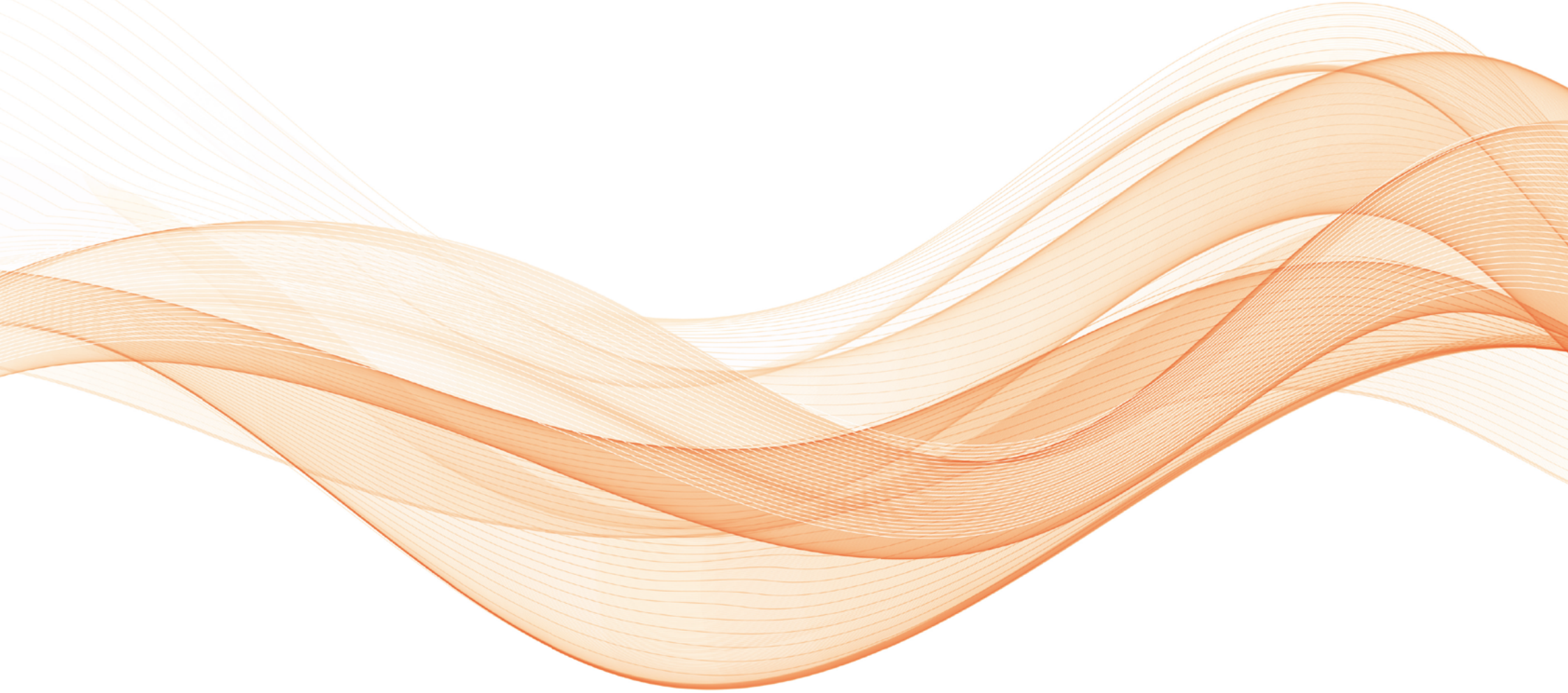
Hanwha Advanced Materials
SUSTAINABILITY REPORT 2025

Hanwha Advanced Materials

# OUR TECHNOLOGY ADVANCES, CONNECTED WITH NEW WAVE



# About This Report

In 2025, Hanwha Advanced Materials published its first Sustainability Report to transparently disclose our environmental, social, and governance (ESG) initiatives and performance, and to engage constructively with a broad range of stakeholders.

## Reporting Standards

This report has been prepared in accordance with the GRI Standards 2021 and also references the UN Global Compact Ten Principles and the UN Sustainable Development Goals (SDGs). Financial information is presented in accordance with Korean International Financial Reporting Standards (K-IFRS).

## Reporting Period and Cycle

This report covers financial, environmental, and social performance from January 1, 2024, to December 31, 2024. Certain performance data include information up to the first half of 2025. To ensure comparability and support trend analysis, quantitative performance includes figures from the past three years. The report is published annually and is set to be released on September 15, 2025.

## Reporting Scope

Financial performance is reported on a consolidated basis. Non-financial performance is presented on a separate entity basis and covers key domestic sites, including the headquarters, Sejong plant, and Eumseong plant. For indicators with differing boundaries, additional explanatory notes are provided.

## Report Assurance

To enhance credibility, the report underwent independent external assurance by Korea Management Registrar (KMR) in accordance with the AA1000AS assurance standard. Details are available in the assurance statement on page 81 of this report.

## Inquiries

For inquiries regarding this report, please refer to the contact information provided below.
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**INTERACTIVE USER GUIDE**

Hanwha Advanced Materials' Sustainability Report has been prepared as an interactive PDF, enabling related website and video access to better help understand the content of this report.

Contents
Previous page
Access link
Cover page
Next page

# Contents

## Introduction

CEO Message 005
Company Overview 006
Business Portfolio 008

## Approach

Sustainability Management Framework 011
Double Materiality Assessment 013
Stakeholder Engagement 016

## Environmental

Environmental Management 018
Climate Change Response 020
Environmental Impact Management 023
Sustainable Products 032

## Social

Health & Safety 035
Talent Management 041
Human Rights Management 047
Supply Chain Management 050
Product Quality & Liability 053
Social Contributions 055

## Governance

Board of Directors 057
Ethics Management 058
Information Security 062

## Appendix

ESG Data 067
GRI Standards Index 076
UN SDGs 078
Association/Membership Status 079
GHG Verification Statement 080
Independent Assurance Statement 081

# Introduction

CEO Message 005
Company Overview 006
Business Portfolio 008

# CEO Message

Dear Stakeholders,
Hello, this is In Hwan Kim, the CEO of **Hanwha Advanced Materials**.

**I extend my sincere appreciation for your continued support and trust in Hanwha Advanced Materials.**

In a rapidly evolving global environment, we are facing an intensifying climate crisis and multifaceted economic risks. Consequently, ESG management is no longer optional but an essential part in fostering corporate resilience and sustainable growth.

To respond responsibly to such changes and help shape a sustainable future, we have published our first Sustainability Report this year. Through systematic and transparent ESG disclosure, we aim to reinforce trust with all stakeholders.

Throughout the years Hanwha Advanced Materials has been performing various activities in order to further internalize ESG management within the company. We established a Life Cycle Assessment (LCA) system at our domestic sites to quantify and manage product-level greenhouse gas (GHG) emissions and environmental impacts along with developing a company-wide Sustainability Council and a Carbon Reduction Committee to underpin strategic execution.

Notably, we voluntarily participated in Carbon Disclosure Project (CDP) to proactively address global climate issues and, in May 2025, were honored with a Carbon Management Special Award in recognition of our efforts. Furthermore, we are also refining internal policies to enhance ESG governance and striving to establish global standards of conduct. By systematizing company-wide ESG management, including overseas subsidiaries, we are steadily building the foundation for sustainable value creation.

This report transparently shares Hanwha Advanced Materials' efforts and achievements to date, as well as the challenges ahead, while serving as a record of actions that embody the direction toward sustainable growth through innovation and partnerships beyond environmental protection.

Hanwha Advanced Materials will continue to listen closely to the voices of all stakeholders, including customers, partners, local communities, and employees, striving for balanced growth between corporate development and sustainability.

We ask for your continued interest and partnership as we strive for a better tomorrow. Thank you.

Hanwha Advanced Materials CEO

# Company Overview

**"A Global Leader in Irreplaceable, High-Performance, Lightweight Composite Materials"**

## General Status

Hanwha Advanced Materials possesses an innovative product line and technological expertise in lightweight composite materials and solar energy materials. With local production and R&D systems established in North America, Europe, China, and domestically, it has positioned itself as a trusted and reliable partner for its clients.

| | |
|---|---|
| Company Name | Hanwha Advanced Materials Co. Ltd. |
| CEO | In Hwan Kim |
| Established | December 7, 2022 |
| Head Office | 25th floor, Hanwha Building, 86 Cheonggyecheon-ro, Jung-gu, Seoul Korea |
| Headcount[1)] | 2,368 employees |

| | |
|---|---|
| Revenue Ratio[1)] | Domestic 30%, Overseas 70% |
| Business Area | • Lightweight Composite Materials<br>• Solar Materials |
| Sales[1)] | 1.0821 trillion KRW |
| Assets[1)] | 1.4151 trillion KRW |
| Website | http://www.hwam.co.kr |

1) 2024 consolidated basis

## History

### Establishment1960's~1970's
**Entered into petrochemical business, one of the key infrastructure industries, playing a leading role in the industrialization of Korea**

- **1965** Founded as Korea Hwasung Plant
- **1973** Established Korea Plastics Industry Co., Ltd.
- **1974** Establishing Hanyang Chemical Holding Co., Ltd.

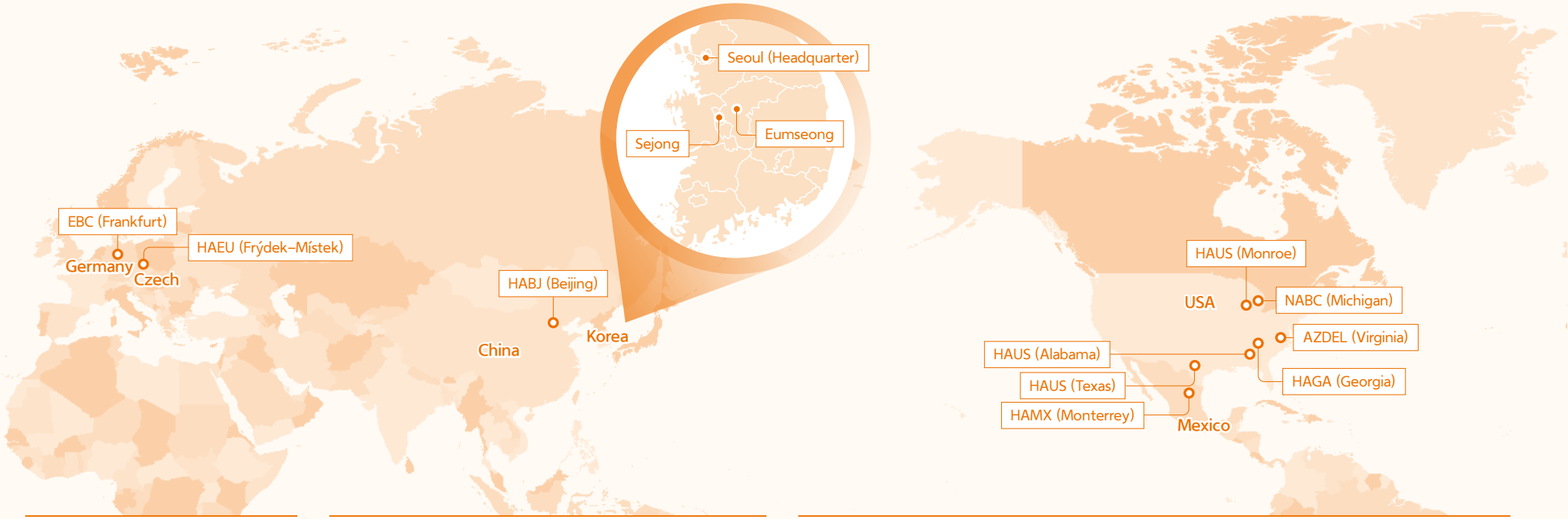
### Growth and advancement 1980's~1990's
**Advanced into the materials business as a key growth driver**

- **1986** Expanded into the automotive materials industry
- **1988** Merged Hanyang Chemical Holding Co., Ltd. And Korea Plastics Industry Corp.
- **1994** Changed corporate name to Hanwha General Chemical Co., Ltd.
- **1999** Divided operations at Hanwha General Chemical Co., Ltd. Crating a new division for raw materials (Hanwha Petrochemical) and delegating manufacturing operations (Hanwha General Chemical)

### Change and innovation 2000's~Present
**Diversified businesses towards global markets**

- **2004** Built automotive materials plant in Beijing, China
- **2006** Built automotive parts and materials plant in Shanghai, China
  Built automotive parts and materials production facilities in Alabama, U.S.
- **2007** Acquired U.S.–based Azdel
  Changed corporate name from Hanwha General Chemical to Hanwha E&C
- **2009** Built automotive part and materials plant in Ostrava, Czechia
- **2010** Began solar materials business
- **2014** Changed corporate name to Hanwha Advanced Materials after selling the construction materials business
- **2016** Built automotive parts and materials plant in Monterrey, Mexico
- **2020** Integrated into Hanwha Solutions Co., Ltd. (merged with Hanwha Advanced Materials, Hanwha Chemical, and Hanwha Q CELLS)
- **2022** Launched Hanwha Advanced Materials as a split off from Hanwha Solutions Co., Ltd.
- **2024** Built automotive parts and materials plant in Texas, U.S.

