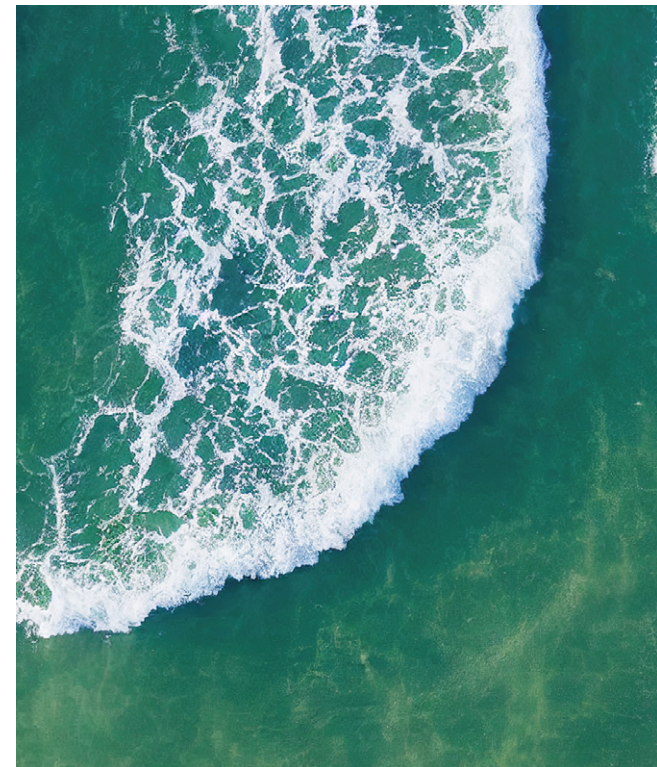
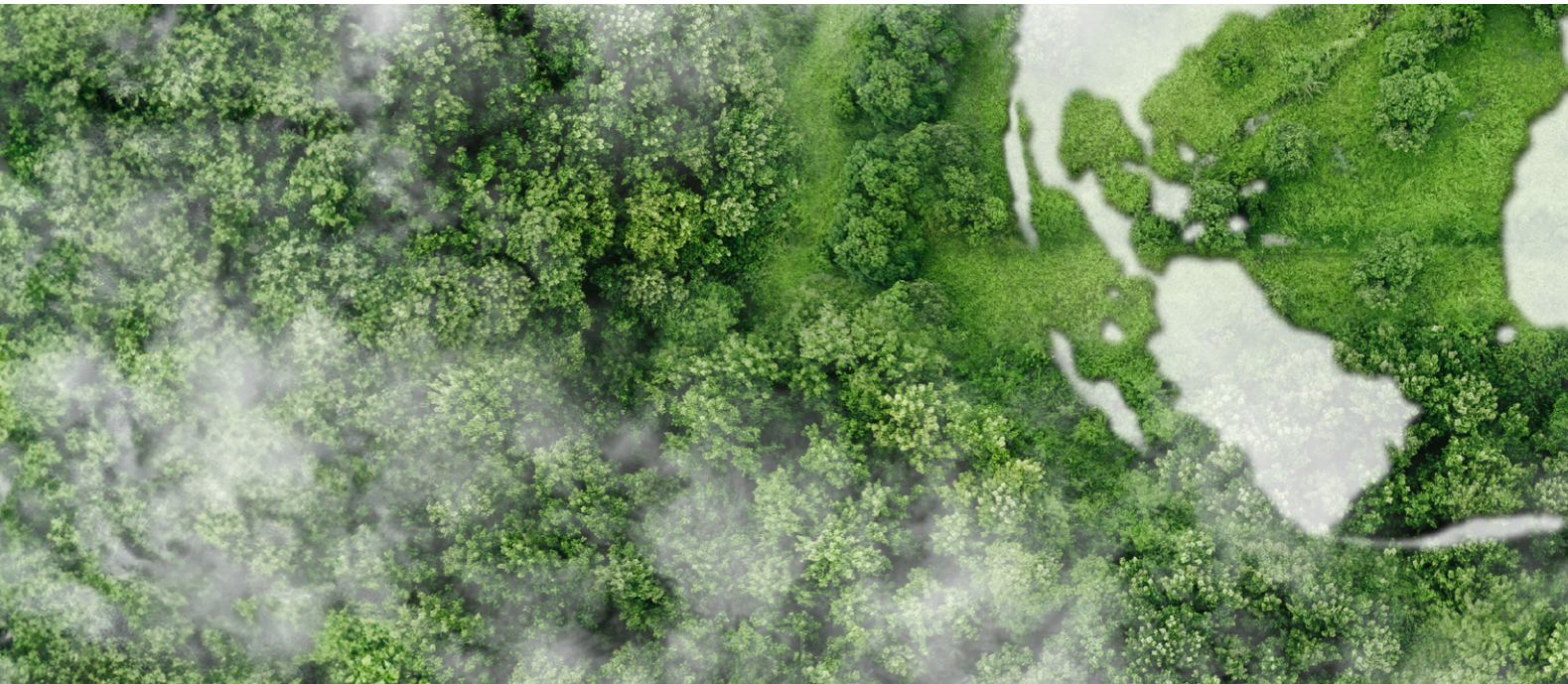


The Green Way to a Beautiful Tomorrow

SeAH Besteel Holdings Sustainability Report 2024



SeAH Besteel Holdings



About This Report

This is SeAH Besteel Holdings' second Sustainability Report, which provides transparent information on management strategies, policies, key activities, and performances related to ESG (Environmental, Social, and Governance), as well as financial performance. The report aims to inform both internal and external stakeholders. We are dedicated to keeping investors and stakeholders informed through this report to enhance our ESG management.

Reporting Period

This report covers financial and non-financial performance and activities from January 1, 2023, to December 31, 2023. Quantitative data used in trend analysis spans the three-year period from 2021 to 2023, with supplementary data from the first half of 2024.

Report Assurance

This report has undergone third-party assurance for credibility and the quality of its contents. The assurance statement is available on the Third-Party Assurance Report page.

Reporting Scope

The scope of this report includes financial data of affiliates based on K-IFRS consolidation and non-financial data from domestic business sites of SeAH Besteel Holdings, SeAH Besteel, SeAH CSS, and SeAH Aerospace & Defense. Some metrics are excluded due to physical limitations in data collection. Any deviations from the reporting scope are annotated separately.

Reporting Standards

This report complies with the 2021 standards of the Global Reporting Initiative (GRI), an international framework for sustainability reporting. It is also prepared in reference to the standards of the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB) to reflect industry-specific factors.

Inquiry about the Report

For more information on our sustainability activities and performance disclosed in this report, please contact us using the information below.

Contact Information

ESG Team, SeAH Besteel Holdings

Phone Number: +82-2-6970-2222~3

E-mail: besteelholdings_esg@seah.co.kr



Interactive Guide

SeAH Besteel Holdings has released the 2024 Sustainability Report as an interactive PDF, enabling easy navigation to relevant sections throughout the document.

Contents

Introduction

SeAH Besteel Holdings	6
Affiliates	8
ESG Highlight	12

ESG Strategy

Message from the Chairman of the ESG Committee	14
ESG Management	15
Materiality Assessment	18
Stakeholder Engagement	21

ESG Focus

Go Carbon Neutral	23
Recycle and Reuse Resources	35
Embedding Safety and Health	40
Evaluate and Mitigate Supply Chain Risks	46
New Value with Transparency	51

ESG Management

Environmental Management	57
Air Pollution Improvement	59
Hazmat Management	60
Water Resources Management	61
Human Resources Management	62
Human Rights	65
Community Engagement	68
Board of Directors	70
Information Security	74
Risk Management	75

Appendix

ESG Data	77
Financial Data	97
ESG Guidelines	101
Membership & Awards	108
Third-Party Assurance Report	109

CEO Message



CEO **Kim, Suho**



'The Most Sustainable Company', 'The Most Ethical Company'

Dear Esteemed Stakeholders,

I would like to extend my heartfelt thanks to all stakeholders of SeAH Besteel Holdings for your continuous support and encouragement throughout the past year, amidst significant changes and challenges. In our very first Sustainability Report of 2023, we outlined our directions and plans for ESG management. We remain steadfast in our commitment to achieving ESG competitiveness and performance comparable to global leading companies. While uncertainty in the business environment is expected to be further exacerbated this year, we are poised to ride the waves of change and take a differentiated approach to our management strategies.

We will diversify our business portfolio to stay ahead of future market changes and embed green management to secure our sustainable competitiveness.

To this end, we will focus on the following three initiatives:

First, we will build a sustainable business model by proactively addressing climate change.

We have actively responded to climate change by engaging in green businesses and reducing our carbon footprint. With 2024 designated as the year of carbon neutrality, all our affiliates are stepping up their efforts to reduce carbon emissions. As we move forward, we will fortify our sustainable business model through various green activities, including improving energy efficiency, systematically managing carbon emissions, and developing low-carbon steel materials.

Second, we will enhance the execution of safety and health activities to achieve our goal of zero serious accidents.

Our utmost priority is the safety and health of our employees. We have established and are operating a dedicated safety and health organization and council to effectively carry out safety and health activities. With input from all employees, we have defined our safety and health roadmap and set zero serious accidents in the workplace as our primary goal. Moving forward, we will persist in the systematic implementation of safety management practices and the proactive advancement of health initiatives.

Third, we will step up our compliance and ethical management, and become a trusted and respected company.

We closely monitor legal and regulatory developments in various fields governed by domestic and international organizations to ensure compliance with mandatory requirements in areas such as fair trade, safety, environment, labor, and information security. At SeAH Besteel Holdings, all employees strive to uphold the highest standards of ethics and compliance management.

Thank you again to all of our stakeholders for their continued support and for accompanying us on our journey to becoming the "Most Sustainable Company" and the "Most Ethical Company."

Introduction

SeAH Besteel Holdings	6
Affiliates	8
ESG Highlight	12

SeAH Besteel Holdings

Overview

SeAH Besteel Holdings, the holding company of SeAH Besteel, SeAH CSS, and SeAH Aerospace & Defense, was founded in 1955 and underwent the de-merger of SeAH Besteel in 2022. Our primary focus is now on investment and management consulting. We develop strategies and plans using its expertise in special steel manufacturing, aligning business portfolios with the changing global business landscape while strengthening non-financial capabilities to create integrated synergies across all its businesses.

* As of 2023 separate financial statements

Company name	SeAH Besteel Holdings Corp.	CEOs	Lee, Taesung & Kim, Suho
Founded	1955	Address	45 Yanghwa-ro, Mapo-gu, Seoul, Korea
Key business	Holding company business	No. of employees	53
Credit rating	A+ (NICE Information Service Co., Ltd, Korea Ratings)	Total assets	KRW 1.750.5 billion
Revenue	KRW 59.2 billion	Operating profit	KRW 41 billion

Affiliates



Management Strategy



*UAM (Urban Air Mobility): Future mobility systems for transporting people and cargo in urban environments.

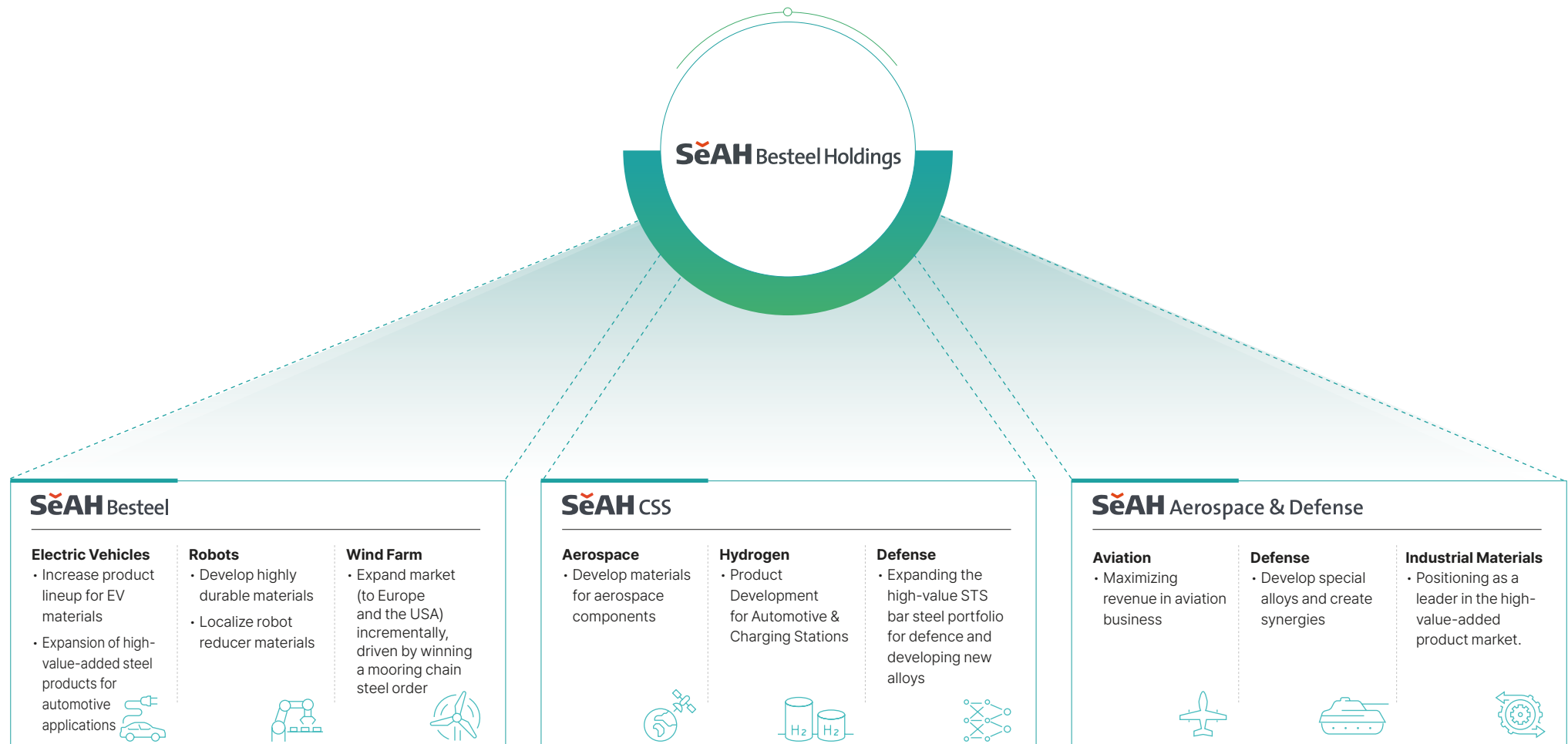
**Small Modular Reactor (SMR): Small modular reactor.



SeAH Besteel Holdings

BUSINESS PORTFOLIO

SeAH Besteel Holdings has transitioned to a holding company structure to effectively strengthen sustainable growth. This transition begins with the establishment of a robust governance structure centered around the Board of Directors to further solidify the ESG management system. Going forward, we will reshape the business portfolios of each affiliate and efficiently allocate strategic resources to create synergies, enhancing cooperation and harmony among our businesses to achieve sustainable growth.



Affiliates

SeAH Besteel

Overview

SeAH Besteel boasts the largest steelmaking capacity in Korea, thanks to an integrated and automated production system encompassing everything from steelmaking and rolling to corrections. This achievement has solidified our position as Korea's leading special steelmaker and is made possible by our hardworking employees. Furthermore, they supply carmakers in domestic and abroad with its proprietary special steel, one of the many advanced developments of our R&D team. Lastly, the recent addition of special steel materials used in constructing wind turbines and accompanying gearboxes is opening more opportunities in the renewable energy market.

Company name	SeAH Besteel Corp.
Founded	2022
key business	Special steel making
Credit rating	A+
Revenue	KRW 2,310.8 billion
CEOs	Kim, Chulhee & Shin, Sangho
Address	45 Yanghwa-ro, Mapo-gu, Seoul, Korea
No. of employees	1,592
Total assets	KRW 1,529.2 billion
Operating profit	KRW 110.9 billion



Affiliates

SeAH CSS

Overview

SeAH CSS is the only Korean steelmaker with an integrated production system for manufacturing stainless steel long-product materials. The company has established a strong position in the high-end special steel market based on its unique expertise and capabilities. SeAH CSS offers a wide range of products, including stainless steel wire rods, stainless steel bars, stainless steel seamless pipe products, and more. Various industries such as machinery, plant engineering, automotive, shipbuilding, oil and gas, energy, semiconductors, aerospace, and defense use its products as core materials. This extensive application strengthens its market presence and competitiveness.

Company name	SeAH CSS
Founded	1966
key business	High-grade special steel manufacturing
Credit rating	A+
Revenue	KRW1,609.1billion
CEOs	Lee, Sangeun & Lee, Junghoon
Address	Changwon-si, Gyeongsangnam-do, Korea
No. of employees	1,229
Total assets	KRW 1,479.4billion
Operating profit	KRW 6.60billion



Affiliates

SeAH Aerospace & Defense

Overview

SeAH Aerospace & Defense, with over 60 years of manufacturing experience and know-how, produces extruded aluminum products for aerospace and defense. The company has secured world-class aluminum alloy production capacity and quality competitiveness through integrated solutions for aluminum extrusion products, developed based on its extensive expertise in Korea. Known for its production tolerance and quality characteristics, SeAH Aerospace & Defense sets the industry standard in Korea and its products are widely used in innovative, cutting-edge technologies and numerous prominent industries.

Company name	SeAH Aerospace & Defense Corp.
Founded	1945
key business	SeAH Aerospace & Defense Corp.
Credit rating	A-
Revenue	KRW 86.2 billion
CEOs	Sung, Changmo
Address	Changwon-si, Gyeongsangnam-do, Korea
No. of employees	239
Total assets	KRW 55.3 billion
Operating profit	KRW 7.5 billion



Global Network

SeAH Besteel Holdings is leveraging its extensive network in major countries worldwide to spearhead the Korean industry and bolster its global presence, thereby staying ahead of the competition

01 China
SeAH CTC, (Lishui)
SeAH CSS China
Office(Shanghai)

02 Thailand
SeAH Global Thailand
(Bangkok, Siracha)

03 Indonesia
SeAH Global
Indonesia, (Jakarta)

04 India
SeAH Global India
(Chennai)

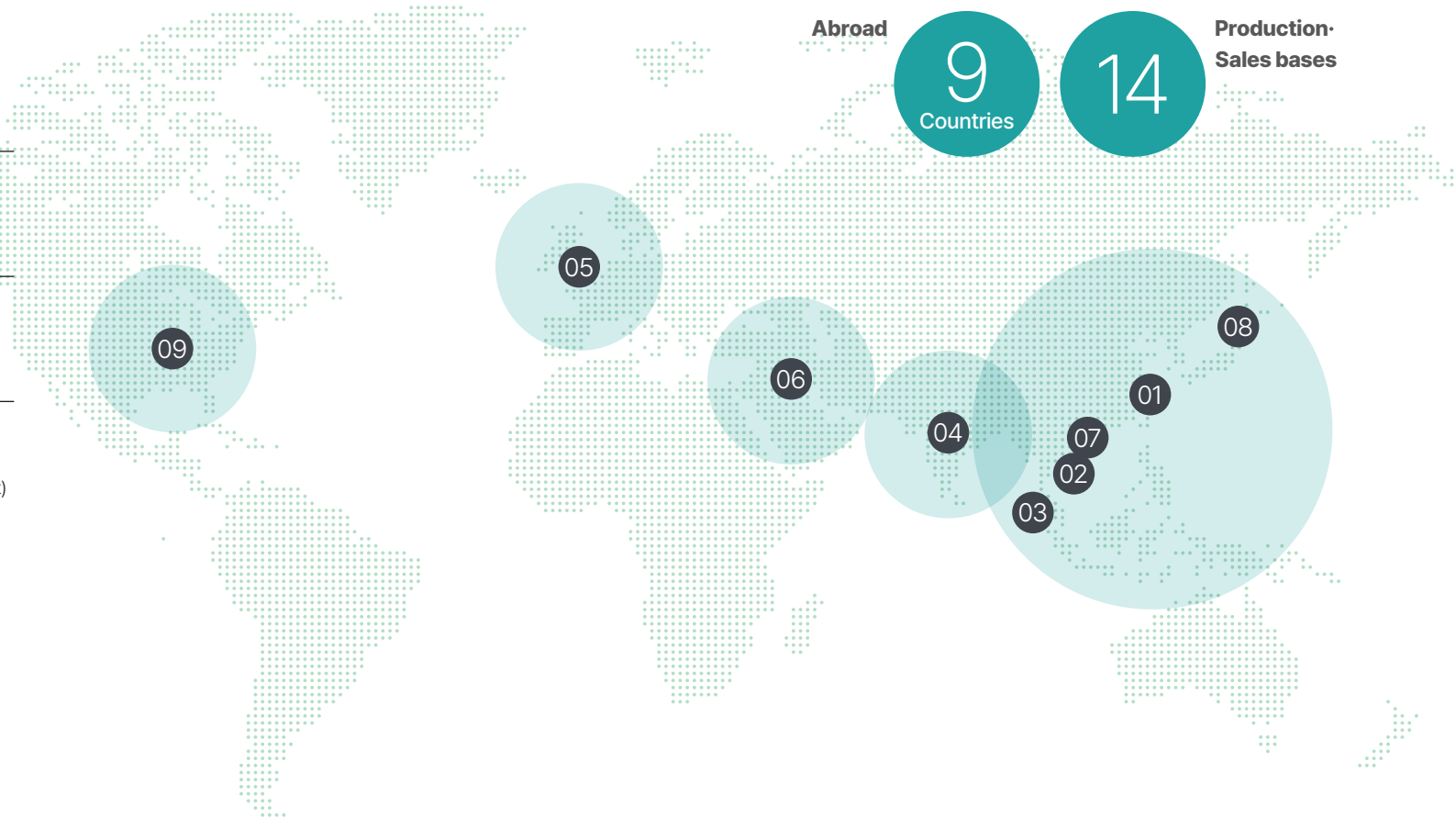
05 Germany
SeAH Besteel Germany
Office(Dusseldorf)

06 Saudi Arabia
SeAH GSI (Dammam)

07 Vietnam
SeAH Global Vina
(Binh Duong)

08 Japan
SeAH Global Japan,
(Tokyo, Osaka)

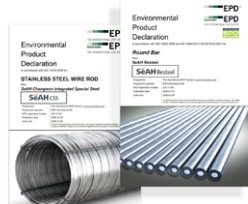
09 USA
SeAH Global Inc
(Houston, Irvine, Detroit)



ESG Highlight

International EPD Certification

Attestation of product sustainability from the LCA perspective



Environmental Labelling and Declarations: International Standard Certification (for Stainless Steel Wire Rod Products)

Achieved the International Organization for Standardization ISO14021 Certification



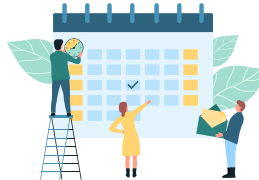
Structural Innovation Support Project for SMEs

Collaboration with seven SMEs



Quarterly Labor-management Council Meetings

Promoting shared growth
Improving organisational culture



Best Labor-Management Culture Enterprise Designation

Designated by the Ministry of Employment and Labour
No labor disputes for 20 years



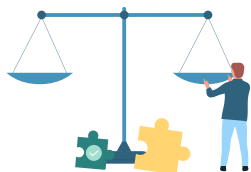
Supply Chain Risk Management

Establish a supply chain ESG management process
Conduct written assessment of ESG for key partner companies



Self-directed Ethics Review 100% Complete

All departments of SeAH Besteel Holdings and affiliates (128 departments)



Achieved KCGS Overall Grade A



International Certification for Compliance management systems

Achieved the International Organization for Standardization ISO37301 Certification



Governance Innovation

Separation of the CEO and Board Chairman
Introduce a Board competency assessment



ESG Strategy

Message from the Chairman of the ESG Committee	14
ESG Management	15
Materiality Assessment	18
Stakeholder Engagement	21

Message from the Chairman of the ESG Committee

Anchored by the vision of

“GREEN way to a beautiful tomorrow,” SeAH Besteel Holdings is doubling down on our efforts in various domains to shape a beautiful tomorrow.



Greetings,

I am Yoon Yeasun, the Chairman of the ESG Committee at SeAH Besteel Holdings. I would like to extend my greetings and deepest gratitude to all stakeholders for accompanying us on our journey toward a sustainable future.

I would like to extend my greetings and deepest gratitude to all stakeholders for accompanying us on our journey toward a sustainable future.

Anchored by the vision of “GREEN way to a beautiful tomorrow,” SeAH Besteel Holdings is continuing our efforts in various domains to shape a beautiful tomorrow. In particular, the Board of Directors and the ESG Committee serve as the guiding body for our environmental, social, and governance commitments, guiding the company in the right direction. The committee also undertakes various activities and functions as an in-house think tank for the company’s sustainable growth.

We are dedicated to embedding ESG values into our company and making them part of our corporate cultural DNA through the following three key initiatives:


The first is the strategically integrating ESG into management. ESG considerations will become essential in our every decision-making process, including new business investments, product development, and supply chain management. This will lay the a foundation for sustainable growth, minimize ESG risks, and maximize opportunities as we move forward.

The third is enhancing the ESG performance management system. We are in the process of implementing a data-driven ESG performance management system to ensure transparent communication of our ESG performance within our organization. This will allow us to measure ESG performance by department and business site, share insights internally to drive improvements and identify and share best practices to strengthen our ESG capabilities.

With our vision to integrate ESG into every facet of our operations, we are committed to cultivating a corporate culture where all employees embrace and practice ESG values to achieve sustainable growth and become a socially responsible company admired by others. We ask for your continued support and encouragement as we strive toward a beautiful tomorrow. Thank you

Thank you

The Chairman of the ESG Committee **Yoon Yeasun**

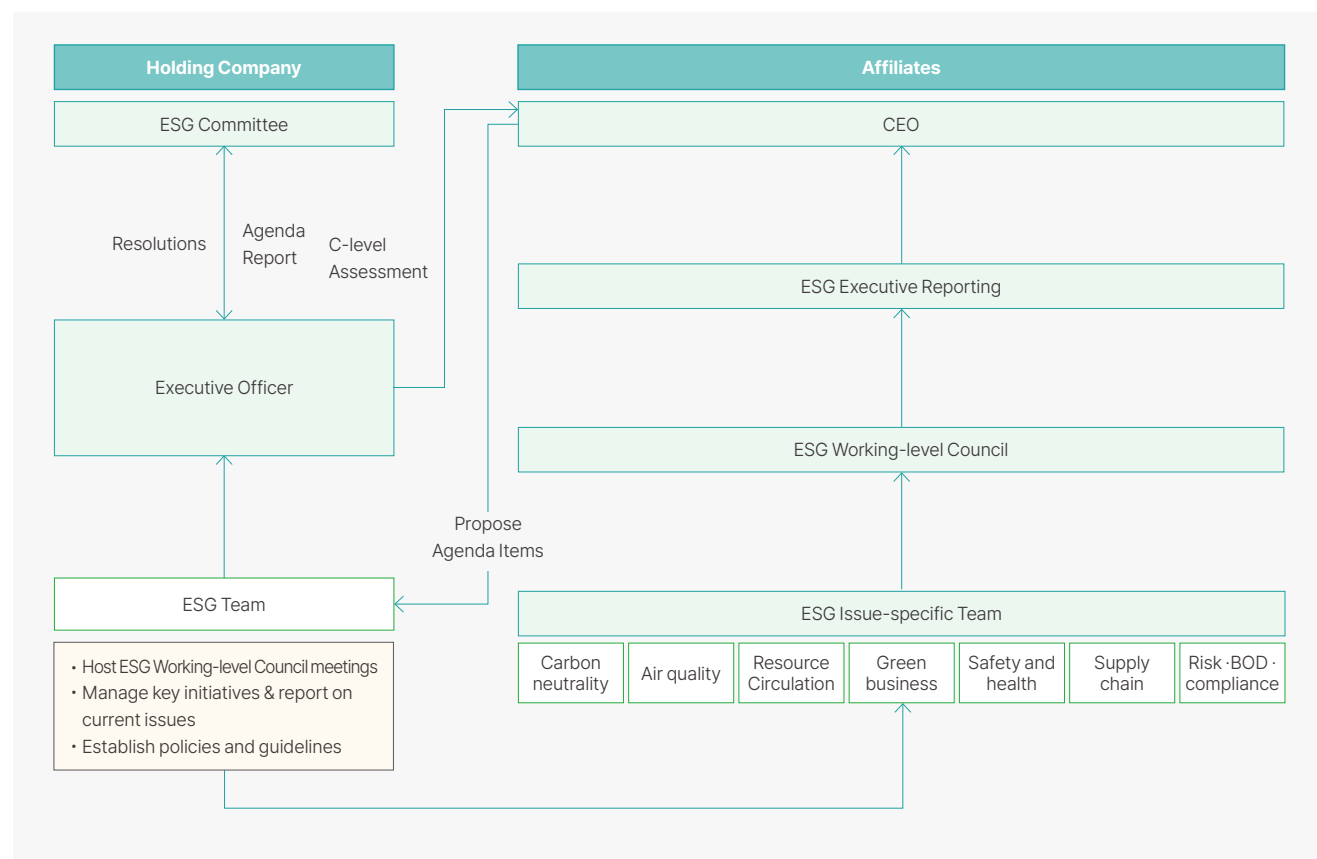


ESG Management

ESG Governance

SeAH Besteel Holdings has established a company-wide governance structure to efficiently promote its ESG management vision. The highest decision-making body, the ESG Committee, and the ESG Working-level Council, which consists of the general departments of each subsidiary, are operated quarterly. Each organization is responsible for setting the direction of ESG strategies, monitoring performance and risks, and making key decisions. The ESG team collaborates with affiliates to manage performance, establish company-wide ESG strategies and goals, develop roadmaps, and handle internal and external communications. From 2023, SeAH Besteel Holdings has incorporated ESG performance into the CEO SPS (SeAH Performance Session) to internalize ESG management. Starting in 2024, the company plans to expand the ESG performance management system to team KPIs and executive KPIs, ultimately linking it with the CEO SPS to accelerate the internalization of ESG management.

Governance Structure



Organizational Role

Category	Roles and Responsibility	
ESG Committee (quarterly convened)	Performance monitoring	<ul style="list-style-type: none"> ESG management strategies/policies deliberation and decision-making Review mid- and long-term ESG strategies and key decisions prior to resolution
	Progress management	<ul style="list-style-type: none"> Establishment, monitoring, and communication of ESG strategies Set ESG strategy, goals, and roadmap Monitor progress on company-wide strategic ESG tasks and escalate issues for deliberation Communicate with internal and external stakeholders and respond to evaluations
ESG Team	Issue discovery and countermeasure planning	<ul style="list-style-type: none"> Monitor and report on the performance of each task through meetings with responsible and relevant teams Check the achievement of milestones/targets for each task and identify causes of underperformance Develop countermeasures in collaboration with responsible parties when issues arise during the implementation process

ESG Management

GREEN Strategy

Amid a fluctuating business environment, SeAH Besteel Holdings remains steadfast in our efforts for sustainable growth through our 'GREEN' strategy. Our strategy outlines actionable tasks across five key focus areas, nine core strategic tasks, and many mid to long-term goals. By successfully implementing this strategy, we seek to achieve future performance, accelerate and internalize ESG management, and actively address stakeholder needs.

Vision

The Green Way to a Beautiful Tomorrow

Key focus area



Go Carbon Neutral

Recycle and Reuse Resources

Embedding Safety and Health

Evaluate and Mitigate Supply Chain Risks

New Value with Transparency

Net zero 2050

Green activities for carbon reduction and clean air

Resource Circulation ecosystem

Competitiveness in green business

Mitigation of safety and health risks

Sustainable supply chain

Board-centered management

Risk Management

Ethics and compliance management

core strategic task

ESG Management

ESG Focus Areas

Category		Medium- to long-term goals	Affiliate	2023 Achievement	2024 Target
G	Climate Change	Reduce carbon emissions by 12% by 2030 compared to 2018	SeAH Besteel	1,182,414 tCO ₂ -eq	3.1% reduction in carbon intensity (from 2023 baseline)
			SeAH CSS	455,763 tCO ₂ -eq	1.8% reduction in carbon intensity (from 2023 baseline)
	Air	Reduce Nox intensity by 10% by 2030 compared to 2023	SeAH Besteel	546 ton	1% reduction in Nox intensity (from 2023 baseline)
			SeAH CSS	321 ton	2% reduction in Nox intensity (from 2023 baseline)
R	Resource Circulation	Achieve a 99% recycling rate by 2030	SeAH Besteel	99.0%	Increased recycling rate to 99.2
			SeAH CSS	91.1%	Increased recycling rate to 92.0
	Green Business	Establish a Green Steel production system to respond to strengthened environmental regulations by 2030	SeAH Besteel	Green Product Certification and Expert Training: 1case Green product development: 3 cases	Green Product Certification and Expert Training: 2 case Green product development: 6 cases
			SeAH CSS	Green Product Certification and Expert Training: 1case Green product development: 2 cases	Green Product Certification and Expert Training: 1 case Green product development: 2 cases
E	Safety and Health	Reduce LTIFR by 10% annually until 2030 compared to 2022 (Employee)	SeAH Besteel	8.96	20% reduction in employee LTIFR (from 2022 baseline)
			SeAH CSS	0.68	20% reduction in employee LTIFR (from 2022 baseline)
		Reduce LTIFR by 10% annually until 2030 compared to 2022 (Partner)	SeAH Besteel	3.85	20% reduction in partner LTIFR (from 2022 baseline)
			SeAH CSS	Zero Accidents	0.37 (10% reduction from 2023 baseline)
E	Supply Chain Management	Establish an ESG-based supply chain by 2030	SeAH Besteel	Written assessment conducted for 41 partner companies	Written assessment for 175 partner companies On-site due diligence for 10 partner companies
			SeAH CSS	Written assessment conducted for 11 partner companies	Written assessment for 189 partner companies On-site due diligence for 10 partner companies
N	Board-centric Management	Enhance evaluation and training to strengthen the function and expertise of the expert committee	SeAH Besteel/ SeAH CSS	Operation of ESG Working-level Council	Activation of ESG Working-level Council
	Risk Management (Human Rights Management)	Establish and inspect the human rights management risk system for major affiliates by 2030	SeAH Besteel	Human Rights Impact Assessment and Task Identification	Task Review and Follow-up Plan (PDCA)
			SeAH CSS	Establishment of Human Rights Policies and Human Rights Impact Assessment Plan	Human Rights Impact Assessment and Task
	Compliance	Advance the operation of the Compliance Management System (CMS) by 2030	SeAH Besteel	Culture/Conduct/Evidence Evaluation	Conduct/Evidence Evaluation Excellent Grade
			SeAH CSS		Culture/Conduct Evaluation Excellent Grade

Materiality Assessment

Process

To identify its ESG material issues, SeAH Besteel Holdings conducted a "dual materiality assessment" based on the European Sustainability Reporting Standards (ESRS) framework, which evaluates the social and environmental impacts of corporate activities (inside-out) and the financial implications of ESG issues on the business (outside-in). After examining the effects, risks, and opportunities of each issue for both economic and social/environmental dimensions, we prioritized issues based on their significance to financial, social, and ecological materiality. As a result, we identified five key material issues for 2023 : climate change response, virtuous cycle of resource use, workplace safety, supply chain ESG management, and ethical management practices.





