

THE GREEN WAY TO A BEAUTIFUL TOMORROW

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About This Report

Interactive Guide

SeAH Besteel Holdings' 2026 Sustainability Report is provided as an interactive PDF with navigation links to key pages.

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Report Overview

This report is SeAH Besteel Holdings' fourth sustainability report, prepared to provide stakeholders with transparent information on the Company's financial performance, ESG strategies and policies, and key initiatives and performance. SeAH Besteel Holdings plans to continue publishing the report annually to strengthen engagement with a broad range of stakeholders, including investors, and to further enhance the credibility and performance of its ESG management.

Reporting Period

The reporting period for the financial and non-financial performance covered in this report is from January 1 to December 31, 2025. For trend analysis, key quantitative data are presented for the three-year period from 2023 to 2025. Select indicators also reflect performance from the first half of 2026 on a limited basis.

Reporting Standards

This report has been prepared in accordance with the GRI Standards 2021. It also references the SASB Standards and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to reflect key industry-specific issues.

External Assurance

To ensure the objectivity and reliability of the information disclosed, the report underwent independent third-party assurance by an external assurance provider. The assurance results are presented on a separate page.

Reporting Scope and Boundary

Financial performance is reported on a consolidated basis, including subsidiaries, in accordance with Korean International Financial Reporting Standards (K-IFRS). Non-financial performance data cover the domestic sites of SeAH Besteel Holdings, SeAH Besteel, SeAH CSS, and SeAH Aerospace & Defense. Where data collection was constrained at specific sites, relevant indicators have been excluded. Any deviations from the reporting scope are disclosed separately in the relevant notes.

Contact Information

For additional information on the sustainability activities and performance of SeAH Besteel Holdings presented in this report, please contact us using the information below.

Email | besteelholdings_esg@seah.co.kr
Publication Date | June 2026

OVERVIEW



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CEO Message



June 2026

Kim Suho

CEO, SeAH Besteel Holdings

Dear Stakeholders,

The global business environment is facing harsher realities than ever before. As protectionist trade barriers continue to rise, the prolonged Russia–Ukraine war and mounting risks in the Middle East are sending unpredictable shocks through global energy markets and raw material supply chains. Instability across logistics networks, including maritime shipping routes, has also evolved from a temporary disruption into a persistent threat that the steel industry must overcome.

Alongside these geopolitical crises, the global response to the climate crisis and increasingly stringent ESG regulations, including the Carbon Border Adjustment Mechanism (CBAM), are demanding a fundamental transformation in how we operate. Sustainability is now a non-negotiable prerequisite for survival. Recognizing these overlapping crises and this period of profound transition, SeAH Besteel Holdings will pursue the following strategic priorities to navigate external uncertainty and achieve sustainable growth.

1. We will accelerate expansion into high-value-added businesses by building on our core competitiveness.

We will maximize profitability by leveraging the innovative technologies and market leadership we have established in the special steel and stainless steel businesses. We will also use our distinctive technological capabilities to expand into specialty metal materials for advanced industries, including aerospace and defense. By building a high-value-added portfolio capable of responding flexibly to changes in the external environment, we will create sustainable future value unique to SeAH Besteel Holdings.

2. We will strengthen sustainable manufacturing competitiveness through the energy transition and resource circularity.

To respond to volatility in global energy markets, we will diversify our energy sources and increase the share of renewable energy, accelerating the transition to a low-carbon energy mix and strengthening operational

resilience to external risks. At the same time, we will further advance our established resource circularity framework to fundamentally reduce uncertainty in raw material sourcing and maximize resource efficiency. Our energy transition and resource circularity initiatives will provide SeAH Besteel Holdings with a distinctive manufacturing edge for the low-carbon era and form a solid foundation for a sustainable competitive advantage that can withstand changes in the external environment.

3. We will build an intelligent management framework through digital integration and AI-driven innovation.

SeAH Besteel Holdings continues to enhance its frameworks for calculating and managing carbon emissions at both site and product levels, while establishing an integrated non-financial data management framework to fundamentally improve data accuracy and credibility with external stakeholders. Moving beyond data integration, we will build an AI-enabled operating framework that optimizes quality, yield, and energy use in real time as part of our process innovation and improvement efforts. This integration of strategic data management and operational efficiency will go beyond information disclosure and serve as a robust management foundation for translating SeAH Besteel Holdings' intangible value into measurable performance.

Dear Stakeholders,

SeAH Besteel Holdings has repeatedly demonstrated its resilience by turning crises into opportunities for change. Even amid the turbulence of our time, we will continue to strengthen our technological foundations and chart a path where people and the environment can thrive together. Through transparent business practices and tangible performance, we will demonstrate a new path unique to SeAH Besteel Holdings.

We ask for your continued support and encouragement as SeAH Besteel Holdings advances on this bold journey. Thank you.

Our Company

Company Overview

SeAH Besteel Holdings is a holding company that develops strategies and manages business portfolios for its affiliates, including SeAH Besteel, SeAH CSS, SeAH Aerospace & Defense, and overseas entities. Leveraging synergies among its affiliates, the Company pursues strategic investments and identifies future growth drivers, thereby enhancing corporate value across the Group.

Company Information

Company Name	SeAH Besteel Holdings
Year Established	1955
CEOs	Lee Taesung, Kim Suho
Head Office Address	45 Yanghwa-ro, Mapo-gu, Seoul, Republic of Korea
Largest Shareholder	SeAH Holdings (61.7% stake)
Principal Businesses	Investment and management consulting; steel product manufacturing
Revenue	KRW 3,650,156 million (2025)

Business Areas

SeAH Besteel Holdings operates in two main areas: holding company operations and materials businesses. As a holding company, it strengthens business competitiveness and builds a foundation for Group-wide growth by setting the strategic direction of its affiliates and managing their portfolios. The Company also manufactures, processes, and sells a broad range of metal materials, including carbon and alloy steel, stainless steel, and high-strength aluminum alloys, supplying critical materials to key industries such as automotive, energy, aerospace, and defense.

Management Strategy

Guided by its vision of becoming a Global Material Leading Company, SeAH Besteel Holdings has defined four strategic priorities: strengthening its business portfolio, expanding globally, advancing ESG, and reinforcing ethics and compliance. Based on these priorities, the Company pursues initiatives across sales, processing, materials, and strategic investment to strengthen business competitiveness.



Our Company

History and Growth

Since its founding in 1955, SeAH Besteel Holdings has grown on the strength of its special steel production capabilities and technological innovation. Following the expansion of its global footprint and diversification of its businesses, the Company transitioned to a holding company in 2022 and has since strengthened its competitiveness in high-value-added materials.



- 1955** Established Daehan Heavy Machinery Co., Ltd.
Marked the beginning of what would become Korea's largest special steel producer.
- 1974** Completed a 30-tonne electric arc furnace and a large rolling mill.
- 1982** Began special steel production at the Seoul Plant.
- 1988** Completed a hot forging plant.
- 1989** Established the Metal Technology Research Institute.
Built a foundation for innovation and in-house capabilities in special steel technology.
- 1990** Changed its name to KIA Special Steel.

- 1991** Completed its initial public offering (IPO). Listed on the KOSPI Market of the Korea Exchange.
- 1993** Relocated the head office to Gunsan and completed Phase 1 of the special steel plant.
- 1995** Received the USD 50 Million Export Tower Award.
- 1997** Completed the integrated special steel plant in Gunsan.
- 1999** Received the USD 70 Million Export Tower Award.
- 2004** Changed its name to SeAH Besteel and invested in expanding the Gunsan Plant.
- 2008** Received the USD 300 Million Export Tower Award.

- 2010** Completed a heavy forging plant.
- 2014** Completed the Changnyeong Plant.
- 2015** Acquired POSCO Specialty Steel.
→ Now SeAH CSS
- 2016** Established SeAH Global Inc., a U.S. sales entity.
- 2018** Established SeAH Global(Thailand) Co., Ltd., a sales and processing subsidiary in Thailand
- 2019** Began supplying spent nuclear fuel transport and storage casks.
Obtained Aramco vendor approval for all seamless steel pipe products.
- 2019** Established SeAH Global Vina Co., Ltd. in Vietnam, the Group's first overseas production entity

- 2020** Acquired Arconic Korea.
→ Now SeAH Aerospace & Defense
- 2020** Established SeAH CTC Co., Ltd., a manufacturing entity in China
- 2021** Established SeAH Global India Private Limited, a sales subsidiary in India
Established SeAH Global Japan Co., Ltd., a sales subsidiary in Japan
- 2022** Spun off the manufacturing business and transitioned to a holding company.
→ Now SeAH Besteel Holdings
- 2022** Established SeAH GSI, a manufacturing subsidiary in Saudi Arabia
- 2023** Established PT. SeAH Global Indonesia in Indonesia
- 2024** Established SeAH Superalloy Technologies, LLC, a U.S. superalloy manufacturing subsidiary.

Our Company

Global Network



Global Network	Domestic	Overseas	
9	SeAH Tower (Seoul) Gunsan Plant Changnyeong Plant Changwon Plant Busan Office	United States SeAH Global Inc. Special steel sales SeAH Global Holdings, Inc. Investment SeAH Superalloy Technologies, LLC Manufacturing of superalloy materials Everguard Inc. Technology solutions and information services	Thailand SeAH Global(Thailand) Co., Ltd. Special steel sales
Overseas Production and Sales Locations		Saudi Arabia SeAH Gulf Special Steel Industries Manufacturing of special steel seamless pipes and tubes	India SeAH Global India Private Limited Special steel sales
13		China SeAH CTC Co., Ltd. Manufacturing of stainless steel pipes and tubes China Sales Office Special steel sales	Indonesia PT. SeAH Global Indonesia Trading of raw and auxiliary materials
			Vietnam SeAH Global Vina Co., Ltd. Manufacturing and sale of special steel
			Japan SeAH Global Japan Co., Ltd. Special steel sales
			Germany Germany Sales Office Special steel sales

Our Business

Business Value Chain

Upstream

Raw Material Sourcing

We secure a stable supply of key raw materials, including steel scrap, ferroalloys (Mo, V, and Cr), and non-ferrous metals (Al and Ni).

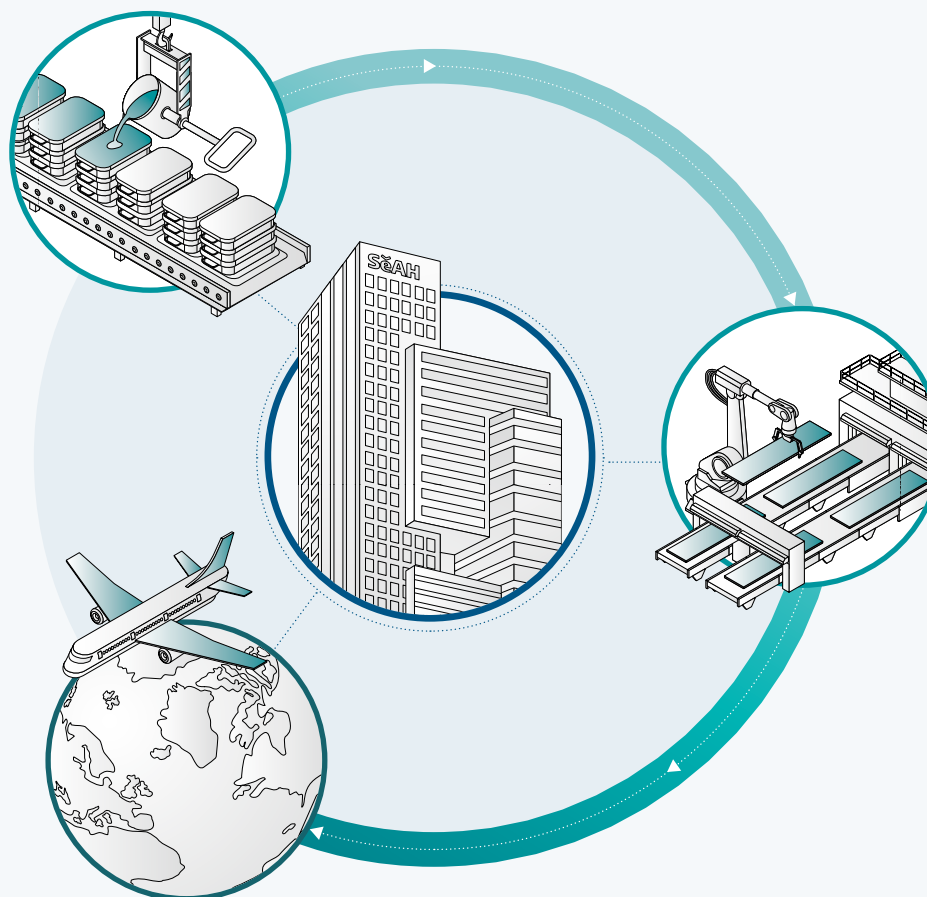
- Trading of raw and auxiliary materials
- Strategic investments in circular raw material sources
Expanding the circular raw material portfolio, including titanium recycling and nickel briquettes

Downstream

Global Sales and Supply to End-Use Industries

We maintain sales locations in key markets and supply critical materials to end-use industries.

- Global sales network
- Technology solutions and information services
- End-use industries
Automotive, heavy construction equipment, shipbuilding, aerospace and defense, nuclear power, clean energy (wind and hydrogen), semiconductors, and oil and gas



Own Operation

Materials Production and Secondary Processing

We manufacture a full range of specialty metals in-house, from carbon and alloy steels to stainless steel, high-strength aluminum alloys, and specialty alloys.

- Steelmaking and rolling of carbon and alloy special steels; heavy forgings; and nuclear power components
- Korea's only integrated production of stainless steel long products (wire rod, bars, and seamless pipes and tubes)
- High-strength aluminum alloy extrusions for aerospace and defense
- Specialty alloy materials for aerospace, power generation, and defense
- Secondary processing sites
- Research and development (R&D)

Year Established	1945
CEO	Sung Changmo
Head Office Address	48 Jeongdong-ro, Seongsan-gu, Changwon-si, Gyeongsangnam-do, Republic of Korea
Production Plants	Changwon: 12,000 pyeong
Production Capacity	Casting: 10,000 tonnes
Major Products	Aluminum extrusions, aircraft materials, seamless tubes, and materials for machined components

ESG MANAGEMENT

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ESG Governance

Message from the Chair of the ESG Committee

In an era when ESG determines a company's future viability, SeAH Besteel Holdings is embedding sustainability throughout its business operations.

Dear Stakeholders,

I would like to extend my sincere gratitude to all our stakeholders for the trust and support you have shown for SeAH Besteel Holdings' sustainability journey.

Today, companies around the world are navigating a period of profound transformation driven by carbon neutrality, supply chain due diligence, and disclosure regulations. ESG has moved beyond mere slogans or the realm of corporate social responsibility to become a core strategic measure for demonstrating a company's intrinsic value and determining its future viability. As non-financial value increasingly translates into financial performance, SeAH Besteel Holdings is building a closely coordinated cross-functional collaboration system and embedding sustainability across every stage of its business.

In particular, SeAH Besteel Holdings places the highest priority in its ESG management on establishing sound and transparent governance centered on the Board. At the heart of this effort, the ESG Committee effectively oversees management's decision-making and provides guidance on the Company's medium- and long-term direction. The Committee closely reviews whether the Carbon Neutrality Roadmap is being implemented based on concrete targets, while also reviewing the ESG risk management framework across the value chain. Through these efforts, it has focused on protecting corporate value and fostering a sustainable ecosystem.

The combination of the Committee's strategic leadership and company-wide execution enabled SeAH Besteel Holdings to earn an overall A rating in the ESG assessment conducted by the Korea Institute of Corporate Governance and Sustainability (KCGS) for three consecutive years. This represents more than maintaining a rating; it confirms to external stakeholders the substance of the sustainability management we have pursued. We will not rest on our current achievements. Drawing on the Committee's expertise, we will continue to improve areas requiring further progress and strengthen SeAH Besteel Holdings' distinctive ESG capabilities.

ESG can be truly embedded into business operations only when the Board's strong commitment is matched by the active participation of stakeholders. SeAH Besteel Holdings will continue to turn challenges into opportunities through transparent communication and responsible business practices, leading change toward a better future. We look forward to your continued interest and participation in the better tomorrow envisioned by SeAH Besteel Holdings.

Thank you.

June 2026

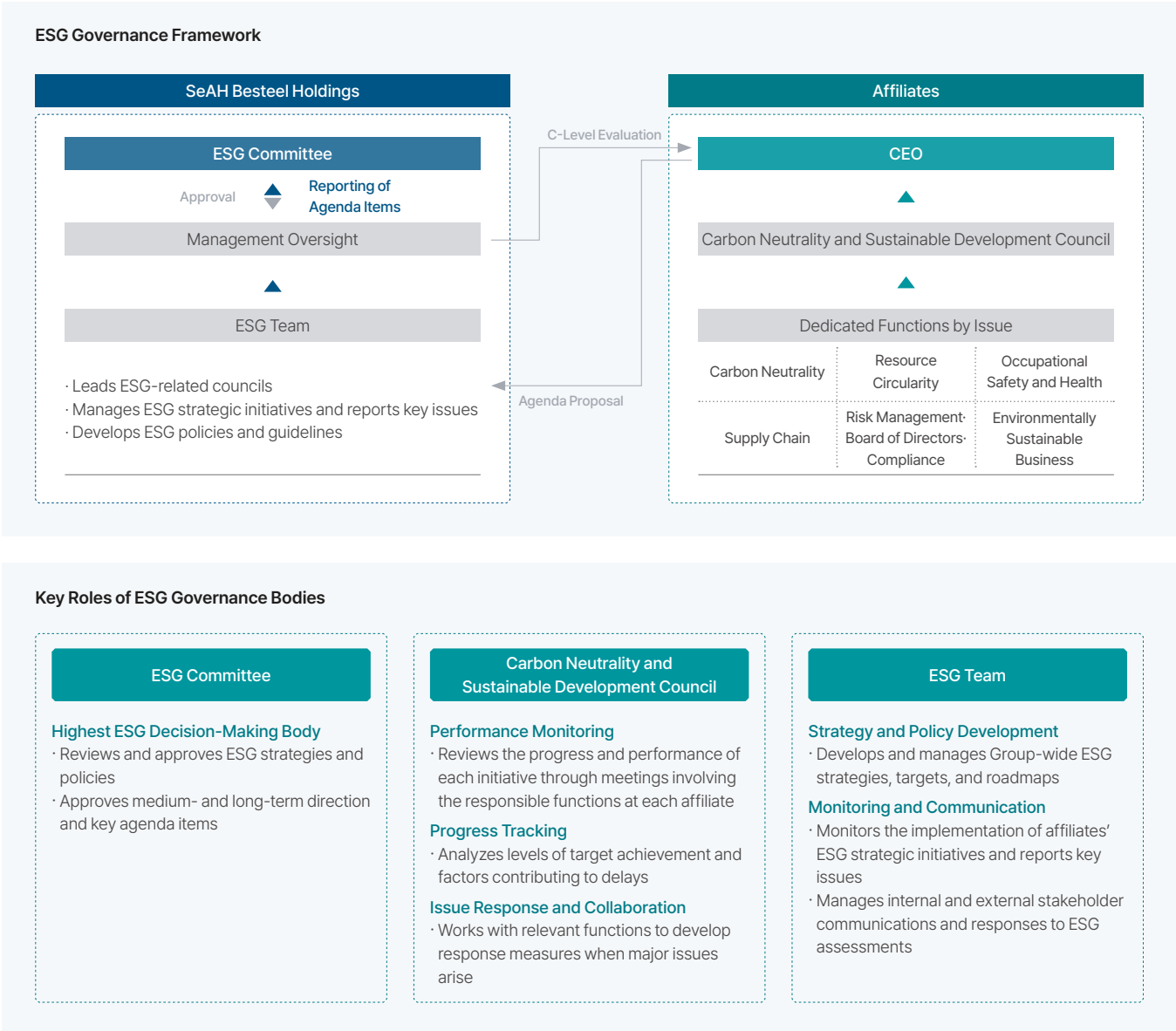
Park Sangchan

Chair of the ESG Committee

ESG Governance

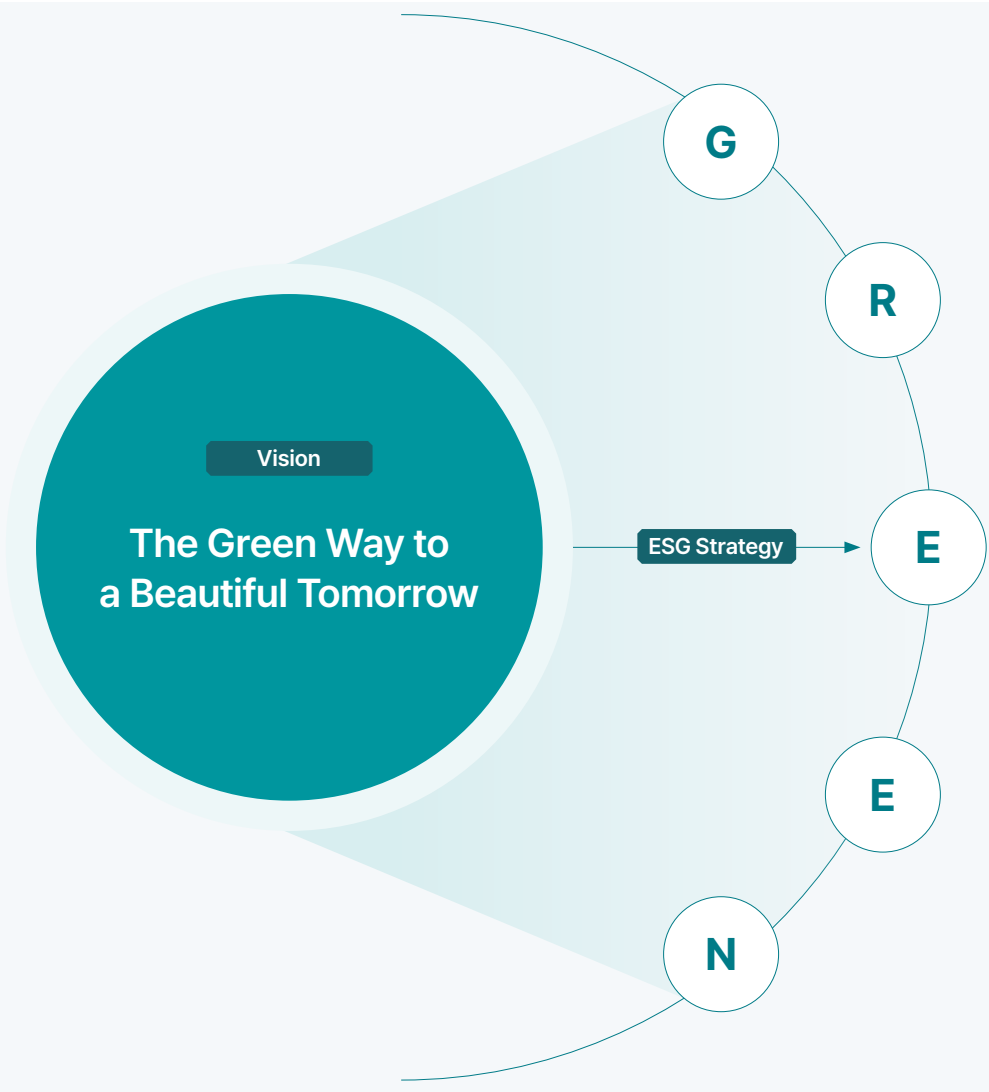
SeAH Besteel Holdings’ ESG Management Framework

To implement its “GREEN” Strategy, SeAH Besteel Holdings has established and operates a Group-wide ESG governance framework centered on the ESG Committee, the Carbon Neutrality/Sustainable Development Council, and the ESG Team. The Board-level ESG Committee reviews and approves key ESG agenda items quarterly and sets the direction and priorities for sustainability management. Through collaboration among dedicated functions at each affiliate, the Carbon Neutrality and Sustainable Development Council reviews progress on key issues, including carbon neutrality, resource circularity, and occupational safety and health, and discusses response measures for each initiative. The ESG Team oversees the development of Group-wide ESG targets and policies, consolidates affiliates’ implementation progress, and manages communications with internal and external stakeholders. Through this governance framework, SeAH Besteel Holdings aligns the Group-wide ESG strategy with affiliate-specific implementation frameworks, thereby enhancing the effectiveness of its sustainability management.



ESG Strategy

Vision and Targets

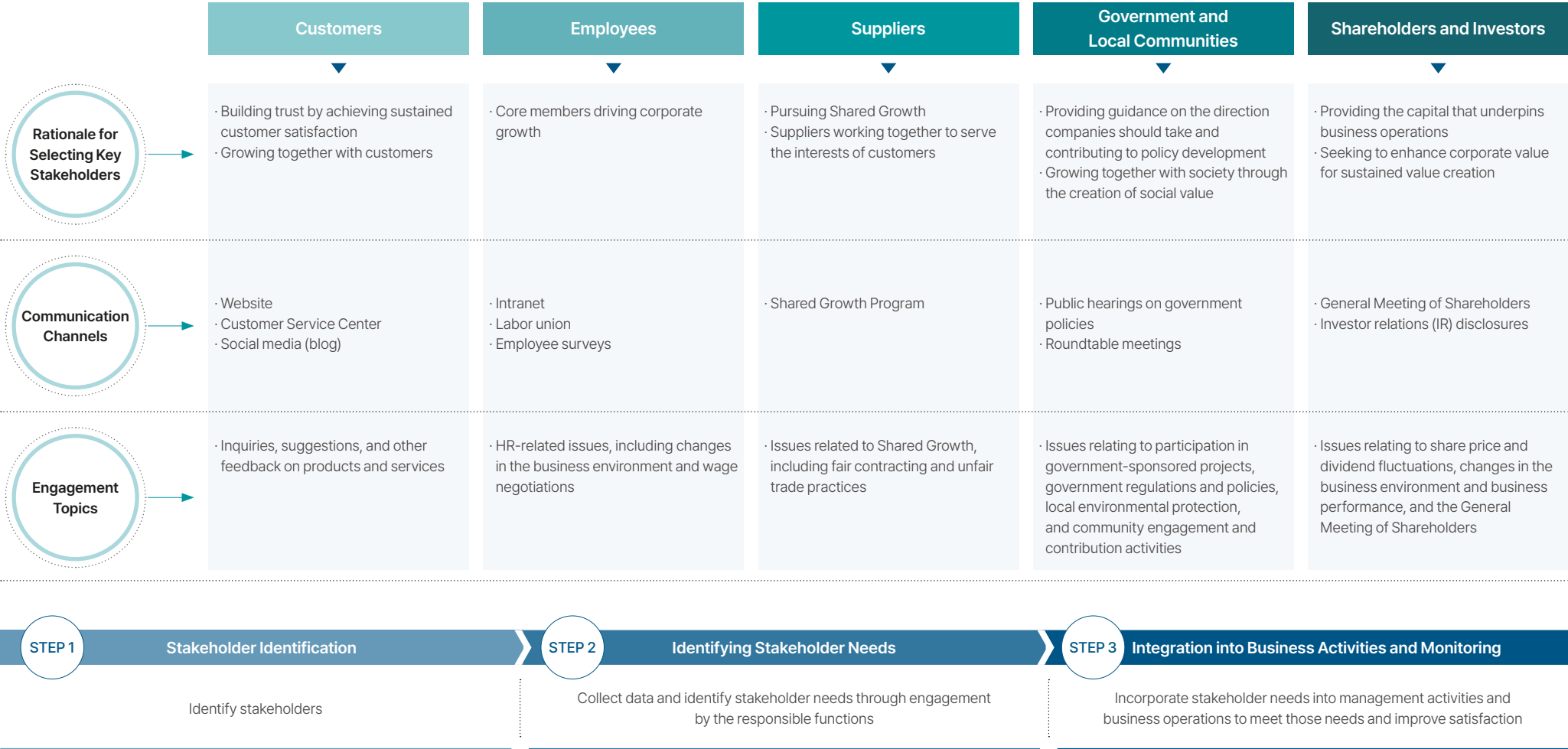


Focus Areas	Initiatives and Targets
<u>Go Carbon Neutral</u>	· Implement the Carbon Neutrality Roadmap Reduce Scope 1 and 2 GHG emissions by 27% by 2030 · Improve Equipment Efficiency Improve the efficiency of pumps in water treatment facilities, enhance electric arc furnace efficiency, and optimize the Vacuum Degassing (VD) process, among other measures · Expand the Transition to Low-Carbon Fuels and Raw Materials Replace conventional heat sources with low-carbon alternatives derived from waste plastics and biomass
<u>Recycle and Reuse Resources</u>	· Advance the Resource Circularity Framework Achieve a resource circularity rate of 99% by 2030 · Expand the Use of Circular Resources Promote the recovery and commercialization of by-products and diversify their end uses
<u>Embedding Safety and Health</u>	· Achieve Zero Serious Accidents at All Sites Conduct regular risk assessments at sites, address identified risk factors, and operate a real-time occupational safety and health monitoring system · Promote Worker Safety and Health Support efforts to strengthen safety management capabilities, promote worker-participation-based safety culture initiatives, and operate employee health promotion programs
<u>Evaluate and Mitigate Supply</u>	· Strengthen Supply Chain ESG Assessments Complete written ESG assessments for 100% of suppliers by 2028 · Expand the Scope of Supply Chain Risk Management Extend risk management to Tier 2 suppliers and establish a foundation for Scope 3 carbon management by 2030 · Promote ESG Participation across the Supply Chain Provide procurement incentives linked to supply chain ESG performance by 2030
<u>New Value with Transparency</u>	· Advance the Ethics and Compliance Framework Maintain the global compliance management system and establish tailored compliance processes · Foster a Voluntary Ethics and Compliance Culture Run campaigns to reinforce ethics and compliance awareness among employees, and identify and reward exemplary practices · Strengthen Risk Prevention and Monitoring Establish an ongoing risk monitoring system and operate a whistleblowing hotline

Stakeholder Engagement

Stakeholder Engagement Approach

SeAH Besteel Holdings operates a range of communication channels to systematically identify the expectations and needs of its key stakeholders and reflect them in management decision-making. Through engagement activities tailored to the characteristics of each stakeholder group—including customers, employees, suppliers, government and local communities, and shareholders and investors—the Company gathers feedback and integrates it across its ESG strategy and practices, thereby supporting sustainable value creation and building mutual trust.



Double Materiality Assessment

Double Materiality Assessment Process

SeAH Besteel Holdings conducted a double materiality assessment from two perspectives—impact materiality and financial materiality—based on EFRAG’s Materiality Assessment Implementation Guidance (IG 1), the GRI Standards, and ESRS guidance on double materiality. To enhance the robustness of the assessment, the Company combined an evidence-based assessment using ESG disclosure and assessment frameworks and initiatives, including SASB, MSCI, DJSI, and ResponsibleSteel, with an engagement-based assessment involving internal and external stakeholders. The process was conducted in four steps: sustainability context analysis, issue pool development, materiality assessment, and finalization of results.

STEP 1

Sustainability Context Analysis

To identify its material topics for FY2025, SeAH Besteel Holdings analyzed internal and external sustainability context information, including the Company’s business activities, business relationships, and stakeholder groups.

Category	Description	Analysis Inputs
Internal Analysis	Identifies sustainability issues arising within SeAH Besteel Holdings’ operational boundaries	Chairman’s New Year message; 2026 management strategy; major business activities and value chain (holding company operations and management functions, special steel materials production, and aerospace and defense materials production); FY2024 material topics, etc.
External Analysis	Identifies trends in sustainability issues arising in the external environment that the Company cannot directly control	Media research; ESG disclosure, assessment, and initiative guidelines (SASB, MSCI, DJSI, ResponsibleSteel); material topics of domestic and international steel peer groups; legal and regulatory environment; industry trends, etc.

STEP 2

Issue Pool Development

Based on the results of the sustainability context analysis, SeAH Besteel Holdings compiled a long list of impacts, risks, and opportunities (IROs) identified across its entire value chain—upstream, own operations, and downstream. After refining the scope of the issues and undergoing review by the internal functions responsible for ESG, the Company finalized a short list of 13 issues.

STEP 3

Materiality Assessment

The final short list of 13 issues was quantitatively assessed from both impact materiality and financial materiality perspectives. The final scores were derived by combining an evidence-based assessment grounded in sustainability context information with an engagement-based assessment based on surveys of internal and external stakeholders.

Category	Description	Analysis Inputs
Evidence-based	Assesses environmental and social impacts and financial impacts based on sustainability context information	· ESG disclosure, assessment, and initiative guidelines, including SASB, MSCI, DJSI, and ResponsibleSteel
Engagement-based	Assesses materiality based on surveys of internal and external stakeholders	· Period: March 6–13, 2026 (approximately one week) · Respondents: approximately 110 internal and external stakeholders (employees of the holding company and affiliates, management, suppliers, external experts, etc.) · Assessment criteria: issue characteristics, magnitude of impact, and likelihood of occurrence

STEP 4

Finalization of Results

SeAH Besteel Holdings completed the double materiality assessment by integrating the results from the impact materiality and financial materiality perspectives. Applying the same threshold as the previous year—the top five issues—the Company identified its final FY2025 material topics. The selected material topics were finalized through reporting to and approval by the Board.

Double Materiality Assessment

Double Materiality Assessment Results

Based on EFRAG guidance, SeAH Besteel Holdings conducted a double materiality assessment and analyzed 13 issues from both impact materiality and financial materiality perspectives. As a result, the Company identified five topics—Climate and Energy, Occupational Safety and Health, Supply Chain, Resource Circularity, and Compliance—as its key material topics for FY2025.

Environmental

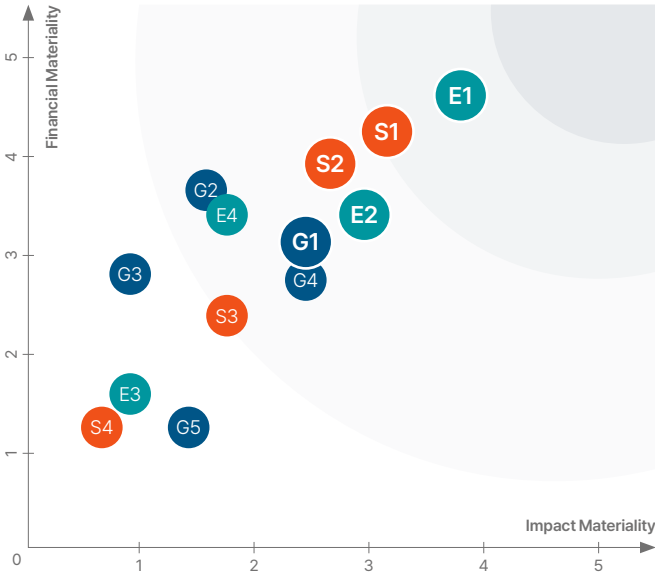
- E1** Climate and Energy 1
Climate change response and GHG emissions reduction
- E2** Resource Circularity 4
By-product recycling and waste management
- E3** Biodiversity
Protection of ecosystems near sites
- E4** Environmental Stewardship
Environmental regulatory compliance and pollution control

Social

- S1** Occupational Safety and Health 2
Prevention of occupational accidents and protection of workers' health
- S2** Supply Chain 3
Supplier ESG management and Shared Growth
- S3** Human Resources
Talent acquisition and development, and the working environment
- S4** Human Rights
Respect for human rights, diversity, and inclusion

Governance

- G1** Compliance 5
Ethics, compliance, and fair trade
- G2** Economic Performance
Business performance and sustainable growth
- G3** Shareholders/Investors
Shareholder returns and investor engagement
- G4** Risk Management
Integrated risk management framework
- G5** Information Security
Information security and cybersecurity



Degree of Impact: ●●● High ●●○ Medium ●○○ Low

Issue	Previous Year's Ranking	Category	Impact Materiality	Financial Materiality	Key Social and Environmental Impacts	Key Financial Impacts	Risk/ Opportunity	Time Horizon	GRI Topic	Report Location
1 Climate and Energy	1	Environmental	●●●	●●●	As climate change accelerates, the frequency of extreme weather events such as heat waves and floods increases, while damage to local ecosystems intensifies.	Stronger global carbon regulations, including CBAM, may raise export costs, reduce key customer business, and increase emissions allowance and penalty costs.	Risk	Short-, medium-, and long-term	302, 305	Go Carbon Neutral Page. 019
2 Occupational Safety and Health	3	Social	●●○	●●○	Due to high-temperature work and heavy equipment use, steelmaking carries a high risk of serious accidents and occupational illnesses, directly affecting workers' lives and health.	A serious accident may shut down plants, disrupt production, and cause financial losses, compensation costs, and fines.	Risk	Short-term	403	Embedding Safety and Health Page. 041
3 Supply Chain	4	Social	●●○	●●○	Child labor, human rights violations, or pollution in raw material mining and processing may intensify social criticism and undermine industry-wide sustainability.	Failure to manage supply chain ESG issues may create revenue risks, including reduced business or contract termination by global customers.	Risk	Medium- and long-term	308, 414	Evaluate and Mitigate Supply Chain Risks Page. 051
4 Resource Circularity	2	Environmental	●●○	●○○	Increased landfilling and incineration of steelmaking by-products and scrap waste can exacerbate soil and water pollution and accelerate the depletion of natural resources.	Rising by-product treatment and waste charges may raise production costs, while limited recycled raw materials may increase procurement costs.	Risk	Short-term	306	Recycle and Reuse Resources Page. 036
5 Compliance	5	Governance	●○○	●○○	Establishing fair trade practices and transparent decision-making can strengthen stakeholder trust and improve stakeholder engagement.	Securing trust from key customers and investors may create new business opportunities and strengthen financial resilience through better financing terms.	Opportunity	Medium- and long-term	205, 206	New Value with Transparency Page. 060

MATERIAL TOPICS

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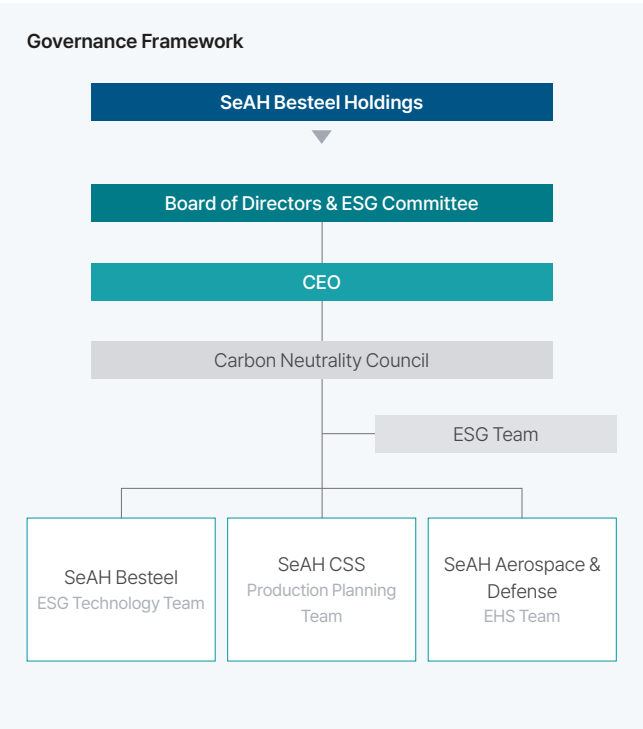
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New Value with Transparency	060

Go Carbon Neutral

Governance

Carbon Neutrality Implementation Framework

SeAH Besteel Holdings has established an enterprise-wide carbon neutrality implementation framework to embed climate action into its business operations. The Company currently operates a governance framework centered on the ESG Committee under the Board and the Carbon Neutrality Council, with close links to the working-level functions of its affiliates.



ESG Committee

The ESG Committee reviews and approves key environmental, social, and governance matters under the authority delegated by the Board. In line with the Paris Agreement and the 2050 carbon neutrality target, SeAH Besteel Holdings establishes enterprise-wide climate strategies and closely monitors implementation progress. Senior management participates in the ESG Committee and exercises ultimate decision-making authority over enterprise-wide climate action, while a joint C-level accountability framework across the holding company and its affiliates strengthens strategic execution on climate issues.

ESG Team

The ESG Team oversees the development of Group-wide sustainability strategies and guidelines, and identifies and assesses climate-related risks and opportunities at each affiliate to analyze their financial impacts. The Team also consolidates progress on climate-related initiatives across affiliates and reports regularly to the ESG Committee, supporting close coordination between Group-wide climate risk management and strategy implementation.

Carbon Neutrality Working-Level Functions

The ESG working-level functions at each affiliate serve as implementation bodies that carry out climate strategies at the site level and review performance, with the Carbon Neutrality Council serving as the central coordinating body. SeAH Besteel's ESG Technology Team, SeAH CSS's Production Planning Team, and SeAH Aerospace & Defense's EHS Team lead the implementation of GHG reduction activities and climate-related initiatives at their respective sites.

ESG Committee Activities

Date	Key Agenda Items
Feb. 11, 2025	· Setting the annual operating limit for donations · Report on the 2025 ESG action plan · Report on PCF project results · Report on plans for publication of the 2025 Sustainability Report and results of the double materiality assessment
May 29, 2025	· Report on completion of GHG emissions verification for SeAH Besteel and SeAH CSS · Impact analysis of changes under Phase 4 of the emissions trading scheme · Report on the project to establish a joint ESG assessment and certification framework for the steel industry
Aug. 12, 2025	· Report on the new administration's ESG policy direction and response plan · Report on the Carbon Neutrality Roadmap strategy of SeAH Besteel and SeAH CSS · Report on supply chain carbon neutrality strategy and future plans
Nov. 21, 2025	· Report on scenarios for raising the reduction targets in the Carbon Neutrality Roadmap · Report on strengthening the resource circularity framework, including Zero Waste to Landfill (ZWTL) certification · Report on the results and details of the 2025 KCGS assessment

Go Carbon Neutral

Governance

Carbon Neutrality Implementation Framework

Carbon Neutrality Council

The Carbon Neutrality Council is a consultative body established to advance a Group-wide climate strategy at the SeAH Group level. SeAH Group is expanding the scope of participating affiliates, and SeAH Besteel Holdings and its key affiliates—SeAH Besteel, SeAH CSS, and SeAH Aerospace & Defense—also participate in the Council. The Council is chaired by C-level executives of the holding company and affiliates and develops actionable climate strategies, including discussing decarbonization issues and strategic direction and managing GHG reduction targets. The Council meets quarterly, with affiliates relevant to the key agenda items selected to attend each meeting.

Linking Executive Compensation to Climate-Related Performance

To motivate leadership-level performance in advancing the carbon neutrality strategy and strengthen accountability, SeAH Besteel Holdings has incorporated carbon neutrality-related metrics into the KPIs of affiliate executives and continues to update them in consideration of environmental and financial impacts. SeAH Besteel and SeAH CSS increased the points allocated to climate change-related items in the CEO KPIs from 5 points in 2025 to 7 points in 2026, and clarified the evaluation focus by emphasizing achievement of GHG reduction targets, calculation of Scope 3 emissions, and third-party verification. Meanwhile, SeAH Aerospace & Defense introduced carbon neutrality as a new KPI assessment item in 2026, with key assessment criteria including the establishment of site-level carbon emissions calculation criteria, calculation of total site GHG emissions, and third-party verification. SeAH Besteel Holdings will continue to emphasize the importance of carbon neutrality across the Group and refine the evaluation items on an ongoing basis to support more effective implementation.

Reflecting Carbon Neutrality Performance in CEO KPIs by Affiliate

Affiliate	SeAH Besteel/SeAH CSS ²⁾	SeAH Aerospace & Defense
2025		
Points ¹⁾	5.0 points	-
Key 2025 Evaluation Metrics	· Revision and disclosure of the Carbon Neutrality Roadmap · Emissions intensity-based reductions · Establishment of a low-carbon product management framework/standards, etc. · Scope 3 disclosure · Establishment of a low-carbon purchasing policy, etc. (None)	
2026		
Points ¹⁾	7.0 points (increased)	2.5 points (new)
Key 2026 Evaluation Metrics	· Management of GHG reduction targets · Calculation of Scope 3 emissions (nine categories) and third-party verification · Calculation and third-party verification of total GHG emissions from the site (including establishment of emissions calculation criteria)	

1) Points allocated to carbon neutrality-related indicators out of the 100-point CEO performance evaluation.
2) For SeAH Besteel and SeAH CSS, the KPI evaluation items are the same, although some detailed evaluation criteria differ.

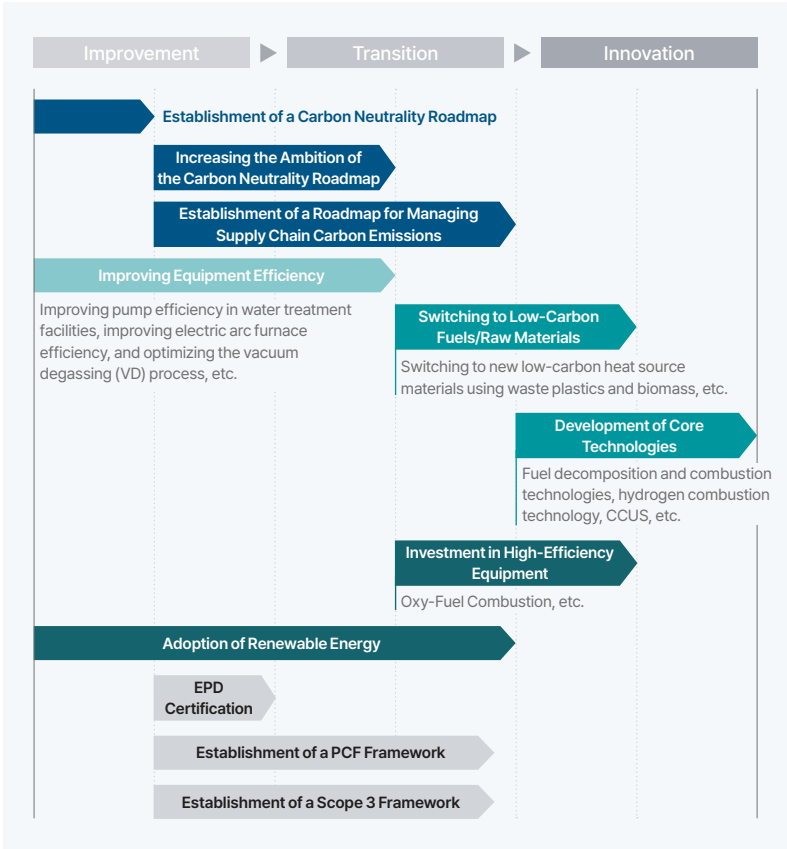
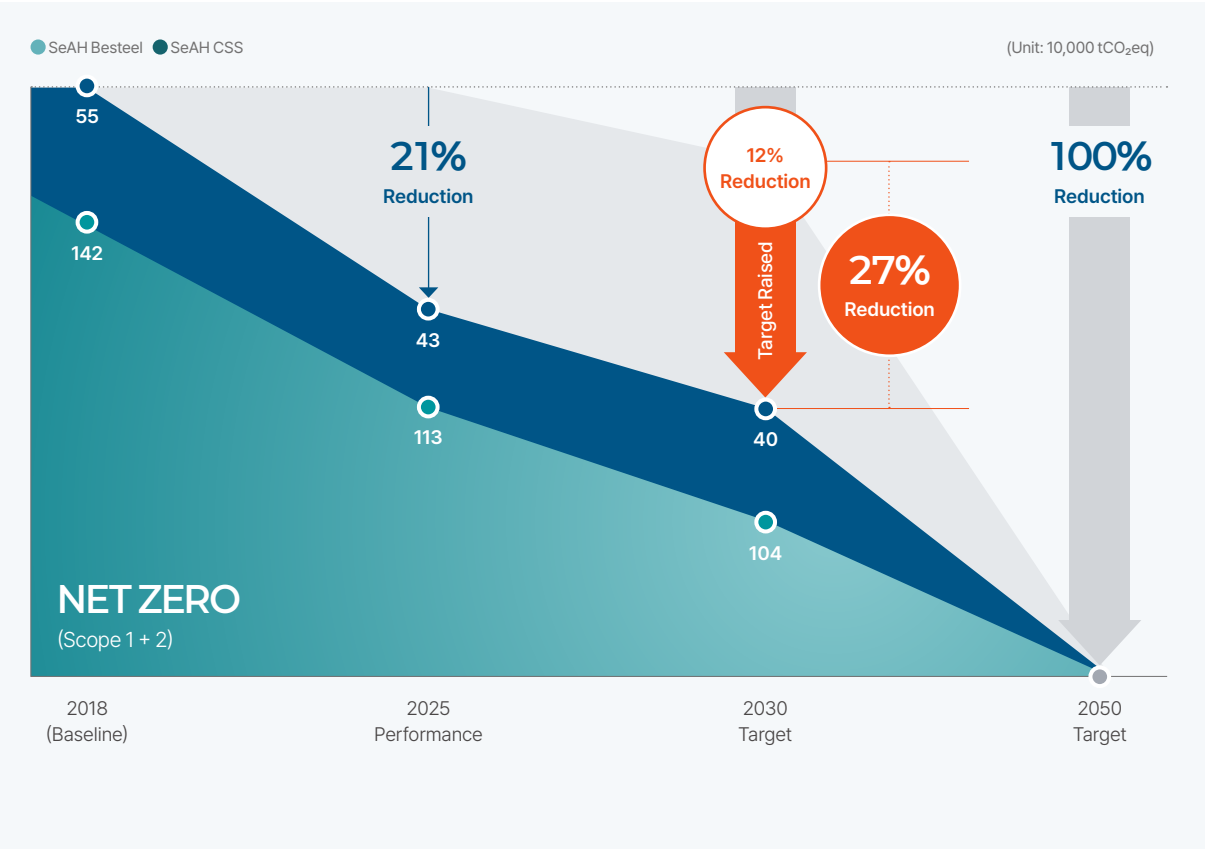
Go Carbon Neutral

Strategy

Carbon Neutrality Roadmap

SeAH Besteel Holdings has set a target to achieve net zero by 2050 in alignment with the Paris Agreement and Korea's Nationally Determined Contribution (NDC), and has established and is implementing a medium- to long-term roadmap to achieve this target. Recently, SeAH Besteel Holdings raised its existing medium-term target to a 27% reduction by 2030 compared with the 2018 baseline and revised affiliate-specific reduction targets to align their efforts with the revised target. Going forward, SeAH Besteel Holdings plans to set a revised 2040 emissions reduction target based on Korea's 2035 NDC target and medium- to long-term scenarios, and to disclose the revised target following approval by the ESG Committee.

2050 Carbon Neutrality Roadmap



Go Carbon Neutral

Strategy

Green Eco-System

To support the effective implementation of its Carbon Neutrality Roadmap, SeAH Besteel Holdings has established and operates the Green Eco-System, an integrated carbon reduction framework spanning the entire value chain. The Green Eco-System is designed around three interconnected pillars: Green Process, which drives process decarbonization; Green Product, which develops low-carbon products and supplies materials for the clean energy sector; and Green Recycle, which recovers by-products and steel scrap as resources.

