ	0	0	825.8	867.4	814.5	819.0	29.7	867.4	814.5	1,674.6
Direct energy consumption (Mobile Combustion)	Subtotal	TJ	4.0	3.6	3.5	37.4	42.2	31.1	0.1	41.4	45.8	34.7
	Gasoline	TJ	1.0	1.4	1.6	23.2	25.9	16.0	0	24.2	27.2	17.5
	Diesel	TJ	2.0	1.5	1.5	3.2	3.3	2.7	0.05	5.2	4.8	4.3
	Liquefied petroleum gas (LPG)	TJ	1.0	0.7	0.4	11.0	13.0	12.4	0.02	12.0	13.7	12.9
Indirect energy consumption	Subtotal	TJ	4,640.0	4,184.7	3,469.3	8,799.9	9,800.2	9,923.2	2,141.2	13,439.9	13,984.9	15,533.6
	Electricity	TJ	3,896.0	3,545.4	3,045.9	4,841.4	5,373.9	5,360.2	2,117.0	8,737.4	8,919.3	10,523.1
	Steam	TJ	397.0	283.0	72.4	3,683.0	4,112.3	4,248.3	0	4,080.0	4,395.3	4,320.7
	Heat from waste incineration	TJ	347.0	356.3	351.0	0	0	0	24.2	347.0	356.3	375.1
	Others	TJ	0	0	0	275.4	314.0	314.7	0	275.4	314.0	314.7
Energy intensity	Energy intensity	TJ/KRW 100 million	0.1	0.1	0.1	0.6	0.6	0.4	1.5	0.3	0.3	0.3
	Sales	KRW 100 million	44,530	46,638	43,252	23,037	23,662	38,599	1,413	67,567	70,300	83,265
Renewable energy consumption	Subtotal	TJ	379.4	357.3	352.7	0	0	80.4	24.4	379.4	357.3	457.5
	Renewable energy ratio	%	6.4	6.6	6.6	0	0	0.6	1.1	2.0	1.8	2.1

1) Through the greenhouse gas emissions verification, the 2024 energy consumption of domestic business sites and the 2023 and 2024 energy consumption of overseas subsidiaries were recalculated.

2) The 2025 domestic energy consumption target was set at 6,262 TJ, while the actual 2025 energy consumption amounted to 5,357.2 TJ.

Hyosung TNC Co., Ltd.

Environmental Performance

Waste Management^{1)~2)}

Category	Sub-category	Unit	Domestic (Separate)			Overseas Subsidiaries			Domestic Affiliate	Total			
			2023	2024	2025	2023	2024	2025	2025	2023	2024	2025	
Total waste generated		Ton	13,084	12,840	9,672	27,948	27,087	42,446	9,478	41,032	39,927	61,597	
Non-hazardous waste	Subtotal	Ton	10,534	10,630	7,836	9,546	8,856	20,435	4,944	20,080	19,486	33,214	
	Outsourced treatment	Recycling(㉠)	Ton	9,148	9,753	7,200	7,568	6,636	16,906	4,844	16,716	16,389	28,950
		Incineration	Ton	1,170	724	593	1,213	1,412	1,311	60	2,383	2,136	1,965
		Landfill	Ton	216	152	43	766	808	2,217	40	982	960	2,300
	Subtotal	Ton	2,550	2,210	1,837	18,402	18,231	22,012	4,535	20,952	20,441	28,383	
Hazardous waste	In-house treatment	Recycling(㉡)	Ton	56	107	54	0	0	0	101	56	107	155
	Outsourced treatment	Recycling(㉢)	Ton	935	375	204	3,008	3,098	6,822	467	3,942	3,473	7,493
		Incineration	Ton	1,535	1,727	1,579	14,518	14,741	12,472	72	16,053	16,468	14,123
		Landfill	Ton	23	0	0	833	329	2,098	274	856	329	2,372
		Others	Ton	1	2	0	43	62	619	3,621	45	64	4,240
	Total waste recycled(㉠+㉡+㉢)		Ton	10,138	10,235	7,458	10,576	9,734	23,729	5,411	20,714	19,969	36,597
Waste recycling rate		%	77.5	79.7	77.1	37.8	35.9	55.9	57.1	50.5	50.0	59.4	

1) The 2025 domestic waste generation target was set at 9,681 tons, while the actual 2025 waste generation amounted to 9,672 tons.
2) Due to aggregation errors at domestic business sites and certain overseas subsidiaries, the 2023 and 2024 data have been revised.

Air Pollutant Emissions³⁾

Category	Sub-category	Unit	Domestic (Separate)			Overseas Subsidiaries			Domestic Affiliate	Total		
			2023	2024	2025	2023	2024	2025	2025	2023	2024	2025
Nitrogen oxides (NOx)		Ton	47.0	46.1	35.4	611.3	484.1	442.8	0	658.3	530.1	478.2
Sulfur oxides (SOx)		Ton	3.2	3.2	1.9	56.5	206.5	28.7	0	59.7	209.7	30.6
Particulate matter (PM)		Ton	3.6	4.4	3.8	135.7	109.2	166.2	0.1	139.3	113.7	170.0
Total hydrocarbons (THC)		Ton	1.6	0	1.5	0	0	0	0.1	1.6	0	1.6
Volatile organic compounds (VOCs)		Ton	0.2	0	0.1	51.8	32.2	14.8	0	52.0	32.2	15.0
Hazardous air pollutants (HAPs)	Hydrogen chloride (HCl)	Ton	0.4	0	0.2	0	0	0	0	0.4	0	0.2
	Carbon monoxide (CO)	Ton	5.5	0	13.8	280.1	468.2	134.0	0	285.6	468.2	147.8

3) Due to aggregation errors at domestic business sites and certain overseas subsidiaries, the 2023 and 2024 data have been revised.

Hyosung TNC Co., Ltd.

Environmental Performance

Water Management^{1)~2)}

Category	Unit	Domestic (Separate)			Overseas Subsidiaries			Domestic Affiliate	Total		
		2023	2024	2025	2023	2024	2025	2025	2023	2024	2025
Total water consumption	Ton	5,090,423	4,017,100	3,567,571	8,402,320	8,956,289	8,694,207	325,014	13,492,743	12,973,389	12,586,791
Municipal water	Ton	74,095	73,440	66,336	2,425,778	2,618,113	2,524,295	20,008	2,499,873	2,691,553	2,610,638
Industrial water	Ton	4,003,220	2,751,356	2,338,094	5,338,275	5,716,092	5,557,845	305,006	9,341,495	8,467,448	8,200,945
Reclaimed wastewater	Ton	1,013,108	1,192,304	1,163,141	0	0	0	0	1,013,108	1,192,304	1,163,141
Groundwater	Ton	0	0	0	638,267	622,084	612,067	0	638,267	622,084	612,067
Recycled water	Ton	3,747,425	2,501,461	1,048,467	137,190	201,089	181,342	0	3,884,615	2,702,550	1,229,809
Water recycling rate ³⁾	%	73.6	62.3	29.4	1.6	2.2	2.1	0	28.8	20.8	9.8

1) Due to aggregation errors at domestic business sites and certain overseas subsidiaries, the 2023 and 2024 data have been revised.
2) The 2025 domestic water consumption target was set at 4,175,323 tons, while the actual 2025 water consumption amounted to 3,567,571 tons.
3) Due to the suspension of operations of certain facilities at the Ulsan Plant, the volume of recycled water decreased, resulting in a year-on-year decline in the water recycling rate.

Category		Unit	Domestic (Separate)		
			2023	2024	2025
Seoul	Municipal water	Ton	5,331	9,680	10,080
Ulsan ⁴⁾	Industrial water	Ton	2,702,210	1,716,273	1,345,365
Daegu	Municipal water	Ton	6,565	7,733	7,455
	Industrial water	Ton	551,323	612,960	602,727
Gumi	Municipal water	Ton	62,199	56,027	48,801
	Industrial water	Ton	749,687	422,123	390,002
	Reclaimed wastewater	Ton	1,013,108	1,192,304	1,163,141

4) Due to an aggregation error at the Ulsan Plant, the 2024 industrial water consumption data has been revised.

Hyosung TNC Co., Ltd.

Environmental Performance

Wastewater and Water Pollutant Discharges¹⁾

Category	Sub-category	Unit	Domestic (Separate)			Overseas Subsidiaries			Domestic Affiliate	Total		
			2023	2024	2025	2023	2024	2025	2025	2023	2024	2025
Wastewater discharge by final destination	Total wastewater discharge	Ton	1,191,088	830,498	917,453	1,751,332	1,557,271	1,720,329	5,728	2,942,420	2,387,769	2,643,511
	Wastewater treatment	Ton	1,191,088	830,436	917,375	1,456,470	1,257,969	1,370,054	5,728	2,647,558	2,088,405	2,293,157
	Outsourced treatment	Ton	0	62	78	294,862	299,302	350,275	0	294,862	299,364	350,353
Water pollutants discharged	Biochemical oxygen demand (BOD)	Ton	4.5	4.0	2.6	26.5	20.1	20.7	0.02	30.9	24.0	23.3
	Total organic carbon (TOC) ²⁾	Ton	17.3	10.1	16.5	-	-	-	0.1	17.3	10.1	16.6
	Chemical oxygen demand (COD) ²⁾	Ton	-	-	-	144.3	159.2	136.7	0	144.3	159.2	136.7
	Suspended solids (SS)	Ton	9.4	5.6	11.5	70.0	74.4	56.1	0.01	79.4	80.0	67.5
	Total nitrogen (T-N)	Ton	10.2	9.8	7.6	50.6	65.6	60.3	0.1	60.7	75.4	68.0
	Total phosphorus (T-P)	Ton	0.3	0.2	0.3	0.6	0.3	0.6	0.02	0.9	0.4	0.9

1) Due to aggregation errors at domestic business sites and certain overseas subsidiaries, the 2023 and 2024 data have been revised.

2) TOC is measured at domestic sites, while COD is measured at overseas sites.

Environmentally Friendly Products Sales and Purchases³⁾

Category	Sub-category	Unit	Domestic (Separate)			Overseas Subsidiaries			Domestic Affiliate	Total		
			2023	2024	2025	2023	2024	2025	2025	2023	2024	2025
Sales	Eco-friendly product sales	KRW million	30,460	26,997	27,743	32,908	37,629	61,929	4,879	63,367	64,625	94,551
	Total product sales	KRW million	1,179,603	1,245,014	1,076,483	1,582,683	1,646,908	2,663,428	141,346	2,762,286	2,891,922	3,881,256
	Percentage of eco-friendly product sales	%	2.6	2.2	2.6	2.1	2.3	2.3	3.5	2.3	2.2	2.4
Purchases	Eco-friendly product purchases	KRW million	13,225	18,695	17,082	2,513	2,554	2,576	0	15,738	21,249	19,658
	Total product purchases	KRW million	694,677	657,648	561,476	1,110,577	1,005,291	949,287	17,073	1,805,255	1,662,939	1,527,837
	Percentage of eco-friendly product purchases	%	1.9	2.8	3.0	0.2	0.3	0.3	0	0.9	1.3	1.3

3) Due to aggregation errors at domestic business sites and certain overseas subsidiaries, the 2023 and 2024 data have been revised.

Hyosung TNC Co., Ltd.