Materiality Assessment

Result






● High: 3.0 ~ ● Medium: 1.5 ~ 3.0 ● Low: ~1.5

	Domain	Issue	Impact Materiality		Financial Materiality		GRI
			Impact	materiality	Impact	materiality	
-	Environmental	Virtuous resource cycle system	• Industrial waste reduction by pushing down the consumption of natural resources	●	• Issues with initial investment costs and facing technical difficulties • Incurring operational and maintenance costs	●	301, 306
New		Water resources Management	• Social conflicts due to scarcity or unequal allocation of resources • Local environmental degradation and ecosystem changes	●	• Issues with initial investment costs and facing technical difficulties • Incurring operational and maintenance costs	●	303
-		Pollutant emissions management	• Negative impacts on the health and living conditions of locals • Exacerbating pollutant issues such as ozone depletion or acid rain	●	• Incurring costs such as fines and litigation due to stricter environmental laws • Costs arising from initial investments and maintenance	●	305
-		Climate change response	• Increased incidence of natural disasters such as heat waves, water shortages, typhoons, and flooding due to extreme weather events • Negative impacts on coastal ecosystems by accelerating sea level rise and ocean acidification	●	• Deterioration of market competitiveness due to failure to respond to demand for green products and services • Decreased productivity or increased production costs due to changes in the existing system	●	201-1, 302, 305
New		Green R&D Investment	• Negative impact on the labor market due to technical difficulties	●	• Uncertainty in revenue and investment recovery	●	-
New	Social	Attracting and nurturing talents	• Poor workplace and social problem-solving • Employee churn	●	• Increased possibility of developing new business opportunities • Enhanced competitiveness and innovation, leading to increased productivity	●	401, 404
-		Creating a safe workplace	• Environmental pollution due to safety accidents • Threats to the health and lives of workers	●	• Incurring costs for compensation and production interruptions • Decreased productivity and profitability due to productivity decline	●	403
-		Implementing human rights management	• Decreased quality of life for vulnerable employees in the workplace • Decreased employee morale, work engagement, and self-actualization due to human rights issues	●	• Lawsuits and financial losses due to human rights issues	●	406
-		Supply chain ESG management	• Increased non-financial risks such as industrial accident rates and GHG emissions in the value chain	●	• Decline in service quality due to labor instability among subcontractors	●	308, 414
-		Win-win and collaboration with labor	• Decreased work engagement due to dissatisfaction with labor relations, organizational culture, etc.	●	• Weakened market competitiveness due to decreased employee productivity	●	402
New		Regional social contribution	• Declined quality of life for socially disadvantaged and vulnerable groups • Worsened of local community issues such as environment and poverty	●	• Increased brand value through improved corporate image • Establishing a virtuous cycle by solving local community economic issues	●	413
New	Governance	Heightening information security	• Increased social costs (e.g., compensation, accident investigation costs) in the event of an information leakage incident • Occurrence of secondary and tertiary damages due to information leakage	●	• Incurring revenue losses and unexpected improvement and litigation costs • Increased costs due to market loss or business model changes	●	418
New		Establishing transparent governance	• Management that did not consider environmental and social impacts, leading to issues such as social inequality • Decision-making errors due to the loss of the Board's expertise	●	• Reduction in investors due to credit loss • Weak oversight/control function of management, focusing on short-term financial performance	●	-
New		Strengthening risk management	• Disruption of fair-trading order with investors and failure to protect investors	●	• Decreased financial soundness, management stability, and profitability • Damage to brand value and reputation	●	-
-		Promoting ethical management	• Legal risks related to employees and stakeholders	●	• Incurring fines and penalties due to violation of related regulations and laws	●	205, 206
New	Economy	Creating economic performance	• Expansion of investment in eco-friendly facilities within the steel industry • Job creation and economic revitalization	●	• Facing financial and management difficulties • Decreased corporate value	●	201



Materiality Assessment

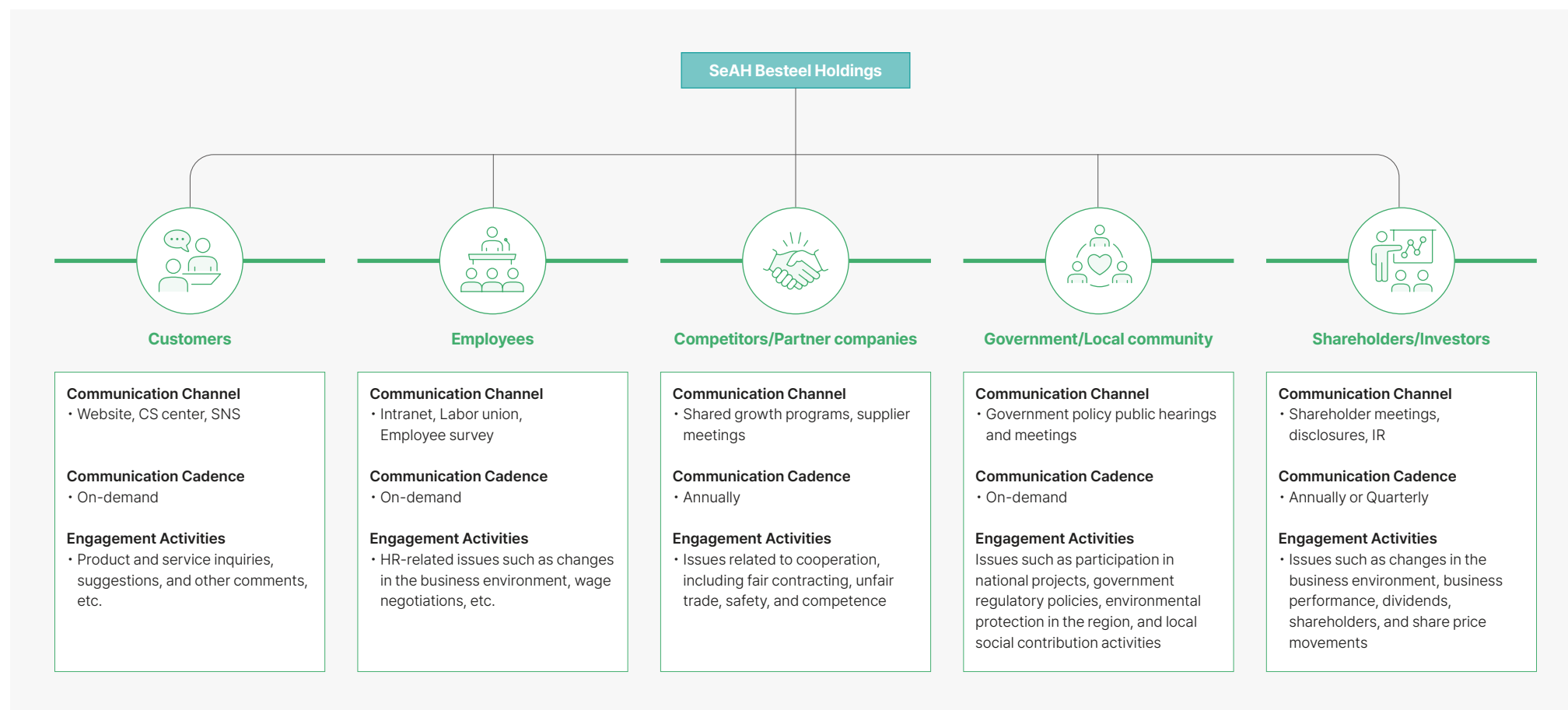
Key Material Issues Management

Key Material Issue	Materiality	Countermeasures and Achievements
 <p>Climate change response</p>	<p>Climate change causes global warming, extreme weather events, natural disasters, and significant societal harm. These changes present both business risks and opportunities for companies worldwide. Given the steel industry's high energy consumption and significant greenhouse gas emissions, its role in addressing climate change is crucial. Efforts in this sector aim not only to protect the environment but also to mitigate rising costs from stricter carbon regulations and to seize new market opportunities driven by the growing demand for low-carbon products.</p>	<ul style="list-style-type: none"> • Establish a climate change governance • Establish and execute a Carbon Neutrality Roadmap • Develop green products and pursue certifications • Reduce carbon emissions through process improvements and investments in innovation • Develop renewable energy sources
 <p>Virtuous resource cycle system</p>	<p>Resource depletion and environmental degradation pose a great threat to the global ecosystem. The finite supply of iron ore, which is essential for the steel industry, and the high risk of environmental damage from mining and production underscore the need for a virtuous cycle of resources to ensure the steel industry's sustainability. To this end, it is crucial to minimize the use of raw materials and enhance the recycling rate of raw materials and waste through advanced recycling technologies and processes. Additionally, efficient resource utilization should be pursued by implementing eco-friendly methods in waste management and treatment. Establishing a virtuous cycle of resources will protect the environment, prepare for increased resource competition, and reduce waste disposal costs, positioning us ahead in the global market.</p>	<ul style="list-style-type: none"> • Establish a byproduct resource system • Participate in a resource circulation project • Set byproduct recycling rate targets • Utilize Low-carbon raw materials to replace limestone • Conduct slag recycling training
 <p>Creating a safe workplace</p>	<p>Safety and health issues jeopardize workers' well-being, resulting in significant social costs and productivity losses. The steel industry, with its high-temperature, high-pressure working environments, and heavy material handling, is particularly accident-prone. Therefore, it is both a corporate responsibility and an obligation to create a safe workplace in the steel industry. This requires multifaceted efforts to improve the working environment, provide adequate safety equipment, and enhance worker education and training. Specific safety regulations and procedures tailored to the steel manufacturing process must be established, alongside comprehensive policies to create a safe working environment and ensure worker safety, meeting both governmental and societal needs.</p>	<ul style="list-style-type: none"> • Establish a safety and health governance • Establish a safety and health management policy • Establish a roadmap to zero major incidents • Achieve and renew ISO45001 certification • Expand smart safety management systems • Promote safety and health commitment and communication
 <p>Supply chain ESG management</p>	<p>The steel industry faces significant supply chain risks due to its reliance on imported raw materials and steel parts through various channels. With rising social demands for ESG management, supply chain ESG management has become a necessity for the economic survival of steel companies. Supply chain ESG management not only fulfills corporate social responsibility, but also contributes to managing supply chain risks, thereby enhancing corporate reputation, attracting investment, and securing customer trust. These benefits collectively play a pivotal role in establishing the foundation for long-term growth. To achieve sustainable global competitiveness, steel companies must proactively address environmental issues and other ESG issues, such as human rights violations, within their supply chains, and establish a robust ESG system.</p>	<ul style="list-style-type: none"> • Revise the Third-Party Code of Conduct • Introduce an ethics pledge for partner companies • Prohibit the use of conflict minerals • Improve responsible minerals management processes • Conduct ESG supply chain assessment • Strengthen partner safety capabilities
 <p>Promoting ethical management</p>	<p>Corporate social responsibility and ethical values are becoming increasingly important due to growing consumer and investor demands. In line with this societal trend, the steel industry must endeavor to achieve ethical, transparent, and responsible management. Ethical management goes beyond legal compliance; it encompasses the realization of ethical values and the fulfillment of social responsibilities across all corporate activities. This comprehensive approach can be implemented in various domains, including fair trade, environmental protection, respect for labor, and contributions to the community.</p>	<ul style="list-style-type: none"> • Establish an ethics governance framework • Adhere to the Code of Conduct Guidelines • Require ethics pledges from partner companies • ISO37301 Certification • Legal Compliance Officer • E&C Self-review

Stakeholder Engagement

Stakeholder Group and Communication

SeAH Besteel Holdings defines customers, employees, partner companies, government, local communities, shareholders, and, investors as stakeholders, and strives to identify current issues and challenges through active communication with these stakeholders and integrate their insights into strategic decision-making for major business and ESG management activities.



ESG Focus

Go Carbon Neutral	23
Recycle and Reuse Resources	35
Embedding Safety and Health	40
Evaluate and Mitigate Supply Chain Risks	46
New Value with Transparency	51



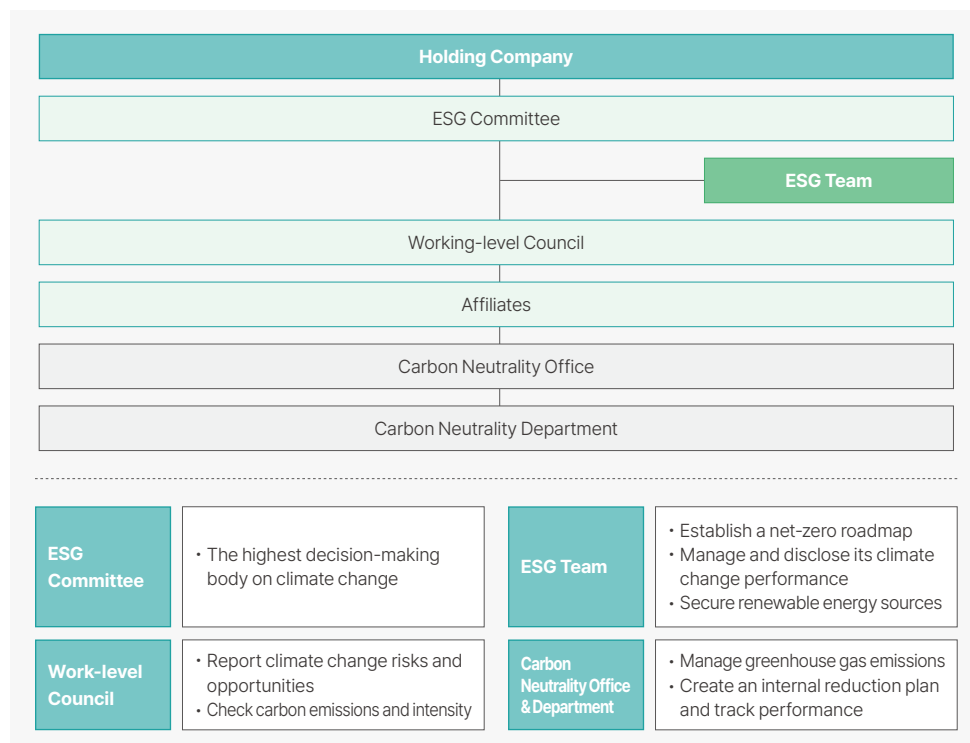
Go Carbon Neutral

Governance

Organization

Recognizing the impact that the global call for action on climate change will have on our business operations, SeAH Besteel Holdings has established an ESG Committee under the Board of Directors, our highest decision-making body. The ESG Committee is responsible for making key decisions and overseeing our progress concerning climate change and carbon neutrality. In 2021, we established an ESG team, and in 2022, we developed the '2050 Carbon Neutrality Promotion Strategy' for our major affiliates, SeAH Besteel and SeAH CSS, setting specific targets. Furthermore, we operated the ESG Working-level Council at the affiliate level on a quarterly basis to enhance the coordination and efficiency of GHG reduction and ESG management systems between the holding company and its affiliates.

Organization Chart



Board Reporting

In 2023, SeAH Besteel Holdings held four quarterly affiliate ESG Working-level Councils to discuss climate change issues. The outcomes were reported to the affiliate CEOs and then submitted to the Holding ESG Committee for review. The ESG Committee met five times in 2023, addressing four key issues related to climate change, including measures to respond to carbon regulations and reviewing emission intensity. The results of these discussions are regularly reported to the Board of Directors and are incorporated into our climate change response strategies and activities.

Board Resolutions

Date	Details
Feb 2023	<ul style="list-style-type: none"> ESG operational plan and Environmental countermeasures <ul style="list-style-type: none"> ESG TF operation plan Countermeasures to carbon regulations Countermeasures to disclosure and assessment frameworks Environmental management investment plan and workplace air/waste management plan
May 2023	<ul style="list-style-type: none"> Plans to respond to tightened climate change regulations
Aug 2023	<ul style="list-style-type: none"> Report on ESG operational plans for the second half <ul style="list-style-type: none"> TCFD plan to address climate change Sophisticating budget management to enhance EHS monitoring Strengthening activities for integrating ESG management practices
Nov 2023	<ul style="list-style-type: none"> Report on measures to strengthen climate change response and management systems <ul style="list-style-type: none"> Clarifying the current carbon intensity status and execution roadmap Report on the establishment of a carbon footprint accounting system by product Preparing for Scope 3 disclosure

Go Carbon Neutral

Governance

Capability-building

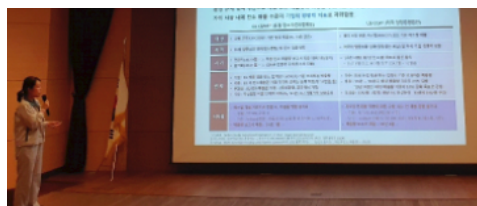
SeAH Besteel Holdings is making company-wide efforts to enhance our capability to achieve carbon neutrality and address climate change. To this end, we provided third-party GHG expert-led trainings and in-house e-learning courses to our employees to deepen their understanding of ESG and carbon neutrality, as well as tailored training programs to the member of the Board and management to reinforce their ability to execute climate change responses.

Training

Target	Training	Hours	No. of Participants	Date
Executives	Net-zero training and reporting	1	5	2023.01~2023.12
	Carbon neutrality briefings	1	7	2024.01
Working-level Staff	Climate change response	1.5	200	2023.08~2023.11
	Expert training	1.5	19	2023.09
	E- learning	1.5	82	2023.11

Seminar

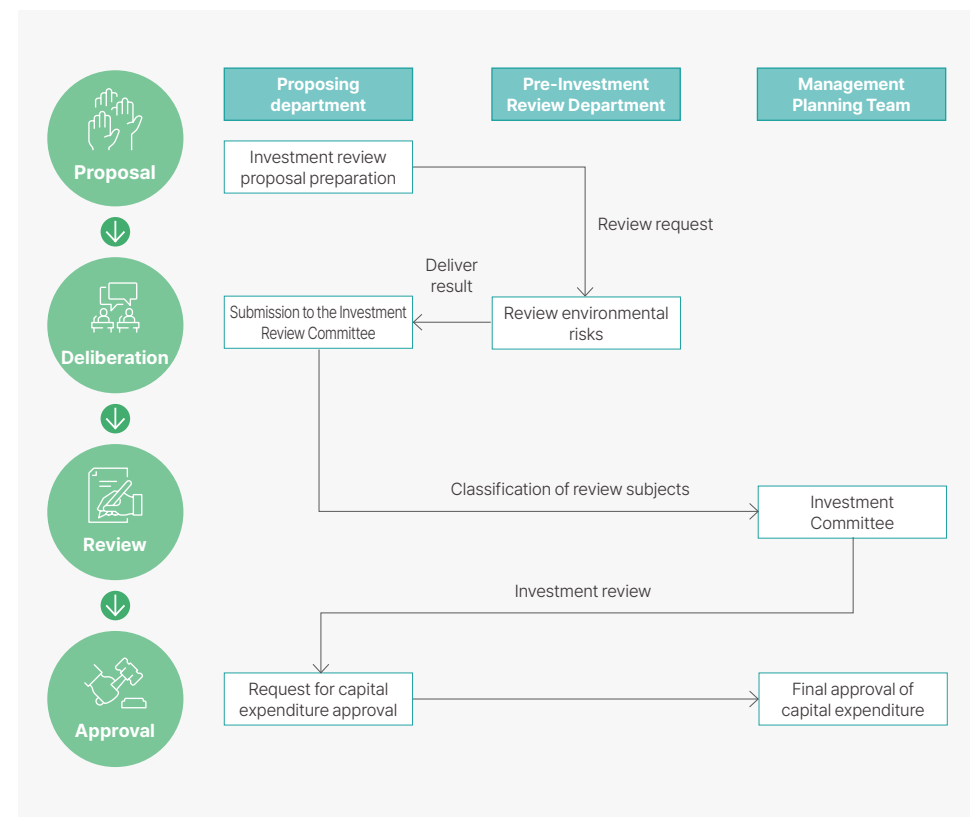
Subject	Seminar	Description	Date
Climate change response	ESG Innovative Growth Symposium	• CBAM trends, Biodiversity risks	2023.03
Climate and Environmental Technology	2023 Climate Industry International Expo	• CCUS, Renewable energy	2023.05
Carbon Neutrality	2023 Global Net-zero Connection in Korea	• International carbon reduction trends • Country-specific policies • Corporate partnership	2023.11



Risks and Opportunities

SeAH Besteel Holdings rigorously reviews every stage of our business investments to identify and respond to climate change risks and opportunities. During the investment review phase, we ask relevant departments to perform environmental pre-screening to identify potential environmental risks, including those related to climate change. After making an investment, we conduct quarterly effect verifications to confirm key progress, such as carbon reduction effects, and periodically check whether we have achieved the annual carbon reduction target.

Investment Review Process

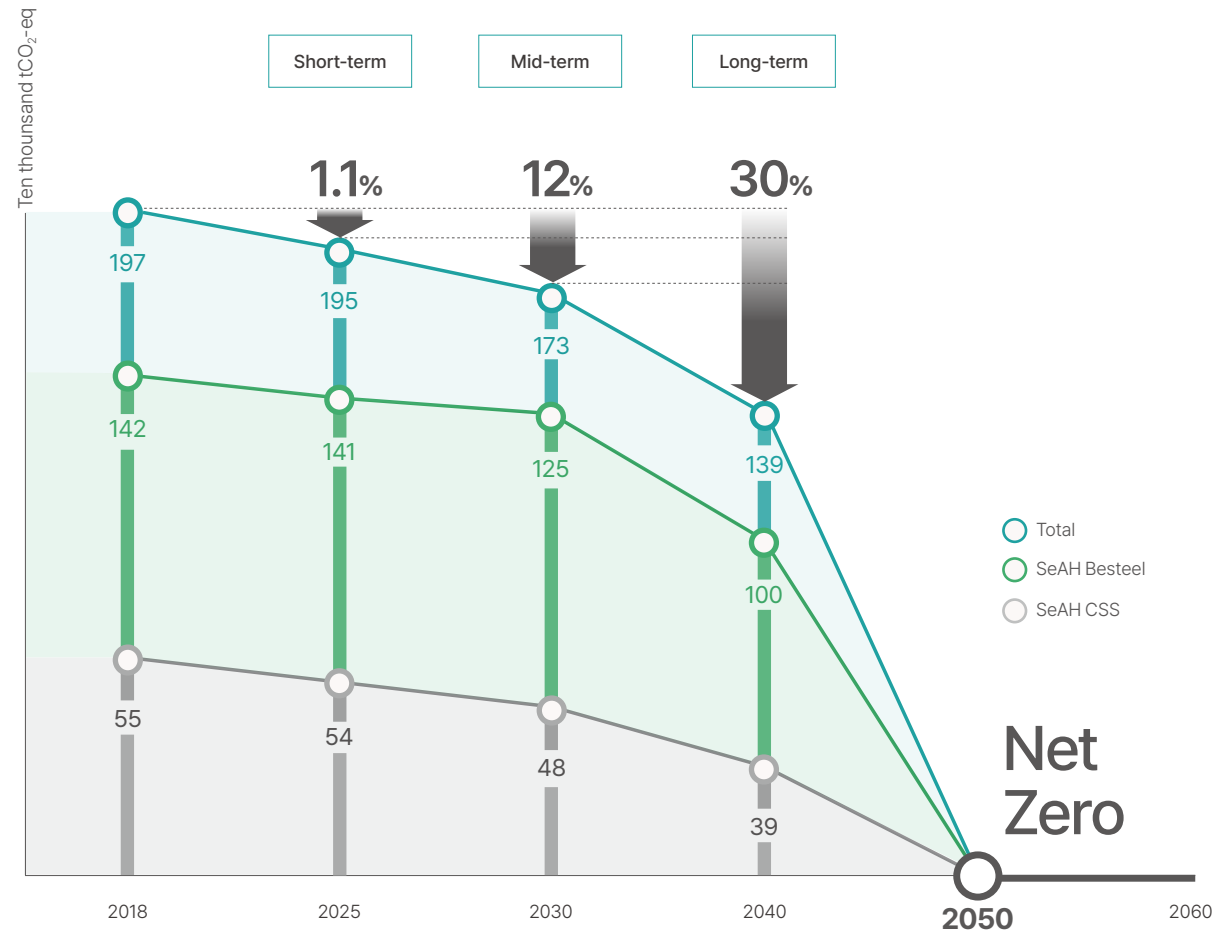


Go Carbon Neutral Strategy

Carbon Neutrality

2050 Carbon Neutrality Roadmap

SeAH Besteel Holdings has established the '2050 Carbon Neutrality Roadmap' for a sustainable future and is working to reduce carbon emissions in the steel production process. Based on this roadmap, we plan to implement a series of greenhouse gas reduction activities, including carbon emissions management, low-carbon product development, waste recycling, energy efficiency improvements, and the use of renewable energy sources. To enhance the feasibility of the 2050 Carbon Neutrality Roadmap, we will introduce high-efficiency equipment and purchase Renewable Energy Certificates (RECs).



Short-term 2018-2025

Scope 2 1.1%

Secure renewable energy sources
- REC purchase agreement with solar generator (37 MW)

Certifications

LCA-based International EPD Certification

Mid-term 2026-2030

Scope 1 4%

Internal reduction by applying low-carbon materials technologies and improving process efficiency/facilities
- Better energy efficiency, Pure oxygen combustion in heating furnaces, smart heat management, etc.

Scope 2 8%

Secure renewable energy sources
- Long-term REC Supply Contract with Solar generator, utilization of existing installed solar panels, etc.

Certifications

Obtain Green Steel certification to secure competitiveness in low-carbon products

Long-term 2031-2050

Scope 1

- Internal carbon reduction by innovating processes
- Fuel decomposition/hydrogen combustion in heating furnaces, hyper electric arc furnaces, CCUS, etc.

Scope 2

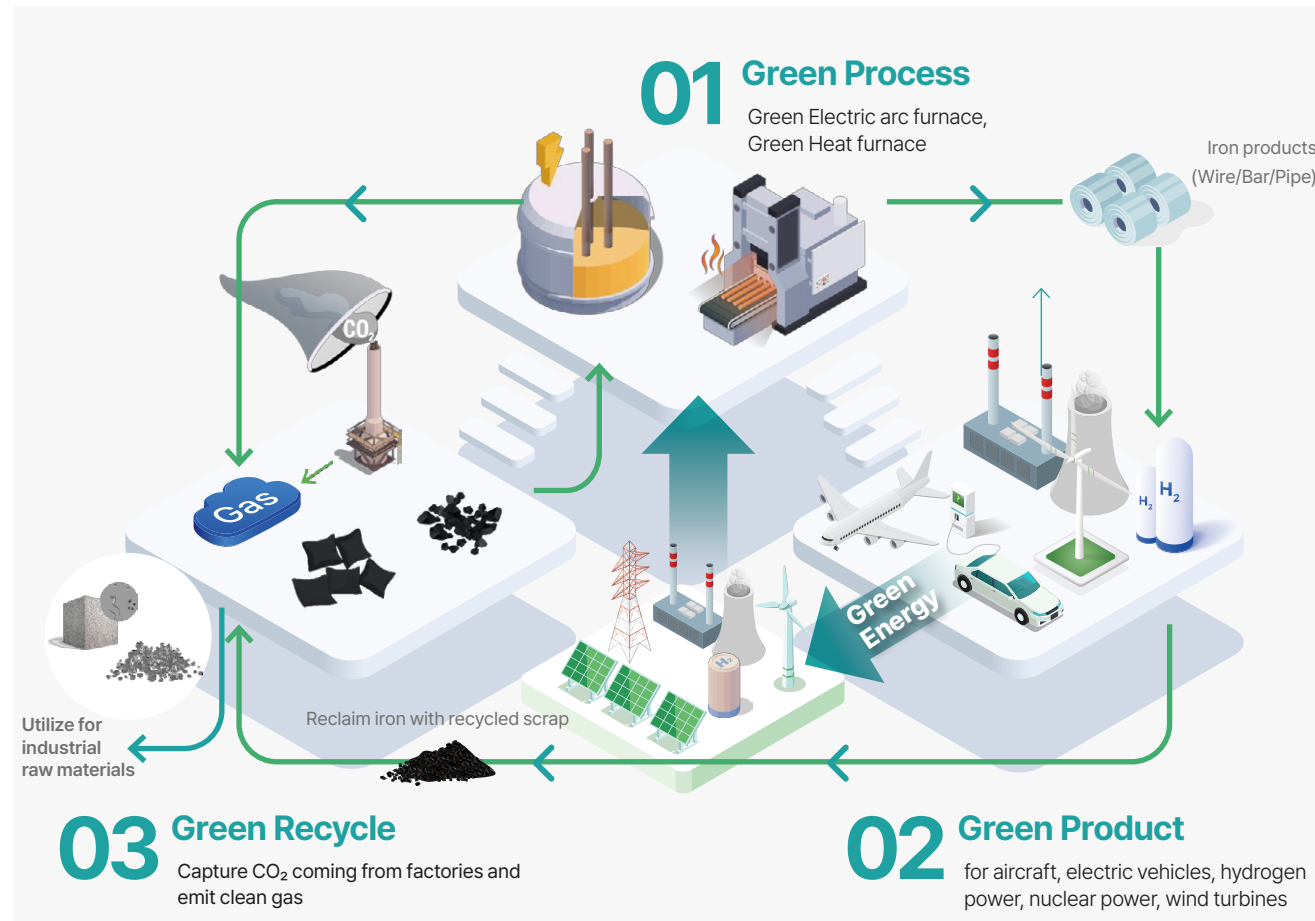
- Establish a future energy supply chain
- Wind power, SMR, hydrogen fuel, etc.

Net
Zero

Go Carbon Neutral Strategy

Green Eco-System

SeAH Besteel Holdings is committed to building a sustainable future by establishing a Green Eco-System across its entire value chain, centered on three pillars: "Green Process," "Green Products," and "Green Recycle." Our goal is to reduce our carbon emissions by developing low-carbon process technologies and optimizing materials through the "Green Process," and by focusing on the development of new materials for renewable energy through the "Green Product" strategy to achieve carbon neutrality.



Green Process

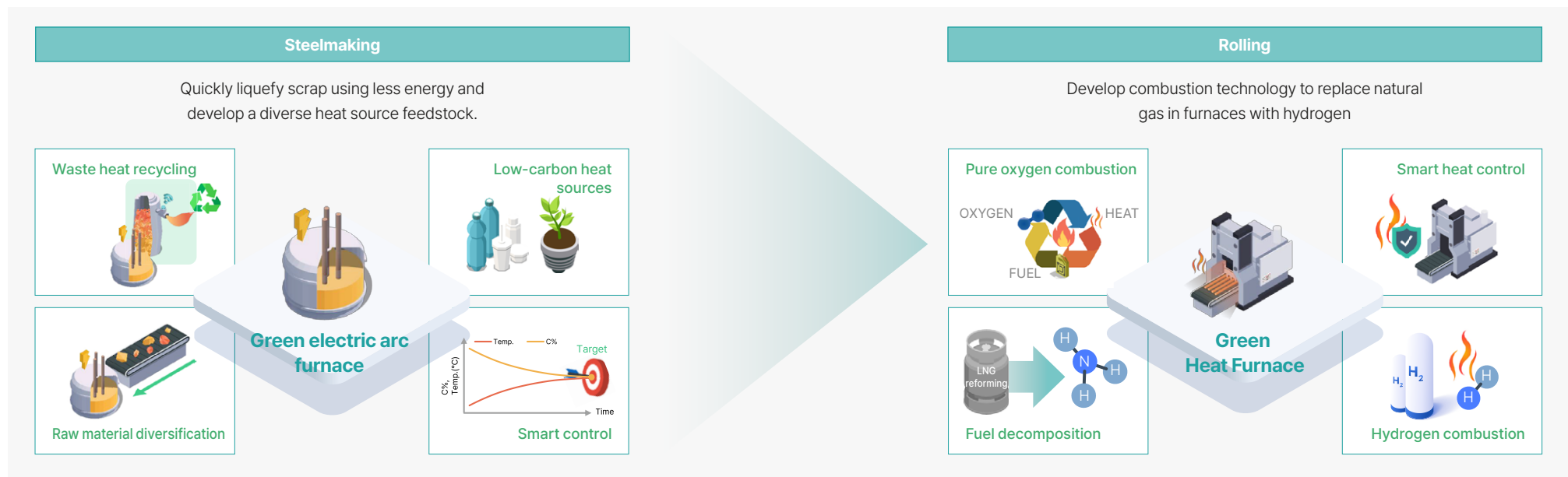
The "Green process" utilizes green electric arc furnaces and green heating furnaces in steelmaking and rolling operations. In steelmaking, scrap metal is fed into an electric furnace to produce molten steel. Our goal is to minimize electricity usage during the melting process by implementing various measures to make the process greener, such as the development of alternative low-carbon heat sources, exploration of raw material diversification, and potential investments in smart control systems. In rolling, semi-finished materials are exposed to high temperatures to produce products like round bars and square bars. We are developing technology to replace natural gas with hydrogen in the heating process and plan to further reduce GHG emissions through energy optimization.

Green Product

Our commitment to "Green Products" extends beyond the manufacturing of green steel to include the development and production of new steel materials essential for achieving carbon neutrality. To this end, SeAH Besteel is continuously developing proprietary special steel materials to help our customers streamline or eliminate certain production processes. To date, we have successfully developed and supplied materials for the hydrogen ecosystem, high-alloy lightweight steel for electric vehicles, and materials for nuclear waste casks and wind turbines.

Go Carbon Neutral Strategy

Green Process – Eco-friendly process innovation



Low-carbon heat source feedstock for electric furnaces

SeAH Besteel has developed a new operating pattern optimizing the use of heat sources in electric furnaces. This method has reduced the coking coal input to 0.5 tonnes per hit and oxygen consumption at the beginning of the operation. This technology is expected to save approximately 2.3 billion KRW annually and significantly contribute to the reduction of greenhouse gas emissions. Additionally, SeAH Besteel is pursuing the transition to a more sustainable steelmaking process by developing low-carbon heat sources from waste materials.