Green Process

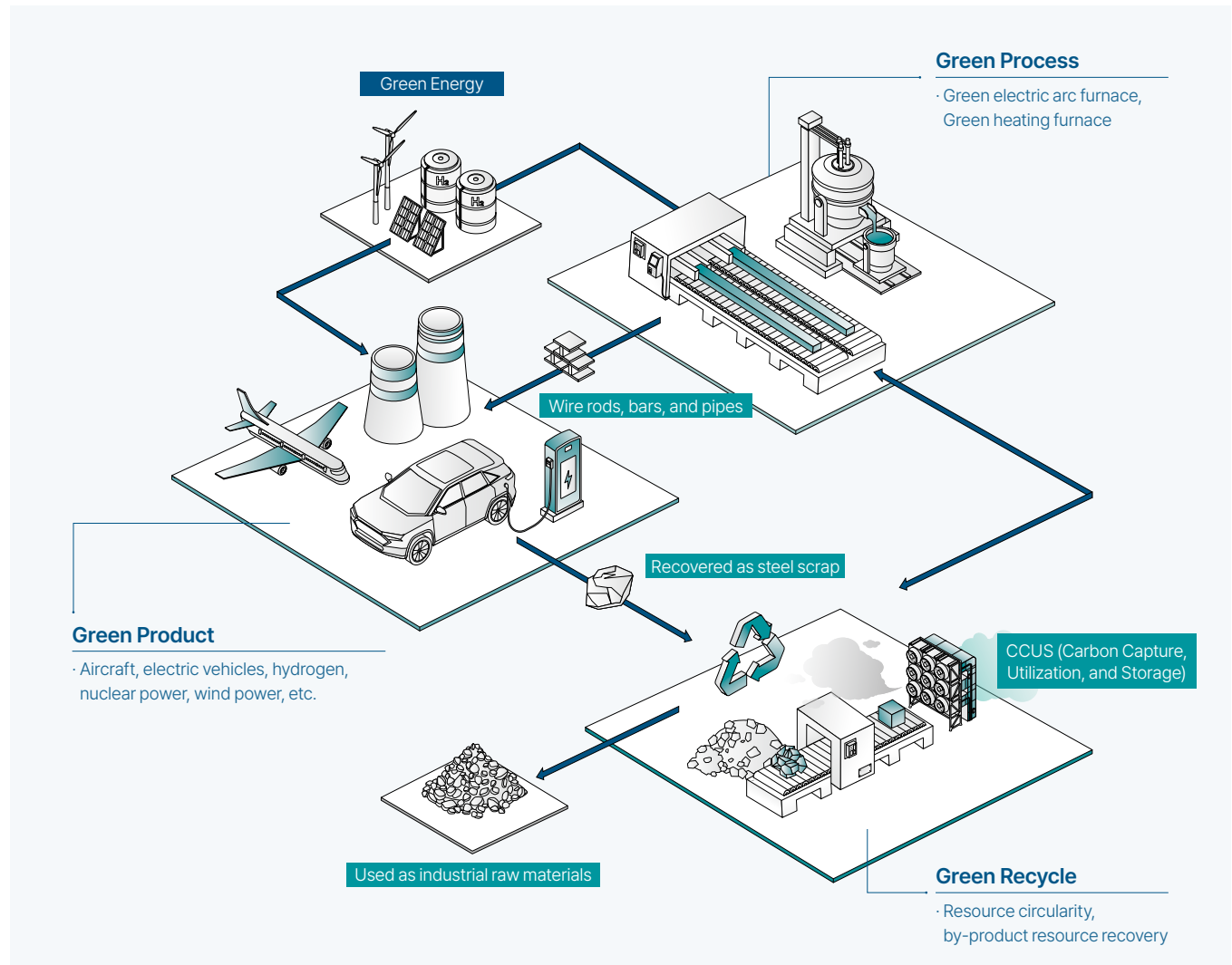
Reduces Scope 1 and 2 GHG emissions through phased process innovation, from improving energy efficiency and transitioning to low-carbon fuels to adopting innovative technologies such as hydrogen combustion and CCUS.

Green Product

Develops and supplies specialized steel materials for the clean energy sector that are essential for achieving carbon neutrality, and strengthens the competitiveness of Green Steel production by securing renewable energy and introducing low-carbon production processes.

Green Recycle

Maximizes resource efficiency and minimizes waste generation by recovering by-products generated in production processes and post-use steel scrap as raw materials.



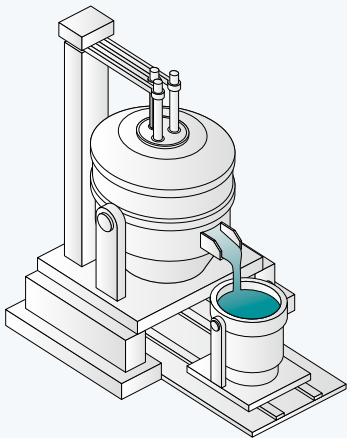
Go Carbon Neutral

Strategy

Green Process

The Green Electric Arc Furnace initiative in the steelmaking process is built around three pillars: low-carbon heat source materials raw material diversification, and smart control.

Steelmaking



Green Electric Arc Furnace



Low-Carbon Heat Source Materials

SeAH Besteel is accelerating the transition to lower-emission recarburizers, which, after electricity, account for a significant share of GHG emissions in the steelmaking process. To this end, the Company is closely reviewing the feasibility of applying industrial waste-based recarburizers and biomass-based lower-emission recarburizers that can replace existing materials. Going forward, it plans to gradually expand the input of raw biomass and molded carbon, thereby achieving both direct GHG emissions reductions and resource circularity through waste recycling. In addition, SeAH Besteel achieved measurable Scope 1 emissions reductions by having the natural rubber content (50%) of rubber used as a recarburizer in the steelmaking process recognized as biomass. Building on this, the Company advanced its GHG calculation methodology from Tier 2 to Tier 3 and plans to expand this framework across all carbon material types.

Raw Material Diversification

SeAH CSS continues to advance raw material diversification technologies aimed at reducing ferroalloy use and increasing scrap utilization. By applying SA-AOD (SeAH Advanced Argon Oxygen Decarburization), a process technology that simultaneously injects argon and oxygen, SeAH CSS is increasing the scrap charge ratio and improving the ferroalloy recovery rate, while shortening refining time to improve energy efficiency and reduce GHG emissions.

Smart Control

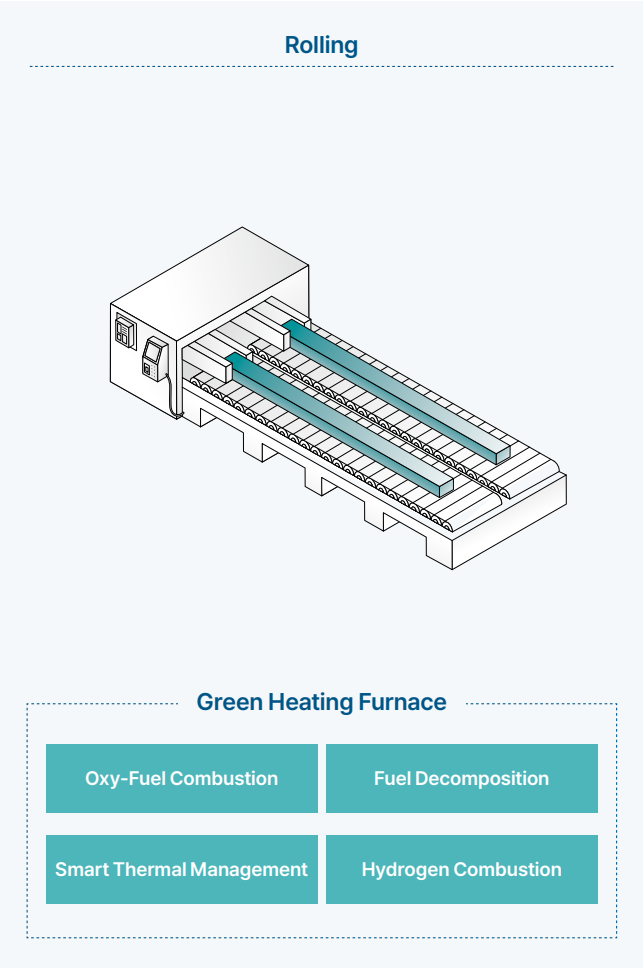
As electric arc furnace steelmaking becomes increasingly important, SeAH Besteel is pursuing data-driven, high-efficiency operation of electric arc furnaces. In particular, the Company is strengthening manufacturing competitiveness by gradually developing technologies that reduce electricity intensity by maximizing chemical energy efficiency and minimizing electricity consumption. In 2025, it completed the first phase of hardware infrastructure, including sensor installation, stabilization, and data capture, and plans to achieve a 3% reduction in electricity intensity by 2027. This enabled the Company to establish a data-driven electricity reduction framework and lay the foundation for achieving its final target. It is currently using AI to analyze operational efficiency based on the data collected and plans to further advance data-driven operational efficiency through the preliminary design of an integrated electric arc furnace control system. SeAH CSS aims to reduce GHG emissions by approximately 8,400 tCO₂eq per year by introducing Q-One, an IGBT (insulated-gate bipolar transistor)-based digital control technology for precision control of electric arc furnace power.

Go Carbon Neutral

Strategy

Green Process

The Green Heating Furnace initiative in the rolling process is designed around four key areas: oxy-fuel combustion, smart thermal management, fuel decomposition, and hydrogen combustion.



Oxy-Fuel Combustion

SeAH CSS is working to reduce GHG emissions by approximately 4,200 tCO₂eq per year by introducing oxy-fuel combustion technology in the heavy rolling process. Since 2025, as part of its efforts to install a pilot heating furnace and commercialize the technology, SeAH CSS has continued technical collaboration with industrial burner specialists and research institutes to maximize combustion efficiency and reduce nitrogen oxides (NOx).

Smart Thermal Management

In 2025, SeAH Besteel applied a technology for precisely controlling temperature deviations across heating furnace zones to the No. 2 heating furnace at the Gunsan Plant, and plans to expand the technology to the No. 1 heavy rolling heating furnace in 2026 after verifying its effectiveness. SeAH CSS is broadly implementing process-specific improvement activities. Through its heavy rolling heating furnace efficiency project, SeAH CSS expects to reduce GHG emissions by approximately 8,300 tCO₂eq per year. At its forging plant, it improved carbon intensity by 2.3% year on year by improving furnace heating methods and raw material charging methods. It also aims to reduce GHG emissions by approximately 7,400 tCO₂eq per year through improvements to the small rolling heating furnace. SeAH Aerospace & Defense operates a high-precision temperature management system by applying sensor-based automatic temperature control that complies with international standards to its aluminum heat treatment process.

Fuel Decomposition

SeAH Besteel Holdings’ affiliates are developing a process that decomposes fossil fuels into hydrogen for use as fuel, rather than directly combusting fossil fuels. The technology is expected to use the clean hydrogen generated through the decomposition process as fuel for heating furnaces, while enabling the solid carbon by-product to be fully recycled as a recarburizer raw material in the steelmaking process. This is expected to reduce carbon dioxide emissions and deliver environmental improvements by bringing NOx emissions close to zero. If commercialized, this technology will serve as a key driver of substantive progress toward carbon neutrality by fundamentally preventing carbon emissions from the production process.

Hydrogen Combustion

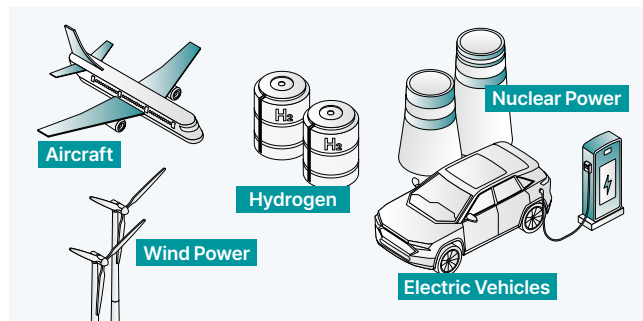
SeAH Besteel Holdings’ affiliates are developing technologies to replace heating furnace fuel with hydrogen and support carbon-free furnace operation. This technology, which is expected to be commercialized in line with the stable development of domestic and global hydrogen fuel value chains, uses hydrogen directly as fuel in heating furnaces instead of fossil fuels, producing only water vapor after combustion. This can eliminate air pollutants and carbon dioxide emissions generated by existing production processes at the source. SeAH CSS is currently conducting research on hydrogen-based combustion technology to replace natural gas (LNG) fuel with hydrogen, and plans to expand this work into government-sponsored projects and industry-academia joint research.

Go Carbon Neutral

Strategy

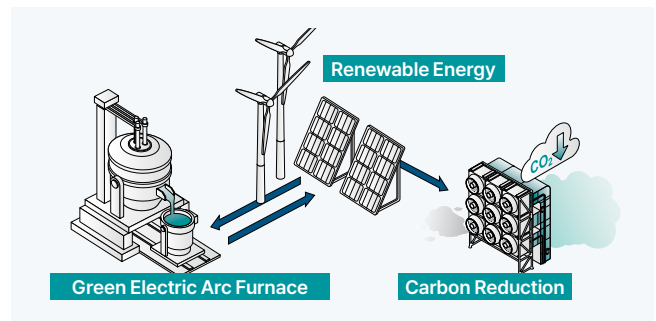
Green Product

SeAH Besteel Holdings is pursuing its Green Product strategy by developing and supplying specialized steel materials for the clean energy value chain and strengthening the foundation for low-carbon processes through the procurement of renewable energy, thereby contributing to reductions in direct and indirect GHG emissions.



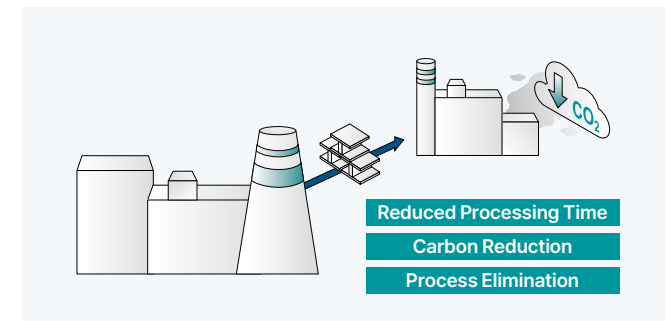
Development of Key Materials to Support the Hydrogen Economy

SeAH Besteel has a portfolio of key materials spanning the entire hydrogen value chain, from production to use. In particular, its large-capacity 500 kg-class hydrogen storage alloy production technology, secured for the first time in Korea, enables highly efficient hydrogen storage and compression. This is an innovative solution that significantly reduces energy consumption and maintenance costs compared with conventional mechanical compression methods. SeAH Besteel also developed Korea's first steel material for high-pressure hydrogen pipelines, laying the foundation for improving transport efficiency more than fivefold compared with existing low-pressure pipelines, and is contributing to greater domestic supply chain self-sufficiency by localizing materials for high-pressure hydrogen vessels. In addition, the Company is conducting research with Seoul National University of Science and Technology on the evaluation of hydrogen embrittlement in hydrogen storage vessels, with the aim of expanding non-mechanical hydrogen refueling infrastructure.



Introduction of Low-Carbon Processes

SeAH Besteel Holdings' affiliates are working to apply low-carbon processes by using more environmentally sustainable energy sources in production. To this end, they are working to secure renewable energy through methods that can provide a stable long-term energy supply. Specifically, building on its 2024 efforts, SeAH Besteel secured an additional 29 MW of renewable energy in 2025 through a direct power purchase agreement (PPA) and is applying it to its product manufacturing processes. These efforts contribute to measurable reductions in carbon emissions while gradually increasing the share of renewable energy, thereby strengthening the foundation for a low-carbon production framework. In addition, the affiliates are steadily reducing carbon intensity by continuing to advance processes based on electric arc furnaces, which emit less carbon than blast furnaces. This is linked to the Green Process strategy and supports further advancement of the low-carbon production framework.



Supplying Products that Help Customers Eliminate or Shorten Processes

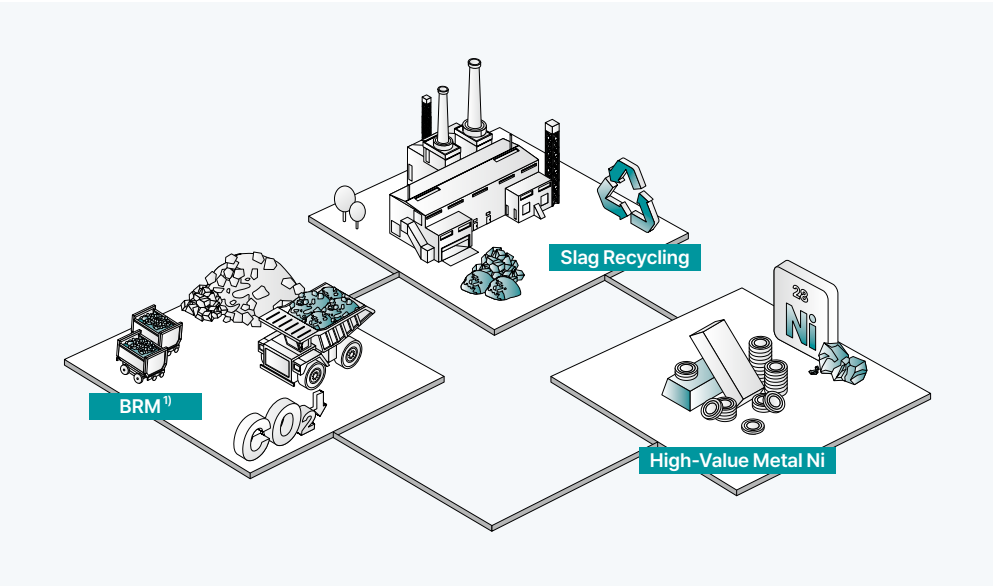
SeAH Besteel is contributing to reductions in Scope 3 GHG emissions through products that enable customers to eliminate or shorten their processes. The Company developed steel for automotive steering systems (OTR) based on non-quenched-and-tempered steel that allows heat treatment to be omitted and has entered the pre-mass-production stage, while continuing to develop related products (ITR). In addition, together with the Korea Institute of Materials Science, it is developing steel that can be heat-treated in a short time under high-temperature conditions. The technology can shorten the existing heat treatment process, which required more than 10 hours at 800–900°C, to approximately 1–2 hours at more than 1,000°C, and is expected to improve process efficiency and save energy when commercialized. The Company has also developed high-cleanliness, high-strength special steel applicable to key components in electric vehicle drivetrains, with some steel grades entering mass-production application, thereby contributing to reductions in GHG emissions during the vehicle-use phase.

Go Carbon Neutral

Strategy

Green Recycle

SeAH Besteel Holdings and its affiliates are pursuing a Green Recycle strategy by establishing a closed-loop resource circularity framework in which the products they produce and supply are recovered after use as steel scrap and reintroduced into the raw material process, and by recovering by-products generated during production, such as slag, as industrial raw materials. By expanding the circular use of resources and minimizing waste generation, the strategy supports the implementation of carbon neutrality across the value chain in connection with Green Process and Green Product. Detailed activities and performance under Green Recycle are covered in the Recycle and Reuse Resources section.



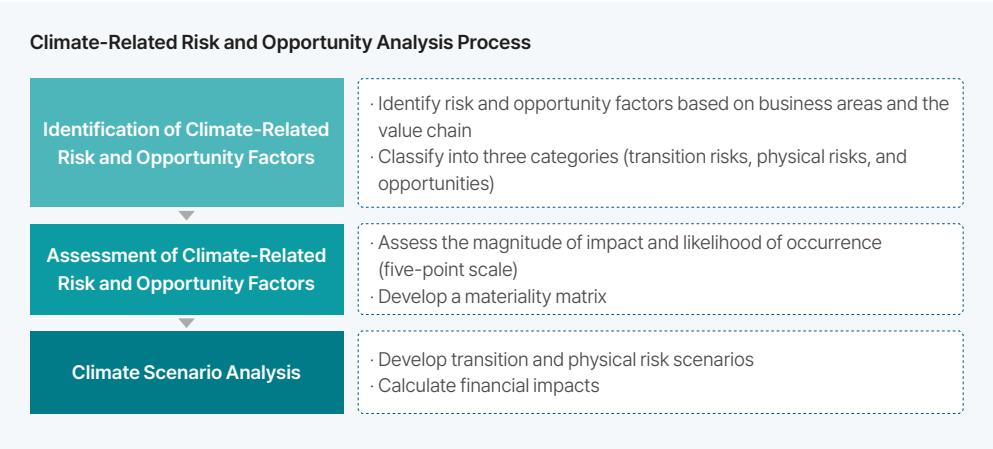
1) BRM (Briquette for Reduced Metal): a briquette-shaped scrap substitute made by mixing reducing agents such as carbon, aluminum, and silicon, which can be charged into electric arc furnaces.

Risk Management

Climate-Related Risk and Opportunity Analysis

Based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), SeAH Besteel Holdings is establishing a risk and opportunity analysis framework to manage the impacts of climate change on its business operations and financial performance. Considering financial and operational impacts and exposure to climate-related risks in an integrated manner, the Company selected its key sites—SeAH Besteel’s Gunsan Plant, SeAH CSS’s Changwon Plant, and SeAH Aerospace & Defense’s Changwon Plant—as the analysis targets.

This analysis framework is structured into three interconnected stages: identification, assessment, and scenario analysis. First, in the identification stage, climate-related factors across the business are identified from transition and physical risk perspectives. In the assessment stage, the magnitude of impact and likelihood of occurrence of each factor are evaluated in detail. In particular, likelihood is assessed objectively based on the expected timing of transition factors and the frequency of physical risks. Finally, in the scenario analysis stage, the most appropriate scenarios are selected based on the assessment data, and the financial impacts are calculated.



Identification of Climate-Related Risk and Opportunity Factors

Category		Risks and Opportunities	Impacts of Risks and Opportunities on the Business	Response Measures
Transition Risk	Policy and Legal	T1 Tightening of the GHG Emissions Trading Scheme	· Increased emissions allowance purchase costs and operating costs due to adjustments to the free allocation ratio under the allocation plan for Phase 4 of the Korea Emissions Trading Scheme (K-ETS)	· Invest in internal process improvements and facility upgrades, and install high-efficiency, low-emission electric arc furnaces and steelmaking equipment
		T2 Implementation of Carbon Border Adjustment Mechanisms (including the EU CBAM)	· Increased costs due to tighter domestic and international carbon regulations · Higher tariffs on European exports under the EU CBAM and penalties for non-compliance	· Establish and verify a CBAM emissions calculation process
		T3 Life Cycle Assessment (LCA) Requirements	· Higher investment costs for systems to measure and manage product-level carbon emissions by steel grade, including EPD certification	· Establish a system to measure and manage carbon emissions data by steel grade and develop LCA specialists
		T4 Upward Pressure on Electricity Prices	· Increased operating costs due to higher electricity prices, purchases of Renewable Energy Certificates (RECs), and entry into Power Purchase Agreements (PPAs) to implement RE100	· Enter into long-term Power Purchase Agreements (PPAs), among other measures
		T5 Mandatory Climate Disclosure and Expansion of Covered Entities	· Need to disclose climate data on a consolidated basis in accordance with mandatory climate disclosure requirements and the implementation roadmap based on the Korea Sustainability Disclosure Standards issued by the Korea Sustainability Standards Board (KSSB), with a potential loss of stakeholder trust if disclosures are inadequate	· Establish internal accounting control processes to ensure the reliability of disclosed data and a consolidated GHG inventory system covering Scopes 1, 2, and 3
	Technology	T6 Investment in Carbon Reduction Technologies and Associated Uncertainty	· Increased investment costs and financing constraints due to growing uncertainty surrounding emerging carbon neutrality technologies such as carbon capture, utilization, and storage (CCUS) and hydrogen fuel cells	· Monitor domestic and international precedents for applying carbon reduction technologies, assess technological maturity, and develop implementation plans
		T7 Investment Costs Associated with Transitioning Stranded Assets	· Investment costs incurred to upgrade fossil fuel-based facilities and replace fuel-inefficient vehicles in response to the low-carbon transition	· Develop medium- and long-term plans to replace aging and fossil fuel-based facilities and optimize assets · Establish evaluation criteria that consider assets' carbon emissions in investment decisions
	Market	T8 Demand for Low-Carbon Products	· Intensified competition from low-carbon alternatives due to changing consumer preferences and stronger demand for environmentally sustainable products	· Strengthen competitiveness through the development of low-carbon products
	Reputation	T9 Pressure to Meet Carbon Neutrality Demands	· Exposure to reputational risk from failure to meet demands for carbon neutrality targets and growing concerns among customers and investors	· Implement carbon neutrality roadmap initiatives and build capabilities to address stakeholder requirements
Physical Risk	Acute	P1 Heavy Snowfall/Heavy Rain	· Higher operating costs from production disruptions caused by extreme weather, such as heavy snowfall and heavy rain · Increased facility management and preventive costs to prevent damage	· Strengthen facility inspections and obtain disaster insurance coverage · Strengthen site emergency response manuals and drills
		P2 Wildfires/Fires	· Costs incurred to install and inspect firefighting facilities · Asset damage and recovery-related operating costs in the event of wildfires or fires	
	Chronic	P3 Heat Waves/Cold Waves	· Higher operating costs from reduced summer workdays to prevent heatstroke amid more frequent heat waves · Higher site operating costs, including heating and cooling, to prevent heat- and cold-related illnesses	· Introduce fuel-efficient heating and cooling systems · Expand wastewater recycling facilities
		P4 Water Scarcity/Desertification	· Increased operating costs due to reduced access to water resources in water-stressed regions	
		P5 Water Pollution	· Increased operating costs to treat contaminated water resources before use	
Opportunity	Resource Efficiency	O1 Enhanced Product Competitiveness through Low-Carbon Processes	· Improved cost and product competitiveness through the development of innovative low-carbon technologies and high-efficiency steel production processes	· Develop recycling technologies for consumer waste streams such as waste plastics and biomass · Reduce carbon emissions through oxy-fuel combustion technology · Reduce carbon emissions compared with conventional processes by increasing the proportion of stainless steel scrap used and reducing ferroalloy consumption · Convert waste and by-products into raw materials through a by-product recovery system
		O2 Development of High-Value-Added Products	· Diversification of businesses and expansion of revenue sources through the development of technologies to utilize high-value-added by-products	· Develop recycling technologies for nickel (Ni) by-products from spent EV batteries and by-products containing valuable metals · Expand the range of slag applications by supplying slag as a raw material for cement and obtaining Korea Eco-Label Certification
	Energy Source	O3 Energy Reduction Initiatives	· Enhanced competitiveness through reductions in carbon emissions driven by proactive energy reduction initiatives	· Establish a pre-reduction system using waste heat from electric arc furnaces in the steelmaking process · Produce low-carbon steel products and obtain low-carbon steel certification by procuring wind and solar power · Improve electricity use efficiency by introducing an energy storage system (ESS)
	Products and Services	O4 Growing Consumer Preference for Environmentally Sustainable Products	· Increased revenue due to growing consumer preference for environmentally sustainable products	· Produce environmentally sustainable products using low-carbon raw materials such as steel scrap, as well as renewable energy
		O5 Expansion into Downstream Markets	· Market expansion and increased demand based on linkages with diverse downstream industries	· Develop products for industries related to automotive, machinery, hydrogen, wind power, and other renewable energy infrastructure
	Markets	O6 Transparency in Information Disclosure	· Reduced investment uncertainty by expanding the scope of information disclosure on a consolidated basis and establishing a transparent disclosure framework	· Gather information by attending disclosure-related briefings and training sessions hosted by government agencies and relevant organizations
	Resilience	O7 Expanded Renewable Energy Procurement	· Mitigation of the risk of abrupt cost fluctuations by procuring renewable electricity through long-term REC purchase agreements and PPAs	· Establish medium- to long-term renewable energy procurement plans and conduct economic feasibility analyses for each contract

Go Carbon Neutral

Risk Management

Climate-Related Risk and Opportunity Analysis

Assessment of Climate-Related Risk and Opportunity Factors

For the 21 identified climate-related risk and opportunity factors, SeAH Besteel Holdings mapped their linkages with the value chain and assessed the magnitude of impact and likelihood of occurrence on a five-point scale. As a result, among transition risks, Tightening of the GHG Emissions Trading Scheme (T1), Life Cycle Assessment (LCA) Requirements (T3), and Demand for Low-Carbon Products (T8) scored high for both magnitude of impact and likelihood of occurrence. Among opportunities, Enhanced Product Competitiveness through Low-Carbon Processes (O1) and Development of High-Value-Added Products (O2) were identified as highly significant factors.

Assessment Items for Climate-Related Risk and Opportunity Factors

Risks and Opportunities		Supply Chain	Own Operations	Customers	Timing of Occurrence
T1	Tightening of the GHG Emissions Trading Scheme		●	●	Medium-term
T2	Implementation of Carbon Border Adjustment Mechanisms (including the EU CBAM)	●	●	●	Short-term
T3	Life Cycle Assessment (LCA) Requirements	●	●	●	Short-term
T4	Upward Pressure on Electricity Prices	●	●		Medium-term
T5	Mandatory Climate Disclosure and Expansion of Covered Entities	●	●		Medium-term
T6	Investment in Carbon Reduction Technologies and Associated Uncertainty	●	●		Long-term
T7	Investment Costs Associated with Transitioning Stranded Assets	●			Long-term
T8	Demand for Low-Carbon Products		●	●	Medium-term
T9	Pressure to Meet Carbon Neutrality Demands	●	●	●	Medium-term
P1	Heavy Snowfall/Heavy Rain	●	●	●	Short-term
P2	Wildfires/Fires	●		●	Short-term
P3	Heat Waves/Cold Waves	●	●		Short-term
P4	Water Scarcity/Desertification	●	●		Medium-term
P5	Water Pollution	●			Medium-term
O1	Enhanced Product Competitiveness through Low-Carbon Processes		●	●	Medium-term
O2	Development of High-Value-Added Products		●	●	Medium-term
O3	Energy Reduction Initiatives	●	●		Short-term
O4	Growing Consumer Preference for Environmentally Sustainable Products		●	●	Medium-term
O5	Expansion into Downstream Markets		●	●	Short-term
O6	Transparency in Information Disclosure	●	●	●	Medium-term
O7	Expanded Renewable Energy Procurement		●		Short-term

Top 5 Assessment Results for Climate-Related Risk and Opportunity Factors

Transition Risk Factors		Opportunity Factors	
T1	Tightening of the GHG Emissions Trading Scheme	O1	Enhanced Product Competitiveness through Low-Carbon Processes
T3	Life Cycle Assessment (LCA) Requirements	O2	Development of High-Value-Added Products
T8	Demand for Low-Carbon Products		

Climate-Related Risk and Opportunity Factors Assessment Results Matrix



Go Carbon Neutral

Risk Management

Climate-Related Risk and Opportunity Analysis

Transition Scenario Analysis

SeAH Besteel Holdings conducted a transition scenario analysis in accordance with the TCFD recommendations to analyze the financial impacts of potential climate-related risks. Based on the net-zero implementation pathway under the 2050 Carbon Neutrality Roadmap, the Company applied three International Energy Agency (IEA) scenarios—the Current Policies Scenario (CPS), the Stated Policies Scenario (STEPS), and the Net Zero Emissions by 2050 Scenario (NZE)—and Korean carbon price assumptions to calculate financial impacts. Financial impacts were calculated by applying scenario-specific carbon prices to annual emissions reductions, thereby comparing the avoidable carbon costs associated with carbon neutrality implementation. The analysis found that the range of financial impacts varied depending on carbon price levels, suggesting that low-carbon transition efforts can translate not only into environmental performance but also into financial value.

Key Assumptions by Scenario and Korea’s Carbon Price Outlook

Scenario	Key Assumptions	Temperature Rise by 2100	Carbon Price (USD/tCO ₂)		
			2030	2040	2050
CPS (Current Policies Scenario)	· The most conservative scenario, reflecting only policies currently in force · Energy efficiency improves at the slowest pace and reliance on fossil fuels persists	+2.9°C or more	13	13	13
STEPS (Stated Policies Scenario)	· Reflects policies currently in force or under development · Carbon pricing remains limited to certain regions, while emissions stabilize and gradually decline by 2030	+2.6°C or more	56	62	75
NZE (Net Zero Emissions by 2050 Scenario)	· Assumes a pathway to achieve net zero in the global energy sector by 2050 · Assumes global carbon emissions follow a net zero pathway and 100% achievement of energy access goals by 2030	Limited to 1.5°C	140	205	250

Calculation of Financial Impact by Scenario

Scenario	Unit	2030 (Medium Term)	Point at Which 50% Reduction Is Achieved ³⁾	2050 (Long Term)
CPS (Current Policies Scenario)	USD million ¹⁾	6.9	12.8	25.6
	KRW billion ²⁾	10.0	18.4	36.9
STEPS (Stated Policies Scenario)	USD million	29.8	61.1	147.8
	KRW billion	42.9	87.9	212.6
NZE (Net Zero Emissions by 2050 Scenario)	USD million	74.5	201.9	492.5
	KRW billion	107.2	290.6	708.7

1) USD formula: Reduction from the baseline year (10,000 tCO₂eq) × carbon price (USD/tCO₂) ÷ 100
2) KRW formula: Reduction from the baseline year (10,000 tCO₂eq) × carbon price (USD/tCO₂) ÷ 100,000 × KRW/USD exchange rate
* Source for KRW/USD exchange rate: 2025 exchange rate from e-Nara Indicators (Jipyo Nuri)
3) Calculated based on SeAH Besteel Holdings' Carbon Neutrality Roadmap. The point at which a 50% reduction is achieved is not a target linked to a specific year; instead, the financial impact is calculated by assuming a situation in which a specific reduction level is reached. The carbon price at this point reflects the 2040 carbon price.

Go Carbon Neutral

Risk Management

Climate-Related Risk and Opportunity Analysis

Physical Scenario Analysis

SeAH Besteel Holdings conducted a physical scenario analysis to quantitatively assess physical risks arising from climate change and systematically identify the impacts of key climate variables on its sites. For the analysis, the Company selected three sites with significant contributions to revenue and production from financial and operational perspectives and included the two locations of these sites within the analysis scope.

Sites Subject to Physical Risk Analysis

SeAH Besteel Gunsan Plant

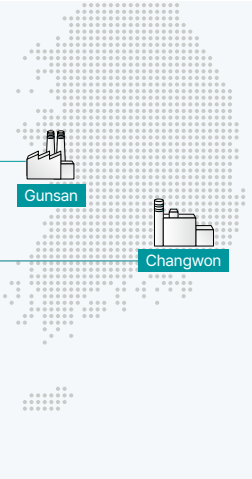
Address: Oehang-ro, Gunsan-si, Jeollabuk-do

SeAH CSS Changwon Plant

Address: Seongsan-gu, Changwon-si, Gyeongsangnam-do

SeAH Aerospace & Defense Changwon Plant

Address: Seongsan-gu, Changwon-si, Gyeongsangnam-do



For the physical risk analysis, the Company applied SSP1-2.6 (Low-Carbon), SSP2-4.5 (Current Policies), and SSP5-8.5 (High-Carbon) among the Shared Socioeconomic Pathway (SSP) scenarios to review future changes in climate variables. It also quantified the financial impacts of climate variables on the sites under each scenario.

Climate Variable Projections by Scenario

Scenario	Key Assumptions	Analysis Year	Climate Variables							
			Heat-Wave Days (days) ¹⁾		99th-Percentile Precipitation Days (days) ²⁾		Heavy Rainfall Days (days) ³⁾		Average Temperature (°C) ⁴⁾	
			Gunsan	Changwon	Gunsan	Changwon	Gunsan	Changwon	Gunsan	Changwon
SSP1-2.6 (Low-Carbon)	· A scenario in which GHG emissions are significantly reduced, reaching carbon neutrality around 2070 · Assumes that advances in renewable energy technologies minimize fossil fuel use and enable environmentally sustainable economic growth	2021-2030	17.8	23.9	1.3	1.4	1.7	2.7	14.2	15.3
		2031-2040	23.8	28.1	1.3	1.5	1.8	2.9	14.6	15.7
		2041-2050	29.1	33.5	1.4	1.4	1.8	2.9	14.7	15.9
SSP2-4.5 (Current Policies)	· A scenario assuming that current levels of climate response efforts continue and socioeconomic development proceeds at a moderate level · Assumes moderate levels of climate change mitigation and socioeconomic development	2021-2030	19.4	25.0	1.0	1.4	1.4	2.8	14.3	15.4
		2031-2040	25.1	31.5	1.4	1.8	1.9	3.4	14.3	15.4
		2041-2050	30.1	38.3	1.3	1.3	2.0	2.7	15.1	16.3
SSP5-8.5 (High-Carbon)	· A business-as-usual scenario that assumes a pathway in which GHG emissions increase substantially due to fossil fuel-centered growth · Assumes high fossil fuel use driven by rapid advances in industrial technology and rapid urban-centered development	2021-2030	21.4	25.8	1.2	1.5	1.7	3.0	14.3	15.5
		2031-2040	23.6	27.5	1.1	1.2	1.6	2.3	14.8	15.9
		2041-2050	40.7	42.7	1.5	1.7	1.9	3.2	15.7	16.8

Definitions of Climate Variables Analyzed

* Climate variable data were extracted by climate variable and scenario for each region based on the Climate Change Scenario Map of the Korea Meteorological Administration (KMA).

1) Heat-wave days: annual number of days with a daily maximum temperature of 33°C or higher

2) 99th-percentile precipitation days: annual number of days on which daily precipitation exceeds the 99th percentile of the reference period (within the top 1%)

3) Heavy rainfall days: annual number of days with daily precipitation of 80 mm or more

4) Average temperature: change in annual average temperature compared with the reference period (1995-2014)

Go Carbon Neutral

Risk Management

Climate-Related Risk and Opportunity Analysis

Financial Analysis of Physical Risks

SeAH Besteel Holdings analyzed financial impacts for the Gunsan and Changwon regions using two physical risk variables: heatwave-related damage and typhoon/heavy rainfall-related damage. To this end, in addition to the projected values of climate variables under each scenario analyzed earlier, the Company established its own assumptions to calculate the financial impacts on its sites. Based on these assumptions, the Company collected and used available internal and external data. The Company also set climate variable values for 2021–2030 as the baseline to compare financial impacts reflecting projected changes in climate variables over time. SeAH Besteel Holdings will continue to strengthen its internal methodology framework to improve related information going forward.

(1) Heatwave-Related Damage¹⁾

Key Assumption

Increase in heat-wave days → operational constraints (lower productivity) → decrease in revenue

Analysis Method

Decrease in revenue (KRW 100 million) = increase in heat-wave days (days) x average daily revenue (KRW) x operational impact coefficient (%)

(Unit: KRW 100 million)

Scenario	Analysis Year	Conservative (25% applied)		Aggressive (50% applied)	
		Gunsan	Changwon	Gunsan	Changwon
SSP1-2.6 (Low-Carbon)	2021-2030	-	-	-	-
	2031-2040	83	44	165	88
	2041-2050	155	101	311	202
SSP2-4.5 (Current Policies)	2021-2030	-	-	-	-
	2031-2040	78	68	157	137
	2041-2050	147	140	294	279
SSP5-8.5 (High-Carbon)	2021-2030	-	-	-	-
	2031-2040	30	18	61	36
	2041-2050	265	177	531	355

1) Climate variables were calculated by comparison with data for 2021–2030. The operational impact coefficient was applied based on evidence from the International Labour Organization that labor productivity declines during heat waves. For ease of calculation, annual revenue for each site was divided by 365 days.

(2) Typhoon/Heavy Rainfall-Related Damage²⁾

Key Assumption

Increase in heavy rainfall days/extreme precipitation → asset losses due to site flooding

Analysis Method

Expected annual damage (KRW 100 million) = increase multiple for 99th-percentile precipitation days (times) x historical damage from typhoons/heavy rainfall (KRW 100 million) x asset value scale adjustment (%)

(Unit: KRW 100 million)

Scenario	Analysis Year	Conservative (50% applied)		Aggressive (100% applied)	
		Gunsan	Changwon	Gunsan	Changwon
SSP1-2.6 (Low-Carbon)	2021-2030	-	-	-	-
	2031-2040	43	36	56	50
	2041-2050	47	33	61	47
SSP2-4.5 (Current Policies)	2021-2030	-	-	-	-
	2031-2040	61	43	61	60
	2041-2050	56	31	56	43
SSP5-8.5 (High-Carbon)	2021-2030	-	-	-	-
	2031-2040	40	27	48	40
	2041-2050	54	38	65	56

2) Climate variables were calculated by comparison with data for 2021–2030, and the projected rate of change in typhoon/heavy rainfall damage was proxied by the rate of change in heavy rainfall days/extreme precipitation. The calculation used publicly disclosed information on damage caused by typhoons/heavy rainfall in the same industry over the past five years. Approximate values were then calculated by reflecting asset value and regional site size.

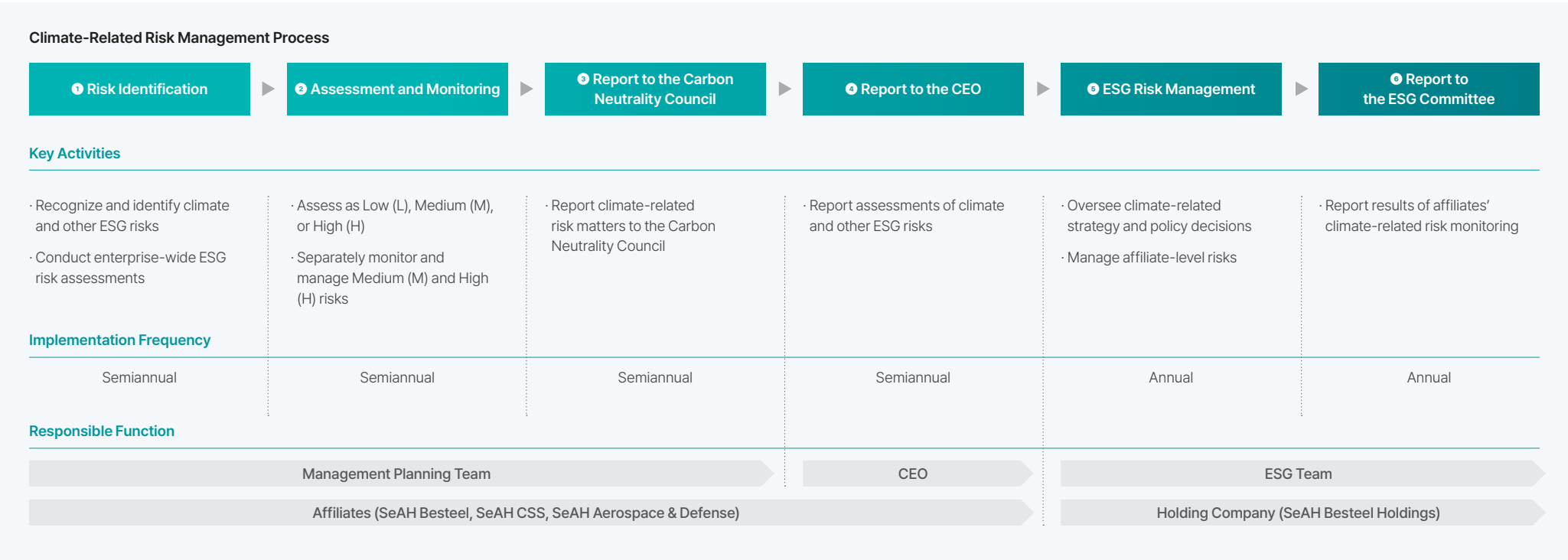
Go Carbon Neutral

Risk Management

Climate-Related Risk Monitoring and Decision-Making

Climate-Related Risk Management Process

Based on the TCFD recommendations, SeAH Besteel Holdings has established a climate-related risk management process and integrated it into the enterprise-wide risk management framework to identify and monitor climate-related risks across its business. The Management Planning Teams of its affiliates identify climate and other ESG risks on a semiannual basis and assess them on a three-level scale of Low, Medium, and High based on likelihood and severity. Risks rated Medium or higher are classified as key climate-related risks and monitored on an ongoing basis. Identified key risks are reported semiannually to the Carbon Neutrality Council and then reflected in management decision-making after being reported to the CEOs of the affiliates. The ESG Team consolidates the status of risk management across affiliates, annually oversees climate-related strategy and policy direction, and reports affiliates' climate-related risk monitoring results to the ESG Committee, thereby linking risk monitoring with Group-wide climate governance.



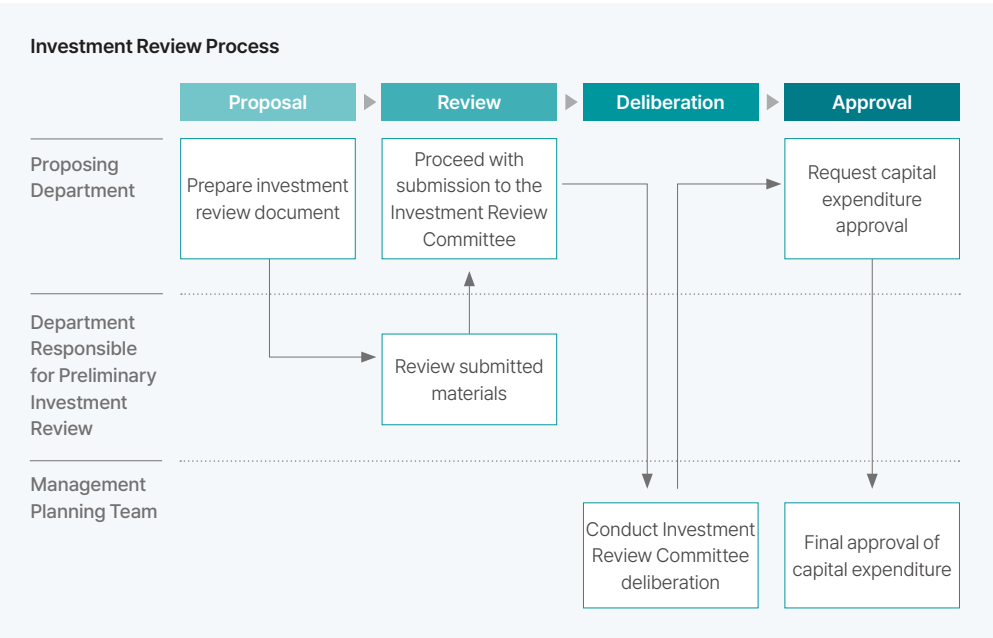
Go Carbon Neutral

Risk Management

Climate-Related Risk Monitoring and Decision-Making

Investment Review Process

SeAH Besteel Holdings operates an investment review process to proactively identify and review climate-related risk and opportunity factors from the earliest stages of business investment. New businesses and facility investments involving capital expenditures go through a four-step process of initiation, review, deliberation, and approval. When the initiating department prepares an investment review document, the department responsible for preliminary investment review analyzes environmental and climate risks both qualitatively and quantitatively. The Investment Review Committee then comprehensively reviews business feasibility and risk issues to support final decision-making. Identified climate risks are used to set response priorities by analyzing their financial impacts by time horizon. Even after an investment is completed, actual ESG impacts are verified quarterly, and progress toward targets is reviewed and reflected in management plans.



Strengthening Climate Change Response Capabilities

Training to Strengthen Climate Change Expertise

SeAH Besteel Holdings systematically provides specialized training to enhance the understanding of climate change issues among the Board, management, and employees and strengthen practical response capabilities. The training covers a broad range of participants, from Independent Directors on the Board to employees responsible for ESG-related duties, and enhances Group-wide implementation capabilities for climate action through practice-oriented specialized training. In addition, SeAH Besteel and SeAH CSS regularly include climate change issues in monthly management reports to executives to support proactive decision-making. In 2025, SeAH Besteel reported on the development of low-carbon raw materials, Scope 3 and PCF (Product Carbon Footprint) calculation frameworks, and the revision of the Carbon Neutrality Roadmap through a total of 10 management reports. SeAH CSS provided phased updates on its response to Phase 4 of the Korea Emissions Trading Scheme (K-ETS), advancement of its PCF and Scope 3 frameworks, carbon target management by plant, and the revision of the Net Zero Roadmap. SeAH Aerospace & Defense provides internal training while also conducting training led by external specialists on the EU Carbon Border Adjustment Mechanism (CBAM).

2025 Training to Strengthen Climate Change Expertise

Affiliate	Training Content	Target Audience	Completed Participants
SeAH Besteel Holdings	Carbon neutrality training for Independent Directors	Independent Directors	4
SeAH Besteel	On-site ESG Specialist Training	Employees responsible for ESG duties	3
SeAH Besteel	Training on preliminary allocation of emissions allowances for Phase 4	Employees responsible for ESG duties	2
SeAH Besteel	Capacity-building training on MRV of GHG reductions in the industrial sector	Employees responsible for ESG duties	1

Case ESG Technical Seminar for Invited Customers

To expand ESG capabilities across the value chain, SeAH Besteel operates a technical seminar for domestic distributors and export trading companies to share updates on its ESG initiatives. In 2025, 37 customer representatives attended a seminar on the theme of “Understanding GHG Concepts and Calculation Methods,” where the Company shared the Group-wide commitment to implementing carbon neutrality.

Go Carbon Neutral

Risk Management

Carbon Emissions Data Management Framework

SeAH Besteel Holdings has established and operates a Product Carbon Footprint (PCF) calculation framework to measure carbon emissions at the product level, as well as a Scope 3 emissions calculation framework to manage emissions across the value chain, in order to proactively respond to tighter global carbon regulations, including the implementation of the EU Carbon Border Adjustment Mechanism (CBAM), and growing customer demand for carbon information.

Advancement of the Scope 3 Emissions Calculation Framework

SeAH Besteel is advancing its calculation methodology to manage Scope 3 emissions more precisely. The Company enhanced data reliability by updating scrap and electricity emission factors based on the latest indicators and is participating as a key partner in the Ministry of Environment’s development of Scope 3 calculation guidelines for the steel sector. This has helped reflect the characteristics of the electric arc furnace process in industry standards, and the Company will continue to manage carbon data transparently and accurately.

Establishment of a Product Carbon Footprint (PCF) Toolkit

After completing conformity verification for its Product Carbon Footprint (PCF) calculation solution, SeAH Besteel has been providing customer-specific carbon data. Through this, the Company strengthened its ability to respond to global environmental regulations, enhanced its credibility as a strategic partner, and helped secure new business opportunities by establishing a professional sales framework based on carbon emissions information. Going forward, the Company plans to continue advancing its data calculation and response system by managing master data for the toolkit and simplifying raw data.

Case Product Carbon Footprint Calculation Solution Obtains ISO 14067 Verification

In February 2025, SeAH Besteel Holdings obtained ISO 14067 verification for its proprietary solution developed to calculate the carbon footprint of all special steel products manufactured by SeAH Besteel and SeAH CSS. As the Company continues to expand supply contracts and cooperation with global component manufacturers in Europe, the Americas, and other regions, this verification confirmed the conformity of carbon footprint calculations using its proprietary solution and recognized the Company’s ability to disclose reliable information to stakeholders.

Metrics and Target

Carbon Neutrality Performance and Targets

Establishment of Internal Carbon Pricing

SeAH Besteel Holdings is pursuing the introduction of an internal carbon pricing (ICP) system to strengthen climate action and the management of financial impacts, and plans to use it as a tool to reflect low-carbon transition factors in investment decision-making. To establish a framework aligned with international disclosure requirements, the Company plans to begin setting an internal carbon price and establishing a framework for reflecting it in investment reviews in 2026, and to gradually expand its application from 2027, centered on SeAH Besteel and SeAH CSS. The internal carbon pricing system will also be used as a basis for incorporating carbon costs upfront in key decision-making processes, including future reviews of new investment feasibility and prioritization of facility investments, thereby enabling the Company to proactively respond to carbon regulatory risks and support the achievement of its net-zero target.

Carbon Neutrality Performance

SeAH Besteel Holdings and its affiliates calculate and manage GHG emissions and energy consumption by year and transparently disclose progress in implementing the 2050 net zero target each year. The calculation of GHG emissions reflects the six major GHGs, including carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride. Going forward, SeAH Besteel Holdings will continue to implement its Carbon Neutrality Roadmap and fulfill its environmental responsibilities across its business, thereby helping create social value.

CDP Climate Change Performance

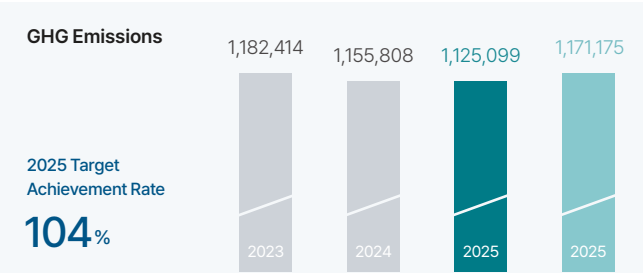
CDP (Carbon Disclosure Project) is a global nonprofit organization that assesses the climate action, GHG emissions management, and environmental transparency of companies and institutions worldwide. SeAH Besteel and SeAH CSS received a B rating in CDP’s Climate Change category, earning strong assessments for both their response framework and level of information disclosure. This reflects recognition of their continued reduction efforts and systematic response despite the carbon-intensive nature of the steel industry.