Environmental Performance

Raw Materials and Recycled Materials¹⁾

Category	Sub-category	Unit	Domestic (Separate)			Overseas Subsidiaries			Domestic Affiliate	Total		
			2023	2024	2025	2023	2024	2025	2025	2023	2024	2025
Use of Raw Materials and Recycled Materials	Total raw material consumption	Ton	469,213	484,560	427,584	827,281	965,122	995,408	7,647	1,296,494	1,449,682	1,430,639
	Renewable materials consumption	Ton	0	0	0	60	25	59	0	60	25	59
	Non-renewable material consumption	Ton	469,213	484,560	427,584	827,221	965,097	995,349	7,647	1,296,434	1,449,656	1,430,579
	Recycled materials consumption	Ton	9,962	11,895	11,951	1,790	6,892	8,856	0	11,752	18,786	20,807
	Ratio of recycled materials consumption	%	2.1	2.5	2.8	0.2	0.7	0.9	0	0.9	1.3	1.5
	Reused materials consumption	Ton	22,460	25,121	21,685	477,829	515,972	530,683	0	500,289	541,093	552,368

1) Due to changes in the data classification system and calculation criteria for raw materials and recycled materials, the 2023 and 2024 data have been revised.

Reclaimed Packaging Materials²⁾⁻³⁾

Category	Sub-category	Unit	Domestic (Separate)			Overseas Subsidiaries			Total		
			2023	2024	2025	2023	2024	2025	2023	2024	2025
Packaging materials	Total amount of packaging materials sold	Ton	10,455	9,829	7,850	42,977	47,190	50,711	53,432	57,019	58,561
	Total amount of reclaimed packaging materials	Ton	2,296	1,933	1,882	1,682	1,795	2,973	3,978	3,728	4,855
	Percentage of reclaimed products and packaging materials	%	22.0	19.7	24.0	3.9	3.8	5.9	7.4	6.5	8.3

2) Due to the unavailability of data from domestic affiliate, the reporting of reclaimed packaging materials data for domestic affiliate has been omitted.

3) The calculation method for packaging material reclamation data has been changed starting from 2025.

Chemical Substances Management⁴⁾

Category	Unit	Domestic (Separate)			Overseas Subsidiaries			Domestic Affiliate	Total		
		2023	2024	2025	2023	2024	2025	2025	2023	2024	2025
Hazardous chemicals consumption	Ton	137,835	160,865	143,896	70,176	74,341	77,318	7,647	208,011	235,206	228,861
Chemical substance emissions	Ton	0.3	0.2	0.1	2.2	2.5	2.7	30.0	2.6	2.7	32.7

4) Due to aggregation errors at domestic business sites and certain overseas subsidiaries, the 2023 and 2024 data have been revised.

Hyosung TNC Co., Ltd.

Environmental Performance

Environmental Investment¹⁾

Category	Unit	Domestic (Separate)			Overseas Subsidiaries			Domestic Affiliate	Total		
		2023	2024	2025	2023	2024	2025	2025	2023	2024	2025
Total environmental investment	KRW million	3,993	2,815	2,359	12,117	13,074	12,722	1,680	16,110	15,889	16,761
Environmental treatment and prevention costs	KRW million	2,491	2,064	1,703	11,148	10,515	11,095	1,491	13,639	12,580	14,290
Environmental monitoring and certification costs	KRW million	614	579	481	468	274	709	189	1,082	853	1,379
Environmental facility investment costs	KRW million	888	172	175	501	2,284	918	0	1,389	2,456	1,093

1) Due to aggregation errors at domestic business sites and certain overseas subsidiaries, the 2023 and 2024 data have been revised.

Eco-friendly Vehicles²⁾

Category	Unit	Domestic (Separate)			Overseas Subsidiaries			Domestic Affiliate	Total		
		2023	2024	2025	2023	2024	2025	2025	2023	2024	2025
Eco-friendly vehicles	Vehicles	2	2	3	0	0	19	0	2	2	22
Total number of company vehicles	Vehicles	51	52	64	113	133	184	2	164	185	250
Ratio of eco-friendlyvehicle	%	3.9	3.8	4.7	0	0	10.3	0	1.2	1.1	8.8

2) Due to aggregation errors at domestic business sites and certain overseas subsidiaries, the 2023 and 2024 data have been revised.

Violation of Laws and Regulations³⁾

Category	Unit	Domestic (Separate)			Overseas Subsidiaries			Domestic Affiliate	Total		
		2023	2024	2025	2023	2024	2025	2025	2023	2024	2025
Number of environmental law violations	Incidents	1	3	2	3	0	5	0	4	3	7
Financial penalties for environmental law violations	KRW million	1.0	2.6	4.3	8.8	0	15.4	0	9.8	2.6	19.7

3) Due to aggregation errors at certain overseas subsidiaries, the 2023 data has been revised.

Hyosung TNC Co., Ltd.

Social Performance

Employee Composition

Category		Sub-category	Unit	Domestic (Separate)			Overseas Subsidiaries			Domestic Affiliate	Total		
				2023	2024	2025	2023	2024	2025	2025	2023	2024	2025
Total number of employees			Persons	1,389	1,317	1,266	5,865	6,531	6,628	264	7,254	7,848	8,158
Region	Korea		Persons	1,389	1,317	1,266	-	-	-	264	1,389	1,317	1,530
	China		Persons	-	-	-	2,634	3,014	3,026	-	2,634	3,014	3,026
	Asia (excluding China)		Persons	-	-	-	2,287	2,544	2,609	-	2,287	2,544	2,609
	Americas		Persons	-	-	-	425	442	457	-	425	442	457
	Europe		Persons	-	-	-	519	531	536	-	519	531	536
Gender		Subtotal	Persons	1,311	1,240	1,197	5,699	6,302	6,425	241	7,010	7,542	7,863
	Permanent	Male	Persons	1,068	989	947	4,105	4,547	4,631	221	5,173	5,536	5,799
		Female	Persons	243	251	250	1,594	1,755	1,794	20	1,837	2,006	2,064
		Subtotal	Persons	78	77	69	166	229	203	23	244	306	295
	Temporary	Male	Persons	42	44	46	141	197	171	17	183	241	234
		Female	Persons	36	33	23	25	32	32	6	61	65	61
Age		Subtotal	Persons	1,311	1,240	1,197	5,699	6,302	6,425	241	7,010	7,542	7,863
	Permanent	Under 30	Persons	169	149	134	2,348	2,500	2,579	32	2,517	2,649	2,745
		30–50	Persons	749	676	689	3,196	3,602	3,627	175	3,945	4,278	4,491
		51 and above	Persons	393	415	374	155	200	219	34	548	615	627
		Subtotal	Persons	78	77	69	166	229	203	23	244	306	295
	Temporary	Under 30	Persons	20	16	7	86	169	134	11	106	185	152
		30–50	Persons	10	12	11	73	53	57	3	83	65	71
		51 and above	Persons	48	49	51	7	7	12	9	55	56	72

Hyosung TNC Co., Ltd.

Social Performance

Employee Composition¹⁾

Category	Sub-category	Unit	Domestic (Separate)			Overseas Subsidiaries			Domestic Affiliate	Total			
			2023	2024	2025	2023	2024	2025	2025	2023	2024	2025	
Job level	Permanent	Subtotal	Persons	1,311	1,240	1,197	5,699	6,302	6,425	241	7,010	7,542	7,863
		Executive	Persons	22	23	24	62	62	94	3	84	85	121
		Manager level	Persons	318	311	321	404	430	450	48	722	741	819
		Non-manager level	Persons	971	906	852	5,233	5,810	5,881	190	6,204	6,716	6,923
	Temporary	Subtotal	Persons	78	77	69	166	229	203	23	244	306	295
		Executive	Persons	1	0	0	0	0	1	0	1	0	1
		Manager level	Persons	1	0	5	2	2	4	1	3	2	10
		Non-manager level	Persons	76	77	64	164	227	198	22	240	304	284
Job Group	Permanent	Office ¹⁾	Persons	751	766	741	1,439	1,552	1,568	106	2,190	2,318	2,415
		Technical	Persons	560	474	456	4,260	4,750	4,857	135	4,820	5,224	5,448
Diversity	Gender diversity in the Board of Directors	Subtotal	Persons	6	5	6	-	-	-	-	6	5	6
		Male	Persons	6	5	6	-	-	-	-	6	5	6
		Female	Persons	0	0	0	-	-	-	-	0	0	0
	Age diversity in the Board of Directors	Subtotal	Persons	6	5	6	-	-	-	-	6	5	6
		Under 30	Persons	0	0	0	-	-	-	-	0	0	0
		30–50	Persons	0	0	0	-	-	-	-	0	0	0
		51 and above	Persons	6	5	6	-	-	-	-	6	5	6

1) Due to aggregation errors at certain overseas subsidiaries, the 2023 and 2024 data have been revised.

Hyosung TNC Co., Ltd.

Social Performance

Employee Composition

Category	Sub-category	Unit	Domestic (Separate)			Overseas Subsidiaries			Domestic Affiliate	Total		
			2023	2024	2025	2023	2024	2025	2025	2023	2024	2025
Diversity	Subtotal ¹⁾	Persons	331	334	335	1,752	1,947	2,056	31	2,083	2,281	2,422
	Female ¹⁾	Persons	279	284	273	1,619	1,787	1,826	26	1,898	2,071	2,125
	Employee diversity ²⁾											
	Employees with disabilities	Persons	33	28	41	36	37	52	3	69	65	96
	Veterans	Persons	14	12	12	0	0	37	1	14	12	50
	Foreigners	Persons	5	10	9	97	123	141	1	102	133	151
	Female employee ratio	%	20.1	21.6	21.6	27.6	27.4	27.5	9.8	26.2	26.4	26.0
	Fostering female talent											
	Number of female managers	Persons	43	43	46	128	138	152	4	171	181	202
	Number of male managers	Persons	300	268	280	331	346	388	48	631	614	716
Non-affiliated workers	Proportion of female managers	%	12.5	13.8	14.1	27.9	28.5	28.1	7.7	21.3	22.8	22.0
	Subtotal	Persons	557	464	408	121	64	152	9	678	528	569
	Male	Persons	416	347	297	97	46	128	8	513	393	433
	Female	Persons	141	117	111	24	18	24	1	165	135	136
Senior Managers	Total											
	Senior managers	Persons	93	99	105	543	543	552	20	636	642	677
	Local senior managers											
	Number of local senior managers	Persons	93	99	105	136	139	164	20	229	238	289
	Percentage of local senior managers	%	100	100	100	25.0	25.6	29.7	100	36.0	37.1	42.7

1) Due to aggregation errors at domestic business sites and certain overseas subsidiaries, the 2023 and 2024 data have been revised.

2) The 2026 workforce diversity targets of Hyosung TNC Co., Ltd. are as follows :

- Gender diversity : Increase the proportion of women among new hires to 40% or higher
- Employment of persons with disabilities : Maintain the employment rate of persons with disabilities at 3.1% or higher relative to the total headcount at the headquarters, and ensure the proportion of persons with severe disabilities remains at 50% or higher

Hyosung TNC Co., Ltd.