Raw Material Diversification

SeAH CSS is dedicated to reducing its carbon emissions on an ongoing basis. To this end, we are increasing the amount of stainless steel scrap used to reduce the amount of alloy steel used.

Enhanced Energy Efficiency for Heating Furnace

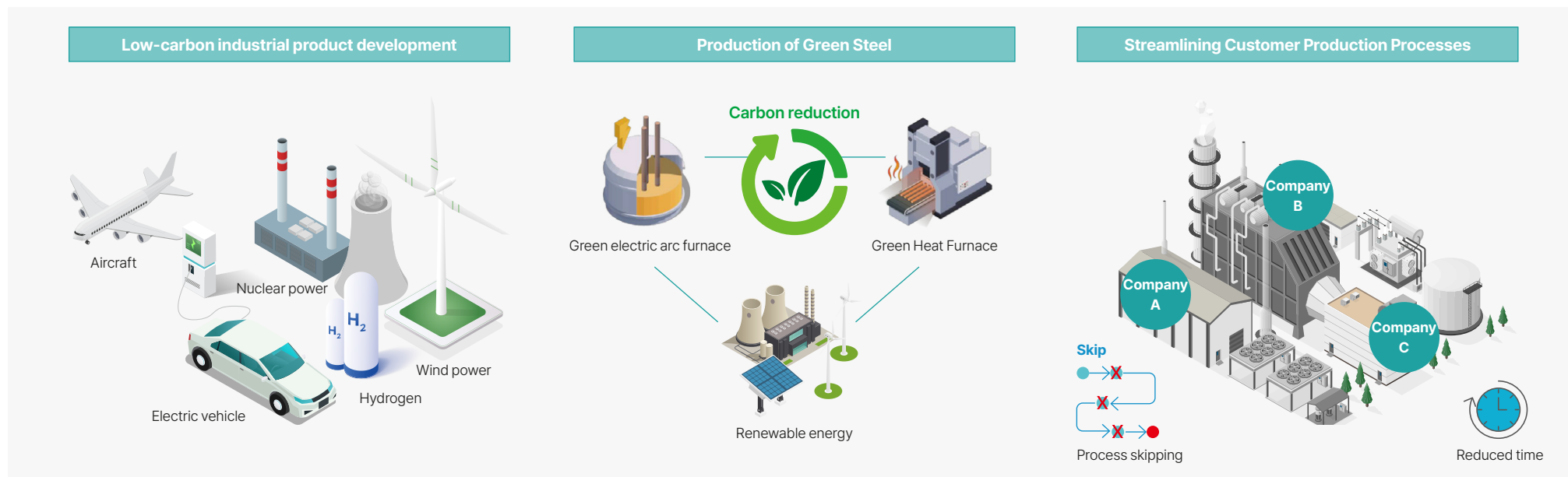
To minimize energy losses in the large rolling process, SeAH Besteel improved the D/S Header, resulting in a 4.4% reduction in LNG usage while improving energy efficiency.

Pure Oxygen Combustion Technology

Pure oxygen combustion technology enhances combustion efficiency by mixing pure oxygen with fuel, reducing fuel consumption and greenhouse gas emissions. SeAH CSS plans to finish the detailed design of the pure oxygen combustion technology in 2024, install a pilot furnace, and fully commercialize it in 2025. This will contribute to achieving the company's goal of reducing furnace fuel usage and CO₂ and NO_x emissions by more than 40%, resulting in the dual benefits of reducing manufacturing costs and greenhouse gas emissions.

Go Carbon Neutral Strategy

Green Product – Development of Low-carbon Steel Materials



Products for Green Industries

SeAH Besteel is developing a range of materials to support the growth of the wind power and hydrogen industries. SeAH Besteel has established a material production process for 10-20MW wind generator gearboxes and is developing high-strength mooring chains and R6-grade chains. SeAH CSS is promoting the localization of high-pressure hydrogen storage containers for hydrogen refueling stations and line pipes for hydrogen transfer, aiming to accelerate the transition to a hydrogen society and contribute to strengthening the competitiveness of related industries.

Products with Low Carbon Intensity

SeAH Besteel focuses on developing low-carbon intensity products using renewable energy and biogas. We are engaged in active research and development of low-carbon steel in collaboration with various automotive parts industry customers to meet the demand for carbon-reducing materials from overseas automotive companies.

Streamlining Customer Production Processes

SeAH Besteel is spearheading the development and commercialization of green steel, which shortens the production process for customers and thus ultimately reduces carbon emissions. In particular, SeAH Besteel's steel products do not require heat treatment on the customer's side, shortening the existing five-step process to three, resulting in significant carbon and energy savings.

Go Carbon Neutral Strategy

Carbon Emissions Measurement

Third-Party Assurance for EU CBAM

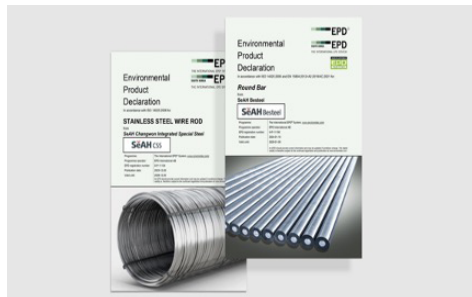
In preparation for the EU's Carbon Border Adjustment Mechanism (CBAM), SeAH Besteel has obtained third-party assurance on carbon emissions data to ensure its reliability and integrity. This will also position us to maintain export competitiveness in the future when the Mechanism comes into effect.

Environmental Performance Declaration Certification

SeAH Besteel and SeAH CSS have achieved global Environmental Product Declaration (EPD) certification for a variety of special steel products through low-carbon product development and process improvements, transparently disclosing the environmental impact of their products. SeAH Besteel has received EPD certifications for three product categories: forged square bars, wires, and round bars in the carbon/alloy steel category. SeAH CSS has received EPD certification for 10 product lines, including stainless steel, tool steel, and special alloy steel materials.



Third-party Assurance for EU CBAM



EDP Certification

Partnership

Renewable Energy Sources

SeAH Besteel is actively working to secure renewable energy sources to achieve carbon neutrality. In 2023, following the signing of an MOU with Equis Korea in 2022, SeAH Besteel entered a long-term purchase contract for 21MW. Additionally, it signed a long-term purchase contract for 10MW with SK E&S, further accelerating its efforts to secure renewable energy.

MOU on Carbon Neutrality

SeAH Besteel has signed a Memorandum of Understanding (MOU) with Schaeffler Korea, a global automotive and industrial machinery parts manufacturer, on "Cooperation for Sustainable Development." Under this MOU, SeAH Besteel will supply Schaeffler Korea with high-purity, high-strength-bearing materials.



Renewable Energy Sources



MOU on Carbon Neutrality

Go Carbon Neutral

Strategy

Climate Change Risks and Opportunities

SeAH Besteel Holdings developed a comprehensive list of risks and opportunities through a multi-faceted approach, including peer benchmarking, expert opinion, literature review, and internal stakeholder surveys. SeAH Besteel and SeAH CSS were evaluated for impact based on likelihood and severity criteria, from which 17 material risks and opportunities for SeAH Besteel Holdings were identified.

Risk Pool

Transition risk

Policy and legislation	R1	GHG Emissions Trading System
	R2	Carbon Border Adjustment Mechanism
	R3	Stricter carbon regulations
	R4	Life Cycle Assessment (LCA)
	R5	Electricity rates
	R6	Renewable energy
Technology	R7	Low-carbon technology investment and uncertainty
Market	R8	Low-carbon steel
Reputation	R9	Social responsibility

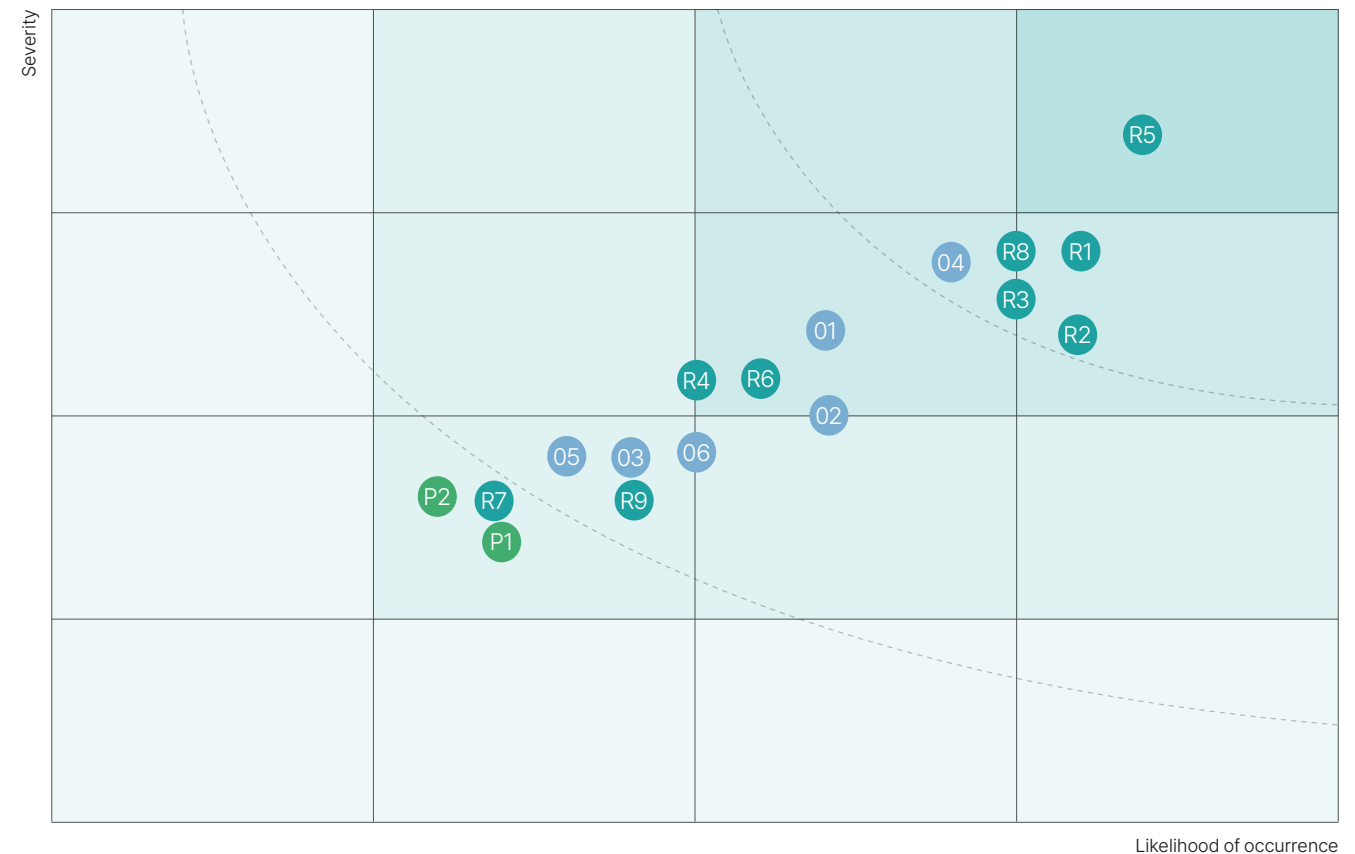
Physical risk

Acute	P1	Floods	Chronic	P2	Heatwaves
		Cold spell			Heat strokes
					Water shortages

Opportunities

Resource efficiency	01	Raw Materials/Recycling
	02	Byproducts
Energy resources	03	Low-carbon energy technologies
Goods and services	04	Low-carbon steel
	05	Upstream industries
Market	06	Disclosure transparency

Impact Assessment Result



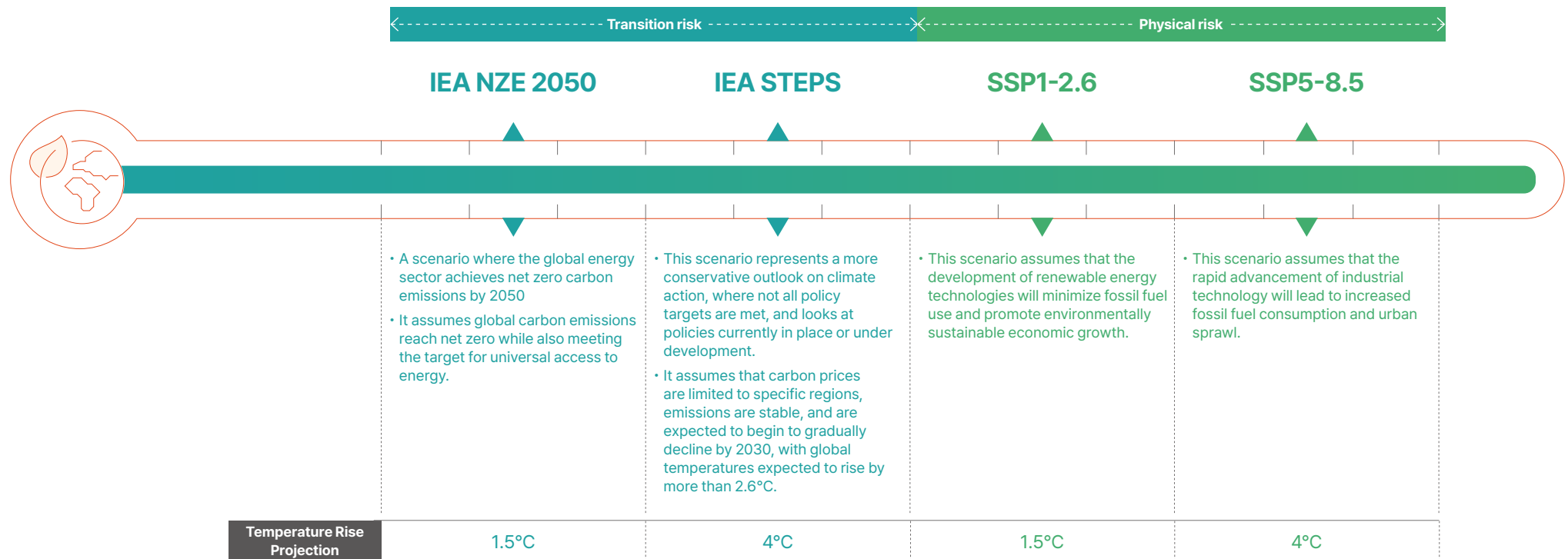
Go Carbon Neutral

Strategy

Climate Scenario Analysis

Plan

To identify and understand the risks and opportunities posed by climate change, SeAH Besteel Holdings referred to the International Energy Agency's (IEA) Net Zero Emissions by 2050 Scenario (NZE Scenario) and Stated Policies Scenario (STEPS) for transition risks, and to the Shared Socioeconomic Pathways (SSPs) scenario from the Intergovernmental Panel on Climate Change (IPCC) 6th report for physical risks. We also plan to establish an internal carbon price, considering IEA scenarios, national greenhouse gas reduction targets (NDCs), and domestic and international carbon credit prices. This approach aims to manage financial impacts, such as investments in facilities and technologies, while considering potential carbon costs.



Financial Impact

Acknowledging the significant changes climate change brings to the global economic landscape, SeAH Besteel Holdings conducts an in-depth analysis of its impact on our business. In particular, we focus on analyzing the impact of climate-related risks and opportunities on our financial performance from various angles to incorporate these factors into our strategic decisions, proactively manage risks, and create new opportunities.

Short-term: 2018~2025 Mid-term: 2026~2030 Long-term: 2031~2050

Category			Factor	Short	Mid	Long	Severity	Financial Impacts	Countermeasures		
Risk	Transition	Policy and legislations	GHG Emissions Trading System		✓	✓	Critical	• Increased operating costs due to adjustment in the free allocation ratio of the emissions trading system	• Strengthen technology development and facility investment based on the carbon neutrality roadmap		
			EU-CBAM		✓	✓	Critical	• Weakened competitiveness in Europe due to increased tariffs on exports.			
			Stricter carbon regulations	✓	✓	✓	Critical	• Increased costs due to tightening domestic and international carbon regulations		• Enhance monitoring of carbon regulations by country	
			Life Cycle Assessment(LCA)	✓	✓	✓	Moderate	• Increased demand for EPD (Environmental Product Declaration) certification	• Establish a carbon emission data measurement/management system for each steel grade and train LCA specialists		
			Electricity rates		✓	✓	Critical	• Rise in electricity rates	• Identify and implement projects to reduce heat loss and minimize power input, such as preheating, and invest in self-generation facilities		
			Renewable energy	✓	✓	✓	Moderate	• Growing demand for renewable energy transition	• Purchase RECs and enter into PPAs to comply with RE100		
		Technology	Low-carbon technology investment and uncertainty			✓	✓	Insignificant	• Increased uncertainty regarding the implementation of the carbon neutrality roadmap and new reduction technologies such as CCUS and hydrogen fuel cells	• Invest in and commercialize high-efficiency carbon reduction technologies	
			Market	Low-carbon steel			✓	✓	Critical	• Increased demand for the development of low-carbon competitive products due to changing consumer preferences and the demand for green products	• Enhance competitiveness through the development of low-carbon products
				Reputation	Social responsibility			✓		Moderate	• Reputation risk exposure due to unmet carbon neutrality targets and growing customer/investor concerns
	Physical	Acute	Floods/cold spell	✓				Insignificant	• Increased operational and recovery costs due to supply, transportation, and production disruptions from increased exposure to natural disasters • Increased costs to prevent business physical risk damage from abnormal weather, such as cold spells and heavy rains	• Strengthen facility inspections and purchase disaster preparedness insurance • Enhance emergency response manuals and training at business sites	
Chronic			Heatwaves/heat strokes /water shortages			✓	✓	Insignificant	• Increased cooling costs to prevent heat stroke and summer work hazards for employees due to heatwaves • Increased operating costs due to reduced water accessibility in water-stressed areas	• Introduce fuel-saving heating and cooling systems • Expand wastewater recycling facilities	
	Opportunity	Resource efficiency	Raw Materials /Recycling	✓	✓	✓	Moderate	• Securing cost and product competitiveness through the development of low-carbon innovative technologies and high-efficiency steel processes	• Develop recycling technologies for byproducts from everyday life, such as waste plastics and biomass • Reduce carbon emissions through the use of pure oxygen combustion technology • Establish a byproduct resource system to convert waste and byproducts into raw materials		
Byproducts			✓	✓	✓	Moderate	• Diversifying business and expanding revenue sources through the development of high-value byproduct utilization technologies	• Develop recycling technology for nickel byproducts from EV batteries and valuable metal-containing byproducts • Expand the use of slag through the supply of raw materials for cement and environmental label certification			
Energy resources		Low-carbon energy technologies	✓	✓	✓	Moderate	• Securing competitiveness by reducing carbon emissions through proactive energy-saving activities	• Produce low-carbon steel products and obtain Green Steel certification by securing wind and solar energy • Enhance power efficiency through the introduction of ESS			
Goods and services		Low-carbon steel	✓	✓	✓	Critical	• Increasing sales due to growing consumer preference for green products	• Use electric furnaces for a low carbon-intensive method of recycling low-carbon byproducts and steel scrap			
		Upstream industries			✓	✓	Moderate	• Expanding demand through market expansion based on links with various upstream industries	• Develop products related to renewable energy infrastructure industries, such as automotive, machinery, hydrogen, and wind power		
Market		Disclosure transparency			✓	✓	Moderate	• Reducing investment uncertainty through the expansion of information disclosure scope and the establishment of a transparent disclosure system	• Collect information by attending national/institutional briefings and training related to disclosure		
Resilience		Expanding renewable energy procurement	✓	✓	✓	Moderate	• Mitigating cost risk by procuring renewable energy-based power through long-term power purchase agreements (REC/PPA)	• Develop medium- to long-term renewable energy procurement plans and conduct economic analysis for each contract			

Go Carbon Neutral

Risk Management

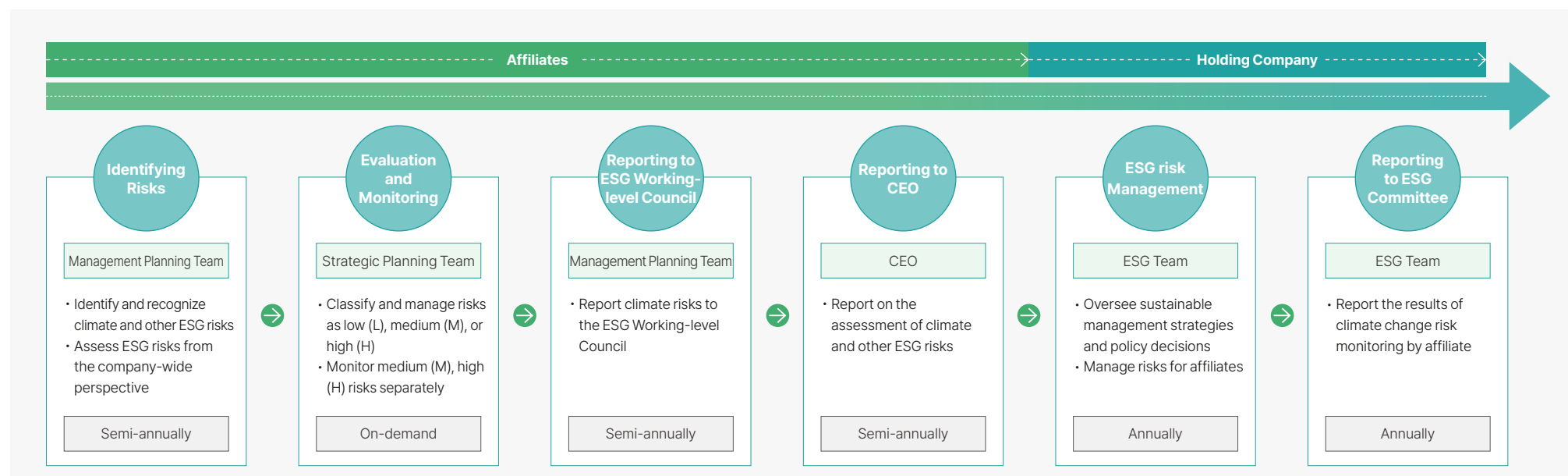
Risk Identification and Assessment

SeAH Besteel Holdings has established a comprehensive climate change risk identification and management process aligned with the TCFD recommendations. This process is integrated into the corporate risk management process, enabling the identification and monitoring of climate risks across the business. We conduct qualitative assessments on the likelihood of climate risks and their potential impact, categorizing items with a result of 'M/H' or higher as material climate risk factors. This approach enables us to identify potential risks and opportunities that climate change may pose to our business and to develop strategic responses accordingly.

Affiliates' Risk Assessment Results

Category	Identified Risks	Tasks	Results
Climate change	The growing importance of GHG reduction on clients' end	• Carbon emissions monitoring and carbon reduction planning for each plant→CEO KPI management	• Reduced carbon emissions through internal reductions
	Domestic NDC status	• Focusing on the establishment of the ESG Working-level Council	• Secured renewable energy sources
	Various climate-related regulations such as EU CBAM	• Forming a taskforce team to respond to EU CBAM • Obtaining an LCA-based EPD certification	• Prepared CBAM templates and respond to clients after third-party assurance • Completed acquisition of International EPD certification

Risk Management Process





Go Carbon Neutral

Metrics and Targets

Metrics		Unit	2022				2023			
			SeAH Besteel Holdings	SeAH Besteel	SeAH CSS	SeAH Aerospace & Defense	SeAH Besteel Holdings	SeAH Besteel	SeAH CSS	SeAH Aerospace & Defense
Greenhouse Gas (GHG) & Energy	Scope 1 (direct emissions)	tCO ₂ -eq	44	524,596	202,411	-	54	503,697	183,445	4,314*
	Scope 2 (indirect emissions)	tCO ₂ -eq	429	712,886	294,452	-	413	678,717	271,351	8,737*
	Total Energy consumption	GJ	9,719	19,352,464	9,012,724	231,084	9,223	18,542,629	8,347,540	274,302
	Direct energy	GJ	774	4,608,061	2,859,721	77,755	594	4,502,224	2,677,302	85,974
	LNG	GJ	508	3,601,752	1,732,663	76,383	594	3,969,653	1,609,395	84,568
	LPG	GJ	-	926,510	1,096,388	-	-	451,812	1,003,889	-
	Diesel	GJ	-	78,618	30,305	1,372	-	79,475	63,474	1,406
	Gasoline	GJ	266	1,181	365	-	-	1,284	544	-
	Indirect energy	GJ	8,954	14,744,403	6,153,003	153,329	8,629	14,040,405	5,670,238	188,328
	Electricity	GJ	8,954	14,347,036	6,153,003	153,329	8,629	13,668,335	5,670,238	188,328
	Steam	GJ	-	397,367	-	-	-	372,070	-	-

*Based on CBAM emissions

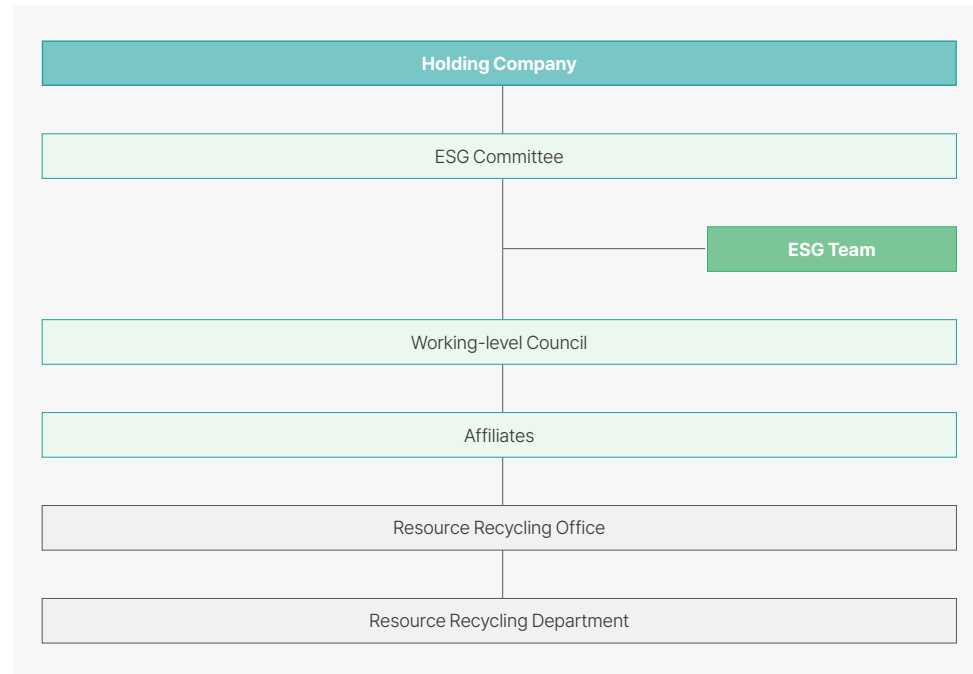
Recycle and Reuse Resources

Governance

Organization

SeAH Besteel Holdings is committed to its environmental management policy and has established dedicated byproduct recycling organizations within each business division to facilitate resource circulation. In addition, the ESG Working Group and ESG Committee deliberate and implement byproduct support investments. Currently, under the leadership of the Byproduct Recycling Task Force Team, we are building a byproduct resource center while participating in domestic and international resource circulation projects, making continuous efforts to maximize the utilization of byproduct resources.

Organization chart



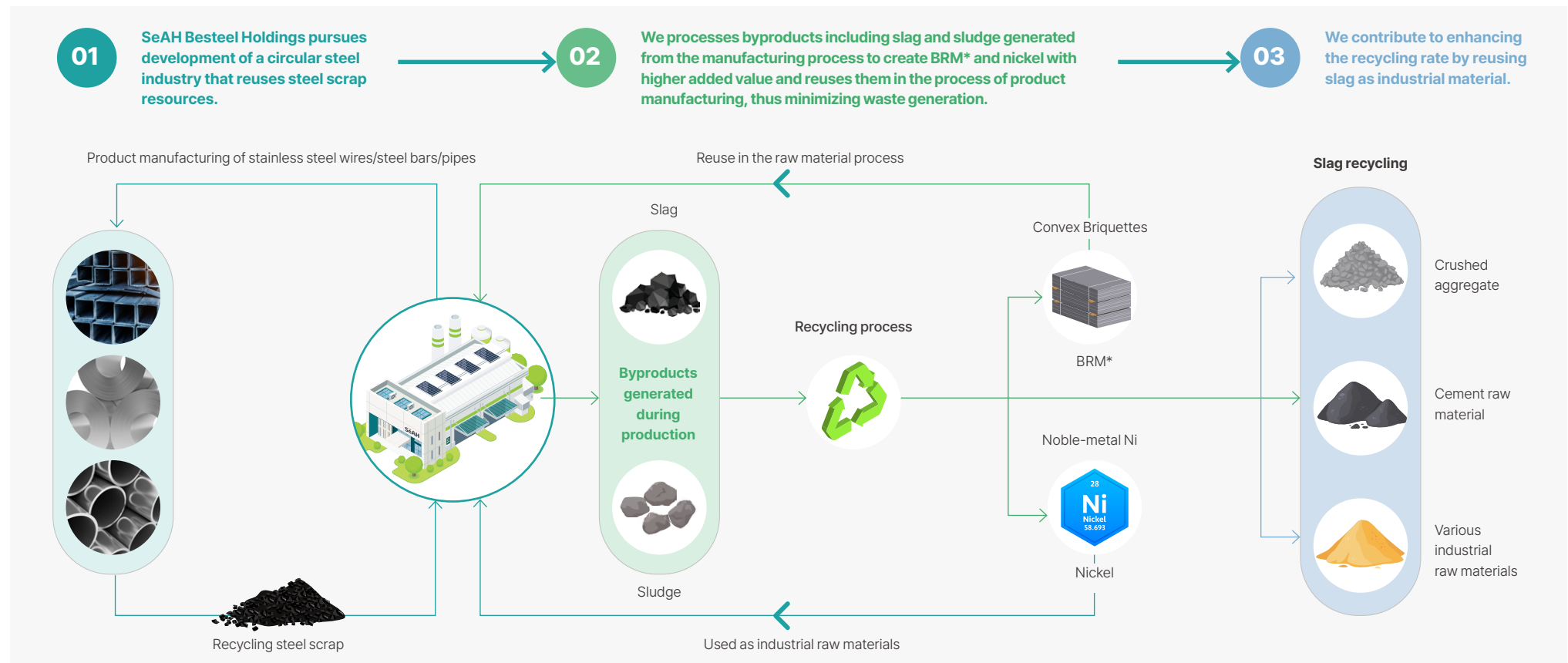
Byproduct Resource Utilization Organization

Given the steel industry's substantial consumption of resources such as limestone, and its significant carbon footprint, establishing a virtuous cycle of resource use is becoming increasingly critical. SeAH Besteel Holdings has set a goal of achieving a 99% recycling rate by 2030 and has developed a specific action plan to achieve this. In 2024, we have identified a total of 10 action tasks and will continuously identify and manage new items each year. Through short-, medium-, and long-term action tasks, we aim to set clear goals and manage them systematically. The ESG Working-level Council continuously monitors the progress of these action items and regularly reports to the ESG Committee to strengthen transparency and accountability.

Recycle and Reuse Resources Strategy

Resource Recycling Process

SeAH Besteel Holdings is committed to minimizing environmental impact by recycling by-products such as steel scrap in compliance with domestic steel slag management guidelines while advancing sustainable steel production. In 2022, SeAH Besteel outlined specific initiatives focused on "improving the byproduct recycling rate, enhancing added value, and reducing processing costs" to conduct activities and identify new tasks to achieve 99% byproduct recycling rate by 2030. SeAH CSS has also set eight tasks for the resource cycle 2024 and is systematically implementing the resource cycle ecosystem process by continuously building items and calculating expected effects. Moreover, SeAH Aerospace & Defense, one of our key affiliates, achieved a scrap utilization rate of 57% in 2023 by using aluminum scrap to replace aluminum ingots, thereby minimizing the environmental impact and producing sustainable aluminum alloys. Moving forward, SeAH Besteel Holdings is committed to continuing to enhance the added value of by-products generated in the manufacturing process, minimize waste generation, and achieve a recycling rate of 99% by 2030. We are committed to establishing a stable resource circulation ecosystem.



*BRM: Briquette for Reduced Metal

Recycle and Reuse Resources

Strategy

Initiatives

Strengthening Expertise

SeAH Besteel Holdings has undertaken various initiatives to enhance the expertise of our Board of directors and management. Firstly, we organized a workshop on the application of PLC* technology to explore the use of low-carbon raw materials (non-carbonate raw materials) as substitutes for limestone—a major carbon emitter. We also provided training on expanding slag recycling efforts. Furthermore, to strengthen our expertise in resource circulation-related laws and regulations at the Board level and mitigate related risks, we actively participated in the Steel Association's consultation on the revision of the Circular Economy Subordinate Act and the Public Notice on Designation of Toxic Substances for steelmaking dust.

*PLC (Product Life Cycle): A system that manages the entire process from production to disposal of a product

Byproduct Recycling Activities

SeAH Besteel

SeAH Besteel is making consistent investments and advancements to achieve the steel industry's goal of recycling 100% of steel slag. From 2022 to 2023, the company invested KRW 15 billion to enhance our recycling capabilities, including renovating slag facilities, and installing dust collection systems. As for slag, a by-product generated during metal production in electric furnaces, It is investing in facilities and developing processes to extend its applications beyond existing uses such as fill or cover materials and sub base layer materials, including materials for high-early strength cement.

Additionally, it is actively participating in the "private R&D council by industry" organized by the Korea Industrial Technology Association to explore strategies for increasing the recycling rate of steel slag as cement raw materials in collaboration with the cement industry.



SeAH CSS

SeAH CSS is pursuing a strategy of becoming a resource-cycling company through comprehensive waste-recycling initiatives. All slag, waste refractories, and pig iron generated during the manufacturing process are recycled, while dust, waste oil, and organic solvents are partially recycled. Notably, we promote resource circulation by utilizing wastes such as steelmaking and polishing plant dust and wastewater, which contain high iron and zinc content, as construction materials. In 2023, we established a new facility to recover nickel from wastewater treatment sludge and upgraded slag treatment facilities to enhance the overall resource utilization rate. We plan to initiate a project in 2024 to reuse the recovered nickel as an auxiliary raw material in the steelmaking process, further enhancing its resource circulation efforts.