Go Carbon Neutral

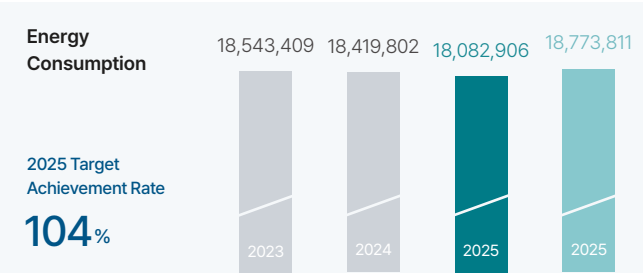
Metrics and Target

Carbon Neutrality Performance and Targets

SeAH Besteel

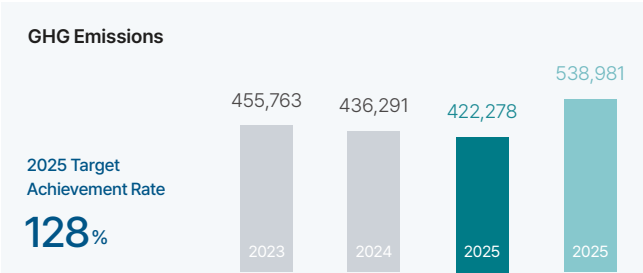


Category	Unit	2023	2024	2025 Performance	2025 Target
Scope 1	tCO ₂ eq	503,697	473,995	455,438	1,171,175
Scope 2	tCO ₂ eq	678,717	681,813	669,661	
Intensity	tCO ₂ eq/tonne	0.68	0.66	0.64	-

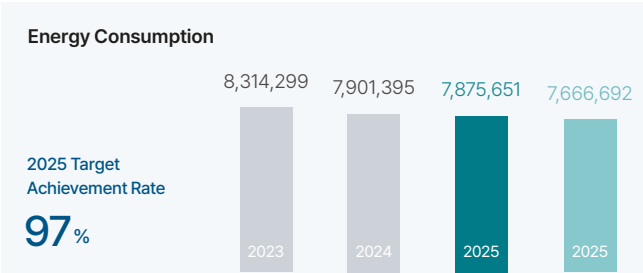


Category	Unit	2023	2024	2025 Performance	2025 Target
Direct Energy	GJ	4,502,538	4,326,222	4,230,116	18,773,811
Indirect Energy	GJ	14,040,871	14,093,580	13,852,790	
Intensity	GJ/tonne	10.66	10.57	10.25	-

SeAH CSS

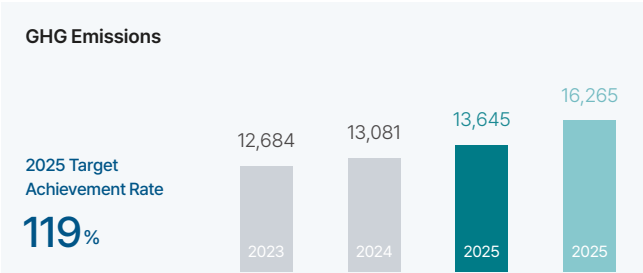


Category	Unit	2023	2024	2025 Performance	2025 Target
Scope 1	tCO ₂ eq	184,404	177,178	163,812	538,981
Scope 2	tCO ₂ eq	271,360	259,116	258,467	
Intensity	tCO ₂ eq/tonne	0.84	0.88	0.90	-

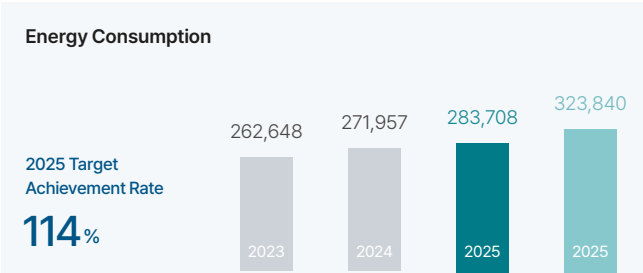


Category	Unit	2023	2024	2025 Performance	2025 Target
Direct Energy	GJ	2,643,877	2,486,993	2,474,815	7,666,692
Indirect Energy	GJ	5,670,422	5,414,402	5,400,836	
Intensity	GJ/tonne	15.31	15.87	16.87	-

SeAH Aerospace & Defense



Category	Unit	2023	2024	2025 Performance	2025 Target
Scope 1	tCO ₂ eq	4,502	4,449	4,637	16,265
Scope 2	tCO ₂ eq	8,182	8,633	9,008	
Intensity	tCO ₂ eq/tonne	-	-	-	-



Category	Unit	2023	2024	2025 Performance	2025 Target
Direct Energy	GJ	74,320	73,357	76,474	323,840
Indirect Energy	GJ	188,328	198,600	207,234	
Intensity	GJ/tonne	-	-	-	-

* The target achievement rate is calculated for each year as (target value ÷ performance) × 100. If the rate exceeds 100%, it indicates that the reduction target was exceeded.

Recycle and Reuse Resources

Governance

Resource Circularity Implementation Framework

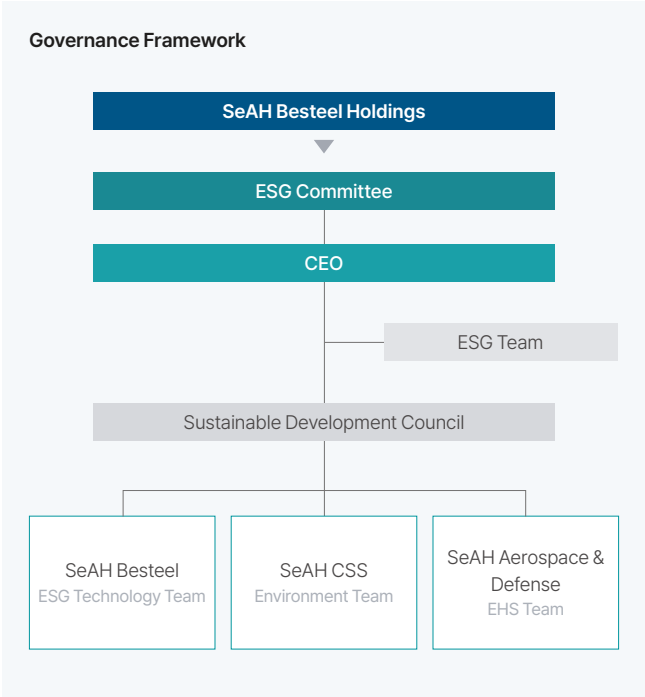
SeAH Besteel Holdings and its affiliates operate a Group-wide integrated management framework led by dedicated resource circularity functions and minimize environmental impacts by recovering by-products generated in production processes as resources. These efforts help minimize waste generation and contribute to the realization of a circular economy.

Sustainable Development Council

At the holding company level, the Sustainable Development Council regularly monitors the progress of each affiliate's resource circularity implementation tasks and reports the results to the ESG Committee, supporting improvement actions to address constraints that arise during implementation. Through this reporting framework, the Company maintains a governance structure in which key resource circularity matters are reviewed and managed at the senior management level.

Resource Circularity Working-Level Functions

Each affiliate promotes technical discussions on resource circularity and by-product resource recovery activities through its working-level functions. At SeAH Besteel, the ESG Technology Team is responsible for establishing resource recovery strategies and developing technologies for process by-products such as electric arc furnace slag, refining slag, iron-bearing by-products, and spent refractories. SeAH CSS has formed an enterprise-wide ESG Technology Task Force (TF) centered on the Environment Team and is pursuing tasks such as slag recycling, recovery of valuable metals, and resource recovery of wastewater sludge through a cross-functional collaboration framework. At SeAH Aerospace & Defense, the EHS Team operates a reuse and treatment system for process by-products such as spent refractories and maintains stable resource circularity management practices.



Resource Circularity Policy

SeAH Besteel Holdings and its affiliates establish the policy foundation for resource circularity activities through their Environmental Management Policies.

SeAH Besteel recognizes the environment as a top priority in its business activities and includes resource circularity principles in its environmental management principles so that all employees put them into practice. As key principles, the Company considers waste management and recycling, as well as water management and wastewater recycling, to be core resource circularity practices.

SeAH CSS specifies the efficient use of resources and energy and the prioritized use of by-products and renewable resources as key principles in its Environmental Management Policy, enabling resource circularity to be realized across production activities.

[SeAH Besteel Environmental Management Policy](#)
[SeAH CSS Environmental Management Policy](#)

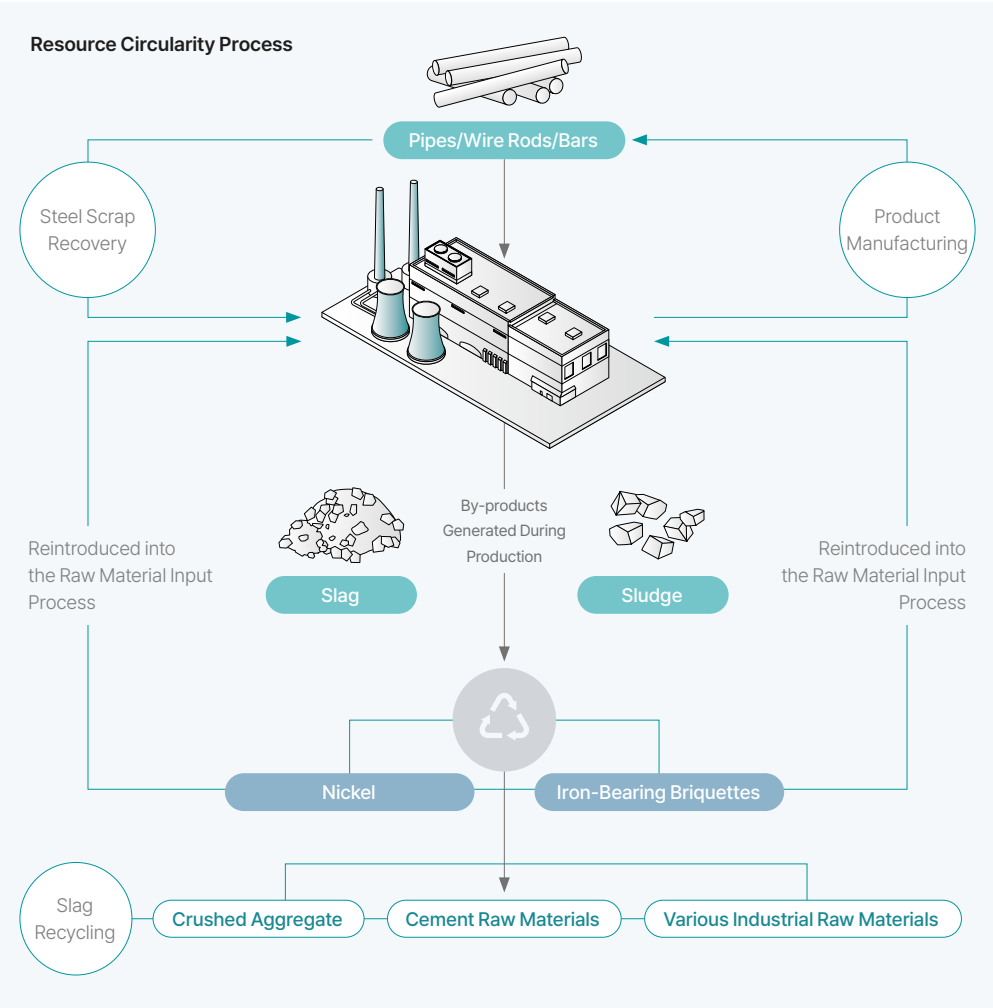
Resource Circularity Process

Resource Recycling Process

SeAH Besteel Holdings and its affiliates have established a resource circularity process that converts by-products generated during product manufacturing into new raw materials and products rather than simply disposing of them. Steel scrap is used as a raw material to produce wire rods, bars, and pipes, while iron-bearing materials and valuable metals such as nickel are extracted from by-products generated in production processes, including slag and sludge, and reintroduced into the raw material input process. Rather than treating slag simply as waste, the Company recovers slag for use as crushed aggregate, cement raw materials, and other industrial raw materials, and supplies it to external customers. Furthermore, by establishing a circular structure that reuses recovered steel scrap as a core raw material, the Company simultaneously maximizes resource efficiency and minimizes environmental impacts.

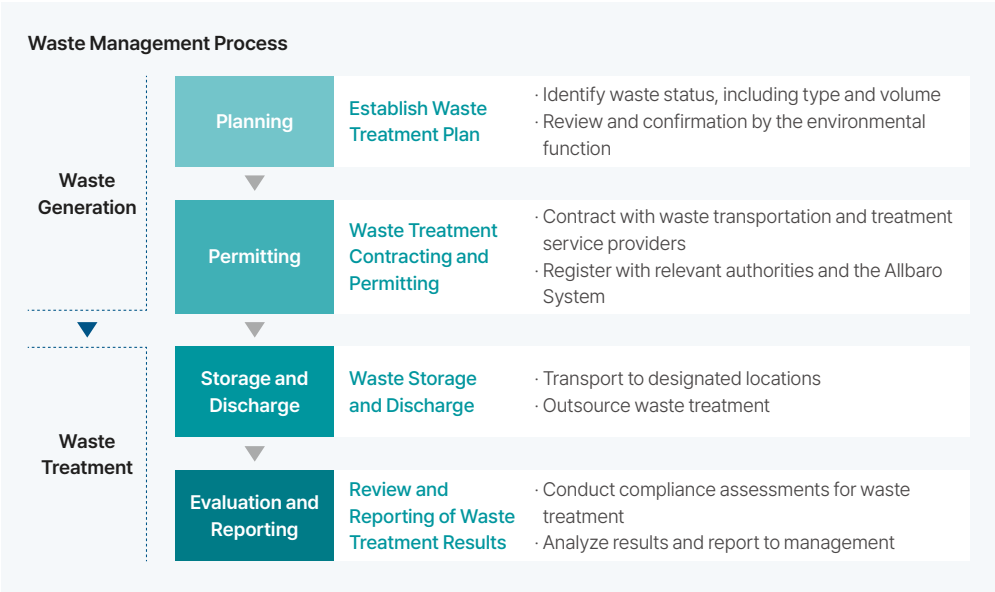
Recycle and Reuse Resources

Strategy



Waste Management Process

SeAH Besteel Holdings and its affiliates operate an integrated management framework that covers all stages from waste generation through final treatment. When waste is generated, they immediately identify the type and amount generated, establish a treatment plan after review by the environmental function, and, for new waste, select a lawful treatment method led by the Environment Team before entering into contracts with transportation and treatment service providers and filing permit and approval change notifications. During the storage and discharge stage, waste is strictly managed in designated locations in accordance with internal management standards, and treatment status is transparently registered and managed through the government environmental management system, the Allbaro System. After all treatment processes are completed, management effectiveness is continuously reviewed through compliance assessments and reporting to management, while waste treatment information management using the SHE Integrated System and plant-specific waste intensity management processes are being advanced.



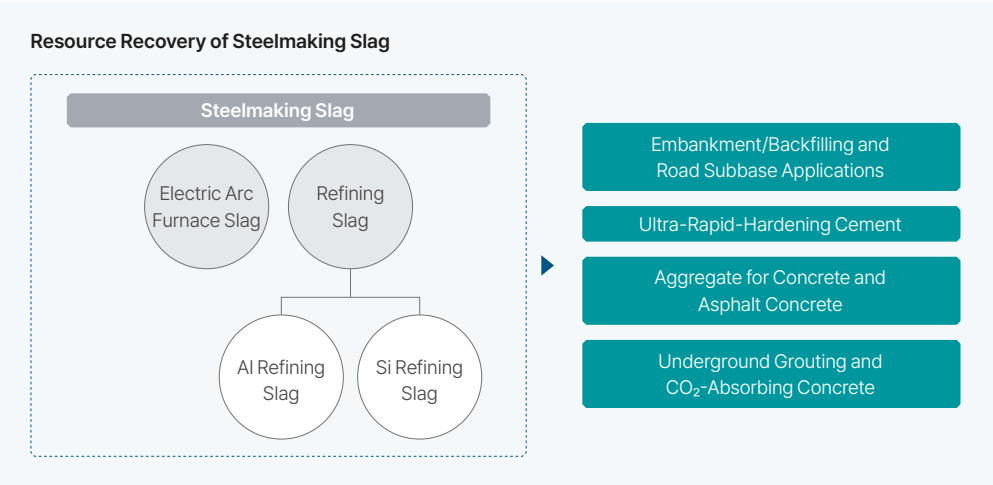
Recycle and Reuse Resources

Risk Management

By-Product Resource Recovery Activities

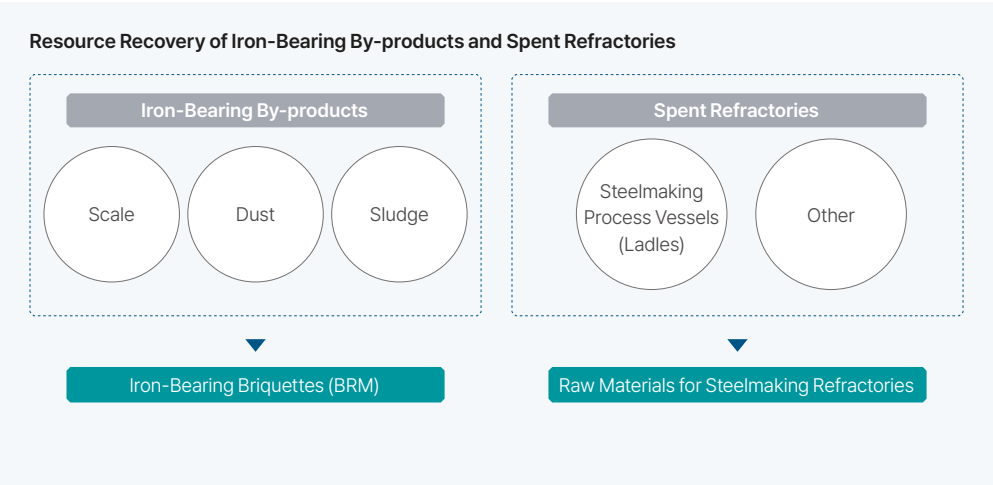
Slag Resource Recovery

The affiliates of SeAH Besteel Holdings are pursuing diverse resource recovery strategies to convert slag generated in steel production processes into high-value resources rather than simply landfilling it. SeAH Besteel is developing technologies to recover electric arc furnace slag and refining slag as resources for their respective applications. In 2025, in particular, the Company obtained Korea Eco-Label Certification for the use of electric arc furnace slag as aggregate for concrete and asphalt concrete, gaining recognition for its value as an environmentally responsible material that can replace natural aggregates. While it had previously been used for low-value applications such as embankment/backfilling and road subbase applications, the acquisition of Korea Eco-Label Certification enabled the Company to transition to a higher-value business structure in which it can directly supply asphalt concrete and concrete producers. Beginning in 2025, Al refining slag has been supplied for use in ultra-rapid-hardening cement, and mass production is also being pursued for underground grouting applications and CO₂-absorbing concrete materials. In addition, through an industry-academia project with Kangwon National University, the Company confirmed the potential to convert Si refining slag into CO₂-absorbing concrete products and is carrying out the project with the goal of achieving mass production around 2026.



Resource Recovery of Valuable Metals and Other By-products

The affiliates of SeAH Besteel Holdings are minimizing waste generation and strengthening the resource circularity framework by recovering various by-products generated in production processes in addition to slag. SeAH Besteel directly treats and processes iron-bearing by-products such as scale, dust, and sludge in-house to produce iron-bearing briquettes (Briquette for Reduced Metal, BRM), which are reintroduced into the raw material input process as a scrap substitute. In addition, spent refractories generated from steelmaking process vessels, including ladles, are recycled as raw materials for steelmaking refractories after separation and sorting, thereby reducing raw material costs and improving resource efficiency. Meanwhile, SeAH CSS has established a resource circularity process in which nickel (Ni) is extracted from wastewater sludge generated during STS wire rod production, processed into briquettes, and recycled as a steelmaking raw material. Based on its successful in-house application experience, the Company is expanding the resource circularity ecosystem externally by identifying new recycling partners and conducting technical reviews in parallel to expand external recycling of by-products.



Recycle and Reuse Resources

Risk Management

Resource Circularity Risk Assessment and Response

Identification and Assessment of Resource Circularity Risks

SeAH Besteel and SeAH CSS operate a systematic risk identification and assessment process to proactively identify and respond to potential risks that may arise across the entire resource circularity process. At least once a year, they identify risks at the enterprise-wide level by analyzing changes in the internal and external environment and stakeholder trends, and set management priorities by comprehensively reviewing the likelihood of occurrence of each risk and the severity of its potential impacts. Based on this, they establish and implement specific management measures by priority, while also operating a decentralized review framework in which each department independently assesses environmental risks, thereby strengthening site-level risk response capabilities.

Response to Resource Circularity Risks

Each affiliate carries out specific response activities for identified risks. In particular, as the higher-value resource recovery of electric arc furnace slag and refining slag gains momentum, securing a stable and continuous supply framework has emerged as an important task. Accordingly, SeAH Besteel is establishing detailed operating measures for slag aging yards and quality assurance measures for refining slag to build a stable supply base for customers, while continuing to develop new customers and applications to diversify risks arising from excessive reliance on specific customers. Meanwhile, SeAH CSS is gradually addressing risks associated with dependence on landfilling by shifting dust classified as designated waste, which had previously been landfilled, to external recycling in stages, and is continuing to identify external partner companies with valid recycling permits for this purpose.

Resource Circularity Risk Assessment and Response Process



Establishing a Foundation for Resource Circularity

Expanding Resource Circularity Infrastructure and Awareness

SeAH Besteel is expanding internal infrastructure and carrying out external awareness-raising activities in stages to address risks related to recovering electric arc furnace slag as a resource. After confirming the potential to replace natural aggregates through prototype testing using slag aggregate samples for asphalt concrete and concrete aggregate applications, the Company introduced additional crushing equipment, including a cone crusher, in-house. This has provided a physical foundation for directly processing and supplying slag according to the specifications required by customers, and enabled the Company to successfully shift from a structure dependent on outsourced treatment or simple landfill disposal to an in-house processing and supply framework. This infrastructure not only enhances the stability of slag resource recovery but also delivers environmental benefits by reducing environmental damage caused by natural aggregate extraction.

Roadshow Briefings to Expand the Value and Use of Slag

As a member of the Steel Slag Committee of the Korea Iron & Steel Association, SeAH Besteel hosted roadshow briefings to expand the use of slag. At the briefings, which were attended by approximately 140 participants, including resource circularity and construction officials from local governments nationwide, representatives from industries that use road and construction aggregates, and public institution officials, in-depth discussions were held on the environmental safety of steel slag, construction application cases, and regulatory and policy trends. Through these briefings, SeAH Besteel is raising public awareness of slag and diversifying demand sources, while serving as an ongoing communication platform among the steel industry, user industries, and local governments and working to expand the scope of slag resource recovery from a medium- to long-term perspective.

Recycle and Reuse Resources

Risk Management

Resource Circularity Certification Management

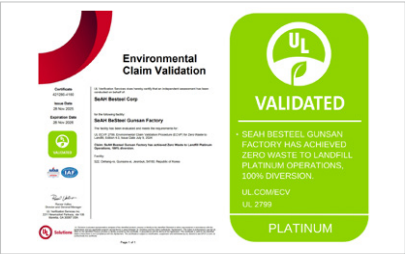
Zero Waste to Landfill (ZWTL) Platinum Certification

SeAH Besteel is pursuing major domestic and international certifications to externally verify its level of resource circularity management and enable higher-value applications for by-products. SeAH Besteel's Gunsan Plant recorded a waste recycling rate of 99.7% and obtained the Platinum rating, the highest level of Zero Waste to Landfill (ZWTL) certification, from UL Solutions, a global safety certification organization. This marks the first achievement of its kind in Korea's steel industry and reflects the Company's success in overcoming the technical limitations of special steel processes, where waste recycling is challenging, and realizing higher-value resource recovery of by-products such as slag. Building on this certification, SeAH Besteel plans to accelerate the development of upcycling technologies that convert various industrial by-products and waste resources generated inside and outside its manufacturing processes into high-value, environmentally responsible alternative raw materials, and to actively use them in production processes to build a sustainable, environmentally responsible plant that maximizes resource circularity efficiency.

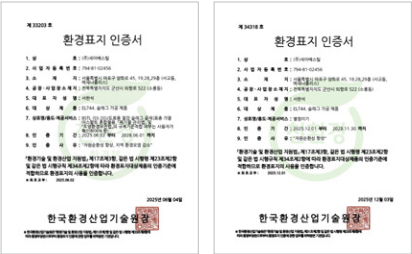
Korea Eco-Label Certification

Since the completion of the Gunsan Plant, SeAH Besteel's electric arc furnace slag had been limited for decades to low-value applications such as embankment/backfilling and road subbase. To increase its added value, SeAH Besteel obtained Korea Eco-Label Certification¹⁾ for two applications: aggregate for asphalt concrete and aggregate for concrete. As a result, slag was officially recognized as a substitute for natural aggregates, and the Company established a higher-value business structure that enables direct supply to asphalt concrete and concrete producers without going through waste treatment service providers.

1) Aggregate for asphalt concrete: No. 33323 (June 23, 2025-June 22, 2028), No. 33203 (June 2, 2026-June 1, 2028); aggregate for concrete: No. 34318 (December 1, 2025-November 30, 2028)



SeAH Besteel ZWTL Platinum Certification



SeAH Besteel Korea Eco-Label Certification

Metrics and Target

Resource Circularity Performance and Targets

Establishment of Resource Circularity Targets

SeAH Besteel Holdings has established the achievement of a 99% resource circularity rate for each affiliate as a Group-wide medium- to long-term target and is systematically pursuing this target through phased implementation plans. SeAH CSS has established and is implementing an Environmental Management Roadmap to maximize resource recovery of steelmaking by-products and minimize waste generation at the source. Its waste recycling rate, which stood at 83.5% in 2022, reached 92.8% in 2025 through enterprise-wide process improvements and resource recovery efforts. Based on these achievements, in the short term (2024–2025), SeAH CSS reduced landfilled waste through the enterprise-wide ESG Technology Task Force by pursuing initiatives such as recycling collected dust, investing to improve productivity for Korea Eco-Label-certified products, and using wastewater sludge as an auxiliary raw material for construction materials. In the medium term (2026–2027), the Company plans to raise its waste recycling rate to 95% through the full recycling of dust classified as designated waste and advancement of valuable metal recovery technologies.

SeAH CSS Environmental Management Roadmap

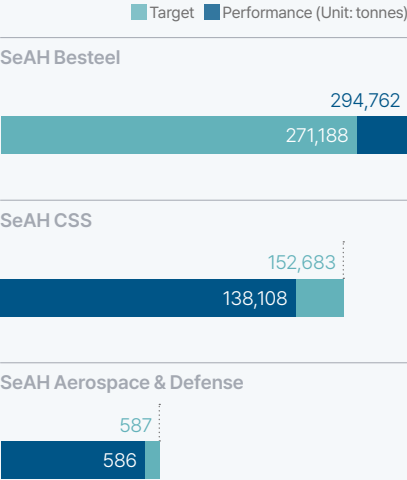
Short Term
(2024-2025)

- Establish an enterprise-wide collaboration framework and expand practical recycling
- Form an enterprise-wide ESG Technology Task Force
 - Improve productivity of Korea Eco-Label-certified products using slag and wastewater sludge
 - Recover valuable metals from waste

Medium Term
(2026-2027)

- Achieve a 95% waste recycling rate
- Shift landfilled waste to external recycling
 - Advance valuable metal recovery technologies

2025 Waste Generated

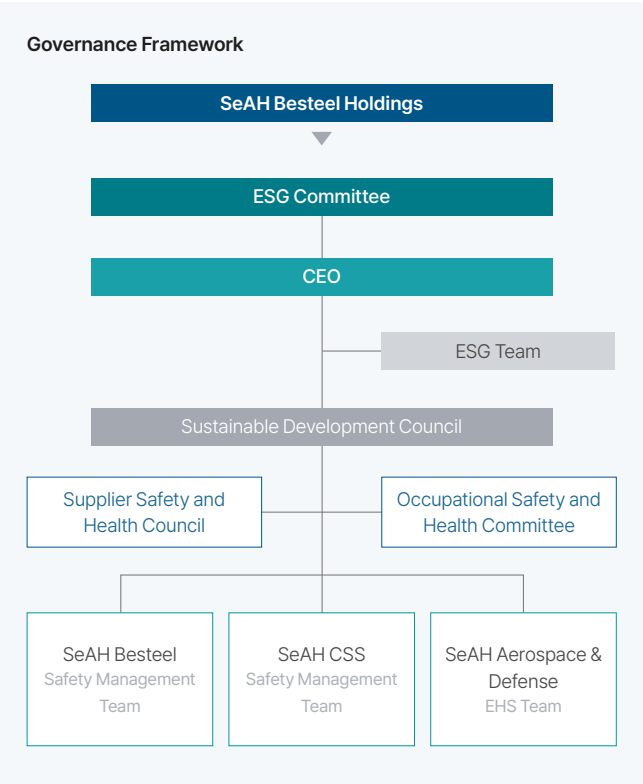


Embedding Safety and Health

Governance

Occupational Safety and Health Implementation Framework

SeAH Besteel Holdings makes the safety and health of employees and all workers its highest priority in business activities and operates a Group-wide integrated occupational safety and health management framework.



ESG Committee and Sustainable Development Council

Major occupational safety and health matters are reviewed and approved by the ESG Committee under the Board of Directors, while the status of each affiliate's occupational safety and health activities is regularly monitored and management direction is discussed through the Sustainable Development Council.

Working-Level Occupational Safety and Health Functions

The affiliates under SeAH Besteel Holdings perform common core occupational safety and health management activities, including establishing occupational safety and health targets and plans, submitting them for review and approval by the Board of Directors, and checking compliance with obligations under the Serious Accidents Punishment Act. Each affiliate systematically implements these activities through its dedicated function. SeAH Besteel operates the Safety Management Team directly under the CEO to establish occupational safety and health targets and plans, manage their implementation, and check compliance with obligations under the Serious Accidents Punishment Act. The Safety and Environment Office under the Chief Safety and Health Management Officer is responsible for all statutory safety management duties at each site. SeAH CSS establishes enterprise-wide occupational safety and health plans and checks compliance with obligations through the Safety Management Team under the CEO, and submits major occupational safety and health plans to the Board of Directors each year for review and approval. The Safety Team under the Safety and Health Management Officer carries out statutory management duties under the Occupational Safety and Health Act and on-site safety management. At SeAH Aerospace & Defense, the EHS Team is responsible for occupational safety and health, and major issues are reported to management through ad hoc reports or regular EHS Lead Team meetings.

Operation of Internal Safety and Health Councils

SeAH Besteel Holdings and its affiliates operate multi-layered safety and health councils to share occupational safety and health issues and identify improvement measures. SeAH Besteel holds a monthly Safety and Environment Council chaired by the CEO to share the enterprise-wide status of occupational safety and health management and discuss major matters. Through its quarterly Occupational Safety and Health Committee, labor and management jointly gather feedback on measures to address hazard and risk factors and on workers' safety and health. In addition, the Company separately operates a safety and health council for foremen, who are on-site supervisors, to listen to views from the field and discuss operational improvements. SeAH CSS also operates a quarterly Occupational Safety and Health Committee, and in 2025, SeAH CSS focused labor-management discussions on strengthening the effectiveness of on-site safety practices, including the introduction of smart safety solutions, management of high-risk work, and role-specific training. SeAH Aerospace & Defense operates regular EHS Lead Team meetings attended by the CEO, management, and supervisors, as well as a quarterly Occupational Safety and Health Committee, to report and discuss major safety and health matters.

Operation of Supplier Safety and Health Councils

SeAH Besteel operates safety and health councils for 33 suppliers on a monthly and daily basis to discuss work-related safety and health matters for each supplier and jointly identify improvement measures for hazards and risk factors that are difficult for the suppliers to resolve on their own. SeAH CSS operates two councils once a month each: a Supplier Safety and Health Council for on-site suppliers and a Unit-Price Contractor Safety and Health Council for off-site suppliers, to share safety issues and support on-site improvements.

Embedding Safety and Health

Governance

SeAH Besteel Occupational Safety and Health Council Operation Status

Safety and Environment Council Share occupational safety and health management status and discuss key matters Once a month / attended by the CEO, management, and supervisors	Occupational Safety and Health Committee Labor-management consultation on addressing hazard and risk factors and reflecting occupational safety and health feedback Quarterly / labor and management participation
Safety and Health Council for Foremen Listen to opinions on on-site work and discuss improvement matters Attended by on-site supervisors	Supplier Safety and Health Council Consult on work-related occupational safety and health matters and improve risk factors Monthly and daily / participation by 33 suppliers

SeAH CSS Occupational Safety and Health Council Operation Status

Occupational Safety and Health Committee Decision-making to identify potential risks and promote a safety culture Quarterly / labor and management participation	Supplier Safety and Health Council Share safety issues and communicate management's commitment Once a month / participation by on-site suppliers
Unit-Price Contractor Safety and Health Council Share safety issues, gather feedback, and make improvements Once a month / participation by off-site suppliers	

SeAH Aerospace & Defense Occupational Safety and Health Council Operation Status

Regular EHS Lead Team Meetings Report and discuss key occupational safety and health matters Attended by the CEO, management, and supervisors	Occupational Safety and Health Committee Discuss occupational safety and health matters Quarterly / labor and management participation
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Strategy

Occupational Safety and Health Policy

SeAH Besteel Holdings and its affiliates have established occupational safety and health management policies for each affiliate to ensure systematic management and strengthen implementation by all employees. SeAH Besteel strictly complies with occupational safety and health laws and regulations through ongoing safety activities and improvement initiatives, while proactively responding to regulatory requirements. The Company also promotes awareness that all members are responsible for occupational safety and health, strengthens related capabilities, and builds an autonomous safety culture by actively listening to and incorporating workers' feedback.

In January 2026, SeAH CSS revised its Occupational Safety and Health Management Policy to clearly state that safety takes priority over all management values, including production and quality. Reflecting legal requirements such as the Serious Accidents Punishment Act, the policy is organized around five core implementation principles, including securing budgets and personnel, conducting risk assessments, and guaranteeing the right to stop work. SeAH Aerospace & Defense operates its policy under a three-tier framework of EHS Value, EHS Policy, and EHS Principles, clearly stating that EHS takes precedence over production and profits, with an accident-free workplace and community safety as key objectives.

[SeAH Besteel Occupational Safety and Health Management Policy](#) [SeAH CSS Occupational Safety and Health Management Policy](#) [SeAH Aerospace & Defense Occupational Safety and Health Management Policy](#)

Occupational Safety and Health Strategy

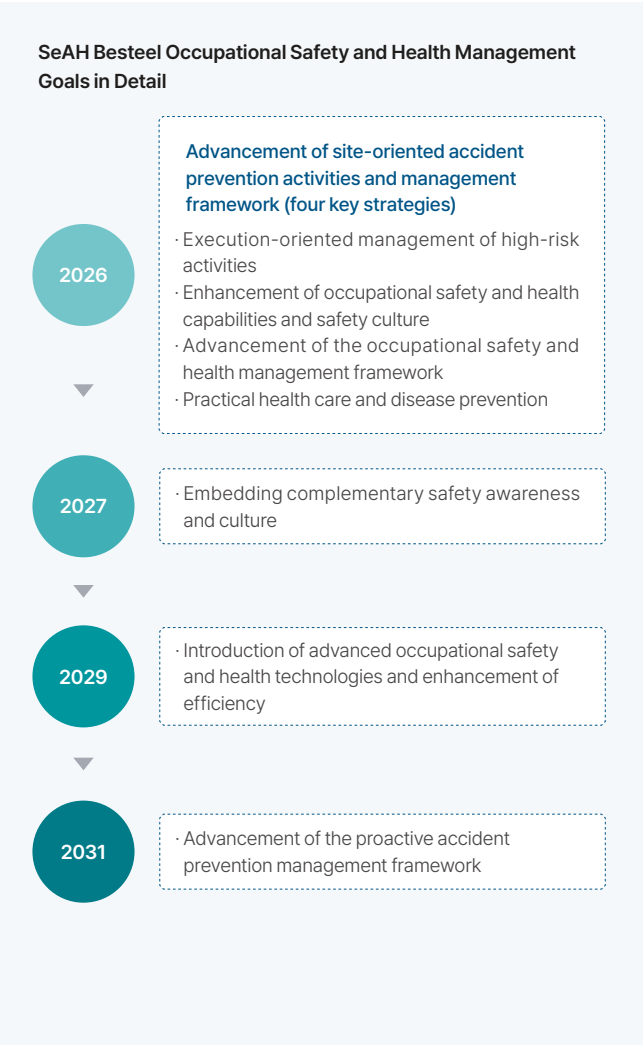
The affiliates under SeAH Besteel Holdings have set the realization of zero serious accidents as a common goal and are establishing and implementing strategy frameworks tailored to the characteristics of each site in stages.

SeAH Besteel Occupational Safety and Health Management Strategy

In 2025, SeAH Besteel designated four key strategies and carried out related activities: defining safety roles and strengthening execution capabilities, managing high-risk areas and preventing serious accidents, expanding and improving occupational safety and health systems, and rebuilding the health management framework and promoting health activities. Through the Safety Ground Rules system and enterprise-wide campaigns, the Company improved unsafe behaviors, selected seven major hazards, and conducted risk reassessments, on-site inspections, and improvements. In 2026, the Company will continue activities centered on the four strategies. Through a phased roadmap, including embedding safety awareness and culture in 2027, introducing advanced safety technologies in 2029, and advancing a proactive accident prevention framework in 2031, SeAH Besteel aims to achieve zero serious accidents and reduce its lost-time injury frequency rate (LTIFR).

Embedding Safety and Health

Strategy



SeAH CSS Occupational Safety and Health Management Strategy

SeAH CSS has established and is pursuing four core strategies and 12 key tasks to be achieved by 2030: a safety-first management system, securing safety management capabilities, creating a safe work environment, and establishing a self-regulatory prevention system. Under the safety-first management system strategy, the Company is introducing a risk assessment certification system and providing shared growth support for suppliers. Under the strategy to strengthen safety management capabilities, it is operating key tasks such as establishing a safety training system, providing customized training for employees, and supporting AI-enabled safety training. Under the strategy of creating a safe work environment, it is pursuing Serious Injury and Fatality (SIF) risk management, expanded use of Everguard, and the establishment of a construction work monitoring system. Under the strategy of establishing a self-regulatory prevention system, it is focusing on risk management practices, expanding behavior-based safety (BBS), and strengthening the right to stop work.

SeAH CSS Tasks by Four Key Areas of Occupational Safety and Health Management



SeAH Aerospace & Defense Occupational Safety and Health Management Strategy

SeAH Aerospace & Defense has established a medium-term EHS business plan for 2025–2027, setting goals such as sustained zero accidents, advancement of EHS culture, safety awareness among new employees, EHS system digitalization, and stable safety management for new equipment. Key initiatives are organized into four areas: systems and processes, EHS culture, zero serious accidents, and zero environmental accidents. The Company is advancing EHS digitalization and introducing an ESG system, while embedding EHS culture by strengthening supervisors' proactive management capabilities and operating the Safety Guardian program. It is also enhancing safety awareness among new employees, expanding standard safe work procedures, strengthening response capabilities under the Serious Accidents Punishment Act, and improving environmental risk assessment and response processes for external inspections.

SeAH Aerospace & Defense Tasks by Four Key Areas of Occupational Safety and Health Management



Embedding Safety and Health

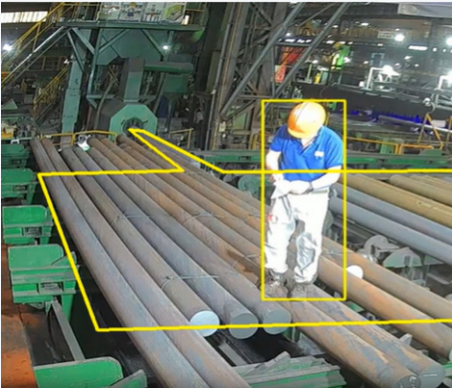
Risk Management

Smart Safety Management System

SeAH Besteel and SeAH CSS have introduced and operate Everguard, a smart safety management system that detects risks in real time, to prevent on-site accidents. Based on smart tags and notification devices, Everguard verifies the use of personal protective equipment (PPE), detects geofence violations in hazardous areas, recognizes emergency situations such as falls, and responds to SOS signals. It also sends real-time alerts to workers at risk to prevent unsafe behaviors.

Case SeAH Besteel Everguard Implementation Status

SeAH Besteel has introduced Everguard at its Gunsan and Changnyeong plants to provide real-time alerts to workers about hazardous situations. In addition to existing functions, the Company is expanding its application to various areas, including strengthened PLC-linked interlocks for entry into hazardous areas and the operation of an alarm system using IP speakers.



Strengthened PLC-Linked Interlocks



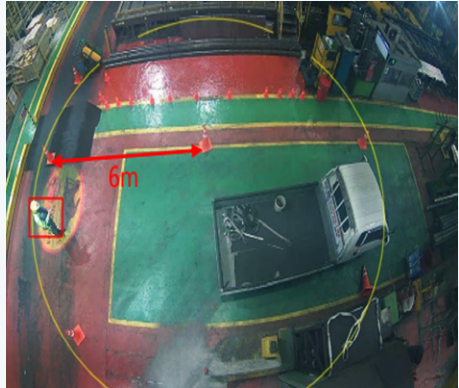
Everguard Alarm System Using IP Speakers

Case SeAH CSS Everguard Implementation Status

SeAH CSS has established an Everguard solution model line for the processing plant and developed and applied new safety solutions tailored to on-site risk characteristics. In areas where workers frequently fail to wear safety helmets or enter hazardous areas, the Company operates an IP speaker-based hazard warning notification system. In forklift operating areas, it has strengthened collision prevention by applying a worker proximity risk alert solution, and has also developed and applied additional safety solutions for controlled areas and crane operations.



Application of Dynamic Geofence for Forklifts in the Processing Plant



Application of A-2 Crane Solution in the Processing Plant

Embedding Safety and Health

Risk Management

Mobile and Integrated Safety, Health, and Environment Management Systems

The affiliates under SeAH Besteel Holdings have established mobile safety management systems and integrated safety, health, and environment systems to increase participation in on-site safety activities and improve management efficiency.

Case Operation of SeAH Besteel's Safety Mobile (SeAH WeHan) and Integrated SHE System

SeAH Besteel provides various functions through SeAH WeHan, including safety training, safety inspections, and safety suggestions, thereby encouraging participation in on-site occupational safety and health activities. Going forward, the Company plans to expand its use to permit-to-work (PTW) and construction safety management. In addition, SeAH Besteel has established a web-based integrated Safety, Health, and Environment (SHE) system to perform and manage occupational safety and health tasks in an integrated manner, including the management of measures to prevent accident recurrence, conducting risk assessments, and managing improvements to unsafe conditions.



Case SeAH CSS Safety Keeper E

SeAH CSS supports on-site safety management through Safety Keeper E by generating daily inspection lists and conducting QR code-based inspections, as well as measuring and managing apparent temperature in real time at 134 on-site hazardous locations.

After a daily inspection list is generated, inspections are conducted on site by scanning mobile QR codes

Criteria Registration

Set criteria for inspection lists to be generated daily (or at specified intervals)

List Generation

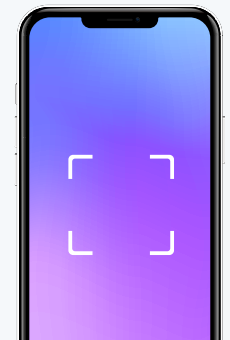
Generate lists at 6 a.m. each day through batch processing based on the attendance inspection criteria for that date

Inspection Execution

When the QR code generated according to the criteria is scanned, the list of tasks the user must complete opens

Progress Rate Check

Check progress on inspection records



Case SeAH Aerospace & Defense Mobile Smart Safety System

SeAH Aerospace & Defense strengthens its risk assessment framework through a mobile QR code-based smart safety system, supports managers in fulfilling statutory obligations, and prevents accidents by sharing on-site risk factors in real time.

Embedding Safety and Health

Risk Management

Site Risk Assessments

The affiliates under SeAH Besteel Holdings regularly conduct risk assessments involving all workers at all sites to proactively identify and manage potential hazards and risk factors.

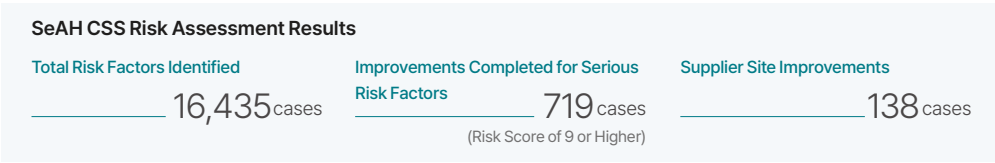
SeAH Besteel Risk Assessment Operations

SeAH Besteel conducts both annual regular assessments and ad hoc assessments, and has set key initiatives focused on promoting worker participation, identifying hazards and risk factors in unsafe behaviors and non-routine work, and focused management of improvements for high-risk factors (Top-tier). The entire assessment process is carried out through the integrated Safety, Health, and Environment (SHE) System, and the assessment results are reported to the CEO on a semiannual basis. Through the regular risk assessment conducted in March 2025, the Company identified hazards and risk factors and completed 100% of improvement measures for the high-risk factors identified. The main types of identified hazards and risk factors—falls, slips/trips, caught-in/between, and struck-by—accounted for more than 50% of the total, and these are classified as the seven major hazards and managed as key improvement priorities. In December 2025, the Company also conducted a full reassessment of the results of regular and ad hoc risk assessments conducted during the year and established and implemented supplementary measures.



SeAH CSS Risk Assessment Operations

SeAH CSS conducts SHE System-based Job Safety Analysis (JSA) risk assessments in which employees and on-site contractors participate. It operates a field-participatory process in seven stages, from planning to improvement activities, in which all employees complete preliminary survey sheets. Through its 2025 risk assessment, SeAH CSS identified a total of 16,435 risk factors and completed improvements for 719 serious risk factors with a risk score of 9 or higher. It also supported 138 supplier site improvements and shared the results across the Company, reflecting them in equipment improvements and revisions to work standards.



SeAH CSS Risk Assessment Process



SeAH Aerospace & Defense Risk Assessment Operations

SeAH Aerospace & Defense operates risk assessments through annual regular assessments and ad hoc assessments, following the steps of site patrol inspections, risk identification, and registration of improvements. The Company continues to carry out improvement activities for risk factors identified through regular and ad hoc risk assessments and plans to enhance the reliability and objectivity of its risk assessments.

Embedding Safety and Health

Risk Management

Integrated Emergency Monitoring and Response

The affiliates under SeAH Besteel Holdings have established and operate integrated monitoring systems and emergency response organizations to enable prompt and systematic responses in the event of an emergency. They also conduct regular emergency simulation drills to strengthen their response capabilities in actual emergency situations.

SeAH Besteel Continuous Emergency Monitoring System

SeAH Besteel has established a proactive emergency response framework by detecting early signs of fires and incidents involving personnel through its advanced Integrated Disaster Prevention Center and real-time monitoring system. In the event of an accident, the Company responds promptly by assigning clear roles within the emergency response organization, including accident response, personnel control, and evacuation guidance. The system operates through a phased process of initial response, accident response, results reporting, and monitoring.

SeAH CSS Emergency Response and Notification System

At SeAH CSS, when an emergency occurs and the first person to discover it reports it to the internal emergency number (6119), the situation is immediately communicated through the Integrated Situation Room. The Company mobilizes all available means, including groupware postings, text messages, and emergency broadcasts, to alert employees to the danger. In terms of control authority, the executive officer of the relevant division serves as the overall responsible officer and oversees the transition to emergency mode and recovery measures. The department head serves as the head of the emergency command unit and controls on-site operations, including equipment shutdown and removal of hazardous substances. The Safety Team head serves as the head of the response support unit and supports reporting to relevant agencies and accident investigations. In addition, essential emergency equipment, including fire trucks, ambulances, oxygen respirators, and gas detectors, is distributed across the in-house firefighting brigade and each plant to enable immediate response.

Case SeAH Besteel Emergency Simulation Drill

SeAH Besteel conducted the full drill under realistic conditions, assuming the occurrence of major hazards and risk factors. The drill covered accident notification, accident reporting, evacuation guidance, confirming personnel at assembly points, control of on-site personnel, initial fire suppression and firefighting, emergency rescue, road control and coordination of support from external fire trucks, closure of the emergency situation, and evaluation and feedback on drill results. After the drill, the Company reviewed the measures taken at each response stage through a comprehensive evaluation of the results and immediately reflected identified deficiencies in its emergency response manual to continuously advance its emergency response framework.



Joint Firefighting



First Aid and Transport for Injured Persons



Safety Training by the Head of the 119 Center

Case SeAH CSS Emergency Simulation Drill

In the second half of 2025, SeAH CSS conducted a joint emergency response drill with the Ungnam Fire Station. Through training in prompt evacuation, initial firefighting, rescue, and joint firefighting in the event of a fire, the Company strengthened its capabilities to carry out rapid initial response measures in the event of a similar accident.

SeAH Aerospace & Defense Emergency Response Manual and Drills

SeAH Aerospace & Defense has established and operates emergency response manuals for various emergency scenarios, including gas fires, oil spill fires, and typhoon preparedness. The Company also conducts emergency response drills in the presence of the fire department and checks its response capabilities based on key emergency scenarios such as gas fires and oil spill fires.

Embedding Safety and Health

Risk Management

Promoting Employee Health

The affiliates under SeAH Besteel Holdings provide support for health checkups and professional medical services to systematically manage employee health, while also running various health promotion programs to foster voluntary health management habits and prevent disease.

Operation of Medical and Health Support Programs

SeAH Besteel operates a Health Management Office to provide ongoing health management and also supports periodic health checkups. Eligible health checkup participants include not only employees but also their spouses and parents. SeAH Besteel’s Gunsan Plant operates its own Subokgangnyeong Wellness Program and the HOHO Healthy Workplace Program in collaboration with the Gunsan Public Health Center, supporting employees’ voluntary health management. SeAH CSS operates an age-specific customized health checkup system, and an occupational and environmental medicine specialist visits twice a month to provide employee health consultations and follow-up management after health checkups. The Company also trains in-house and supplier first-aid responders and conducts regular annual training so that they can respond promptly in emergencies. In addition, SeAH CSS is working to promote employee health by carrying out a range of health promotion activities in connection with external specialized organizations, including smoking cessation support, mobile healthcare, and obesity, metabolic syndrome, and chronic disease management programs. SeAH Aerospace & Defense operates an occupational medicine physician service twice a month to manage employees with health checkup findings and provide personal medical consultations.