Social Performance

New Employee Hires

Category	Sub-category	Unit	Domestic (Separate)			Overseas Subsidiaries			Domestic Affiliate	Total			
			2023	2024	2025	2023	2024	2025	2025	2023	2024	2025	
New hires	Subtotal	Persons	183	138	101	1,765	2,017	1,624	16	1,948	2,155	1,741	
	Korea	Persons	183	138	101	-	-	-	16	183	138	117	
	China	Persons	-	-	-	697	836	541	-	697	836	541	
	Asia (excluding China)	Persons	-	-	-	768	817	803	-	768	817	803	
	Americas	Persons	-	-	-	204	246	114	-	204	246	114	
	Europe	Persons	-	-	-	96	118	166	-	96	118	166	
Gender	Subtotal	Persons	183	138	101	1,765	2,017	1,624	16	1,948	2,155	1,741	
	Male	Persons	118	89	77	1,377	1,503	1,236	15	1,495	1,592	1,328	
	Female	Persons	65	49	24	388	514	388	1	453	563	413	
	New hire ratio by gender	Male	%	64.5	64.5	76.2	78.0	74.5	76.1	93.8	76.7	73.9	76.3
		Female	%	35.5	35.5	23.8	22.0	25.5	23.9	6.3	23.3	26.1	23.7
Age	Subtotal	Persons	183	138	101	1,765	2,017	1,624	16	1,948	2,155	1,741	
	Under 30	Persons	92	60	38	1,171	1,395	1,151	3	1,263	1,455	1,192	
	30-50	Persons	74	52	32	583	612	463	5	657	664	500	
	51 and above	Persons	17	26	31	11	10	10	8	28	36	49	
	New hire ratio by age	Under 30	%	50.3	43.5	37.6	66.3	69.2	70.9	18.8	64.8	67.5	68.5
		30-50	%	40.4	37.7	31.7	33.0	30.3	28.5	31.3	33.7	30.8	28.7
		51 and above	%	9.3	18.8	30.7	0.6	0.5	0.6	50.0	1.4	1.7	2.8

Hyosung TNC Co., Ltd.

Social Performance

Employee Turnover

Category	Sub-category	Unit	Domestic (Separate)			Overseas Subsidiaries			Domestic Affiliate	Total		
			2023	2024	2025	2023	2024	2025	2025	2023	2024	2025
Number of employee turnover	Subtotal	Persons	224	229	158	1,555	1,952	1,967	13	1,779	2,181	2,138
	Voluntary turnover	Persons	140	113	81	1,253	1,520	1,293	12	1,393	1,633	1,386
	Transfer to affiliated company	Persons	27	28	16	24	52	133	1	51	80	150
	Involuntary turnover	Persons	57	88	61	278	380	541	0	335	468	602
	Voluntary turnover rate	%	10.1	8.6	6.4	21.4	23.3	19.5	4.5	19.2	20.8	17.0
	Total turnover rate	%	16.1	17.4	12.5	26.5	29.9	29.7	4.9	24.5	27.8	26.2
Gender	Subtotal	Persons	224	229	158	1,555	1,952	1,967	13	1,779	2,181	2,138
	Male	Persons	153	181	120	1,250	1,521	1,524	10	1,403	1,702	1,654
	Female	Persons	71	48	38	305	431	443	3	376	479	484
Turnover rate by gender	Male	%	11.0	13.7	9.5	21.3	23.3	23.0	3.8	19.3	21.7	20.3
	Female	%	5.1	3.6	3.0	5.2	6.6	6.7	1.1	5.2	6.1	5.9
Age	Subtotal	Persons	224	229	158	1,555	1,952	1,967	13	1,779	2,181	2,138
	Under 30	Persons	65	42	30	984	1,170	1,189	5	1,049	1,212	1,224
	30–50	Persons	103	85	58	553	763	745	6	656	848	809
	51 and above	Persons	56	102	70	18	19	33	2	74	121	105
Turnover rate by age	Under 30	%	4.7	3.2	2.4	16.8	17.9	17.9	1.9	14.5	15.4	15
	30–50	%	7.4	6.5	4.6	9.4	11.7	11.2	2.3	9.0	10.8	9.9
	51 and above	%	4.0	7.7	5.5	0.3	0.3	0.5	0.8	1.0	1.5	1.3

Hyosung TNC Co., Ltd.

Social Performance

Parental Leave

Category	Sub-category	Unit	Domestic (Separate)			Overseas Subsidiaries			Domestic Affiliate ¹⁾	Total		
			2023	2024	2025	2023	2024	2025	2025	2023	2024	2025
Male	Number of employees entitled to parental leave	Persons	155	132	134	701	747	592	57	856	879	783
	Number of employees on parental leave	Persons	8	12	30	259	268	314	3	267	280	347
	Number of employees returning to work after parental leave	Persons	8	6	19	258	265	284	2	266	271	305
	Number of employees who worked for at least 12 months after returning to work	Persons	0	8	6	202	188	235	-	202	196	241
	Return rate after parental leave	%	100	50.0	63.3	99.6	98.9	90.4	66.7	99.6	96.8	87.9
	Rate of employees who worked for at least 12 months after returning to work	%	-	100	100	78.3	70.9	82.7	-	78.3	70.9	79.0
Female	Number of employees entitled to parental leave	Persons	25	20	19	302	340	198	3	327	360	220
	Number of employees on parental leave	Persons	10	11	18	122	142	154	0	132	153	172
	Number of employees returning to work after parental leave	Persons	10	10	7	121	137	147	0	131	147	154
	Number of employees who worked for at least 12 months after returning to work	Persons	5	8	6	108	102	121	-	113	110	127
	Return rate after parental leave ²⁾	%	100	90.9	38.9	99.2	96.5	95.5	-	99.2	96.1	89.5
	Rate of employees who worked for at least 12 months after returning to work	%	71.4	80.0	60.0	89.3	74.5	82.3	-	86.3	74.8	82.5

1) Considering that Hyosung Neochem Co., Ltd. was established in February 2025, the reporting of data on employees who returned to work and remained employed for at least 12 months in 2025 at Hyosung Neochem Co., Ltd. has been omitted.

2) As the number of female employees who returned to work after parental leave at Hyosung Neochem Co., Ltd. in 2025 was zero, the reporting of the 2025 return-to-work rate after parental leave for female employees has been omitted.

Hyosung TNC Co., Ltd.

Social Performance

Employee Salary and Compensation

Category	Sub-category	Unit	Domestic (Separate)			Overseas Subsidiaries			Domestic Affiliate	Total			
			2023	2024	2025	2023	2024	2025	2025	2023	2024	2025	
Average salary for entry-level employees		KRW million	41	49	47	14	15	11	60	16	17	13	
Annual average legal minimum wage		KRW million	24	25	25	5	6	4	25	9	9	8	
Entry-level salary by gender	Male	KRW million	53	52	52	14	15	10	66	22	21	19	
	Female	KRW million	39	45	46	13	14	8	37	17	19	13	
Ratio of entry-level salary to legal minimum wage	Male	%	221.0	208.9	205.5	268.5	268.9	295.8	264.0	251.0	245.0	256.0	
	Female	%	163.6	183.2	184.0	256.2	259.4	214.1	148.0	194.0	212.0	170.0	
Total annual salary by gender and position	Male	Executive	KRW million	196	233	248	136	153	152	176	141	160	161
		Manager level	KRW million	97	96	101	51	55	57	83	55	58	63
		Non-manager level	KRW million	67	67	71	17	19	21	58	21	23	27
	Female	Executive	KRW million	148	169	188	16	17	24	-	27	30	34
		Manager level	KRW million	89	91	94	39	43	42	72	43	47	49
		Non-manager level	KRW million	47	47	49	16	18	20	33	18	20	23
Ratio of female to male total salary by position	Executive	%	75.7	72.5	75.9	11.8	11.4	15.5	-	19.2	18.8	21.3	
	Manager level	%	92.0	94.9	93.0	75.9	77.9	73.5	87.6	78.3	80.2	77.4	
	Non-manager level	%	69.4	69.2	69.3	92.7	94.1	96.9	56.1	86.6	88.1	84.8	
Average annual salary of employees		KRW million	71	74	77	20	22	25	62	24	27	31	
Highest-paid Individual	Total annual compensation	KRW million	301	338	2,438	189	223	214	214	198	233	385	
	Year-on-year increase in total compensation ¹⁾	%	-5.7	12.3	620.6	10.8	18.1	-4.4	-	8.4	17.4	65.1	
Employees (Excluding highest-paid individual)	Average annual compensation (excluding highest-paid individual)	KRW million	73	72	77	20	22	24	61	24	27	31	
	Median annual compensation	KRW million	73	70	75	18	19	21	60	22	24	28	
	Year-on-year increase in median compensation ¹⁾	%	7.7	-3.9	7.7	11.4	8.5	9.2	-	9.9	5.1	20.0	
Ratio of the total annual salary for the highest-paid individual to the median for all employees (excluding the highest-paid individual)		Times	4.1	4.7	31.8	9.4	10	8.9	3.5	8.1	8.8	12.5	

1) As Hyosung Neochem Co., Ltd. was newly established through a spin-off from Hyosung Chemical Corporation in February 2025, no salary payments were incurred by the company in 2024; therefore, the reporting of year-on-year growth rate data for Hyosung Neochem Co., Ltd. has been omitted.

Hyosung TNC Co., Ltd.

Social Performance

Collective Bargaining Agreements

Category	Unit	Domestic (Separate)			Overseas Subsidiaries			Domestic Affiliate	Total		
		2023	2024	2025	2023	2024	2025	2025	2023	2024	2025
Number of employees eligible for collective agreements	Persons	469	382	354	5,605	5,953	6,014	150	6,074	6,335	6,518
Ratio of employees eligible for collective agreements	%	33.8	29.2	28.0	95.6	91.1	90.7	56.8	83.7	80.7	79.9
Number of employees covered by collective agreement	Persons	413	313	286	4,954	5,431	5,488	150	5,367	5,744	5,924
Ratio of employees covered by collective agreements ¹⁾	%	88.1	81.5	80.8	88.4	91.2	91.3	100	88.4	90.7	90.9

1) Hyosung TNC Co., Ltd.'s collective bargaining agreement applies to Grade 5 technical employees based at the Ulsan and Gumi Plants. (including expatriates assigned to overseas subsidiaries and employees on overseas assignments)

Retirement Pension

Category	Unit	Domestic (Separate)			Overseas Subsidiaries ²⁾			Domestic Affiliate	Total		
		2023	2024	2025	2023	2024	2025	2025	2023	2024	2025
Total retirement pension assets	KRW million	95,627	94,218	92,833	141	188	10,319	10,291	95,768	94,406	113,443
Defined Benefit(DB) Pension assets	KRW million	91,099	88,477	89,545	-	-	-	10,170	91,099	88,477	99,715
Defined Contribution(DC) Pension assets	KRW million	4,528	5,741	3,288	-	-	-	121	4,528	5,741	3,409
Total number of pension plan members	Persons	1,566	1,483	1,428	-	-	-	264	1,566	1,483	1,692
Number of Defined Benefit(DB) plan members	Persons	1,254	1,194	1,139	-	-	-	251	1,254	1,194	1,390
Number of Defined Contribution(DC) plan members	Persons	312	289	289	-	-	-	13	312	289	302

2) As data verification for certain overseas subsidiaries was not feasible, the reporting of data on retirement pension operating amounts and the number of enrolled members by type has been omitted.

Hyosung TNC Co., Ltd.

Social Performance

Performance Evaluation

Category		Sub-category	Unit	Domestic (Separate) ¹⁾			Overseas Subsidiaries			Domestic Affiliate	Total		
				2023	2024	2025	2023	2024	2025	2025	2023	2024	2025
Number of employees subject to performance evaluation			Persons	1,311	1,317	1,266	4,887	5,098	5,400	264	6,198	6,415	6,930
Ratio of employees who received performance evaluation			%	94.4	100	100	83.3	78.1	81.5	100	85.4	81.7	84.9
Gender	Number of employees who received performance evaluation	Male	Persons	971	935	883	3,495	3,660	3,859	238	4,466	4,595	4,980
		Female	Persons	216	260	246	1,392	1,438	1,541	26	1,608	1,698	1,813
	Performance evaluation rate	Male	%	96.2	95.7	95.4	96.7	95.8	96.4	92.9	96.6	95.8	96.1
		Female	%	87.1	88.4	91.6	98.5	98.2	98.2	76.9	96.8	96.9	97.1
Job level	Number of employees who received performance evaluation	Executive	Persons	20	23	24	51	49	79	3	71	72	106
		Manager level	Persons	305	302	313	480	498	405	49	785	800	767
		Non-manager level ²⁾	Persons	862	870	792	4,356	4,551	4,916	212	5,218	5,421	5,920
	Performance evaluation rate	Executive	%	87.0	100	100	100	100	99.0	100	98.8	100	99.2
		Manager level	%	99.7	100	98.0	99.5	99.5	99.1	98.0	99.6	99.7	98.8
		Non-manager level	%	92.7	92.2	93.0	97.0	96.2	96.7	89.6	96.3	95.7	96.1

1) Due to changes in the data calculation criteria, the number of employees who received performance evaluation reviews in 2023 and 2024 has been revised.