SeAH Aerospace & Defense

As part of the effort to reduce environmental pollutants through waste recycling, SeAH Aerospace & Defense recycles waste refractory created when refractory is replaced within a reverberatory furnace as fill or cover materials. To date, 50.1 tons of refractory emissions produced from the overhaul* of the first reverberatory furnace have been recycled, contributing to sustainable environmental management.

*Overhaul: The process of complete disassembly, inspection, repair, reassembly, and testing of an aircraft, engine, or other major component.

Recycle and Reuse Resources

Strategy

Green Slag

Aggregate, consisting of gravel and sand, is a natural resource primarily used in construction and asphalt installation. However, reckless mining and overuse of natural aggregate have depleted these resources and increased prices. In response, SeAH CSS has developed slag aggregates by recycling iron slag, a steelmaking byproduct. This slag aggregate exhibits excellent bonding ability with asphalt, reducing fine dust on roads and offering superior wear resistance and density compared to natural aggregates.

SeAH CSS produces several slag aggregates, including 'SeAH CSS Slag Aggregate-40', 'SeAH CSS Slag Fine Aggregate-2.5', and 'ECO POWDER', and each product has obtained the environmental label certification from the Korea Institute of Environment and Industrial Technology. By producing slag aggregates, the company has exceeded its 2023 waste recycling rate target.



SeAH CSS Slag Aggregate-40



SeAH CSS Slag Fine Aggregate-2.5

ECO POWDER, specifically, is used as a construction powder raw material, made by mixing and drying STS refining slag from STS steel-grade production with inorganic wastewater slag from the steel pickling plant. In 2023, SeAH CSS invested in improving slag treatment facilities to expand ECO POWDER production, resulting in higher recycling rates for both slag and wastewater slag.



ECO POWDER

Waste-related MOUs(E-Circular Governance)

SeAH Besteel and SeAH CSS have partnered with E-Circular Governance to dispose of excess electrical and electronic equipment in an environmentally friendly manner. Once their lifecycle ends, waste appliances are sent to E-Circular Governance, where they are processed to be reborn as resources, contributing to a sustainable future.

	Certificate of Carbon Reduction Activities	→	21,585 kg	A certificate issued by calculating the amount of carbon reduction resulting from activities such as collecting waste electronic products and substituting raw materials.
	Certificate of Circular Resource Production Activities	→	11,170 kg	A certificate issued by calculating the amount of circular resources, such as metals and non-metals, produced through the collection and recycling activities of waste electronic products.
	Certificate of Social Contribution Activities	→	5KRW million	A certificate is issued to confirm social contribution activities such as donations and campaigns conducted in collaboration with E-Circular Governance.

Large Enterprises-SMEs Win-Win Joint Project

SeAH Besteel is taking the lead in resource recycling and SME support by participating in the Large Enterprises-SMEs Win-Win Joint Project led by the Ministry of SMEs and Startups. In collaboration with seven SMEs, the company has agreed to jointly develop technology and products to annually recycle 300,000 tons of byproducts from special steel manufacturing into commercial materials like brick and cement. This initiative has laid the foundation for resource circulation by repurposing steelmaking byproducts into eco-friendly construction materials, eliminating the need for landfills. In addition, we have provided SMEs with practical support in technology development and sales expansion, fostering their growth sustainably.



Recycling of Waste Batteries and Fluorescent Lights

SeAH CSS collaborates with professional recyclers to recycle industrial waste batteries, safely extracting lead (Pb) from the batteries and using it as a new resource. Additionally, in partnership with the Korea Lighting Recycling Corporation, SeAH CSS ensures environmentally friendly disposal of used fluorescent lights through professional treatment processes.

Recycle and Reuse Resources

Risk Management

Risk Identification and Assessment

Risk Identification

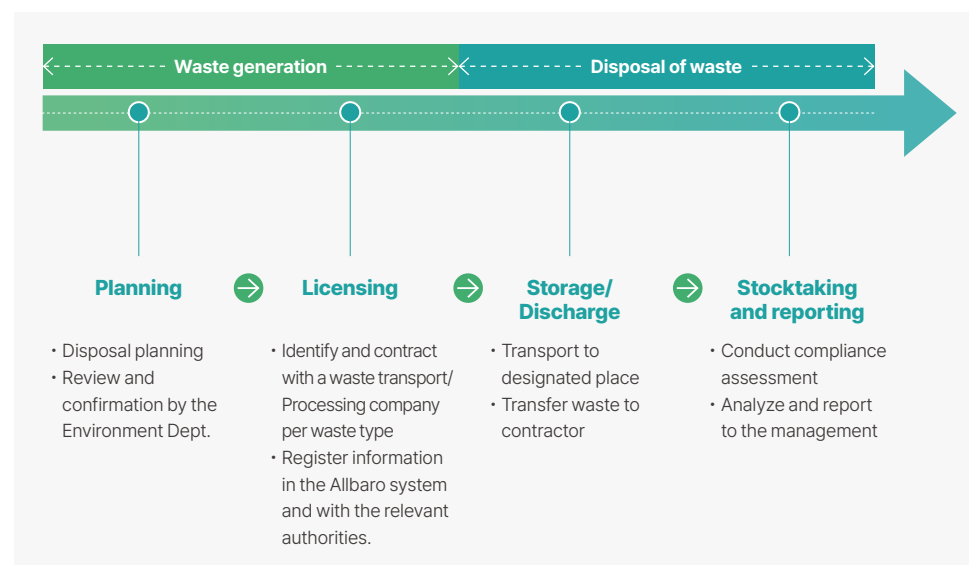
SeAH CSS employs a systematic approach to identify risks related to resource recycling across its business. At least once a year, a company-level analysis of internal and external issues and stakeholder concerns is conducted to assess potential risks. Prioritization of these risks is determined by a holistic assessment of their probability and severity, utilizing methodologies such as the Five Forces and value chain analysis. Based on this prioritization, SeAH CSS develops and implements targeted management plans. Furthermore, each department is responsible for assessing its environmental risks, ensuring proactive identification and response to potential environmental threats.

Risk Identification Process

Steps		Description
1	Issue and Stakeholder Identification	<ul style="list-style-type: none"> Conduct an analysis of internal and external issues and stakeholder concerns at the company level at least once a year
2	Assessment of Potential Risks	<ul style="list-style-type: none"> Utilize methodologies such as the Five Forces and value chain analysis Evaluate the likelihood and severity of risks
3	Determination of Risk Priorities	<ul style="list-style-type: none"> Determine priorities based on a holistic assessment
4	Development and Implementation of Management Plans	<ul style="list-style-type: none"> Develop and implement management plans based on priorities
5	Departmental Risk Assessment	<ul style="list-style-type: none"> Each department assesses and responds to its own environmental risks

Waste Management Process

To enhance the efficiency and transparency of waste management, SeAH Besteel and SeAH CSS have developed an organized and comprehensive process that encompasses waste generation and disposal.



Waste Generation

SeAH Besteel and SeAH CSS identify the type and amount of waste generated by each department and establish a waste treatment plan. If new waste is generated, we request the environmental team to select a legal treatment method, contract with transporters and processors, and report changes to licenses. Subsequently, we implement in-house management standards for storage and discharge and operate procedures for legal disposal by registering with the government's management system, All-Baro. Furthermore, we are working to enhance our waste management capabilities by providing transparent waste disposal information through the SHE system under development and implementing a plant-specific management process.

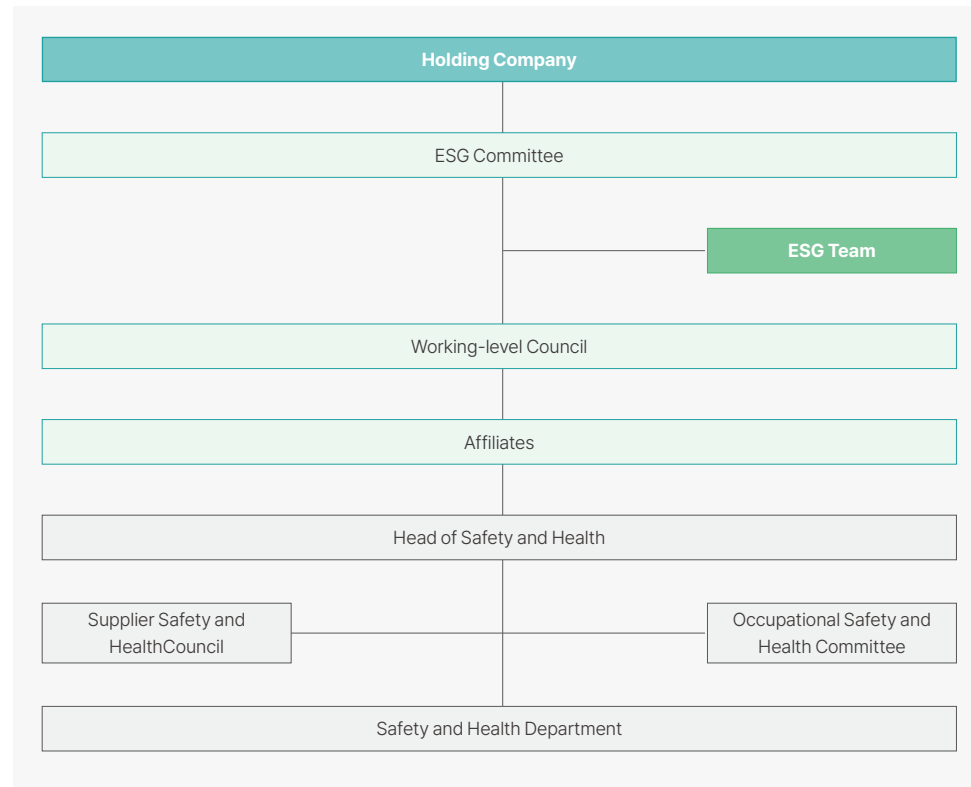
Embedding Safety and Health

Governance

Organization

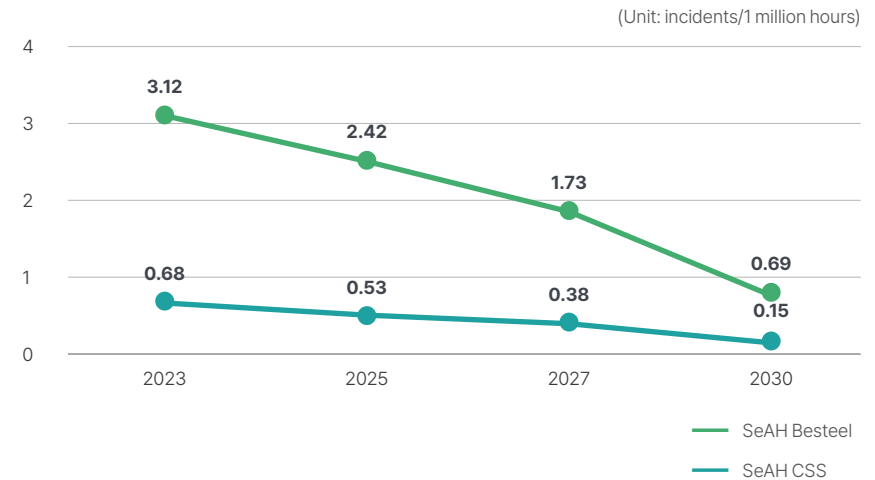
SeAH Besteel Holdings places the utmost importance on the safety and health of its employees. We have implemented an occupational safety and health system that applies to all employees and workers at all operations. In addition, we have an efficient governance system for safety and health issues. The ESG Committee is responsible for decisions on occupational safety and health. Furthermore, to clarify responsibilities and roles for safety and health, we have established an occupational safety and health management headquarters and a department in charge of safety and health under each affiliate. Additionally, we have established an occupational safety and health committee and a supplier safety and health council to systematically manage safety and health issues at our own operations and partner companies.

Organization chart



Safety and Health Medium-Long Term Plan

SeAH Besteel and SeAH CSS are committed to creating a healthy and safe workplace by targeting a 10% annual reduction in the LTIFT from 2022 to 2030.



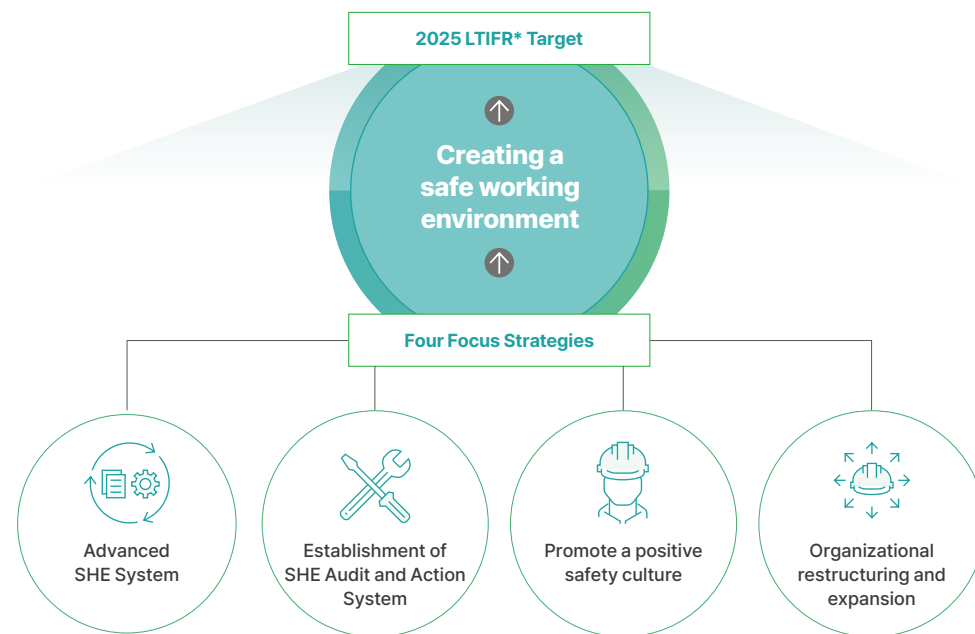
Category	2023*	2025	2027	2030
SeAH Besteel	3.12	2.42	1.73	0.69
SeAH CSS	0.68	0.53	0.38	0.15

*Target value, not actual achieved value

Embedding Safety and Health Strategy

Safety and Health Strategy

Under the mission of creating a safe and healthy workplace, SeAH Besteel Holdings has developed a comprehensive occupational safety and health management policy that includes all stakeholders, covering employees and partner companies. Furthermore, by incorporating feedback and insights from various employees, we have established a safety and health roadmap to achieve zero major accidents.



*LTIFR: Lost Time Injury Frequency Rate

Achievements against Strategic Objectives

Key Initiatives	SeAH Besteel/SeAH CSS's Key Achievements
Advanced SHE System	<ul style="list-style-type: none"> Expanded operation of Smart Safety Management System "Everguard" Upgrade of SeAHWehan App version 2.0 Establishment of Integrated Emergency Response Control System (Disaster Prevention Center, Access Control, Mobile Control Equipment, etc.) Company-wide Risk Factor Monitoring Process
Establishment of SHE Audit and Action System	<ul style="list-style-type: none"> Leadership engagement and on-site inspections24-hour safety activities during operational shutdowns Regional safety supervision/inspection for SeAH Besteel and its partner companies (2 shifts with four groups from the Safety Culture Promotion Team) Expansion of worker participation in risk assessment (individual risk investigation) Holding top decision-making body meetings and collecting feedback from Member of the Board
Promote a positive safety culture	<ul style="list-style-type: none"> Continuously collecting safety-related opinions and sharing information (Company-wide Safety Meetings) Safety awareness surveys and identification of safety vulnerabilities (safety surveys) Safety culture education for each hierarchy
Organizational restructuring and expansion	<ul style="list-style-type: none"> Support for appointment of safety managers or occupational safety and health officers (26 companies) Conducting training and practical sessions on risk assessment methods Coaching on the implementation of risk assessment

ISO45001(Occupational Safety and Health Management System) Certification

SeAH Besteel, SeAH CSS, and SeAH Aerospace & Defense have obtained ISO45001 certification, the international standard for Occupational Safety and Health Management Systems, and are continuously enhancing their safety management systems through ongoing validation. Notably, SeAH Besteel and SeAH CSS are committed to establishing safety management systems not only for their headquarters but also for their partner companies. SeAH Besteel has facilitated KOSHA-MS certification for 11 of its partner companies, and SeAH CSS has supported 16 partner companies in acquiring ISO45001 certification.



Embedding Safety and Health Strategy

Safety Management

Smart Safety Management System

Everguard

SeAH Besteel has introduced 'Everguard,' an advanced smart safety management technology, across all its plants to prevent safety accidents. The Everguard system uses Smart Tag and instant alerts* to workers when they are exposed to hazardous areas or environments. This helps prevent unsafe behavior and reduce the likelihood of accidents. SeAH Besteel has implemented a customized safety system tailored to the unique characteristics of each worksite and established a real-time risk detection and response process to ensure swift action in the event of an accident. Additionally, SeAH Besteel actively collects user feedback and continuously improves the system to maximize Everguard's effectiveness and field utilization.

* Instant alert: Neighboring lamps, sharing of nearby worker hazards, broadcasts, etc.

Safe Mobile Systems

SeAH Besteel Holdings has implemented a mobile safety system designed to maximize user convenience and efficiency. SeAH Besteel's 'SeAH WeHan' and SeAH CSS's 'Safety Keeper' offer various functions such as inspection point QR code recognition, itemized safety inspections, real-time monitoring of inspection completion rates, safety training plan registration, and worker training performance tracking. These systems enhance work efficiency and ensure data accuracy and reliability. Currently, the system is primarily applied to on-site safety inspections and safety and health education. In the future, it will be expanded to include construction status monitoring and safety work permits. Additionally, the system is integrated with mobile IoT cameras to monitor high-risk construction sites such as repair, maintenance, and renovation, providing immediate guidance. SeAH Aerospace & Defense's smart safety system uses mobile QR codes to bolster safety at its work sites. This system has enhanced safety management by incorporating risk assessment into safety inspections, aiding supervisors in meeting their statutory obligations. It allows for real-time registration and dissemination of hazards during on-site safety patrols, facilitating proactive responses to potential safety risks before they manifest.

Embedding Safety and Health Strategy

Enhancing Safety Engagement

Safety Communication Channels

SeAH Besteel Holdings values communication with its employees and partner companies to achieve common safety and health goals. We actively engage in various activities to gather and address employees' opinions on safety and health issues. Through Company-wide Safety Meetings and the Safety & Environment Integration Council, we listen to employees' concerns and collaboratively discuss improvement measures. Additionally, we leverage the latest technologies to enhance safety and health management and improve work efficiency.

Safety and Health Council

Category	Frequency	Target	Agenda
Safety Environment Integration Council Company-wide Safety Meetings	Monthly	Group-wide	Sharing the status of safety and health management activities Deciding on safety and health policy changes and new technology implementations
Safety and Health Council for partner companies	Monthly	partner companies at Business sites	Sharing safety and health practices and policies across the Holding and affiliates. Discussing improvement plans for partner safety
SeAH Group Exchange Meeting for Safety Management	Quarterly	Safety Management Dept. of SeAH Group	Benchmarking safety and health management systems of each entity Comparing each entity's progress in implementing laws and regulations
Occupational Safety and Health Committee	Quarterly	Labor and Management	Reviewing Improvement Measures for Ensuring Safety and Health Management at Worksites

Incident Closure Process

SeAH Besteel operates an "Accident Closure Process" to systematically manage all steps, from the occurrence of a safety accident to the implementation of corrective measures. This process aims to prevent recurrence by thoroughly analyzing root causes and establishing effective preventive measures.



Embedding Safety and Health Strategy

Safety and Health Programs

Promotion of Health

SeAH Besteel and SeAH CSS support work environment measurements and medical checkups to help employees work safely and maintain a healthy life. Work environment measurements quantify noise, dust, organic chemicals, and other hazards generated across all processes. Workers are classified based on their exposure to these hazards for targeted medical checkups, which are divided into general, special, and comprehensive examinations. Post-examination support includes counseling, follow-up exams, and smoking cessation clinics, ensuring comprehensive care for employees.

Emergency Response

SeAH Besteel has established a proactive fire prevention system with its advanced integrated Fire & Disaster Center and real-time monitoring system. Emergencies are immediately communicated via the on-site broadcasting system. Firefighting facilities' operation status is continuously monitored through a mobile interlocking system, enabling swift and efficient responses.

SeAH CSS is committed to enhancing employee response capabilities through regular emergency drills. In 2023, it conducted 208 emergency response drills simulating various scenarios such as suffocation, fire explosions, hazardous substance leaks, wind and water damage, and power outages. Specifically, the office, production, and research buildings at the Changwon plant performed evacuation drills using smoke generators to replicate real-life situations. In October, the fire department and SeAH CSS conducted a joint emergency response drill to enhance crisis response capabilities. Also, the company trained first aid personnel in each department to provide immediate assistance in case of cardiac arrest and strategically placed 12 automated external defibrillators in key locations for emergencies.

Safety and Health Training

SeAH Besteel and SeAH CSS categorize safety and health training into statutory and capability-building programs. Statutory training includes safety and health management officer training, safety manager training, online training for office workers, onboarding training, and health manager training. Capability-building training covers supervisor training, departmental safety training, PSM officer training, safety officer training for partner companies, and CPR training. Additionally, safety education is provided to all employees, including management directors of both SeAH CSS and partner companies, to foster a robust safety culture. SeAH CSS has also introduced a certification training system for supervisors from contractors. This includes education on quick safety measures through VR experiences in the safety culture experience center, fire suppression experiences, and CPR training.

Category	Description
Training by Hierarchy	Enhancing safety awareness and self-safety assurance capabilities • Target: Executives, team/part leaders, office staff
Direct Education	Training on accident cases, Serious Injury and Fatality (SIF) prevention, hazard recognition, and drill meta-training • Target: Employees of our company and partner companies
Identification of High-Risk Hazardous Work	Establishing and improving preventive measures beforehand • Target: High-risk and hazardous processes within our company
Risk Assessment Methods	Education on risk assessment methods and our company's specific evaluation methods • Target: Employees of our company and partner companies
Coaching on Risk Assessment Implementation	Regular and ad-hoc on-site customized risk assessment consulting • Target: On-site employees of our company, partner companies, and safety managers of partner companies
TBM Safety	Training on manufacturing processes and internal partner company education • Target: Employees of our company and partner companies
Comprehensive Safety Management	Company-wide integrated process safety education • Target: On-site employees of our company and partner companies
Participation in Win-Win Cooperation Projects	Collaborating with the Ministry of Employment and Labor and the Korea Occupational Safety and Health Agency (KOSHA) on projects to build safety and health systems • Target: Partner companies
Improvement of Top 10 High-Risk Tasks	• Identify the top 10 high-risk tasks and improve risk reduction measures • Target: Employees of our company and partner companies

Embedding Safety and Health

Risk Management

Risk Identification and Assessment

Identification and Improvement of Hazards and Risks

In 2023, SeAH Besteel achieved 10,607 improvements (2023 target: 10,032) across its operations and those of its partner companies by proactively identifying and addressing hazards and risk factors. This involved potential risk discovery, risk assessment, safety inspections, and safety councils, with semi-annual reviews for both internal departments and partner companies. Furthermore, the company improved management efficiency by implementing data management systems such as ASP and ERP. SeAH CSS met its goal by improving 35,756 hazardous risk factors (SeAH CSS: 21,900; partner companies: 13,856). These results were reported to the CEO during monthly company-wide safety meetings and shared with field operations.

*ASP: Application Service Provider. An IT service that provides information solutions through network infrastructure.

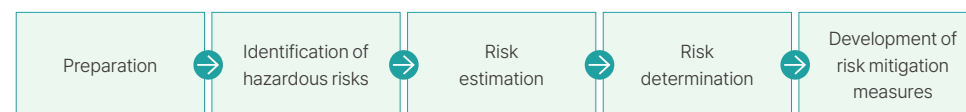
Risk Management Process

Risk Assessment

SeAH Besteel has selected the following key focus areas for risk management: 1) driving employee participation; 2) specifying risk situations; and 3) strengthening risk management. In particular, within the employee participation focus area, all employees are involved in identifying hazardous factors and developing risk mitigation measures. Improvement measures are established and implemented based on risk assessment results and reported to management semi-annually.

SeAH CSS conducts risk assessments for its operations, partner companies, and indirect production departments. Following the serious accident reduction roadmap ensures thorough participation in risk assessments and toolbox meetings at the site.

Risk Assessment Process



Establishment of Risk assessment-driven Safety Activities

Assessment training	Training for team leads, part leads, managers, supervisors, and employees of partner companies to enhance their risk assessment capability
Regular assessment	Regular assessment of risk factors discovered by employees, such as near-misses and potential risks (change in potential risk discovery report)
Revision of standards	Reflecting on the dos and don'ts derived from risk assessment results in the safety standards (incorporating risk factors in all work steps)
Employee participation	Preparing a risk factor checklist, coming up with improvement measures for risk factors, and participating in implementation activities
Risk management	Checking and sharing the status of identified risks based on assessment results every week Activating safety activities (TBM) before work (change of daily safety and health training patterns)

Company-wide Monitoring of Risks

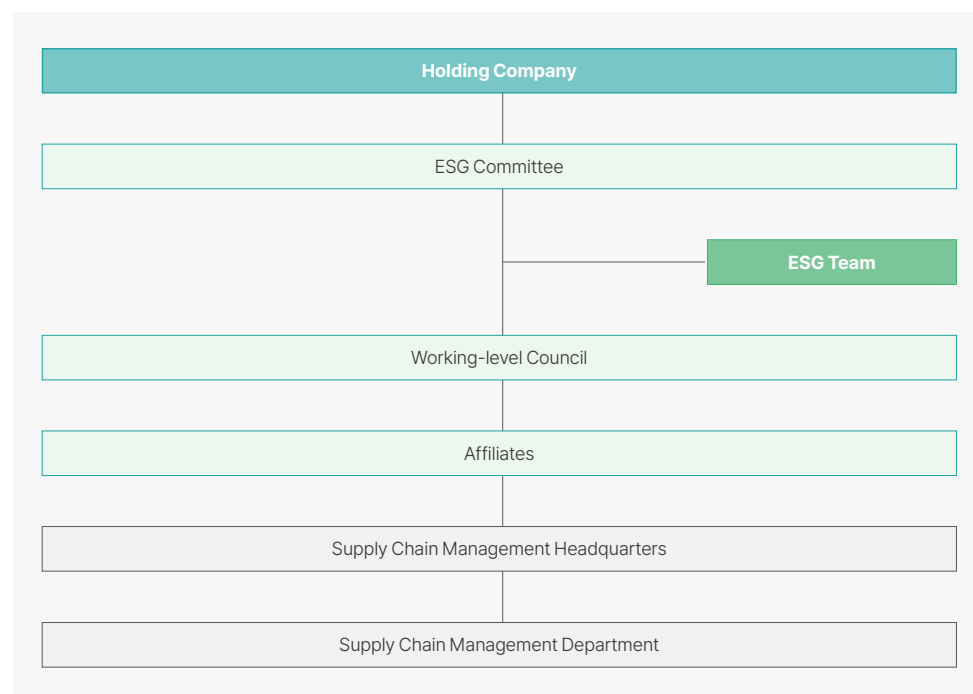
Category	Description
① Internal monitoring	Identifying hazardous risks and monitoring improvement measures for each department through the internal ERP system
② Monitoring of partner companies	Conducting comprehensive safety and health evaluations semi-annually to assess and implement corrective actions for the safety and health management systems of partner companies

Evaluate and Mitigate Supply Chain Risks

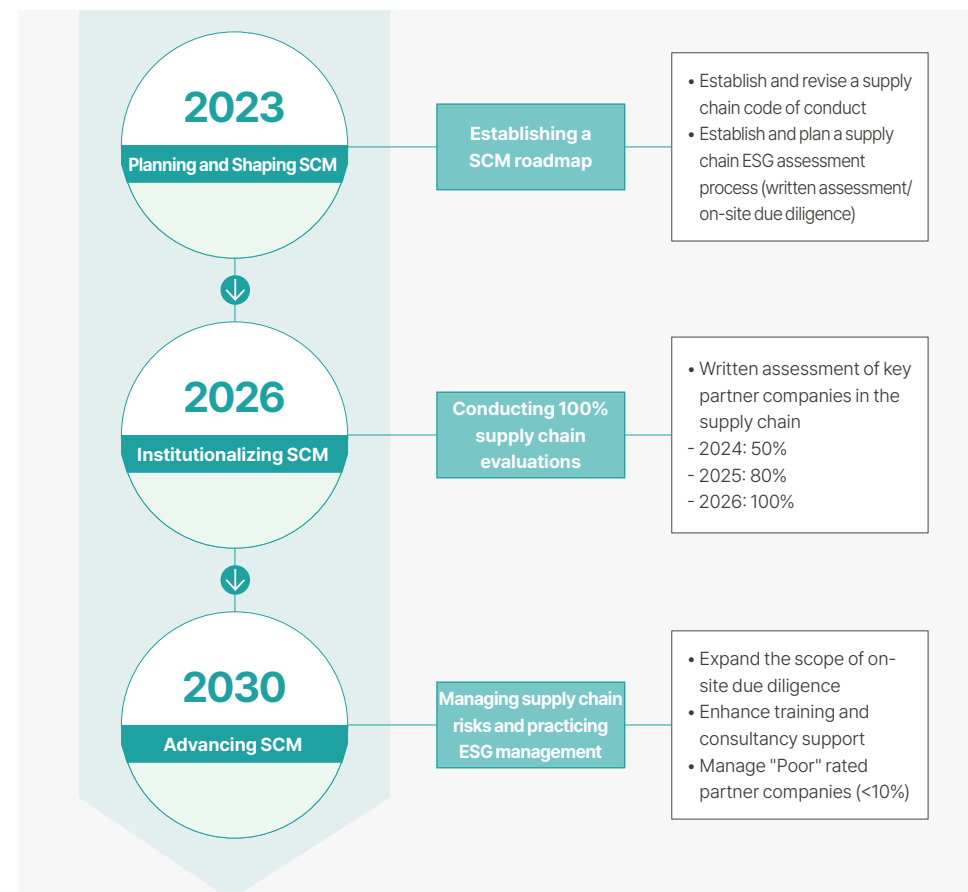
Governance

Organization

The impending EU Supply Chain Due Diligence Directive, effective in 2024, along with national and international regulations and increasing stakeholder demands, amplifies the need for robust supply chain ESG management. To proactively respond to this and fulfill its corporate ethical and social responsibilities, SeAH Besteel Holdings has included supply chain management in the agenda of the ESG Committee of the Board of Directors. Furthermore, we plan to include supply chain management as a key performance indicator (KPI) for the CEO, executives, and supply chain management organizations, and link their performance with their compensation.



SCM mid- to long-term roadmap



Evaluate and Mitigate Supply Chain Risks

Strategy

Supply Chain Policy

Third-Party Code of Conduct

In April 2024, SeAH Besteel Holdings revised its Third-Party Code of Conduct to align with the Responsible Business Alliance (RBA) standards. The Code encompasses labor rights, health and safety, the environment, ethics and fair trade, and management systems. This revision aims to uphold social values by ensuring compliance among all third-party partners, including employees, partner companies, and contractual counterparts.



Ethics pledges from partner companies

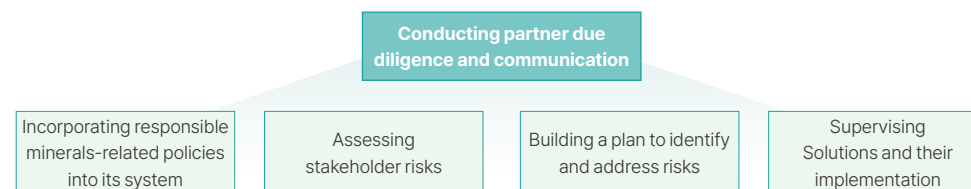
SeAH Besteel Holdings aims to foster an ethical and transparent management environment across the entire supply chain. To ensure that the existing supply chain management criteria encompasses ethics, the company has introduced an electronic pledge for its affiliates within the E-Procurement System.

Responsible Minerals

SeAH Besteel and SeAH CSS are dedicated to prohibiting the use of industrial minerals produced in conflict areas. All special steel and large forgings are free of conflict minerals (tin, tantalum, tungsten, and gold). In addition, the companies strictly comply with responsible mineral laws and regulations, continuously improving responsible mineral management processes to fulfill their social responsibility. Furthermore, SeAH Besteel and SeAH CSS monitor partner companies' mineral purchases to ensure a comprehensive implementation of the responsible mineral management policy across the value chain. In January 2024, SeAH Aerospace & Defense sent the "Economic Sanctions Checklist and Compliance Declaration" to its major raw material partner companies to ensure that they do not handle conflict minerals and items subject to economic sanctions.

Responsible Minerals Management Process

Recognizing the severe human rights violations and environmental destruction caused by mineral mining in conflict areas, SeAH Besteel and SeAH CSS are committed to strict compliance with responsible mineral laws and regulations and continuously enhancing their responsible mineral management processes in response to these critical issues.



Establishment and Revision of the Green Purchasing Policy

SeAH Besteel and SeAH CSS are committed to reducing the environmental impact of our operations and fostering sustainable procurement through the implementation of a Green Purchasing Policy. In 2024, we enhanced our Green Product Purchasing Policy by introducing two additional grades to the existing eight, thereby broadening the scope of environmentally responsible product procurement. SeAH Besteel plans to implement its Green Product Purchasing Policy in 2024, classifying current products into grades, with an enforcement scheduled to begin in 2025.



Evaluate and Mitigate Supply Chain Risks

Strategy

Initiatives

Strengthening Supply Chain ESG

SeAH Besteel is actively practicing ESG management to ensure responsible supply chain management. In 2023, it signed ethical management agreements with all partner companies to strengthen ethical responsibility. The company also established an ESG supply chain evaluation system and conducted written evaluations of key partner companies.

In 2024, its focus will be on enhancing partner safety capabilities by organizing a TBM contest to promote a safe working environment. SeAH Besteel will continue ESG supply chain assessments, aiming to elevate ESG standards and foster sustainability throughout its supply chain through strong partnerships.

Improving Partner Companies' Safety Capabilities

SeAH Besteel Holdings supports various initiatives to minimize safety and health risks for both its employees and partner companies, ensuring all stakeholders in the value chain can work safely.

SeAH CSS established a cooperation group to reduce the safety gap between partner companies and participated in the Win-Win Cooperation Project organized by the Ministry of Employment and Labor to develop health systems within partner organizations.