Case SeAH Besteel Employee Health Promotion Activities

(1) Subokgangnyeong Program Operation Status

Category	Details
Purpose	· Periodic monitoring of health indicators to foster voluntary health management habits
Period & Participants	· June-October 2025 (20 weeks) · 54 participants
Operation Method	· Set and measure individual health indicators → biweekly monitoring → final determination of success
Target Criteria	· (InBody score) Increase of five points or more compared with the initial measurement · (Appropriate weight) Weight reduction to the appropriate weight based on InBody standards · (Blood pressure and blood sugar) Blood pressure below 140/90 and HbA1c below 8%
Rewards	· A fund jointly contributed by participants and the Company is paid out to participants who achieve their targets

(2) HOHO Program Operation Status

Category	Details
Purpose	· Operation of a pilot program to support workers’ medium- to long-term health management
Period & Participants	· April-September 2025 (eight sessions) · 46 participants (28 office employees and 18 production employees)
Operation Method	· Lecture- and practice-based sessions conducted in collaboration with the Gunsan Public Health Center
Key Content	· (Theory) Eating habits and nutritional status · (Special session) Cardiovascular disease prevention (invited medical professor) · (Practice) Stretching to prevent musculoskeletal disorders, etc.
Rewards	· The public health center provided gift certificates to 20 participants with outstanding participation

Occupational Safety and Health Support Activities for Suppliers

SeAH Besteel Holdings and its affiliates operate multifaceted occupational safety and health support programs, including training, hands-on experience, and work environment improvements, to advance suppliers’ on-site safety culture. SeAH Besteel operates a monthly safety and health council for on-site suppliers and conducts semiannual inspections of suppliers’ safety and health activities, thereby supporting the establishment of suppliers’ occupational safety and health management frameworks and the spread of a safety culture.

SeAH CSS strengthens the occupational safety and health capabilities of suppliers’ employees through various training and hands-on experience programs, including supplier safety and health training, forklift blind-spot experience sessions, operation of a safety experience training center, first-aid training, and support for statutory training. It also regularly holds safety and health seminars to raise suppliers’ awareness. In terms of improving on-site work environments, SeAH CSS provides material support, such as installing forklift safety devices and oxygen concentration meters and supporting rest facilities, so that suppliers’ employees can work in a safer environment. Meanwhile, SeAH Aerospace & Defense regularly operates a Supplier Operating Council, in which relevant departments and suppliers participate, to address risk factors, gather suggestions, and provide support.

In addition, each affiliate is carrying out support activities to raise suppliers’ occupational safety and health management levels. SeAH Besteel supports suppliers in obtaining KOSHA-MS certification, while SeAH CSS supports suppliers in obtaining ISO 45001 certification. As of 2025, 13 and 16 suppliers, respectively, had obtained safety and health management system certifications, and the affiliates are expanding the scope of support so that more suppliers can participate in spreading a safety culture. Furthermore, when new on-site suppliers register, SeAH CSS provides consulting to establish safety and health frameworks and enhance their risk assessment response capabilities, while also providing training materials such as safety and health best-practice casebooks and accident casebooks.

Embedding Safety and Health

Risk Management

Safety and Health Culture Training and Internalization

The affiliates under SeAH Besteel Holdings systematically operate their own specialized training programs to strengthen employees' occupational safety and health capabilities.

SeAH Besteel Safety and Health Theme Training and Campaigns/Workshops

SeAH Besteel conducts weekly themed safety and health training to strengthen safety and health capabilities and also conducts focused follow-up management in connection with on-site safety inspections. The Company also operates a Safety Ground Rules system to improve unsafe behaviors and promotes and activates the system through enterprise-wide campaigns. In addition, it held a joint principal contractor-subcontractor safety and health workshop with suppliers to review 2025 activities and discuss matters requiring improvement.

SeAH Besteel Safety and Health Training



Safety Theme Training



Safety Experience Center Training



Safety Ground Rules Proclamation Ceremony and Campaign



SeAH CSS Safety and Health Training and Participation Support Programs

SeAH CSS conducts statutory training, including regular training, training for changed work, special training, supervisor training, and new hire training. It also operates specialized programs such as safety culture experience training, veteran training, Isolation Locking System (ILS) training, permit-to-work (PTW) training, and CPR training. In addition, SeAH CSS operates a safety reward system for identifying potential risks and excellent safety improvement cases to encourage employees' voluntary participation in safety activities.

SeAH CSS Safety and Health Training

Training	Details	Target
Regular Training	· Occupational Safety and Health Act training (incl. Act overview and risk assessments)	All employees
Training for Work Changes	· Training on procedures and safety matters related to changed work	Employees with changed departments or assigned duties
Special Training	· Safety training related to 40 types of work subject to special training	Workers performing work subject to special training
Supervisor Training	· Regulations under the Occupational Safety and Health Act, including understanding of the Act and risk assessments	Team/Part leaders, supervisors, and Safety Practice Leaders
New Hire Training		New hires
Additional Non-Statutory Training	· Safety culture, veteran, ILS/PTW training, etc.	All employees (incl. supplier employees)

SeAH Aerospace & Defense Safety and Health Internalization Activities

SeAH Aerospace & Defense maintains safety awareness by conducting monthly regular training together with EHS training during daily meetings. Through quarterly Safety Day campaigns, the Company carries out leadership campaigns, joint inspections of risks related to selected themes, and group-based risk identification activities. It also operates the ESG Safety Guardian mentor-mentee program, which pairs new employees with less than six months of service with senior employees on a one-to-one basis, to embed safety awareness in new employees and prevent accidents.

SeAH Aerospace & Defense ESG Safety Guardian Mentor-Mentee Program

Training	Details
Mentor-Mentee Composition	· New hires with less than six months of service and senior employees paired one-on-one · In 2025, the third cohort comprised 17 participants in nine groups (nine mentees and eight mentors)
Purpose and Expected Effects	· Focused prevention and management of accidents involving new hires, prevention of turnover, strengthened adaptation, reinforcement of basic workplace etiquette and discipline, and provision of opportunities for mutual growth between mentors and mentees
Operation Method	· After forming Safety Guardian/mentor-mentee groups by area, check and manage human error risks on the first workday of each shift and assign monthly missions
Implementation Status	· August 2025: member composition and photo submissions; September: kickoff and mission execution; October-December: mission execution; January 2026: evaluation of operation results and awards for outstanding groups

Embedding Safety and Health

Risk Management

Safety and Health Culture Training and Internalization

Case

SeAH Aerospace & Defense ESG Safety Day Campaign

SeAH Aerospace & Defense operates the 'ESG Safety Day Campaign,' in which all employees participate, by selecting a core EHS theme for two weeks each quarter. The campaign is structured as a multi-layered participation program that encompasses safety commitments at the leadership level, joint safety inspections by supervisors, and risk identification and improvement activities by small employee groups. It contributes to fundamentally identifying recurring risk factors and embedding a culture of voluntary employee participation in risk management.

2025 Safety Day Operation

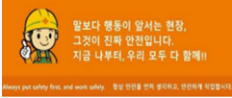
Theme	Details	Outcomes	Timing
Chemical Substances, Protective Devices, and Fire and Explosion	Joint safety inspections by supervisors; safety pledge by all employees	Identified 108 risk factors and completed improvements for 98 cases	March
Safety Resolution and Commitment	Resolution and commitment pledges by small employee groups; year-round internal posting of commitment posters	Participation by 180 field employees	June
Sharing Safety Messages	Safety banner contest held; outstanding employee entries displayed on-site	Five outstanding entries selected and displayed on-site	August

우리의 안전, 우리의 결의



안전준비(안전최고)! 모두가 안전하세요.

팀명 _ 아쟁마
오신택 이도겸 김서은 황상대
김태균 임장성 안홍기 송은성
김용우 김남진



말보다 행동이 말하는 현장.
그것이 진짜 안전입니다.
지금 나누어, 우리 모두 다 함께!!

Safety Resolution Posters by Small Group

Case

Distribution of SeAH Aerospace & Defense Accident Casebook

SeAH Aerospace & Defense systematically analyzes historical accident data, publishes an accident casebook, and shares it with all employees to prevent the recurrence of similar accidents. In November 2025, the Company conducted comprehensive inspections of areas where accidents had occurred based on the accident casebook. It reviewed the root causes identified at the time of the accidents and the implementation status of improvement measures, and identified items requiring additional improvement. Items requiring improvement are classified by risk type and linked to department-specific improvement measures, such as installing protective guards, revising work standards (JSA), and changing Lockout/Tagout (LOTO) standards.

Results of Full Inspections Based on the 2025 Accident Casebook

(Unit: cases)

Area	Items Requiring Improvement	Area	Items Requiring Improvement
Casting	4	Logistics	2
Extrusion	6	Quality	1
Processing	7	Production Engineering	0
Total			20

Metrics and Target

Occupational Safety and Health Targets

Medium- to Long-Term Occupational Safety and Health Targets

SeAH Besteel Holdings has set the lost-time injury frequency rate (LTIFR) as a key indicator to quantitatively manage Group-wide occupational safety and health performance, and has established and is implementing medium- to long-term reduction targets for each affiliate. First, SeAH Besteel has set a short-term target of reducing LTIFR by 40% by 2026 (2.61) compared with the 2022 LTIFR, a medium-term target of reducing LTIFR by 60% by 2028 (1.74), and a long-term target of reducing LTIFR by 80% by 2030 (0.87), and is implementing these targets in phases. Meanwhile, SeAH CSS has set short-, medium-, and long-term targets of reducing LTIFR by 40% by 2026 (0.48), 60% by 2028 (0.32), and 80% by 2030 (0.16), respectively, based on its 2022 LTIFR, and is pursuing continuous improvement in occupational safety and health performance.

SeAH Besteel Lost-Time Injury Frequency Rate (LTIFR) ¹⁾			
(Unit: cases/million hours)			
Employee Lost-Time Injury Frequency Rate		Supplier Lost-Time Injury Frequency Rate	
2025 Performance	4.36	2025 Performance	1.28
2025 Target	4.42	2025 Target	1.39
SeAH CSS Lost-Time Injury Frequency Rate (LTIFR)			
(Unit: cases/million hours)			
Employee Lost-Time Injury Frequency Rate		Supplier Lost-Time Injury Frequency Rate	
2025 Performance	0.60	2025 Performance	0.40
2025 Target	0.73	2025 Target	0.33

1) Based on injuries resulting in lost time of three days or more

Evaluate and Mitigate Supply Chain Risks

Governance

Supply Chain Management Framework

Management Organization and Operating Structure

SeAH Besteel Holdings has established a collaborative framework centered on the Sustainable Development Council and each affiliate's supply chain management function to systematically manage supply chain ESG risks. At the beginning of each year, the Company selects suppliers subject to assessment based on supply chain importance and reflects annual implementation plans in KPIs. Since 2024, it has fully implemented written assessments and on-site due diligence and has been continuously monitoring the assessment results.

The Sustainable Development Council is responsible for selecting companies subject to assessment based on supply chain significance and establishing implementation plans by year. In addition, the strategic direction of supply chain management is set through the ESG Committee under the Board of Directors. The Company also incorporates ESG factors into the performance management systems of the CEO, key executives, and supply chain management organizations to clearly define accountability for supply chain management and ensure that related activities are continuously implemented at the organizational level. Furthermore, it plans to strictly apply tiered sanctions, including warnings and cancellation of supplier registration, to suppliers that violate key indicators such as safety, quality, and delivery, thereby promoting accountable supply chain operations.

Governance Framework



Case SeAH Besteel and SeAH CSS Supply Chain Management Organizations

SeAH Besteel and SeAH CSS strive for shared growth with suppliers. They are responsible for contract-related work with on-site suppliers and require suppliers to acknowledge and sign the Third-Party Code of Conduct. They also operate welfare programs for employees of on-site suppliers and carry out shared growth activities with suppliers at their sites through the Employee Welfare Fund.

Case SeAH Aerospace & Defense Supply Chain Management Organization

SeAH Aerospace & Defense operates a governance organization for systematic supply chain management. ESG-related agenda items for the Sustainable Development Council are addressed quarterly, and decisions linked to supply chain management are made accordingly. Meanwhile, the Supplier Assessment Task Force leads ESG assessments to identify ESG risks in the supply chain. Specifically, it conducts comprehensive assessments by categorizing the assessment into three areas—purchasing (general and risk), quality, and ESG (environment, occupational safety and health, and human resources)—with each relevant department conducting its assessment and the results then consolidated.

Evaluate and Mitigate Supply Chain Risks

Strategy

Supply Chain Management Policy

Supply Chain Management Policy

The affiliates under SeAH Besteel Holdings have established relevant policies to set out fundamental requirements, including safe working environments for suppliers, environmentally responsible business activities, and ethical corporate operations, and to ensure stable management of a sustainable supply chain. This Supply Chain Management Policy applies not only to employees of the affiliates but also to all suppliers, and each supplier is encouraged to promote policy compliance among its Tier 2 suppliers. The Supply Chain Management Policy covers requirements for compliance with the Third-Party Code of Conduct, methods for identifying major risks in the supply chain, and information such as the Grievance and Suggestion Center, and also specifies the roles and responsibilities of each affiliate. SeAH Besteel Holdings and its affiliates are committed to regularly reviewing and revising this Policy and faithfully complying with it to pursue sustainable supply chain management.

[Supply Chain Management Policy](#)

Third-Party Code of Conduct

SeAH Besteel Holdings has established and revised its Third-Party Code of Conduct, reflecting Responsible Business Alliance (RBA) standards, and provides it to suppliers to promote responsible management across the supply chain. The Code covers key principles for supply chain management, including environmental management, safety and health, human rights and labor, ethics and compliance, and management systems. It applies not only to employees but also to suppliers and contractual counterparties classified as third parties, and affiliates obtain pledges to comply with the Code when entering into supplier contracts. Through this, SeAH Besteel Holdings is strengthening social responsibility across the Group and building a shared foundation for sustainable value creation.

[Third-Party Code of Conduct](#)

Key Content of SeAH Besteel Holdings’ Supply Chain Code of Conduct (Third-Party Code of Conduct)

Area	Content
Environmental Stewardship	· Comply with environmental laws and regulations and promote minimization of environmental impacts through efficient use of resources
Occupational Safety and Health	· Operate a management framework to create a safe and healthy work environment and prevent occupational accidents
Human Rights and Labor	· Protect workers’ fundamental human rights, including prohibition of forced labor and child labor and prohibition of discrimination
Ethics and Compliance	· Conduct ethical corporate activities, including anti-corruption, compliance with fair competition, and prevention of conflicts of interest
Management System	· Maintain transparent accounting management, cooperate with self-assessments and audits, and operate an anonymous reporting system

Supplier Commitment Letter for Compliance with the Third-Party Code of Conduct

In accordance with the Third-Party Code of Conduct, the affiliates under SeAH Besteel Holdings obtain commitment letters from suppliers in the supply chain pledging cooperation with and participation in compliance with the Third-Party Code of Conduct when entering into contracts. This is a Group-wide requirement and a process through which affiliates and suppliers commit to complying with the Code of Conduct. Through this procedure, the affiliates under SeAH Besteel Holdings encourage suppliers to fulfill ethical and social responsibilities in their business activities and strengthen the foundation for responsible management, while also using it as an opportunity to proactively prevent ESG risk factors.

SeAH CSS Code of Conduct Compliance Commitment Letter

Category	Content
Covered Suppliers	664 major domestic and overseas suppliers and partner companies
Participation	531 companies signed commitment letters (80%)
Key Content	· Commitment to comply with the Third-Party Code of Conduct (labor and human rights, safety and health, environmental management, ethics and compliance, and management systems) · Specifies the obligation to cooperate with inspections and investigations in the event of a Code of Conduct violation

Evaluate and Mitigate Supply Chain Risks

Strategy

Supply Chain Management Policy

Green Purchasing Policy

SeAH Besteel and SeAH CSS have established and operate a Green Purchasing Policy designed to promote efficient use of resources and minimize impacts on people and the environment. Through this policy, SeAH Besteel and SeAH CSS clearly define green products based on applicable laws and reliable certifications, and apply the policy to the Company as well as all suppliers that do business with the Company.

[Green Purchasing Policy](#) 

Principle Prohibiting the Use of Conflict Minerals

SeAH Besteel Holdings and its affiliates recognize the importance of responsible mineral management across the value chain and have established a principle prohibiting the use of conflict minerals to monitor and prevent their use. The Company specifies non-use standards for conflict minerals in its internal procurement management regulations and, through its Supplier Code of Conduct, prohibits the use of conflict minerals—gold, tin, tantalum, and tungsten—sourced from 10 African countries, including the Democratic Republic of the Congo, across the supply chain. In this way, the Company manages mineral sourcing responsibly in a manner aligned with OECD standards.

Case

SeAH CSS Management of Environmentally Sustainable Product Purchasing Performance

SeAH CSS has systematically managed its environmentally sustainable product purchasing performance by classifying purchased products into 10 categories in accordance with relevant laws and certification standards. It has defined and categorized products as Eco-Friendly Products (EP). These categories include not only products with external certifications, such as Korea Eco-Label Certification (EP1), Low Carbon Certification (EP5), and environmentally sustainable building materials (EP6), but also products that can promote resource circularity and energy savings in practical terms, such as energy-saving products (EP4) and products that reduce waste and recycle waste raw materials (EP9). Based on these efforts, SeAH CSS plans to continue pursuing activities to reduce impacts on people and the environment and contribute to resource circularity, while systematically managing related performance.

Responsible Minerals Management Process



Evaluate and Mitigate Supply Chain Risks

Strategy

Shared Growth with Suppliers

Shared Growth Strategy

SeAH Besteel Holdings has adopted ‘Go Together to the Future’ as its shared growth vision and is building sustainable partnerships with suppliers based on the core values of future orientation, shared growth, and value creation. SeAH Besteel Holdings will continue to pursue initiatives in four key focus areas and build a supply chain ecosystem that grows together with suppliers.



Creating a Fair Trade Environment

The affiliates under SeAH Besteel Holdings operate a Group-wide fair trade system to establish a transparent and fair foundation for transactions with suppliers.

SeAH CSS operates a rigorous self-inspection system to proactively manage competition law and fair trade risks across the supply chain. It reviews all contracts executed each month to determine whether there are any violations of the Fair Trade Act or the Subcontracting Act, or any omissions of statutorily required information. It also prevents harm to suppliers arising from verbal orders by complying with the principle of prior issuance of written documents.

SeAH Besteel and SeAH CSS prepare Contact Reports when contact with competitors is unavoidable at meetings hosted by the government or the Korea Iron & Steel Association. Before and after such contact, they record in detail the basic information of the parties involved, the matters discussed, and materials mutually exchanged. For meetings with visiting suppliers, they also record and manage supplier contact information and key discussion points in the same manner, thereby mitigating potential future risks.

Performance Sharing and Welfare Support

SeAH Besteel Holdings and its affiliates operate various economic support programs to share performance with suppliers and support stable business operations. SeAH Besteel provides incentives to top suppliers and recognizes outstanding suppliers based on comprehensive supplier evaluation results. It also pays subcontracting payments entirely in cash and operates a management support loan program to help suppliers manage their funds. Meanwhile, SeAH CSS paid a total of KRW 940 million in performance-sharing payments in 2025, pays subcontracting payments entirely in cash on the 15th of each month, and further shares suppliers’ financial burden arising from raw material price fluctuations through the delivery price linkage system.

Supplier Performance Sharing and Welfare Support Programs

Affiliate	Details
Common	· Performance-sharing payments: incentive payments linked to supplier performance
SeAH Besteel	· Evaluation incentives: provision of incentives to top-performing suppliers based on comprehensive supplier evaluation results and recognition of outstanding suppliers · Management support loans: support to help stabilize suppliers’ cash flow · Other welfare support: semiannual scholarships for children of supplier employees, support for supplier employees’ health checkup expenses every other year, and gifts to mark Labor Day
SeAH CSS	· Subcontracting payments: paid entirely in cash (on the 15th of each month, with early payment before holidays) · Delivery price linkage system: immediate reflection of raw material price fluctuations in delivery prices

Evaluate and Mitigate Supply Chain Risks

Risk Management

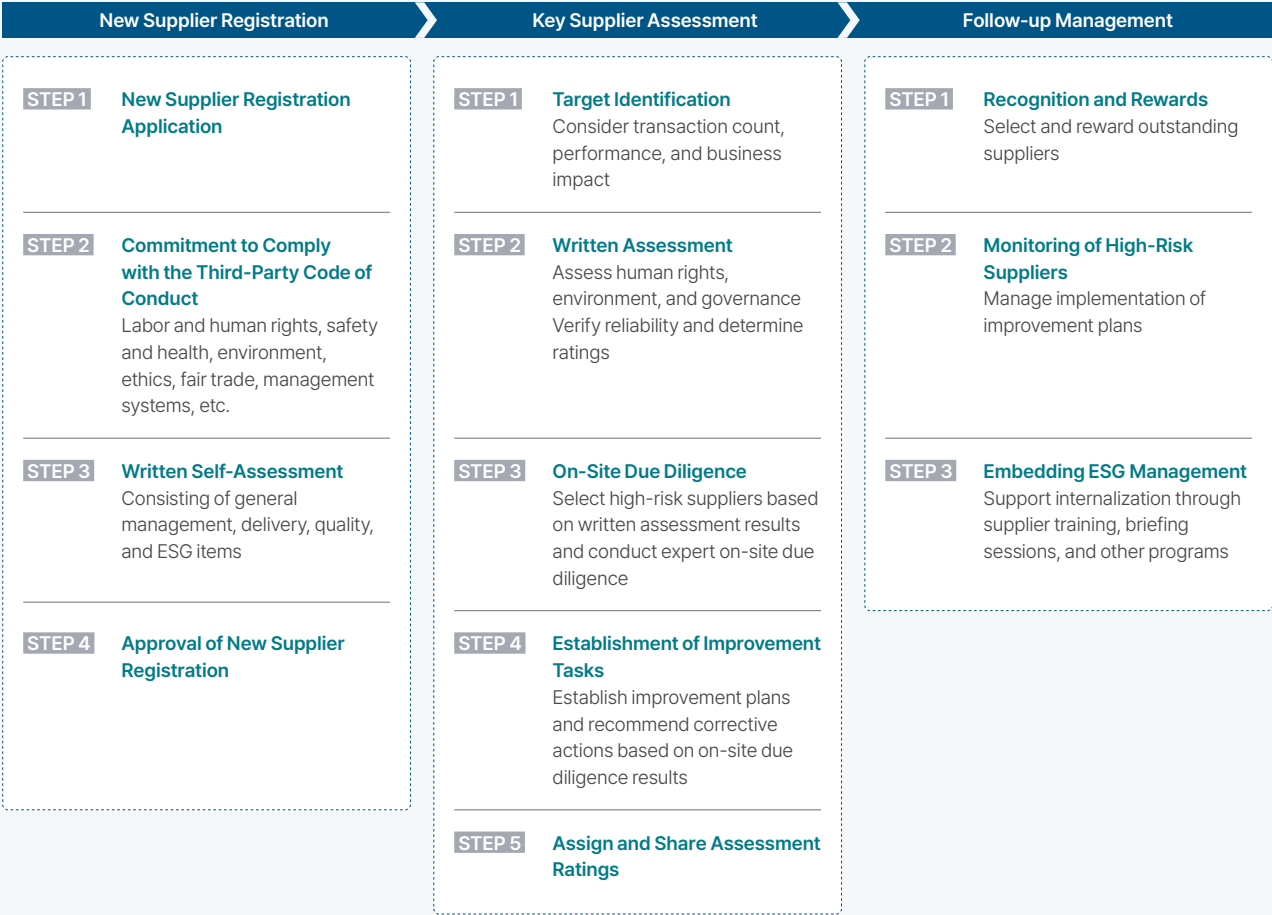
Supply Chain Risk Management

Supply Chain Risk Management Process

SeAH Besteel Holdings operates a supply chain ESG management process comprising three stages: registration of new suppliers, regular assessment of key suppliers, and follow-up management, in order to systematically manage supply chain ESG risks.

At the new supplier registration stage, before transactions begin, the Company obtains a pledge to comply with the Third-Party Code of Conduct and verifies a basic commitment to comply with key ESG items, including labor and human rights, safety and health, environment, ethics, and fair trade, through a written self-assessment. Next, at the regular assessment stage for key suppliers, companies subject to assessment are selected by comprehensively considering the number of transactions, transaction performance, and business impact in the previous year, and ESG risks are systematically diagnosed through written assessments and on-site due diligence covering the areas of human rights, environment, and governance. Finally, at the follow-up management stage, SeAH Besteel Holdings monitors the establishment and implementation of improvement plans by high-risk suppliers, while supporting the internalization of ESG capabilities among suppliers through rewards for excellent suppliers, training, and briefing sessions. SeAH Besteel Holdings applies this supply chain risk management process consistently across its major affiliates and plans to continue advancing the assessment framework to enhance the effectiveness of supply chain ESG management.

Supply Chain Risk Management Process



Evaluate and Mitigate Supply Chain Risks

Risk Management

Supply Chain Risk Management

Supply Chain ESG Risk Assessment

The affiliates under SeAH Besteel Holdings conduct supply chain ESG assessments of key suppliers to identify ESG risks across the supply chain. Since 2023, SeAH Besteel and SeAH CSS have refined assessment items and strengthened the assessment framework through pilot assessments. In 2025, they identified 206 key suppliers¹⁾ by considering the number of transactions, transaction performance, business impact, and other factors, and conducted written assessments of these suppliers. Assessment items are centered on human rights, environment, and governance, enabling them to review suppliers' ESG management levels, including management of labor and human rights impacts, environmental management, and ethics and compliance. Based on the written assessment results, SeAH Besteel and SeAH CSS then identified 40 high-risk suppliers and conducted on-site due diligence. During the on-site due diligence process, they verified suppliers' ESG compliance status, discussed improvement measures for items identified as insufficient, and, where necessary, provided training and consulting to strengthen suppliers' ESG management capabilities.

Meanwhile, SeAH Aerospace & Defense conducts comprehensive supplier evaluations under the supervision of the Supplier Assessment Task Force to identify risks in the supply chain and assess suppliers' capabilities. The comprehensive supplier evaluation consists of three areas: purchasing (general and risk), quality, and ESG (safety, environment, and human resources). In 2025, written assessments and on-site due diligence were conducted for 28 suppliers.

1) SeAH Besteel: 104 suppliers; SeAH CSS: 102 suppliers

철강산업 주요 ESG 이슈: 1) 분쟁광물 관리

철강산업은 다양한 광물 원료를 활용하는 업종 특성상 분쟁광물 및 책임광물 관리에 대한 국제적 규제 압력이 가장 집중되는 산업 중 하나입니다. 국제사회의 원로 공급망 전반에 걸친 인권 실사 체계 구축이 요구가 강화되고 있습니다.

분쟁광물 관련 글로벌 규제

규제 목적	미국, Dodd-Frank 도드프랭크법 1502조	EU, 분쟁광물 규정 2017/821
규제 목적	- 공급망 내 인권 침해 및 분쟁 국가의 무력 분쟁 자금원 차단 - 분쟁광물 거래를 통한 무력분쟁 자금 지원 금지	- 공급망 내 인권 침해 및 분쟁 자금 조달 방지 - 투명하고 책임 있는 광물 공급망 구축
적용 대상	2012년 8월 규정 승인 - 미국 증권거래위원회(SEC)에 등록된 모든 상장사 대상	2017년 1월 1. 1. 시행 - EU 내로 분쟁광물 직접 수입 기업
주요 요구 사항	- 자사 제조 및 제조위탁제품에 분쟁광물이 포함될 경우, '합리적 수준의 원산지 추적(RCOI)' 시행 후 보고 - 광미 수출이 광물 원료와 관련된 2차, 3차 업사슬까지 제공과	- OECD 실사지침 기반 분쟁·고위험 지역에서 채굴/거래 여부 실사 후 보고 - 광고 및 인권과 전 세계 고위험 지역 광물 모두 포함 - 광리 대상 확대 추세: 코발트, 구리, 납, 니켈, 아연 등 실사 기준 공개

철강산업 내 분쟁광물 사용 가능성

- 특수강 제조 공정에서 3TG 사용 가능성
- 특수강 합금의 원소로 책임광물 사용 가능성

Supply Chain Assessment Briefing Session

Key Areas of Supply Chain ESG Assessments

Human Rights

- Labor and human rights
- Prohibition of workplace discrimination and respect for diversity
- Safe working environment

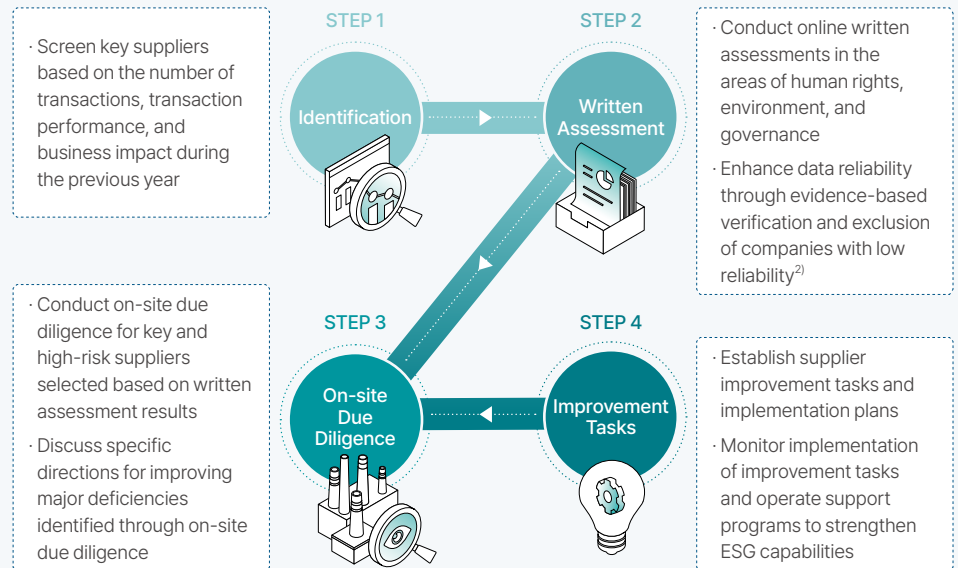
Environmental

- Resource management
- Environmental pollution
- Climate change response

Governance

- Ethics and compliance
- Transparency and communication
- Lower-tier supply chain management

Supply Chain ESG Assessment Process



2) Excluded 32 companies by applying criteria for insufficient responses: response rate below 50%, compliance rate of 0%, or no supporting evidence attached

Evaluate and Mitigate Supply Chain Risks

Risk Management

Supply Chain Risk Management

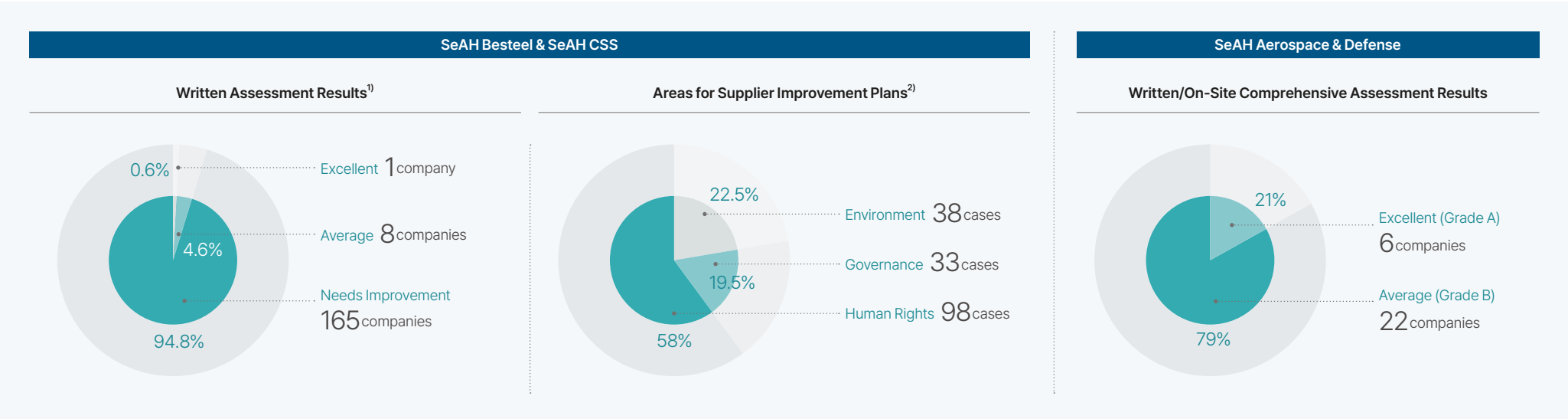
Supply Chain ESG Risk Assessment Results and Follow-up Actions

To improve the reliability of written responses, SeAH Besteel and SeAH CSS excluded 32 companies with insufficient responses from among the 206 suppliers subject to written assessment, based on response rate, compliance rate, and whether supporting evidence was attached. They then classified the assessment results of the remaining 174 companies into three grades. Common areas for improvement in ESG management systems were identified in areas such as establishing human rights policies, calculating greenhouse gas emissions, and establishing codes of ethics.

Based on the written assessment results, SeAH Besteel and SeAH CSS selected 40 key and high-risk suppliers and completed on-site due diligence. They conducted in-depth interviews with working-level personnel, inspected on-site systems, and closely verified internal management frameworks and actual operating levels. Depending on suppliers' needs, they also shared industry best practices and other guidance on specific improvement measures for items identified as insufficient, thereby helping strengthen suppliers' ESG management capabilities.

Through this process, supplier-specific improvement plans were established across human rights, environment, and governance, and a total of 169 improvement tasks were developed. Each supplier established improvement plans and implementation schedules by area based on the due diligence results. SeAH Besteel and SeAH CSS will continue to monitor suppliers' implementation of improvement tasks while clarifying assessment participation criteria and data management requirements through the establishment and revision of supply chain management policies and expanding capability-building support programs.

Supply Chain ESG Risk Diagnosis Results



1) Excluded 32 companies determined to have low reliability for the purpose of improving data reliability (response rate below 50%, compliance rate of 0%, or no supporting evidence attached).

2) Selected 40 key and high-risk suppliers based on written assessment results and conducted on-site due diligence.

Evaluate and Mitigate Supply Chain Risks

Risk Management

Shared Growth with Suppliers

Supplier Communication Channels

The affiliates under SeAH Besteel Holdings operate multi-layered communication channels, spanning executives to working-level personnel, to ensure transparent and effective communication with suppliers. SeAH Besteel strengthens management-level partnerships by holding a New Year Meeting and Partners Day for supplier CEOs, while maintaining close working-level cooperation through a working-level council. It also operates separate regular councils and workshops for suppliers’ safety managers to strengthen communication channels in on-site safety. As of 2025, the number of grievances received through supplier communication channels was zero.

SeAH CSS has held regular meetings with the Supplier Council leadership since 2022 to discuss suppliers’ requests and develop solutions. It also operates online channels through which suppliers can report grievances, including the Supplier Suggestion Center within the Purchasing Management System (E-Procurement) and the Ethics Management Proposal Center on its website.

SeAH Aerospace & Defense holds meetings with key suppliers to share business status, difficulties, and areas for improvement, and operates a Grievance and Suggestion Center through which suppliers can freely submit opinions anonymously. Through this channel, suppliers may report matters that run counter to a sound corporate culture, such as unreasonable practices or improper business practices, and the Company has established a system to reflect suppliers’ improvement suggestions.

Supplier Communication Channel Operations

Type	Communication Channel and Operation Frequency	Affiliate	Participants
Management-Level Partnership	· New Year Meeting (once per year) · Partners Day (once per year)	SeAH Besteel	Supplier CEOs
	· Regular Meeting with Supplier Council Leadership (monthly)	SeAH CSS	
	· Key Supplier Meeting (once per year)	SeAH Aerospace & Defense	
Working-Level Cooperation	· Working-Level Council (monthly) · Working-Level Workshop (once per year)		Supplier working-level personnel
Safety Communication	· Safety Manager Council (monthly) · Safety Manager Workshop (once per year)	SeAH Besteel	Supplier safety managers
Promotion of On-Site Safety Culture	· Tool Box Meeting Competition (once per year)		All suppliers
Grievance Handling	· Ethics Management Proposal Center (ongoing) · Supplier Suggestion Center within the Purchasing Management System (E-Procurement) (ongoing)	SeAH Besteel SeAH CSS SeAH Aerospace & Defense	

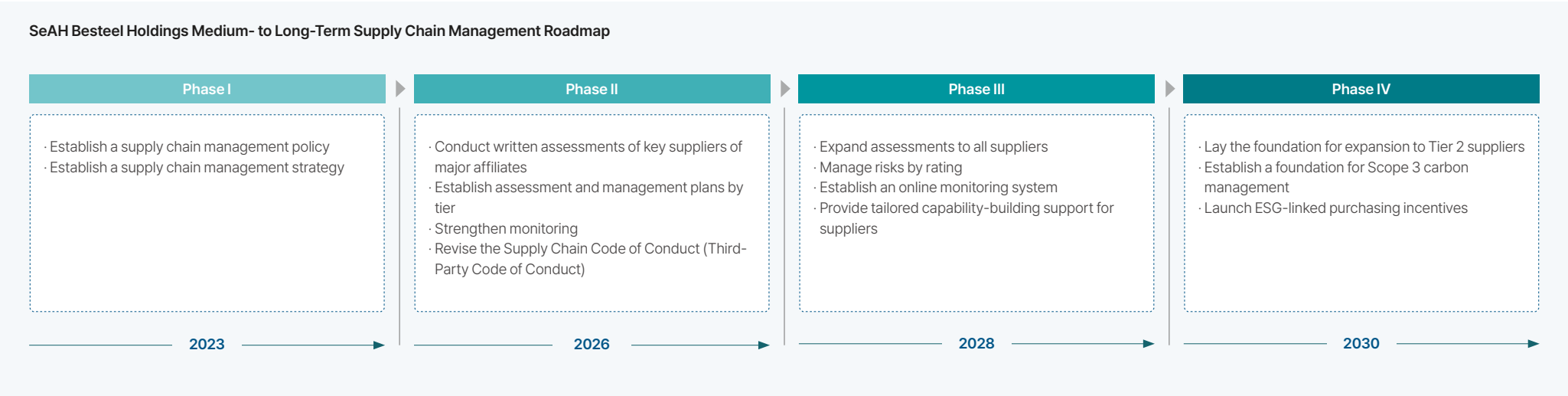
Evaluate and Mitigate Supply Chain Risks

Metrics and Target

Supply Chain Management Targets

Medium- to Long-Term Supply Chain Management Roadmap

SeAH Besteel Holdings has established and is implementing in phases a medium- to long-term supply chain management roadmap (2023-2030) to advance its responsible supply chain management framework. In 2023, as the foundation-building phase for supply chain management, the Company established a supply chain ESG assessment process along with the enactment and revision of the Third-Party Code of Conduct, and conducted its first pilot written diagnostic assessment of key suppliers. SeAH Besteel Holdings is currently implementing Phase II of its medium- to long-term supply chain management roadmap. It has completed written assessments of key suppliers and is concurrently revising the Supply Chain Code of Conduct (Third-Party Code of Conduct) and strengthening its monitoring system. SeAH Besteel Holdings plans to gradually expand the scope of suppliers subject to assessment, lay the foundation for expanding the scope of risk management to Tier 2 suppliers by 2030, and advance its supply chain management by operating ESG-linked purchasing incentives so that suppliers can experience tangible changes. Furthermore, the Company plans to build a foundation for managing greenhouse gas emissions across the value chain.



New Value with Transparency

Governance

Ethics and Compliance Implementation Framework

SeAH Besteel Holdings has established implementation bodies at the Board and management levels to systematically manage ethics and compliance and operates a consistent ethics and compliance framework across the Group.



E&C Committee

As the highest decision-making body overseeing the ethics and compliance framework, the E&C Committee oversees policy development and implementation performance for enterprise-wide ethics and compliance risk management and embedding an ethics and compliance culture. Through these activities, it contributes to establishing transparent and responsible governance.

2025 E&C Committee Activities

Topic	Details
Establishment of Annual Plan	Established SeAH Besteel Holdings' 2025 compliance plan
Operation of the Compliance Framework	Advanced the compliance KPI framework
Fair Trade Compliance	Established and distributed the SeAH Group Fair Trade Compliance Handbook
Creating an Ethics and Compliance Culture	Conducted the Ethics and Compliance Together Campaign
Institutional Improvement	Improved the policy for company mobile phones used by sales positions

Case **SeAH Aerospace & Defense Ethics and Compliance Operations Committee**

In 2025, SeAH Aerospace & Defense newly established the Ethics and Compliance Operations Committee, comprising Compliance Managers from each division. At the first meeting in the first half of the year, with the CEO and all divisions participating, the committee reviewed the ethics management business plan and performance, checked the status of the Together Challenge by division, and discussed the annual compliance plan.

Compliance Team and Ethics Office

The Compliance Team supports the establishment of annual ethics and compliance plans for SeAH Besteel Holdings and its affiliates, and regularly reports ethics management activities as well as incidents of unethical conduct and actions taken to the E&C Committee. The Ethics Office conducts regular ethics training, campaigns, and ethics management evaluations for all employees. The Compliance Officer is an internal officer who satisfies the statutory qualification requirements and whose independence is ensured, and is responsible for inspecting and managing compliance with the Compliance Control Standards. The Compliance Officer also enhances compliance awareness among management and employees and carries out effective compliance control activities. In addition, the Compliance Officer works to spread a culture of compliance in various ways, including establishing the compliance KPI evaluation framework for executives and overseas entities, reviewing improvement plans for the internal regulation system, and holding the Group-wide online compliance quiz competition, and reports its activities to the E&C Committee. The Internal Control Team, as a department directly under the Audit Committee, maintains its independence and continuously manages the soundness of the internal control framework by evaluating the design and operating status of the enterprise-wide internal accounting control system and conducting risk-based inspections of special processes.

Compliance Working-Level Functions

Each affiliate operates its own ethics and compliance management implementation organization and is closely linked with the holding company. Centered on the Ethics Office within each affiliate, Compliance Managers at each division are responsible for ethics and compliance activities in each business area.

New Value with Transparency

Strategy

Ethics and Compliance Policy

Compliance Charter

SeAH Besteel Holdings has established a Compliance Charter to ensure fair and transparent corporate operations, and requires all employees to use it as a standard for decision-making in the course of performing their duties. As the highest-level standard for compliance with domestic and international laws and corporate ethics, the Charter specifies that employees must perform their duties with honesty and fairness and prohibits acts of receiving or requesting improper benefits from stakeholders. It also defines the protection of intellectual property, compliance with fair competition, transparent performance of duties, and fulfillment of environmental and safety obligations as core principles.

[SeAH Besteel Holdings Compliance Charter](#)

Code of Ethics Implementation Guidelines

Based on an ethical corporate culture grounded in basic principles, SeAH Besteel Holdings operates the Implementation Guidelines for the SeAH Besteel Holdings Code of Ethics with the goal of pursuing fair and transparent competition and becoming a company that grows together with stakeholders. The Guidelines set out standards of conduct that employees must comply with in the course of performing their duties and apply to all employees of SeAH Group. SeAH Besteel Holdings strictly prohibits unethical conduct and applies reporting and disciplinary provisions when violations occur. At the same time, it operates an internal whistleblower protection system based on the principles of confidentiality and protection of whistleblowers' identities, thereby embedding a culture in which employees put ethics into practice on their own initiative.

[Implementation Guidelines for the SeAH Besteel Holdings Code of Ethics](#)

Key Principles of the Compliance Charter	
✔ Honesty and Fairness	- Practice compliance as the highest priority in management judgment - Comply with all applicable laws and company regulations and guidelines
✔ Prohibition of Receiving Improper Benefits	Prohibit the receipt of any economic benefits, including money, gifts, entertainment, hospitality, and conveniences
✔ Compliance with Fair Competition	- Respect the order of the market economy and prohibit acts that undermine it - Prohibit the misappropriation or misuse of technology by abusing a superior bargaining position
✔ Transparent Performance of Duties	- Protect shareholders' rights and interests through transparent management activities - Give priority consideration to stakeholder interests in the event of conflicts of interest - Prohibit private use of company assets
✔ Protection of Intellectual Property	Prohibit external leakage of information assets, trade secrets, and security information
✔ Fulfillment of Environmental and Safety Obligations	- Thoroughly comply with environmental and safety laws, regulations, and standards - Create a safe workplace and protect the local community environment

Risk Management

Establishment of an Ethics and Compliance System

Operation of the Compliance KPI Evaluation System

SeAH Besteel Holdings operates a Compliance KPI system to embed compliance across the organization. Compliance KPIs are incorporated into each affiliate's corporate evaluation and executive performance evaluations. In addition, by linking executive evaluation results to corporate evaluations, the Company has established an integrated evaluation system and is fostering a consistent compliance culture across the Group.

Ethics and Compliance Risk Assessment

Compliance Risk Assessment

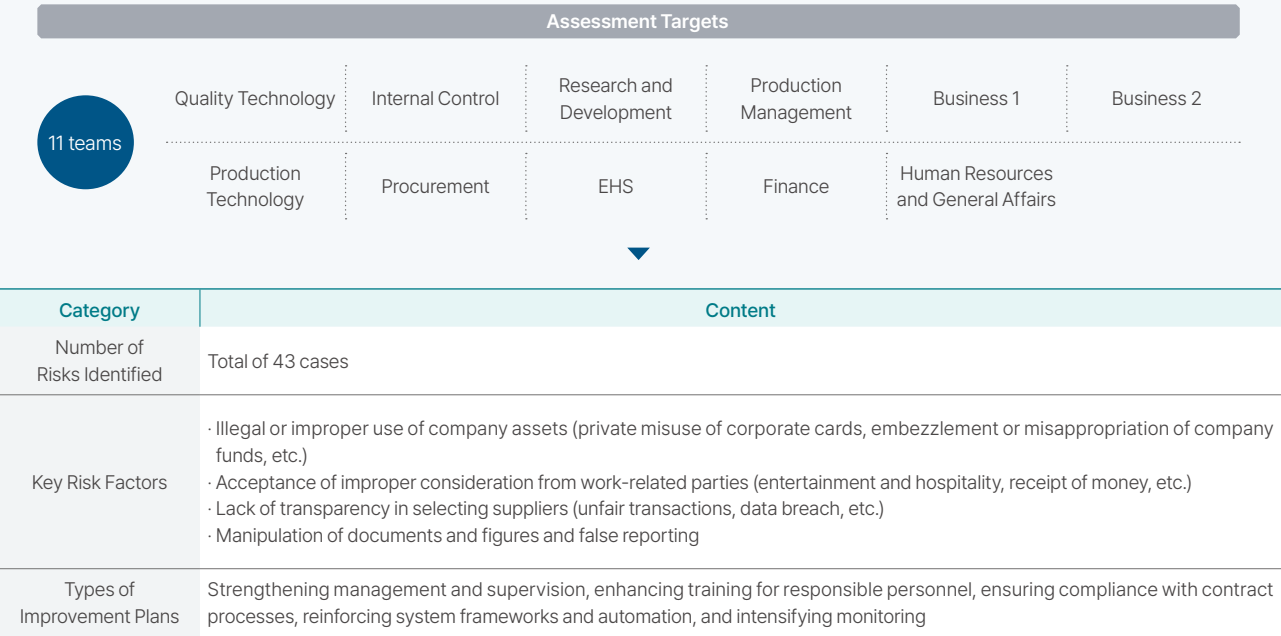
SeAH Besteel Holdings operates a systematic compliance risk assessment process. For each business area, the Company calculates risk scores for risks that may arise under applicable laws and regulations by considering the likelihood of occurrence and severity of impact. The calculated scores are classified into three levels—High, Medium, and Low—and higher risk levels are subject to broader control measures, including financial controls, education and training, monitoring, and operation of policies and systems. In particular, the Company carries out enhanced control activities through targeted management for areas with high potential risks, such as TCFD implementation, responses to ESG regulations, responses to ESG-related assessments and disclosures, Board operations, corporate seal management, and risk identification and follow-up response when legal issues arise.

New Value with Transparency

Risk Management

Case SeAH Aerospace & Defense Ethics Risk Self-Identification Assessment

SeAH Aerospace & Defense conducts ethics risk self-identification assessments by team. Each team identifies risks that may arise in its key business areas and assesses risk significance based on likelihood and impact. Based on this process, each team establishes control measures and, when necessary, develops improvement and corrective action plans to autonomously manage ethics-related risks.



Supplier Business Due Diligence Questionnaire

SeAH Besteel Holdings administers a business due diligence questionnaire for suppliers to ensure transparency in its business activities and transactions and to assess ethics and compliance risks in advance. The questionnaire is conducted once or twice a year and examines matters such as whether suppliers hold the required licenses and permits, whether they have a history of sanctions for unlawful conduct, whether appropriate contracting procedures are followed, and whether ethics and compliance activities are implemented. If a supplier is assessed as presenting a high level of risk, the Company conducts additional due diligence and, where necessary, takes measures such as suspension of transactions, thereby managing ethics and compliance risks across the supply chain.

Key Areas and Actions under the Business Due Diligence Questionnaire

Category	Items Reviewed	Actions, Where Necessary
Business Relationships and External Stakeholders	· Compliance with applicable laws and regulations by the supplier · Potential conflicts of interest	· Checklist review · Comparative review against internal policies
Anti-Corruption and Business Ethics	· Provision of money or valuables in connection with improper solicitation · Relationships with public officials	· Use of the internal reporting system · Additional due diligence
Legal Compliance and Risk Management	· Operation of an internal compliance system · History of legal disputes and risk assessment	· Internal audits and training · Review by external legal counsel

New Value with Transparency

Risk Management

Strengthening Fair Trade and Transaction Transparency

Controls to Prevent Anti-Competitive Conduct

SeAH Besteel Holdings operates a Contact Report monitoring system to prevent risks of improper information exchange and collusion under the Fair Trade Act. Employees are, in principle, prohibited from contacting competitors. If such communication is unavoidable, they must prepare Contact Reports before and after the interaction and report information on the parties involved, key discussion points, and materials exchanged. The exchange of sensitive information is prohibited, and if any unusual matters arise during contact with competitors, they are reported to the Board of Directors for review.

Contact Report Operation Details

Category	Details
Preparation of Contact Reports	Prepare pre- and post-contact reports when contacting competitors
Monitoring and Response System	Conduct quarterly monitoring, report major risk matters to the Board of Directors, and respond after in-depth analysis

Related Party Transaction Guidelines

SeAH Besteel Holdings has established and operates Related Party Transaction Guidelines to ensure the transparency and fairness of inter-affiliate transactions. SeAH Besteel Holdings and its affiliates prepare a related party transaction statement before entering into inter-affiliate transactions to review the justification for each transaction. Each company carefully assesses whether the transaction is justified, considering factors such as any differences from comparable third-party transactions, urgency, confidentiality, and efficiency.

Embedding Ethics and Compliance

Ethics and Compliance Training

SeAH Besteel Holdings operates various training programs to help employees internalize ethics and compliance awareness. It also provides separate training on SeAH Group's overall approach to business ethics for promoted employees and new hires. In addition, SeAH Besteel Holdings provides online fair trade training content through the SeAH Group training platform, enabling employees in relevant departments to take the training at any time.

Ethics and Compliance Campaigns

SeAH Besteel Holdings operates various campaigns to foster a culture of practicing ethics and compliance. In 2025, it operated the Together Campaign, through which organizations established their own compliance and ethics missions, as well as an online compliance quiz competition, thereby spreading a corporate culture in which employees internalize and practice ethics and compliance awareness on their own initiative.

2025 Ethics and Compliance Campaign Activities

Campaign Activity	Details	Affiliate
Together Campaign	Establishment and implementation of organization-specific compliance and ethics mission plans (March-June)	SeAH Besteel Holdings and affiliates under SeAH Besteel Holdings
Compliance Quiz Competition	Online quiz based on the 2025 SeAH Group compliance newsletter and awards for outstanding participants (December)	Entire Group

Ethics and Compliance Practice Pledge

To reinforce employees' compliance with the Code of Ethics Implementation Guidelines, SeAH Besteel Holdings receives Ethics and Compliance Practice Pledges from all employees every year. The pledge consists of ethics and compliance practice standards, including the Ethics Charter and the Code of Ethics Implementation Guidelines.