2) Due to aggregation errors at certain overseas subsidiaries, the number of non-managerial employees who received performance evaluation reviews in 2023 has been revised.

Health Checkups^{3)~4)}

Category	Unit	Domestic (Separate)			Overseas Subsidiaries			Domestic Affiliate	Total		
		2023	2024	2025	2023	2024	2025	2025	2023	2024	2025
Employees eligible for health checkups	Persons	551	734	544	-	-	5,825	264	551	734	6,633
Employees who received health checkups	Persons	537	727	540	-	-	5,718	264	537	727	6,522
Health checkup rate	%	97.5	99.0	99.3	-	-	98.2	100	97.5	99.0	98.3

3) As this is a newly introduced quantitative indicator in 2025, data for overseas subsidiaries has been disclosed starting from 2025.

4) Employee health checkups are conducted annually for those aged 40 or above, and biennially (every two years) for those aged 39 or below, in accordance with age-based criteria.

Hyosung TNC Co., Ltd.

Social Performance

Employee Training¹⁾

Category	Sub-category	Unit	Domestic (Separate)			Overseas Subsidiaries			Domestic Affiliate	Total		
			2023	2024	2025	2023	2024	2025	2025	2023	2024	2025
Number of training participants		Persons	22,019	16,977	15,900	24,411	20,954	26,979	2,267	46,430	37,931	45,146
Total training expenses		KRW million	917	818	917	273	267	292	193	1,190	1,085	1,402
Total training hours		Hours	82,901	49,517	45,107	107,670	112,543	106,725	5,371	190,571	162,060	157,202
Average training hours per employee		Hours	60	38	36	18	17	16	20.34	26	21	19
Average training expenses per employee		KRW	660,470	621,333	724,332	46,538	40,831	44,126	730,384	164,094	138,247	171,892
Total training hours by job level	Executive	Hours	666	1,407	796	270	765	1,094	34	936	2,171	1,924
	Manager level	Hours	17,965	16,467	18,924	19,838	16,562	18,812	833	37,803	33,029	38,569
	Non-manager level	Hours	64,271	31,644	25,387	87,562	95,216	86,819	4,504	151,833	126,860	116,710
Total training hours per employee by job level	Executive	Hours	29	61	33	4	12	12	11	11	26	16
	Manager level	Hours	56	53	58	49	38	41	17	52	44	47
	Non-manager level	Hours	61	32	28	16	16	14	21	24	18	16
Number of participants in environmental training		Persons	2,097	1,287	1,234	831	1,205	1,184	243	2,928	2,492	2,661
Number of participants in fair trade training		Persons	1,378	1,199	986	777	95	3,155	204	2,155	1,294	4,345
Number of participants in safety and health training		Persons	3,156	2,056	2,414	6,691	8,317	7,427	32	10,309	10,373	9,873
Number of participants in human rights training		Persons	5,885	5,226	4,260	1,366	874	3,566	783	7,251	6,100	8,609
Number of employees trained for information security		Persons	2,067	1,940	1,461	2,974	3,393	3,822	243	5,041	5,333	5,526
Number of employees trained for physical security		Persons	0	0	0	1,656	1,553	1,174	0	1,656	1,553	1,174
Number of participants in sustainability management training		Persons	1,410	1,274	1,141	3,311	911	1,265	243	4,721	2,185	2,649
Number of participants in retiree training		Persons	4	1	0	231	571	288	0	235	572	288
Number of participants in supply chain risk management training		Persons	2	1	2	287	314	238	0	289	315	240
Number of participants in job competency enhancement training ²⁾		Persons	-	-	917	-	-	1,502	57	0	0	2,476
Ratio of participants in job competency enhancement training ²⁾		%	-	-	72.4	-	-	23.4	21.7	0	0	31.1
Number of participants in ethics and anti-corruption training ³⁾		Persons	1,383	1,202	983	3,021	2,406	3,155	199	4,404	3,608	4,337
Ratio of employees who received ethics and anti-corruption training		%	99.6	91.3	77.6	51.5	36.8	47.6	75.4	60.7	46.0	53.2

1) The number of training participants represents the cumulative number of participants across each training course.

2) As job competency enhancement training is a newly introduced quantitative indicator in 2025, data has been disclosed starting from 2025.

3) Due to aggregation errors at certain domestic business sites, the 2023 data on the number of employees who received ethics and anti-corruption training has been revised.

Hyosung TNC Co., Ltd.

Social Performance

Occupational Health and Safety Management System¹⁾

Category	Unit	Domestic (Separate)		
		2023	2024	2025
Total number of employees and external workers	Persons	1,946	1,781	1,674
Number of employees and workers covered by the occupational health and safety system	Persons	1,946	1,781	1,674
Percentage of employees and workers covered by the occupational health and safety system	%	100	100	100
Number of employees and workers covered by an audited OHS system	Persons	1,946	1,781	1,674
Percentage of employees and workers covered by an audited OHS system	%	100	100	100
Number of employees and workers covered by an externally audited/certified OHS system	Persons	1,946	1,781	1,674
Percentage of employees and workers covered by an externally audited/certified OHS system	%	100	100	100

1) As data verification for the domestic affiliate and certain overseas subsidiaries was not feasible, the reporting of data on occupational health and safety management systems for the domestic affiliate and overseas subsidiaries has been omitted.

Occupational Accidents

Category	Sub-category	Unit	Domestic (Separate)			Overseas Subsidiaries			Domestic Affiliate	Total		
			2023	2024	2025	2023	2024	2025	2025	2023	2024	2025
Total number of business sites		Sites	6	6	6	20	20	20	3	26	26	29
Business sites with occupational accidents	Number of business sites	Sites	3	2	2	5	5	7	0	8	7	9
	Ratio of business sites	%	50.0	33.3	33.3	25.0	25.0	35.0	0	30.8	26.9	31.0
Number of occupational accidents	Employees	Incidents	4	3	3	14	16	24	0	18	19	27
	External workers	Incidents	0	4	2	0	0	0	0	0	4	2
Total work hours		Hours	2,900,232	2,749,896	2,643,408	12,246,120	13,636,728	13,839,264	551,232	15,146,352	16,386,624	17,033,904
Injury Rate ²⁾	Employees	%	0.29	0.23	0.24	0.24	0.24	0.36	0	0.25	0.24	0.33
	External workers	%	0	0.8	0.49	0	0	0	0	0	0.76	0.35
Serious accidents (excluding fatalities)		Incidents	0	0	0	3	3	1	0	3	3	1
Number of fatalities		Persons	0	0	0	0	0	0	0	0	0	0
Fatality rate		%	0	0	0	0	0	0	0	0	0	0

2) Injury Rate : (Number of Accidents / Total Number of Employees) × 100

Hyosung TNC Co., Ltd.

Social Performance

Occupational Diseases

Category		Sub-category	Unit	Domestic (Separate)			Overseas Subsidiaries			Domestic Affiliate	Total		
				2023	2024	2025	2023	2024	2025	2025	2023	2024	2025
Total number of business sites			Sites	6	6	6	20	20	20	3	26	26	29
Business sites with occupational disease cases	Number of business sites	Sites	2	1	1	1	2	1	0	3	3	2	
	Ratio of business sites	%	33.3	16.7	16.7	5.0	10.0	5.0	0	11.5	11.5	6.9	
Number of Occupational Disease Cases			Incidents	7	3	3	3	5	6	0	10	8	9

Process Safety Incidents

Category	Unit	Domestic (Separate)			Overseas Subsidiaries			Domestic Affiliate	Total		
		2023	2024	2025	2023	2024	2025	2025	2023	2024	2025
Number of Process Safety Incidents (PSIC)	Incidents	0	0	0	4	3	3	0	4	3	3
Number of transportation incidents	Incidents	0	0	0	0	0	2	0	0	0	2

Hyosung TNC Co., Ltd.

Social Performance

Products Assessed for Information Labeling/Safety and Health¹⁾

Category	Sub-category	Unit	2023	2024	2025
Total number of products	Spandex products	Items	15	15	15
	Nylon and polyester products	Items	37	38	39
Number of products assessed for information labeling	Spandex products	Items	10	10	10
	Nylon and polyester products	Items	15	37	39
Number of products assessed for safety and health	Spandex products	Items	10	10	10
	Nylon and polyester products	Items	15	37	39
Percentage of products assessed for information labeling	Total number of products	%	48.1	88.7	90.7
	Spandex products	%	66.7	66.7	66.7
	Nylon and polyester products	%	40.5	97.4	100
Percentage of products assessed for safety and health	Total number of products	%	48.1	88.7	90.7
	Spandex products	%	66.7	66.7	66.7
	Nylon and polyester products	%	40.5	97.4	100

1) The figures represent the combined total of products manufactured by Hyosung TNC Co., Ltd. and its overseas subsidiaries.

Suppliers

Category	Unit	Domestic (Separate)			Overseas Subsidiaries			Domestic Affiliate	Total		
		2023	2024	2025	2023	2024	2025	2025	2023	2024	2025
Number of suppliers	Companies	561	520	463	914	932	1,759	38	1,475	1,452	2,260
Total purchase amount from suppliers	KRW million	589,809	561,123	456,298	1,993,374	2,059,083	1,365,587	38,311	2,583,184	2,620,205	1,860,196
Total purchase amount from local suppliers	KRW million	340,004	321,822	312,148	968,805	948,284	607,996	33,317	1,308,810	1,270,106	953,461
Proportion of purchases from local suppliers	%	57.6	57.4	68.4	48.6	46.1	44.5	87.0	50.7	48.5	51.3

Hyosung TNC Co., Ltd.

Social Performance

Supply Chain ESG Management¹⁾

Category	Sub-category	Unit	Domestic (Separate)			
			2023	2024	2025	
Number of new suppliers		Companies	8	33	22	
Social impact assessment of the supply chain	New suppliers	Number of new suppliers that conducted social impact assessments	Companies	2	33	4
		Percentage of new suppliers that conducted social impact assessments	%	25.0	100	18.0
	Suppliers	Number of suppliers under focused management	Companies	68	31	37
		Number of suppliers that conducted social impact assessment	Companies	68	20	22
		Number of suppliers having practical or/and potential negative impact	Companies	58	19	19
		Number of suppliers that agreed improvement based on the results of social impact assessment	Companies	15	5	5
		Percentage of suppliers that agreed improvement based on the results of social impact assessment	%	22.1	25.0	22.7
		Number of suppliers whose contracts were terminated based on the results of social impact assessment	Companies	0	1	0
		Percentage of suppliers whose contracts were terminated based on the results of social impact assessment	%	0	5.0	0
		Environmental impact assessment of the supply chain	New suppliers	Number of new suppliers that conducted environmental impact assessments	Companies	2
Percentage of new suppliers that conducted environmental impact assessments	%			25.0	100	18.0
Suppliers	Number of suppliers under focused management		Companies	68	31	37
	Number of suppliers that conducted environmental impact assessment		Companies	68	20	22
	Number of suppliers having practical or/and potential negative impact		Companies	58	19	19
	Number of suppliers that agreed improvement based on the results of environmental impact assessment		Companies	15	5	5
	Percentage of suppliers that agreed improvement based on the results of environmental impact assessment		%	22.1	25.0	22.7
	Number of suppliers whose contracts were terminated based on the results of environmental impact assessment		Companies	0	1	0
	Percentage of suppliers whose contracts were terminated based on the results of environmental impact assessment		%	0	5.0	0
Number of suppliers that signed the Sustainable Procurement Charter or Supplier Code of Conduct		Companies	200	233	237	
Percentage of suppliers that signed the Sustainable Procurement Charter or Supplier Code of Conduct		%	35.7	44.8	51.2	

1) As data verification for the domestic affiliate and certain overseas subsidiaries was not feasible, the reporting of data on supply chain ESG management for the domestic affiliate and overseas subsidiaries has been omitted.