# Company Overview




## EUROPE

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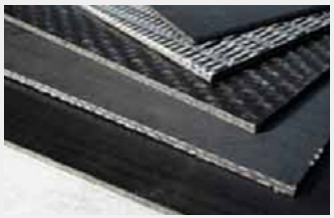
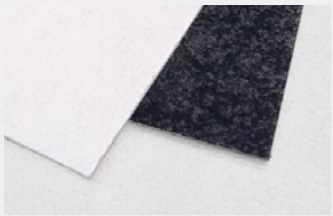
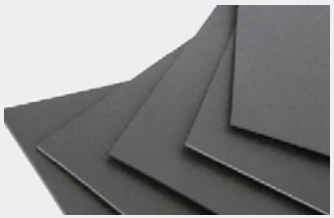
# Business Portfolio

## Lightweight Composite Materials

### Automotive Lightweight Composite Materials and Molded Parts Business

Since entering the lightweight composite materials business in 1986, we have introduced a variety of products in the vehicle interior and exterior sectors. We possess specialized technology in high-strength, ultra-lightweight component materials and currently produce various automotive lightweight composite materials such as StrongLite, SuperLite, BuffLite, IntermLite, SMC, etc. along with parts made from these materials.

| Category | StrongLite | SuperLite | BuffLite | IntermLite | SMC |
|---|---|---|---|---|---|
| | GMT (Glass Fiber Mat Reinforced Thermoplastics) | LWRT (Light Weight Reinforced Thermoplastics) | EPP (Expanded PolyPropylene) | TPO (Thermoplastic Polyolefins)<br>TPU (Thermoplastic Polyurethane)<br>PMC (Powder Slush Molding Compound) | Sheet Molding Compound |
| Details | A plate-shaped composite material made of general-purpose polypropylene resin and reinforced glass fiber mat | A sheet-type composite material with a porous structure formed by mixing PP powder and glass fibers, allowing thermoforming under low pressure | A foamed polypropylene material with high functionality, serving as an eco-friendly alternative to common materials like EPS (Expandable Polystyrene) such as styrofoam | Used as a skin material for automotive interior parts, producing thin plate-type sheets and powder-type | A sheet-type thermosetting composite material composed of unsaturated polyester, glass fibers, and various other mixtures (fillers, catalysts, release agents, etc.) |
| Application | High-strength plastic bumpers, undercovers, seat back panels, copper bobbins and molds, etc. are used as key materials in the construction industry | Used in automotive parts materials such as the underbody and headliner of sedans and SUVs | Used in various areas such as automotive materials like bumper cores and tool cases, digital device packaging, interlayer sound insulation, electromagnetic wave shielding beads, and solar buoyancy agents | Used as interior parts materials for high-end vehicles, including door trims, armrests, and seat covers | Used as construction materials such as automobile exterior and chassis parts, ceiling materials, water tanks, and electrical distribution boxes |
| |  |  |  |  |  |

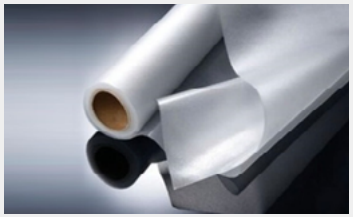
# Business Portfolio

## Solar Materials

### High-Efficiency Film Materials Business for Solar Power

Based on over 30 years of expertise in sheet manufacturing technology, we produce and supply encapsulants and backsheets used in solar modules. In 2010, we succeeded in domestic production of encapsulants, a key material in the solar industry, and have since continued to grow, earning quality recognition from major solar module companies both domestically and internationally, including those in the United States, India, and Turkey.

| Category | Encapsulant | Backsheet |
|---|---|---|
| Details | A sheet attached to the front and back of the solar cell module that acts as an adhesive, protective layer, and cushioning material, protecting the core component, the cell. | A sheet attached to the back of the solar cell module to protect the cells and module from external factors such as moisture, impact, and UV exposure. |
| Application | Applied to major domestic and international solar module companies, contributing to the solar power generation industry, and is being applied to all types of solar modules except for some CdTe modules | Utilizes fluorine-based films, weather-resistant PET, and weather-resistant polyolefin films, applying film processing technologies such as coating, lamination, and co-extrusion |



## R&D

### Strengthening and Expanding Composite Materials and Components R&D Capabilities in the Future Mobility Sector

Hanwha Advanced Materials is focusing on strengthening its composite materials and R&D capabilities as key growth drivers for the future mobility era. Evidently, we provide customer-tailored total solutions covering the entire process—from material development to design and analysis, testing and evaluation, molding, and product development.

| Category | Future Mobility Sector |
|---|---|
| Details | Focused on lightweight materials and components for future mobility, including electric vehicles, and drive next-generation core technologies, including total battery-case solutions, flexible composite pipes, and aerospace composite materials. |
| Application | Materials and components for EV battery packs<br>**Material** Multi-layer Structure Composite, TR-SMC, Epoxy-SMC, Electromagnetic Shielding Sheets, Fire-Resistant Coatings, etc.<br>**Component** Upper Case, Lower Tray, Protection Cover<br>Material and components for automotive structural and interior/exterior parts |

# Approach

Sustainability Management Framework 011
Double Materiality Assessment 013
Stakeholder Engagement 016

# Sustainability Management Framework

## Sustainability Management Strategy

### Hanwha Advanced Materials ESG Vision

Hanwha Advanced Materials has established its corporate vision as "leading a new wave of change with differentiated materials technology for future mobility and eco-friendly energy industries." We will pioneer new connections with future industries through our technology.

| | | | |
|---|---|---|---|
| VISION | Our technology advances<br>Differentiated material technologies for future mobility and eco-friendly energy industries | Connected<br>Connecting with future industries, partners, and surrounding businesses | New wave<br>New growth engine for the future, providing a sustainable life for the next generation, and dynamic and flexible thinking |
| SLOGAN | Be Greener, Be Lighter, Be More | | |
| | Be Greener | Be Lighter | Be More |
| Hanwha Advanced Materials SLOGAN | Building a sustainable tomorrow for future generations through eco-friendly material technology | Contributing new value towards the future mobility era through lightweight technology | Building a better tomorrow with next generation material technology |
| ESG SLOGAN | Creating a greener future with eco-conscious technology | Creating a lighter society with our stakeholders | Creating more growth based on a solid management foundation |
| Key Issue | Climate change response<br>Environmental impact management<br>Sustainable products | Health & safety<br>Talent management<br>Human rights management<br>Supply chain management<br>Product quality & liability<br>Social contributions | Governance (Board of Directors)<br>Ethics management<br>Information security |

# Sustainability Management Framework

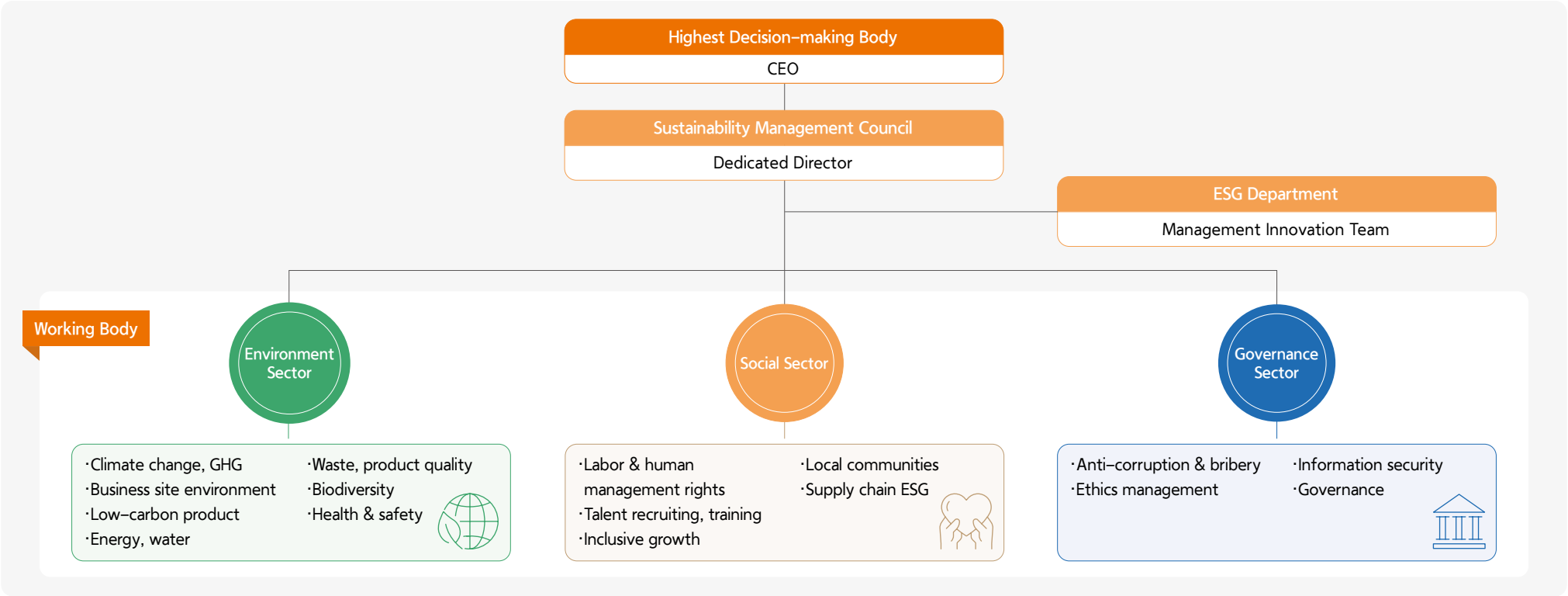
## Sustainability Management Governance

### Sustainability Management Organizational Structure

Hanwha Advanced Materials is enhancing its ESG management system to strengthen environmental, social, and governance practices and achieve sustainable growth. The CEO serves as the highest decision-maker for sustainability management, overseeing the review and approval of critical ESG issues, company-wide ESG strategies and policies, and risk supervision. Under the CEO, the Sustainability Management Council supports the development of ESG strategies and initiatives, monitors their implementation status, and assists in decision-making on matters within each subcommittee.

The dedicated ESG department (Management Innovation Team) supports subcommittee operations and handles internal and external ESG communications. The Sustainability Management Council consists of three subcommittees focused on environment, society, and governance, with each responsible department establishing key ESG performance indicators and sustainability goals. Overall, we plan to enhance ESG management efficiency and, in the long term, advance sustainability governance by establishing a board-level decision-making body.

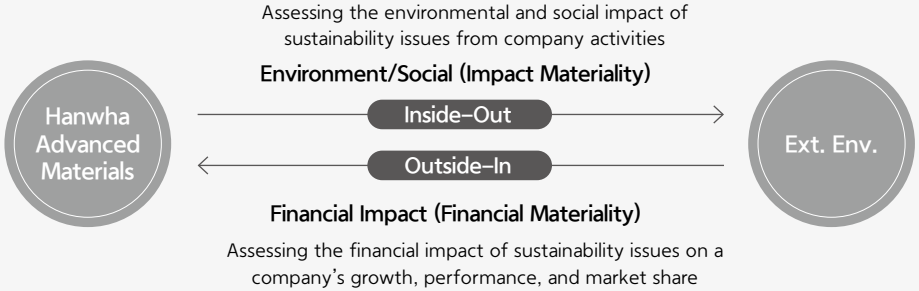
#### Organizational Structure



# Double Materiality Assessment

## Double Materiality Assessment Overview

Hanwha Advanced Materials has applied the concept of Double Materiality Assessment (DMA), introduced in the Global Reporting Initiative Standards 2021 and the European Union's Corporate Sustainability Reporting Directive (CSRD), and conducted this assessment for the first time this year. The DMA is a methodology that selects key issues in corporate sustainability by considering the impact each issue has on the environment and society (Inside–Out) and also the financial impact on the company (Outside–In). Hanwha Advanced Materials transparently discloses the assessment methodology and results, identifies issues with significant impact, and establishes appropriate response strategies. Through this, we aim to build trust in sustainability management disclosures and social responsibility, while gathering stakeholders' opinions on major risks and opportunities.




### Assessment Process

Hanwha Advanced Materials conducted a double materiality assessment through a four–step process: identifying a pool of sustainability management issues, recognizing the impact of each issue, evaluating the impact, assessing materiality, and selecting material issues. Considering ESG evaluation and disclosure standards (such as GRI, SASB, MSCI, ESRS), a pool of 24 issues (long–list) were established, from which nine topics (short–list) highly relevant to Hanwha Advanced Materials were derived. An impact assessment was conducted to identify and prioritize how each issue's corporate activities affect the environment and society, as well as how risks and opportunities related to sustainability management issues influence the company's financial performance. Environmental and social impact evaluations considered scale, scope, remediability, and likelihood, while financial impact evaluations took the scope and likelihood of financial effects into account. Material issues were selected through an ESG–related internal stakeholder survey assessing the materiality of each impact.

**STEP 1**
**Derive sustainability related issue pool**

**Understand company's business activities**

- Derived issue pool (long-list) reflecting ESG evaluation criteria and chemical and automotive parts manufacturing industry characteristics
- Nine key issues (short-list) derived in relevance to industry peers and HWAM

**STEP 2**
**Identify impacts, risks and opportunities for each issue**

**Identify impacts, risks and opportunities related to the company**

- Identified environmental, social, and financial impacts from company activities
  - Environmental/social impact: positive/ negative and actual/potential impact analysis
  - Financial impact: risk/opportunity analysis

**STEP 3**
**Assess materiality**

**Assess identified impacts, risks, and opportunities**

- Conducted survey[1] with internal stakeholders to assess materiality of each issue
  - Environmental/social impact: Assess scale, scope, remediability, and likelihood
  - Financial impact: Assess scale and likelihood

1) Survey period: May 20~22, 2025

**STEP 4**
**Select material issues**

**Select assessed material issues**

- Selected material issues reflecting materiality assessment
  - Climate change
  - Product R&D
  - Health & safety
  - Supply chain management
  - Product quality & liability

# Double Materiality Assessment

## Double Materiality Assessment Result

Hanwha Advanced Materials has selected five material issues, climate change, product R&D, health and safety, supply chain management, product quality and liability, by comprehensively considering environmental, social, and financial impacts through a DMA. We thoroughly disclose the assessment results, including impact assessments, in its sustainability report, and will engage with stakeholders through the performance related to the selected material issues and the advancement of the DMA methodology.