Inspection on Safety and Health Management System	Support for Regular Safety Inspections
<ul style="list-style-type: none">• Conducting quarterly or semi-annual assessments of partner companies' safety and health capabilities• Inspecting the safety and health management system and guiding how to address the identified gaps (with separate management for high-risk partner companies)• Rewarding excellent partner companies• Checking and assessing partner companies' execution of their commitment to ensuring safety and health	<ul style="list-style-type: none">• Discovering unsafe factors in need of improvement and supporting improvement activities• Expanding regular tablet-based safety inspections• Organizing daily safety and health training for construction companies• Promoting activities to ensure partner companies' safety, such as risk assessment training and joint and walk-around inspections

Strengthening Communication with Partner Companies

SeAH Besteel and SeAH CSS have established a partner company suggestion center as part of the E-Procurement System to address complaints and grievances. In particular, SeAH CSS utilizes the center to receive suggestions regarding the localization of products and the development of substitute products. Once received and approved, we implement measures to enhance quality, reduce costs, and facilitate new sales opportunities for partner companies.

SeAH Besteel maintains regular communication with partner companies through various channels. Since 2022, SeAH CSS has been holding monthly partner company council meetings to discuss requests and issues faced by partner companies, and to identify solutions and develop plans to address them.

Communication Channels for SeAH Besteel Partner Companies

Target	Channel	Frequency
CEO of partner companies	New Year's Party with CEOs	Annually
	Partners Day with CEOs	
Working-level employees of partner companies	Working-level Council	Monthly
	Field workers Workshop	Annually
Safety managers of partner companies	Safety Manager Council	Monthly
	Safety Manager Workshop	Annually

Evaluate and Mitigate Supply Chain Risks

Strategy

Mutual Growth

Strategic Structure

SeAH Besteel is committed to a mutual growth strategy aimed at creating shared value with partner companies. Through support programs focused on enhancing expertise, providing technical assistance, and offering financial support, SeAH Besteel aims to strengthen competitiveness and partnerships, fostering a sustainable and cooperative relationship with partner companies.



Six Strategic Initiatives

Guided by a philosophy of mutual growth, SeAH Besteel Holdings is currently pursuing six supply chain management strategies to focus our efforts on developing supply chain management.

- 01 Managing the supply chain for mutual growth
- 02 Building pro-social procurement policies
- 03 Pursuing ethical management and fair trade
- 04 Strengthening procurement-centered competitiveness
- 05 Ensuring supply chain stability
- 06 Making an organization agile and flexible

Cultivating a Culture of Mutual Growth

SeAH Besteel ensures that subcontracted prices are paid 100% in cash and provides a management support loan program to assist partner companies with operating expenses as needed. Additionally, benefit-sharing bonuses were distributed to employees of partner companies to promote mutually beneficial growth. SeAH CSS also pays subcontracted prices fully in cash on the 15th of the following month and offers advance payments to support the liquidity of its partner companies, including early payment options during holidays. Management performance bonuses are awarded to subcontractors' employees to boost morale. SeAH Aerospace & Defense fosters mutual growth through business alliance agreements and continuous collaboration on process development and quality technology support via production technology support agreements.

Encouragement Bonus	Evaluation Incentives	Financial Support
Benefit-sharing bonuses to in-house partner companies	Incentives and awards to top-performing partner companies based on partner evaluations	Support to ensure partner companies' continued availability of funds for financial operations and stability

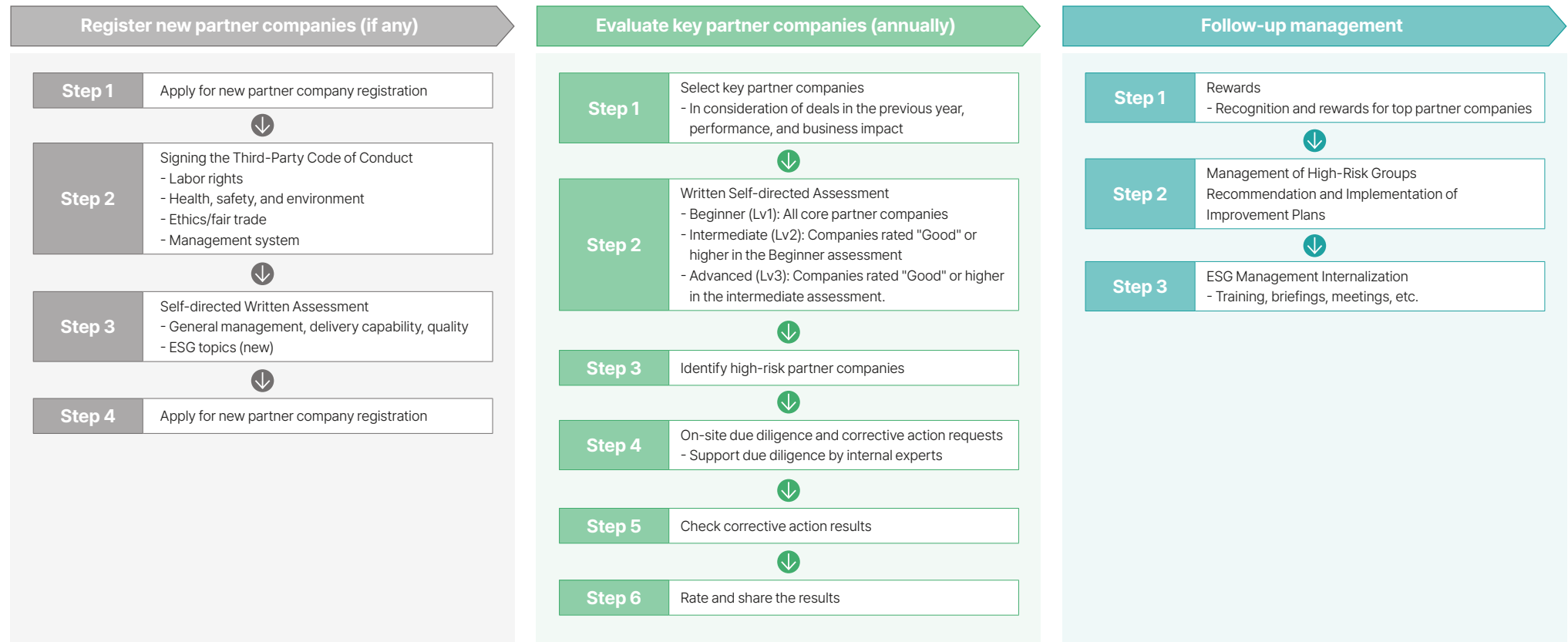
Evaluate and Mitigate Supply Chain Risks

Risk Management

Supply Chain Risk Management

In 2023, SeAH Besteel Holdings conducted a pilot written assessment of the supply chain for two of our key affiliates, SeAH Besteel and SeAH CSS. Based on the results, we adjusted the ESG assessment questionnaire. To ensure the easy administration of the written assessment, we plan to build a system to enable self-directed online assessment in the first half of 2024. In addition, we intend to select companies based on the results of the written assessment and business impact and provide training and consulting support through on-site due diligence. SeAH Aerospace & Defense plans to establish a supply chain management roadmap in 2024 to systematically manage the supply chain from 2025.

Supply Chain Risk Management Process



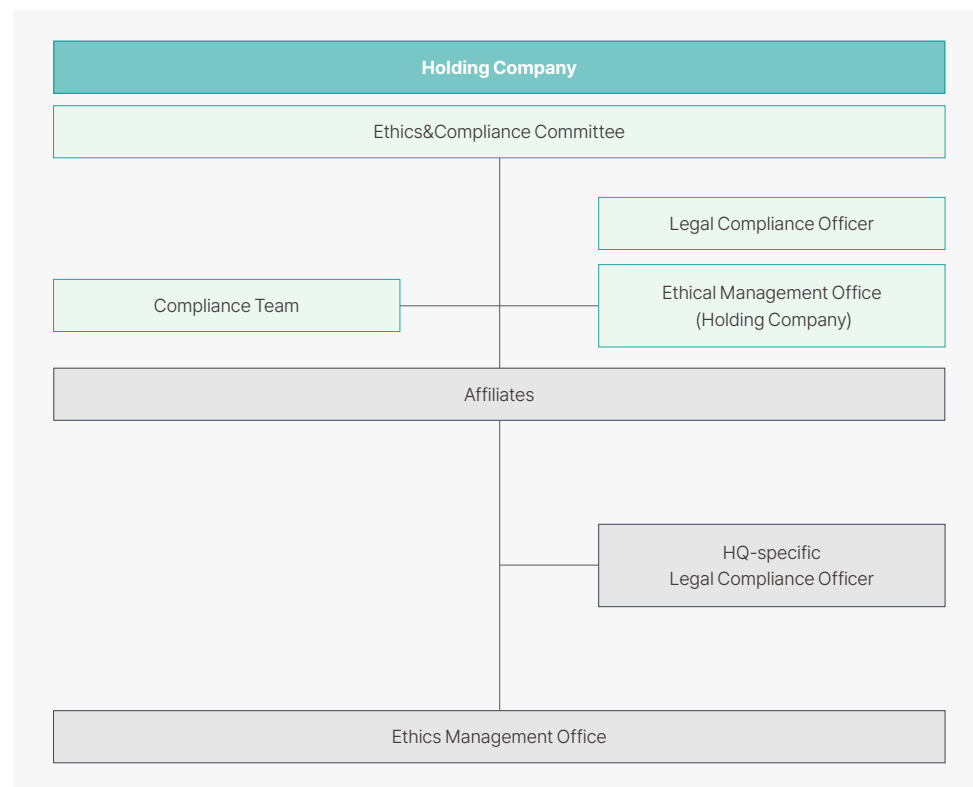
* Assessment rating – Excellent, Good, Fair, Poor

New Value with Transparency

Governance

Organization

SeAH Besteel Holdings established the Ethics & Compliance Committee under the Board, along with the Compliance Team and the Ethical Management Office under the CEO, to address ethical management at both the Board and executive levels. The Internal Control Team, directly under the Audit Committee of the Board, supports the Committee's lawful activities in accordance following major laws such as the Commercial Act and the External Audit Act. This team evaluates the internal accounting control system and supervises overall internal control, including special process checks, to manage company risks. In 2024, we will focus on rebuilding the internal accounting management system and establishing a permanent monitoring system in accordance by the introduction of a new affiliate ERP system. The Compliance Team develops an annual ethical management plan for SeAH Besteel Holdings and its affiliates and regularly reports to the Ethics & Compliance Committee on ethical management activities and instances of unethical behavior and the measures taken. The Ethical Management Office conducts regular ethics training, campaigns, and ethics management evaluations for employees throughout the company.



*Legal Compliance Officers : A system that assigns responsibility for ethics and compliance management to executive-level officers for their respective subordinate organizations.

Capability-building

SeAH Besteel Holdings supports its members of the Board and employees in responding to rapidly changing environmental conditions and making ethical decisions. As part of these efforts to strengthen ethics and compliance management, the company has been publishing the 'Ethics & Compliance Trend Report' biweekly since May 2023, providing the latest updates on ethics and compliance trends and regulatory changes to the Board and employees promptly. Additionally, through SeAH Group's compliance collaboration meetings, the company continuously issues SeAH's OWL newsletter, which provides detailed education on relevant laws, thereby enhancing employees' legal knowledge.

Risks and Opportunities

Before initiating any new business and/or projects, SeAH Besteel Holdings conducts a compliance and ethics risk assessment for stakeholders to identify potential risks in advance. For stakeholders deemed to have high risks, the company utilizes business due diligence surveys to meticulously review compliance, conflicts of interest, and relationships with public officials. Additionally, compliance and ethics clauses are included in contracts to prevent legal violations and unethical behaviors, thereby building an ethical corporate image and fostering a stable management environment to pursue sustainable growth.



New Value with Transparency

Strategy

Policies and Frameworks

Code of Ethics Practice Guidelines

SeAH Besteel Holdings is dedicated to fostering an ethical corporate culture based on SeAH Group's management philosophy of "Inspired by SeAH." To this end, we have established, and strictly adhere to, the Code of Ethics Practice Guidelines. These guidelines regulate unethical behaviors such as accepting rewards from stakeholders, unfair equity participation in partner companies, lack of transparency in selecting partner companies, unfair and illegal use of company assets, manipulation and false reporting of documents and accounts, and negligence in work.

Compliance Charter

SeAH Group's compliance charter sets forth the highest standards of basic procedures and general matters required to practice compliance, and SeAH plans to establish a compliance system for the company and its officers and employees by providing them with basic standards to guide their respective decision-making processes during the course of their duties or work at the company.

Initiatives

ISO37301 (Compliance Management System) Certification

The Compliance Team has implemented compliance activities in line with international standards. These include the establishment of a compliance management system manual, the identification of compliance obligations, and the implementation of appropriate control measures through individual risk assessment. As a result of these efforts, SeAH Besteel Holdings acquired the ISO37301 (Compliance Management System) certification in September 2023. Furthermore, we will provide additional training to help all employees better understand and implement the ISO37301 standards.

Ethical Management Training

At SeAH Besteel Holdings, the Ethical Management Office provides ethical management education such as "Guidelines for Practicing the Code of Ethics" and "Guidance on Cases of Unethical Behavior." In addition, department heads conduct ethical management education directly to ensure all employees receive efficient training and are encouraged to internalize ethical management practices.

Fair Trade Training

SeAH Besteel Holdings and its affiliates conduct company-wide fair trade education to enhance employees' compliance awareness and strengthen legal compliance. We provide training on relevant laws and precautions for various functions, such as sales and purchasing, as well as more in-depth training to increase understanding of regulatory changes. Through these efforts, SeAH Besteel Holdings and its affiliates aim to further solidify a culture of compliance within the organization.

Employee Ethics Pledge

To ensure compliance with the Code of Ethics Practice Guidelines, all employees annually commit to an ethics pledge. We have established six principles of behavior for department heads to prevent Three Zero-Tolerance Behaviors. Department heads pledge annually to uphold these principles.

*Three Zero-Tolerance Behaviors: workplace bullying, sexual harassment, and employee-to-employee violence.



New Value with Transparency

Strategy

Risks and Opportunities

Category	Factors	Impact
Risks	Use of Personal/Sensitive Information	<ul style="list-style-type: none">• Criminal sanctions due to negligence or disclosure of company secrets• Costs incurred, including monetary damages
	Embezzlement	<ul style="list-style-type: none">• Criminal sanctions due to misappropriation of embezzlement of company funds• Costs incurred, including monetary damages
	The occurrence of three Zero-Tolerance Behaviors	<ul style="list-style-type: none">• Operational risk or reduced revenue due to reputational damage to the company• Risk of human resources loss due to employee discipline
	Violation of the Code of Ethics	<ul style="list-style-type: none">• Criminal sanctions due to bribery, technology leakage, unfair trade, etc.• Costs incurred, including monetary damages• Operational risk or reduced revenue due to reputational damage to the company• Risk of human resources loss due to employee discipline
	Negligence in monitoring fair trade	<ul style="list-style-type: none">• Risk of prosecution and criminal sanctions• Costs incurred, including monetary damages• Operational risk or reduced revenue due to reputational damage to the company
	Negligence of compliance control system	<ul style="list-style-type: none">• Operational risk or reduced revenue due to reputational damage to the company• Costs incurred, including monetary damages
Opportunities	Implementation of Legal Compliance Officer System	<ul style="list-style-type: none">• Reduction in costs such as legal violations, fines, and lawsuits by establishing a compliance management system• Attracting investment and gaining customer trust by building an ethical corporate image• Increased sales and improved profitability by enhancing brand value
	Acquisition of ISO37301 certification	<ul style="list-style-type: none">• Loss prevention and cost reduction by controlling risks, such as embezzlement, bribery, and fraud thanks to enhanced employee compliance awareness• Enhancing brand image, attracting investment and gaining customer confidence by obtaining ethical management certification• Cost reduction and loss prevention by preventing risks and making post-management efficient with the establishment of substantive control processes
	Enhanced monitoring of the three Zero-Tolerance Behaviors	<ul style="list-style-type: none">• Establishing a culture of mutual respect and increased productivity by establishing an ethical organizational culture and enhancing employees' sense of responsibility• Saving costs and improving profitability by reducing risks such as criminal sanctions and penalties, reputational damage, and financial losses

New Value with Transparency

Risk Management

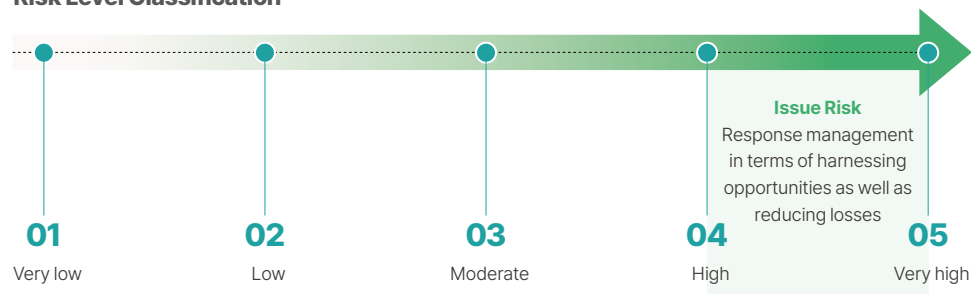
Ethics and Compliance Risk Management

SeAH Besteel Holdings manages ethics and compliance risks per ISO37301 (Compliance Management System) standards. Based on the nature of each department's work, we identify legal and normative risks and assess individual risks in three stages: low, medium, and high, based on their likelihood of occurrence and severity of impact. We effectively control and manage these risks by implementing necessary risk control measures based on these assessment. We re-evaluate the remaining risk after the controls are applied, and additional action is implemented if necessary.

Risk Management Process



Risk Level Classification



Risk Response Activities

Ethical Management Suggestion Center

SeAH Besteel Holdings operates the "Ethical Management Suggestion Center" within the Group to foster a transparent and ethical corporate culture. All stakeholders, including partner companies and customers, can report unethical behavior by employees anonymously or by name. Reported cases are promptly addressed through a fair and objective process in accordance by internal regulations. Specifically, reports concerning the 'Three Zero-Tolerance Behaviors,' which SeAH Besteel Holdings identifies as significant obstacles to ethical management, are handled with heightened severity and urgency to reinforce our commitment to ethical management. To protect whistleblowers and prevent retaliation, we strictly adhere to principles of anonymity and confidentiality, striving to lead the culture of ethical management as a trusted company.

Ethical Management Reporting Process



Compliance Control Standards

SeAH Besteel Holdings has appointed a Legal Compliance Officer and established compliance control standards through a resolution of the Board of Directors under Article 542(13) of the Commercial Act and other relevant regulations. The Legal Compliance Officer is responsible for planning and executing the company's compliance activities and possesses the authority to report independently to the CEO and the Board of Directors. Additionally, the Legal Compliance Officer provides regular reports on compliance control matters at the quarterly Board meetings to ensure transparency.

New Value with Transparency

Risk Management

Risk Response Activities

E&C Self-assessment

SeAH Besteel Holdings and its affiliates conduct annual departmental ethics and compliance (E&C) self-assessments to identify and mitigate risks. Department heads, who best understand their areas, perform these assessments with oversight and support from each department's Legal Compliance Officer to ensure a seamless process. This practice, aligned with the SeAH Group's Code of Ethics and the Fair Trade Act, helps identify E&C risks and educate employees on their E&C obligations and risks while addressing deficiencies. SeAH Besteel Holdings and its affiliates completed E&C self-assessments across 128 departments in 2022 and 2023, achieving a 100% participation rate. We will continue these assessments to improve E&C management awareness, early risk detection, and swift management.

Contact Report Monitoring

To ensure fair competition and mitigate risks under the Fair Trade Act, SeAH Besteel Holdings has implemented a pre- and post-contact report monitoring system for interactions with competitors. When business engagement with competitors becomes inevitable, we prepare and submit pre- and post-contact reports to the Compliance Team and the Legal Compliance Officer, seeking assistance from related departments, like the Legal Department, as needed. We regularly present quarterly monitoring reports to the CEO and the Legal Compliance Officer, who then review them for any irregularities and report them to the Board of Directors during regular Board meetings.

Internal Transaction Guidelines

To ensure transparency and fairness in transactions between affiliates, SeAH Besteel Holdings has established internal transaction guidelines and mandated pre-screening by the Compliance Team to prevent compliance risks. The Compliance Team conducts training sessions for key departments, such as sales and purchasing, on drafting internal transaction statements and understanding the Fair Trade Act to promote adherence. Starting in 2024, a fair trade monitoring system will mandate the creation and review of contact reports and internal transaction statements.

ESG Management

Environmental Management	57
Air Pollution Improvement	59
Hazmat Management	60
Water Resources Management	61
Human Resources Management	62
Human Rights	65
Community Engagement	68
Board of Directors	70
Information Security	74
Risk Management	75

Environmental Management

Approach

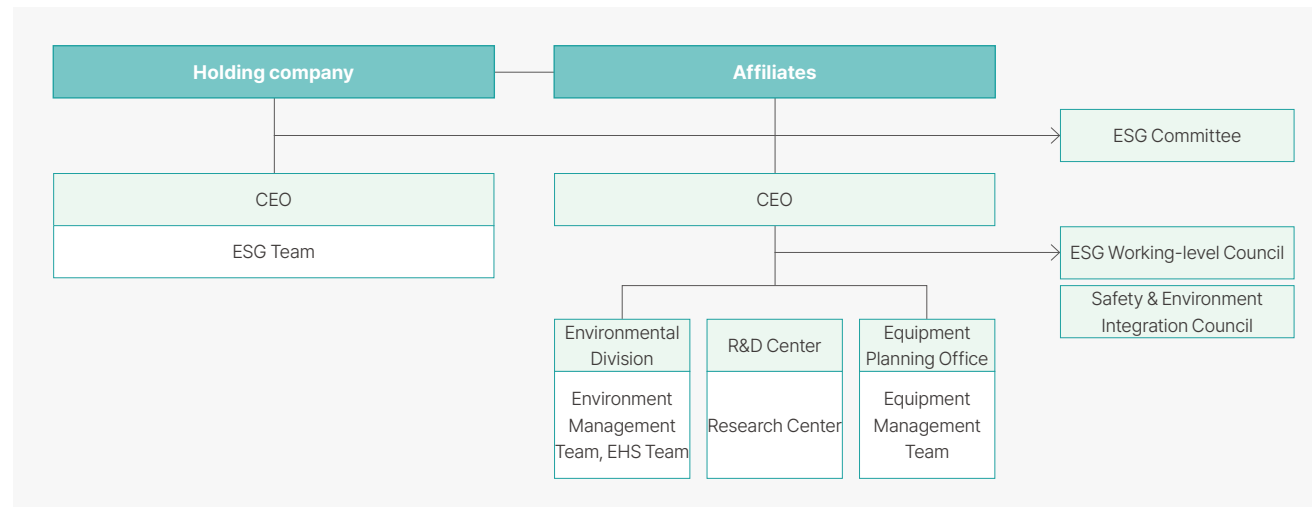
Environmental Policy

SeAH Besteel Holdings acknowledges its responsibility to protect the environment and is dedicated to swiftly addressing environmental challenges through the implementation of environmental policies. We strive to minimize the environmental impact of our production processes by managing energy use, greenhouse gas emissions, and water resource management, while diligently complying with environmental laws and regulations.

Environmental Management Organization

SeAH Besteel Holdings has established a connected system for effective environmental management between the holding company and its affiliates to regularly share plans and results of major environmental management activities. The holding company has formed an ESG Team under the CEO, while each affiliate operates a dedicated environmental department staffed with specialized personnel under their respective CEOs. SeAH Besteel, SeAH CSS, and SeAH Aerospace & Defense use the ISO45001 Environmental Management System to identify and manage their environmental impacts and continuously monitor potential risks. SeAH Besteel holds a monthly Integrated Safety & Environment Integration Council, chaired by the CEO, to regularly share plans and results of major environmental management activities. SeAH CSS reports environmental issues at monthly management meetings to actively address pending issues. In addition, SeAH Aerospace & Defense meets monthly, led by an EHS lead team, to enhance the implementation of environmental management policies.

Organization chart



Environment Management System

SeAH Besteel Holdings has established an environmental management system to manage environmental factors and identify risks in advance systemically. Additionally, we have classified environmental risks into three categories and implemented a step-by-step management process to prevent their recurrence.

By 2024, SeAH Besteel and SeAH CSS plan to invest KRW 1.9 billion in building an integrated SHE (safety, health, and environment) system. In 2023, the system was introduced to manage environmental indicators, pollutant monitoring, and operational information on environmental facilities related to water, air, waste, and chemicals, in accordance with the Act on Integrated Management of Environmental Pollution Facilities. In 2024, the system will be enhanced to enable online SHE evaluations for new production facilities, facility changes, and new chemical products.

Complementing the integrated SHE system, SeAH CSS has independently developed and launched an Environmental Monitoring System in January 2024. This system, which is synced with air and water pollutant and chemical measurement devices, as well as CCTVs at all plants, operates in real-time to identify environmental emissions and share this information with production sites, thereby enhancing our environmental management efforts.



SeAH CSS, Environmental Monitoring System



Environmental Management

Response to Environmental Laws and Regulations

SeAH Besteel Holdings has implemented a strategic framework to address evolving domestic and international environmental regulations, while closely monitoring changes in environmental regulations and policies.

Category	Strategy
Atmospheric Environment Conservation Act	Investing in optimal prevention facilities and implementing pollutant management systems to reduce nitrogen oxides
Water Environment Conservation Act	Reducing pollutant emissions through wastewater recycling
Wastes Control Act	Changing treatment methods to improve recycling rates and continue identifying potential partner companies
Chemical Substances Control Act	Managing chemical substances by establishing an integrated SHE system

Performance

Paperless Office

SeAH Besteel Holdings is gradually transitioning to a paperless office to utilize resources and protect the environment efficiently. Our work processes are shifting from analog paper documents to a digital-centric system through an e-approval system. Additionally, PC tablets have been provided to department heads, team leaders, executives, and the CEO to handle tasks and make quick decisions.

Environmental Training

SeAH Besteel enhances environmental awareness by conducting monthly training for ecological managers, who then educate their teams. Additionally, we are expanding the regular training to include environmental facility operators and internal partner companies. SeAH CSS offers job-specific environmental training tailored to their responsibilities, such as for new managers and environmental facility operators. This training allows them to build their ecological expertise in areas closely related to their jobs. SeAH Aerospace & Defense holds pre-work meetings at least twice a month to train all employees on environmental information and management activities. Additionally, crew meetings are held monthly for EHS information and management training.

Training

Category	Training Name	No. of Participants
Environmental Operation and Management Training	Self-inspection of the environment	103
	Regular inspection for integrated permits	21
	Waste management standards	10
	Hazardous chemicals management standards	17
	Online training on Chemical substance emission survey	1
	Environmental regulations for automotive products	3
Specialized Personnel Training	Water environment specialists	1
	ISO14001 environmental management system internal auditor	10
	Practical training seminar for environmental specialists	3
OnBoarding Training	Environmental introduction training for technical staff	44
	Environmental introduction training for office staff	34

Eco-friendly Social Contribution

Clean Ocean Volunteer Program

As part of SeAH CSS's commitment to giving back to the environment, the company organized the Clean Ocean Volunteer Group, leveraging its seaside location. In cooperation with the Changwon Branch of the Korea Maritime Rescue Association, the Group regularly cleans the surrounding marine environment. Divers collect underwater waste, while family volunteers engage in shoreline cleanup activities to create a safe and clean ocean. In 2023, 67 participants joined three cleanup events during the summer vacation period, contributing to the ongoing protection and improvement of the marine ecosystem, especially in areas home to nationally protected species.

Employee Sustainability Engagement Activities

SeAH CSS aims to expand environmental protection activities through employee participation. It continues implementing plogging activities and producing environmental pop-up books to create a cleaner environment and raise environmental awareness. Committed to social responsibility and sustainability, SeAH CSS plans eco-friendly initiatives, such as eco-bags and further plogging activities.

Air Pollution Improvement

Approach

With stricter air pollutant emission regulations under the Act on Integrated Pollution Prevention and Control and the Integrated Environment Management System, managing NOx emissions has become increasingly important. In response, SeAH Besteel Holdings maintains air pollutant emissions at 30% or less of permitted levels

SeAH Besteel uses telemonitoring systems (TMSs) to monitor emissions in real-time and ensure the proper operation of emission facilities through regular checks. The company installed TMSs at 13 locations in 2022 and added three more in 2023, investing approximately KRW 1.8 billion to systematically establish a real-time air pollutant monitoring system.

SeAH CSS operates TMSs at 25 locations to manage pollutants such as dust, NOx, and SOx. Additionally, four CCTVs monitor air quality at all plants, with two extra CCTVs installed in areas with numerous heating and heat treatment furnaces for enhanced air quality management.

Performance

Introduction of FGR System

The Fuel Gas Recirculation (FGR) system is a technology that reduces NOx emissions by recirculating some exhaust gas generated during combustion back into the process. The existing Nox reduction device, Selective Catalytic Reduction (SCR) had drawbacks, such as high investment and maintenance costs and excessive carbon emissions. In response, SeAH Besteel and SeAH CSS have introduced the FGR system to their furnaces.

SeAH Besteel installed the FGR system on five forging furnaces in 2023, reducing emission concentrations from an average of 155 ppm to about 60 ppm, achieving a treatment efficiency of 40-60%. In 2022, SeAH CSS introduced an FGR system to a 25-ton boiler, improving operating efficiency and reducing emissions. In 2023, SeAH CSS expanded FGR technology to seven furnaces at its large rolling plant, lowering NOx emission concentrations from 150 ppm to about 75 ppm.

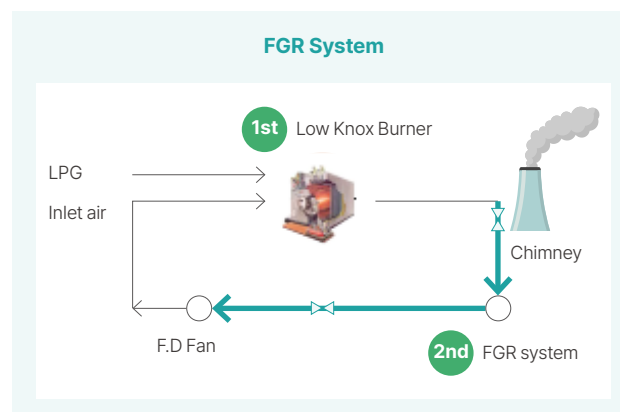
*SCR: Selective Catalytic Reduction. A device that reduces nitrogen oxides in the exhaust gas to harmless nitrogen and water.

Replacement of Old Facilities

To minimize air pollutant emissions, SeAH Aerospace & Defense enhanced the efficiency of its air pollution prevention facilities in 2023 by replacing the old bag-filtered facility and collection hood on two reverberatory furnaces.

Next Plan

In 2024, SeAH Besteel plans to invest KRW 6.3 billion to reduce fugitive dust by installing a 380-meter-long, 18-meter-high barrier around the scrap yard, addressing dust-related complaints, and meeting integrated environmental license requirements. Additionally, the company will enhance air pollutant monitoring by installing two TMSs in two heating furnaces at the small forging plant. SeAH CSS will continue its efforts to reduce air pollutants in 2024 by introducing an exhaust line flow control system for stable FGR operation and by building or renovating nine new low-NOx burners at heating and heat treatment furnaces to reduce NOx emissions.



Water Resources Management

Approach

SeAH Besteel Holdings is committed to protecting water resources essential to the steel industry. SeAH Besteel has implemented an effluent treatment system to reduce water waste and manage water pollution by setting the permitted discharge standard for water pollutants at 30% or less of the legal standard. Furthermore, we strive to reduce wastewater by minimizing unnecessary water use and promoting water reuse through water resource monitoring and analysis. SeAH CSS has established a system that circulates and reuses cooling water, recycling some wastewater into processes. This contributes to water conservation. Furthermore, we strictly manage water pollutant discharge permit standards by remaining at 30% of the legal standard through a thorough wastewater treatment process.

Performance

Reuse of Wastewater and Effluent

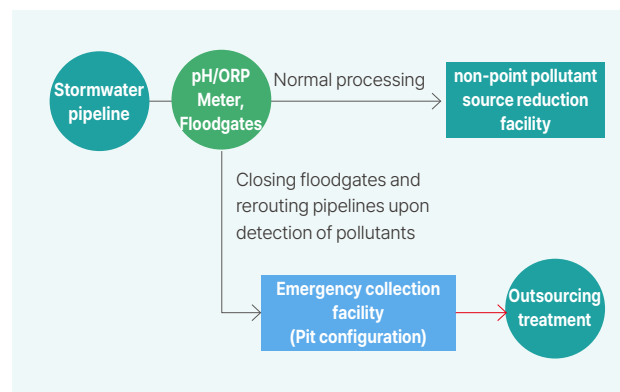
SeAH Besteel reuses wastewater to promote water recycling and minimize water shortage risks. At the Gunsan Plant, wastewater and effluent treatment are used to cool slag generated in the steelmaking process, saving about 710,000 tons of industrial water in 2023.

Management of Non-Point Source Pollution

SeAH Besteel has installed six non-point source pollution reduction facilities to minimize the discharge of water pollutants from these sources. Each facility is regularly inspected, and periodic self-measurements are conducted to manage pollutant concentrations, reducing the impact on the aquatic ecosystem.

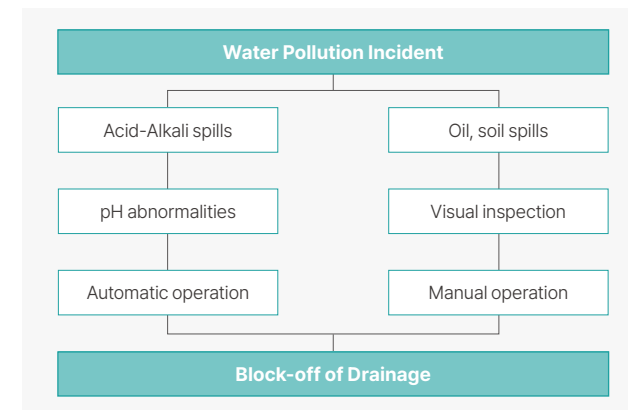
Installation of Stormwater Drainage Floodgates

In 2024, SeAH Besteel plans to invest KRW 370 million to install two sluice gates at non-point source pollution reduction facilities to prevent pollutant spillage from the plant. These floodgates automatically shut off and alarm when contaminants are detected via pH measurement, enabling immediate action, enhancing the safety of the surrounding area, and preserving the water ecosystem.