Hyosung TNC Co., Ltd.

Social Performance

Win-Win Management¹⁾

Category	Sub-category	Unit	2023	2024	2025
Supplier grievance handling	Number of cases received	Cases	1	0	0
	Number of cases resolved ²⁾	Cases	1	0	0
	Resolution rate ²⁾	%	100	-	-

1) Supplier grievance handling data is managed as an integrated item by Hyosung TNC Co., Ltd., and is not applicable to subsidiaries.
2) As the number of supplier grievance cases received in 2024 and 2025 was zero, the reporting of data on the number of cases resolved and the resolution rate has been omitted.

Social Contribution

Category	Unit	Domestic (Separate)			Overseas Subsidiaries			Domestic Affiliate	Total		
		2023	2024	2025	2023	2024	2025	2025	2023	2024	2025
Social contribution investment	KRW million	862	460	669	287	366	440	5	1,149	825	1,114
Number of social contribution programs	Cases	39	36	39	30	34	49	7	69	70	95
Number of employee participants in social contribution programs	Persons	608	1,006	956	88	133	171	30	696	1,139	1,157
Total employee volunteer hour	Hours	1,156	1,896	1,377	385	842	842	3	1,541	2,738	2,222
Amount of social value created ³⁾	KRW million	1,893	1,815	2,848	296	374	441	130	2,189	2,189	3,419
Number of incidents of violation involving local community rights	Incidents	0	0	0	0	0	0	0	0	0	0
Number of child laborers	Persons	0	0	0	0	0	0	0	0	0	0

3) The social value created represents the total sum of sponsorship funds, the value of sponsored goods, labor costs of volunteers, and wages of beneficiaries.

Hyosung Neochem Co., Ltd.

Governance Performance

Compliance with Ethics and Laws

Category	Sub-category	Unit	Domestic
			2025
Employee discrimination	Total number of discrimination incidents	Incidents	0
	Reviewed incidents of discrimination	Incidents	0
Non-compliance with laws and regulations	Total amount of fines	KRW million	0
	Number of cases with fines imposed	Incidents	0
	Number of employees with records of investment related investigations, customer complaints, lawsuits, or legal sanctions	Persons	0
Unfair transaction	Number of unfair transaction practices	Incidents	0
	Fine for unfair transaction practices	KRW million	0
Ethics management	Reports of ethical violations including anti-corruption	Incidents	0
	Number of employees dismissed or disciplined for anticorruption violations	Incidents	0
	Number of business sites that performed anti-corruption risk assessments	Sites	0

Environmental Performance

Greenhouse Gas Emissions(Scope 1&2)

Category	Sub-category	Unit	Domestic	Overseas
			2025	2025
Total greenhouse gas emissions (Scope 1&2)		tCO ₂ eq	102,778	80,126
Direct greenhouse gas emissions (Scope 1)	Subtotal		1,498	40
	Stationary combustion		1,494	0
	Mobile combustion	tCO ₂ eq	4	40
	Waste disposal		0	0
	Others		0	0
Indirect greenhouse gas emissions (Scope 2)	Subtotal		101,280	80,086
	Electricity	tCO ₂ eq	101,280	79,444
	Steam		0	642
	Others	tCO ₂ eq	0	0
Greenhouse gas emissions intensity	Subtotal	tCO ₂ eq/KRW 100 million	72.7	105.5
	Scope 1	tCO ₂ eq/KRW 100 million	1.1	0.1
	Scope 2	tCO ₂ eq/KRW 100 million	71.7	105.4
	Sales	KRW 100 million	1,413	759

Hyosung Neochem Co., Ltd.

Environmental Performance

Greenhouse Gas Emissions (Scope 3)

Category	Unit	Domestic	Overseas
		2025	2025
Total greenhouse gas emissions (Scope 3)	tCO ₂ eq	20,455	2,876,400
Purchased goods and services	tCO ₂ eq	3,238	22,976
Capital goods	tCO ₂ eq	25	1
Fuel and energy related activities	tCO ₂ eq	15,679	17,835
Upstream transportation and distribution	tCO ₂ eq	36	369
Waste generated in operations	tCO ₂ eq	1,308	6,491
Business travel	tCO ₂ eq	59	25
Employee commuting	tCO ₂ eq	-	80
Upstream leased assets	tCO ₂ eq	-	2
Downstream transportation and distribution	tCO ₂ eq	111	1,013
Processing of sold products	tCO ₂ eq	-	-
Use of sold products	tCO ₂ eq	-	2,827,608
End of life treatment of sold products	tCO ₂ eq	-	-
Franchises	tCO ₂ eq	-	-
Investments	tCO ₂ eq	-	-

Energy Consumption

Category	Sub-category	Unit	Domestic	Overseas
			2025	2025
Total energy consumption		TJ	2,176.7	494.3
Direct energy consumption	Subtotal		35.4	0
	Liquefied natural gas (LNG)		5.4	0
	Gasoline		0	0
	Diesel		0	0
	Liquefied petroleum gas (LPG)		0	0
	Propane	TJ	0.2	0
	Kerosene		0	0
	Bunker-C oil		0	0
	Biogas		0	0
	Anthracite coal		0	0
	Others		29.7	0
Direct energy consumption (Mobile Combustion)	Subtotal		0.1	0.6
	Gasoline	TJ	0	0.6
	Diesel		0.05	0
	Liquefied petroleum gas (LPG)		0.02	0
Indirect energy consumption	Subtotal		2,141.2	493.7
	Electricity		2,117.0	482.9
	Steam	TJ	0	10.8
	Heat from waste incineration		24.2	0
	Others		0	0
Energy intensity	Energy intensity	TJ/KRW 100 million	1.5	0.7
	Sales	KRW 100 million	1,413	759
Renewable energy consumption	Subtotal	TJ	24.4	0
	Renewable energy ratio	%	1.1	0

Hyosung Neochem Co., Ltd.

Environmental Performance

Waste Management

Category	Sub-category	Unit	Domestic	Overseas	
			2025	2025	
Total waste generated		Ton	9,478	2,578	
Non-hazardous waste	Subtotal	Ton	4,944	51	
	Outsourced treatment	Recycling(㉠)	4,844	49	
		Incineration	Ton	60	1
		Landfill	Ton	40	0
	Subtotal	Ton	4,535	2,527	
Hazardous waste	In-house treatment	Recycling(㉡)	Ton	101	0
	Outsourced treatment	Recycling(㉢)	Ton	467	0
		Incineration	Ton	72	2,527
		Landfill	Ton	274	0
		Others	Ton	3,621	0
Total waste recycled(㉠+㉡+㉢)		Ton	5,411	49	
Waste recycling rate		%	57.1	1.9	

Air Pollutant Emissions

Category	Sub-category	Unit	Domestic	
			2025	
Air pollutant emissions	Nitrogen oxides (NOx)	Ton	0	
	Sulfur oxides (SOx)	Ton	0	
	Particulate matter (PM)	Ton	0.1	
	Total hydrocarbons (THC)	Ton	0.1	
	Volatile organic compounds (VOCs)	Ton	0	
	Hazardous air pollutants (HAPs)	Hydrogen chloride (HCl)	Ton	0
		Carbon monoxide (CO)	Ton	0

Water Management

Category	Unit	Domestic
		2025
Total water consumption	Ton	325,014
Municipal water	Ton	20,008
Industrial water	Ton	305,006
Reclaimed wastewater	Ton	0
Groundwater	Ton	0
Recycled water	Ton	0
Water recycling rate	%	0

Wastewater and Water Pollutant Discharges

Category	Sub-category	Unit	Domestic	Overseas
			2025	2025
Wastewater discharge by final destination	Total wastewater discharge	Ton	5,728	24,308
	Wastewater treatment	Ton	5,728	-
	Outsourced treatment	Ton	0	24,308
Water pollutants discharged ¹⁾	Biochemical Oxygen Demand(BOD)	Ton	0.02	-
	Total organic carbon (TOC)	Ton	0.1	-
	Chemical oxygen demand (COD)	Ton	0	-
	Suspended solids (SS)	Ton	0.01	-
	Total nitrogen (T-N)	Ton	0.1	-
	Total phosphorus (T-P)	Ton	0.02	-

1) Due to the unavailability of data from the Quzhou Neochem entity, data related to water pollutants for the Quzhou Neochem entity has been omitted.

Hyosung Neochem Co., Ltd.

Environmental Performance

Environmentally Friendly Products Sales and Purchases

Category	Sub-category	Unit	Domestic
			2025
Sales	Eco-friendly product sales	KRW million	5
	Total product sales	KRW million	283
	Percentage of eco-friendly product sales	%	1.7
Purchases	Eco-friendly product purchases	KRW million	0
	Total product purchases	KRW million	17
	Percentage of eco-friendly product purchases	%	0

Raw Materials and Recycled Materials

Category	Unit	Domestic	Overseas
		2025	2025
Use of Raw Materials and Recycled Materials	Total raw material consumption	Ton	7,647
	Renewable materials consumption	Ton	0
	Non-renewable material consumption	Ton	7,647
	Recycled materials consumption	Ton	0
	Ratio of recycled materials consumption	%	0
	Reused materials consumption	Ton	0

Chemical Substances Management

Category	Unit	Domestic	Overseas
		2025	2025
Hazardous chemicals consumption	Ton	7,647	0
Chemical substance emissions	Ton	30	0

Environmental Investment

Category	Unit	Domestic
		2025
Total environmental investment	KRW million	1,680
Environmental treatment and prevention costs	KRW million	1,491
Environmental monitoring and certification costs	KRW million	189
Environmental facility investment costs	KRW million	0

Eco-friendly Vehicles

Category	Unit	Domestic
		2025
Eco-friendly vehicles	Vehicles	0
Total number of company vehicles	Vehicles	2
Ratio of eco-friendly vehicle	%	0

Violation of Laws and Regulations

Category	Unit	Domestic	Overseas
		2025	2025
Number of environmental law violations	Incidents	0	0
Financial penalties for environmental law violations	KRW million	0	0

Hyosung Neochem Co., Ltd.