### Double Materiality Assessment Results

| Material Issue | Impact | Impact Definition | Impact Type | Impact Level | Page | GRI Index | UN SDGs |
|---|---|---|---|---|---|---|---|
| Climate Change | Environmental/ Social | Climate change caused by GHG emitted throughout the entire value chain leading to abnormal weather patterns and changes in precipitation. | Negative/Actual | ●○○ | 20–22, 68 | 302–1,3,4 305–1~5 | 7, 13 |
| | Environmental/ Social | Mitigating climate change through continuous increase in renewable energy use and direct/indirect energy consumption reduction | Positive/Potential | ●○○ | | | |
| | Financial | Increased costs from GHG regulations response and energy transition demands to reduce GHG | Risk | ●●● | | | |
| | Financial | Costs incurred for renewable energy transition to achieve carbon neutrality goals (equipment investment, PPA contracts, REC purchases, etc.) | Risk | ●●● | | | |
| Product R&D | Environmental/ Social | Promoting technological innovation and improving resource efficiency through eco-friendly products and technology development | Positive/Actual | ●●● | 32–33 | – | 9 |
| | Financial | R&D costs incurred transitioning to eco-friendly materials and sustainable products (manufacturing overhead and administrative expenses) | Risk | ●●● | | | |
| Health & Safety | Environmental/ Social | Enhanced worker safety through strengthened industrial accident prevention and management systems | Positive/Actual | ●●● | 35–40, 74 | 403–1~10 | 3 |
| | Environmental/ Social | Physical and mental harm to workers and deterioration in quality of life from workplace accidents (mishandling of chemicals and hazardous materials) resulting in human capital loss | Negative/Actual | ●●○ | | | |
| | Financial | Production and sales decline due to work stoppages caused by accidents along with worker compensation and litigation costs | Risk | ●○○ | | | |
| Supply Chain Management | Environmental/ Social | Reputation deterioration due to delivery disruptions, quality degradation, and delayed deadlines caused by inadequate supply chain management | Negative/ Potential | ●○○ | 51, 73 | 308–1, 2 414–1, 2 | 8 |
| | Environmental/ Social | Building trust between companies and strengthening the management stability of SMEs through inclusive growth support for partners | Positive/Potential | ●●○ | | | |
| | Financial | Reduced supply chain management operating costs by securing procurement stability through sustainable supply chain management | Opportunity | ●●○ | | | |
| | Financial | Costs incurred from alternative raw materials purchases and procurement management operations (outsourcing fees, loss of delivery contract commissions, emergency procurement costs, etc.) | Risk | ●●○ | | | |
| Product Quality & Liability | Environmental/ Social | Decline in customer satisfaction and direct/indirect damages caused product quality issues | Negative/ Potential | ●●○ | 33, 53–54 | – | 12 |
| | Environmental/ Social | Improved customer satisfaction through strict product quality control and maintenance | Positive/Actual | ●●● | | | |
| | Financial | Increase in provisions and inventory assets due to recalls caused by product defects and other quality issues | Risk | ●●● | | | |
| | Financial | Declined sales due to loss of consumer trust from quality management failure along with costs to enhance product quality and safety | Risk | ●●○ | | | |

# Double Materiality Assessment

## Material Issue Management

| Material Issue | Implementation System | Strategy/Policy | Risk Management | Metrics |
|---|---|---|---|---|
| Climate Change | Hanwha Advanced Materials' Carbon Reduction Committee is composed of team leaders and operational staff from the Management Innovation Team, Environmental Safety Team, Maintenance Team, Purchasing Team, and each production department. Every six months, they establish carbon reduction plans and review progress, while operational staff identify new tasks and manage task performance monthly. | • Establish carbon reduction plan<br>• Purchase renewable energy<br>• Develop eco-friendly infrastructure | • Reduce carbon emission by transitioning to eco-friendly transportation (electric forklifts, company fleet)<br>• Reduce NOx emissions by installing low-NOx burners<br>• Reduce energy consumption through solar power facilities | • 2024 performance:19.5 decrease in scope 1&2 emissions in comparison to 2019<br>• 2030 target: 20% decrease in scope 1&2 emissions in comparison to 2019 |
| Product R&D | Hanwha Advanced Materials conducts Life Cycle Assessments (LCA) to objectively manage product carbon emissions to ensure sustainable product development. We are also pursuing eco-friendly product development, including the development of products using renewable raw materials. | • Execute Green Action Alliance project<br>• Pursue investments in eco-friendly technology and material R&D | • Obtain and maintain GRS certification to expand recycled material use in the product manufacturing process<br>• Conduct Life Cycle Assessment (LCA) | • GRS certification (StrongLite, BuffLite)<br>• RCS certification (SuperLite, IntermLite) |
| Health & Safety | Hanwha Advanced Materials has a dedicated organization at its headquarters for preventing serious accidents and health and safety teams at each business site. The headquarters oversees and manages safety and health tasks primarily through the Health and Safety Team under the Support Office. The Sejong plant operates an Environmental Safety Team under the responsible executive, while the Eumseong plant has designated health and safety personnel within the Eumseong Support Team. | • Record zero incidents at sites<br>• Record zero incidents at suppliers' companies<br>• Expand safety culture through interactive employee events | • Health & safety inspection activities – self-inspections (monthly), thematic inspections (monthly), cross-inspections (quarterly)<br>• Regular and ad hoc risk assessments<br>• Emergency response training (fire suppression, chemical spills, confined space asphyxiation accidents)<br>• Obtained ISO 45001 Occupational Health and Safety Management System certification<br>• Regular Industrial Health and Safety committee meetings and health and safety risk monitoring | • Zero serious incidents<br>• ISO 45001 certification obtained at Sejong plant & Eumseong plant (August 26, 2025~August 25, 2028)<br>- First certification date: August 26, 2013<br>• 291 cases of workplace safety improvements<br>• 100%[1] health and safety training completion rate |
| Supply Chain Management | Hanwha Advanced Materials' sustainable supply chain management policy applies to all suppliers, including 1st-tier suppliers. It encompasses principles of sustainable procurement considering environmental and social aspects, a code of conduct for partners, an ESG evaluation system for the supply chain, and grievance handling that is continuously monitored. | • Establish and enhance supplier chain management policy<br>• Establish conflict materials policy<br>• Advance supplier code of conduct and ensure compliance<br>• Supplier ESG risk assessment and monitoring<br>• Support internal and suppliers capability enhancement | • ESG supply chain risk assessment and supply chain due diligence process enhancements<br>• Support for supply chain risks including supplier training and technical consulting<br>• Operate supply chain communication channels<br>• Conflict minerals management ad policy establishment | • ESG risk assessment performed for 13 suppliers<br>• Purchase amount ratio between suppliers assessed for risk and total suppliers' purchase amount: 44.1% |
| Product Quality & Liability | Hanwha Advanced Materials' Quality Control Department manages quality indices to enhance product quality and customer satisfaction. Following management guidelines, it gathers feedback and carries out quality improvement activities to prevent similar issues from recurring. | • Company-level and site-level internal quality management policies<br>• RoHS (Restriction of Hazardous Substances) Directive based substance testing and management | • IATF 16949 (management system certification) obtained at Sejong plant<br>• Awarded by the Ministry of Trade, Industry and Energy for excellence in quality competitiveness<br>• FMEA (Failure Mode and Effects Analysis) for product-specific failure possibility analysis and IMDS (International Material Data System) hazardous chemical data management<br>• Customer complaint reporting channels operations and conducting regular customer satisfaction surveys<br>• Manage quality indices that meet customer quality requirements such as incoming defect rates and defect occurrence indices | • 177 products tested for customer safety |

1) Based on employees subject to regular training

# Stakeholder Engagement

## Stakeholder Engagement

Hanwha Advanced Materials identifies employees, customers, partners, shareholders and investors, government, and local communities as key stakeholders who influence and are influenced by its business activities. Moving forward, we will gather stakeholders' opinions through various communication channels, reflect them in our management activities, and disclose Hanwha Advanced Materials' ESG performance and plans.

| Stakeholders | Key Issue | Response Activities | Communication Channel |
|---|---|---|---|
| Employees | • Respect for human rights and diversity<br>• Health and safety management internalization<br>• Talent acquisition and employee skill enhancement<br>• Healthy labor management culture and welfare | • Establish human rights management policy<br>• Provide employee training (human rights, job skills, global talent development)<br>• Share talent values and run various recruitment and internship programs including in-house awards and promotion initiatives<br>• Operate diverse welfare programs and benefits | • Labor-Management Council<br>• Organizational culture evaluation/satisfaction survey<br>• Grievance handling system<br>• Regular operations manager meetings |
| Customers | • Eco-friendly product development<br>• Customer satisfaction and product improvement<br>• Information security and privacy protection<br>• Sustainable innovation and R&D | • Customer-centric events and seminars participation<br>• Customer ESG activity participation<br>• Promoting joint research projects<br>• Collaborative activities throughout the entire automotive parts development process | • Website<br>• CRM, email |
| Partners | • Ethics management and fair trade<br>• Health and safety internalization<br>• Sustainable supply chain management and inclusive growth<br>• Information security and privacy protection | • Compliance with fair trade and various support activities (finance, training, technical support)<br>• Communication with partners (sharing our policies, achievements, and plans)<br>• Sharing our Code of Conduct with partners<br>• Supporting partners' ESG management | • Partner consultative body<br>• Partner training and seminar<br>• Support for outstanding partners |
| Shareholder/ Investors | • Transparent board operations<br>• Company-wide integrated risk management | • Report on business performance and board of directors' operations through regular disclosure | • General shareholders' meeting and board of directors<br>• Corporate disclosures<br>• Website announcements<br>• Sustainability report |
| Government | • Strategic climate change response activities<br>• Health and safety management internalization<br>• Compliance with all environmental/health and safety regulations | • Internal control systems and compliance team operations<br>• Diligent tax payment<br>• Participation in various association activities | • Corporate disclosure<br>• Website announcements<br>• Media/press |
| Loal Communities | • Water and air pollution, waste management<br>• Biodiversity preservation<br>• Social contribution expansion | • Community contribution activities (environment conservation, low-income families, etc.)<br>• Neighborhood assistance fundraising<br>• Regular company clubs' volunteer activities | • Website<br>• Local community complaint collection |

# Environmental

Environmental Management 018
Climate Change Response 020
Environmental Impact Management 023
Sustainable Products 032

# Environmental Management

## Environmental Management System

### Environmental Management Organizational Structure

Hanwha Advanced Materials complies with the environmental management system and policies, systematically managing established KPIs at each business site. Additionally, we regularly monitor sources and emissions of air, water, and waste generated during business activities, conduct environmental theme inspections, continuously review environmental issues, and seek improvement measures.

#### Organizational Structure


### Environmental Management Policy

Hanwha Advanced Materials fulfills its responsibility for environmental management and practices social responsibility for sustainable development. To minimize environmental risks such as GHGs, energy use, water resources, air pollution, waste, hazardous substances, and soil contamination, we have established and implemented an integrated environmental management policy applied across all business sites, requiring compliance from partners and stakeholders. Additionally, through company-wide and site-specific environmental management policies, we strive to build a culture centered on environmental health and safety.

Integrated Environmental Management Policy  Environmental Health and Safety Policy

### Environmental Management System Certification

Hanwha Advanced Materials has implemented a management system based on international standards to achieve systematic environmental management. Evidently, both Sejong and Eumseong plants have obtained ISO 14001 certification, strengthening internal management capabilities to minimize environmental impact and drive continuous improvement. Moving forward, we plan to continue our efforts in company-wide environmental risk management and responsible production activities.


ISO 14001 Certificate

# Environmental Management

## Environmental Management Goal

Hanwha Advanced Materials recognizes the importance of environmental management and thoroughly monitors environmental impact factors affecting all business activities. We have established mid– to long–term environmental reduction goals and tasks, continuously striving to minimize risks related to environmental management. To optimize and reduce the use of key environmental impact indicators such as water resources, pollutants, waste, and hazardous substances, we will persistently pursue policy and facility improvements to minimize our environmental footprint.

| Category | Key Issue | 2024 Performance | Mid/long–term Implementation Task |
|---|---|---|---|
| **Water** | Hanwha Advanced Materials acknowledges the importance of water resource management and is continuously striving to optimize water usage and expand recycling in its manufacturing processes. Currently, it thoroughly monitors water resource management factors such as pollutant concentrations, and plans to set future targets for reducing water intake, carrying out campaigns, and establishing systems as part of mid– to long–term initiatives to achieve these goals. | • Reduced water usage<br>2023 82.6 ton/100 million KRW → 2024 40.7 ton/100 million KRW | • Water conservation campaign<br>• Condensate recovery system<br>• Water pollutant monitoring<br>• Set water usage reduction targets |
| **Waste** | Hanwha Advanced Materials is reviewing measurable targets to increase the recycling rate across its facilities. Recognizing the importance of resource circularity, the company is strengthening waste segregation and disposal, prioritizing recyclable materials to reduce landfilling and incineration, and expanding the use of sustainable products, including those made with recycled content. | • Increased waste recycling rates due to the transition to waste recycling treatment<br>2023 17.3 ton → 2024 60.7 ton | • Increase waste recycling rates at workplaces<br>• Expand sustainable products and use of recycled materials |
| **Pollutants** | Hanwha Advanced Materials is thoroughly implementing pollutant management activities that meet legal requirements. Furthermore, to ensure sustainable environmental management in the future, we plan to set measurable targets for air, water, and soil pollution, and develop systematic measures to effectively manage and reduce pollutant emissions. | • 370 million won on expanding air pollution prevention facilities<br>• Pollutant emissions (NOx) reduction target by replacing boilers with low-NOx burners<br>2023 40 ppm → 2024 15 ppm | • Establish environmental pollutant reduction targets<br>• Set air/water pollutant management targets |
| **Hazardous Substances** | Hanwha Advanced Materials systematically manages hazardous substances by incorporating hazardous waste management goals into internal policies to proactively prevent environmental impacts. Through this, we continuously monitor the management standards at each business site, comply with relevant regulations, and strengthen the foundation for reducing environmental risks. | • Reduced hazardous substance use<br>2023 40.8 ton → 2024 33.2 ton | • Expand alternative material usage<br>• Improve production efficiency by reducing raw material use |

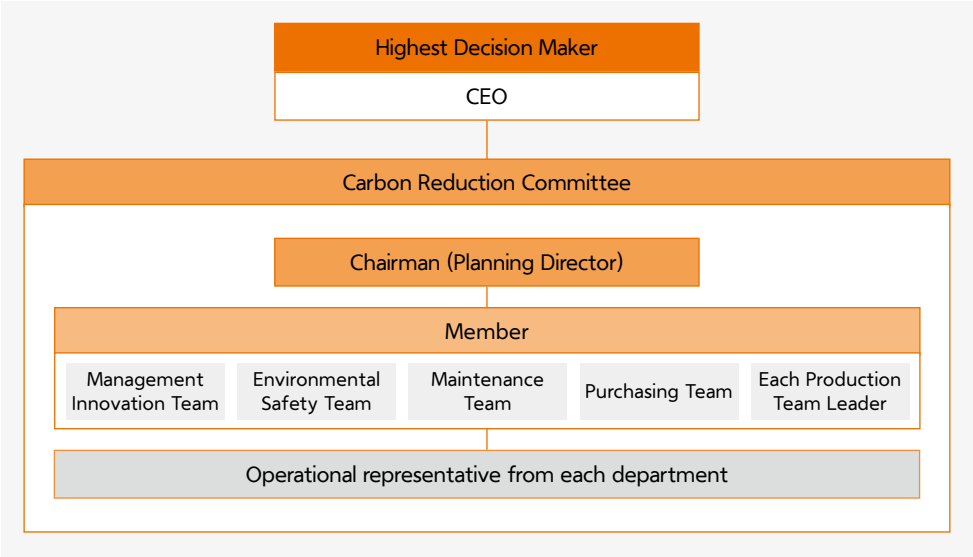
# Climate Change Response

## Climate Change Response System

### Climate Change Response Organizational Structure

Hanwha Advanced Materials operates a Carbon Reduction Committee composed of team leaders and staff from the Management Innovation Team, Environmental Safety Team, Maintenance Team, Purchasing Team, and each production department to address climate change. The committee reviews the progress of the annual carbon reduction plan every six months and reviews key agenda items. Through monthly meetings with working-level staff, the committee identifies new tasks and assesses progress. In addition, the Maintenance and Production teams at each business site are promoting greenhouse gas reduction activities through the introduction of high-efficiency equipment and the development of products using recycled raw materials, while the Environmental Safety team established a GHG inventory and is measuring emissions.