Key Contents of the Business Ethics Pledge	
✔ Compliance with the Code of Ethics	· Comply with the Ethics Charter, Code of Ethics, and Implementation Guidelines
✔ Faithful Performance of Duties	· Perform duties faithfully and fulfill responsibilities
✔ Document and Information Security	· Prohibit manipulation of documents and figures and false reporting · Prohibit private use of acquired information
✔ Prohibition of Receiving Improper Benefits	· Prohibit providing or receiving gifts, money, or entertainment · Prohibit the exercise of undue influence
✔ Protection of Company Assets	· Prohibit private use of company property · Fulfill obligations to protect assets
✔ Reporting Unethical Conduct	· Immediately report any unethical conduct when identified · Actively cooperate with investigation requests

New Value with Transparency

Risk Management

Operation of Ethics and Compliance Reporting Channels

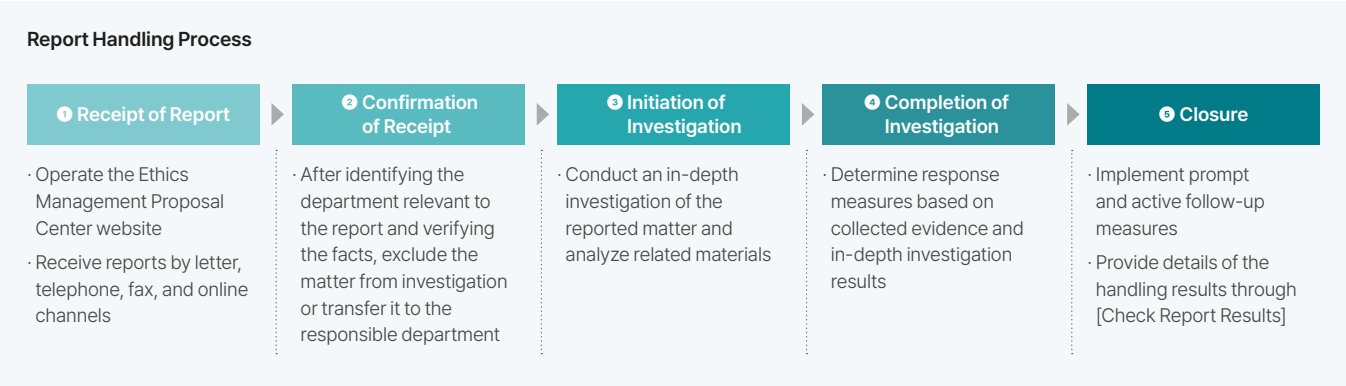
Ethics Management Proposal Center

SeAH Besteel Holdings operates the Ethics Management Proposal Center to establish an ethical corporate culture. All stakeholders, including suppliers and customers, may report unethical conduct by employees anonymously or by name, and reports received are handled promptly through a fair process. In particular, reports concerning the three zero-tolerance acts—workplace bullying, sexual harassment, and violence—are addressed with greater rigor, and the Company strictly adheres to the principles of reporter anonymity and confidentiality.

Ethics Management Proposal Center Operation Details

Reporting Types	Reporting Channels
· Receiving money or valuables from stakeholders · Improper acquisition of equity interests in vendors · Lack of transparency in selecting suppliers · Illegal or improper use of company assets · Manipulation of documents and figures and false reporting · Other violations of ethical standards (neglect of duties, failure to exercise proper supervision, abuse of authority, conduct damaging dignity or reputation, etc.)	· Reports by letter (postal mail) Audit Office, 30F, SeAH Tower, 45 Yanghwa-ro, Mapo-gu, Seoul (04036) · Reports by telephone / fax 02-6970-0165 / 02-6970-0126 · Online reports Ethics Management Proposal Center

[Ethics Management Proposal Center](#)



Metrics and Target

Ethics and Compliance Management Targets

Medium- to Long-Term Ethics and Compliance Management Targets

SeAH Besteel Holdings has established and is pursuing three key targets to continuously advance its ethics and compliance management. The Company aims to operate a framework aligned with global standards and establish tailored processes for each department, foster a culture of ethics and compliance based on employee participation, and strengthen prevention-focused management by advancing its reporting and monitoring systems.

Establishment and Advancement of the Ethics and Compliance System

- Continue operating a compliance system aligned with global standards and further advance the framework
- Establish tailored, risk-based compliance processes for each department

Fostering a Voluntary Culture of Ethics and Compliance

- Conduct campaigns to embed ethics and compliance awareness among employees
- Identify outstanding compliance practices and operate a recognition program

Strengthening Risk Prevention and Ongoing Monitoring

- Establish an ongoing risk monitoring system
- Prevent risks at their source through the operation of a reporting hotline

ESG PERFORMANCE

4

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ENVIRONMENTAL

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Environmental Stewardship

Environmental Management Framework

Environmental Management Policy

SeAH Besteel Holdings and its affiliates have established environmental management policies that clearly define the principles for implementing environmental management throughout their business activities. SeAH Besteel regards environmental conservation as a core value of corporate management and systematically implements nine environmental principles across four key strategic areas. By categorizing the nine principles, including carbon neutrality and the minimization of environmental pollution, into four areas—climate action, resource circularity and water resource protection, integrated environmental management, and environmental regulatory compliance and engagement—SeAH Besteel strengthens the effective implementation of its environmental management practices. SeAH CSS has also established environmental objectives—including regulatory compliance, impact minimization, and resource efficiency—and applies them rigorously across all sites. In addition, SeAH Aerospace & Defense practices pollution prevention and continuous environmental improvement as core management principles based on its integrated EHS policy covering environment, safety, and health.

[SeAH Besteel Environmental Management Policy](#) [SeAH CSS Environmental Management Policy](#)
[SeAH Aerospace & Defense Environmental Management Policy](#)

Management Organization and Operating Structure

SeAH Besteel Holdings has established and operates an integrated implementation framework to ensure the effective Group-wide implementation of environmental management. Through the Safety and Environment Council, which brings together relevant environmental and EHS departments from each affiliate, the Group discusses the environmental management status of each affiliate and key agenda items. The outcomes of these discussions are reported through the ESG Team to management and the ESG Committee under the Board of Directors. The ESG Committee consolidates these matters and ultimately establishes the Group-wide direction and strategy for environmental management. SeAH CSS establishes and implements enterprise-wide environmental management plans centered on its Environmental Team, and carries out systematic environmental management activities, including compliance obligation assessments, monitoring of environmental laws and regulations, and internal audits. SeAH Aerospace & Defense operates an EHS Team under the Production Division, with dedicated personnel comprising the EHS Team Leader and the environmental manager within the EHS Team, who are responsible for environmental management. Significant environmental issues are reported to the Head of the Production Division and the CEO through ad hoc reports or regular EHS Lead Team meetings.

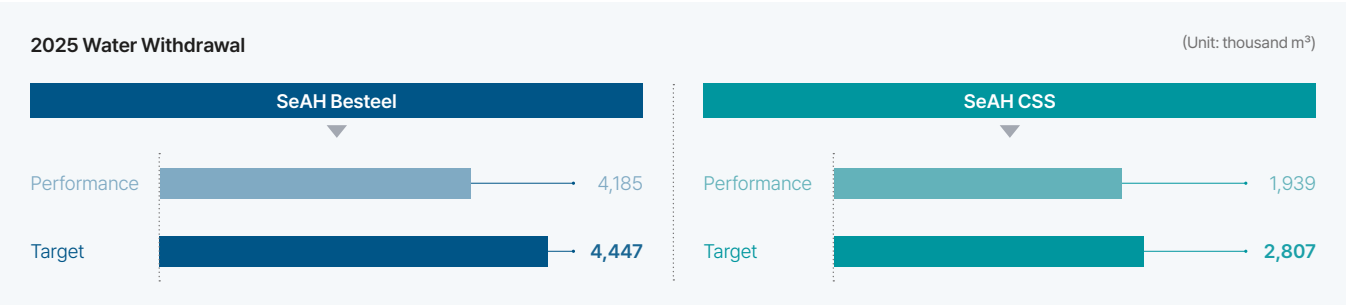
Governance Framework



Medium- to Long-Term Environmental Management Goals and Initiatives

SeAH Besteel Holdings and its affiliates establish medium- to long-term environmental management goals and strategies tailored to the characteristics of each site based on their environmental management policies, and implement them systematically. SeAH Besteel plans to complete a total of 10 chemical substance registrations from 2026 to 2027 in accordance with the Act on Registration and Evaluation of Chemical Substances (K-REACH), and regularly provides themed training for employees and partners across all areas, including air, water, waste, and chemical substances, to strengthen environmental management capabilities. SeAH CSS has set “Leap Forward as an Environmentally Responsible Company” as its environmental management vision and is pursuing key strategic initiatives, including maximizing resource circularity, reducing pollutants, and advancing its environmental management system. It also aims to achieve an S grade in the ESG environmental category and an Excellent grade in integrated permit management. SeAH Aerospace & Defense has set zero environmental accidents as a key goal and is implementing key initiatives, including establishing and advancing EHS digitalization, strengthening the organizational structure of the EHS Team, and improving management and reporting processes to prevent environmental accidents.

Environmental Stewardship



Environmental Management System

Operation and Monitoring of the Environmental Management System

SeAH Besteel Holdings and its affiliates operate environmental management systems based on ISO 14001 certification and continuously improve their environmental performance by conducting systematic monitoring activities at each site. SeAH Besteel conducts weekly safety and environmental theme inspections and manages the entire process, from risk identification to confirmation of corrective actions, in connection with the SHE System. SeAH CSS assesses the conformity of its environmental management system through annual internal audits, covering relevant departments responsible for research and development, production, quality, supplier management, and other areas. It also systematically manages the introduction of hazardous substances by reviewing, before purchasing new materials, whether a Material Safety Data Sheet (MSDS) is required for them and whether they contain regulated substances. SeAH Aerospace & Defense requires prior approval from the EHS Team when changes occur, such as equipment disposal, modification, or new installation, to prevent omissions in environmental permits and approvals.

ISO 14001 Certification Status

Affiliate	Site	Valid Until
SeAH Besteel	Gunsan	October 2027
SeAH CSS	Changwon	December 2027
SeAH Aerospace & Defense	Changwon	January 2027

Environmental Stewardship

Environmental Management System

Operation of the Environmental Regulatory Compliance System

SeAH Besteel Holdings and its affiliates go beyond faithfully meeting legal requirements by setting enhanced internal standards to practice proactive environmental management. SeAH CSS conducts annual compliance obligation assessments for applicable environmental laws, including the Clean Air Conservation Act, the Water Environment Conservation Act, and the Wastes Control Act, and immediately updates and registers any legislative amendments in the Integrated SHE System to reflect the latest requirements. In addition, when changes occur within a site—such as to processes, equipment, or substances used—it reviews environmental risks in advance through its safety and environment assessment process. SeAH Aerospace & Defense operates an environmental risk reporting system for all employees through its IFE system, in addition to conducting compliance obligation assessments, thereby strengthening regulatory compliance capabilities at the site level.

Fostering an Environmentally Responsible Culture

Environmental Training for Employees

To raise employees’ environmental awareness and strengthen on-site environmental management capabilities, SeAH Besteel Holdings and its affiliates regularly provide environmental training tailored to the characteristics of each site. SeAH Besteel operates both statutory mandatory training and its own training programs, including environmental training for personnel in each department, training to obtain integrated environmental manager qualifications, and training for those who handle and work with hazardous chemical substances. SeAH CSS conducts safety training for hazardous chemical substance managers, handlers, and workers throughout the year, along with new hire training and MSDS-related training. SeAH Aerospace & Defense provides training on environmental regulatory compliance—covering air, water, waste, chemical substances, and ESG—to all employees twice a year.

Environmental Training Status

Affiliate	Participants	Training Content
SeAH Besteel	Environmental personnel, and those who handle and work with hazardous chemical substances	· Environmental training by department, integrated environmental manager qualification, and hazardous chemical substance handling and management (2,713 participants completed the training; 5,307 hours)
SeAH CSS	Hazardous chemical substance managers and handlers, all employees, and new hires	· Hazardous chemical substance safety, MSDS, and environmental management training (1,793 participants completed the training; 3,381 hours)
SeAH Aerospace & Defense	All employees	· Training on air, water, waste, chemical substances, and ESG environmental regulations (twice a year, 30 minutes each)

Environmental Cleanup Activities

SeAH Besteel and SeAH CSS carry out hands-on, participatory environmental cleanup activities to conserve the environment of the local communities where their sites are located and to foster a corporate culture rooted in local communities. In 2025, marking World Water Day, SeAH Besteel recognized the seriousness of water pollution caused by climate change and participated in a river cleanup around the Geumgang Estuary Bank in a joint public-private effort with Gunsan City. SeAH CSS, meanwhile, conducts an underwater environmental cleanup initiative called “Clean Ocean” and, together with the Masan Bay Special Management Area Public-Private-Industry-Academia Council, has consistently carried out coastal cleanup activities in Masan Bay since 2010 in observance of Sea Day and International Coastal Cleanup Day.



Biodiversity

Biodiversity Policy

Biodiversity Protection Policy

SeAH Besteel Holdings and its affiliates recognize the potential impacts of their business activities on natural ecosystems and biodiversity and have established and implemented related policies based on biodiversity protection as a fundamental management principle. In line with the No Net Loss principle, SeAH Besteel Holdings minimizes ecosystem impacts when introducing new facilities or expanding operations. Furthermore, across all business activities, it plans to focus its enterprise-wide efforts on preventing the loss of natural capital and enhancing ecosystem resilience by conserving legally protected species near its sites and actively participating in habitat restoration. SeAH Besteel has defined its action directions as compliance with domestic and international agreements and regulations, prior review of biodiversity impacts for new projects, expanded application of the policy across the supply chain, and community-based conservation activities. SeAH CSS has established as its action principles the identification and impact assessment of protected species near its sites, the efficient use of natural resources and resource recovery of by-products, and participation in coastal and underwater cleanup activities in Masan Bay.

[SeAH Besteel and SeAH CSS Biodiversity Policy](#)

Biodiversity Impact Analysis

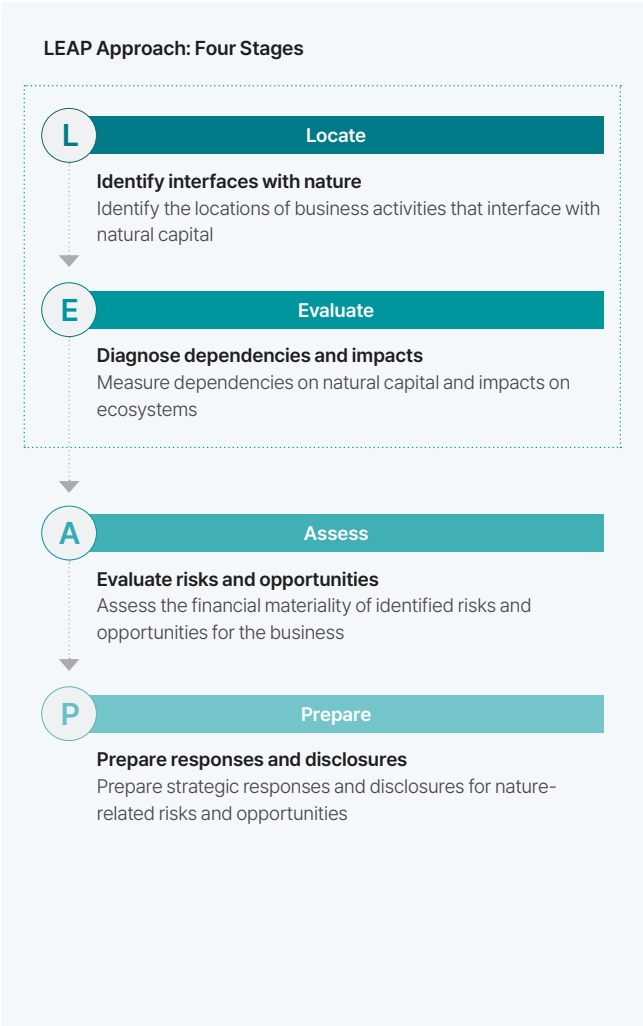
TNFD LEAP-Based Natural Capital Analysis Framework

To systematically manage its dependencies on and impacts on natural capital, SeAH Besteel Holdings has established an analysis process based on the LEAP approach recommended by the Taskforce on Nature-related Financial Disclosures (TNFD). The LEAP approach comprises four phases: Locate, which identifies where business activities interface with nature; Evaluate, which assesses the level of dependencies and impacts associated with business activities; Assess, which examines the resulting financial risks and opportunities; and Prepare, which develops appropriate responses and disclosure plans. Through this approach, SeAH Besteel Holdings identified priority sites and key ecosystem types requiring management and analyzed its dependencies on and impacts on natural capital across its business areas. The findings will provide a basis for advancing its TNFD-aligned disclosure framework and establishing its biodiversity management strategy.

Locate Phase Analysis

Selection of Sites for Analysis and Review of Ecological Significance

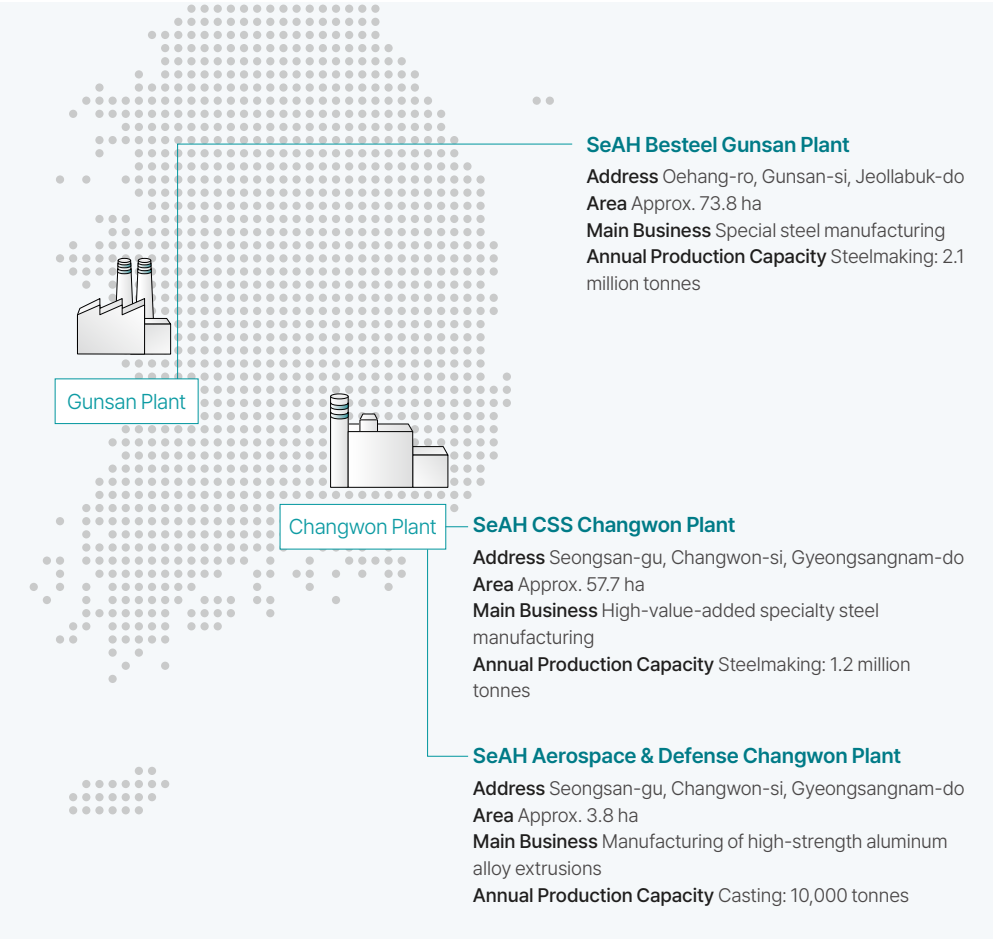
From the financial and operational perspectives of its affiliates, SeAH Besteel Holdings selected sites with significant contributions to revenue and production volume as priority sites for analysis and reviewed the ecological significance of the surrounding areas. For a total of three sites—the SeAH Besteel Gunsan Plant, the SeAH CSS Changwon Plant, and the SeAH Aerospace & Defense Changwon Plant—it comprehensively examined Ecological and Natural Map Grades, Key Biodiversity Areas (KBAs), and the presence of threatened species. The analysis identified that all three sites are either adjacent to ecosystems of conservation value or connected to threatened species habitats.



Biodiversity

Locate Phase Analysis

Site Information for Analysis



Ecological Importance near Business Sites

Category	Gunsan Plant (SeAH Besteel)	Changwon Plant (SeAH CSS, SeAH Aerospace & Defense)
Ecological and Natural Map grade ¹⁾	Adjacent to Grade 1	Adjacent to Grade 2
Key Biodiversity Area (KBA ²⁾)	Geum River and Estuary (marine intertidal zone and marine coastal area)	Junam Reservoir
Protected and Conserved Areas (WDPCA ³⁾)	Getbol (UNESCO World Natural Heritage), Seocheon Tidal Flat Wetland Protection Area, etc.	Masan Bay Bongam Tidal Flat Wetland Protection Area, Gyeongsangnam-do Urban Natural Park Zones, etc.
IUCN threatened species habitats ⁴⁾	· Gold-spotted pond frog (VU) · Nordmann's greenshank (EN) · Boreal digging frog (LC) · Leopard cat (LC)	· Golden eagle (LC) · Crested ibis (EN) · Eurasian otter (NT)

1) Ecological and Natural Map grades provided by EcoBank are calculated by evaluating ecological value, naturalness, and landscape value under the Natural Environment Conservation Act. A lower grade indicates higher conservation value.

2) Key Biodiversity Areas: areas internationally important for the maintenance and conservation of biodiversity, identified based on standard criteria such as those of the International Union for Conservation of Nature (IUCN).

3) World Database on Protected and Conserved Areas: information on terrestrial and marine protected areas worldwide and other effective area-based conservation measures.

4) Shows IUCN Red List categories, through which the IUCN assesses the conservation status and extinction risk of animals, plants, and fungi worldwide. Critically Endangered (CR), Endangered (EN), and Vulnerable (VU) are threatened categories. (Reference: Biodiversity of the Korean Peninsula)

Biodiversity

Locate Phase Analysis

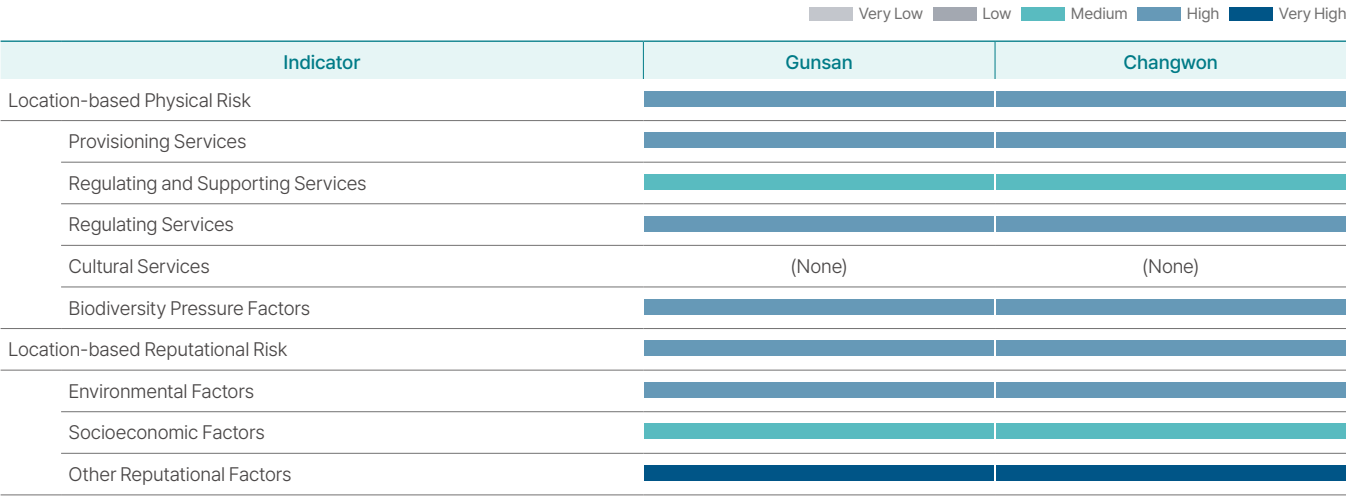
Analysis of Site-Level Environmental Dependencies and Impacts

SeAH Besteel Holdings used the Biodiversity Risk Filter of the World Wide Fund for Nature (WWF) to quantitatively assess the dependencies and impacts of the sites covered by the analysis on the surrounding environment. The analysis found that other reputational factors, which include media scrutiny, the international importance of the area, and geopolitical response risk levels, were relatively high compared with other risk factors. This indicates that these factors may have comparatively greater financial implications for the sites.

Analysis of Water Stress in Site Regions

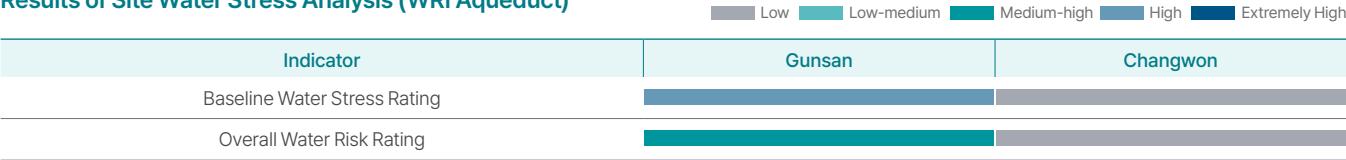
SeAH Besteel Holdings conducted a water stress analysis based on the Aqueduct 4.0 Water Risk tool of the World Resources Institute (WRI) to specifically assess the level of risk associated with water resources, which are material to its business activities. The analysis found that Gunsan was rated High for baseline water stress, while Changwon was rated Low. In the overall water risk rating, which applies the default weightings, Gunsan was rated Medium-High and Changwon was rated Low.

Results of the Site-Level Environmental Dependency and Impact Analysis (WWF BRF) ¹⁾



1) Scores were classified into five bands through quantitative assessment. Higher scores indicate greater biodiversity-related dependency or financial risk at the relevant location.

Results of Site Water Stress Analysis (WRI Aqueduct) ²⁾



2) Scores were classified into five bands through quantitative assessment. Higher scores indicate greater water-related risk in the relevant area.

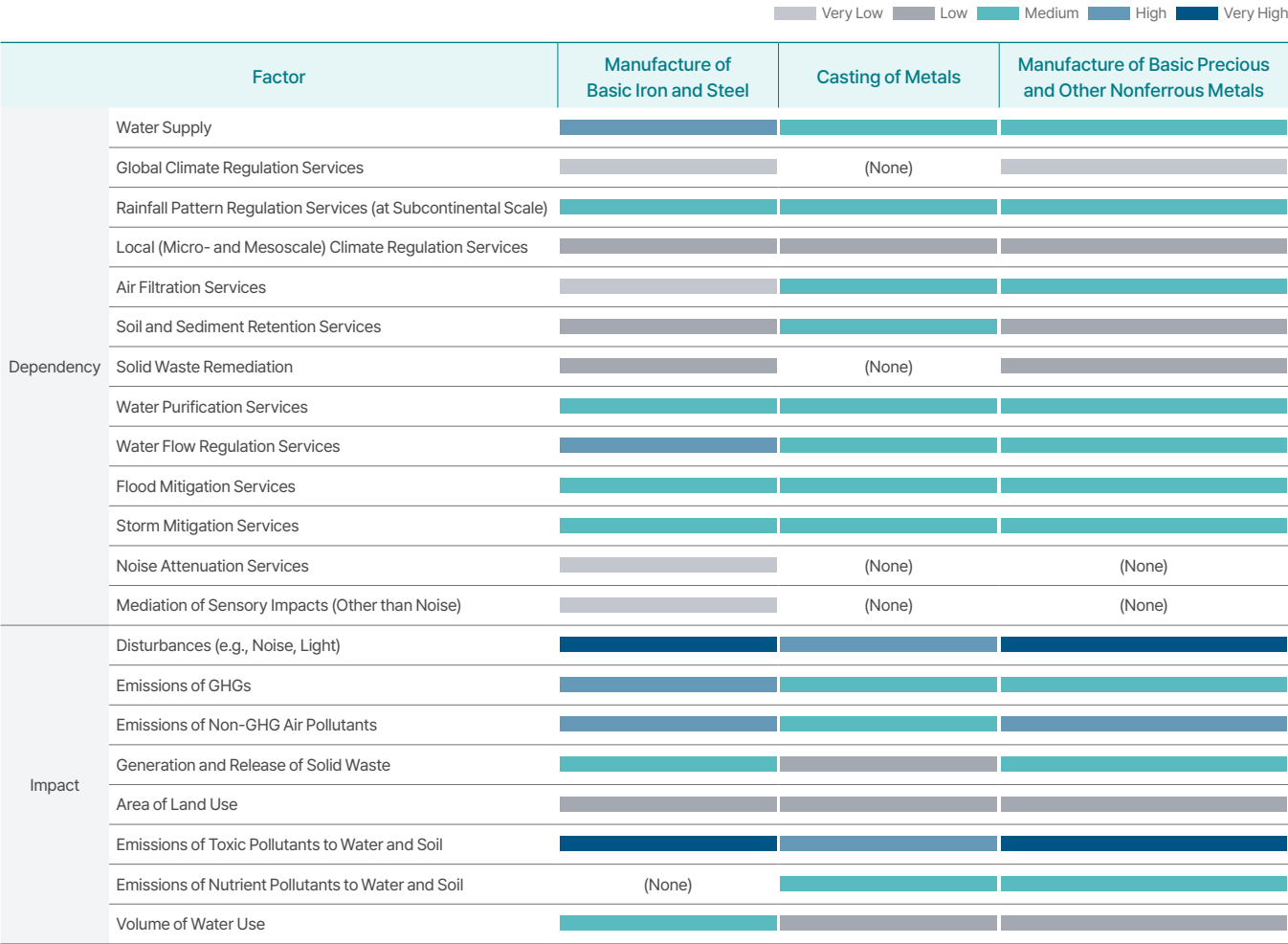
Biodiversity

Evaluate Phase Analysis

Identifying Industry Dependencies and Impacts on Ecosystems

SeAH Besteel Holdings used the ENCORE analysis tool to identify the extent to which its business activities depend on ecosystem services and how they impact nature. Based on a review of environmental dependency and impact information for the industry groups corresponding to SeAH Besteel Holdings’ business areas under the International Standard Industrial Classification (ISIC), the primary metals manufacturing sector was identified as having relatively greater impacts on nature than dependencies on ecosystem services. This indicates that regulatory compliance and reputation management are relatively important. In particular, water dependency was found to be high across the business areas, while impacts on water resources were also significant. High levels of impact were also identified for disturbances (e.g., noise and light), as well as toxic pollutant emissions to water and soil.

Results of Industry Dependencies and Impact Identification on Ecosystems (ENCORE) ¹⁾



1) Scores were classified into five bands through quantitative assessment. Higher scores indicate greater dependency on ecosystem services or impact on nature for the industry group.

Pollution Control

Pollution Control Framework

Operation of Pollution Control Standards

The affiliates under SeAH Besteel Holdings establish and operate internal management standards that are stricter than statutory emission limits in order to minimize the impacts of pollutants generated at their sites on local communities and the natural environment. To manage air pollutant emissions, they apply internal emission standards that are stricter than statutory limits to major emission facilities. They also operate additional air TMS (Tele-Monitoring System) units for internal management at stacks not subject to mandatory data transmission to the Ministry of Environment, enabling monitoring at intervals more frequent than legally required. To manage water pollutant discharges, they conduct internal water quality analyses more frequently than legally required and proactively maintain stable effluent water quality. In particular, the affiliates apply internal management standards for all water pollutant parameters at 70% or less of the statutory emission limits and conduct internal water quality analyses once a month, further strengthening the rigor of their water quality management standards. For hazardous chemicals, materials classified as chemicals may be brought onto a site only after undergoing a prior assessment of their composition, hazards, and risks. The affiliates also require prior review by the relevant safety and environment departments before registering new MSDSs or using new chemical substances, thereby preventing regulated substances from entering the sites in the first place.

Internal Pollution Control Standards Compared with Statutory Requirements

Category	Statutory Requirements	Internal Management Standards
Air Pollutants	- Compliance with emission limits - Self-measurement at legally required intervals - Operation of stack TMS subject to mandatory transmission to the Ministry of Environment	- Establishment of internal emission standards stricter than statutory limits for electric arc furnaces, heat treatment furnaces, and other applicable facilities - Additional operation of air TMS for internal management purposes beyond facilities subject to mandatory Ministry of Environment requirements - Self-measurement conducted more frequently than the legally required cycle
Water Pollutants	- Compliance with emission limits - Self-measurement at legally required intervals (once per quarter)	- Establishment and operation of internal management standards stricter than statutory emission limits - Application of internal management standards at 70% or less of statutory emission limits for all water pollutant parameters, with internal water quality analyses conducted once a month
Hazardous Chemicals	- MSDS management - Obligation to register chemical substances	- Materials may be received only after passing a preliminary assessment of components and hazards and risks before new materials are brought in - Operation of a prior safety and environment review process for new MSDSs - Mandatory EHS review before the use of new chemical substances

Environmental Impact Reduction Targets

SeAH Besteel Holdings establishes targets and implements strategies to progressively reduce emissions of major pollutants and water use. To this end, SeAH Besteel has developed a medium- to long-term reduction roadmap for nitrogen oxides (NOx) emissions and water use in order to gradually reduce emissions of major pollutants and mitigate environmental impacts. For NOx, SeAH Besteel has set a long-term target to reduce emissions by 10% by 2030 from 546 tonnes in 2023. For water use, it has set a long-term target to reduce water use by 2.4% by 2030 from 4,874 thousand tonnes in 2022. SeAH Besteel is implementing phased action plans to achieve these targets.

SeAH Besteel Environmental Impact Reduction Targets			
	2025 Short-term Target	2028 Medium-term Target	2030 Long-term Target
NOx (compared with 2023)	537.8	518.7	491.4 (Unit: tonnes)
Water Use (compared with 2022)	4,830	4,786	4,757 (Unit: thousand tonnes)

Pollution Control

Environmental Investment

Environmental Investment

The affiliates under SeAH Besteel Holdings continue to make environmental investments to reduce environmental impacts at their sites and prevent potential environmental accidents. Each affiliate is steadily reducing environmental impacts across all areas, including air, water quality, and waste, by introducing facilities that reduce environmental impacts and modernizing aging facilities.

Environmental Investment Status

Affiliate	Environmental Investment
SeAH Besteel	· (Air): Installation of a new dust collector for the steelmaking process, improvement of electric furnace dust collectors, installation of air TMS, and reduction of fugitive dust · (Water Quality): Maintenance of non-point source pollution reduction facilities · (Waste): Establishment of a general waste recycling center
SeAH CSS	· (Air): Replacement of burners in heating furnaces and heat treatment furnaces with Low NOx Burners; fabrication of a new hood to capture smoke (fumes) generated during the forging process and connection to dust collectors; conversion of the heat source for heat treatment furnaces to LPG · (Other): Modernization of aging facilities and introduction of new environmental facilities
SeAH Aerospace & Defense	· (Air): Replacement of the heat exchanger for the casting dust collector

Air Pollutant Reduction Activities

Infrastructure Development and Facility Improvements

The affiliates under SeAH Besteel Holdings continue to invest in the construction and expansion of pollution prevention facilities and the upgrading and replacement of aging facilities to fundamentally reduce air pollutants generated from production processes.

SeAH Besteel has upgraded its pollution prevention infrastructure, focusing on the installation of new baghouse dust collection facilities to reduce dust and the replacement of aging bag filters. In 2025, it installed a new baghouse dust collection facility to reduce dust emissions from the charging process at Steelmaking Plant 1. With implementation targeted for 2026, SeAH Besteel is sequentially pursuing additional installation of baghouse dust collection facilities at the BRM Plant, replacement of bag filters at the steelmaking plant with high-performance materials, and inspection and replacement of electric furnace bag filters. For heating furnaces, it systematically manages nitrogen oxide emissions through air-fuel ratio control and inspection of pollution prevention facilities.

To reduce nitrogen oxides, SeAH CSS replaced the existing burners in its heating furnaces and heat treatment furnaces with Low NOx Burners. It also fabricated a new hood to remove fumes generated during scarfing in the forging process and connected it to the existing dust collector, thereby reducing visible emissions and improving the work environment. In addition, SeAH CSS is pursuing a range of air pollutant reduction activities, including converting the heat source of heat treatment furnaces in the pickling process from diesel to LPG. SeAH Aerospace & Defense replaced its aging casting dust collector heat exchanger with new equipment to prevent the leakage of air pollutants caused by corrosion and other deterioration of the existing equipment.

Implementation of Voluntary Agreements and Fugitive Dust Management

The affiliates under SeAH Besteel Holdings continue to reduce air pollutants through voluntary agreements with local governments and environmental authorities, while managing fugitive dust generated within their sites.

SeAH Besteel received an Excellence Award from the Head of the Jeonbuk Regional Environmental Office for its voluntary reduction efforts and achievement of emissions reduction targets during the Sixth Seasonal Management Program. It has continued these efforts by submitting a reduction plan for the Seventh Seasonal Management Program. Since signing a voluntary agreement with Gyeongsangnam-do for particulate matter reduction in 2019, SeAH CSS has implemented its reduction plan and systematically managed fugitive dust through continuous monitoring via air surveillance CCTV.

Status and Plans for Voluntary Agreements and Fugitive Dust Management

Category	Description
Voluntary Agreements	· SeAH Besteel - Entered into and implements a voluntary agreement for the seventh Fine Dust Seasonal Management Program (December 2025 – March 2026) - Set a reduction target of 1,926 kg, or 1% of total baseline emissions of dust, SOx, and NOx · SeAH CSS - Implements a voluntary fine dust reduction agreement with Gyeongsangnam-do since December 2019 - Established a reduction plan of 6,981 kg, equivalent to 2% of dust and nitrogen oxide emissions
Fugitive Dust Management	· SeAH Besteel Additional installation of dust-proof walls around scrap storage facilities; frequent operation of road sweepers and water trucks on internal site roads · SeAH CSS Operation of road sweepers on internal roads, operation of wheel-washing facilities, and continuous monitoring via air surveillance CCTV

Pollution Control

Water Resources and Water Quality Management

Water Reuse and Effluent Management

The affiliates under SeAH Besteel Holdings continue to manage water resources, focusing on water circulation within processes and wastewater treatment, to improve the efficiency of water use in steel manufacturing processes and minimize environmental impacts from effluent. SeAH Besteel's Gunsan Plant ¹⁾, located in an area with high water stress, reuses cooling water through an internal circulation system. The reclaimed water is used for applications such as slag cooling in the steelmaking process, thereby reducing the need for additional industrial water withdrawal. Final wastewater after the circulation process is treated through an internal wastewater treatment facility, and non-point source pollution reduction facilities are operated during rainfall to help protect aquatic ecosystems around the site. SeAH CSS also reuses water used in major production processes to reduce water withdrawals and accumulates data on water use, reuse, and wastewater discharge in the SHE Integrated System, thereby building a data foundation for improving medium- to long-term water resource management. It also ensures the reliability of water quality data by conducting both in-house and third-party analyses of wastewater treatment plant effluent, continuously monitors changes in the concentration of key parameters, and responds quickly to any abnormal signs.

1) According to the World Resources Institute (WRI) Aqueduct Water Risk Atlas, the water stress level in the Gunsan area is High.

Water Resources and Water Quality Management Status

Affiliate	Category	Description
SeAH Besteel	Water Reuse	· Operates an internal cooling water circulation system based on cooling towers · Uses reclaimed water for slag cooling in the steelmaking process
	Effluent Management	· Operates internal wastewater treatment facilities and prevents pollutants from entering rivers by operating non-point source pollution reduction facilities during rainfall
SeAH CSS	Water Reuse	· Reuses water from major production processes, including continuous casting and rolling, after water treatment
	Data-based Monitoring	· Prepares and manages water quality operation logs (water use, wastewater discharge, reuse volume, and chemical use) · Accumulates and manages water quality data through the SHE Integrated System
	Effluent Management	· Ensures data reliability through parallel analyses by internal and external specialized institutions · Continuously monitors key water quality parameters and responds quickly to abnormal signs

Hazardous Chemical Safety Management

Chemical Accident Prevention Framework

The affiliates under SeAH Besteel Holdings operate a prevention framework covering the entire process from introduction to handling and storage to prevent accidents that may occur when handling hazardous chemicals. SeAH Besteel incorporates into its SHE system-based chemical management framework a step-by-step process covering material code registration, determination of whether a material is classified as a chemical substance, MSDS registration and review, review under the three chemical-related acts, approval for site entry, and ongoing monitoring. Meanwhile, SeAH CSS has established a real-time monitoring system at hazardous chemical handling facilities to enable rapid situation sharing and response. It has also established a Plan for Prevention and Management of Chemical Accidents and strengthens compliance with obligations to notify local communities and its management framework through annual implementation inspections. In addition, it continuously monitors developments in the designation of new hazardous chemicals and continues efforts to replace hazardous chemicals used in its processes with non-hazardous alternatives, thereby advancing an environmentally responsible production framework.

Emergency Response Drills

The affiliates under SeAH Besteel Holdings regularly conduct environmental emergency response drills based on hazardous chemical leak scenarios. The drills are carried out using tailored scenarios for the major substances handled at each site. By performing the entire process under realistic conditions, from initial discovery to the development of recurrence prevention measures, the affiliates systematically review their on-site response capabilities.

SOCIAL

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Talent Management	082
Customer Satisfaction	087
Corporate Citizenship	090

Human Rights

Human Rights Governance Framework

Human Rights Charter

SeAH Besteel Holdings complies with domestic and international laws and regulations applicable to each business area and supports international human rights norms, including the Universal Declaration of Human Rights (UDHR), the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, the UN Convention on the Rights of the Child, and the core conventions of the International Labour Organization (ILO). Reflecting these principles, SeAH Besteel Holdings has established and operates a Human Rights Policy that includes internal and external communication, grievance handling, and remediation procedures. The Charter applies to all domestic and overseas sites of the Group and covers 13 areas, including prohibition of employment discrimination, prohibition of forced labor and child labor, protection of freedom of association and collective bargaining, ensuring occupational safety and health, and responsible supply chain management. SeAH Besteel, SeAH CSS, and SeAH Aerospace & Defense disclose their Human Rights Charters on their respective websites.

SeAH Group Human Rights Charter Declaration

[Human Rights Charter](#)

- As a global steel manufacturer, SeAH Group upholds “Honest” as its foremost value and strives to become a company that respects the human rights of all stakeholders with whom it works, including employees, business partners, and customers, creates abundant value together with them, and makes the world beautiful.
- SeAH Group complies with the laws and regulations of each country and region, supports international human rights principles and norms, including the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, the UN Convention on the Rights of the Child, and the ILO core conventions, and establishes and operates a Human Rights Policy that includes internal and external communication, grievance handling, and remediation procedures to put these principles into practice. This policy applies to all domestic and overseas sites of SeAH Group. To promote shared understanding and Group-wide implementation, SeAH Group hereby declares the Human Rights Charter as follows.

Zero-Tolerance Principle

SeAH Group defines workplace harassment, workplace sexual harassment, and violence as the three prohibited behaviors and has established and operates a zero-tolerance policy that strictly sanctions such conduct. The zero-tolerance policy is a common policy across all SeAH Group affiliates and sets out clear definitions and classifications of the three prohibited behaviors, an eight-step procedure for prevention and response, dual reporting channels at the affiliate and Group levels, mandatory regular reporting by affiliates, and sanctions for violations ranging from suspension for at least three months to dismissal. SeAH Besteel Holdings treats the zero-tolerance policy as a practical measure to protect individual employees and continues to enhance its effectiveness through ongoing review and revision.

Definitions of the Three Prohibited Behaviors under the Zero-Tolerance Policy and Response Process

Workplace Harassment

Acts that use superiority in workplace position or relationships to cause physical or mental suffering to another worker or deteriorate the working environment beyond the reasonable scope of work

Workplace Sexual Harassment

Acts that, by using workplace position or in relation to work, cause another person to feel sexual humiliation or offense through sexual remarks or behavior, or that disadvantage the person in working conditions or employment on the grounds that the person did not comply with such conduct

Workplace Violence

Any act in which an employee uses physical force against another party (excluding third parties unrelated to work or the company), or has caused or may cause physical harm; physical contact is not necessarily required

Eight-Step Response Process

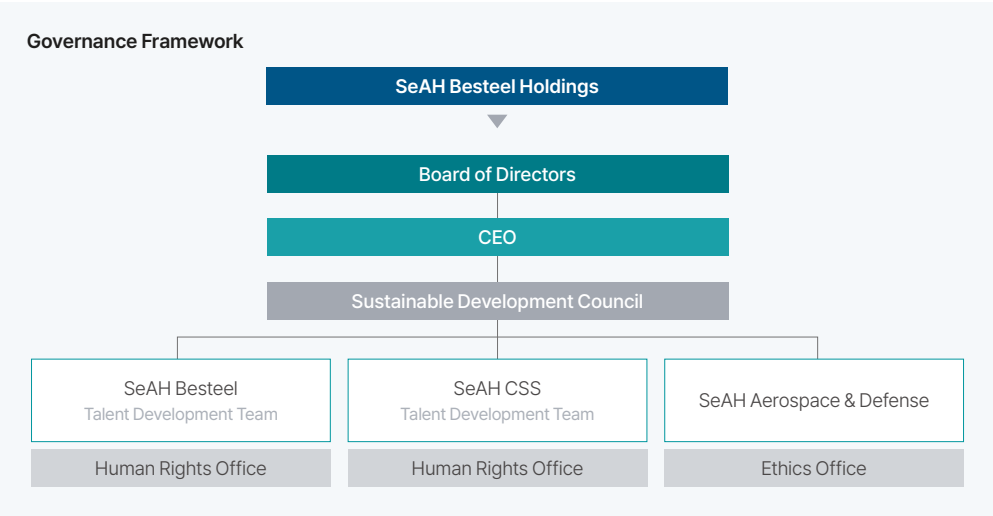
- 1 Receive report
- 2 Counseling and temporary protection of the victim
- 3 Request investigation by an external agency
- 4 Report investigation results
- 5 Disciplinary Committee review
- 6 Recovery measures for the victim
- 7 Monitoring to prevent recurrence
- 8 Report final results

Human Rights

Human Rights Governance Framework

Human Rights Governance

SeAH Besteel Holdings places respect for human rights at the core of its business activities and operates a Group-wide human rights governance framework. Key human rights risks and the status of human rights initiatives are reviewed and managed by the ESG Committee under the Board of Directors, while the ESG Team oversees and coordinates the overall direction of the Group’s human rights initiatives. SeAH Besteel formally declared its commitment to respect for human rights through a Board resolution in 2023 and operates the Human Rights Office under the Talent Development Team. SeAH CSS declared its commitment to respect for human rights after the matter was submitted to the Board in March 2024 and established the Human Rights Office (Talent Development Team) in January 2025. Key human rights matters are discussed through the Sustainable Development Council. At SeAH Aerospace & Defense, the Ethics Office, which reports directly to the CEO, is responsible for human rights-related matters.



Human Rights Roadmap

SeAH Besteel Holdings is implementing a phased Group-wide roadmap that begins with the establishment and declaration of its Human Rights Governance Framework, followed by the identification of tasks through human rights impact assessments, implementation of improvement plans, and expansion of respect for human rights across the global supply chain. The affiliates under SeAH Besteel Holdings aim to foster a culture of respect for human rights by proactively identifying human rights risks and systematizing grievance and remediation procedures. SeAH Besteel and SeAH CSS have established and are systematically implementing a four-stage “Roadmap for Advancing the Human Rights Governance Framework” to identify and manage potential human rights risks. They successfully completed Stage 1, Establishment of the Human Rights Governance Framework, and Stage 2, Human Rights Due Diligence and Identification of Action Items. As of 2025, they are carrying out Stage 3, “Action Item Review and Catch-up Plan (PDCA),” to drive tangible improvements and verify implementation. Based on the preceding human rights due diligence results, the detailed action items identified were organized into an action list and pursued on a focused basis, resulting in the completion of 85% of short-term human rights governance improvement actions. Specific action plans have also been established for incomplete medium- to long-term action items and are continuously monitored. Building on this rigorous internal feedback loop, the affiliates under SeAH Besteel Holdings plan to advance to Stage 4, “Expansion of Human Rights Governance across the Global Supply Chain,” thereby further extending their commitment to respecting human rights.



Human Rights

Human Rights Risk Assessment

Conducting Human Rights Impact Assessments and Implementing Improvements

SeAH Besteel Holdings and its affiliates conduct human rights impact assessments to systematically identify and address potential adverse human rights impacts that may arise across their business operations. Based on the results of its 2024 human rights impact assessment, SeAH CSS prioritized key tasks by risk and is running a medium- to long-term process to advance respect for human rights through the Establishment, Growth, and Leadership phases (2024–2030). Beginning with its declaration of its commitment to respect for human rights and the launch of its human rights impact assessment in 2024, followed by the establishment of the Human Rights Office and the development of an improvement action plan in 2025, SeAH CSS plans to implement the various action items identified in phases from 2026 and to continue strengthening its human rights performance.

Case SeAH CSS's Human Rights Impact Assessment

SeAH CSS conducted a human rights impact assessment across 11 areas, including the establishment of a human rights implementation framework, prohibition of discrimination in employment, prohibition of forced and child labor, protection of freedom of association and collective bargaining, occupational safety, protection of local community human rights, protection of environmental rights, protection of customer human rights, and personal data protection. As a result, it achieved an overall average indicator fulfillment rate of 95.8%¹⁾. The Company then prioritized human rights risks based on severity and likelihood and, from 2025, began establishing detailed action plans for each improvement area and implementing improvement tasks by area in phases.

1) Refers to the value obtained by converting the average score for all indicator responses into a percentage.

Human Rights Impact Assessment Process

1 Literature Review	2 Indicator Diagnosis	3 Status Survey	4 Analysis and Evaluation
- Research domestic and international trends - Review the level of human rights due diligence	- Develop human rights diagnostic indicators - Conduct indicator-based diagnosis by area (fulfilled, improvement needed, etc.) - Review the level of indicator fulfillment through quantitative assessment	- Conduct anonymous surveys and stakeholder interviews - Derive diagnostic results	Analyze and evaluate adverse human rights impacts (severity and likelihood)

Human Rights Impact Assessment Results

Governance and Policy Commitment	Embedding Respect for Human Rights and Human Rights Due Diligence	Responsible Supply Chain Management	Protection of Local Community Human Rights
- Communicate the human rights policy to stakeholders - Express commitment to cooperation in victim remediation	- Enhance the effectiveness of the governance framework - Increase stakeholder engagement - Establish response measures - Track and monitor the effectiveness of response measures	Advance supply chain human rights due diligence	Improve access to information for people with limited access to information
Follow-up Activities			
Establish the Human Rights Office	Begin developing a structured approach to detailed action plans for each improvement area	Develop a medium- to long-term master plan to enhance human rights management	Begin developing a structured approach to detailed action plans for each improvement area

Human Rights

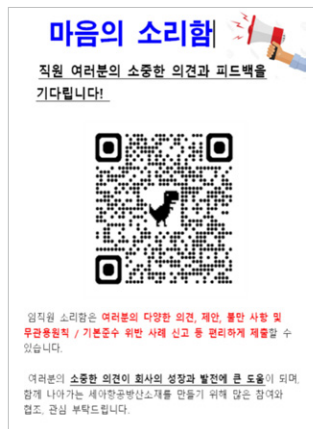
Human Rights Grievance Handling

Human Rights Reporting Channels

SeAH Besteel Holdings operates human rights reporting channels so that employees can promptly report human rights violations and seek remediation when such violations occur. The reporting channels are operated through a dual structure consisting of a Group-wide common channel and internal company-level channels. Their counseling scope covers not only workplace sexual harassment and workplace harassment, but also day-to-day work-related grievances. Cases received through the common channel are handled through counseling by grievance handling committee members and follow procedures that include no-contact measures and physical separation to prevent further harm, support for recovery, and recurrence prevention monitoring. In 2025, no human rights-related reports were received across SeAH Besteel Holdings and its affiliates.