Social Performance

Employee Composition

Category	Sub-category	Unit	Domestic
			2025
Total number of employees		Persons	264
Gender	Permanent	Subtotal	Persons 241
		Male	Persons 221
		Female	Persons 20
	Temporary	Subtotal	Persons 23
		Male	Persons 17
		Female	Persons 6
Age	Permanent	Subtotal	Persons 241
		Under 30	Persons 32
		30–50	Persons 175
		51 and above	Persons 34
	Temporary	Subtotal	Persons 23
		Under 30	Persons 11
		30–50	Persons 3
		51 and above	Persons 9
Job level	Permanent	Subtotal	Persons 241
		Executive	Persons 3
		Manager level	Persons 48
		Non-manager level	Persons 190
	Temporary	Subtotal	Persons 23
		Executive	Persons 0
		Manager level	Persons 1
		Non-manager level	Persons 22
Job Group	Permanent	Office	Persons 106
		Technical	Persons 135

Employee Composition

Category	Sub-category	Unit	Domestic
			2025
Diversity	Employee diversity	Subtotal	Persons 31
		Female	Persons 26
		Employees with disabilities	Persons 3
		Veterans	Persons 1
		Foreigners	Persons 1
	Fostering female talent	Female employee ratio	% 9.8
		Number of female managers	Persons 4
		Number of male managers	Persons 48
		Proportion of female managers	% 7.7
Non-affiliated workers	Gender	Subtotal	Persons 9
		Male	Persons 8
		Female	Persons 1
Senior Managers	Total	Senior managers	Persons 20
	Local senior managers	Number of local senior managers	Persons 20
		Percentage of local senior managers	% 100

Hyosung Neochem Co., Ltd.

Social Performance

New Employee Hires

Category	Sub-category	Unit	Domestic
			2025
Gender	Subtotal	Persons	16
	Male	Persons	15
	Female	Persons	1
	New hire ratio by gender	Male	% 93.8
		Female	% 6.3
Age	Subtotal	Persons	16
	Under 30	Persons	3
	30–50	Persons	5
	51 and above	Persons	8
	New hire ratio by age	Under 30	% 18.8
		30–50	% 31.3
		51 and above	% 50.0

Employee Turnover

Category	Sub-category	Unit	Domestic
			2025
Number of employee turnover	Subtotal	Persons	13
	Voluntary turnover	Persons	12
	Transfer to affiliated company	Persons	1
	Involuntary turnover	Persons	0
	Voluntary turnover rate	%	4.5
	Total turnover rate	%	4.9
Gender	Subtotal	Persons	13
	Male	Persons	10
	Female	Persons	3
Turnover rate by gender	Male	%	3.8
	Female	%	1.1
Age	Subtotal	Persons	13
	Under 30	Persons	5
	30–50	Persons	6
	51 and above	Persons	2
Turnover rate by age	Under 30	%	1.9
	30–50	%	2.3
	51 and above	%	0.8

Hyosung Neochem Co., Ltd.

Social Performance

Parental Leave

Category	Sub-category	Unit	Domestic
			2025
Male	Number of employees entitled to parental leave	Persons	57
	Number of employees on parental leave	Persons	3
	Number of employees returning to work after parental leave	Persons	2
	Number of employees who worked for at least 12 months after returning to work ¹⁾	Persons	-
	Return rate after parental leave	%	66.7
	Rate of employees who worked for at least 12 months after returning to work ¹⁾	%	-
Female	Number of employees entitled to parental leave	Persons	3
	Number of employees on parental leave	Persons	0
	Number of employees returning to work after parental leave	Persons	0
	Number of employees who worked for at least 12 months after returning to work ¹⁾	Persons	-
	Return rate after parental leave	%	-
	Rate of employees who worked for at least 12 months after returning to work ¹⁾	%	-

1) As Hyosung Neochem Co., Ltd. is a subsidiary newly established through a spin-off from Hyosung Chemical Corporation in February 2025, with less than one year of operational history as of the end of the reporting period, the reporting of data on employees with 12 months or more of continuous service has been omitted.

Employee Salary and Compensation

Category	Sub-category	Unit	Domestic	
			2025	
Average salary for entry-level employees		KRW million	60	
Annual average legal minimum wage		KRW million	25	
Entry-level salary by gender	Male	KRW million	66	
	Female	KRW million	37	
Ratio of entry-level salary to legal minimum wage	Male	%	264.0	
	Female	%	148.0	
Total annual salary by gender and position	Male	Executive	KRW million	176
		Manager level	KRW million	83
		Non-manager level	KRW million	58
	Female	Executive	KRW million	-
		Manager level	KRW million	72
		Non-manager level	KRW million	33
Ratio of female to male total salary by position	Executive	%	-	
	Manager level	%	87.6	
	Non-manager level	%	56.1	
Average annual salary of employees		KRW million	62	
Highest-paid individual	Total annual compensation	KRW million	214	
	Year-on-year increase in total compensation ²⁾	%	-	
Employees (Excluding highest-paid individual)	Average annual compensation (excluding highest-paid individual)	KRW million	61	
	Median annual compensation	KRW million	60	
	Year-on-year increase in median compensation ²⁾	%	-	
Ratio of the total annual salary for the highest-paid individual to the median for all employees (excluding the highest-paid individual)		Times	3.5	

2) As Hyosung Neochem Co., Ltd. is a subsidiary newly established through a spin-off from Hyosung Chemical Corporation in February 2025, and no salary records existed in 2024, the reporting of data on the year-on-year compensation growth rate has been omitted.

Hyosung Neochem Co., Ltd.

Social Performance

Collective Bargaining Agreements

Category	Unit	Domestic
		2025
Number of employees eligible for collective agreements	Persons	150
Ratio of employees eligible for collective agreements	%	56.8
Number of employees covered by collective agreements	Persons	150
Ratio of employees covered by collective agreements	%	100

Retirement Pension

Category	Unit	Domestic
		2025
Total retirement pension assets	KRW million	10,291
Defined Benefit(DB) Pension assets	KRW million	10,170
Defined Contribution(DC) Pension assets	KRW million	121
Total number of pension plan members	Persons	264
Number of Defined Benefit(DB) plan members	Persons	251
Number of Defined Contribution(DC) plan members	Persons	13

Performance Evaluation

Category		Sub-category	Unit	Domestic
				2025
Number of employees subject to performance evaluation			Persons	264
Ratio of employees who received performance evaluation			%	100
Gender	Number of employees who received performance evaluation	Male	Persons	238
		Female	Persons	26
	Performance evaluation rate	Male	%	92.9
		Female	%	76.9
Job level	Number of employees who received performance evaluation	Executive	Persons	3
		Manager level	Persons	49
		Non-manager level	Persons	212
	Performance evaluation rate	Executive	%	100
		Manager level	%	98.0
		Non-manager level	%	89.6

Health Checkups

Category	Unit	Domestic
		2025
Employees eligible for health checkups	Persons	264
Employees who received health checkups	Persons	264
Health checkup rate	%	100

Hyosung Neochem Co., Ltd.

Social Performance

Employee Training

Category	Sub-category	Unit	Domestic
			2025
Number of training participants		Persons	2,267
Total training expenses		KRW million	193
Total training hours		Hours	5,371
Average training hours per employee		Hours	20.34
Average training expenses per employee		KRW	730,384
Total training hours by job level	Executive	Hours	34
	Manager level	Hours	833
	Non-manager level	Hours	4,504
Average training hours per employee by job level	Executive	Hours	11
	Manager level	Hours	17
	Non-manager level	Hours	21
Number of participants in environmental training		Persons	243
Number of participants in fair trade training		Persons	204
Number of participants in safety and health training		Persons	32
Number of participants in human rights training		Persons	783
Number of employees trained for information security		Persons	243
Number of employees trained for physical security		Persons	0
Number of participants in sustainability management training		Persons	243
Number of participants in retiree training		Persons	0
Number of participants in supply chain risk management training		Persons	0
Number of participants in job competency enhancement training		Persons	57
Ratio of participants in job competency enhancement training		%	21.7
Number of participants in ethics and anti-corruption training		Persons	199
Ratio of employees who received ethics and anti-corruption training		%	75.4

Occupational Accidents

Category	Sub-category	Unit	Domestic
			2025
Total number of business sites		Sites	3
Business sites with occupational accidents	Number of business sites	Sites	0
	Ratio of business sites	%	0
Number of occupational accidents	Employees	Incidents	0
	External workers	Incidents	0
Total work hours		Hour	551,232
Injury rate	Employees	%	0
	External workers	%	0
Serious accidents (excluding fatalities)		Incidents	0
Number of fatalities		Persons	0
Fatality rate		%	0

Occupational Diseases

Category	Sub-category	Unit	Domestic
			2025
Total number of business sites		Sites	3
Business sites with occupational disease cases	Number of business sites	Sites	0
	Ratio of business sites	%	0
Number of occupational disease cases		Incidents	0

Hyosung Neochem Co., Ltd.

Social Performance

Process Safety Incidents

Category	Unit	Domestic
		2025
Number of Process Safety Incidents (PSIC)	Incidents	0
Number of transportation incidents	Incidents	0

Suppliers

Category	Unit	Domestic
		2025
Number of suppliers	Companies	38
Total purchase amount from suppliers	KRW million	38,311
Total purchase amount from local suppliers	KRW million	33,317
Proportion of purchases from local suppliers	%	87.0

Win-Win Management

Category	Unit	Domestic
		2025
Social contribution investment	KRW million	5
Number of social contribution programs	Programs	7
Number of employee participants in social contribution programs	Persons	30
Total employee volunteer hours	Hours	3
Amount of social value created	KRW million	130
Number of violations of local community rights	Incidents	0
Number of child laborers	Persons	0

Appendix

Certifications	115
ESG Ratings and Participation in Global Initiatives	116
GRI/SASB/TCFD Index	117
UN SDGs Aligned Activities	124
GHG Verification Report	125
Independent Third-Party Assurance Statement	128

Certifications

Sustainability Certification Status

ISO Certification Status

The International Organization for Standardization (ISO) is an international body established to promote global trade and scientific and technological cooperation through the standardization of products and services, operating a certification system that verifies the conformity of corporate management systems with international standards. As of 2025, Hyosung TNC has established a robust sustainability management framework by securing ISO 14001 certification for 14 out of its 32 operating sites (43.8%) and ISO 45001 certification for 10 sites (31.3%).

Certification	Category	Certified Site	Certificate Expiration Date
ISO 14001	Domestic (6)	Headquarters, Ulsan Plant, Gumi Plant (Nylon & Polyester), Technology Research Institute, Yeongnam Sales Office	2028-03-08
		Gumi Plant (Spandex)	2028-03-23
	Overseas (8)	Hyosung Spandex (Jiaxing) Co., Ltd.	2026-11-08
		Hyosung Spandex (Ningxia) Co., Ltd.	2028-06-25
		Hyosung Dong Nai Co., Ltd.	2026-11-06
		Hyosung Dong Nai Nylon Co., Ltd.	2026-11-06
		Hyosung India Private Limited	2028-10-15
		Hyosung Chemicals (Jiaxing) Co., Ltd.	2028-05-12
		Hyosung New Material & High Technology (Quzhou) Co., Ltd.	2026-05-17
		Hyosung Istanbul TEKSTIL LTD.STI.	2026-08-11
ISO 45001	Domestic (3)	Ulsan Plant, Gumi Plant (Nylon & Polyester)	2028-03-16
		Gumi Plant (Spandex)	2028-03-17
	Overseas (7)	Hyosung Spandex (Jiaxing) Co., Ltd.	2026-11-08
		Hyosung Spandex (Ningxia) Co., Ltd.	2028-06-25
		Hyosung Dong Nai Co., Ltd.	2028-03-06
		Hyosung Dong Nai Nylon Co., Ltd.	2028-03-06
		Hyosung Chemicals (Jiaxing) Co., Ltd.	2028-05-12
		Hyosung New Material & High Technology (Quzhou) Co., Ltd.	2026-05-17
		Hyosung Istanbul TEKSTIL LTD.STI.	2026-08-11

Product and Material Certification Status

Hyosung TNC objectively demonstrates the transparency and environmental reliability of its products by acquiring global standard product and material certifications. Through these initiatives, the company maximizes the sustainable value of its products, contributes to achieving carbon neutrality and a circular economy, and continuously enhances its credibility in the global chemical and textile markets.