#### Organizational Structure




### Climate Change Response Investment

Hanwha Advanced Materials is rolling out a company-wide GHG reduction strategy aligned with the Carbon Reduction Committee's plan. In 2024, we replaced existing burners with low-NOx models to reduce NOx emissions, and we are evaluating five to six investments such as upgrading aging equipment and installing high-efficiency systems at key sites to improve energy efficiency. We are also continuously investing in the use of renewable raw materials to reduce the carbon emissions of our products.

#### Investment Performance

| Category | Period | Key Information |
|---|---|---|
| Invent LCA system | 2024 | Product carbon footprint monitoring system |
| Low-NOx burner replacement | 2024 | Reduction of NOx emissions |
| VSD air compressor | 2025 | Improved operating efficiency |

### CDP Participation

Hanwha Advanced Materials voluntarily participated in the Climate Change section of the CDP to strengthen its climate change response capabilities and as a commitment to transparently disclose information to build trust with global stakeholders. In recognition of these efforts, we received the Special Carbon Management Award at the '2024 CDP Korea Awards.' We will continue to participate in the CPD to disclose our climate change response efforts and maintain responsible information disclosure.

**2024 CDP Korea Award Carbon Management Sector Honors**

# Climate Change Response

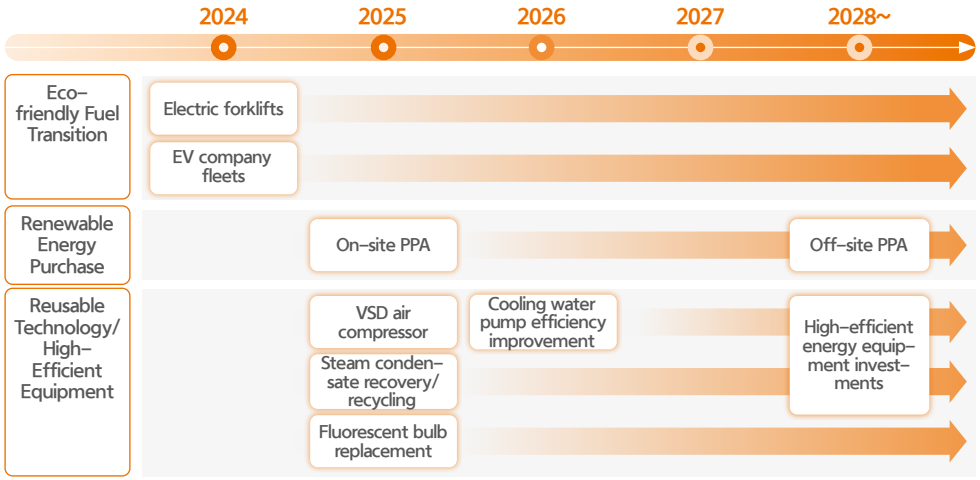
## Climate Change Response Strategy

### Climate Change Response Strategy Implementation

Hanwha Advanced Materials has established a practical system to reduce GHG emissions and is actively implementing related goals, response and management activities. We are vigorously promoting GHG and energy reduction efforts at each business site through carbon reduction roadmap development, renewable energy purchasing, and building eco-friendly infrastructure.

| | |
|---|---|
| **1. Carbon Reduction Roadmap** | Implement plans to reduce GHG emissions in the short and midterm with renewable energy purchasing and high-efficiency equipment |
| **2. Renewable Energy Purchase** | Signed direct PPAs in 2024, will procure renewable energy in 2025 with plans for further purchases |
| **3. Eco-friendly Infrastructure** | Expanding eco-friendly infrastructure: energy-efficient facilities, ESS, high-efficiency equipment, and eco-friendly vehicles |

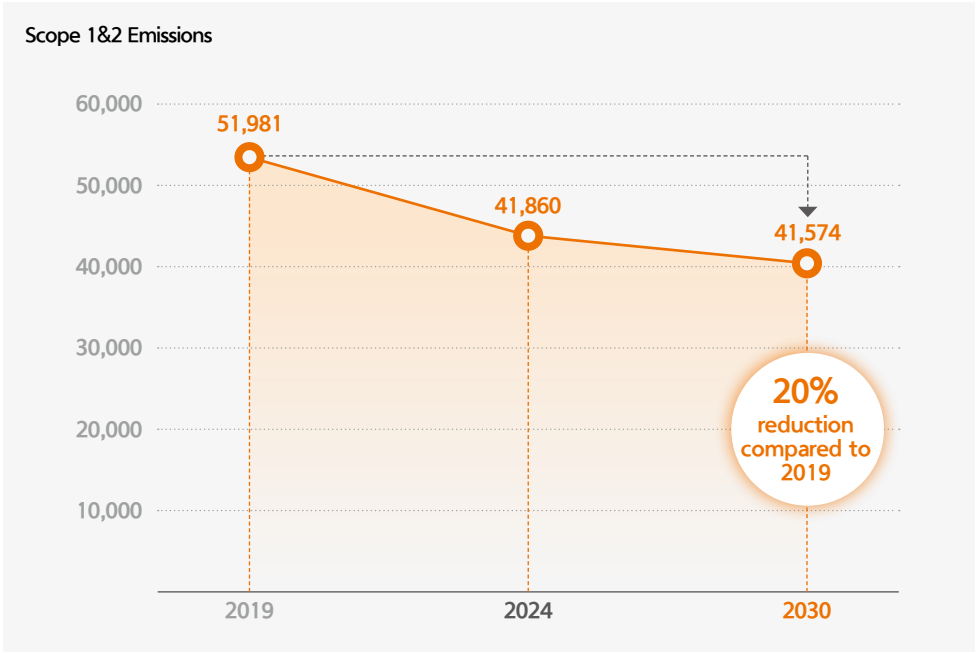
**Carbon Reduction Roadmap**




### GHG Reduction Goal

Hanwha Advanced Materials has set a goal of reducing carbon emissions by 20% by 2030 compared to 2019 emissions and is pursuing a mid- to long-term roadmap to achieve this goal. Going forward, we plan to enhance our GHG inventory, including Scope 3 emissions, to establish a more sophisticated management system and also expand the adoption of renewable energy, improve energy efficiency, and reduce emissions across the entire production and logistics process. Through these efforts, we will continuously manage achievable reduction targets and practice responsible climate action.

**GHG Reduction Target** (Unit: $tCO_2eq$)




1) All values are rounded to the nearest whole number at the first decimal place

# Climate Change Response

## Climate Change Response Activities

### Energy Management

Hanwha Advanced Materials conducted management activities, including insulation and painting of utility pipes, in 2024 to improve energy efficiency. Going forward, we plan to optimize energy consumption through the introduction of an energy management system and process improvements.
In particular, we are gradually embedding implementation strategies, including process optimization and replacement of high-efficiency equipment, with the goal of reducing energy consumption at our plants through internal energy efficiency improvements by 2030. Furthermore, to expand its use of renewable energy, an on-site PPA agreement was signed in 2024, and by March 2025, the installation of a solar power plant on its site is expected to be completed, marking the full-scale commencement of renewable energy use.

### Carbon Reduction from Transportation

Hanwha Advanced Materials' is prioritizing the adoption of eco-friendly vehicles when replacing vehicles within our facilities. We are expanding the electric vehicle conversion, taking into account year and kilometers of the vehicle (8% of vehicles are eco-friendly as of March 2025). We are also strengthening our on-site EV charging infrastructure, currently operating four chargers. We are continuously pursuing the decarbonization of transportation, considering both logistics efficiency and environmental impact, including achieving a 100% adoption rate of electric forklifts used in vacant spaces and considering additional electric vehicle transitions in the future.

### Climate Change Response Training

Hanwha Advanced Materials regularly conducts various climate change response training sessions to raise awareness and promote behavioral changes among employees regarding carbon emission reduction and climate change adaptation. Training for responsible personnel is held quarterly, and in 2024, all 631 employees completed the training.


ESG Strategy Training


ESG Strategy Training Certificate of Completion

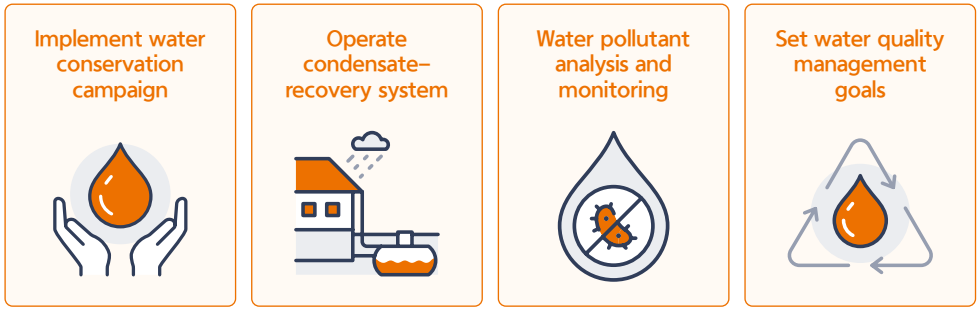
# Environmental Impact Management

## Water Resource and Pollution Management Activities

### Water Resource Conservation

Hanwha Advanced Materials sets site-specific targets to use water efficiently and reduce consumption, tracking progress by monitoring intake and discharge volumes.
Moving forward, we will launch a water-saving campaign to encourage voluntary participation by all employees and promote a closed-loop water use through condensate-recovery systems. Some business units are evaluating opportunities to reuse water within their processes, and will implement systematic management measures to prevent groundwater contamination and minimize environmental impact around its sites.

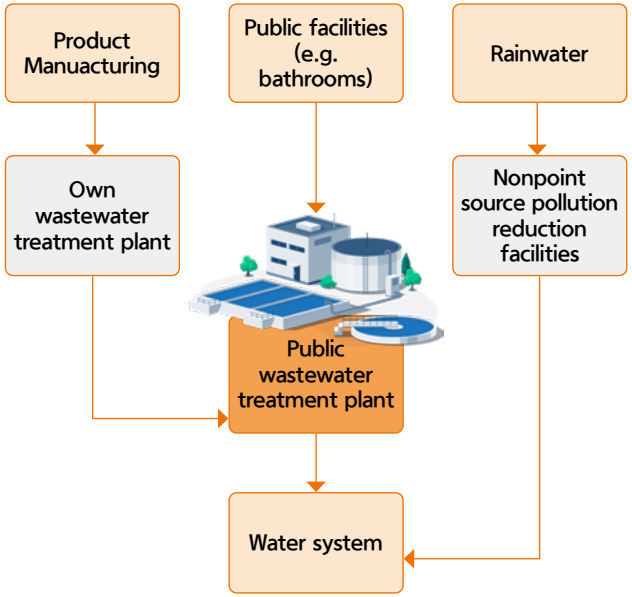
#### Water Resource and Pollution Management Plan




### Water Pollution Prevention and Management

Hanwha Advanced Materials operates its own wastewater treatment plant to purify water pollutants generated during the production process, and undergoes preliminary purification process under legally permitted standards. Wastewater that underwent preliminary purification discharged from the facility flows into the industrial complex's public wastewater treatment plant, where it undergoes final purification before being released into water systems.
Additionally, all water pollutants are regularly measured to minimize environmental impact and risks. To manage and reduce water pollution, pollutants are analyzed quarterly at all discharge points, monitoring key indicators such as TOC and BOD. The facility's final discharged water is also monitored for water pollutant emissions by an accredited analysis institution.

#### Water Pollution Prevention Process




| Water Quality Assessment Report

# Environmental Impact Management

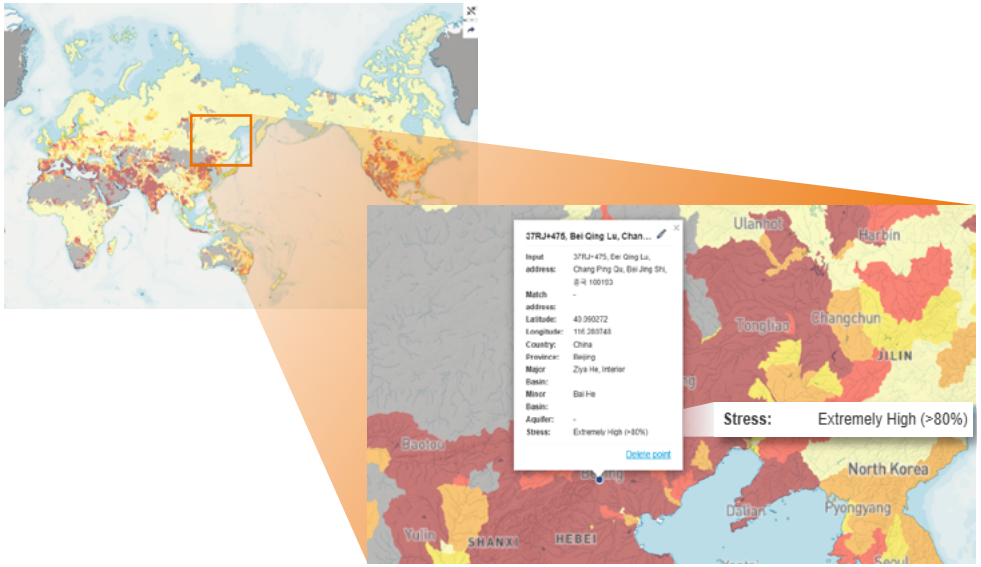
## Water Resource and Pollution Management Activities

### Water Resource Risk Management— Water Stress Assessment

With the growing importance of water resources, Hanwha Advanced Materials conducted a Water Stress Assessment with the WRI[1] to ensure strict water stress management standards. The analysis of water stress in the areas where Hanwha Advanced Materials' plants are located revealed that the Beijing plant was rated as "very high (>80%)," while the Sejong plant, EBC, HAGA, and HAMX were rated as "high (40–80%)." Based on the risk assessment results for each site, Hanwha Advanced Materials is considering appropriate management measures, such as water source replacement, for high-risk areas. Furthermore, we are considering introducing a systematic water resource audit system to enhance water resource management efficiency.