Human Rights Reporting Channel for Three Prohibited Behaviors under the Zero-Tolerance Policy



SeAH Aerospace & Defense "Voice of the Heart" suggestion box

Raising Human Rights Awareness

Human Rights Training

SeAH Besteel Holdings and its affiliates regularly provide Human Rights Training to all employees to embed respect for human rights across the organization. SeAH Besteel provides annual training on the prevention of workplace sexual harassment and workplace harassment and on disability awareness. SeAH CSS regularly provides training on human rights, sexual harassment, and diversity. Led by the Human Rights Office, it also publishes an INSIGHT REPORT for all employees, covering the concept and importance of respect for human rights, its implementation status, and future tasks, thereby helping improve internal understanding of human rights and build a shared commitment to putting human rights into practice. SeAH Aerospace & Defense provides mandatory statutory training annually and tailors the format to employee characteristics, with online training for office employees and in-person training for production employees.

Case Employee Psychological Counseling Program: Sedam Sedam

SeAH Group operates the Sedam Sedam program (a name combining "SeAH" with the Korean word for conversation) to help employees address workplace-related concerns and maintain psychological well-being in their daily lives. The psychological counseling program is available to all SeAH Group employees, who may receive up to eight counseling sessions per year. Both in-person and remote counseling are available, and all counseling information is kept anonymous and confidential.

Case SeAH CSS: INSIGHT REPORT

SeAH CSS recognizes respect for human dignity and value across all aspects of corporate operations as a management principle and connects this principle to systems, due diligence, remediation procedures, training, and the expansion of organizational culture. The SeAH CSS Human Rights Office published an INSIGHT REPORT for all employees to share the concept of respect for human rights, the need to advance respect for human rights within the company, the company's current status, and future tasks. As ESG management expands, international human rights standards become more stringent, human rights responsibilities extend across supply chains, and the importance of risk prevention and sustainability increases, the report aims to improve employees' understanding of human rights and build a shared commitment to putting human rights principles into practice. SeAH CSS will continue to embed a culture of respect for human rights across the organization, prevent human rights risks by raising employee awareness, and steadily enhance stakeholder trust.

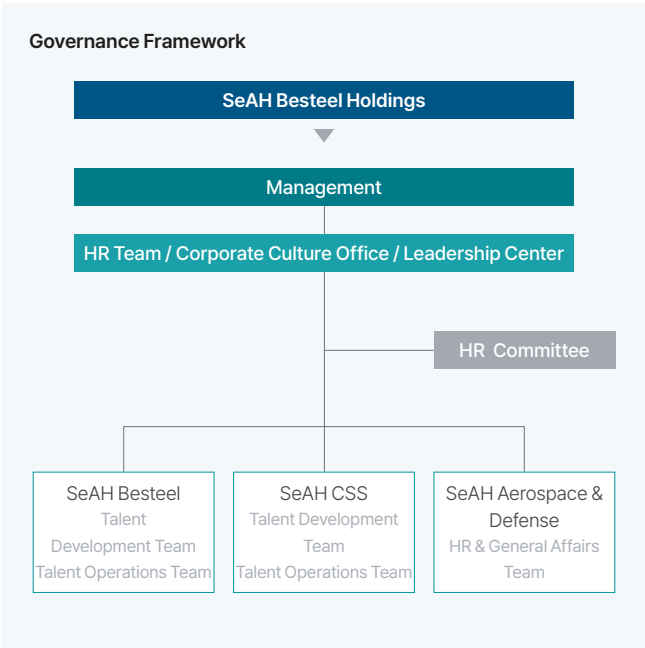
Talent Management

Talent Management Framework

Management Organization and Operating Structure

SeAH Besteel Holdings operates an integrated talent management framework covering recruitment, development, evaluation, and compensation based on the Group's core values of Honest, Passionate, and Professional. At the Group level, talent management is overseen by SeAH Holdings' Corporate Culture Office, Leadership Center, and HR Team, which establish the Group's annual talent management and development plans and provide HR policy guidelines to all affiliates. Based on Group policies, the SeAH Besteel Holdings Leadership Center and HR Team plan and implement talent recruitment and training programs and provide ad hoc reports to management so that the status of talent management can be promptly reflected in decision-making. In addition, the HR Committee serves as a forum to share common Group-wide training directions and ensure that training reflects the needs of individual sites.

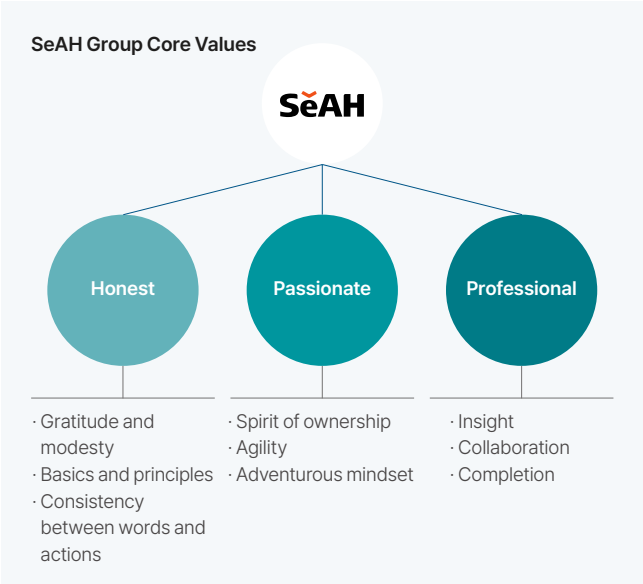
Based on this Group-wide direction, each affiliate operates its own talent management framework tailored to its business characteristics. SeAH Besteel and SeAH CSS divide roles between the Talent Development Team, which designs training and development strategies for office employees, and the Talent Operations Team, which handles training and HR operations for production employees. The HR & General Affairs Team at SeAH Aerospace & Defense is responsible for recruitment, training, performance management and compensation, ESG, defense security, and ethics on an integrated basis.



Talent Recruitment and Employee Growth Support

Core Values and Ideal Talent Profile

SeAH Group defines Honest, Passionate, and Professional as its core values and uses them as the standards for the entire process of recruitment, development, evaluation, and compensation. Honest means practicing consistency in words and actions by following fundamentals and principles with gratitude and humility. Passionate means responding agilely to change with ownership and approaching work with a spirit of challenge. Professional means collaborating with stakeholders based on insight and demonstrating follow-through by seeing every undertaking through to completion. Based on these core values, SeAH Besteel Holdings seeks talent who build trust with sound values, lead change through creative thinking, and collaborate with diverse members inside and outside the organization.



Talent Management

Talent Recruitment and Employee Growth Support

Fair Recruitment and Diversity

SeAH Besteel Holdings operates a systematic and fair recruitment process to select employees who align with the Group's Core Values and Ideal Talent Profile. Recruitment proceeds in stages, from document screening through hiring, and each stage evaluates candidates' job competencies and organizational fit in a balanced manner. The first interview focuses on basic job knowledge, problem-solving capabilities, and collaboration skills, while the second interview focuses on organizational fit, character, and growth potential based on SeAH's Ideal Talent Profile. To ensure a fair assessment environment, competency tests are administered by an external institution, and all procedures, from document screening to interviews, are based on quantitative assessment criteria. Interviewers review the interviewer guide provided in advance, which covers their role, assessment methods, sample questions for verifying job competencies, questions that could be perceived as discriminatory, and other precautions. Through these practices, SeAH Besteel Holdings continues to establish a consistent and responsible recruitment culture. An onboarding program is provided within four weeks of joining the company to support new employees' adjustment to the organization.

SeAH Besteel Holdings also aims to provide a recruitment environment free from discrimination based on personal background, including race, gender, disability, region of origin, and age, and considers the recruitment of women, persons of national merit and their families, and persons with disabilities. It targets an employment rate for persons with disabilities above the statutory standard of 3.1% and provides additional points to persons of national merit and their families.

Talent Development Direction and Goals

Under the management policy that "the greater the uncertainty in the external environment, the more important it is to consolidate internal capabilities and strengthen our inherent competitive advantage," SeAH Besteel Holdings has established a role- and performance-based talent development strategy so that the growth of each employee can lead to sustainable value creation for the Group.

Talent development programs are designed around four areas: leadership, high-potential talent, level-based training, and customized training. These programs provide phased support so that employees can acquire the capabilities they need in a timely manner as their rank and role change. In the early stage of employment, the programs focus on adjustment to the organization and the development of basic job competencies. As employees advance to higher ranks, the depth and focus of training shift toward strengthening strategic thinking, change leadership, and organizational management capabilities. A separate high-potential talent track is provided for employees selected as next-generation leaders, progressing through Challenge, Advanced, and Business Leader programs.

Case Online Learning Platform: SeAH On

SeAH Group provides a wide range of learning content, including humanities, leadership, IT, and foreign languages, through its dedicated online learning platform, "SeAH On." This platform enables employees to learn without constraints on time or place. By building an always-on learning ecosystem that complements offline training, SeAH Group is creating an environment where employees can design their own learning paths.

Case AI Transformation (AX) Training

In 2025, SeAH Group focused on strengthening organizational AI literacy by providing both AX training through official Group training programs and customized training for each affiliate. By expanding the proportion of hands-on practice and improving practical applicability, the Group has increased employee satisfaction with the training. Through SeAH On, the Group is also improving access to AX training for employees. It will continue to build strategic collaboration with external experts and accumulate internal best practices to complete a distinctive AX implementation framework that responds quickly to technological change and maximizes application in day-to-day work. Going forward, SeAH Group plans to provide training tailored to rank and job characteristics so that AX training leads to tangible business performance, while focusing on strengthening AX execution capabilities across the Group by developing project-based AX facilitators.

AX Training by Stage

Content	Objective	Format
Common AI Training for All Job Functions (Lv. 1)	Strengthen AI literacy	Online and offline
Job-Specific AI Training (Lv. 2)	Apply AI in day-to-day work and generate tangible results	Offline
AX Facilitator Development (Lv. 3)	Develop AX professionals	Hackathon and selection

Talent Management

Talent Recruitment and Employee Growth Support

Operation of Training Programs

SeAH Besteel Holdings operates rank-based and customized training programs according to employees’ growth stages and roles. Intensive programs are provided to leaders to embed the Group’s management philosophy and strengthen organizational management capabilities. Employees selected as high-potential talent receive phased development programs, from Challenge Leader to Business Leader, as well as support for participation in MBA programs. In addition, in 2025, the Group operated a three-stage AX training program to strengthen digital capabilities across the Group, and more than 80% of respondents reported high satisfaction as a result of the expanded hands-on training component.

The affiliates under SeAH Besteel Holdings also operate effective training programs tailored to their business characteristics and operating environments, based on the Group’s common training framework. SeAH Besteel and SeAH CSS provide introductory job training focused on production and quality, as well as training to develop in-house job experts. SeAH Aerospace & Defense also operates training programs to strengthen field supervisors’ leadership and organizational management capabilities, as well as programs to develop multi-skilled capabilities among production employees.

Job Transition Support

SeAH Besteel Holdings provides internal job transition opportunities to support employees’ personal growth and career development. Employees who wish to transition to a different job can comprehensively review their capabilities and career development direction through interviews and develop the competencies needed for new roles and responsibilities. SeAH Besteel Holdings plans to continue expanding an environment where employees can pursue job opportunities aligned with their capabilities and interests.

2025 Training Programs

Affiliate	Training Programs	Description
SeAH Besteel	Introductory Production and Quality Training	Promotes cross-functional collaboration through an understanding of production processes and quality management
	Job Expert Development	Develops in-house instructors and training materials for managers to general managers
	Team Leader and Rank-Based Training	Strengthens organizational culture, collaboration, and performance management capabilities
SeAH CSS	Establishment of a Company-Wide Job Training Framework	Establishes a job-based training roadmap and develops in-house job experts
	Development of In-House Job Content	Develops in-house training content based on a dual structure for office and production employees
	Self-Development Support	Supports individual capability development, including certifications, e-learning, and reading-based learning
SeAH Aerospace & Defense	Leadership Training for Field Supervisors	Strengthens field leadership and organizational management capabilities
	Multi-Skill Training	Enhances multi-skill capabilities among field employees
	Language Support	Strengthens global communication capabilities through support for telephone English and achieving a TOEIC score of 700

Performance Evaluation and Compensation

SeAH Besteel Holdings operates a performance management framework based on OKRs (Objectives and Key Results), aligning individual and organizational goals. Performance evaluation combines individual evaluations focused on personal work performance and contribution with team evaluations that reflect collaboration, synergy, and work process improvements. To strengthen fairness and objectivity in evaluations, regular training is provided to managers and employees across the entire process of goal setting, interim review, and evaluation. Employee briefings are also held at least once a year to improve understanding of the evaluation and compensation systems. Final compensation is determined according to the principle of differentiated compensation based on performance and contribution. Annual salary is designed based on Pay Bands and adjusted flexibly according to individual performance, while the performance bonus pool is determined based on financial results. Individual evaluation results are reflected in performance bonuses and salary increases, while team evaluation results are reflected in team-based performance bonuses, directly linking performance and compensation.

In addition, the affiliates under SeAH Besteel Holdings operate evaluation and compensation systems tailored to each affiliate’s characteristics by independently assessing work performance and capabilities and using a point system to reflect multidimensional contributions in promotion decisions.

Talent Management

A Great Work Environment

Flexible Working Arrangements and Benefits

SeAH Besteel Holdings and its affiliates operate a range of flexible working arrangements so that employees can maintain work-life balance and perform at their best. These include staggered working hours that allow employees to choose their start and end times in 15-minute increments between 7:00 a.m. and 10:00 a.m., remote work, and Family Day, which allows employees to leave one hour early on Fridays, supporting an autonomous working environment. SeAH CSS also uses a flexible working hours system to respond flexibly to changes in workload while improving employee work efficiency.

The Group also improves employees' quality of life through a variety of benefits. It supports health and everyday convenience through in-house cafes and fitness centers, meal and transportation subsidies, health checkups, and group accident insurance, while providing broad support for psychological and financial stability through the EAP (Employee Assistance Program) and loans for living expenses and housing. SeAH CSS continues to improve the work environment and promote employee unity through activities such as operating and expanding commuter bus routes, installing electric vehicle chargers, and holding Hanmaum Culture Day.

Case Programs for Employees Approaching Retirement

SeAH Besteel Holdings operates programs for employees approaching retirement in consideration of employees' life cycles. To help employees approaching retirement make a stable transition into retirement, the company provides a range of programs, from emotional stability support to reemployment assistance.

In cooperation with local specialized institutions, SeAH CSS helps employees approaching retirement prepare for a new start through training in financial management, job search strategies, and life and career planning. In 2025, SeAH CSS provided training to 58 employees approaching retirement and plans to expand the program to 66 employees in 2026.

Family-Friendly and Life-Cycle Support

SeAH Besteel Holdings provides diverse maternity protection and family-friendly support so that employees can maintain work-family balance throughout their life cycle. It has established maternity protection measures tailored to each life stage, including remote work during pregnancy, reduced working hours for childcare, and fertility treatment leave, creating an environment where employees can balance childcare and work. The company also actively encourages the use of reduced working hours during childcare and supports employees in balancing work and parenting, while operating a variety of family-friendly programs, including tuition support, congratulatory grants for children entering school, and support for children with disabilities, to help reduce the burden of childcare and education.

Benefits Programs of SeAH Besteel Holdings and Its Affiliates¹⁾

Category	Details	
Health Support	· Health checkups and comprehensive health checkups (biennially, including spouses) · EAP counseling (employees, spouses, children, and parents)	· Group accident insurance (employees and spouses) and flu vaccinations (employees, spouses, and parents, children, and other direct family members)
Living Stability and Leisure Support	· Loans for living expenses, medical expenses, and housing purchase or lease · Operation of the Employee Welfare Fund (loans, tuition, medical expenses, and congratulatory and condolence payments)	· Security deposit and monthly rent support for new employee housing · Support for use of affiliated condominiums · Hanmaum Culture Day (group activities) · Operation of in-house cafes and fitness centers, and support for club activities
Rewards and Congratulatory/Condolence Support	· Long-service awards and sabbatical leave · Support for overseas training for exemplary employees · Founding anniversary congratulatory payments	· Congratulatory and condolence payments and leave · Wedding anniversary cakes and bouquets
Work Environment Support	· Operation and expansion of commuter bus routes and installation of electric vehicle chargers · Staggered working hours, remote work, and Family Day	· Summer vacation, refresh leave, and sick leave · Support programs for employees approaching retirement
Family-Friendly Programs	· Remote work during pregnancy (for the full period if needed), reduced working hours for childcare, and selective working hours system · Paternity leave and parental leave	· Tuition support for children, congratulatory grants for children entering school, and graduation gifts for employees and their children · Kindergarten childcare support and support for children with disabilities

1) Benefits may vary depending on the business environment of each affiliate within the Group.

Talent Management

Employee Communication and Labor-Management Relations

Operating Labor-Management Communication Channels and Fostering a Culture of Mutual Cooperation

SeAH Besteel Holdings operates a variety of communication channels based on mutual respect and trust so that employees' voices can lead to meaningful improvements in company policies and practices. SeAH Besteel Holdings operates an integrated labor-management council with SeAH Holdings to discuss common Group-wide issues and strengthens the foundation for labor-management cooperation through ad hoc communication in addition to statutory quarterly meetings. Through its labor-management council, "Saerogochim" (refreshing SeAH's working conditions), SeAH Besteel Holdings regularly discusses issues closely related to employees' daily work, including standardizing forms of address, improvements to benefit programs, and the establishment of attendance-related ground rules.

SeAH Besteel and SeAH CSS gather field employees' opinions through multiple channels, including their labor-management councils and various committees for labor-management communication. These efforts have led to improvements in the work environment, such as the installation of electric vehicle chargers and expansion of commuter bus routes, as well as joint labor-management cafeteria hygiene inspections and cost reduction discussion sessions. The companies also continue to provide opportunities to build shared understanding of the company's business status, vision, and direction, including joint labor-management workshops and management briefing sessions.

SeAH Aerospace & Defense discusses employee welfare and work environment improvements through regular labor-management council meetings and conducts monthly site visits to directly listen to employees' grievances and opinions. This communication-centered approach to organizational management has contributed to employee satisfaction, with organizational satisfaction reaching 91.6 points, up 19.0 points year on year, and job satisfaction reaching 87.4 points, up 19.1 points year on year. Based on labor-management trust, SeAH Aerospace & Defense has maintained a dispute-free workplace for 18 consecutive years since its founding. After being selected by the Ministry of Employment and Labor as a Company with Excellent Labor-Management Culture in 2023, the company received the Gold Tower Order of Industrial Service Merit for labor-management culture in 2025.

Junior Board

The Junior Board at SeAH Besteel and SeAH CSS is a program designed to strengthen trust-based communication between frontline employees and management. Following the first cohort, the second Junior Board cohort participated in overseas training in Japan to gain insights into the direction of organizational culture based on the organizational culture improvement keywords identified previously. Through benchmarking visits to leading organizations, the members developed ideas and improvement proposals for advancing organizational culture.

Case Gold Tower Order of Industrial Service Merit for Labor-Management Culture at SeAH Aerospace & Defense

SeAH Aerospace & Defense received the Gold Tower Order of Industrial Service Merit at the government awards ceremony for labor-management culture hosted by the Ministry of Employment and Labor. The company was highly recognized for its efforts to practice transparent management centered on dialogue and participation with employees by continuously operating annual joint labor-management workshops, management briefing sessions for all employees, and communication meetings with the labor union and non-union office employees. SeAH Aerospace & Defense will continue to firmly establish a virtuous cycle in which trust and cooperation between labor and management lead to stronger corporate competitiveness and employment stability.



Customer Satisfaction

Customer Satisfaction Management Framework

Direction of Customer Satisfaction Management

Based on communication with customers, SeAH Besteel Holdings places improving customer-perceived quality and delivering tailored services at the center of its customer satisfaction management. Customer satisfaction management is structured around three pillars: collection of VoC (Voice of the Customer), quality improvement activities, and customer satisfaction measurement. VoC is collected through technical exchange meetings, customer satisfaction surveys, and customer complaint reporting channels. The collected feedback is delivered to the responsible departments and linked to improvement activities. Customer satisfaction results measured through this process are reported to management and reflected in the continued strengthening of a sustainable customer satisfaction management framework.

Customer Satisfaction Management Governance

The affiliates under SeAH Besteel Holdings advance customer satisfaction management by establishing dedicated functions for each affiliate and operating relevant governance bodies, including councils, to ensure close communication with customers and improve product quality. SeAH Besteel collects VoC and provides technical support to customers mainly through technical exchange meetings and has operated customer satisfaction surveys led by the Marketing Planning Team since 2025. At SeAH CSS, the CS Team leads related activities to provide “Total Solution” services comprising two pillars: customer solutions and process solutions. At SeAH Aerospace & Defense, designated personnel within the Business Division directly manage VoC for each customer.

Customer Satisfaction Targets and Performance

Customer Satisfaction Management and Improvement Activities

The affiliates under SeAH Besteel Holdings regularly measure customer satisfaction and use the results to identify directions for service improvement. SeAH Besteel measures satisfaction with A/S handling and response and satisfaction with A/S processing time on a semiannual basis. Based on the survey results, it carries out activities to prevent the recurrence of complaints, such as addressing gaps in semi-finished product management and strengthening management of export product handling. SeAH CSS measures customer satisfaction through its CSI (Customer Satisfaction Index) survey. Major improvement activities include reducing product handling defects, providing technical support for pinhole defects, and operating One-Stop Service. It also carries out broad improvement activities to enhance customer-perceived quality, including technical support for solving customer process issues, proactive response to customer complaints, and reducing variations in product performance during use by identifying customer needs. Meanwhile, SeAH Aerospace & Defense measures customer satisfaction in the areas of reputation, performance compared with competitors, satisfaction with the purchasing process, and on-time delivery rate according to its internal survey process, and monitors performance while implementing technical support for resolving process issues and systems to prevent customer complaints in advance.

Customer Satisfaction Targets and Performance ¹⁾			
	SeAH Besteel	SeAH CSS	SeAH Aerospace & Defense
2025 Target	Satisfaction with quality and customer response services 5points	Customer satisfaction with technical support 70points	Customer satisfaction ³⁾ Average of 8points or higher
2025 Performance	Satisfaction with A/S handling and response ²⁾ 4.35points	Customer satisfaction (average of five areas) 70.5points	Customer satisfaction (average of four areas) 9.15points
	Satisfaction with A/S processing time ²⁾ 4.30points	Satisfaction with complaint handling and A/S 75.0points	

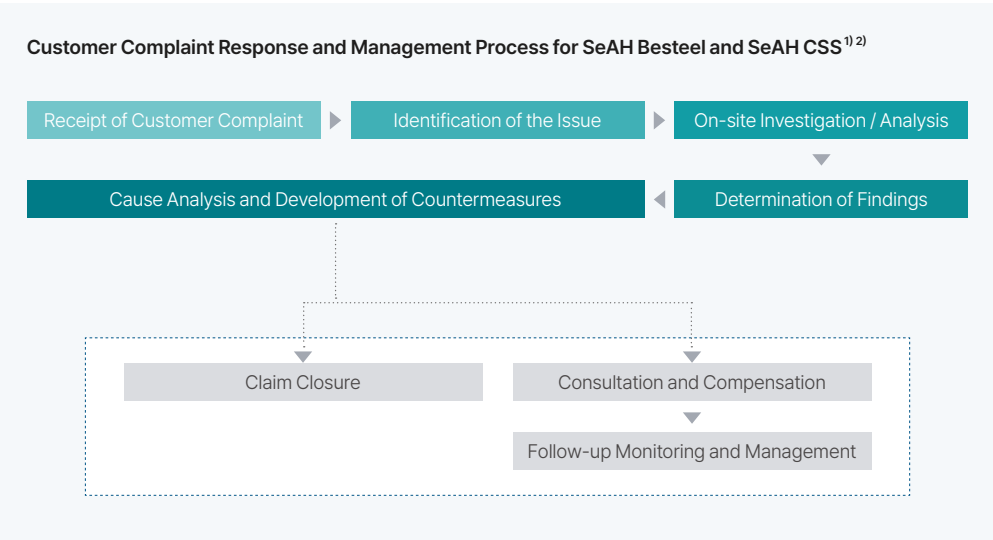
1) Customer satisfaction measurement criteria vary by company.
2) Average of the first-half and second-half Customer Quality Satisfaction Index results (out of 5 points).
3) Customer satisfaction (out of 10 points).

Customer Satisfaction

Customer Satisfaction Activities

Customer Response and Management Process

SeAH Besteel and SeAH CSS operate step-by-step processes to ensure prompt and systematic responses when customer complaints occur. SeAH Besteel operates a six-step process from complaint receipt to follow-up management, with customers and sales personnel, the CS Team, and internal production, quality, and research departments assigned specific roles at each stage. After identifying the cause, the relevant parties discuss corrective actions and, even after complaint handling is completed, continue follow-up management through effectiveness verification and VoC feedback. SeAH CSS follows a process that begins with customer complaint receipt and proceeds through sample receipt, on-site investigation and analysis, and cause analysis and development of countermeasures. It also operates a dual-track handling system, under which cases are either closed or proceed to consultation and compensation depending on where responsibility lies. In addition, SeAH CSS holds 29 customer technical exchange meetings each year and collects on-site VoC through customer visits and site visits to customers.



1) The response and management process may vary by affiliate depending on the type of customer complaint.
2) For SeAH Aerospace & Defense, the person in charge directly manages VoC by customer.

Quality Management Framework

Quality Management Policy and System Certifications

The affiliates under SeAH Besteel Holdings establish and operate quality policies that put customer satisfaction first by producing products with competitive quality and applying stringent product safety standards. Based on these policies, the affiliates obtain quality management system certifications aligned with global standards to externally verify product reliability. Specifically, they have been recognized for complying with the requirements of industries that demand high levels of safety and reliability, including automotive, aerospace, nuclear power, offshore plants, marine/shipbuilding, and defense, as well as country-specific standards. Through NORSOK (Norsk Søkkel Konkurransesystem) approval in the offshore industry and NADCAP (National Aerospace and Defense Contractors Accreditation Program) special process accreditation in the aerospace industry, they further reinforce quality reliability in global high-value-added industries and gain recognition for their world-class technological capabilities.

Quality Management System Certifications by Affiliate

Affiliate	Certification Name	Validity Period	Site
SeAH Besteel	ISO 9001: 2015	May 2028	Gunsan
	ISO 9001: 2015	December 2026	Changnyeong
	IATF 16949: 2016	January 2027	Gunsan/Changnyeong
SeAH CSS	ISO 9001: 2015	June 2027	Changwon
	IATF 16949: 2016	June 2027	Changwon
	KS Q9100: 2018	June 2027	Changwon
	KEPIC MN-SN	December 2027	Changwon
SeAH Aerospace & Defense	ISO 9001: 2015	September 2026	Changwon
	EN 9100: 2018	September 2026	Changwon

Customer Satisfaction

Quality Improvement and Management

Product Quality Management and Improvement Activities

SeAH Besteel systematically manages quality risks and minimizes the likelihood of potential risks through internal testing involving all departments and the operation of a 4M (man, machine, material, method) change management process. It also focused improvement efforts on worst-performing steel grades to address surface defects. To resolve appearance defect issues, it carried out task force team (TFT) activities and implemented measures to prevent end bending in small-size steel grades, prevent bundle breakage, and improve warehouse storage conditions to maintain product quality. As a result of these key improvement activities, SeAH Besteel improved its process defect rate by 26% and reduced its scrap rate by 9% compared with the previous year. Based on a systematic quality management process, SeAH CSS operates a process that spans quality management planning, audits, quality monitoring, testing and inspection, nonconformity management, and quality system improvement. It also manages quality issues through monthly quality meetings, and the results of each stage are documented in quality meeting minutes, quality issue reports, corrective action results, and other records for use as the basis for continuous improvement activities. In 2025, SeAH CSS promoted initiatives such as heating quality management for small rolling reheating furnaces, the establishment of a computerized system for managing quality issues in steel pipe and tube products, and the operation of an advance quality review council.

SeAH Aerospace & Defense reviews directions for improving quality issues based on the comprehensive results of regular customer satisfaction surveys and customer requirements. The 2025 survey identified areas for improvement, including response speed when quality issues occur, and the company has established and is implementing improvement directions. It also systematically carries out improvement activities and monitors performance to enhance quality for major customers. As a result of these efforts, the company achieved strong results, including 100% on-time delivery to Boeing and a quality level of 99.8%, and was recognized as an outstanding supplier by receiving a Supplier Award from Boeing.

Case SeAH CSS Quality Meeting

SeAH CSS holds monthly quality meetings attended by the CEO, executives, and team leaders. At these meetings, participants review key indicators, including defect rates and failure costs, and report on issues that arose in the previous month and the corresponding improvement measures. They also discuss the appropriateness of the identified causes and countermeasures for reported quality issues and assess whether the improvement measures have been implemented effectively.

Corporate Citizenship

Corporate Citizenship Framework

Corporate Citizenship Strategy

SeAH Besteel Holdings has established three key directions for Corporate Citizenship: raising environmental awareness, supporting vulnerable groups, and expanding the value of corporate citizenship. It operates these directions under a three-part strategic framework of Connecting, Growing, and Continuing. The affiliates under SeAH Besteel Holdings identify the needs of the local communities where their sites are located before planning activities, and continuously improve the effectiveness of their activities by incorporating feedback from partner NGOs. They also expand the social impact of Corporate Citizenship by gradually broadening the range of beneficiaries and geographic reach of their activities.

Case

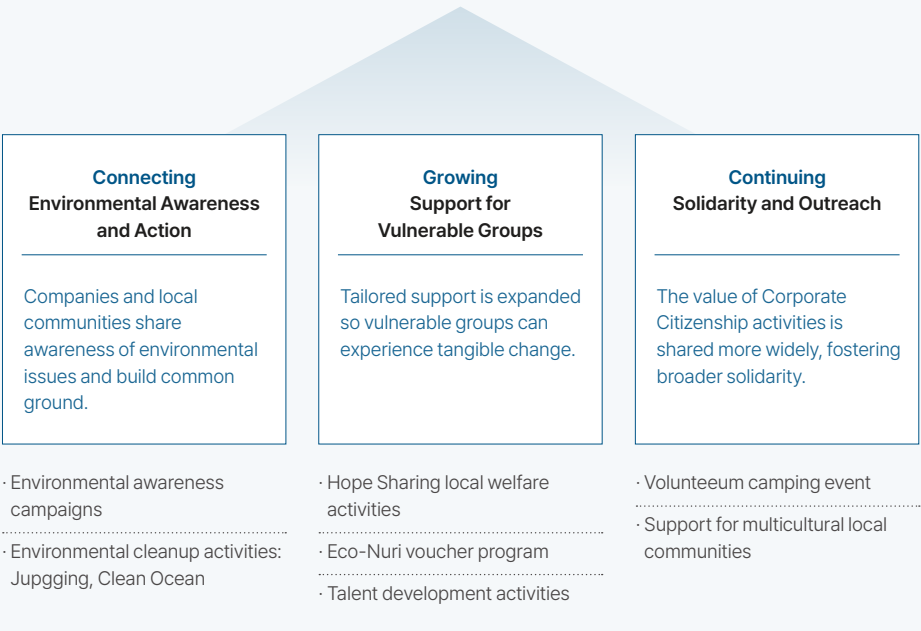
SeAH CSS Community Engagement Activities

The affiliates under SeAH Besteel Holdings engage with the local communities where their sites are located in multiple ways. They also review their impact on local communities, identify local needs, and develop ways to give back to those communities. SeAH CSS participated in the Gyeongnam Economic Roundtable, hosted by Gyeongsangnam-do, where local governments and companies discuss ways to revitalize the regional economy and promote shared growth and cooperation. This council was established for companies with sites in Gyeongsangnam-do and five cities to discuss measures to stimulate local demand and promote local employment. Through this council, SeAH CSS pursued purchases of local specialties and agreements with traditional markets to promote mutually beneficial local consumption. It also decided to pursue a book donation project to support education at elementary schools in areas affected by regional depopulation.

SeAH Group Stakeholder Policy [↗](#)

Corporate Citizenship Implementation Framework

Creating Positive Impact Through Genuine Commitment



Corporate Citizenship

Connecting Environmental Awareness and Action

Environmental Awareness Campaign

SeAH Besteel and SeAH CSS participated in SeAH Group’s “Sparkling Upcycling Campaign” in 2025. Through this campaign, discarded work uniforms from the sites were collected and upcycled into sweatshirts for children. Employees participated as “one-day Santas” to deliver 300 children’s sweatshirts to child community centers and childcare facilities near the sites. This upcycling campaign promoted resource circulation by upcycling discarded work uniforms and achieved a reduction of more than 60% in carbon emissions compared with producing new clothing¹⁾, while adding a community-sharing dimension to the initiative.

1) Study on Establishing a Domestic Recycling System for Used Clothing (Korea Environment Institute, 2025).



A Happy Journey of Steel with Seron

Every year on its founding anniversary, SeAH CSS works with employees and their families to produce the environmental pop-up book “A Happy Journey of Steel with Seron” and donates the completed books to libraries at schools in depopulated areas within the province. It also provides pop-up book kits to local volunteer organizations, expanding opportunities for community members to participate directly in environmental activities.



Environmental Cleanup Activities

SeAH Besteel and SeAH CSS regularly conduct environmental cleanup activities in which employees participate on-site to protect the environment of the local communities where their sites are located. SeAH Besteel conducts plogging activities in the Gunsan area as part of its efforts to put ESG management into practice and foster a community-oriented corporate culture, while strengthening mutually beneficial ties with the local government through cooperation with the Climate and Environment Department of Gunsan City Hall. SeAH CSS conducts plogging as part of quarterly themed volunteer activities and also holds Clean Ocean, an underwater environmental cleanup activity, twice a year to help protect the marine environment near its site.

Environmental Cleanup Activities by SeAH Besteel and SeAH CSS

Activity	Location	Date	Participants
Jupgging	Gunsan	February 2025	Employees (30)
		March 2025	Employees (26), Gunsan City Hall (17)
		March 2026	Employees (32), Gunsan City Hall (15)
Clean Ocean	Changwon	August 2025	Employees
		October 2025	

Corporate Citizenship

Growing Support for Vulnerable Groups

Hope Sharing Local Welfare Activities

Since 2012, SeAH Besteel has worked with local institutions such as Gunsan City Hall and the Gunsan Police Station to carry out a wide range of support activities for socially vulnerable groups, including near-poverty households, low-income households, and households affected by crime. It operates systematic, seasonal support programs, including donations of 10 kg bags of rice to near-poverty and low-income households during Seollal (Korean Lunar New Year's Day) and Chuseok (Korean Thanksgiving Day) holidays daily necessities for basic livelihood security recipients and near-poverty households under local welfare agreements during the summer, and winter supplies and year-end donations for neighbors in need. For households affected by crime and vulnerable groups, SeAH Besteel has established a quarterly support system in cooperation with the Gunsan Police Station, and it holds an annual Santa Day event for children and adolescents at residential care facilities and facilities for persons with disabilities. It also practices a culture of continuous giving by providing monthly support, including rice, food, daily necessities, and donations, to local welfare facilities such as associations for the visually impaired, free meal centers for older adults, and group homes.

SeAH Besteel Hope Sharing Local Welfare Activities

Activity	Date	Target	Details
Seollal holidays rice donation	January 2025	650 near-poverty households	Provided 10 kg bags of rice
Local welfare agreement and summer donation	July 2025	200 basic livelihood security and near-poverty households	Provided daily necessities
Chuseok holiday rice donation	September 2025	513 near-poverty and low-income households	Provided 10 kg bags of rice
Support for households affected by crime and vulnerable groups	November 2025	10 vulnerable households	Provided financial support
Donation for neighbors in need and winter support	December 2025	150 low-income households	Provided donations and electric heating mats
Santa Day	December 2025	Children and adolescents at 16 institutions	Provided shoes and clothing
Monthly regular sponsorship	Year-round	Meal service facilities, group homes, etc.	Provided donations

Eco Nuri Voucher Program

SeAH CSS participates in the Eco Nuri Voucher Program in cooperation with Gyeongsangnam-do and the Gyeongsangnamdo Environment Foundation. The program provides opportunities for ecological experiences to vulnerable groups in the province who face economic barriers to experiencing nature, including persons with disabilities, older adults, children and adolescents, and multicultural families. As a sponsoring company, SeAH CSS contributes to improving ecological welfare for vulnerable groups.

Talent Development Activities

SeAH Besteel and SeAH CSS continue to provide scholarship support to develop future talent in local communities. SeAH Besteel operates the Hope Sharing Scholarship Fund for students from households receiving basic livelihood security benefits and near-poverty households at 13 high schools in Gunsan and Changnyeong. It also contributes to scholarships for local talent by donating funds raised through voluntary executive contributions to the Jeonbuk Institute of Lifelong Education and Scholarship (JBILES). SeAH CSS also supports promising talent in sports by selecting three local student athletes and providing scholarships.

Scholarship Support by SeAH Besteel and SeAH CSS

Activity	Date	Target	Details
Scholarships for student athletes	May 2025	Three student athletes	Provided scholarships
Scholarship Contribution to the JBILES	August 2025	Local talent scholarship recipients	Supported through voluntary executive contributions
Hope Sharing Scholarship Fund	November 2025	13 schools in Gunsan and Changnyeong	Provided scholarships

Corporate Citizenship

Continuing Solidarity and Outreach

Volunteem Camping Event

SeAH Besteel Holdings operates Volunteem a participatory corporate citizenship program that connects young care leavers with volunteers through camping to help reduce social isolation and support emotional stability. In 2025, the program was held twice, once in the first half and once in the second half of the year, with annual support totaling KRW 51.74 million. The first event, held on April 25–26 in Namyangju, Gyeonggi-do, brought together 69 participants, while the second event, held on October 31–November 1 on Munyeodo Island in Gunsan, Jeonbuk, had 80 participants. The program is backed by a trilateral MOU among SeAH Besteel Holdings, the Kakdang Welfare Foundation, and Young Plus Seoul, a Seoul-based support agency for young care leavers, providing the program with professional expertise and support. In particular, SeAH Besteel employees in Gunsan directly participated in the second half event in 2025 and joined young care leavers in the Gunsan area for various activities. Through a two-day, one-night program featuring icebreaking, team missions, a guest singer performance, and time around the campfire, SeAH Besteel Holdings helps young people develop a positive outlook and strengthen the foundation for independence.

Volunteem Camping Activities



Support for Multicultural Communities

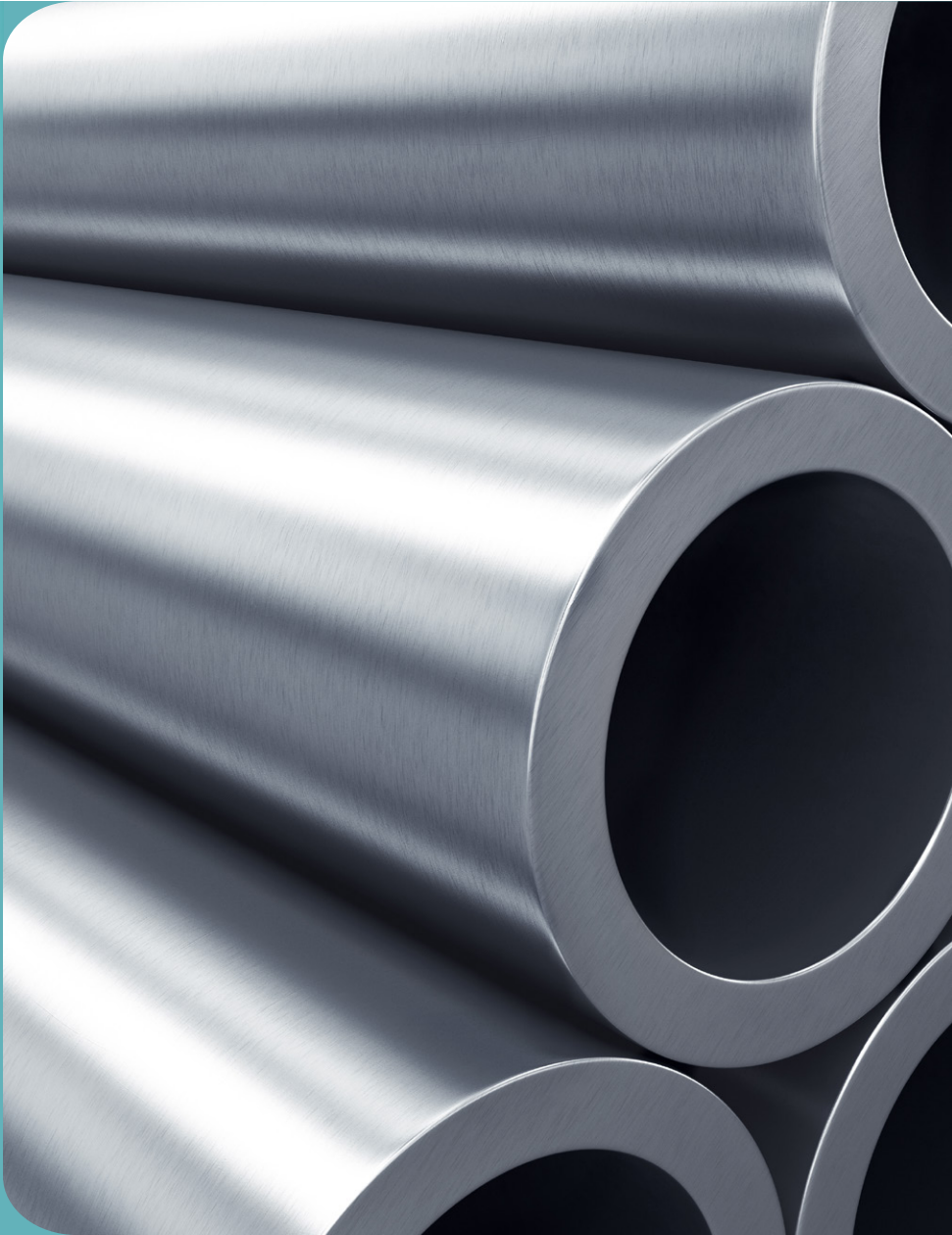
Since 2023, SeAH Aerospace & Defense has worked with the Gyeongnam Migrant Community Service Center to provide regular support for foreign residents in the local community. Each year on Together Day in May, employees participate as volunteers to support the commemorative event and distribute lunch boxes for foreign residents. At the Migrants' Arirang Multicultural Festival (MAMF) in October, they support a cultural diversity parade with participants of various nationalities, helping promote multicultural understanding and harmony in the local community. In 2025, SeAH Aerospace & Defense participated in both Together Day on May 18 and MAMF on October 26 and also provided year-end financial support by donating KRW 3 million to the Gyeongnam Migrant Community Service Center to support foreign residents.

SeAH Aerospace & Defense Together Day and MAMF Events



GOVERNANCE

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Board Operations

Board Operations Framework

Board Composition

The Board of Directors of SeAH Besteel Holdings is the Company's highest decision-making body, representing shareholders and stakeholders, making key corporate decisions, and overseeing management. Its authority, responsibilities, and operating procedures are defined under the Articles of Incorporation and the Regulations on the Operation of the Board of Directors, and the Company continues to strengthen transparency and accountability in Board activities.

The Board consists of three Executive Directors and four Independent Directors, with Independent Directors forming a majority, exceeding the standards required under Articles 383 and 542-8 of the Commercial Act. Independent Directors bring diverse expertise in management and strategy, law, accounting and finance, and human resources and organizational management, enhancing the Board's expertise and objectivity. The Chair of the Board is also an Independent Director, reinforcing independence from management. In the absence of the Chair, the CEO, the Chair of the ESG Committee, and the Chair of the Audit Committee serve as acting Chair in that order.

Board Independence and Diversity

To secure Board independence, SeAH Besteel Holdings has separated the roles of Chair of the Board and CEO since March 2019. Since March 2021, an Independent Director has served as Chair, further strengthening independence from management. Directors with potential conflicts of interest do not vote on relevant agenda items, enhancing fairness and transparency. The Company also promotes diversity by avoiding discrimination based on gender, age, nationality, educational background, or other personal characteristics, creating an inclusive and fair decision-making environment. The current Board includes a female Independent Director, and its directors have diverse expertise in areas such as management and strategy, law, accounting and finance, and human resources and organizational management, supporting balanced, professional, and objective decision-making.

Board Composition (As of March 2026)

Position	Name	Gender	Key Experience	Initial Appointment	Term Expiration
Executive Director	Lee Taesung	Male	- Current) CEO, SeAH Besteel Holdings - Current) CEO, SeAH Holdings - Former) Head of Corporate Planning, SeAH Besteel Holdings	March 18, 2016	March 29, 2027
Executive Director	Kim Suho	Male	- Current) CEO, SeAH Besteel Holdings - Current) CEO, SeAH Holdings - Former) Head of Future Strategy Division and Senior Executive Vice President, Hyundai Capital - Former) Partner, Financial and Digital Practice, McKinsey & Company	March 29, 2023	March 29, 2027
Executive Director	Park Sungjun	Male	- Current) Executive in Charge of Management, SeAH Besteel Holdings - Current) Executive in Charge of Management, SeAH Holdings - Former) Head of Innovation Center Team, SeAH Holdings	March 25, 2022	March 25, 2028
Independent Director / Chair of the Board	Lee Hwayong	Male	- Current) Partner, LKB & Partners LLC - Current) Member, Disciplinary Committee, Korea Exchange - Current) Member, Sanctions Review Committee, Korea Financial Intelligence Unit	March 29, 2023	March 29, 2027
Independent Director	Park Sangchan	Male	- Current) Associate Professor, KAIST College of Business / School of Management Engineering - Current) Editor-in-Chief, Korean Journal of Human Resource Management and Organization Studies, Korean Academy of Management - Former) Visiting Professor, Scheller College of Business, Georgia Institute of Technology - Former) Assistant Professor, Ewha School of Business, Ewha Womans University	March 26, 2025	March 26, 2027
Independent Director	Lee Junil	Male	- Current) Professor, Department of Accounting, School of Management, Kyung Hee University - Current) Director, Korean Accounting Association, Korea Accounting Information Association, and Korean Academic Society of Business Administration - Current) Statutory Auditor, Korea Securities Depository Nanum Foundation - Former) Member, Fund Management Deliberation Committee, Korea Sports Promotion Fund	March 24, 2026	March 24, 2028
Independent Director	Hyun Nakhee	Female	- Current) Associate Professor, School of Law, Sungkyunkwan University - Current) Member, Statutory Interpretation Review Committee, Ministry of Government Legislation - Former) Independent Director, Hanwha Ocean Co., Ltd. - Former) Member, Korea Trade Commission, Ministry of Trade, Industry and Energy	March 24, 2026	March 24, 2028

Board Operations

Board Operations Framework

Independent Director Appointment Process

Directors of SeAH Besteel Holdings are appointed at the General Meeting of Shareholders in accordance with Article 382 of the Commercial Act and Article 27 of the Articles of Incorporation. In the case of Independent Directors, Independent Directors are appointed from among candidates recommended by the Independent Director Nomination Committee in accordance with Article 542-8 of the Commercial Act and Article 27-2 of the Articles of Incorporation. All four members of the Committee are Independent Directors, ensuring the independence of the nomination process. The Committee also carefully reviews candidates' expertise, qualifications, and any potential conflicts of interest in accordance with applicable laws and internal regulations. When the appointment of directors is included as an agenda item for the General Meeting of Shareholders, information on the candidates is disclosed in advance in the notice convening the General Meeting of Shareholders so that shareholders have sufficient time for review.



Board Expertise

SeAH Besteel Holdings operates a Board Skills Matrix (BSM) to systematically assess and manage the Board's collective expertise. The BSM defines seven key areas of expertise that directors should possess: industry expertise, financial expertise, strategic thinking, global business experience, digital transformation, leadership, and ethics. It also transparently discloses each director's areas of expertise. Through this framework, the Company reviews the level of expertise in the Board's composition and identifies areas requiring reinforcement when appointing future Independent Directors.

Board Skills Matrix

Member	Industry Expertise	Financial Expertise	Strategic Thinking	Global Business Experience	Digital Transformation	Leadership	Ethics
Lee Taesung	●	●	●	●		●	●
Kim Suho	●	●	●	●		●	●
Park Sungjun	●	●	●	●		●	●
Lee Hwayong	●	●		●	●	●	●
Park Sangchan		●	●	●	●	●	●
Lee Junil		●	●		●	●	●
Hyun Nakhee			●	●		●	●

Independent Director Training in 2025

Training Date	Conducted by	Content
February 11, 2025	Executive in Charge of Management	2024 key business results (holding company, affiliates, and overseas subsidiaries) and 2025 operating plan
May 29, 2025		Key business results for the first quarter of 2025
August 12, 2025		Key business results for the second quarter of 2025
August 12, 2025	Compliance Officer	Directors' duty of loyalty under the amended Commercial Act
November 21, 2025	Executive in Charge of Management	Key business results for the third quarter of 2025
November 21, 2025	Head of the ESG Team	Importance of carbon neutrality and key issues in the fourth phase of the Emissions Trading Scheme

Board Operations

Board Activities

Board Operating Status

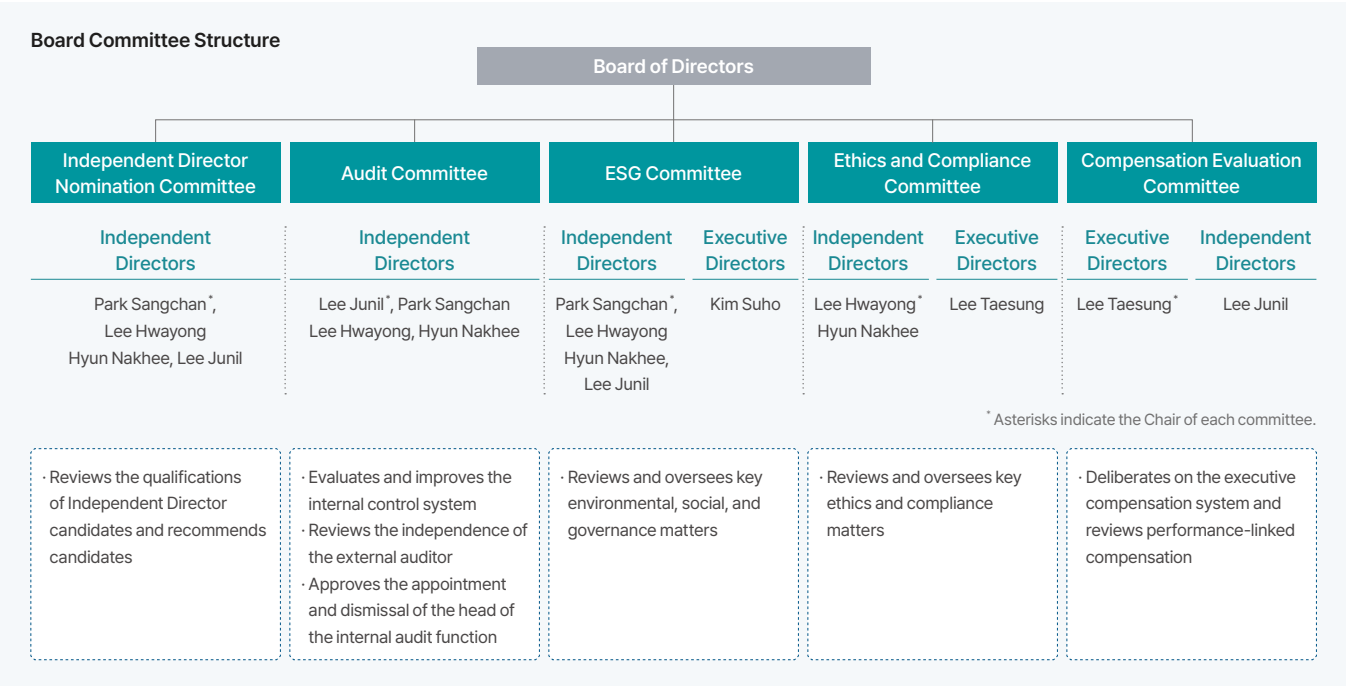
In accordance with the Regulations on the Operation of the Board of Directors, the Board of SeAH Besteel Holdings holds regular meetings four times a year on a quarterly basis and convenes extraordinary meetings for urgent matters to support prompt decision-making. Directors who are unable to attend in person may attend and participate in deliberations and resolutions by video conference, which is recognized as attendance. In 2025, the Board held a total of eight meetings, including four regular and four extraordinary meetings, and discussed 28 agenda items. The average Board attendance rate was 94.6%, with Executive Directors recording 100% and Independent Directors recording 90.6%.