To keep the Masan Bay area clean and well-protected, SeAH CSS has installed sluice gates to manage stormwater drainage. In 2023, we introduced the "Environmental Monitoring System" to monitor the pH at the sluice gates and ensure they are kept tightly closed. The system is designed to automatically shut down and raise an alarm when pollutants are detected, allowing prompt action to be taken.

Stormwater Drainage Blocking Process



Hazmat Management

Approach

SeAH Besteel Holdings complies with the Chemical Substances Control Act to prevent chemical accidents and hazardous substance leaks. In particular, we installed wet scrubbers in facilities handling hazardous chemicals to prevent external leakage. Additionally, spill detection alarms and emergency contact systems are in place to ensure a quick response in emergencies.

Performance

Workplace Valefs (Valves, Flanges, Switches) Campaign

As a Changwon National Industrial Complex Public-Private Joint Response to Chemical Accident Council member, SeAH CSS has implemented the Valefs Campaign with the Ministry of Environment since 2021. This campaign emphasizes preventing chemical accidents by strengthening safety checks on valves, flanges, and switches in hazardous chemical facilities. The company participated in the "Valefs Plus+ Chemical Safety Campaign in 2023," co-organized by the Nakdong River Basin Environmental Office and Council members and received an award from the chief of the Nakdong River Basin Environmental Office in recognition of various improvement activities.



Investment in Hazardous Chemical Handling Facilities

In 2023, SeAH Besteel invested approximately KRW 36 million to replace piping and install fume hood reagent cabinets, aiming to prevent chemical leaks and improve the working environment in facilities handling hazardous chemicals used in quality assurance tests.

Replacement of Toxic Substances with Non-Toxic Substances

SeAH CSS regularly monitors newly designated hazardous chemicals, ceases the use of toxic products, or replaces them with non-toxic alternatives. For instance, in the STS wire rod production, the company replaced the salt bath process with physical treatment (shot) to eliminate hazardous chemicals, such as sodium hydroxide, a toxic chemical used in the salt bath process.

Nitric acid, a highly volatile and hazardous substance, poses significant risks of environmental pollution and safety accidents. SeAH Aerospace & Defense has made a significant achievement by substituting a non-toxic alternative for nitric acid during the surface cleaning process in the etching room, reducing the concentration from 60% to 4.5%. This change significantly mitigates the risk of pollution and accidents.

Hazardous Chemical Accident Prevention Training

SeAH Besteel Holdings provided over two hours of annual hazardous chemicals training to all our employees and those of our partner companies. This training teaches specialized knowledge about chemicals and fosters safety awareness in managing hazardous chemicals. Additionally, we designated technical personnel, inspectors, and handling personnel for hazardous chemicals and conducted periodic training as needed. We also established an emergency response process for hazardous substance spills and conducted related drills to ensure preparedness.

SeAH Besteel Hazmat Training

Title	Classroom Training for Hazmat managers
Description	<ul style="list-style-type: none"> - Chemical safety management, chemical accident response measures - Managing and Handling of manufacturing facilities and storage facilities
Period	Oct 23, 2023-Dec 29, 2023
Duration	2hours
No. of attendees	1,365

SeAH CSS Hazmat Training

Title	Target	No. of Attendee
Specialized Training on Chemical Accident Prevention and Control Plan	Hazmat managers	2
Hazmat Manager Certification Training	Manager candidates	1
Safety Training for Hazmat Managers	Hazmat managers	9
Safety Training for Hazmat handlers	Hazmat handlers	23
Safety Training for Hazmat worker	All employees of Changwon Plant	1,088
Capability-building Training for Hazmat handlers	Hazmat handlers	595
Valefs Plus Campaign Launch Ceremony / Briefing / Results Debriefing	Hazmat handlers	13
Briefing for Hazmat-related partner companies	Environment Team	6
Public-Private Joint Response to Chemical Accident Council_Cross-check	Environment Team	3



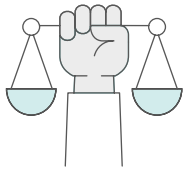
Human Resources Management

Approach

SeAH Values

SeAH Besteel Holdings aims to create a world enriched by diverse ideas and personalities and beautiful SeAH values, full of the dreams and passions of our talented personnel. We are committed to cultivating creative and innovative talent to drive SeAH's growth and contribute to the Korean industry's advancement.

Ethically grounded with sound judgment



Creative and proactive



Adaptable and collaborative team player



Recruitment

SeAH Besteel Holdings believes in improving the world through exceptional quality and technology. Accordingly, our employees uphold core values of integrity, passion, and competence while fostering a culture of cooperation. To find talent with potential and competence, we recruit for regular and ongoing openings through a fair evaluation process.

Recruitment Process



Non-discriminatory Recruitment Environment

SeAH Besteel Holdings is committed to a fair recruitment process, free from discrimination based on race, gender, disability, origin, and age. We prioritize recruiting women, veterans, and individuals with disabilities, resulting in significantly increased acceptance rates for female and disabled applicants. We take various actions to provide a level playing field for everyone, aiming to exceed the legal employment rate for individuals with disabilities of 3.1% and offer additional recruitment points for veterans.

Human Resources Management

Performance

Employee Talent Enhancement System

SeAH Besteel Holdings strives to strengthen the expertise and competence of all employees. To discover and nurture outstanding talents, we implement specialized training programs such as Job Master and Change Agent (CA), which focus on training leadership, job expertise, and leadership mentoring. In addition, we provide employee experience-based strength workshops, including problem-solving, strengths coaching/feedback, upskilling/reskilling, and special lectures on various topics to help employees respond agilely to evolving environments. Moving forward, we will broaden training opportunities and enhance training time and cost efficiency per employee.

Training System

Job Level	Training by Level	Leader Training	Job Training	Key Talents	Common Training
General manager	Training for Promotions	Leader training (affiliate-level/group-level) Team leader workshop	Job-specific Training	<div>Individual</div> <div> <div>Job</div> <div>Job Master</div> </div> <div> <div>Organization</div> <div>Change Agent(CA)</div> </div> <div> <div>Leadership</div> <div>Mentor</div> </div>	Statutory Trainings Sexual Harassment Prevention Training Workplace Bullying Prevention Training Disability Awareness Improvement Training Information Security Training
Deputy manager					
Manager					
Assistant manager					
Associate	Onboarding training for new hires, interns and the mentoring group	Leader training (affiliate-level/group-level) Team leader workshop	Job-specific Training	<div>Group</div> <div> <div>General manager/deputy manager</div> <div>Manager and above</div> <div>Assistant manager and above</div> </div> <div> <div>Biz Leader</div> <div>Advanced Leader</div> <div>Challenge Leader</div> </div>	Personal Development Training Language Tuition Support Language study group Global Talent Training Global Talent Training Program Learning Cloud

Leader Training

SeAH Besteel Holdings conducts annual leadership training for new and existing team leaders. In 2023, we delivered training for new executives focused on strengthening their roles and core competencies to drive the Group's growth. Along with training, we emphasize a Zero-Tolerance policy and compliance management education as critical courses to cultivate leaders aligned with SeAH's core values. For newly appointed team leaders, we provide leadership capability-building training focused on organizational goals, performance management, and enhancement to establish effective organizational leadership.

Leadership Training

We annually host the Business Leader Course and Advanced Leader Course to discover and train critical talents. These programs help future management leaders understand their roles and responsibilities within the organization and provide networking opportunities with key personnel from other companies.

Job Skills Development

SeAH Besteel Holdings supports job-specific training to enhance employee competencies and knowledge. We promote essential common competencies for new hires through a systematic onboarding program, and we provide timely training to ensure employees acquire the required competencies for their job levels through position-specific and promotion-related training.

Personal Development Training

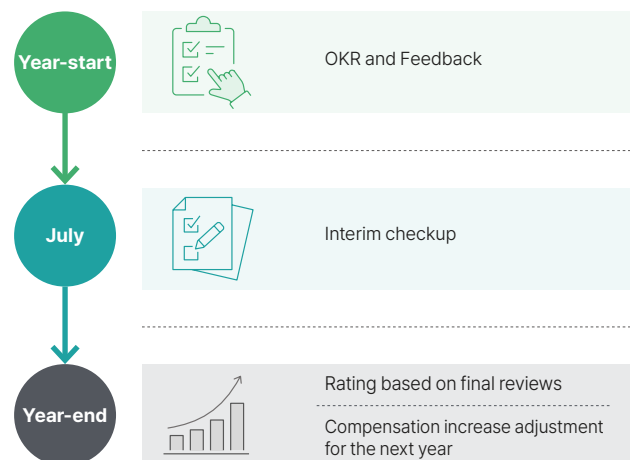
SeAH Besteel Holdings supports continuous employee development through various programs, helping them adapt to changes in the dynamic work environment and gain insights based on newly acquired knowledge. We subsidize book purchases to broaden their perspectives and invite top experts for quarterly in-house lectures. We also support online and offline language learning to develop global talents.

Human Resources Management

Performance Evaluation

SeAH Besteel Holdings operates an OKR-based performance management system to manage individual targets and key performance metrics systematically. These targets are set based on each individual's career, role, and expectations, with regular feedback between leaders and employees. Progress is reviewed continuously, culminating in a final review at year-end to determine an evaluation rating. This evaluation influences training, compensation, and promotions, ensuring fair treatment based on performance. The evaluation process involves headquarters and divisional personnel committees, with final approval by the CEO, ensuring transparency and fairness within the organization.

Key Stages of Performance Management



Work and Life Balance

SeAH Besteel Holdings has introduced various vacation programs to support employees' work-life balance. We designate a monthly Leader's Day to ensure department heads rest and enhance junior managers' leadership. Our quarterly paid time-off system enables employees to use their leave more flexibly. In addition, we offer a sabbatical program (10 and 20 years of service) and a Refresh Leave program (5 consecutive days of paid vacation) to provide employees with ample opportunities to recharge and rest. Our employees also have autonomy in planning their work schedules through flexible working hours and telecommuting options. Furthermore, we provide welfare programs based on employees' life circumstances, including scholarships for their children and opportunities for continued employment after retirement, helping them balance work and family.

Employee Benefits and Perks

Health	<ul style="list-style-type: none"> • Biennial health checkups for all employees • Group accident insurance for all employees
Life	<ul style="list-style-type: none"> • Mortgage assistance when buying or renting a home • Settlement fund • Dormitory housing • Commute bus transportation for employees • Coveralls, safety shoes, etc., for manufacturing workers
Culture	<ul style="list-style-type: none"> • Reservation and use of resort/hotel company memberships • Support for personal development • Support for cultural activities • Welfare card
Home	<ul style="list-style-type: none"> • Paid vacation, financial support, item provision, and wreaths for congratulatory and condolatory events • Full coverage of childcare, middle school, high school, and university education expenses for employees' children • Financial support and paid leave for refreshment vacations • Welfare support every five years for employees with over ten years of service

Sound Organizational Culture

Town hall Meeting

SeAH Besteel Holdings works to foster a culture of transparent communication and mutual respect through quarterly town hall meetings with the CEO and all employees. These meetings facilitate open discussion and Q&As, allowing employees to freely express their opinions on company operations, strategy, organizational culture, and more while providing direct communication with management.

Junior Board

The Junior Board holds monthly and quarterly meetings with executives to exchange opinions. This has led to implementing new programs such as Family Day and the sabbatical program. Currently, the Ground Rule is being considered for improving work efficiency. The Junior Board serves as a channel to collect and reflect employees' opinions, fostering an environment where senior and junior employees can grow together.

Labor-Management Committee

SeAH Besteel Holdings operates the Labor-Management Committee to ensure smooth communication and negotiation between labor and management. SeAH CSS enhances organizational stability and the work environment through each level's central steering committee and council meetings. Quarterly labor-management council meetings listen to and reflect on employee voices, continuously improving the working environment. SeAH Aerospace & Defense has maintained a labor dispute-free workplace for 20 consecutive years by fostering free and democratic communication between labor and management. In August 2023, the Ministry of Employment and Labor recognized the company for its excellent labor-management culture.

Human Rights

Approach

Charter of Human Rights Management

Through the Charter of Human Rights Management Declaration, SeAH Besteel Holdings has articulated its vision to respect the human rights of all stakeholders and foster mutual growth. Guided by the values of honesty, respect, and responsibility, we engage in fair employment practices, ensure a safe working environment, manage a responsible supply chain, respect community human rights, and protect customer human rights.



Charter of Human Rights Management

With "Honesty" as our core value, SeAH Besteel Holdings, a global steel manufacturer, respects the human rights of all stakeholders, including employees, partner companies, and customers, in all business activities. We aim to become a company that creates meaningful value in collaboration with our stakeholders and makes the world more beautiful, guided by our slogan, "Inspired by SeAH."

We comply with the laws and regulations of each country and region where we operate and uphold international human rights principles and norms, such as the Universal Declaration of Human Rights, OECD Guidelines for Multinational Enterprises, UN Convention on the Rights of the Child, and ILO Fundamental Conventions. To put these into practice, we have established and operate a human rights management policy encompassing internal and external communication, grievance handling, and relief procedures.

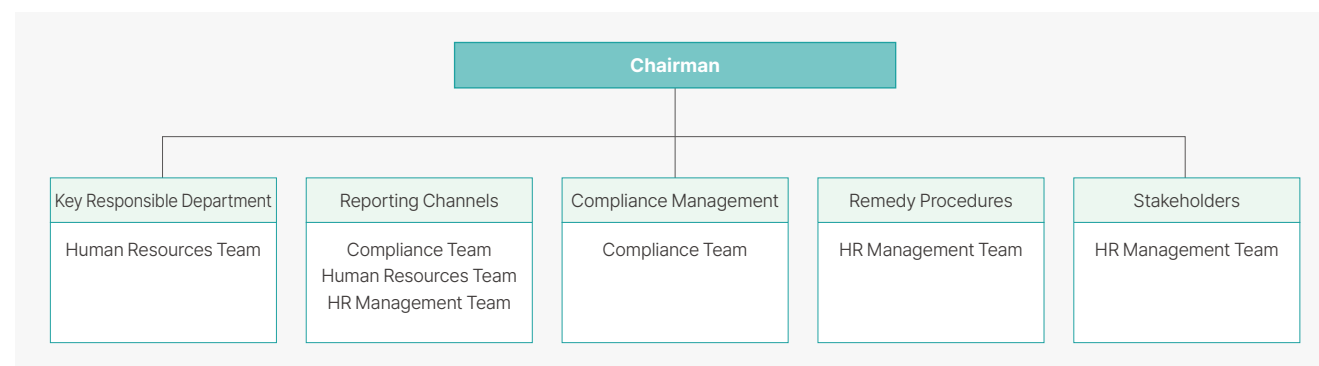
This applies to all our business sites at home and abroad. To ensure common understanding and company-wide practice, we declare the Charter on Human Rights Management as follows:

Human Rights Management Roadmap



Human Rights Organization

SeAH Besteel and SeAH CSS each declared human rights management through Board of Directors resolutions in 2023 and 2024. The human rights management organization, led by the Chairman, consists of five sections: the main department (Human Resource Development Team), operating reporting channels, supporting compliance management, providing remedy procedures, and expanding awareness among stakeholders.



Human Rights

Performance

Monitoring of the Three Zero-Tolerance Behaviors

SeAH Besteel Holdings adheres to SeAH Group's three Zero-Tolerance policies (workplace harassment, sexual harassment, and violent acts) to respect and protect human rights. We regularly evaluate human rights management and address potential risks through comprehensive diagnostic procedures for all employees.

Type of the three Zero-Tolerance Behaviors

01

Workplace Harassment

Workplace harassment occurs when an employer or employee uses their position of authority or relationship in the workplace to cause physical or mental distress to another worker or to create a hostile work environment, beyond what is reasonable for the job.

02

Sexual Harassment in the Workplace

Sexual harassment occurs when an employer, supervisor, or worker takes advantage of their position in the workplace to make another worker feel sexually humiliated or offended by sexual conduct or penalizes them in their working conditions or employment for failing to comply with unwarranted requests.

03

Acts of Violence

Acts of violence include any physical or tangible conduct that implies the intent to cause injury, such as threats, confinement, or vandalism, even if it does not result in actual injury.

Response process of the Three Zero-Tolerance Behaviors

SeAH Besteel Holdings operates a reporting channel for all stakeholders to report any occurrence or witnessing of the three zero-tolerance behaviors. Upon receipt of reports, we implement a whistleblowing response process, ensuring anonymity to protect the complainant's identity. Cases and handling details are disclosed to all employees through the groupware portal once a quarter, with identifiable information kept private.

Response process



Employee Assistance Program (EAP)

SeAH Besteel Holdings introduced the Employee Assistance Program (EAP) in March 2023 to support grievance victims and ensure the mental health of our employees. Since 2024, the program's scope has expanded to address a wider range of grievances, including personnel concerns related to employees' children and spouses. The process, which is conducted individually, includes applying for, scheduling, conducting, and evaluating counseling. This program supports the sound mental health of employees, enhancing productivity and contributing to a healthy organizational culture across the company.

Counseling Request	Counseling Reservation	Counseling	Evaluation and Follow-up
<ul style="list-style-type: none"> Check available counselor and center information Assign counselors based on big data Utilize a dedicated website, phone, Kakao Plus 01	<ul style="list-style-type: none"> Confirmation within 24 hours of requesting a counseling appointment Reminder text 2 days before/on the day of the appointment 02	<ul style="list-style-type: none"> In-person consultation (visit to the center) Non-face-to-face consultation (by phone, video) (if deemed necessary) Extension of counseling, hospital referral 03	<ul style="list-style-type: none"> Follow-up management (check-in calls) Effectiveness evaluation Satisfaction surveys Reporting on progress 04

Human Rights

Human Rights Training

SeAH Besteel Holdings is committed to advancing human rights training for our employees each year to reinforce our human rights management practices. In 2023, we trained all employees on critical labor rights issues, including sexual harassment prevention, workplace bullying prevention, and disability awareness. We will continue to strengthen human rights training to ensure robust protection and heightened awareness of human rights within our company.

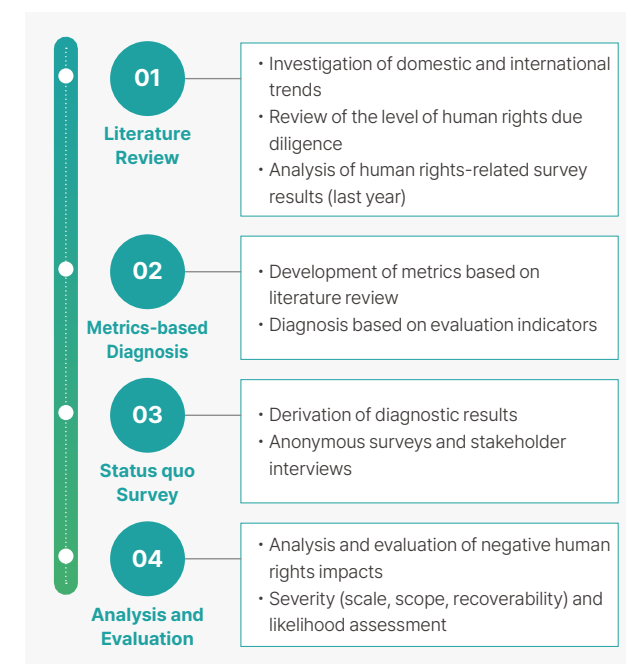
Human Rights_Statutory Training

Affiliate	Training	Participants	Period
SeAH Besteel Holdings	Workplace Bullying Prevention Training	53	2023.05~2023.11
	Sexual Harassment Prevention Training		2023.05~2023.11
	Disability Awareness Improvement Training		2023.09~2023.11
SeAH Besteel	Workplace Bullying Prevention Training	1,538	2023.05~2023.11
	Sexual Harassment Prevention Training		2023.05~2023.11
	Disability Awareness Improvement Training		2023.09~2023.11
SeAH CSS	Workplace Bullying Prevention Training	1,229	2023.05~2023.11
	Sexual Harassment Prevention Training		2023.05~2023.11
	Disability Awareness Improvement Training		2023.09~2023.11

Human Rights Impact Assessment

In June 2024, SeAH CSS conducted a Human Rights Impact Assessment to identify and mitigate potential human rights impacts across its operations in Korea, utilizing surveys, interviews, and on-site visits with employees, partner companies, customers, and local communities. The assessment addressed issues such as compliance with key ILO conventions, discrimination, forced labor, child labor, freedom of association, and occupational health and safety. A particular focus was placed on supply chain human rights due diligence to identify and improve risks among partner companies. These efforts aim to preemptively prevent human rights risks and promote sustainable management by addressing negative human rights impacts. SeAH CSS strives to become a socially responsible company by transparently disclosing assessment results and improvements and actively engaging with stakeholders.

Human Rights Impact Assessment Process



Community Engagement

Approach

Aligned with SeAH Group's sharing management initiatives, SeAH Besteel Holdings conducts various activities to give back to local communities and support children and youth. In the first quarter of 2023, the ESG Committee approved an annual donation limit proposal, enhancing our sharing management efforts to promote sustainable development in local communities.

Performance

Community Donation Activities

SeAH CSS engages in various community volunteer activities, including youth scholarship programs, support for crime victims, the Ecological Nuri program, and the "What a Sweet Cookies" project. In addition to sponsoring the Korea Mecenat Association to support local culture and arts, its employees participate in meaningful sharing activities every year on the company's anniversary. These activities include in-house blood donation drives, making fire safety kits for low-income seniors, and creating essential goods packages for low-income households.

Hope Sharing Local Welfare

True to our corporate spirit of "Inspired by SeAH," SeAH Besteel has steadfastly contributed to its local neighbors in need and to welfare facilities through the "Hope Sharing Local Welfare" agreement since 2012.

Campaign	Activities
Employees "A Little Becomes A lot" donation	Each month, our employees contribute to the Hope Sharing Fundraising initiative. These collected funds add up to make a significant impact, providing rice to low-income households and the underprivileged during holidays such as Lunar New Year and Chuseok.
Support for Crime Victims	We provide financial assistance to crime victims and vulnerable individuals facing economic difficulties, contributing to the establishment of a social safety net.
Kimchi Sharing	We make and share kimchi to help those in need enjoy a warm and comforting winter.
Support for Fire-Affected Victims	We donate funds for the restoration of homes affected by fires, providing crucial support to vulnerable groups in Jeollabuk-do
Animal Shelter Sponsorship	We support companies involved in the rescue of stray and lost animals in Gunsan by purchasing pet food, contributing to the diversification of our social contribution activities.

DIY Volunteer Activities

SeAH CSS distributes various DIY kits, such as first-aid kits, braille books, environmental pop-up books, etc. Monthly themes engage employees and their families in volunteer activities. The completed items are delivered to low-income households and the elderly, spreading positive influence. Additionally, the company also donates kits to encourage community participation in volunteer activities, thereby contributing to the expansion of volunteerism.

SeAH Love House

SeAH Besteel, in collaboration with Gunsan City Hall, strives to improve the comfort of living in local communities. This program includes repairs to old facilities, new plastering, new flooring, and furniture replacement. Additionally, the company supports low-income children and adolescents by providing them with personal study rooms to help them grow and pursue their dreams.



Community Engagement

Nursery School Support Activities

SeAH Besteel, in collaboration with Gunsan City Hall, is improving the residential environment of the local community through various projects. Additionally, since 2018, SeAH Aerospace & Defense Materials has continuously conducted activities such as cleaning, making kimchi, and engaging with children at the Dongbo Orphanage in cooperation with the company's volunteer club. These volunteer activities are funded by donations from club members. Through these efforts, SeAH Besteel fosters positive interactions with the local community and fulfills its responsibilities to the community.

Scholarships and Christmas Gift Donations

SeAH Besteel provided scholarships to 30 students from 12 high schools in Gunsan and one high school in Changnyeong. On Christmas Day, the company visited shelters for underprivileged infants, youth, and people with disabilities in Gunsan and shared Christmas gifts.

Youth Science Talent Development Project

Since 2018, SeAH Aerospace & Defense, in collaboration with the Changwon YMCA and the Changwon University Industry-Academic Cooperation Center, has been running a youth science talent development project for middle school students in Changwon. Volunteer club members conducted various biology and chemistry-related experiments over three months, serving as teachers every Saturday. These efforts inspire local youth to develop an interest in science, nurture future talent, and contribute to the community's growth.

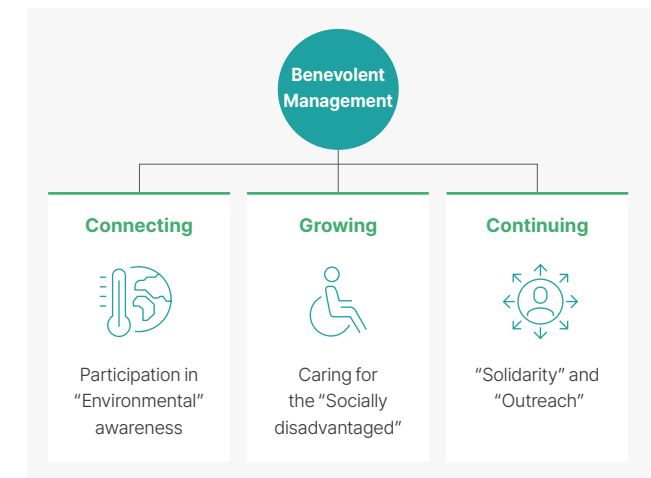
Monthly Themed Volunteer Activities

SeAH CSS organizes themed volunteer activities, engaging in various fields each month, such as environmental cleanup, senior welfare, and children's education. The company plans to encourage more participation in the future to continue its ongoing commitment to social contribution.

Monthly Volunteer Activities Theme			
	February: Making First Aid Kits	March: Foundation Anniversary Volunteering	April: Plogging Event 1
May: Creating Environmental Pop-up Books	June: Plogging Event 2	July: Family Volunteering	August: Making Eco-friendly Tote Bags
September: Making First Aid Kits	October: Plogging	November: Making Braille Books	December: Creating Environmental Pop-up Books

Next Plan

SeAH Besteel Holdings will continue its ongoing benevolent management activities in line with SeAH Group's social contribution direction. By 2025, we aim to expand our community support projects to provide effective assistance to the socially disadvantaged. Additionally, we will gather diverse community opinions, adhering to the principles of solidarity and outreach, to pursue sustainable social contributions.





Board of Directors

Member of the Board

SeAH Besteel Holdings emphasizes sound corporate governance, laying the foundation for sustainable management. The Board of Directors represents stakeholders' interests, oversees management, and makes strategic decisions from a long-term perspective. All Board activities, including the appointment of directors, quorum requirements, and committee composition, strictly adhere to the Articles of Incorporation and Board regulations and related activities are transparently disclosed to the public through the Corporate Governance Report. The Board comprises seven members: three inside directors and four outside directors, with outside directors making up 57.1% of the Board (4 out of 7 members, per Articles 383 and 545-8 of the Commercial Act). Each outside director brings a wealth of experience and expertise from their respective fields in industry, academia, and accounting, ensuring they support the management's rational decision-making free from specific interests. Furthermore, we provide carbon neutrality training to executive and outside directors, equipping them with the knowledge to navigate domestic and international ESG initiatives and issues.

Category	Name	Gender	Major Career	Initial Appointment	Term of Office	Board Skills Matrix					
						Steel Industry Knowledge	Financial Expertise	Strategic Thinking and Action	Global Business Experience	Digital Transformation	Leadership Skills
Outside director (Board Chairman)	Yoon, Yeosun	Female	Director of KAIST College of Business Former) Director of KAIST Techno-Management Research Institute	2020.03.20	2026.03.20		●	●	●	●	●
Inside director (CEO)	Lee, Taesung	Male	CEO of SeAH Besteel Holdings CEO of SeAH Holdings Former) Head of Business Planning Division of SeAH Besteel Holdings	2016.03.18	2025.03.29	●	●	●	●		●
Inside director (CEO)	Kim, Suho	Male	CEO of SeAH Besteel Holdings Former) Head/inside director of the Future Strategy Headquarters of Hyundai Capital Former) McKinsey & Company Financial and Digital Partner Former) Director of the Strategy Division of DELL	2023.03.29	2025.03.29	●	●	●	●		●
Inside director	Park, Sungjun	Male	Chief Operating Officer of SeAH Besteel Holdings Auditor of SeAH Besteel/SeAH CSS Former) Head of Innovation Center Team of SeAH Holdings Former) Head of Performance Management Team of SeAH Holding Former) Director of Deal Headquarters of PwC	2022.03.25	2026.03.20	●	●	●	●		●
Outside director	Kim, Jihong	Male	Director of Business Administration at the State University of New York, Korea Former) Non-executive Auditor of General Insurance Association of Korea Former) Professor of Yonsei University Business School	2020.03.20	2026.03.20		●	●	●		●
Outside director	Oh, Wonseok	Male	Vice Director of KAIST School of Business Former) Director of Graduate School of Information and Media Management, KAIST Business School	2023.03.29	2025.03.29		●	●	●	●	●
Outside director	Lee, Hwayong	Male	Representative attorney of LKB & Partners Former) Deputy Chief Judge of Uijeongbu District Court	2023.03.29	2025.03.29	●			●	●	●

Board of Directors

BOD Operations

SeAH Besteel Holdings' Board operates under established regulations that outline the authority, responsibilities, and procedures for operation. The Board of Directors convenes regular and special meetings. Regular Board meetings are held quarterly, and special meetings are called when urgent decisions need to be made. The Chairman oversees meetings, and any director can request one if necessary. Directors unable to attend in person can remotely participate and vote, which is considered equivalent to attendance. The Board schedule is set in the previous year's meetings, allowing ample time to prepare and notify the Board of meetings. In 2023, eight Board meetings were held with a 100% average attendance rate for directors.

BOD Operations	Unit	2021	2022	2023
No. of BOD meetings held	Number(s)	10	10	8
Regular	Number(s)	4	4	4
Special	Number(s)	6	6	4
No. of agenda items discussed	Number(s)	22	29	20
Rejected/modified	Number(s)	-	-	-
Average BOD attendance	%	100	97	100
Inside director	%	100	100	100
Outside director	%	100	95	100
CEO remuneration to median employee remuneration rate	Times	4.1	3.0	2.1
Average tenure of member of the Board	Year(s)	5	6	5

Board Independence

As of 2024, more than half of our Board members are outside directors, ensuring the independence of our Board. Since March 2019, SeAH Besteel Holdings has appointed different individuals for the Chairman of the Board of Directors and the CEO to maintain checks and balances and enhance management efficiency. Since March 2021, we have appointed an outside director for the Chairman position to further emphasize the Board's independence. When assigning an outside director, the Outside Director Candidate Recommendation Committee evaluates candidates for conflicts of interest with the company and examines their qualifications and expertise closely. Furthermore, directors with particular interests or other potential conflicts of interest are excluded from exercising voting rights.

Board Diversity and Expertise

SeAH Besteel Holdings appoints outside directors with expertise in various fields to leverage their insights for rational management decision-making. Our current outside directors are professionals with experience in engineering, management, the steel industry, and other relevant areas. Additionally, we have appointed female outside directors to ensure gender diversity on the Board. Our decision-making process strives to eliminate discrimination based on gender, age, nationality, race, religion, place of origin, education level, or disability.

Board of Directors

Board Appointment

In accordance with Article 382 of the Commercial Code and Article 27 of the Articles of Association, SeAH Besteel Holdings appoints directors at the General Meeting of Shareholders from among individuals who are not disqualified from being appointed as directors. Outside directors are appointed from among candidates recommended by the Outside Director Nomination Committee in accordance with Article 542-8 of the Commercial Act and Article 27-2 of the Articles of Association. When the appointment of directors is included on the agenda of the general meeting of shareholders, shareholders are given sufficient time to review the agenda. Information on candidates verified and recommended by the Outside Director Candidate Recommendation Committee is provided in the general meeting of shareholders' notice.

Board Evaluation and Remuneration

Since 2023, SeAH Besteel Holdings has conducted an annual Board of Directors evaluation to improve mid- to long-term corporate value and enhance the effectiveness of directors' responsibilities. All Board entities, including Board members and committee members under the Board, are subject to evaluation. The evaluation includes questions in five categories: directors' responsibilities, operations, expertise, and problem-solving capability. The limit of remuneration for directors, including outside directors, is set by a resolution of the general meeting of shareholders in accordance with Article 388 of the Commercial Code and Article 36 of the Articles of Incorporation. Compensation is implemented according to the compensation payment regulations. The remuneration for outside directors is determined by considering legal responsibilities and the size of the company and is adjusted to align with the remuneration levels of similar companies.

Board Committees

SeAH Besteel Holdings has five specialized committees (ESG, Ethics & Compliance, Audit, Outside Director Nomination, and Compensation Evaluation) under the Board of Directors. To ensure independent oversight of the company's operations, the Audit Committee is entirely composed of outside directors, and one of the four committee members is an expert in accounting and finance. In addition, the Audit Committee runs the Internal Control Team to provide independent assistance in the committee's audits.

Committees under the Board

ESG Committee	<ul style="list-style-type: none"> Establishes ESG strategies and monitors performance to enhance ESG management practices Conducts pre- and post-inspections of ESG risks and makes decisions based on results Deliberates on other key ESG-related issues.
Ethics & Compliance Committee	<ul style="list-style-type: none"> Establishes Ethics and Compliance (E&C) policies Checks E&C policy implementation across companies Provides advice and support for ethics/compliance management Appoints legal compliance officer Develops/revises regulations related to ethics/compliance and addresses violations.
Audit Committee	<ul style="list-style-type: none"> Supervises the work of directors and management Deliberates on matters specified in the Articles of Incorporation or Bylaws Selects external auditors and approve other significant issues.
Outside Director Candidate Recommendation Committee	<ul style="list-style-type: none"> Recommends and evaluates candidates for outside directors Deliberates on matters required to recommend additional outside director candidates.
Compensation Evaluation Committee	<ul style="list-style-type: none"> Determines remuneration and benefits for management Proposes the dismissal and appointment of the CEO Deliberates remuneration limits for registered executives.

Board of Directors

Shareholder-Friendly Management

Shareholder Communication

SeAH Besteel Holdings diligently provides information about the general shareholders' meeting (AGM) to ensure shareholders' rights. We disclose relevant matters on DART, the Financial Supervisory Service's electronic disclosure system, and on our official website four weeks before the meeting, ensuring shareholders have ample data and time to exercise their voting rights.

Shareholder Rights

To encourage active participation in the general shareholders' meeting, SeAH Besteel Holdings avoids scheduling it on days with numerous other general meetings and has implemented an electronic voting system since the 67th AGM to encourage active participation in the general shareholders' meeting . Additionally, the 68th AGM introduced the electronic proxy solicitation system (E-proxy) to strengthen shareholder rights and enable minority shareholders to exercise their rights actively, along with the proxy solicitation of voting rights. As such, SeAH Besteel Holdings is at the forefront of empowering shareholders' rights.