1) WRI (World Research Institute) studies sustainable practices for business, economics, finance, and governance to better support human society in six areas: food, forests, water, energy, cities, and climate.

#### Water Stress Assessment Result




#### Hanwha Advanced Materials Sites' Water Stress Assessment Result

| Site | Water Stress |
|---|---|
| Head Office | Medium – High(20–40%) |
| Sejong Plant | High (40–80%) |
| Eumseong Plant | Medium – High (20–40%) |
| Hanwha Advanced Materials Beijing Co., Ltd. (HABJ) | Extremely High (>80%) |
| Hanwha Advanced Materials Europe, s.r.o. (HAEU) | Medium – High (20–40%) |
| Europe Business Center (EBC) | High (40–80%) |
| Hanwha Advanced Materials America LLC (HAUS) Opelika Plant | Medium – High (20–40%) |
| Hanwha Advanced Materials America LLC (HAUS) Monroe Plant | Low (<10%) |
| Hanwha Advanced Materials America LLC (HAUS) Texas Plant | Medium – High (20–40%) |
| Hanwha AZDEL, Inc. | Medium – High (20–40%) |
| Hanwha Advanced Materials Georgia, Inc. (HAGA) | High (40–80%) |
| Hanwha Advanced Materials Mexico S. De R.L. De C.V. (HAMX) | High (40–80%) |
| North America Business Center (NABC) | Low – Medium (10–20%) |

# Environmental Impact Management

## Air Pollutant Management Activities

### Air Pollutant Management System

Hanwha Advanced Materials is committed to reducing air pollutant emissions by replacing high-efficiency prevention facilities and continuously monitoring emissions through measurement and inspection of generated air pollutants to minimize discharge levels. Additionally, to enhance the environmental management system, we have introduced an environment focused inspection (semiannually) program involving production personnel directly, striving to maintain zero risk of environmental regulation violations.

### Environmental Regulation Compliance and Monitorization

Hanwha Advanced Materials Sejong plant received final approval in 2024 from the Ministry of Environment for its Integrated Environmental Management System. As part of the environmental impact assessment, air-pollutant emission standards were tightened and installed high-efficiency ultra-low NOx burners to reduce emissions. We operate filtration dust collectors to handle particulate matter generated during the manufacturing process and install scrubber dust collectors to remove fumes and gaseous substances produced in drying facilities such as ovens, thereby eliminating pollutants. To maintain nitrogen oxide emissions below 15 ppm, we have improved air pollutant emission facilities and installed enclosed hoods on research equipment to capture and remove pollutants dispersed into the atmosphere, actively working to reduce fugitive emissions. Additionally, we plan to minimize air pollutant emissions through equipment inspection and maintenance, and continue investing in technical improvements and facilities to protect the environment.


| Integrated Environmental Management System Approval (2024)

| Ultra-low NOx burner boiler installation (Sejong)

## Noise and Odor Management Activities

### Noise Mitigation Actions

Hanwha Advanced Materials regularly conducts workplace noise measurements, including workplace noise measurements, to ensure a healthy work environment. If any abnormalities, such as hearing loss, are discovered in randomly selected workers during these measurements, immediate action is taken. Furthermore, starting in 2025, we plan to expand time-based noise measurements to the entire business site boundary, thereby more systematically managing the noise impacts inside and outside the business site.

| Sejong plant Noise Measurement Boundary

| Eumseong Plant Noise Measurement Boundary

### Odor Management Actions

Hanwha Advanced Materials regularly measures odor concentration and monitors odor emission status according to the odor process testing standards in compliance with the Odor Prevention Act. Although it is not a designated odor management facility, we continuously identify and implement reduction measures to voluntarily minimize odor emissions.

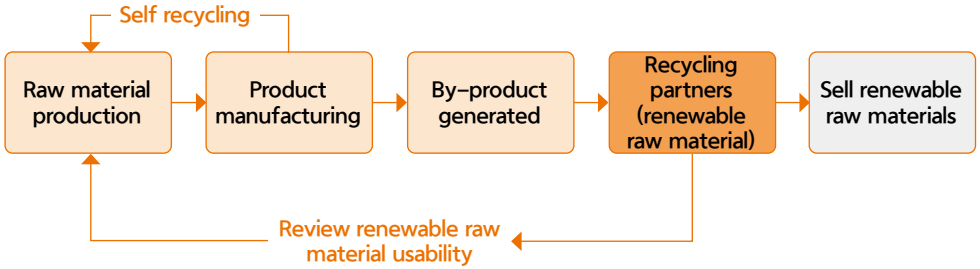
# Environmental Impact Management

## Waste Management Activities

### Resource Circulation Expansion

Hanwha Advanced Materials has established and operates a company-wide waste management system to minimize waste generation and increase recycling rates in its business activities and manufacturing processes. Taking into account the characteristics of each process, it is implementing technological developments such as converting waste into recycled raw materials. Manufacturing by-products like scrap are sorted and reused by-products not meeting quality standards, we are reviewing ways to reuse as recycled raw materials with our recycling partners. To reduce resource waste on-site and build a sustainable circular system that suppresses waste, the company is pursuing certification for circular resources by 2025.

**Manufacturing By-product Recycling Process**




### Recycled Raw Material Application

Hanwha Advanced Materials is gradually increasing the amount of recycled raw materials it uses each year to comply with the environmental and social responsibilities required by the Global Recycled Standard (GRS) certification, thereby contributing to minimizing resource consumption and reducing waste.

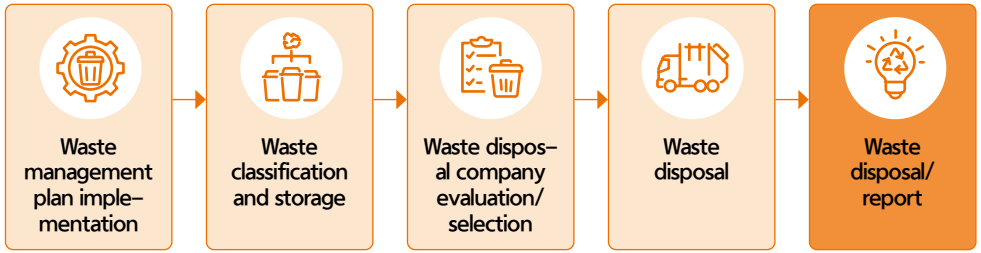
**Recycled Raw Material Input Status**

| Base Year | 2022 | 2023 | 2024 |
|---|---|---|---|
| Recycled raw material input (ton) | 2,785 | 2,574 | 2,865 |

### Waste Classification and Disposal

Hanwha Advanced Materials operates a separate waste storage facility, classifying and storing waste according to its nature, including incineration, landfill, and recycling, to ensure proper management. We also inspect waste disposal companies at least once a year to ensure compliance with waste-related laws and regulations. Waste generated by each process is classified by type and environmental accident prevention measures are implemented. We also continuously strengthen our partnerships with recycling specialists to increase the proportion of recyclable and reusable resources. Additionally, we have designated a separate hazardous waste storage facility to minimize the risk of environmental impact caused by hazardous waste.

**Waste Disposal Process**




### Waste Management Training

To enhance the environmental awareness of its employees and strengthen their waste management capabilities, Hanwha Advanced Materials provides training on waste management procedures and systems to waste-generating departments at least once a year, thereby encouraging voluntary waste reduction. The training provides practical measures to reduce waste generation in processes and work activities. The training also ensures employees understand the relevant standards and apply them effectively in their work

# Environmental Impact Management

## Hazardous Substances Management System

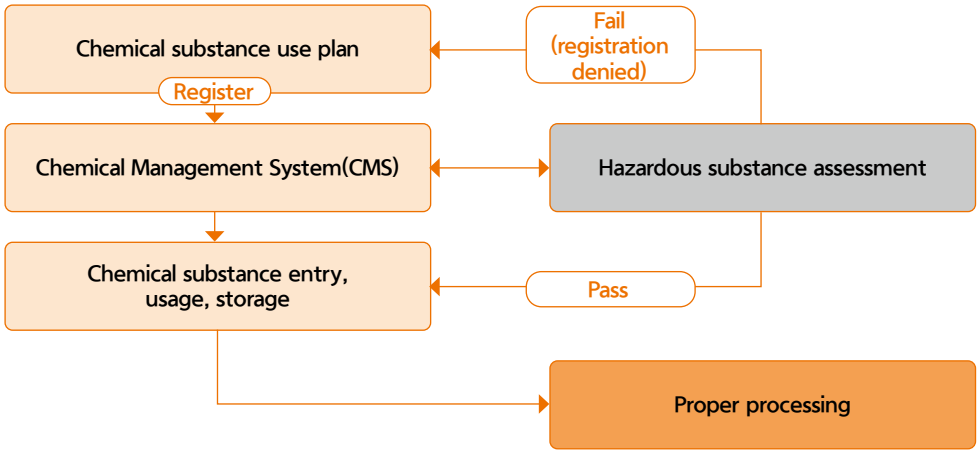
### Hazardous Substances Management Organization

Hanwha Advanced Materials designates separate managers within departments handling hazardous substances (production, R&D) to oversee management. Pre-purchase assessments are conducted to ensure compliance with legal requirements, and relevant data is regularly collected and monitored. Furthermore, based on the results of regular inspections of hazardous chemical handling facilities, the management system is continuously reviewed to ensure compliance with legal requirements and maintain a safe working environment.

### Hazardous Substances Management System

Hanwha Advanced Materials thoroughly inspects its products for hazardous substances during the manufacturing process by managing hazardous substances through a chemical substance management system. We clearly label hazardous substances according to relevant standards, store them safely in appropriate locations, and adhere to safety regulations during handling. Furthermore, we apply legally-compliant procedures during transportation to proactively prevent risks associated with hazardous substances and strengthen our company-wide safety management.

#### Hazardous Substances Storage Management Process




## Hazardous Substances Management Activities

### Hazardous Substance Management and Alternative Substance Use

Hanwha Advanced Materials minimizes environmental and human health impacts from hazardous substances by conducting pre-assessments to review the toxicity of materials, recommending alternatives with low-toxicity substances and already incorporating these changes into processes. To meet environmental and safety standards while maintaining product performance, we evaluate the stability and suitability of alternative materials from the raw material stage, striving to reduce the use of hazardous substances throughout the entire production process and to establish a safer work environment and sustainable production system.

| Chemical spill emergency drill

| Chemical substance hazard assessment and registration(production raw materials)

### Hazardous Substances Disposal Procedure Compliance

To ensure the safe management of hazardous substances, Hanwha Advanced Materials strictly adheres to treatment and disposal procedures based on Material Safety Data Sheets (MSDS). Furthermore, for new hazardous substances, prior to disposal, we verify hazardous waste classification and disposal methods through an accredited testing agency while also complying with relevant laws and regulations. After classifying and storing these substances, we then process them through a legally authorized contractor.

#### Hazardous Substance Disposal Process

# Environmental Impact Management

## Hazardous Substances Management Activities

### Hazardous Substances Management Training

To prevent safety accidents caused by hazardous substances and strengthen on-site response capabilities, Hanwha Advanced Materials conducts internal training on an annual basis on chemical handling and chemical import procedures. By conducting regular chemical safety training at all business sites, we ensure the health and safety of our employees and the workplace, while also striving to minimize the risks of hazardous substances in the local community.

Chemical import procedure training

Chemical unloading operation inspection training

### Environmental Emergency Response Procedure Implementation

Hanwha Advanced Materials has established and operates emergency response procedures to prevent environmental accidents caused by chemicals and to respond quickly and systematically in the event of an emergency. At our workplaces, environmental risks are minimized through component analysis based on MSDS for each substance, emergency response scenarios for each accident type, regular training and education, and on-site evacuation plans. Furthermore, in the event of an emergency, a situation room is immediately established and an Emergency Response Committee is organized. This committee, along with the emergency control organization, oversees accident recovery, prevention of external spread, emergency response, and cooperation with relevant agencies and preemptive inspections and evacuation measures are implemented in accordance with the emergency response manual. After an accident is resolved, a post-incident investigation is conducted to establish measures to prevent recurrence and reorganize the overall response system.

#### Hazardous Substance Accident Emergency Response Procedures

| Category | | Details |
|---|---|---|
| Step 1 | Substance property analysis | • MSDS-based hazardous chemical substance characteristics investigation and risk assessment |
| Step 2 | Emergency response plan implementation and drills | • Develop plans for each accident scenario, including evacuation procedures, rescue plans, communication systems, and decontamination<br>• Conduct drills at least once a year, addressing any shortcomings and incorporating scenarios |
| Step 3 | Accident occurrence and emergency alert | • The first discoverer spreads the alert through emergency broadcasts and the internal communication network<br>• Depending on the situation, fire/gas leak/evacuation alarms are issued |
| Step 4 | Initial response and evacuation | • All employees must immediately move to the designated evacuation site<br>• Emergency personnel and related staff promptly carry out access control, wear protective gear, and provide first aid to victims |
| Step 5 | External expansion prevention and emergency measures | • Prevent contamination spread by shutting off sluice gates and pipes, and controlling electricity and equipment<br>• The emergency controller (Environmental Safety team leader) handles external communication regarding the incident<br>• Use checklists during natural disaster alerts and broadcast evacuation instructions to local residents if necessary |
| Step 6 | Accident closure | • The Emergency Action Committee Chairman (site manager) decides when the situation is resolved<br>• Personnel from each department return and resume normal duties |
| Step 7 | Accident investigation and follow-up | • Establish the cause of the accident and preventive measures according to the Process and Accident Investigation Procedures. |

# Environmental Impact Management

## Biodiversity Management System

### Biodiversity Policy

Hanwha Advanced Materials has established a system to protect and promote biodiversity and forests across all of its business activities. It also monitors and evaluates potential risks of biodiversity degradation and forest destruction that may arise throughout its business operations, including procurement, manufacturing, distribution, and sales. Furthermore, it has established and operates a biodiversity and forest conservation policy by establishing principles and implementation measures to conserve, restore, and expand biodiversity in local communities. The policy supports domestic and international laws and regulations on biodiversity and wild flora and fauna protection, as well as global initiatives for biodiversity conservation, such as the International Union for Conservation of Nature (IUCN) Category I–V Protected Areas, while promoting biodiversity risk mitigation activities.