Key Agenda Items of the SeAH Besteel Holdings Board in 2025

Key Agenda Item	Details
Approval of Implementation Status of the Corporate Value Enhancement Plan	Review of the implementation status of key tasks, finalization of the medium- to long-term shareholder value enhancement policy, and strengthening of shareholder interests and long-term fundamentals based on financial soundness
New Plant Investment by SeAH Aerospace & Defense	Proactive response to demand for materials in the global aerospace and defense industries, strengthening of core competitiveness, and provision of a stable supply chain to global customers

Board Committee Structure and Operation

To enhance the expertise and efficiency of Board-centered governance, SeAH Besteel Holdings operates three additional specialized committees on a voluntary basis, in addition to the committees required by law. The Audit Committee and the Independent Director Nomination Committee are established and operated in accordance with legal requirements, while the ESG Committee, Ethics and Compliance Committee (E&C Committee), and Compensation Evaluation Committee are specialized committees voluntarily established by the Board. Each committee conducts in-depth reviews of matters within its remit and reports matters to the Board or resolves them within the scope of authority delegated to the Committee. In addition to regular meetings, extraordinary meetings may be convened as necessary in accordance with the Regulations on the Operation of the Board of Directors and the operating regulations of each committee. The Regulations on the Operation of the Board of Directors also allow the Board to seek advice from external experts when necessary.



* Extraordinary meetings may be held as necessary in accordance with the Board and committee regulations

Board Operations

Board Activities

ESG Committee

The Board of SeAH Besteel Holdings reviews and oversees key environmental, social, and governance matters on a quarterly basis through its ESG Committee. The Committee receives and reviews the annual Sustainability Report publication plan and the results of the double materiality assessment, and is responsible for final approval of material sustainability matters.

Key Agenda Items of the ESG Committee in 2025

Key Agenda Item	Date
· Establishment of the annual donation operating limit · Report on the 2025 ESG action plan · Report on the results of the PCF project · Report on the 2025 Sustainability Report publication plan and double materiality assessment results	February 11, 2025
· Report on completion of GHG emissions verification for SeAH Besteel and SeAH CSS · Analysis of impacts from changes under Phase 4 of the Emissions Trading Scheme · Report on the project to establish a joint ESG assessment and certification system for the steel industry	May 29, 2025
· Report on the new administration's ESG direction and response plan · Report on carbon neutrality roadmap strategies for SeAH Besteel and SeAH CSS · Report on supply chain carbon neutrality strategy and future plans	August 12, 2025
· Report on scenarios for raising reduction targets under the Carbon Neutrality Roadmap · Report on strengthening the resource circularity framework, including obtaining ZWTL certification · Report on 2025 Korea Institute of Corporate Governance and Sustainability (KCGS) assessment results and details	November 21, 2025

Internal Audit and Control

SeAH Besteel Holdings operates an Audit Committee comprising four Independent Directors to establish an independent and effective internal audit framework. The Internal Control Team, an independent dedicated function under the Audit Committee, supports the Committee's audit activities, and the appointment or dismissal of the head of the Internal Control Team is subject to the Audit Committee's deliberation and approval. Each year, the Internal Control Team reports the annual operating plan for the Internal Accounting Control System to the Audit Committee, supporting the systematic implementation of audit activities. The independence of the external auditor is continuously reviewed through regular communication, and prior approval from the Audit Committee is required before entering into contracts for non-audit services, thereby preventing factors that could compromise audit independence. In 2025, the Audit Committee held a total of six meetings.

Audit Committee Operation Status

Category	Details
Dedicated internal audit function	Internal Control Team (independent function under the Audit Committee)
Appointment and dismissal of the head	Deliberation and approval by the Audit Committee
Audit plan	Report of the annual operating plan for the Internal Accounting Control System to the Audit Committee
External auditor independence	Regular communication and prior approval of non-audit services
Number of meetings held in 2025	Six meetings

Board Operations

Board Activities

Management of Liability Risks Arising from Directors’ Duties

SeAH Besteel Holdings maintains Directors’ and Officers’ (D&O) liability insurance at the SeAH Group level to manage legal liability risks that may arise from decisions made by directors and executives in the performance of their duties. The policy covers all Executive Directors, Independent Directors, unregistered executives, and Statutory Auditors of SeAH Group as insured persons and is renewed annually. The current annual aggregate limit of liability is KRW 20 billion. Coverage includes liabilities arising from directors’ duty of care and loyalty, liabilities arising from shareholder class actions in connection with amendments to the Commercial Act, and liabilities arising from employment-related wrongful acts.

Key Details of Directors’ and Officers’ Liability Insurance

Category	Details
Insurance Period	March 1, 2025–March 1, 2026 (renewed annually)
Annual Aggregate Limit of Liability	KRW 20 billion
Insured Persons	All executives of SeAH Group, including registered Executive Directors, Independent Directors, unregistered executives, and Statutory Auditors
Deductible	None (KRW 100 million applies only to incidents in North America)
Key Coverage	Liability for breach of directors’ duty of care and loyalty, shareholder class action liability, liability for employment-related wrongful acts, etc.

Board Evaluation and Compensation

Board Evaluation Process and Compensation System

To strengthen Board-centered governance, SeAH Besteel Holdings conducts an annual Board self-assessment. The assessment follows a three-step process comprising preparation, conduct, and evaluation and is administered through a survey under the leadership of the Chair of the Board after the fiscal year-end. It consists of an overall assessment of the Board and individual assessments of directors, covering key areas such as independence, the quality of agenda review and deliberation, strategy, and responsibilities. The results are reported to the Board and used to improve Board operations.

Case

Transparency and Fairness in Executive Compensation

SeAH Besteel Holdings has established and operates the Compensation Evaluation Committee to ensure the transparency and fairness of executive compensation. Through this Committee, the Company determines compensation for registered directors and executive performance bonuses, while the compensation limit for directors is ultimately approved by resolution of the general meeting of shareholders. To review the fairness of compensation levels for management, SeAH Besteel Holdings calculates the ratio of CEO compensation to employee compensation. As of 2025, CEO compensation was 4.38 times the median compensation of current employees.

Shareholder Value and Engagement

Safeguarding Shareholder Rights and Interests

Shareholder Return Policy and Implementation: Corporate Value Enhancement Plan

SeAH Besteel Holdings implements a systematic shareholder return policy that comprehensively considers business performance and financial soundness, with the enhancement of shareholder value as its top priority. In particular, under the Corporate Value Enhancement Plan that SeAH Besteel Holdings has voluntarily pursued since 2024, the Company transparently discloses its 2025 implementation status to stakeholders. The Corporate Value Enhancement Plan sets detailed goals for improving profitability, enhancing shareholder value, and increasing corporate value, and is intended to address the Company’s undervaluation.

SeAH Besteel Holdings Corporate Value Enhancement Plan

Improving Profitability	Enhancing Shareholder Value	Increasing Corporate Value
· Achieve ROE (return on equity) of 8% or higher by 2027	· Pay dividends of at least 30% of consolidated net income by 2027 · Pay a minimum dividend of KRW 1,000 per share for 2024–2025	· Achieve a PBR (price-to-book ratio) of 0.7x or higher by 2027

Case Shareholder Composition of SeAH Besteel Holdings

As of the end of 2025, SeAH Besteel Holdings had issued a total of 35,862,119 common shares, with one voting right granted for each share in accordance with the Articles of Incorporation. Excluding 225,000 shares held by a public interest corporation for which voting rights are restricted under applicable laws, the number of shares with exercisable voting rights was 35,637,119. The largest shareholder was SeAH Holdings, with an ownership interest of 61.7%, and the combined ownership interest of the largest shareholder and its specially related parties was 62.7%.

Medium- to Long-Term Dividend Policy

SeAH Besteel Holdings has strengthened its relationship of trust with shareholders by paying dividends for 22 consecutive years since 2004. By disclosing its Corporate Value Enhancement Plan, the Company further strengthened its medium- to long-term dividend policy and enhanced dividend predictability by raising its dividend target and establishing a minimum dividend amount. It has also implemented differential dividends that provide preferential returns to general shareholders. In addition, the Company improved its dividend procedures by setting the dividend record date after the dividend amount is determined, thereby enabling investors to make investment decisions with greater certainty regarding expected dividends. As a result of these efforts, SeAH Besteel Holdings paid a dividend of KRW 1,200 per share for both 2024 and 2025, recording consolidated dividend payout ratios of 190.4% and 68.6%, respectively. The Company also met the requirements for high-dividend companies under Article 104-27 of the Restriction of Special Taxation Act, thereby enabling shareholders to benefit from separate taxation of dividend income. In addition, it introduced an online dividend inquiry service to improve access to dividend information.

[Online Dividend Inquiry Service](#)

SeAH Besteel Holdings Medium- to Long-Term Dividend Policy

Dividend Target	Pay dividends of at least 30% of consolidated net income (raised from the previous target of at least 20% of separate net income)		
Performance against 2024–2025 Targets	Guarantee a minimum dividend of KRW 1,000 per share	Introduce a method for pre-determining the dividend record date	Enhance dividend predictability
2026–2027 Dividend Plan	Pursue share repurchases and retirements, interim dividends, and other diversified shareholder return measures to expand shareholder returns		

Shareholder Value and Engagement

Safeguarding Shareholder Rights and Interests

Ensuring Shareholder Rights and Participation

SeAH Besteel Holdings has continued improving its general meeting practices to safeguard shareholder rights and expand meaningful shareholder participation. To make voting more convenient, the Company introduced electronic voting at the 67th Annual General Meeting of Shareholders in 2021 and an electronic proxy system at the 68th Annual General Meeting of Shareholders in 2022, minimizing physical and time-related constraints for shareholders. It also conducts proxy solicitation to provide shareholders with multiple ways to exercise their voting rights. In addition, the Company actively participates in initiatives to avoid concentrated general meeting dates and issues the notice of convocation approximately four weeks in advance, earlier than the statutory deadline, so shareholders have sufficient time to review agenda items. After each general meeting, it transparently discloses voting results on its website. At the 71st Annual General Meeting of Shareholders in 2025, the Company proactively established a basis in its Articles of Incorporation for introducing virtual general meetings, laying the foundation for further improving shareholder accessibility.

Case Operation of the Shareholder Proposal System

SeAH Besteel Holdings operates a range of shareholder participation programs to expand shareholders' meaningful participation in management and make it easier for them to exercise their rights. The shareholder proposal system is operated in accordance with Article 363-2 of the Commercial Act. Shareholders who have continuously held at least 0.5% of the voting shares for the preceding six months, or who hold at least 3% of the total issued shares, may directly propose agenda items for the general meeting of shareholders in writing or electronically no later than six weeks before the meeting date. Unless a submitted proposal violates applicable laws or the Articles of Incorporation, it is included as an agenda item for the general meeting, thereby providing shareholders with a practical opportunity to participate in management.

Shareholder and Investor Communication Activities

SeAH Besteel Holdings operates a variety of communication channels, including IR activities and enhanced disclosures, to strengthen trust with shareholders and investors and promote transparent management. Through diverse IR activities such as quarterly earnings announcements, non-deal roadshows (NDRs), Corporate Day events, and site/plant tours, the Company improves investor access to information. It also continues to enhance management transparency by disclosing the implementation status of its Corporate Value Enhancement Plan each year.

Major Shareholder and Investor Communication Activities in 2025

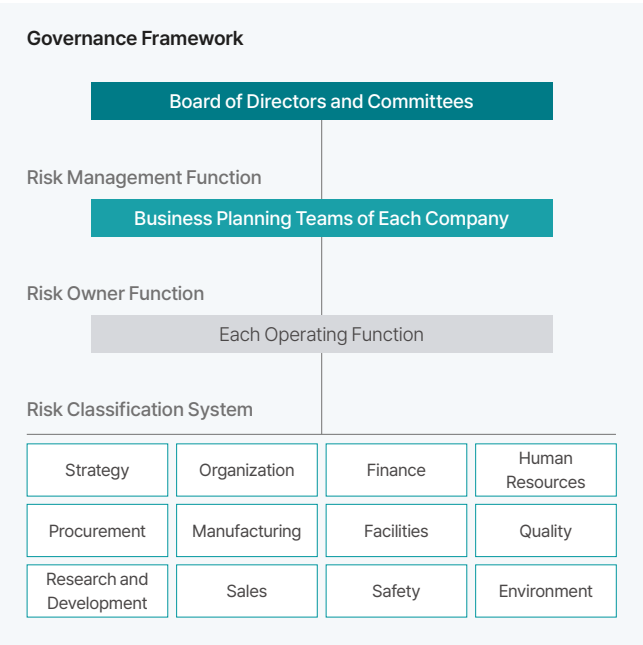
Category	Audience	Description	2025 Results
Earnings Announcements and Disclosures	All shareholders and investors	· Fair disclosure of quarterly business performance · Posting of Korean and English IR materials on the website	4 times
Non-Deal Roadshows	Institutional investors	· Regular NDRs and ad hoc meetings immediately after disclosure of preliminary results	5 times
Corporate Day	Institutional investors	· Participation in domestic and overseas investor meetings hosted by securities firms	6 times
Site Visits and Conference Calls	Analysts and institutional investors	· Ongoing one-on-one and group meetings	167 times
Site/Plant Tours	Analysts and institutional investors	· Tours of major sites and production lines · Product and technology briefings	2 times
Retail IR Responses	Individual shareholders	· Responses to shareholder inquiries by phone and email	Ongoing

Risk Management

Risk Management Governance

Management Organization and Operating Structure

SeAH Besteel Holdings and its affiliates operate a tiered reporting structure to enhance the effectiveness of risk management. Each operating function plays the primary role of directly identifying and assessing risks by area, including strategy, finance, environment, and safety. Based on this process, the Business Planning Team oversees the establishment of enterprise-wide management standards and plans. The status and performance of responses to major risks collected across the organization are regularly reported to the highest governance body for oversight.



Case Risk Management KPIs by Area

To improve the effectiveness of risk management implementation, SeAH Besteel establishes KPIs for major risk areas and manages implementation status across all departments. Beginning in 2026, SeAH CSS will apply fair trade-related KPIs as common indicators for departments exposed to competition law and fair trade risks, thereby strengthening enterprise-wide execution.

Details of KPIs by Area

Area	KPI Item	Department
Ethics and Compliance	Establishment of Compliance KPIs by division and department and management of compliance with those KPIs	All departments
Quality and Certification	Rate of approval achieved within the validity period of product and classification certifications	Quality Management Team
Safety and Health	Implementation rate of safety and health targets and strategies	Safety Team; Safety Management Team
Environment and Energy	Management of energy intensity and reduction performance for carbon emissions by plant	Steelmaking/Rolling Production Office; Facility Engineering Office
Shared Growth	Indicators for monitoring compliance in subcontracting arrangements and strengthening contractors' safety management capabilities	Shared Growth Team

Risk Management Framework

Integrated Risk Management Process

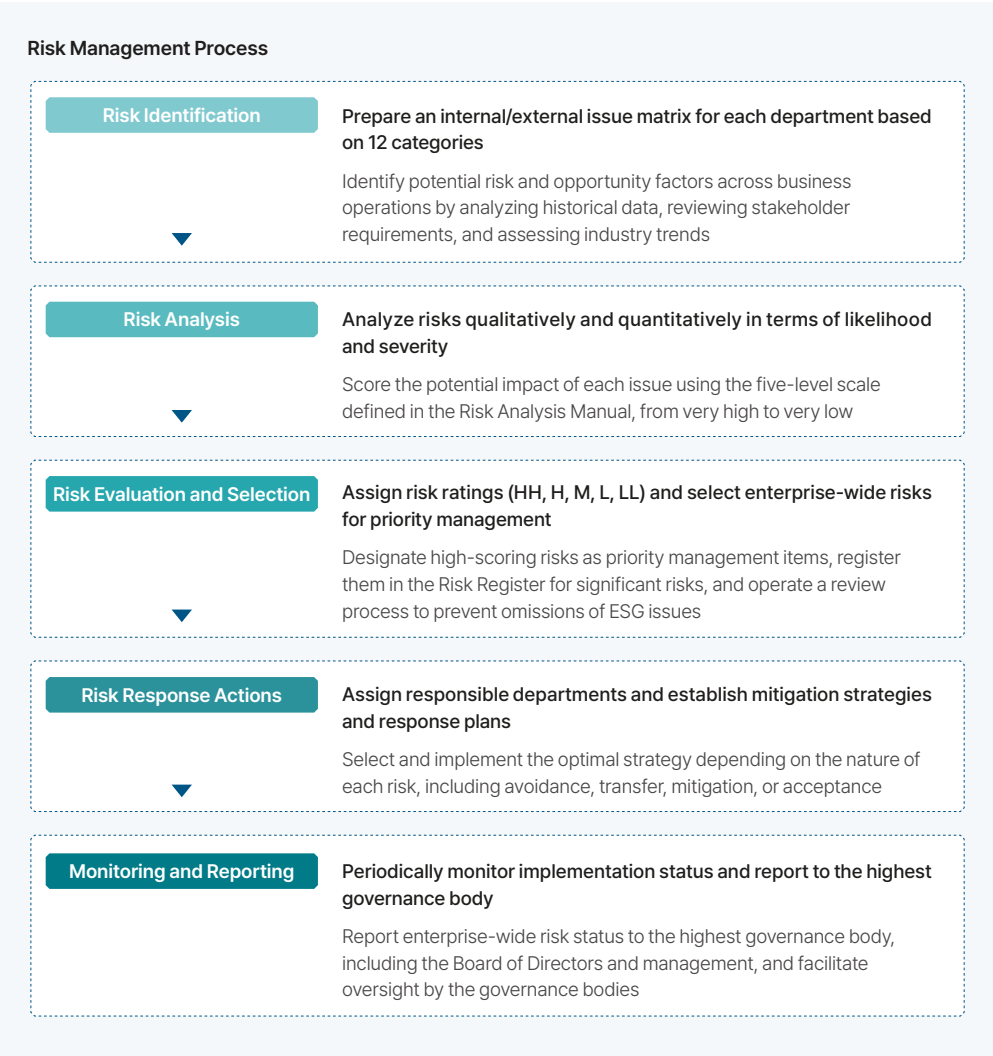
SeAH Besteel Holdings operates an integrated risk management framework covering both financial and non-financial risks. It identifies potential risks by conducting a comprehensive review of internal and external issues across business areas such as strategy, finance, safety, and environment, based on objective facts. Identified risks are quantitatively analyzed on a five-level scale based on likelihood and severity, and their ratings are determined accordingly. A responsible department is designated as the Risk Owner for each major risk and develops the most appropriate response measures.

Case Operation of SeAH Besteel's Risk Register

The Risk Register for significant risks is SeAH Besteel's internal standard format for integrated management of risk issues that had previously been dispersed across departments. It enables the Company to quantitatively verify management effectiveness by tracking changes in risk ratings before and after mitigation measures. Items that are assessed as high-risk again in the following year are continuously tracked and managed. SeAH Besteel also provides practical risk analysis training so that employees in each department can prepare Issue Analysis Sheets and Stakeholder Expectation Analysis Sheets themselves, helping the risk management framework take root in day-to-day operations.

Risk Management

Risk Management Framework



Risk Management Activities

Identification of Potential Risk Factors

SeAH Besteel Holdings reviews all non-financial factors that may affect its business activities to identify potential risks. It conducts a comprehensive review of internal and external issues by department and requires each department to identify at least one risk in the environmental and social areas so that potential factors are not overlooked. For each identified potential risk, its characteristics, impact period, and key stakeholders are categorized and defined.

Potential Risk Analysis

Risk Type	Risk Characteristics and Description	Impact Period	Key Stakeholders	Major Responses
Climate Change Response and Carbon Neutrality	Increasing demand for low-carbon products due to tighter global regulations, including the Carbon Border Adjustment Mechanism (CBAM)	Medium to long term (3–10 years)	Government, customers, investors	- Prevent greenwashing controversies and proactively secure renewable energy sources through procurement centered on direct PPAs - Review carbon emissions calculation and management methods in response to the EU CBAM and other regulations, and encourage suppliers across domestic and overseas supply chains to obtain verification of their carbon emissions data
Supply Chain ESG Management	Transfer of supply chain risks resulting from the introduction of mandatory human rights and environmental due diligence legislation	Short to medium term (1–3 years)	Suppliers, government	- Embed TBM (Tool Box Meeting) practices to strengthen suppliers' safety management capabilities at sites - Advance ESG management across the value chain by gradually expanding the scope of ESG assessments and due diligence for the supply chain
Information Security	Increasing threats of core technology leakage and cyberattacks amid accelerating digital transformation	Short term (within 1 year)	Customers, employees	- Strengthen the governance framework for information security management, including the IT Information Security Council - Carry out activities to foster an information security culture
Talent Acquisition and Development	Difficulty in securing specialized talent due to the decline in the school-age population and declining interest in careers in the steel industry	Long term (10 years or longer)	Employees, local communities	- Provide learning platforms that enable employees to acquire the knowledge and skills required for their roles - Establish in-house onboarding programs and operate process expert development programs to develop specialized talent

Information Security

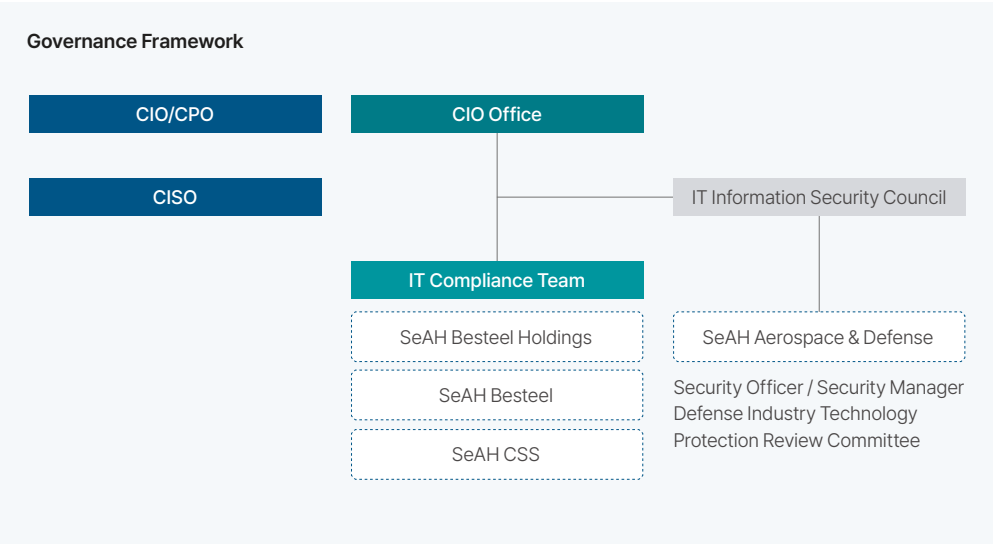
Information Security Governance

Information Security Management Organization

SeAH Besteel Holdings has significantly strengthened Group-wide information security governance to proactively respond to increasingly sophisticated security requirements and the evolving IT risk environment. To this end, it has designated the CIO Office as the highest-level oversight body and established the IT Compliance Team as a dedicated function, creating an integrated Group-wide security management framework. The IT Compliance Team analyzes domestic and international security standards and regulations, identifies legal risks across all business processes, and establishes proactive response systems, while supporting the CIO (Chief Information Officer). In line with this Group-wide security policy, SeAH Aerospace & Defense operates a dedicated security management system that reflects the specific requirements of the defense industry. Through the appointment of Security Officers and Security Managers, the company maintains close oversight and convenes the Defense Industry Technology Protection Review Committee each year to regularly assess the effectiveness and integrity of its security controls at a level that meets or exceeds the requirements of Group governance.

Information Security Responsibilities

To clearly define accountability for security management, SeAH Besteel Holdings separately appoints a CISO (Chief Information Security Officer) and a CPO (Chief Privacy Officer) and specifies the roles and qualification requirements of each officer. The CISO oversees the establishment and operation of the information security management system (ISMS), establishes systems for security vulnerability analysis, assessment, and incident response, while managing internal information security rules and monitoring organizational compliance. The CPO approves the establishment and implementation of personal information protection plans, leads regular inspections of personal information handling practices and improvement measures, raises employees' awareness of personal information protection, and reviews and approves data-related privacy risks. The CIO currently also serves as the CPO.



Case Operation of the IT Information Security Council

The IT Information Security Council of SeAH Besteel Holdings carries out key tasks each quarter to enhance information security solutions and ensure infrastructure stability. In 2025, it upgraded the operating systems across all affiliates in response to the discontinuation of security updates for Windows 10, thereby eliminating security vulnerabilities. It also introduced NAC (Network Access Control) solutions across all affiliates and sales offices, expanding their scope of application. In addition, it conducted a proof of concept (PoC) for an EDR (Endpoint Detection and Response) solution for advanced threat detection and response.

Information Security

Information Security Management Framework

Policy Development and Enhancement

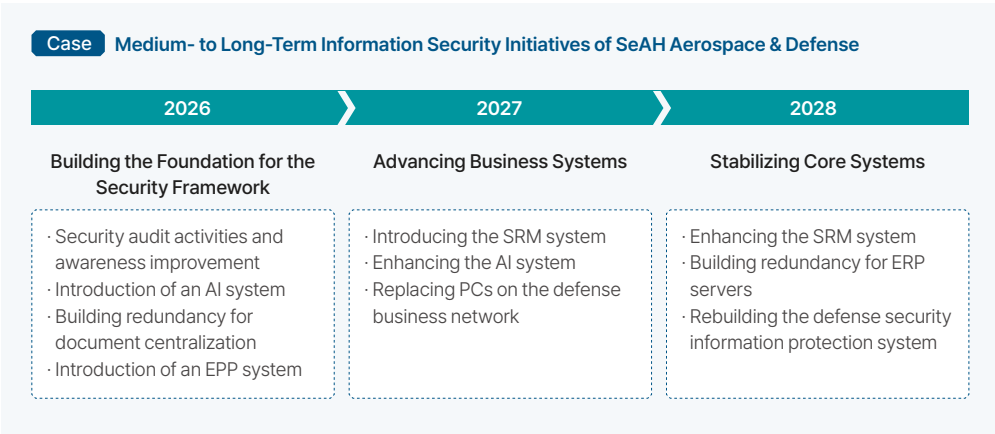
SeAH Besteel Holdings and its affiliates jointly implement a Group-wide Information Security Policy Manual to embed consistent information security standards across the organization. Based on the Information Security Rules, the Information Security Policy Manual consists of 12 guidelines covering the full scope of security management, including organizational management, personal information, and security incident response. SeAH Aerospace & Defense has also established and annually updates separate security work procedures tailored to the security requirements of the defense industry. In response to the introduction of generative AI and changes in personal information protection laws and regulations, SeAH Besteel Holdings established new related policies. By adopting the Generative AI User Security Rules, it has codified security principles to be followed when using AI services and established standards to prohibit the input of internal confidential information and personal information and to prevent copyright infringement and misuse of AI-generated outputs. In addition, SeAH Besteel Holdings established the Personal Information Internal Management Plan, providing an internal basis for managing personal information throughout its life cycle, from collection to destruction, and for implementing technical and managerial safeguards.

Three Key Directions for Information Security

Establishing Information Security Governance	Building Proactive Risk Response Capabilities	Strengthening Cyber Resilience
· Establish the IT Compliance Team as the Group-wide central oversight function · Integrate and optimize security policies and management standards across all affiliates	· Embed domestic and international information security and emerging technology regulations into business processes · Minimize legal and operational risks arising from regulatory non-compliance	· Go beyond threat blocking to minimize business impact in the event of an incident · Build a cyber resilience-oriented security framework capable of rapid recovery

Information Security Targets

Under the policies established in 2025, SeAH Besteel Holdings set information security targets focused on maintaining a balanced approach to AI adoption and security and strengthening employee accountability for personal information protection. In response to the growing use of generative AI, the Company will create a safe digital work environment free from security incidents and embed a culture in which employees independently comply with security guidelines, thereby maintaining a balance between work efficiency and risk minimization. Based on the Personal Information Internal Management Plan, it will also systematically manage the full life cycle of personal information from collection to destruction and continue implementing technical and managerial safeguards to protect employees' rights and interests related to personal information. Meanwhile, SeAH Aerospace & Defense has established three-year information security initiatives for 2026–2028, reflecting the unique security environment of the defense industry, and is implementing them in phases: building the foundation for the security system, advancing business systems, and stabilizing core systems.

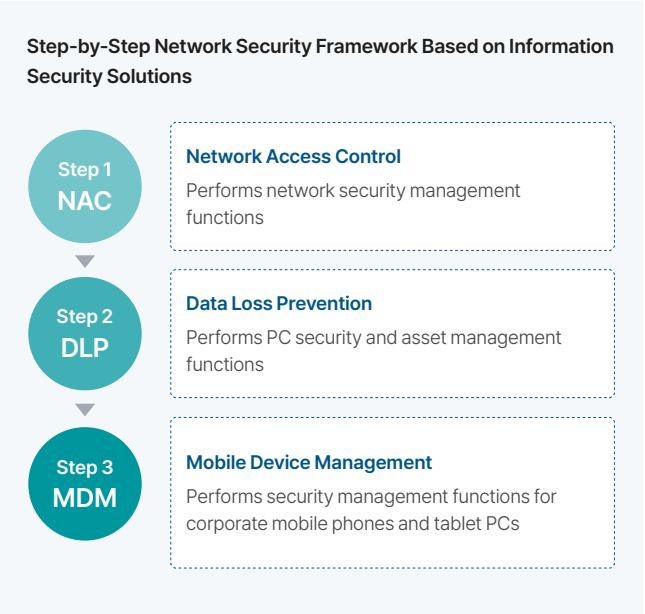


Information Security

Information Security Management Activities

Operation of Information Security Systems

SeAH Besteel Holdings operates a three-layer information security solution framework consisting of NAC (Network Access Control), DLP (Data Loss Prevention), and MDM (Mobile Device Management) to respond to increasingly sophisticated cyber threats. In 2025, it deployed a network monitoring solution following the completion of a proof of concept (PoC), adding a security monitoring framework capable of detecting and blocking malicious IP addresses from internal and external sources in real time.



Information Security Inspections and Incident Response

To prevent security threats in advance, SeAH Besteel Holdings continuously checks employees’ PCs across the Company for compliance with security settings and the status of software security patches. In 2025, it promptly completed corrective actions for all identified instances of non-compliance, achieving a 100% remediation rate for security vulnerabilities. It also analyzed external security incident cases and conducted Company-wide special inspections for advanced malware that could enter the organization and malicious scripts used to compromise web servers. In addition, in response to the Ministry of Science and ICT’s request that CISOs conduct emergency security inspections, SeAH Besteel Holdings conducted a joint inspection across all Group affiliates and responded swiftly. The Company also operates a separate response process to ensure prompt reporting and action in the event of a security incident, while regularly conducting disaster recovery (DR) drills to verify recovery capabilities in emergency situations and ensure infrastructure availability. It also conducts regular simulated phishing exercises based on real cyberattack scenarios to strengthen employees’ security response capabilities and prevent potential security incidents.

Meanwhile, SeAH Aerospace & Defense conducts semiannual internal security inspections and systematically carries out simulated phishing email response drills through the cybersecurity vulnerability assessment program led by the Defense Acquisition Program Administration. It also verifies its security management level through the annual defense security audit conducted by the Defense Counterintelligence Command and implements corrective actions for identified findings.

Information Security Training and Campaigns

SeAH Besteel Holdings provides role-specific training to strengthen employees’ information security capabilities. Starting with four companies—SeAH Holdings, SeAH Besteel Holdings, SeAH Besteel, and SeAH CSS—at the end of 2024, it completed role-specific security training for approximately 80 employees responsible for handling personal information across all affiliates in early 2025. The training covered personal information handling principles and practical security guidelines, helping minimize leakage risks that may arise in the course of handling personal information. SeAH Besteel Holdings also provided mandatory training under the Personal Information Protection Act to all employees and achieved a 100% completion rate. In addition, it prepares and distributes monthly information security newsletters covering the latest security issues, key precautions, and actual security cases within the Company to help employees recognize and respond to security threats in practical terms. Through its clean desk campaign, the Company also prevents the theft and leakage of important information and encourages information security practices by assessing compliance with workplace inspection checklists.

SeAH Aerospace & Defense operates Defense Security Day during the last week of each month, notifying all employees of the latest cybersecurity issues and individual inspection items. It also conducts regular defense security training through crew meetings to raise awareness of security requirements specific to the defense industry.

APPENDIX

5

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ESG Data

SeAH Besteel Holdings

Environmental

Greenhouse Gas (GHG)

Category		Unit	2023	2024	2025
Direct/Indirect GHG Emissions	Total GHG Emissions (Scope 1 & 2)	tCO ₂ eq	467	485	498
	Scope 1 (Direct Emissions)	tCO ₂ eq	54	69	71
	Scope 2 (Indirect Emissions)	tCO ₂ eq	413	416	427
	GHG Emissions Intensity (per Revenue) ¹⁾	tCO ₂ eq/ KRW billion	0.11	0.13	0.14

1) Calculated based on revenue in the Consolidated Statement of Comprehensive Income.

Energy

Category		Unit	2023	2024	2025
Energy Consumption	Total Energy Consumption	GJ	9,581	9,898	10,160
	Energy Intensity (per Revenue) ²⁾	GJ/KRW billion	2.35	2.72	2.78
Direct Energy	Total Direct Energy Consumption	GJ	954	1,207	1,244
	LNG (City Gas)	GJ	592	718	753
	Gasoline	GJ	362	489	491
Indirect Energy	Total Indirect Energy Consumption	GJ	8,627	8,691	8,916
	Electricity	GJ	8,627	8,691	8,916
Renewable Energy	Total Renewable Energy Consumption	GJ	0	0	0
Energy Mix	Proportion of Renewable Energy in Total Energy Consumption	%	0	0	0
	Proportion of Fossil Fuels in Total Energy Consumption	%	3.8	4.9	4.8
	Proportion of Natural Gas in Total Energy Consumption	%	6.2	7.3	7.4

2) Calculated based on revenue in the Consolidated Statement of Comprehensive Income.

Certain environmental data (including greenhouse gas emissions, energy, waste, environmental investments, and compliance) for prior years have been restated to reflect changes in calculation methodologies, reporting boundaries, and error corrections. Consequently, these figures may differ from those disclosed in previous reports. To ensure comparability, the restated data have been recalculated on a consistent basis. Specific variations for certain indicators are further explained in the footnotes. For training-related indicators, headcount figures may include duplicate counts for individuals who completed multiple programs.

Water

Category		Unit	2023	2024	2025
Water Withdrawal	Total Water Withdrawal	thousand m ³	0.3	0.9	0.8
	Industrial Water	thousand m ³	0	0	0
	Tap Water	thousand m ³	0.3	0.9	0.8
	Groundwater (Freshwater)	thousand m ³	0	0	0
	Other (Rainwater, etc.)	thousand m ³	0	0	0
	Water Use Intensity ³⁾	thousand m ³ / KRW billion	<0.01	<0.01	<0.01

3) Calculated based on revenue in the Consolidated Statement of Comprehensive Income.

Waste

Category		Unit	2023	2024	2025
Waste Generation	Total Waste Generation	tonnes	4.7	6.4	6.4
General Waste Generation	Total Waste Generated	tonnes	4.7	6.4	6.4
	Landfilled	tonnes	4.7	6.4	6.4
Designated (Hazardous) Waste Generation	Total Waste Generated	tonnes	0	0	0

Compliance

Category		Unit	2023	2024	2025
Compliance with Environmental Laws & Regulations	Number of Legal Violations ⁴⁾	cases	0	0	0
	Number of Material Violations ⁴⁾	cases	0	0	0
	Total Amount of Fines & Liabilities	KRW million	0	0	0

4) May differ from the data in the Business Report; material violations are defined as incidents resulting in administrative sanctions equal to or more severe than suspension of business.

ESG Data

SeAH Besteel Holdings

Social

Employee Overview

Category		Unit	2023	2024	2025
Total Number of Employees		persons	53	55	52
Gender	Male	persons	32	33	28
	Female	persons	21	22	24
By Age Group	Under 30	persons	11	7	5
	30–49	persons	38	45	42
	50 and Over	persons	4	3	5
Regular Employees	Total Number of Employees	persons	53	55	51
	Male	persons	32	33	28
	Female	persons	21	22	23
Non-regular Employees	Total Number of Employees	persons	0	0	1
	Male	persons	0	0	0
	Female	persons	0	0	1
By Job Category	Office Workers	persons	53	55	52
	Technical Workers	persons	0	0	0

Certain social data (including employee status, diversity status, new hires, turnover and resignations, retirement pensions, parental leave, occupational health and safety, employee training, social contribution, and shared growth) for prior years have been restated to reflect changes in calculation methodologies, reporting boundaries, and error corrections. Consequently, these figures may differ from those disclosed in previous reports. To ensure comparability, the restated data have been recalculated on a consistent basis. Specific variations for certain indicators are further explained in the footnotes. For training-related indicators, headcount figures may include duplicate counts for individuals who completed multiple programs.

Category		Unit	2023	2024	2025
Senior Managers	Total Number of Employees	persons	4	4	3
	Male	persons	2	2	1
	Female	persons	2	2	2
	Under 30	persons	0	0	0
	30–49	persons	4	4	3
	50 and Over	persons	0	0	0
Middle Managers	Total Number of Employees	persons	7	10	9
	Male	persons	6	8	8
	Female	persons	1	2	1
	Under 30	persons	0	0	0
	30–49	persons	6	9	8
Non-managerial Staff	50 and Over	persons	1	1	1
	Total Number of Employees	persons	42	41	40
	Male	persons	24	23	19
	Female	persons	18	18	21
	Under 30	persons	11	7	5
	30–49	persons	28	32	31
	50 and Over	persons	3	2	4

ESG Data

SeAH Besteel Holdings

Social Diversity

Category		Unit	2023	2024	2025
Diverse Employment	Persons with Disabilities	persons	0	0	0
	Foreign Nationals	persons	2	3	3
	National Veterans	persons	0	0	0
Female Leadership	Total Managers	persons	11	14	12
	Female Managers	persons	3	4	3
	Female Senior Managers	persons	2	2	2
	Female Middle Managers	persons	1	2	1
	Proportion of Female Managers	%	27.3	28.6	25.0
	Proportion of Female Directors	%	14.3	14.3	14.3
Non-employee Workers ¹⁾		persons	1	1	2

1) Non-employee Workers: Based on the number of in-house contractor employees as of the end of each fiscal year.

New Hires²⁾

Category		Unit	2023	2024	2025
Total Number of Employees		persons	14	4	5
Gender	Male	persons	6	3	2
	Female	persons	8	1	3
By Age Group	Under 30	persons	8	0	1
	30–49	persons	6	4	3
	50 and Over	persons	0	0	1
By Experience Level	Entry-level	persons	5	0	1
	Experienced	persons	9	4	4
By Employment Type	Regular Employees	persons	14	4	4
	Non-regular Employees (including Contract Workers & Interns)	persons	0	0	1

2) Excludes inter-company transfer data between affiliates.

ESG Data

SeAH Besteel Holdings

Social

Turnover and Resignations¹⁾

Category		Unit	2023	2024	2025
Total Number of Employees		persons	2	4	4
	Turnover Rate ²⁾	%	5.7	7.4	7.5
By Turnover Type	Mandatory Retirement	persons	0	0	0
	Voluntary Turnover	persons	2	4	4
	Voluntary Turnover Rate ²⁾	%	5.7	7.4	7.5
Gender	Male	persons	2	3	3
	Female	persons	0	1	1
By Age Group	Under 30	persons	0	1	1
	30–49	persons	2	3	3
	50 and Over	persons	0	0	0
Average Years of Service ³⁾	Total Number of Employees	years	7.5	8.6	3.5
	Male	years	8.9	10.0	3.5
	Female	years	5.3	5.8	3.5

1) Excludes inter-company transfer data between affiliates.
2) The (voluntary) turnover rate is calculated as the ratio of (voluntary) turnovers to the average annual number of employees.
3) Based on the Business Report.

Retirement Pension

Category		Unit	2023	2024	2025
National Pension	Employer Contribution	KRW million	136	198	233
Retirement Pension Assets	Total Amount	KRW million	4,194	6,174	7,240
	DC (Defined Contribution)	KRW million	0	0	0
	DB (Defined Benefit)	KRW million	4,194	6,174	7,240
Number of Retirement Pension Subscribers	Total Amount	persons	42	63	63
	DC (Defined Contribution)	persons	0	0	0
	DB (Defined Benefit)	persons	42	63	63

Parental Leave

Category		Unit	2023	2024	2025
Employees Eligible for Parental Leave	Total Number of Employees	persons	12	15	12
	Male	persons	9	12	9
	Female	persons	3	3	3
Employees Who Took Parental Leave	Total Number of Employees	persons	2	0	1
	Male	persons	2	0	0
	Female	persons	0	0	1
Employees Returning from Parental Leave	Total Number of Employees	persons	1	0	0
	Male	persons	1	0	0
	Female	persons	0	0	0

ESG Data

SeAH Besteel Holdings

Social Occupational Health and Safety

Category			Unit	2023	2024	2025
Occupational Accident	Number of Injuries	Employees	persons	0	0	0
	Injury Rate	Employees	%	0	0	0
Lost Time Incident	Lost Time Injury Frequency Rate (LTIFR)	Employees	cases/ million hours	0	0	0
Occupational Illness	Occupational Illness Frequency Rate (OIFR)	Employees	cases/ million hours	0	0	0
Fatality	Number of Fatalities	Employees	persons	0	0	0
	Fatality Rate	Employees	%	0	0	0
Occupational Health & Safety Training	Occupational Health & Safety Training Hours		hours	-	312	324
	Employees Subject to Occupational Health & Safety Training		persons	-	52	54
	Employees Who Completed Occupational Health & Safety Training		persons	-	52	54
	Occupational Health & Safety Training Completion Rate		%	-	100	100

Collective Agreement

Category			Unit	2023	2024	2025
Labor Union	Employees Eligible for Labor Union Membership		persons	42	43	41
	Number of Labor Union Members		persons	0	0	0
	Labor Union Membership Rate		%	0	0	0

Employee Training

Category			Unit	2023	2024	2025
Training and Education	Total Number of Training Participants		persons	52	54	67
	Total Training Hours		hours	1,528	544	1,163
	Training Hours per Employee		hours	29.4	10.1	17.4
	Total Training Expenses		KRW million	211	116	102
	Training Expenses per Employee		KRW million	4.1	2.1	1.5
Job Competency Training	Job Competency Training Hours		hours	3,311	4,160	969
	Employees Subject to Job Competency Training		persons	53	55	25
	Employees Who Completed Job Competency Training		persons	53	55	25
	Job Competency Training Completion Rate		%	100	100	100

Social Contribution

Category			Unit	2023	2024	2025
Volunteer Activities	Total Volunteer Hours		hours	0	280	344
	Number of Volunteers		persons	0	28	33
	Volunteer Hours per Employee		hours	-	10.0	10.4
Contributions	Social Contribution Expenses		KRW million	200	44	52

ESG Data

SeAH Besteel Holdings

Social

Employee Remuneration

Category		Unit	2023	2024	2025
Average Wage ¹⁾	Male	KRW million	105	113	125
	Female	KRW million	94	110	110
Gender Pay Ratio (Female to Male)		%	89.5	97.3	88.0

1) Based on the Business Report.

Performance Evaluation

Category		Unit	2023	2024	2025
Employees Subject to Performance Evaluation		persons	53	69	68
Employees Who Received Regular Performance Evaluation		persons	53	69	68
Proportion of Employees Receiving Regular Performance Evaluation		%	100	100	100

Employee Satisfaction

Category		Unit	2023	2024	2025
Employee Satisfaction Score		points	73.3	72.5	70.8

Human Rights

Category		Unit	2023	2024	2025
Case Handling	Number of Reports	cases	0	0	0
	Number of Cases Handled	cases	0	0	0
Human Rights Training	Human Rights Training Hours	hours	148	189	186
	Employees Subject to Human Rights Training	persons	168	204	222
	Employees Who Completed Human Rights Training	persons	148	189	186
	Completion Rate of Human Rights Training	%	88.1	92.6	83.8

Information Security

Category		Unit	2023	2024	2025
Data Leakage	Total Number of Data Leakage Incidents	cases	0	0	0
Information Security Training	Information Security Training Hours	hours	49	64	61
	Employees Subject to Information Security Training	persons	54	70	74
	Employees Who Completed Information Security Training	persons	49	64	61
	Completion Rate of Information Security Training	%	90.7	91.4	82.4

ESG Data

SeAH Besteel Holdings

Governance & Economic

Economic Value Generated and Distributed

Category		Unit	2023	2024	2025
Economic Value Generated	Total Economic Value Generated	KRW million	4,083,481	3,636,063	3,651,585
	Revenue ¹⁾	KRW million	4,082,275	3,634,697	3,650,156
	Other Income ²⁾	KRW million	1,206	1,366	1,429
	Total Association Contributions	KRW million	16	16	16

1) Revenue in the Consolidated Statement of Comprehensive Income.
2) Income other than revenue.

Ethical Management

Category		Unit	2023	2024	2025
Ethics Training	Ethics & Anti-Corruption Training Hours ³⁾	hours	122	227	28
	Employees Subject to Ethics & Anti-Corruption Training	persons	65	302	58
	Employees Who Completed Ethics & Anti-Corruption Training	persons	64	248	55
	Ethics & Anti-Corruption Training Completion Rate	%	98.5	82.1	94.8
Ethics Report Resolution	Ethics Reports Received	cases	0	0	2
	Ethics Reports Resolved	cases	0	0	2
	Investigations and Audits	cases	0	0	1
	Referred to Relevant Departments	cases	0	0	0
	Other	cases	0	0	1
	Ethics Report Resolution Rate	%	-	-	100

3) Calculated including fair trade training.

Certain governance and economic data (including ethics training, and ethical management and anti-corruption) for prior years have been restated to reflect changes in calculation methodologies, reporting boundaries, and error corrections. Consequently, these figures may differ from those disclosed in previous reports. To ensure comparability, the restated data have been recalculated on a consistent basis. Specific variations for certain indicators are further explained in the footnotes. For training-related indicators, headcount figures may include duplicate counts for individuals who completed multiple programs.

Ethical Management & Anti-Corruption

Category		Unit	2023	2024	2025
Ethical Management Violations	Total Violations ⁴⁾	cases	0	0	1
Outcomes of Ethical Management Violations	Total Disciplinary Measures ⁵⁾	cases	0	0	1
Anti-Corruption	Number of Corruption Incidents	cases	0	0	0
	Number of Disciplinary Actions ⁵⁾	cases	0	0	0
Anti-competitive Law Violations	Number of Legal Violations ⁶⁾	cases	0	0	0
	Number of Material Violations ⁶⁾	cases	0	0	0
	Total Amount of Fines & Liabilities	KRW million	0	0	0
Corruption Risk Assessment	Sites Subject to Corruption Risk Assessment	sites	1	1	1
	Sites Assessed for Corruption Risk	sites	1	1	1
	Proportion of Sites Assessed	%	100	100	100

4) Violations include breach of trust, embezzlement, bribery, human rights violations, hiring irregularities, and process violations.
5) Disciplinary actions include dismissal, suspension, salary reduction, warning, and other measures.
6) May differ from the data in the Business Report; material violations are defined as incidents resulting in administrative sanctions equal to or more severe than suspension of business.

ESG Data

SeAH Besteel SeAH CSS SeAH Aerospace & Defense³⁾

Certain environmental data (including greenhouse gas emissions, energy, waste, environmental investments, and compliance) for prior years have been restated to reflect changes in calculation methodologies, reporting boundaries, and error corrections. Consequently, these figures may differ from those disclosed in previous reports. To ensure comparability, the restated data have been recalculated on a consistent basis. Specific variations for certain indicators are further explained in the footnotes. For training-related indicators, headcount figures may include duplicate counts for individuals who completed multiple programs.

Environmental

Greenhouse Gas (GHG)¹⁾

Category		Unit	SeAH Besteel			SeAH CSS			SeAH Aerospace & Defense		
			2023	2024	2025	2023	2024	2025	2023	2024	2025
Direct/Indirect GHG Emissions	Total GHG Emissions (Scope 1 & 2)	tCO ₂ eq	1,182,414	1,155,808	1,125,099	455,763	436,291	422,278	12,684	13,081	13,645
	Scope 1 (Direct Emissions)	tCO ₂ eq	503,697	473,995	455,438	184,404	177,178	163,812	4,502	4,449	4,637
	Scope 2 (Indirect Emissions)	tCO ₂ eq	678,717	681,813	669,661	271,360	259,116	258,467	8,182	8,633	9,008
	GHG Emissions Intensity (per Revenue) ²⁾	tCO ₂ eq/KRW billion	511.70	570.79	562.32	269.03	291.53	277.46	147.01	124.03	106.01
	GHG Emissions Intensity (per Tonne of Crude Steel)	tCO ₂ eq/tonnes	0.68	0.66	0.64	0.84	0.88	0.90	-	-	-
Other Indirect Emissions	Total of Other Indirect Emissions (Scope 3)	tCO ₂ eq	1,100,245	567,235	616,570	591,738	471,810	506,211	-	-	-
	Cat 1. Purchased Goods and Services	tCO ₂ eq	591,279	358,213	348,422	392,258	382,102	392,393	-	-	-
	Cat 2. Capital Goods	tCO ₂ eq	-	-	6,163	-	-	8,680	-	-	-
	Cat 3. Fuel- and Energy-Related Activities (Not Included in Scope 1 or 2)	tCO ₂ eq	330,255	123,206	120,992	143,160	54,831	54,686	-	-	-
	Cat 4. Upstream Transportation and Distribution	tCO ₂ eq	174,975	82,360	132,401	52,426	30,533	26,067	-	-	-
	Cat 5. Waste Generated in Operations	tCO ₂ eq	3,736	3,456	3,288	3,894	4,344	4,294	-	-	-
	Cat 6. Business Travel	tCO ₂ eq	-	-	125	-	-	237	-	-	-
	Cat 7. Employee Commuting	tCO ₂ eq	-	-	1,914	-	-	1,540	-	-	-
	Cat 9. Downstream Transportation and Distribution	tCO ₂ eq	-	-	3,266	-	-	4,251	-	-	-
	Cat 15. Investments	tCO ₂ eq	-	-	-	-	-	14,063	-	-	-

1) Based on the Statement of Greenhouse Gas Emissions and Energy Consumption; since figures for each item are rounded down to the nearest whole number, the sum of individual items may differ from the total emissions.
2) Calculated based on revenue in the Consolidated Statement of Comprehensive Income of each affiliate.
3) Based on the third-party assurance statement.