Category		Description
Organization	Certification	
Control Union	GRS-Version 4.0	- An international standard certification issued by Textile Exchange - Annually renewed to enhance the credibility of recycled nylon and polyester products
	RCS Version 2.0	- An international standard certification issued by Textile Exchange to verify recycled material content - Eligible for certification when products contain at least 5% recycled materials
	ISCC EU/PLUS	- A global sustainability certification for bioenergy and carbon, administered by Control Union - Fulfills eco-friendly supplier obligations in compliance with international standards
	OBP-Version 1.1	- A dedicated recycling certification developed to address marine plastic waste entering the ocean - Ensures transparency of recycled products made from discarded fishing nets and waste PET bottles collected from marine environments
	OEKO-TEX Standard 100	- An international environmental standard that restricts the use of harmful chemicals and heavy metals to ensure human safety of products - Annually renewed for apparel with direct skin contact and home textile products to guarantee safety
SGS	ECO/22/CEBEC/00026	- An eco-friendly certification by SGS that verifies compliance with environmental regulations across the entire product life cycle - Demonstrates the minimization of hazardous substances and the reduction of environmental impact in products using bio-based raw materials
ZDHC	Supplier to Zero (Level 2)	- A ZDHC-based program that assesses the implementation level of zero discharge of hazardous chemicals in manufacturing processes - Certifies compliance with the Manufacturing Restricted Substances List (MRSL) and capabilities in managing safer alternative substances
Korea Environmental Industry & Technology Institute	Korea Eco-Label	- A government-recognized statutory certification awarded by the Korea Environmental Industry & Technology Institute (KEITI) for verified performance in energy and resource conservation as well as environmental pollution reduction - Recycled polyester "regen" became the first product in Korea's textile industry to obtain the Environmental Label (Eco-Label) certification
Ministry of Gender Equality and Family	Family-Friendly Company Certification	- A certification awarded by the Ministry of Gender Equality and Family to outstanding companies operating exemplary work-family balance support programs and family-friendly management systems - Maintained the certification for six consecutive years from 2020 to 2025, demonstrating the cultivation of a family-friendly corporate culture

ESG Ratings and Participation in Global Initiatives

External Evaluations and Initiative Participation

ESG Ratings

Evaluation Institution	Rating	Evaluation Institution	Rating
 한국ESG기준원 Korea Institute of Corporate Governance and Sustainability	A (Environment: A, Social: A+, Governance: B+)	 CDP	A-
 MSCI	AA	 ecovadis	Bronze

Awards & Recognitions

Award Title	Issuing Organization
Rural ESG Practice Recognition Institution (2023~2025)	Korea Foundation for Cooperation of Large & Small Business, Rural Affairs (KOFCA)
ITMF Global Awards – International Collaboration Category	International Textile Manufacturers Federation
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 (MOTIE)
Endangered Species Conservation Sponsorship Recognition (2024~2026)	National Institute of Ecology (NIE)
3rd Gumi City Social Contribution Award (Gumi Plant)	Gumi City Council on Social Welfare

Association Memberships

Korea Chemical Fibers Association	The Federation of Korean Industries	The Korea Chamber of Commerce & Industry
Korea Enterprises Federation	Korea Listed Companies Association	Korea Exchange
Korea Personnel Management Association	American Chamber of Commerce in Korea	

Initiative Participation

Participation in Social Responsibility Initiatives

Hyosung TNC actively participates in social responsibility initiatives that generate tangible outcomes in fulfilling its corporate social responsibility. With a clear commitment toward building a sustainable society, the company collaborates with global initiatives across the environmental and social spheres, leveraging its corporate influence to expand social value and lead the way in realizing a sustainable future.

Initiative	Description
 TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES	• A global task force under the Financial Stability Board (FSB) that establishes climate-related disclosure standards and provides recommendations. • Hyosung TNC supports the TCFD recommendations and transparently discloses its climate response strategies and financial impacts in its sustainability report in line with TCFD recommendations.
 CDP	• An international non-profit organization that collects and evaluates corporate climate strategies, GHG emissions, and carbon management data. • Since 2021, Hyosung TNC has regularly submitted its carbon management reports to CDP and publicly disclosed the results, ensuring transparency in environmental management.
 Textile Exchange	• A global non-profit that runs international certification programs such as GRS and RCS to track sustainability across the fiber and materials industry. • Hyosung TNC has joined the 2030 GHG reduction target "Climate +" and provides recycled and bio-based sustainable solutions to member companies.

GRI Standard Index

General Disclosures

Indicator	Disclosure Items	Page
GRI 2 : General Disclosures		
2-1	Organizational details	6-12
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	84-88, 90-91, 97-98
2-5	External assurance	127-128
2-6	Activities, value chain and other business relationships	6-12
2-7	Employees	89-91
2-8	Workers who are not employees	89-91
2-9	Governance structure and composition	68-70
2-10	Nomination and selection of the highest governance body	68-70
2-11	Chair of the highest governance body	68, 70
2-12	Role of the highest governance body in overseeing the management of impacts	14, 22, 35, 43, 50, 54, 70, 72
2-13	Delegation of responsibility for managing impacts	14, 22, 29, 35, 43, 50, 54, 60, 74
2-14	Role of the highest governance body in sustainability reporting	68-70
2-15	Conflicts of interest	68-70
2-16	Communication of critical concerns	14, Homepage (BoD Operation)
2-17	Collective knowledge of the highest governance body	68-69, Homepage (Board Skills Matrix)
2-18	Evaluation of the performance of the highest governance body	70
2-19	Remuneration policies	70
2-20	Process to determine remuneration	70

Indicator	Disclosure Items	Page
2-21	Annual total compensation ratio	95
2-22	Statement on sustainable development strategy	5
2-23	Policy commitments	35, 40, 50, 54, 60
2-24	Embedding policy commitments	50, 60, 72, 74
2-25	Processes to remediate negative impacts	28, 32, 38, 40, 51-52, 57, 61-62, 72-73, 74
2-26	Mechanisms for seeking advice and raising concerns	48
2-27	Compliance with laws and regulations	72-73, 80, 86
2-28	Membership associations	116
2-29	Approach to stakeholder engagement	18
2-30	Collective bargaining agreements	96

GRI Standard Index

Material Topics

Indicator	Disclosure Items	Page
GRI 3 : Material Topics		
3-1	Process to determine material topics	19
3-2	List of material topics	20
3-3	Management of material topics	20

1. Climate Change

Indicator	Disclosure Items	Page
GRI 302 : Energy		
302-1	Energy consumption within the organization	83
302-3	Energy intensity	83
302-4	Reduction of energy consumption	16, 27
302-5	Reductions in energy requirements of products and services	27, 32
GRI 305 : Emissions		
305-1	Direct (Scope 1) GHG emissions	81
305-2	Energy indirect (Scope 2) GHG emissions	81
305-3	Other indirect (Scope 3) GHG emissions	82
305-4	GHG emissions intensity	82
305-5	Reduction of GHG emissions	32
305-6	Emissions of ozone-depleting substances (ODS)	N/A
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	84

2. Resource Circulation and Sustainable Business Model

Indicator	Disclosure Items	Page
GRI 306 : Waste		
306-1	Waste generation and significant waste-related impacts	29-34
306-2	Management of significant waste-related impacts	29, 32, 37
306-3	Waste generated	84
306-4	Waste diverted from disposal	84
306-5	Waste directed to disposal	84

GRI Standard Index

Material Topics

3. Employee Safety and Health

Indicator	Disclosure Items	Page
GRI 403 : Occupational Health and Safety		
403-1	Occupational health and safety management system	54-59
403-2	Hazard identification, risk assessment, and incident investigation	57-59
403-3	Occupational health services	54-59
403-4	Worker participation, consultation, and communication on occupational health and safety	57-58
403-5	Worker training on occupational health and safety	58-59
403-6	Promotion of worker health	59
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	55, 57-59
403-8	Workers covered by an occupational health and safety management system	55, 99
403-9	Work-related injuries	99-100
403-10	Work-related ill-health	100

Non-Material Topics

Economics

Indicator	Disclosure Items	Page
GRI 201 : Economic Performance		
201-1	Direct economic value generated and distributed	79
201-2	Financial implications and other risks and opportunities due to climate change	26
201-3	Defined benefit plan obligations and other retirement plans	96
201-4	Financial assistance received from government	Business Report p. 108
GRI 202 : Market Presence		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	95
202-2	Proportion of senior management hired from the local community	91
GRI 203 : Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	63-66
203-2	Significant indirect economic impacts	63-66
GRI 204 : Procurement Practices		
204-1	Proportion of spending on local suppliers	101
GRI 205 : Anti-corruption		
205-1	Operations assessed for risks related to corruption	80
205-2	Communication and training about anti-corruption policies and procedures	72, 98
205-3	Confirmed incidents of corruption and actions taken	72, 80
GRI 206 : Anti-competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	80
GRI 207 : Tax		
207-1	Approach to tax	72
207-4	Country-by-country reporting	78-79

GRI Standard Index

Non-Material Topics

Environmental

Indicator	Disclosure Items	Page
GRI 101 : Biodiversity		
101-1	Policies to halt and reverse biodiversity loss	40
101-2	Management of biodiversity impacts	41
101-3	Access and benefit-sharing	41, 64
101-4	Identification of biodiversity impacts	40
101-5	Locations with biodiversity impacts	41
101-6	Direct drivers of biodiversity loss	41
101-7	Changes to the state of biodiversity	41
101-8	Ecosystem services	41
GRI 301 : Materials		
301-1	Materials used by weight or volume	87
301-2	Recycled input materials used	87
301-3	Reclaimed products and their packaging materials	87
GRI 303 : Water and Effluents		
303-1	Interactions with water as a shared resource	38
303-2	Management of water discharge-related impacts	38
303-3	Water withdrawal	85
303-4	Water discharge	86
303-5	Water consumption	85
GRI 308 : Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	61-62
308-2	Negative environmental impacts in the supply chain and actions taken	61-62

Social

Indicator	Disclosure Items	Page
GRI 401 : Employment		
401-1	New employee hires and employee turnover	92
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	48-49
401-3	Parental leave	49, 94
GRI 404 : Training and Education		
404-1	Average hours of training per year per employee	98
404-2	Programs for upgrading employee skills and transition assistance programs	45-47, 98
404-3	Percentage of employees receiving regular performance and career development reviews	97

GRI Standard Index

Non-Material Topics

Social

Indicator	Disclosure Items	Page
GRI 405 : Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	90-91
405-2	Ratio of basic salary and remuneration of women to men	95
GRI 406 : Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	80
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	52, 96, 102
GRI 410 : Security Practices		
410-1	Security personnel trained in human rights policies or procedures	53, 98
GRI 411 : Rights of Indigenous Peoples		
411-1	Incidents of violations involving rights of indigenous peoples	103
GRI 413 : Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	63-66
413-2	Operations with significant actual and potential negative impacts on local communities	52, 63-66, 102

Indicator	Disclosure Items	Page
GRI 414 : Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	102
414-2	Negative social impacts in the supply chain and actions taken	61-62
GRI 416 : Customer Health and Safety		
416-1	Assessment of the health and safety impacts of product and service categories	101, 115
GRI 417 : Marketing and Labeling		
417-1	Requirements for product and service information and labeling	115

SASB Index

Chemicals

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.