Biodiversity Policy

### Biodiversity Risk Assessment Process

As part of its efforts to manage biodiversity and forest conservation risks, Hanwha Advanced Materials conducted a biodiversity risk assessment at its major sites in Sejong and Eumseong, applying the LEAP (Locate, Evaluate, Assess, Prepare) methodology, which is based on international agreements and the Taskforce on Nature–related Financial Disclosure (TNFD) recommendations.
In the Locate phase, the assessment targets and scope were selected based on the business model and value chain. The Environmental Assessment Map system was utilized to analyze the proximity of the business site to sensitive areas and nature. In the Evaluate phase, business activities were classified according to the ISIC[1] criteria and the ENCORE[2] tool was used to identify the extent to which each business area relies on ecosystem services and the potential impact on natural capital. In the Assess phase, the data and analysis results collected in the previous phase were comprehensively reviewed. Using WWF[3] and IBAT[4] tools endangered species and protected areas near key business sites were then identified and prioritized. Finally, in the Prepare phase, based on these analyses, a comprehensive strategy for natural capital and biodiversity conservation was designed and activities were implemented to achieve these goals.

#### LEAP Methodology Process

| | Locate | Evaluate | Assess | Prepare |
|---|---|---|---|---|
| Analysis | • Define industry–specific biodiversity management scope/key sites and assess proximity to natural areas | • Classify key industry activities under ISIC and assess ecosystem service dependency and impact | • Identify threatened species and protected areas near key sites | • Establish targets/strategies and advance biodiversity conservation activities based on results |
| Tool | • Environmental Spatial Information Service — National Environmental Assessment Map System | • UN Environment Programme World Conservation Monitoring Centre – ENCORE | • WWF — Biodiversity Risk Analysis<br>• IBAT | – |
| Output | • Applied industry: plastics manufacturing<br>• Applied sites: Sejong/ Eumseong | • 14 dependency indicators<br>• 7 impact indicators | • 29 threatened species on the IUCN Redlist[5]<br>• No applicable Ramsar sites | • Citizen's Forest tree adoption initiative<br>• Thornbush removal in Sejong City |

1) ISIC (International Standard Industrial Classification of All Economic Activities)
2) ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure)
3) WWF (World–Wide Fund for Nature)
4) IBAT (Integrated Biodiversity Assessment Tool)
5) IUCN (International Union for Conservation of Nature)

# Environmental Impact Management

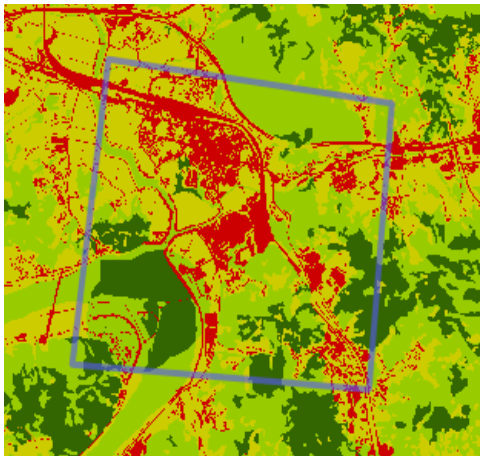
## Biodiversity Risk Assessment Result

### Ecological Analysis Near Key Business Sites

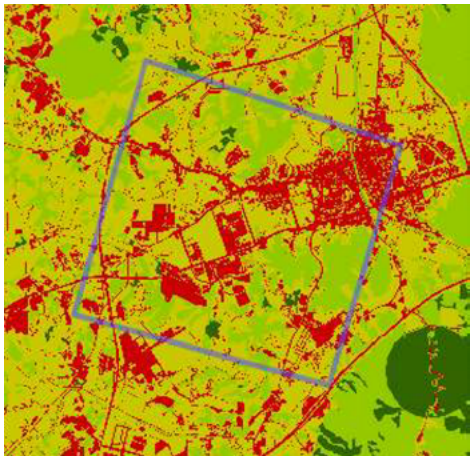
Locate

To determine the proximity to nature near major business sites (Sejong and Eumseong), we utilized the National Land Environmental Assessment Map System of the Environmental Spatial Information System to conduct a nature asset value assessment (Grade 1–5).

〈Sejong Plant〉



〈Eumseong Plant〉



| Grade | Assessment Standards | Sejong | Eumseong |
|---|---|---|---|
| Grade1 | High ecological/natural value | 15.6% | 1.2% |
| Grade 2 | Moderately high ecological/natural value | 29.8% | 21.6% |
| Grade 3 | Requires eco-friendly planning | 34% | 49.8% |
| Grade 4 | Requires eco-friendly development | 0% | 0.2% |
| Grade 5 | Must factor in environmental considerations for developments | 20.5% | 27.1% |

### Dependency and Impact Analysis

Evaluate

Hanwha Advanced Materials analyzed the plastics manufacturing industry's dependencies and impacts on natural capital, based on the ENCORE guidelines. While the industry's characteristics are relevant to 21 indicators, its dependence on natural capital, including water resource purification, was rated as moderate. The impact on the ecosystem, particularly the discharge of toxic substances into water resources and soil, was found to be significant.

| | Category | Level |
|---|---|---|
| Dependency (14) | Water supply | Low |
| | Global climate regulation | Very low |
| | Local climate regulation | Low |
| | Rainfall pattern regulation | Very low |
| | Air filtration | Very low |
| | Soil and sediment retention | Low |
| | Solid waste remediation | Low |
| | Water purification | Medium |
| | Water flow regulation | Medium |
| | Storm mitigation | Medium |
| | Flood mitigation | Medium |
| | Noise Attenuation | Very low |
| | Other regulating and maintenance service–Dilution by atmosphere and ecosystems | Low |
| | Other regulating and maintenance service–Mediation of sensory impacts (other than noise) | Very low |
| Impact (7) | Disturbances | Medium |
| | GHG emissions | Medium |
| | Non-GHG air pollutants | Medium |
| | Solid waste generation and release | Medium |
| | Toxic pollutants to water and soil | Very high |
| | Volume of water use | Low |
| | Area of land use | Low |

# Environmental Impact Management

## Biodiversity Risk Assessment Result

### Risk and Opportunity Identification

Assess

Using IBAT and WWF tools, we analyzed the presence of threatened species and both physical and reputational biodiversity risks near the Sejong plant and Eumseong plant. IBAT results confirmed a total of 29 threatened species (CR, EN, VU) on the IUCN Red List, and WDPA analysis confirmed no applicable Ramsar sites. Additionally, the WWF biodiversity risk analysis results confirmed that the regulatory aspect among physical factors was a high risk for both business sites.
Based on such results, we are developing short–term and mid– to long–term response strategies to mitigate risks associated with factors with significant impacts on biodiversity, and are pursuing efforts to minimize environmental impact.

**IBAT Protected Species** (Unit: species)

| Category | Sejong | Eumseong |
|---|---|---|
| Critically Endangered(CR) | 0 | 0 |
| Endangered(EN) | 10 | 10 |
| Vulnerable(VU) | 18 | 18 |
| Near Threatened(NT) | 20 | 20 |
| Least Concern(LC) | 439 | 445 |
| Data Deficient(DD) | 14 | 12 |

**WWF Biodiversity Risk Analysis**

| Category | | Sejong | Eumseong |
|---|---|---|---|
| Physi–cal | Provisioning ser–vices | Med | Low |
| | Regulatory and support services | High | High |
| | Regulatory ser–vices(mitigation) | High | High |
| | Biodiversity pres–sures | Low | Low |
| Rep–uta–tional | Environmental factors | Low | Low |
| | Socioeconomic factors | Low | Low |
| | Other reputational factors | Low | Low |

### Response and Disclosure

Prepare

Hanwha Advanced Materials' Sejong plant, in collaboration with the Sejong City Nature Conservation Council, has been removing the invasive species, thornbush, and planting trees in the Geumgang River basin and surrounding areas to promote biodiversity and forest conservation. Going forward, we plan to conduct a biodiversity assessment of all our plants to minimize the loss of species and populations in the local ecosystem and continue our efforts to restore biodiversity.


Community environmental cleanup activity


Sejong City thornbush removal activity

# Sustainable Product

## Sustainable Product Development System

### Sustainable Product R&D

Hanwha Advanced Materials is committed to minimizing the environmental impact of its products throughout their design, production, use, and disposal stages through sustainable product development. We are currently strengthening our research on eco-friendly technologies and materials. We will set goals to reduce environmental impact throughout the entire process and lay the foundation for achieving these goals.

Furthermore, Hanwha Advanced Materials continues to pursue technological innovation through continued investment in the development of eco-friendly advanced materials. We are consistently striving to expand the use of recycled materials in our product manufacturing processes. As part of these efforts, our StrongLite and BuffLite products achieved the Global Recycled Standard (GRS) certification in 2021, while our SuperLite and IntermLite products achieved Recycled Claim Standard (RCS) certification.

**GRS Certification**

Contains 20% or more recycled inputs

Product traceable across collection, processing, manu-facturing, and sale

Minimize environmental and chemical impacts

**RCS Certification**

Contains 5% or more recycled inputs

Product traceable across collection, processing, manufacturing, and sale

| GRS/RCS Certificate

### Sustainable Product Management Goal

Hanwha Advanced Materials has an eco-friendly product line based on GRS and RCS certifications, and is continuously striving to increase the sales ratio of eco-friendly products. To this end, we are developing ELV[1]-related products that utilize recycled raw materials and recycled plastics derived from scrapped vehicles, either independently or in collaboration with our customers. Furthermore, with the establishment of the LCA system, we are identifying key emission sources throughout the product lifecycle, and implementing carbon reduction tasks aimed at increasing the proportion of renewable raw materials at the raw material stage and improving energy efficiency at the production stage.

### Resource Conservation through Efficient Raw Material Use

Hanwha Advanced Materials is implementing sustainable management through the use of eco-friendly raw materials. We optimize processes to increase raw material efficiency, recycle byproducts generated during the production process, and actively utilize recycled raw materials to contribute to resource conservation.

We are partnering with multiple companies to advance the 'Green Action Alliance' project, aiming to foster an eco-friendly, materials-based industrial ecosystem. We are conducting R&D on applying biodegradable bioplastics (PLA) to hygiene products and expanding PLA use to a broader range of items, including industrial filters and wipes. We are preparing products using eco-friendly raw materials such as recycled polypropylene (PP) and plan to begin full-scale mass production starting in 2026, which will be managed systematically to reduce environmental impact.


| Eco-friendly material development collaboration

1) ELV (End-of-Life Vehicle): A directive mandating that by 2030, 25% of the plastic used in vehicles must be recycled plastic, 25% of which must come from end-of-life vehicles

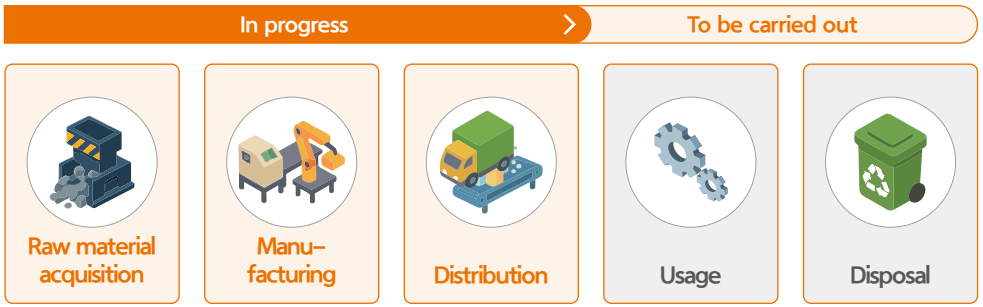
# Sustainable Product

## Sustainable Product Management Activities

### Life Cycle Assessment (LCA)

Hanwha Advanced Materials systematically analyzes the environmental impact of its products through LCAs to develop sustainable products. By quantitatively assessing the environmental impact across the entire product lifecycle, from raw material acquisition to product distribution, we identify key carbon emissions sources. Based on this assessment, we are pursuing initiatives such as developing products using recycled PP, recycling steel pallets, and improving facility energy efficiency. We plan to continue manage and reduce carbon emissions through LCA assessments.

#### LCA Scope




| | | |
|---|---|---|
| STEP 1 | Raw material acquisition | We continuously improve packaging and use of raw–material efficiency, including recovering and reusing steel pallets used for product transport and promote resource circulation. |
| STEP 2 | Manufa–cturing | We are actively promoting circular economy–driven product design and are applying recycled PP to products according to customer requirements. The material registration process is underway and, once completed, will be applied to finished vehicles. In addition, we have established an LCA system to systematically evaluate and monitor the environmental impact of our products, and based on this, we are strengthening our strategy for sustainable product development. |
| STEP 3 | Distri–bution | We monitor carbon emissions emitted during the product distribution stage through our LCA system. |
| STEP 4 | Usage | We are evaluating procedures for collecting and reusing used products and actively pursuing collaborative approaches to product retrieval with suppliers. Going forward, we plan to expand cooperation with external stakeholders to further improve resource circulation efficiency. |
| STEP 5 | Disposal | We are currently reviewing measures to promote resource recycling, such as developing products using ELV–derived raw materials during the product disposal process, and plan to actively apply these measures in the future to minimize our environmental impact. |

# Social

Health & Safety 035
Talent Management 041
Human Rights Management 047
Supply Chain Management 050
Product Quality & Liability 053
Social Contributions 055

# Health & Safety

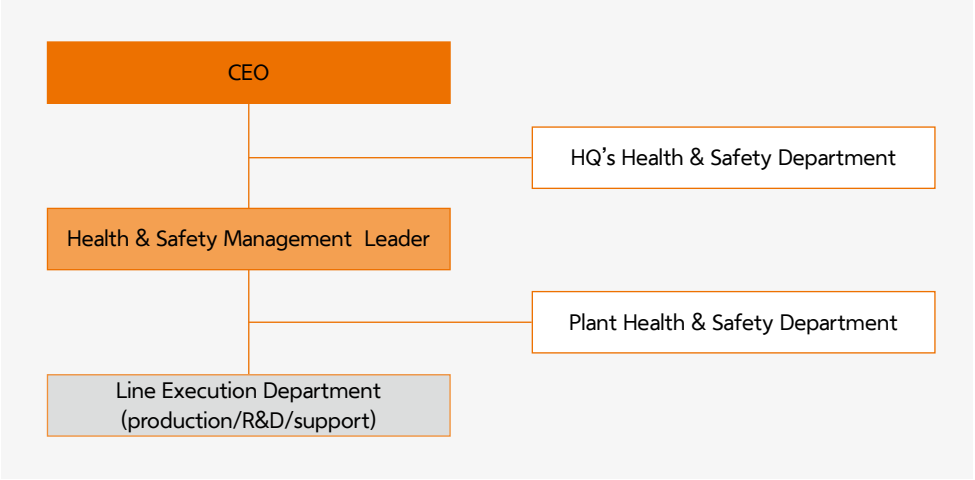
## Health & Safety System

### Health & Safety Management Policy

Hanwha Advanced Materials establishes and implements health and safety policies to meet the requirements of health and safety related laws, regulations, management standards, and guidelines. By managing health and safety risks and opportunities and driving improvements, we aim to minimize negative impacts, prevent industrial accidents, and maintain a healthy work environment. Our headquarters and all domestic and international business locations are subject to these policies, and we encourage all operational stakeholders, including suppliers, to adhere to them.