ESG Data

SeAH Besteel

SeAH CSS

SeAH Aerospace & Defense

Environmental

Energy

Category		Unit	SeAH Besteel			SeAH CSS			SeAH Aerospace & Defense		
			2023	2024	2025	2023	2024	2025	2023	2024	2025
Energy Consumption	Total Energy Consumption ¹⁾	GJ	18,543,409	18,419,802	18,082,906	8,314,299	7,901,395	7,875,651	262,647	271,956	283,707
	Energy Intensity (per Revenue) ²⁾	GJ/KRW billion	8,024.81	9,096.54	9,037.84	4,907.74	5,279.62	5,174.69	3,044.22	2,578.54	2,204.14
	Energy Intensity (per Tonne of Crude Steel)	GJ/tonnes	10.66	10.57	10.25	15.31	15.87	16.87	-	-	-
Direct Energy	Total Direct Energy Consumption	GJ	4,502,538	4,326,222	4,230,116	2,643,877	2,486,993	2,474,815	74,319	73,357	76,473
	LNG (City Gas)	GJ	3,969,915	3,957,312	3,919,207	1,422,697	1,337,124	1,356,159	72,911	71,892	74,867
	LPG	GJ	451,812	253,201	194,508	1,161,245	1,087,771	1,068,448	0	0	0
	Diesel	GJ	79,475	114,059	114,578	59,433	61,637	49,824	1,408	1,464	1,606
	Gasoline	GJ	1,284	1,597	1,747	502	461	384	0	0	0
	Kerosene	GJ	53	53	76	0	0	0	0	0	0
Indirect Energy	Total Indirect Energy Consumption	GJ	14,040,871	14,093,580	13,852,790	5,670,422	5,414,402	5,400,836	188,327	198,599	207,234
	Electricity	GJ	13,668,730	13,737,792	13,517,709	5,670,422	5,414,402	5,400,836	188,327	198,599	207,234
	Steam	GJ	372,141	355,788	335,081	0	0	0	0	0	0
Renewable Energy	Total Renewable Energy Consumption	GJ	0	51,679	110,627	0	0	0	0	0	0
Energy Mix	Proportion of Renewable Energy in Total Energy Consumption	%	0	0.3	0.6	0	0	0	0	0	0
	Proportion of Fossil Fuels in Total Energy Consumption	%	2.9	2.0	1.7	14.7	14.6	14.2	0.5	0.5	0.6
	Proportion of Natural Gas in Total Energy Consumption	%	21.4	21.4	21.5	17.1	16.9	17.2	27.8	26.4	26.4

1) Based on the Statement of Greenhouse Gas Emissions and Energy Consumption; since figures for each item are rounded down to the nearest whole number, the sum of individual items may differ from the total consumption.

2) Calculated based on revenue in the Consolidated Statement of Comprehensive Income of each affiliate.

ESG Data

SeAH Besteel SeAH CSS SeAH Aerospace & Defense

Environmental

Air Pollutants, Raw Materials

Category			Unit	SeAH Besteel			SeAH CSS			SeAH Aerospace & Defense		
				2023	2024	2025	2023	2024	2025	2023	2024	2025
Air Pollutants	Subject to the Total Load Management System	Total Emissions	tonnes	534.56	498.36	455.02	372.19	311.01	302.18	2.11	1.11	1.02
		Particulate Matter	tonnes	52.26	46.49	67.37	36.05	24.63	27.24	0.19	0.08	0.06
		Particulate Matter Intensity ¹⁾	tonnes/KRW billion	0.02	0.02	0.03	0.02	0.02	0.02	<0.01	<0.01	<0.01
		NOx	tonnes	390.24	340.12	287.31	320.83	265.47	261.05	1.90	0.86	0.89
		NOx Intensity ¹⁾	tonnes/KRW billion	0.17	0.17	0.14	0.19	0.18	0.17	1.90	0.86	0.89
		SOx	tonnes	92.06	111.76	100.33	15.32	20.91	13.89	0.02	0.18	0.07
		SOx Intensity ¹⁾	tonnes/KRW billion	0.04	0.06	0.05	0.01	0.01	0.01	<0.01	<0.01	<0.01
Raw Materials Usage	Total Raw Materials Usage (Scrap)		tonnes	1,839,381	1,837,117	1,858,870	485,707	431,227	409,397	0	0	0
	Total Raw Materials Usage (Non-scrap)		tonnes	0	0	0	0	0	0	15,200	14,605	15,728
	Recycled Raw Materials Usage (Scrap)		tonnes	1,839,381	1,837,117	1,858,870	485,707	431,227	409,397	0	0	0
	Recycled Raw Materials Usage (Non-scrap)		tonnes	0	0	0	0	0	0	9,111	9,031	9,924
	Recycled Raw Materials Input Ratio		%	100	100	100	100	100	100	59.9	61.8	63.1

1) Calculated based on revenue in the Consolidated Statement of Comprehensive Income of each affiliate.

ESG Data

SeAH Besteel SeAH CSS SeAH Aerospace & Defense

Environmental
Water

Category			Unit	SeAH Besteel			SeAH CSS			SeAH Aerospace & Defense		
				2023	2024	2025	2023	2024	2025	2023	2024	2025
Water Withdrawal	Total Water Withdrawal		thousand m³	4,354.3	4,110.4	4,185.4	2,139.3	1,980.4	1,939.9	60.3	53.5	64.9
	Industrial Water		thousand m³	3,701.5	3,497.4	3,556.2	2,139.3	1,980.4	1,939.9	0	0	0
	Tap Water		thousand m³	649.5	609.3	624.9	0	0	0	60.3	53.5	64.9
	Groundwater (Freshwater)		thousand m³	0	0	0	0	0	0	0	0	0
	Other (Rainwater, etc.)		thousand m³	3.4	3.7	4.3	0	0	0	0	0	0
	Water Use Intensity ¹⁾		thousand m³/ KRW billion	1.88	2.03	2.09	1.26	1.32	1.27	0.70	0.51	0.50
Water Withdrawal by Region	Seoul Metropolitan	Total Water Withdrawal	thousand m³	-	-	-	-	-	-	-	-	-
	Other Regions	Total Water Withdrawal	thousand m³	4,354.0	4,110.4	4,185.4	2,139.3	1,980.4	1,939.9	60.3	53.5	64.9
		Industrial Water	thousand m³	3,701.5	3,497.4	3,556.2	2,139.3	1,980.4	1,939.9	0	0	0
		Tap Water	thousand m³	649.2	609.3	624.9	0	0	0	60.3	53.5	64.9
		Groundwater (Freshwater)	thousand m³	0	0	0	0	0	0	0	0	0
		Other (Rainwater, etc.)	thousand m³	3.4	3.7	4.3	0	0	0	0	0	0

1) Calculated based on revenue in the Consolidated Statement of Comprehensive Income of each affiliate.

ESG Data

SeAH Besteel SeAH CSS SeAH Aerospace & Defense

Environmental

Wastewater, Water Pollutants, Chemicals

Category		Unit	SeAH Besteel			SeAH CSS			SeAH Aerospace & Defense		
			2023	2024	2025	2023	2024	2025	2023	2024	2025
Wastewater Discharge	Total Water Discharge	thousand m³	2,962.6	1,855.0	1,676.4	875.0	945.0	951.0	26.3	17.0	27.2
	Discharged	thousand m³	2,259.5	1,815.0	1,591.5	831.0	915.0	925.0	26.3	17.0	27.2
	Reused	thousand m³	703.1	40.0	84.9	44.0	30.0	26.0	0	0	0
	Water Reuse Rate	%	16.1	1.0	2.0	1.5	1.0	0.9	0	0	0
Water Pollutant Emissions	Suspended Solids (SS)	tonnes	19.38	6.45	9.89	8.10	10.00	23.50	0.30	0	0.04
	Biological Oxygen Demand (BOD)	tonnes	5.97	1.90	4.15	3.10	1.50	2.80	0	0	0
	Total Organic Carbon (TOC)	tonnes	11.16	6.00	5.35	4.90	3.00	3.40	1.10	0.48	0.78
	Total Nitrogen (T-N)	tonnes	5.09	6.56	3.92	6.90	7.80	8.70	0.60	0.05	0
	Total Phosphorus (T-P)	tonnes	0.10	0.09	0.06	0	0.06	0.04	0	0	0.01
Hazardous Chemical Usage		tonnes	26.7	26.7	26.0	7,129.6	8,344.5	10,749.0	0	0	0
Chemical Emissions		tonnes	1.7	5.2	1.7	10.6	9.8	10.2	0	0	0

ESG Data

SeAH Besteel SeAH CSS SeAH Aerospace & Defense

Environmental
Waste

Category		Unit	SeAH Besteel			SeAH CSS			SeAH Aerospace & Defense		
			2023	2024	2025	2023	2024	2025	2023	2024	2025
Waste Generation	Total Waste Generation	tonnes	340,858.5	277,171.0	294,762.2	146,056.0	138,364.0	138,108.0	643.0	589.0	586.0
General Waste Generation	Total Waste Generated	tonnes	302,547.5	237,671.6	256,471.6	133,272.0	125,898.0	126,405.0	592.0	511.0	514.0
	Landfilled	tonnes	3,041.5	143.1	90.1	9,302.0	7,396.0	5,771.0	4.0	42.0	21.0
	Incinerated (without Energy Recovery)	tonnes	289.2	0	0	748.0	612.0	591.0	0	0	0
	Recycled	tonnes	299,019.3	237,528.5	256,381.5	123,220.0	117,890.0	120,043.0	588.0	469.0	494.0
	Other	tonnes	197.6	0	0	2.0	0	0	0	0	0
Designated (Hazardous) Waste Generation	Total Waste Generated	tonnes	38,311.0	39,499.4	38,290.6	12,784.0	12,466.0	11,703.0	50.0	78.0	71.7
	Landfilled	tonnes	0	0	17.8	2,363.0	2,421.0	3,180.0	0	0	0
	Incinerated (without Energy Recovery)	tonnes	861.8	1,056.4	928.2	182.0	270.0	320.0	0	0	0
	Recycled	tonnes	37,402.7	38,442.8	37,342.2	9,814.0	9,546.0	8,203.0	50.0	78.0	71.7
	Other	tonnes	46.5	0.2	2.4	425.0	229.0	0	0	0	0
	Proportion of Designated Waste in Total Waste Generation	%	11.2	14.3	13.0	8.8	9.0	8.5	7.8	13.2	12.2
Waste Recycling	Total Amount of Waste Recycled	tonnes	336,421.9	275,971.3	293,723.7	133,034.0	127,436.0	128,246.0	638.0	546.0	565.0
	Total Waste Recycling Rate	%	98.7	99.6	99.7	91.1	92.1	92.9	99.3	92.8	96.4

ESG Data

SeAH Besteel

SeAH CSS

SeAH Aerospace & Defense

Environmental

Environmental Investment, Training, Compliance

Category			Unit	SeAH Besteel			SeAH CSS			SeAH Aerospace & Defense		
				2023	2024	2025	2023	2024	2025	2023	2024	2025
Environmental Investment	Amount of Environmental Investment	Total Amount of Environmental Investment	KRW million	6,017	15,909	7,119	13,292	31,708	11,027	444	224	175
	Eco-friendly Products	Number of New Certifications	cases	0	3	5	21	21	0	0	0	0
		Amount of Eco-friendly Product Sales ¹⁾	KRW million	0	4,401	9,090	14	0	0	0	0	0
		Amount of Eco-friendly Product Purchases ²⁾	KRW million	6,329	6,515	10,255	1,978	747	527	0	0	0
	Eco-friendly Vehicles ³⁾	Total Number of Vehicles	cars	62	63	59	0	0	1	1	1	2
		Number of Eco-friendly Vehicles	cars	0	0	0	0	0	1	0	0	1
		Ratio of Eco-friendly Vehicles	%	0	0	0	-	-	100	0	0	50.0
Environmental Training	Environmental Training Performance	Environmental Training Hours	hours	2,778	3,303	3,075	2,966	5,646	3,381	239	380	544
		Employees Subject to Environmental Training	persons	1,365	1,347	1,355	1,088	2,682	1,793	239	253	261
		Employees Who Completed Environmental Training	persons	1,365	1,347	1,355	1,088	2,682	1,793	239	253	261
		Environmental Training Completion Rate	%	100	100	100	100	100	100	100	100	100
Environmental Compliance	Compliance with Environmental Laws & Regulations	Number of Legal Violations ⁴⁾	cases	2	1	1	0	0	1	1	0	0
		Number of Material Violations ⁴⁾	cases	1	0	0	0	0	0	0	0	0
		Total Amount of Fines & Liabilities	KRW million	4	0	0	0	0	2	2	0	0

1) Revenue from products utilizing 100% renewable energy (based on the mass balance approach).

2) Third-party certified products.

3) Includes electric, hydrogen, and hybrid vehicles.

4) May differ from the data in the Business Report; material violations are defined as incidents resulting in administrative sanctions equal to or more severe than suspension of business.

ESG Data

SeAH Besteel SeAH CSS SeAH Aerospace & Defense

Certain social data (including employee status, diversity status, new hires, turnover and resignations, retirement pensions, parental leave, occupational health and safety, employee training, social contribution, and shared growth) for prior years have been restated to reflect changes in calculation methodologies, reporting boundaries, and error corrections. Consequently, these figures may differ from those disclosed in previous reports. To ensure comparability, the restated data have been recalculated on a consistent basis. Specific variations for certain indicators are further explained in the footnotes. For training-related indicators, headcount figures may include duplicate counts for individuals who completed multiple programs.

Social

Employee Overview (Gender, Age Group, Employment Type, Job Category)

Category			Unit	SeAH Besteel			SeAH CSS			SeAH Aerospace & Defense		
				2023	2024	2025	2023	2024	2025	2023	2024	2025
Total Number of Employees			persons	1,592	1,544	1,530	1,229	1,230	1,196	239	253	261
Gender	Male		persons	1,540	1,497	1,484	1,177	1,178	1,146	234	248	256
	Female		persons	52	47	46	52	52	50	5	5	5
By Age Group	Under 30		persons	155	132	160	108	129	98	37	23	21
	30–49		persons	636	664	659	697	692	721	152	167	169
	50 and Over		persons	801	748	711	424	409	377	50	63	71
By Employment Type	Regular Employees	Total Number of Employees	persons	1,571	1,535	1,506	1,149	1,163	1,125	176	195	214
		Male	persons	1,519	1,488	1,460	1,097	1,111	1,075	172	191	210
		Female	persons	52	47	46	52	52	50	4	4	4
	Non-regular Employees	Total Number of Employees	persons	21	9	24	80	67	71	63	58	47
		Male	persons	21	9	24	80	67	71	62	57	46
		Female	persons	0	0	0	0	0	0	1	1	1
By Job Category	Office Workers		persons	453	427	419	363	364	356	51	51	54
	Technical Workers		persons	1,139	1,117	1,111	866	866	840	188	202	207

ESG Data

SeAH Besteel SeAH CSS SeAH Aerospace & Defense

Social Employee Overview (Position)

Category			Unit	SeAH Besteel			SeAH CSS			SeAH Aerospace & Defense		
				2023	2024	2025	2023	2024	2025	2023	2024	2025
By Position	Senior Managers	Total Number of Employees	persons	16	17	18	14	13	14	5	5	6
		Male	persons	16	17	18	13	12	12	5	5	6
		Female	persons	0	0	0	1	1	2	0	0	0
		Under 30	persons	0	0	0	0	0	0	0	0	0
		30–49	persons	0	1	1	0	0	1	0	0	1
		50 and Over	persons	16	16	17	14	13	13	5	5	5
	Middle Managers	Total Number of Employees	persons	232	218	224	172	183	201	34	34	34
		Male	persons	225	212	218	154	161	180	34	34	34
		Female	persons	7	6	6	18	22	21	0	0	0
		Under 30	persons	0	0	0	0	0	0	0	0	0
		30–49	persons	178	163	171	137	149	170	10	10	10
		50 and Over	persons	54	55	53	35	34	31	24	24	24
	Non-managerial Staff	Total Number of Employees	persons	1,344	1,309	1,288	1,043	1,034	981	200	214	221
		Male	persons	1,299	1,268	1,248	1,010	1,005	954	195	209	216
		Female	persons	45	41	40	33	29	27	5	5	5
		Under 30	persons	155	132	160	108	129	98	37	23	21
		30–49	persons	458	500	487	560	543	550	142	157	158
		50 and Over	persons	731	677	641	375	362	333	21	34	42

ESG Data

SeAH Besteel SeAH CSS SeAH Aerospace & Defense

Social Diversity

Category		Unit	SeAH Besteel			SeAH CSS			SeAH Aerospace & Defense		
			2023	2024	2025	2023	2024	2025	2023	2024	2025
Diverse Employment	Persons with Disabilities	persons	52	56	52	22	20	17	7	7	7
	Foreign Nationals	persons	1	1	1	0	0	0	0	0	1
	National Veterans	persons	31	32	32	37	34	35	1	1	1
Female Leadership	Total Managers	persons	248	235	242	186	196	215	39	39	40
	Female Managers	persons	7	6	6	19	23	23	0	0	0
	Female Senior Managers	persons	0	0	0	1	1	2	0	0	0
	Female Middle Managers	persons	7	6	6	18	22	21	0	0	0
	Proportion of Female Managers	%	2.8	2.6	2.5	10.2	11.7	10.7	0	0	0
Non-employee Workers ¹⁾		persons	1,306	1,301	1,296	878	898	882	16	16	16

1) Non-employee Workers: Based on the number of in-house contractor employees as of the end of each fiscal year.

ESG Data

- SeAH Besteel
- SeAH CSS
- SeAH Aerospace & Defense

Social

New Hires¹⁾

Category		Unit	SeAH Besteel			SeAH CSS			SeAH Aerospace & Defense		
			2023	2024	2025	2023	2024	2025	2023	2024	2025
Total Number of Employees		persons	163	56	117	148	72	28	112	83	30
Gender	Male	persons	153	56	116	137	71	28	108	83	28
	Female	persons	10	0	1	11	1	0	4	0	2
By Age Group	Under 30	persons	121	36	78	88	48	16	73	31	12
	30~49	persons	39	18	29	59	23	12	38	47	13
	50 and Over	persons	3	2	10	1	1	0	1	5	5
By Experience Level	Entry-level	persons	142	53	111	128	62	26	106	80	26
	Experienced	persons	21	3	6	20	10	2	6	3	4
By Employment Type	Regular Employees	persons	156	51	87	148	72	28	5	3	2
	Non-regular Employees (including Contract Workers & Interns)	persons	7	5	30	0	0	0	107	80	28

1) Excludes inter-company transfer data between affiliates.

ESG Data

SeAH Besteel SeAH CSS SeAH Aerospace & Defense

Social

Employee Turnover and Resignations ¹⁾

Category		Unit	SeAH Besteel			SeAH CSS			SeAH Aerospace & Defense		
			2023	2024	2025	2023	2024	2025	2023	2024	2025
Total Number of Employees		persons	97	80	101	96	103	105	71	74	25
	Turnover Rate ²⁾	%	6.2	5.1	6.6	7.9	8.4	8.7	32.5	30.1	9.7
By Turnover Type	Mandatory Retirement	persons	52	41	47	57	49	58	5	5	6
	Voluntary Turnover	persons	45	39	54	39	54	47	66	69	19
	Voluntary Turnover Rate ²⁾	%	3.1	2.5	3.5	3.2	4.4	3.9	30.2	28.0	7.4
Gender	Male	persons	91	76	100	93	102	102	71	74	24
	Female	persons	6	4	1	3	1	3	0	0	1
By Age Group	Under 30	persons	9	6	22	15	5	7	44	27	4
	30~49	persons	25	21	16	14	7	7	21	38	13
	50 and Over	persons	63	53	63	67	91	91	6	9	8
Average Years of Service ³⁾	Total Number of Employees	years	18.6	18.3	18.4	14.0	13.8	14.0	11.9	10.9	11.1
	Male	years	18.9	18.6	18.7	14.1	13.9	14.1	12.0	11.0	11.2
	Female	years	9.0	9.3	9.7	11.3	11.2	12.4	7.0	7.6	7.4

1) Excludes inter-company transfer data between affiliates.
2) The (voluntary) turnover rate is calculated as the ratio of (voluntary) turnovers to the average annual number of employees.
3) Calculated as a weighted average based on headcount by workplace and gender; may differ from the data in the Business Report.

ESG Data

- SeAH Besteel
- SeAH CSS
- SeAH Aerospace & Defense

Social

Retirement Pension

Category		Unit	SeAH Besteel			SeAH CSS			SeAH Aerospace & Defense		
			2023	2024	2025	2023	2024	2025	2023	2024	2025
National Pension	Employer Contribution	KRW million	4,336	4,522	4,596	3,173	3,341	3,263	536	625	1,343
	Total Amount	KRW million	217,725	215,527	232,550	106,518	105,825	114,245	9,437	12,926	15,974
Retirement Pension Assets	DC (Defined Contribution)	KRW million	47,934	48,043	47,923	36,798	35,405	34,954	2,651	2,634	2,752
	DB (Defined Benefit)	KRW million	169,791	167,485	184,626	69,720	70,420	79,291	6,786	10,292	13,222
Number of Retirement Pension Subscribers	Total Amount	persons	1,367	1,467	1,452	1,125	1,204	1,165	184	216	242
	DC (Defined Contribution)	persons	178	211	187	385	338	299	40	36	36
	DB (Defined Benefit)	persons	1,189	1,256	1,265	740	866	866	144	180	206

ESG Data

SeAH Besteel SeAH CSS SeAH Aerospace & Defense

Social Parental Leave

Category		Unit	SeAH Besteel			SeAH CSS			SeAH Aerospace & Defense		
			2023	2024	2025	2023	2024	2025	2023	2024	2025
Employees Eligible for Parental Leave	Total Number of Employees	persons	56	20	137	15	35	38	35	32	50
	Male	persons	55	17	137	14	33	37	34	32	49
	Female	persons	1	3	0	1	2	1	1	0	1
Employees Who Took Parental Leave	Total Number of Employees	persons	7	6	11	5	3	7	1	2	1
	Male	persons	4	3	8	4	1	6	0	1	0
	Female	persons	3	3	3	1	2	1	1	1	1
Employees Returning from Parental Leave	Total Number of Employees	persons	4	9	8	6	2	6	0	2	0
	Male	persons	3	5	6	1	2	4	0	1	0
	Female	persons	1	4	2	5	0	2	0	1	0
Employees Retained for 12 Months After Return	Total Number of Employees	persons	5	4	7	6	7	3	0	0	0
	Male	persons	2	3	4	3	1	1	0	0	0
	Female	persons	3	1	3	3	6	2	0	0	0

ESG Data

SeAH Besteel SeAH CSS SeAH Aerospace & Defense

Social Occupational Health and Safety

Category			Unit	SeAH Besteel			SeAH CSS			SeAH Aerospace & Defense		
				2023	2024	2025	2023	2024	2025	2023	2024	2025
Supplier Employees	Total Number of Supplier Employees		persons	1,306	1,301	1,295	878	927	882	16	16	16
Occupational Accident	Number of Injuries	Employees	persons	32	17	16	5	5	2	0	0	2
		Suppliers	persons	12	5	4	0	1	1	0	0	0
	Injury Rate	Employees	%	2.01	1.10	1.05	0.40	0.40	0.10	0	0	0.77
		Suppliers	%	0.92	0.38	0.31	0	0.11	0.11	0	0	0
Lost Time Incident ¹⁾	Lost Time Injury Frequency Rate (LTIFR)	Employees	cases/million hours	10.73	6.48	4.36	1.70	1.70	0.60	0	0	3.13
		Suppliers	cases/million hours	4.15	1.60	1.28	0	0.44	0.40	0	0	0
Occupational Illness ²⁾	Occupational Illness Frequency Rate (OIFR)	Employees	cases/million hours	2.36	1.89	0.82	0.30	0	0	0	0	0
		Suppliers	cases/million hours	0.32	0	0	0	0	0	0	0	0
Fatality	Number of Fatalities	Employees	persons	2	0	0	1	0	0	0	0	0
		Suppliers	persons	0	1	0	0	0	0	0	0	0
	Fatality Rate	Employees	%	0.13	0	0	0.08	0	0	0	0	0
		Suppliers	%	0	0.08	0	0	0	0	0	0	0
Occupational Health & Safety Training	Occupational Health & Safety Training Hours		hours	38,660	36,712	36,438	11,262	15,097	32,796	8,330	8,820	9,100
	Employees Subject to Occupational Health & Safety Training		persons	1,575	1,546	1,530	1,463	1,325	1,259	238	251	260
	Employees Who Completed Occupational Health & Safety Training		persons	1,575	1,546	1,530	1,463	1,325	1,259	238	251	260
	Occupational Health & Safety Training Completion Rate		%	100	100	100	100	100	100	100	100	100

1) Limited to accidents resulting in 3 or more lost workdays.
2) Limited to occupational illnesses resulting in 3 or more lost workdays.

ESG Data

SeAH Besteel

SeAH CSS

SeAH Aerospace & Defense

Social

Collective Agreement, Employee Training

[illegible]

ESG Data

- SeAH Besteel
- SeAH CSS
- SeAH Aerospace & Defense

Social

Social Contribution, Shared Growth

Category			Unit	SeAH Besteel			SeAH CSS			SeAH Aerospace & Defense		
				2023	2024	2025	2023	2024	2025	2023	2024	2025
Social Contribution	Volunteer Activities	Total Volunteer Hours	hours	0	0	212	3,199	2,788	1,678	0	359	312
		Number of Volunteers	persons	0	0	20	620	660	374	0	45	39
		Volunteer Hours per Participant	hours	-	-	10.6	5.2	4.2	4.5	-	8.0	8.0
	Contributions	Social Contribution Expenses	KRW million	200	191	181	100	50	150	3	4	57
Shared Growth	Supplier Indicators	Number of Suppliers	companies	704	614	639	753	602	592	198	200	186
	Purchasing Amount from Suppliers	Total Purchasing Amount	KRW 100 million	12,472	12,645	13,105	12,337	9,180	9,978	515	584	759
	Supplier Support	Safety Training	persons	69	58	116	1,639	1,675	2,290	-	-	-
		Environmental Training	persons	998	1,102	1,116	115	96	123	-	-	-

ESG Data

SeAH Besteel SeAH CSS SeAH Aerospace & Defense

Social

Supply Chain Management

Category			Unit	SeAH Besteel			SeAH CSS			SeAH Aerospace & Defense		
				2023	2024	2025	2023	2024	2025	2023	2024	2025
Supply Chain Management	Written Assessment	Suppliers Assessed	companies	-	175	104	11	184	102	26	31	28
		Suppliers Subject to Due Diligence	companies	-	10	20	0	10	20	26	31	28
	Due Diligence	Suppliers Who Completed Due Diligence	companies	-	10	20	0	10	20	26	31	28
		Suppliers with Negative Impacts Identified	companies	-	10	20	0	0	0	9	2	3
		Suppliers Implementing Improvement Plans	companies	-	10	7	0	0	0	0	0	0
		Ratio of Suppliers Implementing Improvement Plans	%	-	100	35.0	-	-	-	0	0	0
	Status of Supplier Sanctions ¹⁾	Warning	cases	-	0	0	0	0	1	0	0	0
		Suspension of Transactions	cases	-	0	0	0	0	3	0	0	0
		Contract Termination	cases	-	0	0	0	2	3	0	0	0

1) Sanctions imposed on separate matters unrelated to the supply chain assessment results.

ESG Data

SeAH Besteel SeAH CSS SeAH Aerospace & Defense

Social

Fair Compensation, Performance Evaluation, Employee Satisfaction, Human Rights, Information Security

Category			Unit	SeAH Besteel			SeAH CSS			SeAH Aerospace & Defense		
				2023	2024	2025	2023	2024	2025	2023	2024	2025
Fair Compensation	Average Wage ¹⁾	Male	KRW million	88	92	103	90	85	94	67	65	95
		Female	KRW million	55	62	65	76	85	93	45	50	62
	Gender Pay Ratio (Female to Male)		%	62.5	67.4	63.1	84.4	100	98.9	66.5	76.4	65.5
Performance Evaluation	Employees Subject to Performance Evaluation		persons	393	393	393	344	333	343	47	46	48
	Employees Who Received Regular Performance Evaluation		persons	393	393	393	344	333	343	46	46	48
	Proportion of Employees Receiving Regular Performance Evaluation		%	100	100	100	100	100	100	97.9	100	100
Employee Satisfaction	Employee Satisfaction Score		points	68.4	71.0	69.9	70.0	73.0	73.0	72.0	72.6	91.6
Human Rights	Case Handling	Number of Reports	cases	8	7	0	3	2	2	0	1	0
		Number of Cases Handled	cases	8	7	0	3	2	2	0	1	0
	Human Rights Training	Human Rights Training Hours	hours	1,592	1,546	1,530	3,687	3,690	3,588	239	380	261
		Employees Subject to Human Rights Training	persons	1,592	1,546	1,530	1,229	1,230	1,196	239	253	261
		Employees Who Completed Human Rights Training	persons	1,592	1,546	1,530	1,229	1,230	1,196	239	253	261
		Completion Rate of Human Rights Training	%	100	100	100	100	100	100	100	100	100
Information Security	Data Leakage	Total Number of Data Leakage Incidents	cases	0	0	0	0	0	0	0	0	0
		Information Security Training Hours	hours	452	435	411	379	395	359	120	126	130
	Information Security Training	Employees Subject to Information Security Training	persons	473	448	427	379	395	359	239	253	261
		Employees Who Completed Information Security Training	persons	452	435	411	379	395	359	239	253	261
		Completion Rate of Information Security Training	%	95.6	97.1	96.3	100	100	100	100	100	100

1) Based on the Business Report.

ESG Data

SeAH Besteel SeAH CSS SeAH Aerospace & Defense

Certain governance and economic data (including product & service output, ethics training, and ethical management and anti-corruption) for prior years have been restated to reflect changes in calculation methodologies, reporting boundaries, and error corrections. Consequently, these figures may differ from those disclosed in previous reports. To ensure comparability, the restated data have been recalculated on a consistent basis. Specific variations for certain indicators are further explained in the footnotes. For training-related indicators, headcount figures may include duplicate counts for individuals who completed multiple programs.

Governance & Economic
Economic Value Generated and Distributed

Category		Unit	SeAH Besteel			SeAH CSS			SeAH Aerospace & Defense		
			2023	2024	2025	2023	2024	2025	2023	2024	2025
Economic Value Generated	Total Economic Value Generated	KRW million	2,330,182	2,070,539	2,056,369	1,721,403	1,526,546	1,544,244	86,278	105,469	128,716
	Revenue ¹⁾	KRW million	2,310,759	2,024,923	2,000,799	1,694,119	1,496,584	1,521,957	86,278	105,469	128,716
	Other Income ²⁾	KRW million	19,423	45,616	55,570	27,284	29,962	22,287	0	0	0
Economic Value Distributed	Total Association Contributions	KRW million	205	227	232	211	208	189	7	13	3
Product & Service Output	Crude Steel Production ³⁾	tonnes	1,739,990	1,742,989	1,764,429	543,116	497,896	466,839	14,262	13,773	14,952

1) Revenue in the Consolidated Statement of Comprehensive Income (or Statement of Comprehensive Income).
2) Income other than revenue.
3) SeAH Aerospace & Defense does not have a steelmaking process; it is substituted with casting volume.

Ethics Training

Category		Unit	SeAH Besteel			SeAH CSS			SeAH Aerospace & Defense		
			2023	2024	2025	2023	2024	2025	2023	2024	2025
Ethics Training ⁴⁾	Ethics & Anti-Corruption Training Hours	hours	1,931	3,111	2,937	2,059	1,511	745	120	126	128
	Employees Subject to Ethics & Anti-Corruption Training	persons	1,500	1,529	1,484	359	368	339	239	253	256
	Employees Who Completed Ethics & Anti-Corruption Training	persons	1,461	1,426	1,451	359	368	339	239	253	256
	Ethics & Anti-Corruption Training Completion Rate	%	97.4	93.3	97.8	100	100	100	100	100	100

4) Calculated including fair trade training.

ESG Data

SeAH Besteel SeAH CSS SeAH Aerospace & Defense

Governance & Economic
Ethics and Anti-Corruption

Category		Unit	SeAH Besteel			SeAH CSS			SeAH Aerospace & Defense		
			2023	2024	2025	2023	2024	2025	2023	2024	2025
Ethics Report Resolution	Ethics Reports Received	cases	12	6	3	5	2	3	0	4	1
	Ethics Reports Resolved	cases	12	6	3	5	2	3	0	4	1
	Investigations and Audits	cases	2	0	1	0	1	0	0	1	1
	Referred to Relevant Departments	cases	10	6	2	5	1	3	0	3	0
	Other	cases	0	0	0	0	0	0	0	0	0
	Ethics Report Resolution Rate	%	100	100	100	100	100	100	-	100	100
Ethical Management Violations	Total Violations ¹⁾	cases	4	0	1	0	1	0	0	1	1
Outcomes of Ethical Management Violations	Total Disciplinary Measures ²⁾	cases	4	0	1	0	1	0	0	1	1
Number of Corruption Incidents		cases	0	0	0	0	0	0	0	0	0
Number of Disciplinary Actions	Total ²⁾	cases	0	0	0	0	0	0	0	0	0
Anti-competitive Law Violations	Number of Legal Violations ³⁾	cases	0	0	0	1	0	0	0	0	0
	Number of Material Violations ³⁾	cases	0	0	0	1	0	0	0	0	0
	Total Amount of Fines & Liabilities	KRW million	0	0	0	2,122	0	0	0	0	0

1) Violations include breach of trust, embezzlement, bribery, human rights violations, hiring irregularities, and process violations.
2) Disciplinary actions include dismissal, suspension, salary reduction, warning, and other measures.
3) May differ from the data in the Business Report; material violations are defined as incidents resulting in administrative sanctions equal to or more severe than suspension of business.

Awards & Memberships

Award History

Date	Company	Awarding Organization	Award Details
June 5, 2025	SeAH Besteel	Jeonbuk Regional Environmental Office	Regional Environmental Office Commendation & Selection as an Outstanding Workplace for the 6th Seasonal Fine Dust Management System
June 9, 2025	SeAH CSS	Korea Iron and Steel Association	2025 Minister's Commendation for Meritorious Service to the Steel Industry (Choi Changsik)
June 9, 2025	SeAH CSS	Korea Iron and Steel Association	2025 The 42nd Steel Award for Technological Encouragement (Seo Bokyung)
November 18, 2025	SeAH CSS	Masan Regional Office of Oceans and Fisheries	Commendation (Kim Taeheon)
December 24, 2025	SeAH CSS	Korea AeroSpace Administration (KASA)	Commendation for Meritorious Service to the Aerospace Industry (Chae Minseok)
December 30, 2025	SeAH Aerospace & Defense	Ministry of Employment and Labor	2025 Gold Tower Order of Industrial Service Merit for the Promotion of Labor-Management Culture (Sung Changmo)

No.	Association Name
11	World Steel Association
12	Materials Convergence Technology Research Association
13	Jeonbuk Employers Federation
14	Korea Occupational Health Association
15	Changwon Fire Safety Association
16	Changwon Fire Safety Council
17	Eco-friendly Materials & New Technology Research Association
18	Korea Aerospace Industries Association
19	Korea Metal Material Research Association
20	Korea Die & Mold Industry Cooperative
21	Korea International Trade Association
22	Korea Defense Industry Association
23	Korea Nonferrous Metals Association
24	Korea Industrial Technology Association
25	Korean Society for Technology of Plasticity
26	Korea Engineering and Consulting Association (KENCA)
27	Korea Aerospace Industries Association
28	Korea Electrical Engineers Association
29	Korea Iron and Steel Association
30	The Korean Society of Propulsion Engineers
31	Korean Standards Association
32	Jeonbuk Branch, Korea Industrial Safety Association
33	Korea International Trade Association
34	Korea Atomic Industrial Forum (KAIF)
35	The Korean Magnetics Society
36	World Steel Association
37	Korea H2 Business Summit

Association Memberships

No.	Association Name
1	Gyeongnam Environmental Engineers Association
2	Gyeongnam Employers Federation
3	Gyeongnam Safety Council
4	Korean Nurses Association
5	Korea Mechanical Construction Contractors Association
6	The Korean Institute of Metals and Materials
7	Korea Industrial Safety Association
8	The Korean Institute of Metals and Materials
9	Korea Wind Energy Industry Association (KWEIA)
10	Seoul Chamber of Commerce & Industry

GRI Index

GRI Content Index

Statement of use	SeAH Besteel Holdings has reported in accordance with the GRI Standards for the period from January 1 to December 31, 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	No GRI Sector Standard is currently applicable.

GRI 2: General Disclosures

Category	Disclosure	Indicator	Location
GRI 2: The organization and its reporting practices	2-1	Organizational details	6, 8
	2-2	Entities included in the organization's sustainability reporting	3
	2-3	Reporting period, frequency and contact point	3
	2-4	Restatements of information	3, 108, 109, 114, 115, 122, 134, Changes noted in footnotes below relevant data.
	2-5	External assurance	142-144
GRI 2: Activities and workers	2-6	Activities, value chain and other business relationships	9, 10
	2-7	Employees	109, 122, 123
	2-8	Workers who are not employees	110, 124
GRI 2: Governance	2-9	Governance structure and composition	95
	2-10	Nomination and selection of the highest governance body	96
	2-11	Chair of the highest governance body	95
	2-12	Role of the highest governance body in overseeing the management of impacts	19, 95, 97
	2-13	Delegation of responsibility for managing impacts	19, 95, 97
	2-14	Role of the highest governance body in sustainability reporting	19, 95, 98
	2-15	Conflicts of interest	95, 96
	2-16	Communication of critical concerns	98
	2-17	Collective knowledge of the highest governance body	96
	2-18	Evaluation of the performance of the highest governance body	99
	2-19	Remuneration policies	99

Category	Disclosure	Indicator	Location
GRI 2: Governance	2-20	Process to determine remuneration	99
	2-21	Annual total compensation ratio	99
GRI 2: Strategy, policies and practices	2-22	Statement on sustainable development strategy	5
	2-23	Policy commitments	78
	2-24	Embedding policy commitments	80, 81
	2-25	Processes to remediate negative impacts	64, 80
	2-26	Mechanisms for seeking advice and raising concerns	64
	2-27	Compliance with laws and regulations	108, 114, 121, 135
	2-28	Membership associations	136
GRI 2: Stakeholder engagement	2-29	Approach to stakeholder engagement	15
	2-30	Collective bargaining agreements	112, 130

GRI Index

GRI 3: Material Topics

Category	Disclosure	Indicator	Location
GRI 3: Material Topics 2021	3-1	Process to determine material topics	16
	3-2	List of material topics	17
	3-3	Management of material topics	17
Material Issue 1. Climate and Energy			
GRI 3: Material Topics 2021	3-3	Management of material topics	19, 21, 35
Energy 2016	302-1	Energy consumption within the organization	108, 116
	302-3	Energy intensity	108, 116
	302-4	Reduction of energy consumption	23-25
Emissions 2016	305-1	Direct (Scope 1) GHG emissions	108, 115
	305-2	Energy indirect (Scope 2) GHG emissions	108, 115
	305-3	Other indirect (Scope 3) GHG emissions	115
	305-4	GHG emissions intensity	108, 115
	305-5	Reduction of GHG emissions	23-25
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	117

Category	Disclosure	Indicator	Location
Material Issue 2. Occupational Safety and Health			
GRI 3: Material Topics 2021	3-3	Management of material topics	41-44
Occupational Health and Safety 2018	403-1	Occupational health and safety management system	41-44
	403-2	Hazard identification, risk assessment, and incident investigation	46
	403-3	Occupational health services	48
	403-4	Worker participation, consultation, and communication on occupational health and safety	42
	403-5	Worker training on occupational health and safety	47, 112, 129
	403-6	Promotion of worker health	48
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	46
	403-8	Workers covered by an occupational health and safety management system	42
	403-9	Work-related injuries	112, 129
	403-10	Work-related ill health	112, 129
Material Issue 3. Supply Chain			
GRI 3: Material Topics 2021	3-3	Management of material topics	51-53, 59
Supplier Environmental Assessment 2016	308-2	Negative environmental impacts in the supply chain and actions taken	57, 132
Supplier Social Assessment 2016	414-2	Negative social impacts in the supply chain and actions taken	57, 132

GRI Index

Category	Disclosure	Indicator	Location
Material Issue 4. Resource Circularity			
GRI 3: Material Topics 2021	3-3	Management of material topics	36, 40
Materials 2016	301-1	Materials used by weight or volume	117
Waste 2020	306-1	Waste generation and significant waste-related impacts	36
	306-2	Management of significant waste-related impacts	39
	306-3	Waste generated	108, 120
	306-4	Waste diverted from disposal	108, 120
	306-5	Waste directed to disposal	108, 120
Material Issue 5. Compliance			
GRI 3: Material Topics 2021	3-3	Management of material topics	60, 61, 64
Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	63
	205-3	Confirmed incidents of corruption and actions taken	114, 135
Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	114, 135

Topic Standards

Category	Disclosure	Indicator	Location
Biodiversity 2024	101-4	Identification of biodiversity impacts	71, 72
	101-5	Locations with biodiversity impacts	71, 72
Economic Performance 2016	201-1	Direct economic value generated and distributed	114, 134
	201-2	Financial implications and other risks and opportunities due to climate change	27-31
	201-3	Defined benefit plan obligations and other retirement plans	111, 127
Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	90-93
Water and Effluents 2018	303-3	Water withdrawal	108, 118
	303-4	Water discharge	119
	303-5	Water consumption	108, 118
Employment 2016	401-1	New employee hires and employee turnover	110, 111, 125, 126
	401-3	Parental leave	111, 128
Training and Education 2016	404-1	Average hours of training per year per employee	112, 130
	404-2	Programs for upgrading employee skills and transition assistance programs	84, 85
	404-3	Percentage of employees receiving regular performance and career development reviews	113, 133
Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	110, 124
	405-2	Ratio of basic salary and remuneration of women to men	113, 133
Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	113, 133

SASB Index

EM-IS. Iron & Steel Producers

Sustainability Disclosure Topics & Metrics

Topic	Code	Metric	Location
Greenhouse Gas Emissions	EM-IS-110a.1	Gross global Scope 1 emissions, percentage covered under emissions- limiting regulations	108, 115
	EM-IS-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	21, 34
Air Quality	EM-IS-120a.1	Air emissions of the following pollutants: (1) CO, (2) NOx (excluding N2O), (3) SOx, (4) particulate matter (PM10), (5) manganese (MnO), (6) lead (Pb), (7) volatile organic compounds (VOCs), and (8) polycyclic aromatic hydrocarbons (PAHs)	117
Energy Management	EM-IS-130a.1	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	108, 116
	EM-IS-130a.2	(1) Total fuel consumed, (2) percentage coal, (3) percentage natural gas and (4) percentage renewable	108, 116
Water Management	EM-IS-140a.1	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	108, 118
Waste Management	EM-IS-150a.1	(1) Amount of waste generated, (2) percentage hazardous, (3) percentage recycled	108, 120
Workforce Health & Safety	EM-IS-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	109, 112, 122, 129
Supply Chain Management	EM-IS-430a.1	Discussion of the process for managing iron ore or coking coal sourcing risks arising from environmental and social issues	132

Activity Metrics

Code	Metric	Location
EM-IS-000.A	Raw steel production, percentage from: (1) basic oxygen furnace processes, (2) electric arc furnace processes	134
EM-IS-000.B	Total iron ore production	Not applicable
EM-IS-000.C	Total coking coal production	Not applicable

TCFD Index

TCFD Recommendation	Disclosures	Location
Governance	Describe the board’s oversight of climate-related risks and opportunities.	19, 20
	Describe management’s role in assessing and managing climate-related risks and opportunities.	19, 20
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	26-31
	Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	26-31
	Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	26-31
Risk Management	Describe the organization’s processes for identifying and assessing climate-related risks.	26
	Describe the organization’s processes for managing climate-related risks.	32
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	32
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	35
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	108, 115
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	21, 35

Independent Assurance Opinion Statement

To: The Stakeholders of SeAH Besteel Holdings

Overview

BSI (British Standards Institution) Group Korea (hereinafter referred to as the “Assurer”) was requested to verify 2026 SeAH Besteel Holdings Sustainability Report (hereinafter referred to as the “Report”). The Assurer is independent of SeAH Besteel Holdings and has no major operational financial interest other than the assurance. This assurance opinion statement is intended to provide information related to the assurance of SeAH Besteel Holdings report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any purpose other than the purpose of publication. This assurance opinion statement was prepared based on the information presented by SeAH Besteel Holdings and the assurance was carried out under the assumption that the information and data presented were complete and accurate.

SeAH Besteel Holdings is responsible for managing the relevant information contained within the scope of assurance, operating the relevant internal control procedures, and for all information and claims contained in the report. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to SeAH Besteel Holdings only.

The Assurer is responsible for providing SeAH Besteel Holdings management with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and to provide the information to all stakeholders of SeAH Besteel Holdings. The Assurer shall not bear any other responsibility, including legal responsibility, to any third party other than SeAH Besteel Holdings in providing the assurance opinion and shall not be liable to any other purpose or stakeholders related thereto for which the assurance opinion may be used.

Scope

The scope of engagement agreed upon with SeAH Besteel Holdings includes the following:

- Reporting contents during the period from January 1st to December 31st 2025 included in the report, some data included the first half of 2026.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material topics determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review.
- In Accordance with the four principles of AA1000 AccountAbility in the report, based on the type of Sustainability Assurance based on AA1000AS v3 and if applicable, the reliability of the sustainability performance information contained in the report.

The following contents were not included in the scope of assurance.

- Financial information in Appendix.
- Index items related to other international standards and initiatives other than the GRI.
- Other related additional information such as the website and business annual report.

Assurance Level and Type

The assurance levels and types are as follows;

- Moderate level based on AA1000 AS and Type 2 (confirmation to the four principles as described in the AA1000 Accountability Principle 2018 and quality and reliability of specific performance information published in the report.)

Description and sources of disclosures covered

Based on the scope and methodology of assurance applied, the assurer reviewed the following Disclosures based on the sampling of information and data provided by SeAH Besteel Holdings.

[Universal Standards]

2-1 to 2-5 (The organization and its reporting practices), 2-6 to 2-8 (Activities and workers), 2-9 to 2-21 (Governance), 2-22 to 2-28 (Strategy, policies and practices), 2-29 to 2-30 (Stakeholder engagement), 3-1 to 3-3 (Material Topics Disclosures)

[Topic Standards]

101-4~5, 201-1~3, 203-1, 205-2~3, 206-1, 301-1, 302-1, 302-3~4, 303-3~5, 305-1~5, 305-7, 306-1~5, 308-2, 401-1, 401-3, 403-1~10, 404-1~3, 405-1~2, 406-1, 414-2

Independent Assurance Opinion Statement

Methodology

As a part of its independent assurance, the Assurer has used the methodology developed for relevant evidence collection in order to comply with the verification criteria and to reduce errors in reporting. The Assurer has performed the following activities;

- A top-level review of issues raised by external parties that could be relevant to organizations policies to provide a check on the appropriateness of statements made in the report.
- Discussion with managers and staff on organization's approach to stakeholder engagement.
- Review of the supporting evidence related to the material topics through interviews with senior managers in the departments responsible.
- Review of the system for sustainability management strategy process and implementation
- Review of materiality issue analysis process and prioritization by reviewing materiality issue analysis process and verifying the results
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures where available
- An assessment of the company's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles Standard (2018).
- Visit of the SeAH Besteel Holdings HQ to confirm the data collection processes, record management practices.

Limitations and approach used to mitigate limitations

The Assurer performed limited verification for a limited period based on the data provided by the reporting organization. It implies that no significant errors were found during the verification process, and that there are limitations related to the inevitable risks that may exist. The Assurer does not provide assurance for possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

Competency and Independence

BSI (British Standards Institution) is a leading global standards and assessment body founded in 1901. BSI is an independent professional institution that specializes in quality, health, safety, social and environmental management with almost 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with SeAH Besteel Holdings. The Assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have in-depth understanding of the BSI Group's assurance standard methodology.

Opinion Statement

The assurer was carried out by a team of sustainability report assurers in accordance with the AA1000 Assurance Standard v3. Assurer planned and performed this part of our work to obtain the necessary information and explanations assurer considered it to provide sufficient evidence that SeAH Besteel Holdings' description of their approach to AA1000 Assurance Standard and their self-declaration of compliance with the GRI standards were fairly stated.

On the basis of our methodology and the activities described above, it is our opinion that the information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement. We believe that the economic, social and environmental performance indicators are accurate and are supported by robust internal control processes.

Conclusions

The Report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards). The detailed reviews against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards are set out below.

Inclusivity: Stakeholder Engagement and Opinion

SeAH Besteel Holdings defined customers, employees, suppliers, government/local communities and shareholders/investors as Key Stakeholder Groups. To collect opinions by each stakeholder group in the context of sustainability, operated the stakeholder engagement process. SeAH Besteel Holdings conducted a review of the stakeholder engagement process to reflect the major issues derived through the stakeholder engagement process in sustainability strategy and goals. SeAH Besteel Holdings disclosed the results related to the process in the Report.

Materiality: Identification and reporting of material sustainability topics

SeAH Besteel Holdings implemented its own materiality assessment process in consideration of the major business and operational characteristics to derive important reporting issues related to sustainability. In the materiality assessment, SeAH Besteel Holdings conducted the analysis of global sustainability disclosure and evaluation standards and conducted the analysis to derive the impact and financial materiality. SeAH Besteel Holdings derived 5 material topics through the process, and disclosed GRI topic standards disclosures related to material topics in the Report.

Independent Assurance Opinion Statement

Responsiveness: Responding to material sustainability topics and related impacts

SeAH Besteel Holdings operated a management process for material topics in the context of sustainability derived from the materiality assessment. SeAH Besteel Holdings established mid- to long-term sustainability plans and goals according to the management methodology established to effectively reflect the expectations of key stakeholders. SeAH Besteel Holdings disclosed the process including policy, indicator, activity and response performance on key issues in the Report.

Impact: Impact of an organization's activities and material sustainability topics on the organization and stakeholders

SeAH Besteel Holdings identified the scope and extent of the impacts to the organization and key stakeholders in the context of the sustainability of the material topics reported. SeAH Besteel Holdings established sustainability strategies and objectives based on the analysis results of major impacts, including risks and opportunities for material topics at the governance level, disclosed mid- to long-term plans and strategic system in the Report.

Findings and conclusions concerning the reliability and quality of specified performance information

Among the GRI Topic Standards, the following disclosures related to Economic, Social and Environmental were carried out in an assurance Type 2 based on the information and data provided by the reporting organization. In order to verify the reliability and accuracy of the data and information, internal control procedures related to data processing, processing, and management were verified through interviews with the responsible department, and accuracy was verified through sampling. Errors and intentional distortions in sustainability performance information included in the report were not found through assurance processes. The reporting organization manages the sustainability performance information through reliable internal control procedures and can track the process of deriving the source of the performance. Errors and unclear expressions found during the assurance process were corrected during the assurance process and prior to the publication of the report, and the assurer confirmed the final published report with the errors and expressions corrected.

- GRI Topic Standards: 101-4~5, 201-1~3, 203-1, 205-2~3, 206-1, 301-1, 302-1, 302-3~4, 303-3~5, 305-1~5, 305-7, 306-1~5, 308-2, 401-1, 401-3, 403-1~10, 404-1~3, 405-1~2, 406-1, 414-2

Recommendations and Opportunity for improvement

The assurer will provide the following comments to the extent that they do not affect the result of assurance;

- SeAH Besteel Holdings has established a system for sustainability performance indicators for consolidated subsidiaries. In order to advance the calculation system, the operational and structural characteristics of major subsidiaries may be considered, and internal control procedures may be considered to strengthen the reliability and accuracy of the established performance indicators.

GRI-reporting

SeAH Besteel Holdings provided us with their self-declaration of compliance within GRI Standards. The Assurer confirmed that the Report was prepared in accordance with the GRI Standards and the disclosures related to the Universal Standards and Topic Standards Indicators based on the data provided by SeAH Besteel Holdings. The sector standard was not applied.

Issue Date: 17/06/2026

For and on behalf of BSI(British Standards Institution):



Jungwoo Lee,
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