Sustainability Disclosure Topics & Accounting Metrics				
Category	Code	Disclosure Topics	Category	Page
Greenhouse Gas Emissions	RT-CH-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	81
	RT-CH-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	27-28
Air Quality	RT-CH-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N ₂ O), (2) SOx, (3) Volatile Organic Compounds (VOCs), (4) Hazardous Air Pollutants (HAPs)	Quantitative	84
Energy Management	RT-CH-130a.1	(1) Total energy consumed, (2) Percentage grid electricity, (3) Percentage renewable, (4) Total self-generated energy	Quantitative	83
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	85
	RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Quantitative	88
	RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	38
Hazardous Waste Management	RT-CH-150a.1	(1) Amount of hazardous waste generated, (2) Percentage recycled	Quantitative	84
Community Relations	RT-CH-210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	Discussion and Analysis	63-66
Workforce Health & Safety	RT-CH-320a.1	(1) Total Recordable Incident Rate (TRIR) and (2) Fatality rate for (a) direct employees and (b) contract employees	Quantitative	99
	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	55-59
Product Design for Use-phase Efficiency	RT-CH-410a.1	Revenue from products designed for use-phase resource efficiency	Quantitative	86
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, (2) Percentage of such products that have undergone a hazard assessment	Quantitative	N/A
	RT-CH-410b.2	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human or environmental impact	Discussion and Analysis	39
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	100
	RT-CH-540a.2	Number of transport incidents	Quantitative	100

TCFD Index

TCFD Recommendations

Category	Recommended Disclosures	Page
Governance	a. Describe the board's oversight of climate-related risks and opportunities.	22, 35
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	22, 35
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	23-28
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	26
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	24-25
Risk Management	a. Describe the organization's processes for identifying and assessing climate-related risks.	22-23, 28
	b. Describe the organization's processes for managing climate-related risks.	22-23, 28
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	22-23, 28
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.	23
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	26
	c. Disclose the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	28

UN SDGs Aligned Activities

UN SDGs	Hyosung TNC's Key Activities
Goal 1. No Poverty End poverty in all its forms everywhere	- Operated support programs for vulnerable groups in local communities - Implemented a child sponsorship program in Quang Ngai Province, Vietnam
Goal 3. Good Health and Well-being Ensure healthy lives and promote well-being for all at all ages	- Enhanced customers' quality of life through the development of functional fibers - Fostered a healthy consumption environment with sustainable textile solutions - Operated welfare programs including employee health check-ups, psychological counseling, and fitness support
Goal 4. Quality Education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	- Bridged the education gap by supporting education and facilities for elementary schools in rural and fishing communities - Developed environmental education materials and operated education programs - Operated a degree support program for employees to pursue bachelor's and academic degrees
Goal 5. Gender Equality Achieve gender equality and empower all women and girls	- Operated the Maternity Protection System and family-friendly policies - Operated an anti-discrimination policy in employment - Supported employment activation for women with career interruptions
Goal 6. Clean Water and Sanitation Ensure availability and sustainable management of water and sanitation for all	- Operated a wastewater management system aligned with ZDHC guidelines - Implementing a clean water and sanitation improvement program for children in Vietnam - Identified and assessed water resource risks
Goal 7. Affordable and Clean Energy Ensure access to affordable, reliable, sustainable and modern energy for all	- 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	- 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	- Enhanced development of sustainable products and technologies - Increased recycled product capacity and production

UN SDGs	Hyosung TNC's Key Activities
Goal 10. Reduced Inequalities Reduced inequality within and among countries	- Provided equal employment opportunities for vulnerable groups - Supported rural villages, schools, underprivileged groups, and social welfare organizations near business sites - Participated in programs to improve cultural accessibility for the visually and hearing impaired - Supported rehabilitation treatment for children with disabilities and their non-disabled siblings
Goal 11. Sustainable Cities and Communities Make cities and human settlements inclusive, safe, resilient and sustainable	- Contributed to building a sustainable and safe urban environment through environmental cleanup activities - Supported local communities through sisterhood partnerships with rural villages, schools, and environmental river-cleanup initiatives - Supported local festivals and community sports infrastructure
Goal 12. Responsible Consumption and Production Ensure sustainable consumption and production patterns	- Developed Bio BDO technologies - Developed recycled materials using waste PET bottles
Goal 13. Climate Action Take urgent action to combat climate change and its impacts	- Established the 2050 Net Zero 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	- Developed technologies and products for recycling discarded fishing nets - Conducted marine ecosystem conservation activities, including ocean forest creation
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	- 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	- Established Code of Ethics and practical guidelines - Expanded ethics training for overseas subsidiaries

Greenhouse Gas Verification Statement

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.

• 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 Energy Consumption
2025	279,230	1,117,450	1,396,680	4,569	10,004	14,572

* 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.

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 16 Overseas subsidiaries on a consolidated basis¹⁾
- Reporting Boundary : Scope 1 (Direct emissions), Scope 2 (Indirect emissions)
- Reporting Period : 2025.01.01 ~ 2025.12.31 (For the years 2022-2024, refer to the annex regarding reports based on changes in previously reported emissions and new reports from new subsidiaries)

2026. 5. 26
Seoul, Republic of Korea

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

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.

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

1) 16 Overseas Subsidiaries on a consolidated basis of Hyosung Chemicals(Jiaxing) Co., Ltd., Hyosung Spandex(Jiaxing) Co., Ltd., Hyosung International Trade(Jiaxing) Co., Ltd., Hyosung New Material & High Technology (Quzhou) Co., Ltd., Hyosung Spandex(Guangdong) Co., Ltd., Hyosung Spandex(Zhuhai) Co., Ltd., Hyosung Spandex(Ningxia) Co., Ltd., Hyosung Spandex(Quzhou) Co., Ltd., Hyosung Japan Co., Ltd., Hyosung India Private Limited, Hyosung Corporation India Private Limited, Hyosung Dong Nai Co., Ltd., Hyosung Dong Nai Nylon Co., Ltd., Hyosung Istanbul TEKSTIL LTD. STI, Hyosung Europe S.R.L., Hyosung Brasil Industria e Comercio de Fibras Ltda.,



Greenhouse Gas Verification Statement

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)

2025	Upstream	Downstream	Total
Hyosung TNC Sites in Korea	866,281	23,606	889,887

※ The above GHG emissions may differ by less than ± 1 tCO₂eq due to rounding to the nearest 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 : 2025.01.01 ~ 2025.12.31

2026. 5. 26
Seoul, Republic of Korea

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

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.

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-1234929-03-AST-ENG



Greenhouse Gas Verification Statement

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.

• DNV represents “unmodified” opinion on Greenhouse Gas Emissions.

(Unit: ton CO₂eq)

Year	Upstream	Downstream	Total
2025	8,257,837	3,668,590	11,926,428

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

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 16 overseas’ subsidiaries¹⁾
- Reporting Boundary : Scope 3 (Other indirect emissions: Category 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 15)
- Reporting Period : 2025.01.01 ~ 2025.12.31 (For the years 2022-2024, refer to the annex regarding reports based on changes in previously reported emissions and new reports from new subsidiaries)

2026. 5. 26
Seoul, Republic of Korea

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

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.

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-1234929-02-AST-ENG

1) Hyosung TNC Corporation’s 16 overseas’ subsidiaries: Hyosung Chemicals(Jiaxing) Co., Ltd., Hyosung Spandex(Jiaxing) Co., Ltd., Hyosung International Trade(Jiaxing) Co., Ltd., Hyosung New Material & High Technology (Quzhou) Co., Ltd., Hyosung Spandex(Guangdong) Co., Ltd., Hyosung Spandex(Zhuhai) Co., Ltd., Hyosung Spandex(Ningxia) Co., Ltd., Hyosung Spandex(Quzhou) Co., Ltd., Hyosung Japan Co., Ltd., Hyosung India Private Limited, Hyosung Corporation India Private Limited, Hyosung Dong Nai Co., Ltd., Hyosung Dong Nai Nylon Co., Ltd., Hyosung Istanbul TEKSTIL LTD. STI, Hyosung Europe S.R.L., Hyosung Brasil Industria e Comercio de Fibras Ltda.,



Independent Assurance Statement

Assurance Outline

Korea Productivity Center Quality Assurance (hereinafter "KPCQA") was commissioned by Hyosung TNC Corporation (hereinafter "Hyosung TNC") to conduct an independent assurance on the 2025 ESG Sustainability Report (hereinafter "the report") and issues an assurance statement. Hyosung TNC has sole responsibility for the preparation of the data within the report. KPCQA's responsibility is to provide objective opinions on this report with the specified criteria and scope of assurance.

Scope

This report describes Hyosung TNC's sustainability efforts and performance. The scope of assurance was included on activities from January 1, 2025 to December 31, 2025. Activities through 2026 has also been used in some areas. The report was assured focusing on the reporting of sustainable management policies, strategies, goals, businesses, and performance, and conformity of data collection and analysis, and the report creation process.

Criteria

The assurance was carried out in accordance with the following standards:

- AA1000AS v3
- KPCQA ESG Report Assurance Protocol

Levels

The assurance of this report was conducted in line with the requirements of the AA1000AS v3 Type 2(Adherence to the AA1000 four principles, information reliability and quality) at moderate level of assurance. The assurance was applied by professional judgement about materiality.

The report has been produced in accordance with GRI Standards. We confirmed that the report was complied with reporting principles of GRI Standards, Universal Standards, and Topic Standards based on the data and information provided by Hyosung TNC.

Methodology

- Review of Sustainability Performance Data and Management System
- Review of the reporting process and data management framework
- Review of materiality assessment process and Internal Analysis Procedure
- Review of media report on sustainability
- Interviews with executives and employees involved in material topics and report preparation
- Review of the overall report

Limitations

This assurance is limited assurance in limited criteria with comparative review of data provided by Hyosung TNC. It has its own limitations depending on the characteristics and calculation method of the data.

Conclusions

KPCQA conducted assurance on the draft by review of the data, onsite verification and interview with the employees. It was confirmed that all errors identified during the assurance were corrected.

As a result of the assurance of this report, no material errors or improper descriptions have been found and the conclusions are as follows.

• Inclusivity : Participation of stakeholders

Hyosung TNC operates stakeholder communication channels to gather opinions from various stakeholders to derive material topics and ensure that they are reflected in decision-making.

• Materiality : Selection and reporting of material topics

Hyosung TNC presented sustainability performance data without any material omissions. Relating to the material issues in the report, nothing had come to our attention that would cause problem in decision-making process.

• Responsiveness : Organizational response to issues

KPCQA checked and reviewed the data related to the internal and external stakeholders of Hyosung TNC, we confirmed Hyosung TNC identified the reporting scope and stakeholders' interests and reflected them. we confirmed Hyosung TNC has management process of material topics through materiality assessment.

• Impact : Monitoring and measurement of business activities

KPCQA reviewed Hyosung TNC identified and monitored the impact of Hyosung TNC's business activities on stakeholders. we confirmed the impact associated with material issues have been properly measured.

• Reliability : Reliability and quality of specified sustainability performance information

KPCQA conducted reliability verification of sustainability performance information provided by Hyosung TNC. we found no intentional errors or misstatements in the sustainability performance information through reviewing internal procedures for data measurement and management through interviews with the person in charge and sampling of data.

Competencies and Independence of Assurance

KPCQA is a 3rd Party Conformity Assessment Body that conforms to ISO/IEC 17021:2015 and has documented policies, assessment processes, and quality assurance systems with assurance team of ESG experts.

KPCQA was not involved in any of the business operations of the Hyosung TNC and the assurance was conducted with independence.

June, 2026
Korea Productivity Center Quality Assurance

President Jang Jean, Kang



HYOSUNG TNC