Occupational Health & Safety Management Policy

### Health & Safety Management Organizational Structure




### Health & Safety Management Goal

Hanwha Advanced Materials places zero accidents and zero injuries at the top of its safety and health priorities, establishing company-wide objectives. Each business site then develops and implements action plans aligned with these goals. Targets are phased from short-term to long-term, and progress is reviewed annually through planning cycles and performance reports to the CEO to strengthen practical safety and health management. Furthermore, we are enhancing execution by concentrating on accident prevention, training, emergency response, and the digital transformation of its safety, health, and environmental management systems.

### 2024 Key Health & Safety Performance

**Major Accidents**

0 Cases

**ISO 45001 certified**

at Sejong & Eumseong plant
(August 26, 2025~ August 25, 2028)
– Certification date: August 26, 2013

**Health & Safety Improvements**

291 Cases

### 2025 Health & Safety Improvement Plan

| | |
|---|---|
| **1. Achieve zero accidents at sites** | • Intensify checks on the three major accident types and eight key hazards[1)]<br>• Focused management of key risk factors |
| **2. Achieve zero accidents for suppliers** | • Establish safety work standards for on-site suppliers<br>• Expand risk assessment certification for external suppliers |
| **3. Expand employee participation to promote safety culture** | • Enhance expert OHS training<br>• Scale up safety campaigns and autonomous safety activities |

1) Scaffolding, roofs, ladders, elevating work platforms, safeguards, lockout/tagout during maintenance, concurrent works, collision prevention

# Health & Safety

## Health & Safety Risk Management

### Hazard Identification and Remediation

Hanwha Advanced Materials prioritizes preventing workplace accidents and improving the work environment. Through periodic, company-wide safety inspections, all employees are committed to proactively preventing accidents that could impact not only workers but also the local community.We continuously identify risk factors through monthly safety patrols and department-level inspections. We conduct targeted safety inspections to pinpoint and address high-risk areas such as entrapment, vehicle collisions, and chemical leaks as well as other vulnerable management areas. We also implement systematic preventive measures, including seasonal safety inspections during thawing season, summer, holidays, and winter.

#### Health & Safety Inspection Status

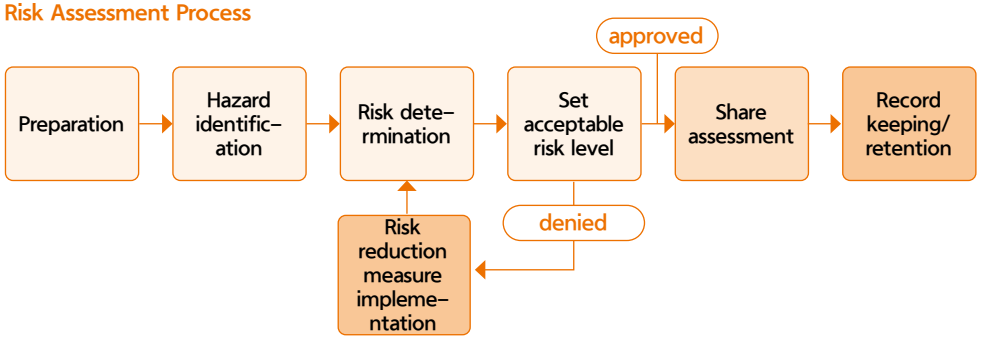
| Category | Details | Period |
|---|---|---|
| Self Inspection | Team-by-team industrial safety, process safety, fire safety, and work safety inspections | Monthly |
| Safety Patrol | On-site Safety Patrol inspection by business site | Monthly |
| Theme Inspection | Theme-based key safety inspection (MSDS[1]), signs, construction safety management, etc.) | Monthly |
| Cross Inspection | Cross-inspection of business sites to prepare for seasonal risk factors led by headquarters | Quarterly |

1) MSDS(Material Safety Data Sheet): Safety data sheets for the safe use of chemicals and hazardous substances

### Health & Safety Risk Minimization

Hanwha Advanced Materials conducts comprehensive risk assessments to prevent safety risks. All employees involved in operations participate in hazard assessments. We perform annual risk assessments and ongoing on-site safety inspections at every site and department to identify and address hazards. We use the Safety, Health and Environment (SHE) system to monitor the progress of risk identification and improvement actions, with the aim of minimizing safety risks.
Additionally, we engage external risk-assessment experts to identify a wide range of hazards and incorporate their findings into our regular and ad hoc risk assessments, maximizing the effectiveness of accident prevention.

#### Risk Assessment Process




#### Risk Assessment Status

| Category | Details | Period |
|---|---|---|
| Regular Assessment | Regularly review the appropriateness of existing risk assessment results and establish and implement risk reduction measures for high-risk factors | Annual |
| Ad Hoc Assessment | Risk review and assessment in the event of additional hazardous or hazard factors<br>– When accidents occur, work procedures, equipment, or materials are newly added or changed<br>– When maintenance work, irregular or abnormal work occurs, etc. | Always |

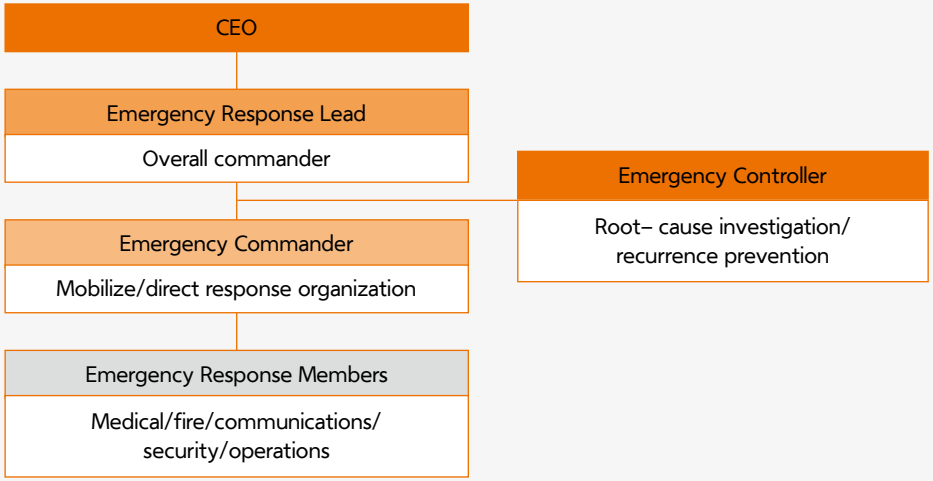
# Health & Safety

## Health & Safety Risk Management

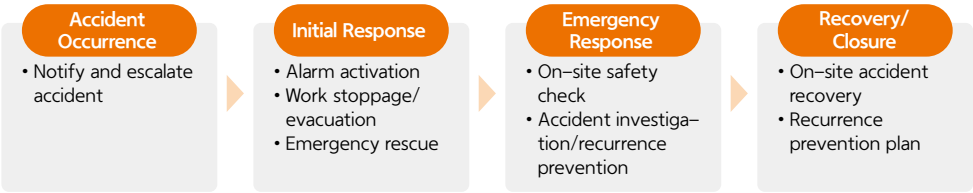
### Emergency Response System

Hanwha Advanced Materials maintains an emergency response system to ensure swift and systematic action in the event of an accident. We also prepare for real-world scenarios by establishing response procedures for each possible incident. By thoroughly investigating accident causes and implementing measures to prevent recurrence, we continually reduce safety and health risks and maintain a safe working environment.

#### Organizational Structure




#### Emergency Response Process




### Emergency Response Drill

Hanwha Advanced Materials develops well-defined emergency scenarios and conducts regular drills and training. We perform routine accident-damage predictions and integrate them into our emergency plans. Based on risk assessments that consider the likelihood and severity of each scenario, we establish graded training cycles and provide enhanced training for high-risk situations such as fires, explosions, leaks, and asphyxiation.
Additionally, to strengthen our emergency response we have updated each department's emergency response plans to cover work stoppages, rapid evacuation, hazard removal, victim rescue, and measures to prevent further damage.

#### Emergency Response Training Status

| Category | Details | Period |
|---|---|---|
| Fire/Explosion | Boilers, ESS rooms, etc. | Annual |
| Injury | Accident scenario training and drills | Annual |
| Asphyxiation | Suffocation accident scenario training and drills | Annual |
| Leakage | Chemical, gas, wastewater leakage accident scenario training and drills | Annual |
| Natural Disaster | Natural disaster (cyclone, earthquake, etc.) scenario training and drills | Biennial |

Fire suppression response training

Chemical leakage response training

Asphyxiation response training

# Health & Safety

## Health & Safety Management Activities

### Employee Health Management

Hanwha Advanced Materials recognizes the health of its employees as a vital corporate asset and is committed to early detection and prevention of diseases through regular health check-ups. Annual health screenings are conducted for all employees to systematically manage their health and contribute to creating a comfortable working environment.

Additionally, to prevent work-related repetitive strain injuries (RSI), strict workplace environment management procedures are implemented. Efforts are made to improve conditions to reduce the burden of repetitive motions on workers, and preventive measures such as encouraging appropriate rest and stretching when necessary.

Alongside annual health check-ups, job stress assessments are conducted to manage employees' mental health. For those classified as high-risk, on-site nurses provide counseling and facilitate treatment connections. To make it easier for employees to address psychological difficulties, the company is reviewing the introduction of a psychological counseling program with external professional institutions, scheduled for full implementation starting in 2026.

#### Employee Health Management Scheme

| Employee Health Right Guarantee | Employee Mental Health Management | Employee Health Management Program |
|---|---|---|
| Health insurance program | Health checkups, job stress assessments, and in-house nurse treatment (for high-risk groups) | Cerebrovascular disease, basic disease management, stretching, smoking cessation, and alcohol abstinence programs |

CPR training

Hearing loss prevention training

Musculoskeletal disease prevention training

### Supplier Health Management

Hanwha Advanced Materials conducts regular inspections two to three times a week for suppliers in collaboration with external specialized agencies to ensure the safety of non-affiliated workers. We also participate in the Win-Win Cooperation Program led by the Ministry of Employment and Labor, providing safety and health consulting and financial support for facility improvements across suppliers.

### Cafeteria and Dormitory Safety Management

Hanwha Advanced Materials conducts quarterly inspections and maintenance of dormitory facilities to ensure a safe and comfortable living environment for our employees. Led by the Sejong plant and Eumseong plant support teams, we systematically implement safety and health management activities, including installing emergency evacuation facilities, inspecting fire-detection and alarm systems, maintaining sanitary facilities, and enforcing access controls. By safeguarding the hygiene and safety of living spaces, we support employees' well-being. We also regularly inspect cafeteria facilities and carefully manage food ingredients to ensure hygiene and safety, delivering safe meals to our employees.

Cafeteria and dormitory health management facilities

# Health & Safety

## Health & Safety Management Activities

### 12 Mandatory Safety Rules

To prevent safety accidents and enhance safety awareness among employees and suppliers, Hanwha Advanced Materials has established and is implementing the "12 Mandatory Safety Rules," which must be observed on-site. Through these rules, we strive to foster a safety culture that all employees voluntarily adhere to.


| 12 Mandatory Safety Rules

### Health & Safety Campaign

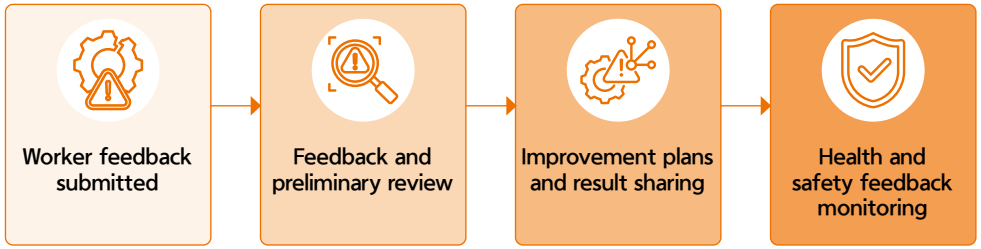
Hanwha Advanced Materials is committed to strengthening safety awareness by conducting joint labor-management safety campaigns involving employees and suppliers. In 2024, we are promoting safety guidelines to prevent heat-related illnesses during the summer heatwaves, as well as campaigns on fire prevention, work safety, and traffic safety, aiming to raise workers' attention to occupational health and safety and to foster a culture of safety.

| Heat related illness prevention campaign

### Health & Safety Communication Channel

Hanwha Advanced Materials runs a dedicated communication channel to systematically address health and safety issues. In 2024, we launched a QR code–based feedback system that allows employees to submit safety suggestions freely and is also accessible to external stakeholders. Submissions are reviewed at the quarterly Industrial health and Safety Committee meetings, and any unresolved items are tracked and addressed at the next meeting.

#### Health & Safety Communication Process





| Collecting Employee Feedback


| Integrated SHE Management System

# Health & Safety

## Health & Safety Management Activities

### Employee Health & Safety Training

Hanwha Advanced Materials conducts both statutory and in-house training to strengthen the health and safety capabilities of its employees. Statutory training is conducted periodically at headquarters and each business site in accordance with laws and regulations, and in-house training provides more in-depth training through with external expert instructors and cooperation with specialized organizations. To strengthen safety awareness, Hanwha Advanced Materials conducts campaigns and involves employees in participatory activities. These include safety-rule compliance campaigns and the practice of documenting personal safety and health goals in each employee's health and safety folder

### Supplier Health & Safety Training

Hanwha Advanced Materials systematically manages suppliers' training completion status to strengthen their safety and health capabilities. As part of our collaborative efforts, we share training materials and updates on safety and health laws and regulations and encourage our suppliers' managers to participate in external safety and health training where partial training costs are supported thereby further strengthening our collaborative efforts.