Dividend Policy

In 2021, SeAH Besteel Holdings established and disclosed a dividend policy to enhance predictability and clarify its shareholder return policy. The size of our dividends is determined based on this policy, following Board and shareholder resolutions. Dividends are decided within the range of distributable profits defined by the Commercial Act and the company's Articles of Incorporation, considering annual performance, cash flow, future investment plans, and shareholders' opinions of the year. We aim for a minimum dividend payout of 20% of our (separate) net income over three years(2021-2024), starting from the policy's disclosure year. The individual net income basis excludes non-recurring profits and losses. If the dividend resource falls below 100 KRW per share, we will review whether to pay dividends.

Since the 66th Annual General Meeting of Shareholders, we have enhanced shareholder value by paying higher differential dividends to general shareholders compared to related parties for three consecutive years. Dividend information is disclosed through the electronic system on the shareholders' meeting dates, the convening resolution, and the cash dividend resolution. All shareholders receive a dividend notice with related details within one month after the meeting, including detailed information.

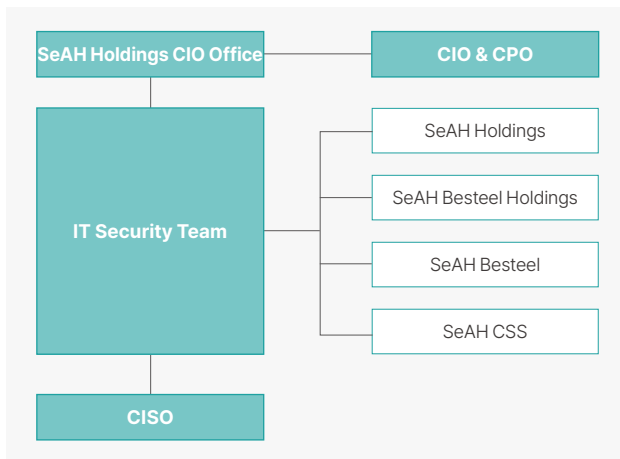
Information Security

Approach

Strategy

All SeAH Group affiliates operate a group-wide information security system led by the Information Protection Team under the CIO Office of SeAH Holdings, which strives to strengthen security management based on domestic and international information protection standards. Additionally, an Information Protection Team led by the Chief Information Security Officer (CISO) oversees information security and quarterly reports related to policies and activities to the Compliance Steering Committee. The IT and Information Protection Council was established to disseminate the group's IT management system, discuss IT issues, and solidify its overall IT management framework. On September 1, 2023, SeAH Besteel Holdings enacted one information protection regulation and 11 related guidelines to enhance the information protection system and policies, providing a robust foundation for security activities.

Organization Chart



Performance

External Intrusion Detection

SeAH Besteel Holdings actively employs a Web Application Firewall (WAF) for systems using web services to detect and defend against malicious attack patterns targeting our web servers, thereby blocking external intrusions. We plan to implement AI-based information security solutions to counter increasingly sophisticated and advanced external threats. Additionally, we will conduct white-hat hacking exercises with third-party security experts on our critical web service systems to identify and improve vulnerabilities in advance, further fortifying our threat prevention capabilities.

Information Security Awareness

Our continued efforts to increase information security awareness include training and newsletters encouraging employees to practice information protection daily. SeAH Besteel Holdings provides annual personal information protection training for all employees to ensure comprehensive and systematic education on information security. Additionally, we offer targeted training on the "protection of trade secrets and prevention of technology leakage" for employees in our Research Institute and sales divisions.

Clean Desk Campaign

SeAH Besteel Holdings initiated the "Clean Desk Campaign" to prevent the theft and leakage of important information and to enhance employees' information security awareness. This campaign promotes the physical and administrative inspection of the information protection management system and evaluates employee compliance with the workplace inspection checklist, encouraging individual information protection practices. This effort strengthens the protection of our critical information assets and employees' personal information, while also raising overall awareness of information security among employees.

Next Plan

Going further, SeAH Besteel Holdings is working to implement a Network Access Control (NAC) and Data Loss Prevention (DLP) solution to manage our information protection policies and establish a network security management system. This will help us achieve our security goals, including better network visibility, separation of business networks, tighter security controls, prevention of data leaks, and compliance.

Risk Management

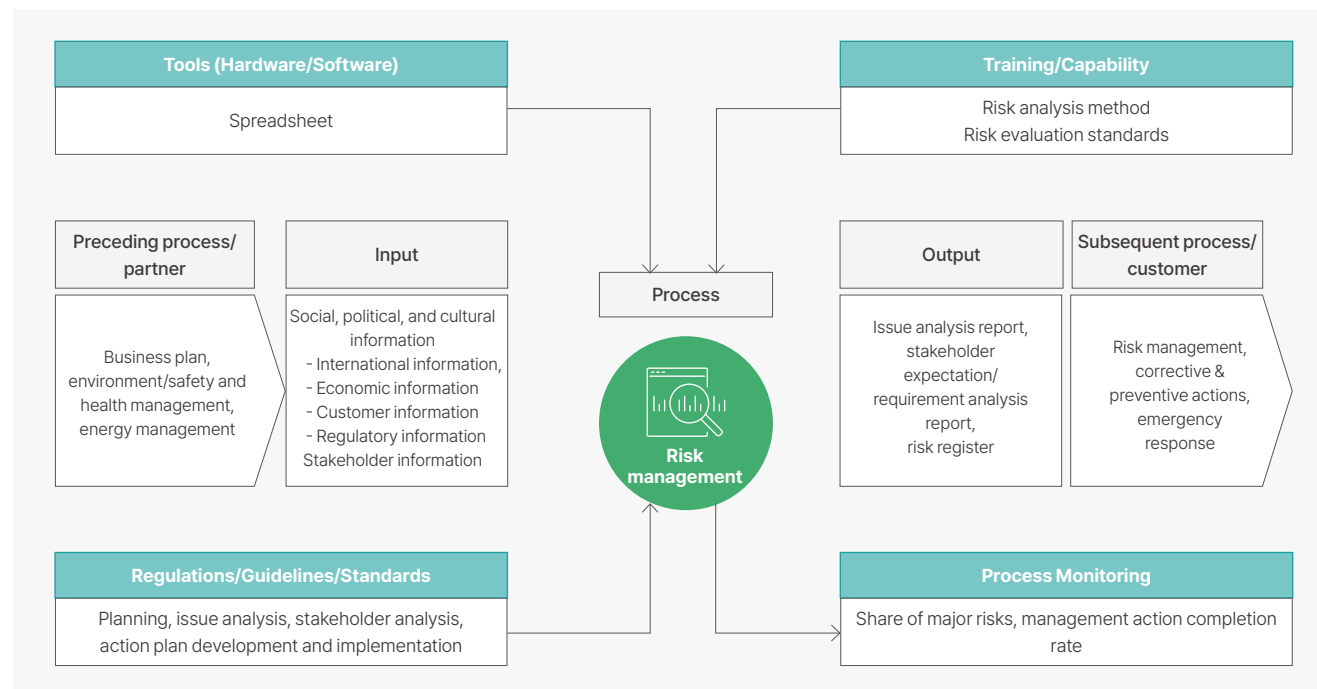
Risk Management System

Governance

SeAH Besteel Holdings recognizes the significance of risk management in various areas, including business, projects, operations, management systems, laws, and regulations for sustainable management. Consequently, we have implemented a company-wide risk management system that adapts to changes in corporate governance, governance structure, and political, social, and market environments.

To this end, we operate a systematic risk management process, spearheaded by the Internal Control Department, in collaboration with risk-responsible departments. The Internal Control Department establishes risk management standards and plans, while each department identifies and assesses risks based on the standards. We take a granular approach to managing risks in various business areas, including strategy, organization, and finance. Our commitment to regular analysis, evaluation, and monitoring ensures that we are always vigilant. Management receives reports on key issues and participates in discussions through semi-annual meetings, thereby strengthening company-wide interest and support for risk management.

Process



Risk Management Modernization

SeAH Besteel and SeAH CSS are upgrading their risk management under the leadership of the Management Planning Team. In September 2023, SeAH Besteel Holdings revised its risk management regulations. They expanded its scope to address increasing non-financial risks, such as ESG issues, thus reinforcing its risk management governance structure. In the second half of 2023, SeAH CSS expanded risk audits from the quality department to all departments and incorporated ESG issues into risk analysis, further strengthening its ESG-related risk management. These efforts aim to ensure sustainable growth and fulfill corporate social responsibilities by strengthening integrated and proactive risk response capabilities.

Monitoring and Response

SeAH Besteel Holdings regularly monitors and responds to critical risks in its business operations. Each department conducts annual risk assessments and analyses, with particularly high-risk issues monitored semi-annually. We identify key risks using graded indicators of likelihood and severity, and effective management methods are in place. To minimize risks related to economic sanctions, the SeAH Group has established the Economic Sanctions Internal Control Management System, ensuring prompt action and response to related risks.

Appendix

ESG Data	77
Financial Data	97
ESG Guidelines	101
Membership & Awards	108
Third-Party Assurance Report	109

ESG Data

Environment

SeAH Besteel holdings: New inclusion in the scope of ESG calculation in April 2022, due to the transition to a holding company; data in the current year's report has been updated and differs from the previous year's report.

SeAH Besteel: Data differs from the previous year's report due to the expansion of the scope of the calculation due to the inclusion of the holding company and the overall consolidation of the calculation criteria.

SeAH CSS: Data differs from the previous year's report due to the expansion of the scope of calculation due to the inclusion of holding companies and the overall consolidation of calculation criteria.

SeAH Aerospace & Defence: Data differs from the previous year's report due to the expansion of the scope of calculation due to the inclusion of holding companies and the overall consolidation of calculation criteria.

N/A: Not applicable or not managed

Category		Unit	2021	2022	2023				
			Total	Total	Total	SeAH Besteel Holdings	SeAH Besteel	SeAH CSS	SeAH Aerospace & Defense
Greenhouse Gas (GHG) Emissions									
Total GHG emissions (Scope1+2)		tCO ₂ -eq	1,799,710	1,734,817	1,650,729	467	1,182,414	454,796	13,051
	Scope 1 (direct emissions)	tCO ₂ -eq	759,858	727,051	691,511	54	503,697	183,445	4,315
	Scope 2 (indirect emissions)	tCO ₂ -eq	1,039,852	1,007,767	962,927	413	678,717	271,351	8,737
GHG intensity (per revenue)		tCO ₂ -eq/KRW million	0.5	0.4	0.4	0.0001	0.5	0.3	0.2
GHG emissions target*		tCO ₂ -eq				N/A	1,260,479	544,077	-
Performance against target*		%				N/A	106	116	-
Energy									
Total Energy consumption (non-renewable, renewable)		GJ	29,976,296	28,605,991	27,173,694	9,223	18,542,629	8,347,540	274,302
Energy consumption target*		GJ				N/A	19,450,056	9,427,867	312,154
Performance against target*		%				N/A	105	111	112
Non-renewable energy		GJ	8,167,318	7,546,311	7,266,094	594	4,502,224	2,677,302	85,974
	LNG	GJ	5,563,920	5,411,306	5,664,210	594	3,969,653	1,609,395	84,568
	LPG	GJ	2,374,612	2,022,898	1,455,701	-	451,812	1,003,889	-
	Diesel	GJ	227,110	110,295	144,355	-	79,475	63,474	1,406
	Gasoline	GJ	1,676	1,812	1,828	-	1,284	544	-
Indirect Energy		GJ	21,808,978	21,059,680	19,907,600	8,629	14,040,405	5,670,238	188,328
	Electricity	GJ	21,643,727	20,662,313	19,535,530	8,629	13,668,335	5,670,238	188,328
	Steam	GJ	165,251	397,367	372,070	-	372,070	-	-
Percent of fossil fuel energy consumed		%	8.7	7.5	5.9	-	2.9	12.8	0.5
Percent of LNG energy consumed		%	18.6	18.9	20.8	6.4	21.4	19.3	30.4
Energy intensity (per revenue)		GJ/KRW million	8.2	6.5	6.7	0.002	8.0	5.2	3.2

* Disclosure based on separate financial statements

ESG Data

Environment

Category		Unit	2021	2022	2023				
			Total	Total	Total	SeAH Besteel Holdings	SeAH Besteel	SeAH CSS	SeAH Aerospace & Defense
Air Pollutant Control									
Air pollutant emissions	Dust	Ton	80.4	84.3	85.5	N/A	52.3	33.0	0.2
	NOx	Ton	698.2	864.9	867.3	N/A	546.0	321.0	1.9
	SOx	Ton	33.0	118.0	109.9	N/A	94.9	15.0	0.02
Air pollutant intensity (per revenue)	Dust	Ton/KRW billion	0.022	0.019	0.021	N/A	0.023	0.021	0.002
	NOx	Ton/KRW billion	0.191	0.197	0.213	N/A	0.236	0.199	0.021
	SOx	Ton/KRW billion	0.009	0.027	0.027	N/A	0.041	0.009	2e-13
Raw Materials									
Total raw material consumption (steel scrap)		Ton	2,858,300	2,640,610	2,392,732	N/A	1,839,381	553,351	-
Recycled raw material consumption (steel scrap)		Ton	2,858,300	2,640,610	2,392,732	N/A	1,839,381	553,351	-
Percent of recycled raw materials		%	100	100	100	N/A	100	100	-
Water*									
Water use reduction target (by usage)		1,000 m³				N/A	4,474	2,171	N/A
Percent change from reduction target (by usage)		%				N/A	-3.2	-1.5	N/A
Percent change from previous year (by usage)		%				N/A	-0.5	-12.5	N/A
Water use intensity (usage/steel production volume)		1,000 m³/ 1,00 m³				N/A	0.2	0.4	N/A
% change from previous year (by intensity)		%				N/A	9.4	20.3	N/A
Total water withdrawal (all sites)		1,000 m³	7,382.0	6,857.3	6,532.2	0.5	4,332.2	2,139.3	60.3
	Industrial water	1,000 m³	4,113.0	3,721.0	3,685.4	-	3,685.4	-	-
	Treated Municipal water	1,000 m³	3,269.0	3,136.3	2,846.8	0.5	646.8	2,139.3	60.3
Total (Gunsan Plant)		1,000 m³	4,685.0	4,272.0	4,255.2	-	4,255.2	-	-
	Industrial water	1,000 m³	4,058.0	3,668.0	3,625.9	-	3,625.9	-	-
	Treated Municipal water	1,000 m³	627.0	604.0	629.3	-	629.3	-	-
Total (Changnyeong Plant)		1,000 m³	82.0	80.0	75.4	-	75.4	-	-
	Industrial water	1,000 m³	55.0	53.0	59.5	-	59.5	-	-
	Treated Municipal water	1,000 m³	27.0	27.0	15.8	-	15.8	-	-

* Disclosure based on separate financial statements



ESG Data

Environment

Category		Unit	2021	2022	2023				
			Total	Total	Total	SeAH Besteel Holdings	SeAH Besteel	SeAH CSS	SeAH Aerospace & Defense
Total (SeAH Besteel HQ*)		1,000 m ³	1.0	3.0	1.7	-	1.7	-	-
	Industrial water	1,000 m ³	-	-	-	-	-	-	-
	Treated Municipal water	1,000 m ³	1.0	3.0	1.7	-	1.7	-	-
Total treated wastewater		1,000 m ³	2,785.0	3,900.0	3,863.9	N/A	2,962.6	875.0	26.3
	Discharged	1,000 m ³	2,430.0	3,180.0	3,116.8	N/A	2,259.5	831.0	26.3
	Recycled	1,000 m ³	355.0	720.0	747.1	N/A	703.1	44.0	-
Wastewater recycling rate		%	4.8	10.5	11.4	N/A	16.2	2.1	-
Water Pollutants Control									
Water Pollutants discharged	Suspended solids (SS)	Ton	8.0	19.4	27.9	N/A	19.5	8.1	0.3
	Chemical oxygen demand (COD)	Ton	13.0	16.9	21.4	N/A	21.4	N/A	N/A
	Biochemical oxygen demand (BOD)	Ton	1.1	3.9	9.1	N/A	6.0	3.1	-
	Total organic carbon (TOC)	Ton	N/A	12.5	17.2	N/A	11.2	4.9	1.1
	Total nitrogen (T-N)	Ton	13.2	13.8	12.6	N/A	5.1	6.9	0.6
	Total phosphorous (T-P)	Ton	0.1	0.1	0.1	N/A	0.1	-	-
Waste**									
Waste reduction target (by throughput)		Ton				N/A	273,941	154,225	N/A
Percent change from reduction target (by throughput)		%				N/A	22.5	-5.3	N/A
Percent change from previous year (by throughput)		%				N/A	23.9	-6.7	N/A
Waste intensity (throughput/steel production volume)		Ton/Ton				N/A	0.2	0.3	N/A
Percent change from previous year (by intensity)		%				N/A	36.2	-15.1	N/A

*SeAH Besteel headquarters building, no industrial water used

** Disclosure based on separate financial statements



ESG Data

Environment

Category	Unit	2021	2022	2023				
		Total	Total	Total	SeAH Besteel Holdings	SeAH Besteel	SeAH CSS	SeAH Aerospace & Defense
Total waste	Ton	466,207	427,994	482,329	0.4	335,630	146,056	643
General waste	Ton	411,142	374,702	431,277	0.4	297,412	133,272	592
Landfilled	Ton	18,715	24,177	12,163	0.4	2,857	9,302	4
Incinerated	Ton	1,666	1,550	1,067	-	289	748	30
Recycled	Ton	390,782	348,969	417,847	-	294,069	123,220	558
Others	Ton	-	5	200	-	198	2	-
Designated waste	Ton	55,043	53,292	51,052	-	38,217	12,784	50
Landfilled	Ton	712	1,119	2,363	-	-	2,363	-
Incinerated	Ton	448	708	997	-	815	182	-
Recycled	Ton	53,560	51,258	47,220	-	37,356	9,814	50
Others	Ton	323	207	472	-	47	425	-
Percent of designated waste	%	11.8	12.5	10.6	-	11.4	8.8	7.8
Waste recycled (byproducts recycled)	Ton	444,342	400,227	464,937	-	331,425	133,034	478
Percent of waste recycled (percent of byproducts recycled)	%	95.3	93.5	96.4	-	98.7	91.1	74.3



ESG Data

Environment

Category	Unit	2021	2022	2023				
		Total	Total	Total	SeAH Besteel Holdings	SeAH Besteel	SeAH CSS	SeAH Aerospace & Defense
Chemicals								
Hazardous checmicals consumed	Ton	11,013.2	9,110.2	7,155.9	N/A	26.3	7,129.6	N/A
Chemicals emitted	Ton	12.9	11.4	10.6	N/A	0.03	10.6	N/A
Environment Certification								
ISO50001(Energy Management System) acqusition rate	%	100	100	100	N/A	100	-	-
	No. of certified business sites	Number(s)	2	2	2	N/A	2	-
	No. of total business sites	Number(s)	2	2	2	N/A	2	-
ISO14001 (Environmental Management System) acqusition rate	%	100	100	100	N/A	100	100	100
	No. of certified business sites	Number(s)	4	4	3	N/A	1	1
	No. of total business sites	Number(s)	4	4	3	N/A	1	1
Environmental Investement								
Total Environemtnal Investment*	KRW million	13,694	19,749	19,944	N/A	6,017	13,292	635
Green product sales	KRW million	37	20	14	N/A	-	14	-
Green product purchase	KRW million	10,808	7,569	8,307	N/A	6,329	1,978	-
Environmental Laws and Regulations								
Violations	Case(s)	-	2	2	-	1	-	1
Fines	KRW million	-	13	5	-	3	-	2

* Addition of investment cost for anti-reflection facility (SeAH Aerospace & Defense 2022)

ESG Data

Social

Category			Unit	2021	2022	2023				
				Total	Total	Total	SeAH Besteel Holdings	SeAH Besteel	SeAH CSS	SeAH Aerospace & Defense
Employees*										
No. of employees	Total		Person(s)	2,918	2,937	3,113	53	1,592	1,229	239
	Gender	Male	Person(s)	2,818	2,827	2,983	32	1,540	1,177	234
		Female	Person(s)	100	110	130	21	52	52	5
	Age	Under 30	Person(s)	222	226	308	8	155	108	37
		30-50	Person(s)	1,439	1,432	1,526	41	636	697	152
		Over 50	Person(s)	1,257	1,279	1,279	4	801	424	50
	Employment type	Full-time	Person(s)	2,834	2,840	2,949	53	1,571	1,149	176
		Male	Person(s)	2,735	2,734	2,820	32	1,519	1,097	172
		Female	Person(s)	99	106	129	21	52	52	4
		Part-time	Person(s)	84	97	164	-	21	80	63
		Male	Person(s)	83	93	163	-	21	80	62
		Female	Person(s)	1	4	1	-	-	-	1
	Job group	General	Person(s)	811	830	920	53	453	363	51
		Technical	Person(s)	2,107	2,107	2,193	-	1,139	866	188
General manager	Total		Person(s)	118	120	129	5	67	51	6
	Gender	Male	Person(s)	112	113	121	4	66	45	6
		Female	Person(s)	6	7	8	1	1	6	-
	Age	Under 30	Person(s)	-	-	-	-	-	-	-
		30-50	Person(s)	42	48	53	2	23	24	4
		Over 50	Person(s)	76	72	76	3	44	27	2
Deputy manager**	Total		Person(s)	125	129	136	6	64	53	13
	Gender	Male	Person(s)	119	125	132	5	64	51	12
		Female	Person(s)	6	4	4	1	-	2	1
	Age	Under 30	Person(s)	-	-	-	-	-	-	-
		30-50	Person(s)	117	115	119	6	54	47	12
		Over 50	Person(s)	8	14	17	-	10	6	1

*Corrected 2021-2022 employee data due to change in scope of data calculation due to holding company transition

**Data corrected in the current year's report to reflect findings from the 2021-2022 data analysis process.

ESG Data

Social

Category			Unit	2021	2022	2023				
				Total	Total	Total	SeAH Besteel Holdings	SeAH Besteel	SeAH CSS	SeAH Aerospace & Defense
Manager	Total		Person(s)	186	188	195	12	101	68	14
	Gender	Male	Person(s)	174	170	173	7	95	58	13
		Female	Person(s)	12	18	22	5	6	10	1
	Age	Under 30	Person(s)	-	-	-	-	-	-	-
		30-50	Person(s)	182	184	193	12	101	66	14
		Over 50	Person(s)	4	4	2	-	-	2	-
Assistant manager	Total		Person(s)	147	163	178	15	67	86	10
	Gender	Male	Person(s)	130	146	156	10	60	77	9
		Female	Person(s)	17	17	22	5	7	9	1
	Age	Under 30	Person(s)	13	12	2	1	-	-	1
		30-50	Person(s)	134	151	177	14	67	86	10
		Over 50	Person(s)	-	-	-	-	-	-	-
Associate	Total		Person(s)	175	175	229	8	131	87	3
	Gender	Male	Person(s)	118	118	161	2	93	64	2
		Female	Person(s)	57	57	68	6	38	23	1
	Age	Under 30	Person(s)	112	109	133	6	77	48	2
		30-50	Person(s)	61	66	95	2	54	38	1
		Over 50	Person(s)	2	-	1	-	-	1	-
Others	Total		Person(s)	2,167	2,162	2,246	7	1,162	884	193
	Gender	Male	Person(s)	2,164	2,155	2,240	4	1,162	882	192
		Female	Person(s)	3	7	6	3	-	2	1
	Age	Under 30	Person(s)	100	104	173	1	78	60	34
		30-50	Person(s)	902	868	890	5	337	436	112
		Over 50	Person(s)	1,165	1,190	1,183	1	747	388	47
Contract workers			Person(s)	2,154	2,157	2,184	-	1,306	878	-
Average Employment Tenure*										
Average employment tenure	Total		Year(s)				8	19	14	10
	Gender	Male	Year(s)				9	19	14	12
		Female	Year(s)				5	8	11	7

*Disclosure based on separate financial statements

ESG Data

Social

Category			Unit	2021	2022	2023				
				Total	Total	Total	SeAH Besteel Holdings	SeAH Besteel	SeAH CSS	SeAH Aerospace & Defense
New Hires*										
New hires	Total		Person(s)	168	222	382	38	84	148	112
	Gender	Male	Person(s)	162	202	345	23	74	137	111
		Female	Person(s)	6	20	37	15	10	11	1
	Age	Under 30	Person(s)	77	133	217	8	48	88	73
		30-50	Person(s)	43	71	156	26	33	59	38
		Over 50	Person(s)	48	18	9	4	3	1	1
Turnover and Retirement										
Turnover and retirement	Total		Person(s)	126	265	296	2	127	96	71
	Gender	Male	Person(s)	119	242	286	2	120	93	71
		Female	Person(s)	7	23	10	-	7	3	-
	Age	Under 30	Person(s)	19	46	82	-	23	15	44
		30-50	Person(s)	30	88	68	1	32	14	21
		Over 50	Person(s)	77	131	146	1	72	67	6
	Type	Regular retirees	Person(s)	46	80	113	-	51	57	5
		Voluntary retirees	Person(s)	80	185	183	2	76	39	66
Voluntary retirement rate (turnover)			%	2.7	6.3	5.9	3.8	4.8	3.2	27.6
Pension Support*										
National pension plan (employer's contribution)			KRW million	7,292	7,549	8,171	126	4,336	3,173	536
Subsidy for private pension plans			KRW million	194	211	242	-	242	-	-
No. of private pension recipients			Person(s)	231	238	272	-	272	-	-
Retirement pension plan funding			KRW million	337,705	335,043	324,733	3,352	207,067	107,264	7,050
DC (Defined contribution)			KRW million	84,198	107,505	75,139	-	37,313	37,544	282
DB(Defined benefit)			KRW million	253,507	227,538	249,594	3,352	169,754	69,720	6,768
No. of retirement pension plan subscriber			Person(s)	1,962	3,234	2,621	55	1,298	1,084	184
DC (Defined contribution)			Person(s)	1,092	1,156	560	-	176	344	40
DB(Defined benefit)			Person(s)	870	2,078	2,061	55	1,122	740	144

**Data corrected in the current year's report to reflect findings from the 2021-2022 data analysis process.

ESG Data

Social

Category			Unit	2021	2022	2023				
				Total	Total	Total	SeAH Besteel Holdings	SeAH Besteel	SeAH CSS	SeAH Aerospace & Defense
Parental Leave*										
Employees eligible for parental leave	Total		Person(s)	393	361	295	12	267	14	2
	Gender	Male	Person(s)	378	345	282	9	258	14	1
		Female	Person(s)	15	16	13	3	9	-	1
Employees on parental leave	Total		Person(s)	11	10	16	2	7	5	2
	Gender	Male	Person(s)	5	4	11	2	4	4	1
		Female	Person(s)	6	6	5	-	3	1	1
Employees returned to work after parental leave ¹	Total		Person(s)	4	11	12	1	5	6	-
	Gender	Male	Person(s)	2	5	4	1	2	1	-
		Female	Person(s)	2	6	8	-	3	5	-
Employees worked 12+ months after returning from parental leave	Total		Person(s)	11	2	11	-	5	6	-
	Gender	Male	Person(s)	3	-	5	-	2	3	-
		Female	Person(s)	8	2	6	-	3	3	-
Return-to-work rate after parental leave ¹	Total		%	100	100	100	100	100	100	-
	Gender	Male	%	100	100	100	100	100	100	-
		Female	%	100	100	100	-	100	100	-
Retention rate after parental leave ¹	Total		%	100	50	100	-	100	100	-
	Gender	Male	%	100	-	100	-	100	100	-
		Female	%	100	100	100	-	100	100	-
Occupational Safety and Health										
No. of injuries	Holding and affiliates (employees)		Person(s)	22	21	34	N/A	32	2	-
	Partners/suppliers		Person(s)	5	7	12	N/A	12	-	-
Injury rate	Holding and affiliates (employees)		%	0.75	0.72	1.09	N/A	2.15	0.16	-
	Partners/suppliers		%	0.24	0.34	0.56	N/A	0.92	-	-
Lost time injury frequency rate (LTIFR)	Target**		%				N/A	3.12	0.68	-
	Holding and affiliates (employees)		Case(s)/one million hours	3.25	2.96	4.56	N/A	8.96	0.68	-
	Partners/suppliers		Case(s)/one million hours	1.00	1.40	2.33	N/A	3.85	-	-

*Revised 2021-2022 parental leave data due to changes in the calculation methodology for parental leave application, usage and return to work data

**Disclosure based on separate financial statements



ESG Data

Social

Category		Unit	2021	2022	2023				
			Total	Total	Total	SeAH Besteel Holdings	SeAH Besteel	SeAH CSS	SeAH Aerospace & Defense
Occupational Safety and Health									
No. of fatalities	Holding and affiliates	Person(s)	-	1	3	-	2	1	-
	Partners/suppliers	Person(s)	-	1	-	-	-	-	-
Fatality rate	Holding and affiliates	%	-	0.03	0.10	-	0.13	0.08	-
	Partners/suppliers	%	-	0.05	-	-	-	-	-
ISO45001 (Occupational Safety and Health Management System)	Certification acquisition rate	%	75	75	75	-	100	-	100
	No. of certified business sites	Number(s)	3	3	3	-	2	-	1
	No. of business sites	Number(s)	4	4	4	-	2	1	1
Collective Agreement									
No of employees eligible for union membership		Person(s)	2,236	2,207	2,232	-	1,120	986	126
No. of union members		Person(s)	2,193	2,162	2,214	-	1,120	968	126
Union membership rate		%	98.1	98.0	99.2	-	100	98	100
Employee Training*									
Training hours	Total	Hour(s)	96,807	96,137	111,771	1,528	64,523	35,997	9,723
	Training by the Human Resources Team	Hour(s)	41,353	33,321	41,131	992	19,402	19,303	1,434
	Training on environment	Hour(s)	7,659	8,176	8,119	3	4,911	2,966	239
	Training on fair trade	Hour(s)	643	1,216	1,816	122	862	732	100
	Training on human rights	Hour(s)	936	967	1,195	159	453	344	239
	Training on health and safety	Hour(s)	44,814	48,130	54,884	-	36,840	10,572	7,472
	Training on ESG mindset	Hour(s)	-	-	130	90	19	21	-
	Training on ethics and anti-corruption	Hour(s)	1,402	4,105	4,497	162	2,037	2,059	239
No. of participants	Total	Person(s)	2,918	2,937	3,113	53	1,592	1,229	239
	Training by the Human Resources Team	Person(s)	2,918	2,937	3,113	53	1,592	1,229	239
	Training on environment	Person(s)	2,730	2,739	2,921	2	1,592	1,088	239
	Training on fair trade	Person(s)	681	345	880	50	414	366	50
	Training on human rights	Person(s)	936	984	1,089	53	453	344	239
	Training on health and safety	Person(s)	2,667	2,921	3,060	-	1,592	1,229	239
	Training on ESG mindset	Person(s)	-	-	82	57	12	13	-
	Training on ethics and anti-corruption	Person(s)	779	1,070	1,487	45	844	359	239

*Data corrected in the current year's report to reflect findings from the 2021-2022 data analysis process.



ESG Data

Social

Category		Unit	2021	2022	2023				
			Total	Total	Total	SeAH Besteel Holdings	SeAH Besteel	SeAH CSS	SeAH Aerospace & Defense
Per capita training hours		Hour(s)	33.2	32.7	35.9	28.8	40.5	29.3	40.7
Total training costs		KRW million	670	1,188	2,180	211	601	1,347	21
Average per capita training costs		KRW million	0.2	0.4	0.7	4.0	0.4	1.1	0.1
Diversity									
Total no. of managers		Person(s)	439	452	476	31	232	176	37
No. of female in managerial positions and above	Total	Person(s)	24	31	34	8	7	18	1
	Senior mangers (Top management positions)	Person(s)	-	2	1	1	-	-	-
	Junior mangers (Junior management positions)	Person(s)	24	29	33	7	7	18	1
Percent of female in managerial positions and above		%	5.5	6.9	7.1	25.8	3.0	10.2	2.7
No. of marginalized employees	Cumulative total	Person(s)	172	165	154	2	85	60	7
	Employees with disabilities	Person(s)	93	86	79	-	52	21	6
	Foreign employees	Person(s)	6	6	6	2	1	3	-
	Veteran employees	Person(s)	73	73	69	-	32	36	1
Percent of employees with disabilities		%	3.19	2.93	2.54	-	3.27	1.71	2.51
Social Contribution*									
Total volunteering hours		Hour(s)	2,422	6,375	3,199	-	-	3,199	-
No. of participants		Person(s)	393	584	620	-	-	620	-
Per capital volunteering hours		Hour(s)	6.2	10.9	5.2	-	-	5.2	-
Social contribution expenses		KRW million	309	307	506	200	200	103	3
Mutual Growth									
No. of partners**		Number(s)	1,435	1,407	1,494	N/A	589	707	198
Purchase total from partners		KRW 100 million	25,304	28,800	24,410	N/A	12,472	11,424	514
Support for partners	Financial support	KRW 100 million	414	340	346	N/A	284	62	-
	Training support	Person(s)	2,166	2,177	2,194	N/A	1,306	878	10
	Technology development support	Case(s)	1	6	9	N/A	8	-	1

*Revised 2021-2022 social contribution data to incorporate data calculation criteria from 2023

**Priority is given to managing partner companies that are important for business production, such as key raw materials, and the scope of management will be expanded to general purchasing in the future.



ESG Data

Social

Category		Unit	2021	2022	2023				
			Total	Total	Total	SeAH Besteel Holdings	SeAH Besteel	SeAH CSS	SeAH Aerospace & Defense
Supply Chain Management*									
ESG risk assessment	No. of partners assessed	Number(s)	Before implementation	Before implementation	52	N/A	41	11	Before implementation
	New	Number(s)	Before implementation	Before implementation	-	N/A	-	-	Before implementation
		Existing	Number(s)	Before implementation	Before implementation	52	N/A	41	11
	Percentage of new partner companies screened for environmental standards	Case(s)	Before implementation	Before implementation	3.5	N/A	7.0	1.6	Before implementation
	Percent of partners assessed	Number(s)	N/A	N/A	-	-	-	-	Before implementation
	No. of partners found to have negative impacts	Number(s)	Before implementation	Before implementation	-	N/A	-	-	Before implementation
	No. of partners taking remedial actions	Number(s)	Before implementation	Before implementation	-	N/A	-	-	Before implementation
	Percent of partners taking remedial actions	%	Before implementation	Before implementation	-	N/A	-	-	Before implementation
Employee Remuneration									
Total remuneration	Male	KRW million	84	77	88	105	88	90	79
	Female	KRW million	61	61	69	94	55	76	48
Male to female wage ratio		%	73.0	79.0	78.7	89.5	62.5	84.4	60.8

*Priority is given to managing partner companies that are important for business production, such as key raw materials, and the scope of management will be expanded to general purchasing in the future.

ESG Data

Social

Category			Unit	2021	2022	2023				
				Total	Total	Total	SeAH Besteel Holdings	SeAH Besteel	SeAH CSS	SeAH Aerospace & Defense
Performance Evaluation										
No. of employees eligible for performance evaluation		Person(s)	813	832	837	53	393	344	47	
No. of employees receiving regular performance evaluation		Person(s)	813	832	836	53	393	344	46	
Percent of employees receiving regular performance evaluation		%	100	100	99.9	100	100	100	97.9	
Employee Satisfaction Score										
Employee satisfaction score		Point(s)				77	69	70	72	
Human Rights										
Filed complaints	No. of human rights complaints		Case(s)	-	10	11	-	8	3	-
	No. of human rights complaints handled		Case(s)	-	10	11	-	8	3	-
Violations	Violations of Human rights laws and regulations	No. of violations	Case(s)	-	-	-	-	-	-	-
		Penalty	KRW million	-	-	-	-	-	-	-
		Fines	KRW million	-	-	-	-	-	-	-
Information Protection										
Information infringement	Total	Case(s)	-	-	-	-	-	-	-	
Investment	Total IT budget	KRW 100 million	96.9	100.2	103.0	2.3	52.2	40.9	7.7	
	Budget for information protection	KRW 100 million	2.2	2.2	4.2	0.2	1.8	1.0	1.1	
	Percent of information protection investment	%	2.2	2.2	4.1	8.7	3.5	2.5	14.7	



ESG Data

Governance

Category		Unit	2021	2022	2023				
			Total	Total	Total	SeAH Besteel Holdings	SeAH Besteel	SeAH CSS	SeAH Aerospace & Defense
Ethics Management									
Ethics management education	No. of participants	Person(s)	2,911	2,924	3,012	45	1,529	1,229	209
	Participation rate	%	99.8	99.6	96.8	85	96	100	87
Ethics management reports	Total no. of reports handled	Case(s)	20	14	17	-	12	5	-
	No. of reports invested and auditted	Case(s)	15	3	2	-	2	-	-
	No. of reports transferred to relevant teams	Case(s)	5	11	13	-	8	5	-
	Others	Case(s)	-	-	2	-	2	-	-
Ethics management violations	Total no. of violations	Case(s)	20	14	17	-	12	5	-
	Embezzlement & misappropriation	Case(s)	-	-	1	-	1	-	-
	Bribery	Case(s)	-	-	-	-	-	-	-
	Human rights infringement	Case(s)	-	2	-	-	-	-	-
	Employment solicitation	Case(s)	-	-	-	-	-	-	-
	Process violations	Case(s)	20	12	16	-	11	5	-
Results of actions taken to ethics management violations	Total	Case(s)	20	14	17	-	12	5	-
	Dismissal	Case(s)	3	1	1	-	1	-	-
	Suspension	Case(s)	2	1	-	-	-	-	-
	Salary cut	Case(s)	1	-	-	-	-	-	-
	Warning	Case(s)	6	-	-	-	-	-	-
	Others	Case(s)	8	12	16	-	11	5	-



ESG Data

Governance

Category		Unit	2021	2022	2023				
			Total	Total	Total	SeAH Besteel Holdings	SeAH Besteel	SeAH CSS	SeAH Aerospace & Defense
Anti-corruption									
No. of corruptions		Case(s)	2	-	2	-	2	-	-
No. of disciplinary actions		Case(s)	2	-	2	-	2	-	-
Corruption Risk Assessment									
Total no. of business sites		Number(s)	8	9	9	1	4	3	1
No. of business sites assessed		Number(s)	-	-	-	-	-	-	-
Percent of business sites assessed		%	-	-	-	-	-	-	-
Violations									
No. of violations	Total	Case(s)	2	2	8	-	5	2	1
	Violations of environmental laws and regulations	Case(s)	-	2	3	-	2	-	1
	Violations of anti-competitive laws and regulations	Case(s)	-	-	-	-	-	-	-
	Violations of occupational safety laws and regulations	Case(s)	2	-	5	-	3	2	-
Amount of fines	Total	KRW million	3	13	30	-	10	18	2
	Violations of environmental laws and regulations	KRW million	-	13	2	-	-	-	2
	Violations of anti-competitive laws and regulations	KRW million	-	-	-	-	-	-	-
	Violations of occupational safety laws and regulations	KRW million	3	-	28	-	10	18	-



ESG Data

Governance

SeAH Besteel Holdings

Category		Unit	2021	2022	2023
BOD Members					
Inside directors		Person(s)	3	3	3
Outside directors		Person(s)	4	4	4
Other non-executive directors		Person(s)	-	-	-
Female director (registered female executives)		Person(s)	1	1	1
BOD Operation					
No. of BOD meetings held	Total meetings held	Number(s)	10	10	8
	Regular	Number(s)	4	4	4
	Special	Number(s)	6	6	4
	ESG Committee meetings held	Number(s)	N/A	3	5
	No. of reports to the Board on climate change and other environmental agenda	Number(s)	N/A	2	4
	No. of board resolutions on climate change and other environmental agenda	Number(s)	N/A	2	4
No. of agenda items discussed	Total	Number(s)	22	29	20
	Rejected/modified	Number(s)	-	-	-
Agerage BOD attendance	Attendance rate	%	100	97	100
	Inside directors	%	100	100	100
	Outside directors	%	100	95	100
CEO remuneration to median employee remuneration rate		Number(s)	4.1	3.0	2.1
Average tenure of board members		Year(s)	5	6	5

ESG Data

Governance

SeAH Besteel Holdings

Category		Unit	2021	2022	2023
Committees within the board					
Audit Committee	No. of meetings held	Case(s)	6	6	6
	Percent of accounting/finance experts	%	25	25	25
	Percent of outside directors	%	100	100	100
	Attendance rate of outside directors	%	100	100	100
Outside Director Candidate Recommendation Committee	No. of meetings held	Case(s)	2	1	2
	Percent of outside directors	%	100	100	100
	Attendance rate of outside directors	%	100	100	100
Compensation Evaluation Committee	No. of meetings held	Case(s)	N/A	1	1
	Percent of outside directors	%	N/A	50	50
	Attendance rate of outside directors	%	N/A	100	100
ESG Committee	No. of meetings held	Case(s)	N/A	4	5
	Percent of outside directors	%	N/A	80	80
	Attendance rate of outside directors	%	N/A	100	100
Ethics & Compliance Committee	No. of meetings held	Case(s)	N/A	4	4
	Percent of outside directors	%	N/A	67	80
	Attendance rate of outside directors	%	N/A	100	100



ESG Data

Governance

SeAH Besteel

Category		Unit	2021	2022	2023
BOD Members					
Inside directors		Person(s)	-	3	3
Outside directors		Person(s)	-	-	-
Other non-executive directors		Person(s)	-	-	1
Female director (registered female executives)		Person(s)	-	-	-
BOD Operation					
No. of BOD meetings held	Total meetings held	Number(s)	-	6	9
	Regular	Number(s)	-	1	4
	Special	Number(s)	-	5	5
	ESG Committee meetings held	Number(s)	-	-	-
	No. of reports to the Board on climate change and other environmental agenda	Number(s)	-	-	-
	No. of board resolutions on climate change and other environmental agenda	Number(s)	-	-	-
No. of agenda items discussed	Total	Number(s)	-	7	21
	Rejected/modified	Number(s)	-	-	-
Average BOD attendance	Attendance rate	%	-	100	97
	Inside directors	%	-	100	97
	Outside directors	%	-	-	-
Average tenure of board members		Year(s)	-	1	2



ESG Data

Governance

SeAH CSS

Category		Unit	2021	2022	2023
BOD Members					
Inside directors		Person(s)	3	3	4
Outside directors		Person(s)	-	-	-
Other non-executive directors		Person(s)	-	-	-
Female director (registered female executives)		Person(s)	-	-	-
BOD Operation					
No. of BOD meetings held	Total meetings held	Number(s)	9	12	8
	Regular	Number(s)	-	-	-
	Special	Number(s)	9	12	8
	ESG Committee meetings held	Number(s)	-	-	-
	No. of reports to the Board on climate change and other environmental agenda	Number(s)	-	-	-
	No. of board resolutions on climate change and other environmental agenda	Number(s)	-	-	-
No. of agenda items discussed	Total	Number(s)	16	19	24
	Rejected/modified	Number(s)	-	-	-
Agerage BOD attendance	Attendance rate	%	100	100	100
	Inside directors	%	100	100	100
	Outside directors	%	-	-	-
Average tenure of board members		Year(s)	6	6	6



ESG Data

Governance

SeAH Aerospace & Defense

Category		Unit	2021	2022	2023
BOD Members					
Inside directors		Person(s)	1	1	1
Outside directors		Person(s)	-	-	-
Other non-executive directors		Person(s)	6	3	3
Female director (registered female executives)		Person(s)	-	-	-
BOD Operation					
No. of BOD meetings held	Total meetings held	Number(s)	7	8	7
	Regular	Number(s)	7	8	7
	Special	Number(s)	-	-	-
	ESG Committee meetings held	Number(s)	-	-	-
	No. of reports to the Board on climate change and other environmental agenda	Number(s)	-	-	-
	No. of board resolutions on climate change and other environmental agenda	Number(s)	-	-	-
No. of agenda items discussed	Total	Number(s)	9	10	8
	Rejected/modified	Number(s)	-	-	-
Agerage BOD attendance	Attendance rate	%	100	100	100
	Inside directors	%	100	100	100
	Outside directors	%	-	-	-
Average tenure of board members		Year(s)	12	13	14

Financial Data

Consolidated Financial Statement

Category	2021	2022	2023
Assets			
Current assets	1,636,018,723,683	1,809,109,415,045	1,664,235,509,209
Cash and cash equivalents	64,772,638,376	136,897,186,911	97,264,808,995
Account and other receivables	444,513,178,916	531,477,776,798	435,715,160,661
Other financial assets	30,076,329,575	8,978,115,553	13,379,229,579
Other current assets	7,183,669,131	11,511,560,978	11,399,241,256
Current income tax assets	1,819,121,232	352,509,261	1,605,372,960
Inventories	1,087,653,786,453	1,119,892,265,544	1,104,871,695,758
Non-current assets	1,889,977,831,812	2,009,294,637,014	2,000,935,491,412
Tangible assets	1,680,963,401,140	1,691,878,639,908	1,652,168,513,131
Right-of-use assets	28,759,523,619	24,929,901,291	21,915,207,987
Investment properties	18,738,801,184	26,747,053,486	26,637,046,958
Intangible assets	27,125,036,757	24,532,384,874	51,447,476,845
Trade and other receivables	11,522,051,904	12,837,623,728	23,391,812,241
Other financial assets	50,986,397,107	71,512,356,537	48,101,105,053
Investment in associates	34,636,976,516	37,255,646,449	43,914,137,537
Investment in joint ventures		24,099,314,099	41,666,827,743
Deferred tax assets	37,213,225,807	55,006,434,100	61,214,453,986
Net defined benefit assets		39,889,923,546	28,393,864,997
Other non-current assets	32,417,778	605,358,996	2,085,044,934
Total Assets	3,525,996,555,495	3,818,404,052,059	3,665,171,000,621
Liabilities			
Borrowings	291,808,440,075	407,274,182,717	271,264,145,326
Current tax liabilities	21,943,131,926	28,816,139,997	30,050,790,884
Other current liabilities	16,304,916,399	42,051,685,941	30,075,516,212
Excess billing liabilities	1,195,762,121		9,296,697,349
Other financial liabilities	13,370,470,222	15,662,907,816	11,989,492,733
Provisions	1,896,603,430	1,350,292,635	1,436,289,637
Non-current liabilities	708,729,166,591	821,069,415,040	876,825,140,308



Financial Data

Consolidated Financial Statement

Category	2021	2022	2023
Liabilities			
Account and other payables	7,024,293,310	4,903,227,484	6,903,135,489
Borrowings	452,744,256,951	548,600,411,788	613,150,288,442
Other financial liabilities	41,319,696,222	31,384,047,851	21,504,695,846
Deferred tax liabilities	152,848,053,859	164,747,173,409	148,435,990,215
Net defined benefit liabilities	17,249,131,531	554,407,677	
Other non-current liabilities	5,700,561,631	4,880,794,911	6,837,857,229
Provisions	31,843,173,087	65,999,351,920	79,993,173,087
Total Liabilities	1,619,635,049,491	1,846,659,305,036	1,626,121,166,492
Equity			
Equity attributable to owners of the parent	1,818,177,919,096	1,885,615,784,819	1,955,393,700,405
Capital stock	219,310,595,000	219,310,595,000	219,310,595,000
Additional paid-in capital	30,172,223,578	30,172,223,578	30,172,223,578
Other capital surplus	405,370,104,139	414,778,350,349	414,778,350,349
Other components of equity	973,998,446	2,583,063,700	1,397,545,509
Retained earnings	1,162,350,997,933	1,218,771,552,192	1,289,734,985,969
Non-controlling Interests	88,183,586,908	86,128,962,204	83,656,133,724
Total Equity	1,906,361,506,004	1,971,744,747,023	2,039,049,834,129
Total Liabilities and Equity	3,525,996,555,495	3,818,404,052,059	3,665,171,000,621



Financial Data

Consolidated Statement of Comprehensive Income

Category	2021	2022	2023
Revenue	3,651,102,951,303	4,386,332,748,546	4,083,481,175,925
Cost of sales	3,257,323,362,876	4,040,501,591,375	3,677,434,158,236
Gross profit	393,779,588,427	345,831,157,171	406,047,017,689
General and administrative expenses	155,349,962,867	217,974,691,339	209,356,857,008
operating profit	238,429,625,560	127,856,465,832	196,690,160,681
Other non-operating profit	2,877,279,491	3,979,150,726	15,056,596,890
Other non-operating expenses	9,130,843,982	1,752,125,544	15,974,217,724
Finance income	39,329,198,833	58,482,948,992	40,690,322,411
Finance costs	42,225,047,842	77,675,022,383	73,940,805,225
Net gain (loss) on equity method	3,559,802,280	4,775,511,502	-7,238,127,016
Net profit before income tax	232,840,014,340	115,666,929,125	155,283,930,017
Income tax expenses	49,171,355,716	27,356,336,159	29,292,577,892
Net income	183,668,658,624	88,310,592,966	125,991,352,125
Other comprehensive income	10,645,684,960	16,170,619,200	-19,816,685,303
Items reclassified subsequently to profit or loss	6,387,301,142	2,199,633,521	-2,800,922,731
Gain or loss on cash flow hedge derivatives	3,432,337,064	4,609,979,180	-4,986,788,513
Exchange difference on transaction of foreign operations	3,745,752,008	1,306,120,839	1,192,458,461
Changes in unrealized gain on valuation of equity method		-3,341,013,227	-199,145,761
Income taxes on items reclassified to profit or loss	-790,787,930	-375,453,271	1,192,553,082
Items not reclassified subsequently to profit or loss	4,258,383,818	13,970,985,679	-17,015,762,572
Other comprehensive income_gain (loss) on valuation of financial assets at fair value through profit or loss	181,250,000	-129,749,000	-789,788,551
Other comprehensive income_gain (loss) on disposal of financial assets at fair value through profit or loss			3,953,242,051
Remeasurement of defined benefit obligations	4,241,114,656	18,462,548,599	-25,531,690,167
Income taxes on items not reclassified to profit or loss	-377,726,182	-4,361,813,920	5,352,474,095
Retained earnings from equity method	213,745,344		
Total Comprehensive Income	194,314,343,584	104,481,212,166	106,174,666,822

Financial Data

Consolidated Statement of Comprehensive Income

Category	2021	2022	2023
Net income attributable to			
Owners of the parent	185,883,846,517	90,976,319,980	128,258,301,779
Non-controlling interests	-2,215,187,893	-2,665,727,014	-2,266,949,654
Comprehensive income attributable to			
Owners of the parent	196,529,531,477	106,694,589,913	108,318,541,786
Non-controlling interests	-2,215,187,893	-2,213,377,747	-2,143,874,964
Earnings per share			
Basic and diluted earnings per share (Unit: KRW)	5,231	2,572	3,576
Total Comprehensive Income	194,314,343,584	104,481,212,166	106,174,666,822

ESG Guidelines

GRI

Universal Standards

Classification	Disclosure	Indicators	Page
GRI 2: General Disclosures 2021			
The organization and its reporting practice	2-1	Organizational details	6
	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	Noted separately
	2-5	External assurance	112-113
Activities and workers	2-6	Activities, value chain and other business relationships	6-11, 46-50
	2-7	Employees	82
	2-8	Workers who are not employees	82
Governance	2-9	Governance structure and composition	70-71
	2-10	Nomination and selection of the highest governance body	71
	2-11	Chair of the highest governance body	70-71
	2-12	Role of the highest governance body in overseeing the management of impacts	15
	2-13	Delegation of responsibility for managing impacts	78
	2-14	Role of the highest governance body in sustainability reporting	15
	2-15	Conflicts of interest	71-72
	2-16	Communication of critical concerns	71
	2-17	Collective knowledge of the highest governance body	70
	2-18	Evaluation of the performance of the highest governance body	72
	2-19	Remuneration policies	72
	2-20	Process to determine remuneration	72
	2-21	Annual total compensation ratio	71
	2-22	Statement on sustainable development strategy	4, 14
	2-23	Policy commitments	65
Strategy, policies and practices	2-24	Embedding policy commitments	67
	2-25	Processes to remediate negative impacts	54-55, 66
	2-26	Mechanisms for seeking advice and raising concerns	54, 66
	2-27	Compliance with laws and regulations	91
	2-28	Membership associations	111
Stakeholder engagement	2-29	Approach to stakeholder engagement	21
	2-30	Collective bargaining agreements	87
GRI 3: Material Topics 2021			
Material Topics	3-1	Process to determine material topics	18
	3-2	List of material topics	19
	3-3	Management of material topics	20



ESG Guidelines

GRI

*Key Material Issue

Topic Standards			
Classification	Disclosure	Indicators	Page
Economic Performance(GRI 200)			
Economic Performance*	201-2	Financial implications and other risks and opportunities due to climate change	32
	201-3	Defined benefit plan obligations and other retirement plans	84
Indirect Economic impacts	203-1	Infrastructure investments and services supported	68-69
	205-1	Operations assessed for risks related to corruption	91
Anti-corruption*	205-2	Communication and training about anti-corruption policies and procedures	90
	205-3	Confirmed incidents of corruption and actions taken	91
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	91
Environmental Performance(GRI 300)			
Materials*	301-1	Materials used by weight or volume	78
	301-2	Recycled input materials used	78
Energy*	302-1	Energy consumption within the organization	77
	302-3	Energy intensity	77
	302-4	Reduction of energy consumption	77
Water and Effluents	303-1	Interactions with water as a shared resource	60
	303-2	Management of water discharge-related impacts	60
	303-4	Water discharge	78
	303-5	Water consumption	78
Emissions*	305-1	Direct (Scope 1) GHG emissions	77
	305-2	Energy indirect (Scope 2) GHG emissions	77
	305-4	GHG emissions intensity	77
	305-5	Reduction of GHG emissions	77
	305-7	Nitrogen oxides (Nox), sulfur oxides (Sox), and other significant air emissions	78
Waste*	306-1	Waste generation and significant waste-related impacts	35-36
	306-2	Management of significant waste-related impacts	37-39
	306-3	Waste generated	80
	306-4	Waste diverted from disposal	80
	306-5	Waste directed to disposal	80
Supplier Environmental Assessment*	308-1	New suppliers that were screened using environmental criteria	88
	308-2	Negative environmental impacts in the supply chain and actions taken	88



ESG Guidelines

GRI

Topic Standards			
Classification	Disclosure	Indicators	Page
Social Performance(GRI 400)			
Employment	401-1	New employee hires and employee turnover	84
	401-3	Parental leave	85
	403-1	Occupational health and safety management system	41-44
Occupational Health and Saefety*	403-2	Hazard identification, risk assessment, and incident investigation	45
	403-3	Occupational health services	44
	403-4	Worker participation, consultation, and communication on occupational health and safety	43
	403-5	Worker training on occupational health and safety	44
	403-6	Promotion of worker health	44
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	44
	403-8	Workers covered by an occupational health and safety management system	40
	403-9	Work-related injuries	85-86
	403-10	Work-related ill health	85-86
	404-1	Average hours of training per year per employee	86
Training and Education	404-3	Percentage of employees receiving regular performance and career development reviews	89
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	70, 82
	405-2	Ratio of basic salary and remuneration of women to men	88
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	68-69, 87
Supplier Social Assessment*	414-1	New suppliers that were screened using social criteria	88
	414-2	Negative social impacts in the supply chain and actions taken	88

ESG Guidelines

TCFD

TCFD's 4 Core Recommendations		Page
Governance	A) The Board's oversight of climate-related risks and opportunities	23-24
	B) Management's role in assessing and managing climate-related risks and opportunities	
Strategy	A) The climate-related risks and opportunities the organization has identified over the short, medium, and long term	30-32
	B) The impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	
	C) The resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	
Risk Management	A) The organization's processes for identifying and assessing climate-related risks	33
	B) The organization's processes for managing climate-related risks	
	C) Integration of processes for identifying, assessing, and managing climate-related risks into the organization's overall risk management	
Metrics & Targets	A) Disclosure of metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	34, 77
	B) Disclosure of Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	
	C) The targets used by the organization to manage climate-related risks and opportunities and performance against targets	



ESG Guidelines








SASB

Topic	Code	Accounting Metric	Page	Note
Greenhouse Gas Emissions	EM-IS-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	77	
	EM-IS-110a.2	Discussion of long-term strategy or plans to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	25	
Air Emissions	EM-IS-120a.1	Air emissions with the following pollutants: (1) CO, (2) NOx (excluding N ₂ O), (3) SO _x , (4) Particulate matter (PM ₁₀), (5) Manganese (MnO), (6) Lead (Pb), (7) Volatile organic compounds (VOCs), (8) Polycyclic Aromatic Hydrocarbons (PAHs)	78	
Energy Management	EM-IS-130a.1	(1) Total Energy consumed, (2) Percentage grid electricity, (3) Percentage renewable	77	
	EM-IS-130a.2	(1) Total fuel consumed, (2) Percentage coal, (3) Percentage natural gas, (4) Percentage renewable	77	anaged metrics are excluded from scope of disclosure
Water Management	EM-IS-140a.1	(1) Total fresh water withdrawn, (2) Percentage recycled, (3) Percentage in regions with High or Extremely High Baseline Water Stress	78	anaged metrics are excluded from scope of disclosure
Waste Management	EM-IS-150a.1	Amount of waste generated, percentage hazardous, percentage recycled.	80	anaged metrics are excluded from scope of disclosure
Workforce Health and Safety	EM-IS-320a.1	(1) Total recordable incident rate (TRIP), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) full-time employees and (b) contract employees	85-86	
Supply Chain Management	EM-IS-430a.1	Discussion of the process for managing iron ore and/or coking coal sourcing risks arising from environmental and social issues	57	
Activity Metric	EM-IS-000.A	Raw steel production, percentage from: (1) basic oxygen furnace processes, (2) electric arc furnace processes	- SeAH Besteel: 1,739,990 tons - SeAH CSS: 543,114 tons	(1) Item is not applicable to us as it is a blast furnace process
	EM-IS-000.B	Total iron ore production	-	Not applicable
	EM-IS-000.C	Total coking coal production	-	Not applicable



ESG Guidelines









UN SDGs

UN SDGs Goals		Targets	Key activities
1	 No Poverty	1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable 1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters	<ul style="list-style-type: none"> • Sharing hope with the community • Charitable activities for the community • Scholarships and Christmas gifts
3	 Good Health and Well-being	3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination 3.d Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks	<ul style="list-style-type: none"> • Support for residents affected by the fire • Crime victim assistance • Occupational health and safety
4	 Quality Education	4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	<ul style="list-style-type: none"> • Empowering employees • Fostering young scientists • Supporting nurseries
5	 Gender Equality	5.1 End all forms of discrimination against all women and girls everywhere 5.4 Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life 5.c Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women	<ul style="list-style-type: none"> • Preventing discrimination in hiring • Parental Leave • Workplace diversity • Board diversity
6	 Clean Water and Sanitation	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally 6.5 By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate	<ul style="list-style-type: none"> • Preventing wastewater spills • Reusing wastewater effluent • Water recycling
7	 Affordable and Clean Energy	7.a By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology	<ul style="list-style-type: none"> • Environmental Management • Establishing a Carbon Neutrality Roadmap • Establishing a byproduct resource recovery center
8	 Decent Work and Economic Growth	8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	<ul style="list-style-type: none"> • Preventing discrimination in hiring • A culture for shared growth • Labor-management council



ESG Guidelines

UN SDGs

UN SDGs Goals		Targets	Key activities
9	 Industry, Innovation, and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities 9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending	<ul style="list-style-type: none"> Optimizing electric furnace heat sources Reducing process steps Enhancing furnace energy efficiency Collaborative R&D with governments and industry
10	 Reduced Inequalities	10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard	<ul style="list-style-type: none"> Human Rights Declaration Stakeholder human rights activities
11	 Sustainable Cities and Communities	11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums	<ul style="list-style-type: none"> Sharing hope with the community Charitable activities for the community SeAH Love House
12	 Responsible Consumption and Production	12.2 By 2030, achieve the sustainable management and efficient use of natural resources 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	<ul style="list-style-type: none"> Byproduct resource recovery Eco-friendly products made from slag Waste management process
13	 Climate Action	13.2 Integrate climate change measures into national policies, strategies and planning 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	<ul style="list-style-type: none"> Carbon Neutrality Roadmap Green ecosystem strategy Environmental management
14	 Life Below Water	14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution	<ul style="list-style-type: none"> Clean Ocean volunteer initiative
15	 Life on Land	15.a Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems	<ul style="list-style-type: none"> Plogging Producing environmental pop-up books
16	 Peace, Justice, and Strong Institutions	16.5 Substantially reduce corruption and bribery in all their forms 16.6 Develop effective, accountable and transparent institutions at all levels 16.b Promote and enforce non-discriminatory laws and policies for sustainable development	<ul style="list-style-type: none"> Ethics & Compliance Committee Managing ethical risks Ethics management self-check Fair trade self-check



Membership & Awards

Membership

Category	Organization Name
1	Korea Iron & Steel Association
2	WSA, World Steel Association
3	ISSF-International Stainless-Steel Forum
4	Hankyung cho insight
5	Korea hydrogen Industry Association
6	GYEONGNAM ENTERPRISES FEDERATION
7	Korea Aerospace industries association
8	Korea Defence Industry Association
9	Korea Nonferrous Metal Association
10	The Korean Society of Propulsion Engineers
11	Korea Metal Materials Association
12	The Korean Institute of Metals and Materials
13	Korea Industrial Safety Association
14	Steel & Metal News
15	STEELDAILY
16	Steel NEWS
17	Ferro Times
18	Korea Automobile Manufacturers Association
19	Korea Machine Tool Manufactures' Association
20	Japan Steel Newspaper
21	Korea Construction Equipment Manufactures' Association
22	Metal Bulletin
23	Argus Media
24	Nikkan Shikyo Tsushinsha Co.,Ltd
25	FTA PASS

Awards

Date	Company	Organization	Awards
2023.03.15	SeAH CSS	Korea Chamber of Commerce and Industry	The 50th Trade Day CEO Lee Sangeun was awarded the Stone Tower Order of Industrial Service Merit
2023.06.09	SeAH CSS	Korea Iron & Steel Association	Minister of Trade, Industry and Energy's Citation for Meritorious Service on Iron Day (Lee Sun-kook, Principal Researcher)
2023.12.22	SeAH CSS	Korea Industrial Complex Corporation	Gyeongnam Industrial Complex Gyeongnam Regional SMEs and Startups Office Director's Award (Kim Sung-joon, Safety Technology Manager)
2023.08.17	SeAH Aerospace & Defense	Ministry of Employment and Labor	Best Labor-Management Culture Enterprise in 2023

Third-Party Assurance Report

To Management and stakeholders of SeAH Besteel Holdings

NICE Information Service (“we” or “us”) has been requested by SeAH Besteel Holdings (“the Company” or “SeAH Besteel Holdings”) to perform an independent assurance on the SeAH Besteel Holdings Sustainability Report 2024 (the “Report”) for the Company. The Directors of SeAH Besteel Holdings have sole responsibility for the preparation of the Report. Our statement represents our independent opinion based on data and information that SeAH Besteel Holdings disclosed in the Report.

Assurance Standards and Scope

This assurance statement is based on AA1000AS v3, an internationally recognized standard on sustainability assurance by providing a Type 2, moderate level assurance. We believe that SeAH Besteel Holdings reporting in accordance with the GRI (Global Reporting Initiatives) Standards 2021.

- Compliance with AA1000AP (2018) of Inclusivity, Materiality, Responsiveness, Impact
- Reliability review of reported data and performance indicators
- Compliance with GRI Standards 2021 Reporting Principles
- Compliance with reporting in accordance with the GRI Standards 2021

We have confirmed that the Company followed the industrial standards based on Task Force on Climate-related Financial Disclosures and Sustainability Accounting Standards Board.

Accordingly, we have reviewed that the Topic-specific disclosures of GRI Sustainability Reporting Standards 2021 which are identified in the process for defining report content.

No.	Material Topics	Topic-specific Standard	
		Disclosure Index	Reporting Index
1	Respond to climate change	201-2, 302, 305	201-2, 302-1, 302-3~302-4, 305-1~305-2, 305-4~305-5, 305-7
2	Create a virtuous circle of resources	301, 306	301-1~301-2, 306
3	Build a safe and healthy workplace	403	403
4	Supply chain ESG management	308, 414	308, 414
5	Practice of ethical management	205, 206	205, 206

Assurance Target and Approach

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

- reviewed quality of contents in the Report;
- reviewed the selection of material topics through double materiality assessment methodology and assessment report;
- reviewed reliability of reported data and performance indicators of material topics;
- interviewed people in charge of sustainable aspects such as strategies, commitments, plans included in the Report;
- reviewed disclosure materials such as audit report, website, etc. for confirming credibility of information in the Report;
- reviewed internal management system such as data generation, management, reporting process, etc. for reported performance (Sampling methods);
- conducted due diligence of on-site for confirming evidence suitability about main data and information (Visited HQ of SeAH Besteel Holdings in Seoul)

Limitations

We have identified the information described in the report according to the above assurance standards AA1000AS v3 and scope as follows. Some of reported data were confirmed by referring to external sources such as company's audit reports and DART (Data Analysis, Retrieval and Transfer System), etc., and interviews were carried out by the person in charge at the on-site. But we did not conduct external stakeholders' interviews during our assurance-providing service for SeAH Besteel Holdings. Our assurance engagement was conducted in limited scope by on the assumption that the data provided by the Company to us as part of our review were provided in good faith. This engagement is not covered other data and information of suppliers, contactors, or any other third-parties except reporting scope specified in SeAH Besteel Holdings Sustainability Report 2024.

Assurance Findings

Based on the document reviews and interviews, we did not find any inappropriate parts in the information and data in the Report based on methods for assurance standard, scope and target. There are our opinions according to each principle as follows.

Third-Party Assurance Report

● Inclusivity

SeAH Besteel Holdings defines the main stakeholders who influence the business activities as Customers, Employees, Competitors and partners, the Government / local community, and Shareholders and investors. And, SeAH Besteel Holdings operates engagement processes considering by groups' characteristics. We confirmed that the Company identifies and listens to stakeholder's opinions to reflect business decision-making.

● Materiality

SeAH Besteel Holdings has conducted a double materiality assessment to select material topics. And, the Company has considered the priority of issues based on analysis of financial impact and analysis of social and environmental impacts, including composing issue pools, analyzing financial indices and ESG strategy position, media research, benchmarking, etc. We have identified that 5 material issues derived from the double materiality assessment were reflected in the report without omission.

● Responsiveness

SeAH Besteel Holdings has a newly established ESG Committee under the Board of Directors and has operated the ESG Working-level Council quarterly so that the Company makes decisions on ESG issues. In addition, SeAH Besteel Holdings responds to and manages the opinion by operating internal and external communication channels such as Customer service, Partners Day, employee communication channels such as Survey, Labor union, etc.

● Impact

SeAH Besteel Holdings sets up quantitative indicators and monitors to identify and manage the direct and indirect impacts of material topics. We have measured the impacts of how an organization's activities affect stakeholders in terms of sustainability, and we have analyzed and identified value created for stakeholders in the mid and long-term perspectives.

● Reliability of Performance Information

As a result of verifying the reliability of the performance information based on data sampling and the relevant documents of SeAH Besteel Holdings's material issues, we did not find any intentional error or misstatement. The Company has been disclosing the information on sustainable performances for the past three years, thereby it can be compared as time-series. We confirmed certain errors during the assurance process were modified before publishing of Sustainability Report.

Recommendations

It is remarkable that SeAH Besteel Holdings has established ESG governance and the direction of ESG strategy by composing ESG Committee and ESG Working-level Council based on 'GREEN' strategy. Also, we confirmed that the Company has monitored ESG-related Risks and has managed the material issues. We highly appreciate that SeAH Besteel Holdings has announced 2050 Carbon Neutral and has suggested strategies-related and reduction goals and the Company is preemptively responding to Climate change by establishing SeAH Besteel Holdings' counterplan according to impacts which are deducted each risk including Climate change-related risk and opportunities. We recommend as follows for the future improvement.

1. We recommend that the scope and standards for ESG performance management be clarified and measured, and the quantified performance to be managed sustainably.
2. We recommend managing the Management Approach separately in order to specify the implementation and check the achievement progress by drawing material issues through a double materiality assessment

Competence and Independence

NICE Information Service is an independent assurance provider and an officially licensed provider of AA1000 which is officially-certified by AccountAbility. The assurance was conducted by a team with adequate ESG knowledge and expertise in assurance. We did not participate to fill-out the Report, and we do not have any interests that could undermine our independence.

June, 2024

CEO of NICE Information Service

Shin, Hee Boo

Inspired by SeAH

SeAH Besteel Holdings Sustainability Report 2024