### Health & Safety Management System Certification

Hanwha Advanced Materials prioritizes the safety of its employees and stakeholders and has obtained ISO 45001 (Occupational Health and Safety Management System) certification to establish a systematic safety and health management system. We have assigned safety and health personnel to each business site to carry out activities such as establishing and operating a health and safety management system, ensuring prior compliance with legal requirements, identifying and improving risks, and cooperating with stakeholders.


| ISO 45001 Certificate

### Health & Safety Training Status

| Category | Details | | Duration | Participants | Completion Rate | Total Hours |
|---|---|---|---|---|---|---|
| Regular Training | • Matters concerning industrial safety and prevention of industrial accidents<br>• Matters concerning industrial health and prevention of health hazards<br>• Mid- to long-term plans/goals for workplace safety and health<br>• Theories of industrial safety and health management<br>• Industrial Health and Safety Act and Serious Accident Punishment Act | • Department emergency drills (scenario training)<br>• Regular/process hazard assessment training, etc.<br>• Special safety status training for hazardous/ dangerous tasks<br>• Other health and safety matters stipulated by law | 12hr/ semiannually | 635persons | 100% | 5,080hr |
| Work Change Training | • Matters concerning pre-work inspections<br>• Hazards of machinery and equipment, work sequence, etc. | • Other training on changes to work content as stipulated by law | 2hr/always | 50persons | 100% | 100hr |
| Specialized Training | • Effects of high-pressure hazards on the human body<br>• Electrical hazards and prevention of electric shocks | • Facility maintenance and inspection<br>• Other matters for specific tasks stipulated by law | 16hr/start of employment | 46persons | 100% | 736hr |
| Skill Advanc-ement Training | • Health drill training<br>• CPR training | • Employees with under one year of employment undergo special safety training<br>• Other health & safety training besides legally required training | 2hr<br>2.5hr<br>8hr<br>*Depends on training type | 403persons | 96% | 1,412hr |

# Talent Management

## Work Environment Management System

### Work Environment Policy

To promote a safe, fair, and respectful workplace, Hanwha Advanced Materials operates a systematic work environment policy. All workplaces adhere strictly to employment regulations, wage laws, and employee–benefit policies. Based on its human rights management policy, ethics charter, and ethical conduct guidelines, we seek to foster a culture of humane treatment and mutual respect.

### Wage and Compensation System

To promote employees' financial stability and better working conditions, we strictly follow statutory working hours in each country and pay wages that meet legal standards on a regular basis. We guarantee wages above the legal minimum so that employees and their families can maintain a decent living standard, and we consider wage increase proposals through regular wage–level analyses. The compensation system is reviewed annually and shared with employees via the company bulletin board. In annual salary negotiations, transparency and trust are strengthened through a mutual–agreement–based contract review and signing process. Additionally, we establish appropriate wage standards through periodic living–wage analyses and use these findings to improve the wage system and welfare policies.

### Work Hour Management and Overtime

Hanwha Advanced Materials maintains a 40–hour work week, strictly enforced through the HR system. Overtime is allowed up to statutory limits when business needs arise, with caps set in agreement with the union or employee representatives under the Labor Standards Act. Overtime requires prior approval and the employee's consent, and compensation and rest periods are provided in accordance with applicable laws and regulations.

### Work Environment Goal

Hanwha Advanced Materials is committed to create a safe, trustworthy workplace and promote a healthy work–life balance. We offer a flexible work system that accommodates diverse working conditions, with a focus on minimizing overtime and efficiently managing hours. Additionally, we support a more comfortable and productive environment by implementing a casual dress code.
In addition to improving the work environment, we hold quarterly labor–management councils at all sites to collect and share employees' views on overall working conditions. Topics include policies, welfare benefits, and organizational culture. Proposed items are reviewed by the relevant departments to determine possible actions, and the results are communicated transparently.
Our compensation system follows the principle of fair rewards based on performance and set annual compensation budgets aligned with the company's strategic goals and link pay to individual performance. We pay above the legal minimum wage and consider local living–wage benchmarks at each site, continually working to ensure employees' basic living standards.

#### 2024 Work Environment Improvement Targets

| | | | | |
|---|---|---|---|---|
| Strategy | Sustain a work–life balanced work environment | | Timely provision of wage/welfare information | Regular employee communication channel operations |
| Target | • Expand flexible working hours utilization | • Monitor performance and promote improvement activities to minimize overtime | • Provide regular updates on compensation–related information (minimum wage, wage rates, etc.)<br>• Update welfare benefit system materials<br>• Analyze living wage levels for reference | • Operate labor–management councils at all sites<br>• Share result of collected pinions and tighten feedback system |
| Remarks | 79 persons (52% increase compared to 2023) | Always | At least once a year | At least once quarterly |

# Talent Management

## Talent Recruitment and Skill Development

### Talent Recruitment

Hanwha Advanced Materials conducts objective evaluations of all applicants to ensure a fair and transparent recruitment process. In line with our human rights management policy and employment regulations, we hire through equitable procedures that do not discriminate based on gender, nationality, disability, age, social status, pregnancy, childbirth, or related factors. The recruitment process includes document screening, interviews, medical examinations, and final selection. To maintain fairness at every stage, job postings include anti-discrimination statements and all candidates undergo the same procedures and rigorous evaluations.
To drive sustainable growth, we offer an internship program that supports our diversity and talent acquisition objectives. We hire both fresh graduates and seasoned professionals and maintain a job-rotation program for current employees. We continually curate talent pools inside and outside the organization to identify suitable candidates, ensuring outstanding talent gains varied experiences to foster their career progression.

#### Talent Recruitment Process

- STEP 1 — Application Screening
- STEP 2 — 1st Interview
- STEP 3 — 2nd Interview
- STEP 4 — Employment negotiation & medical examination
- STEP 5 — Final pass

#### Talent Acquisition Strategy

| | |
|---|---|
| Internship Program | University internship program operated to foster outstanding talent |
| Diversity Expansion Scheme | Priority given to employment-protection candidates (such as those with disabilities or veterans) in accordance with relevant laws |
| Experienced Employee Recuirtment | Expansion of direct sourcing to proactively recruit top talent |
| Ad Hoc Recruitment | Continuous operation of internal and external talent pools to match candidates to positions and support organizational and individual development |
| Internal Job Posting | Implementation of a job-rotation program to provide employees with career development and growth opportunities |

### Regular Performance Evaluation and Compensation

Hanwha Advanced Materials' performance evaluation is built on MBO (Management by Objectives), with individual goals at its core. Mid-year reviews incorporate continuous feedback from leaders and peers, and year-end reviews deliver a definitive performance rating. To improve fairness, an absolute evaluation method is used, and the performance-management framework enables employees to request and receive feedback from both supervisors and peers.
Moreover, employees' goals are aligned with the organization's overall objectives, helping them understand the strategic direction and actively contribute to achieving targets and work contributions are measured quantitatively, and evaluation results are used to shape personal career growth plans and guide the compensation system.

#### Job Performance-based Growth Framework

- Four-tiered role based ranking system and use of one position title 'pro'
- Non-disclosure of ranks (CL) and promotion of an equal organizational culture
- Opportunity for rapid growth based on performance without length of service by position
- Performance evaluations focused on competencies/ contributions through multi-faceted assessments

#### Employee Performance Evaluation Process

Set personal goals → Midterim target progress check and feedback → Year-end final performance review → Final comprehensive evaluation → Feedback/ appeals → Final decision and compensations

# Talent Management

## Talent Recruitment and Skill Development

### Employee Skill Development Goal

Hanwha Advanced Materials actively develops employees' skills through the Great Challenger talent model, enabling them to set goals aligned with the company's strategic direction and to steadily deepen their expertise. By focusing on cultivating prepared leaders as a core strategy, the company instills a performance-driven mindset and a goal-oriented work approach, strengthening key capabilities to build a high-performance, highly engaged organizational culture.

To support long-term growth and engagement, Hanwha Advanced Materials fosters a learning-oriented, retention-focused environment, offers role-specific competency development opportunities, and ensures these developments translate into performance through technical insights. Building on this experience, the company plans to expand its enterprise-wide competency-development system, modernize work methods, and continuously drive organizational transformation..

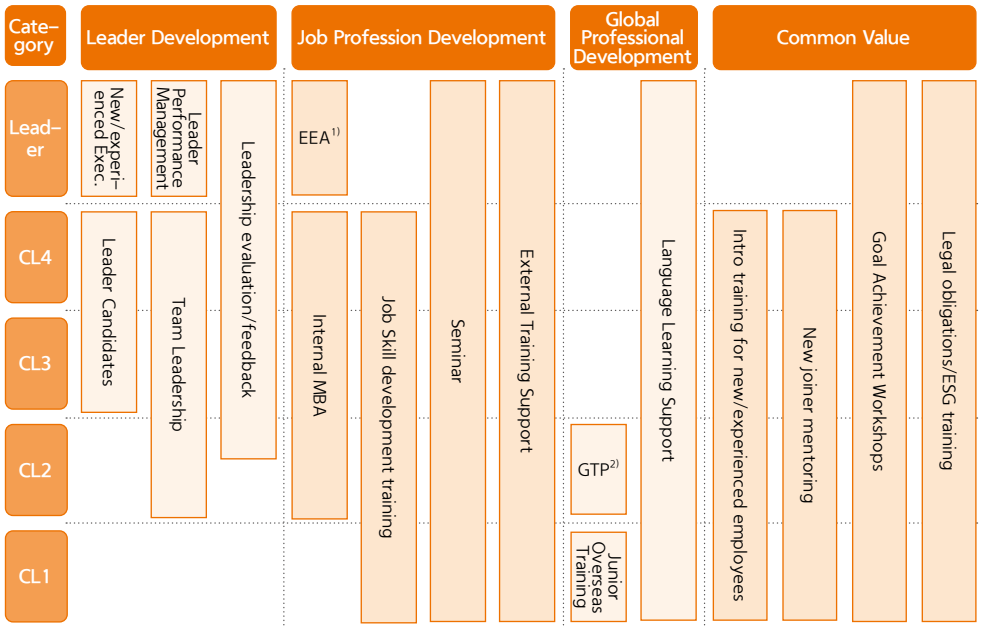
#### 2024 Employee Skill Development Target

| Strategy | | Targets | Remarks |
|---|---|---|---|
| 01 | Strengthen leadership skills to enhance organizational commitment | • Regular implementation of leader performance management and leadership development programs for members<br>• Workshops to define leader-driven strategic priorities and strengthen execution skills | • Leadership development (six times/year)<br>• Annual workshops |
| 02 | Improve intrinsic skills by advancing job expertise and innovating work methods | • Tailored training to develop role-specific expertise and expand specialized talent<br>• Enhance problem-solving skills through field experience and cultivate in-house instructors<br>• Provide insights to drive innovation in work methods | • Global position language program support<br>• Internal training (18 times/year) |
| 03 | Create a sustainable growth environment through synergy among employees | • Present clear career growth paths for high-potential talent and strengthen retention<br>• Strengthen onboarding programs to support the quick adaptation of new hires and existing staff | • 1:1 mentoring for new employees<br>• Quarterly onboarding training |

### Employee Training Program

Hanwha Advanced Materials runs a comprehensive set of practical-skills training programs to boost employee performance and expertise. New hires receive onboarding to help them quickly adapt and demonstrate capabilities. All staff receive customized training aligned with career paths and job-specific skills, building core skills systematically. The curriculum emphasizes practical competencies such as business acumen, problem solving, and execution, while continually expanding the upskilling system. It also leverages the latest technological insights and applied learning to maximize training effectiveness. In response to global growth, a strategic learning system is in place to strengthen the global competitiveness of key talent.

#### Employee Skill Development Program




1) Execution Excellence Academy 2) Global Talent Program

# Talent Management

## Organizational Culture Improvement

### Fostering an Environment of Work–Life Balance

Hanwha Advanced Materials fosters a flexible, autonomous work environment to help employees balance work and family life, promoting a healthy culture of communication and collaboration. By implementing autonomy–based flexible work arrangements such as staggered hours, flexible schedules, and designated working hours, tailored to the diverse job roles and personal circumstances, we pursue both work efficiency and work–life balance. Additionally, we also implement a range of family–friendly measures to boost employees' quality of life, including Dad's Leave for prospective fathers, exceeding statutory requirements, and a Mom's Package for pregnant employees, along with childcare and family–support programs. Sick leave, maternity leave, sabbatical leave etc., align with national laws across all sites, and these programs were recognized with family–friendly certification in 2023.

Furthermore, Hanwha Advanced Materials regards employee health as a vital asset and practices a culture of caring for the health of employees and their families through a company–wide health management system. Notably, the company offers comprehensive benefits such as health check–ups covering not only employees but also their spouses, as well as group accident insurance. Continuous communication with employees ensures ongoing monitoring of these programs and persistent efforts to enhance welfare standards.

#### Employee Welfare/Benefit Programs

| Category | In–house Activities | Living Environment | Maternal Protection | Vacation/ Personal Development | Leisure and Health |
|---|---|---|---|---|---|
| Welfare Program | • Commuter bus operation<br>• Company housing and dormitories<br>• On–site cafeteria<br>• Specialized summer meals<br>• Work uniforms and safety gear<br>• Presentation of anniversary souvenirs<br>• In–house health promotion facilities<br>• Company club activity support<br>• Handure (team–building) event support | • Housing loan<br>• Housing stability funds<br>• Relocation leave and moving expenses support<br>• Congratulatory gifts and tuition support for children's school admission<br>• Gifts for children taking the college entrance exam | • Reduced working hours during pregnancy/childcare period<br>• Guaranteed time for prenatal checkups and maternity/paternity leave<br>• Workplace daycare center<br>• Mom's Package gifts and childbirth congratulatory financial support<br>• Mom's Room and guaranteed nursing time | • Flexible working hours system<br>• Sabbatical leave system<br>• Paternity leave<br>• Special paid leave<br>• Awards and vacation for long–term service (10/20/30 years)<br>• Overseas training system<br>• In–house language courses<br>• Foreign language learning expenses<br>• Certification acquisition support | • Provision of welfare/refresh points<br>• Transportation/communication expenses<br>• Regular health checkups<br>• Enrollment in group accident insurance<br>• Health management office<br>• Congratulatory money/leave/ flower wreaths, etc.<br>• Holiday ancestral rites expenses<br>• Discounted use of group company leisure programs (resorts, horseback riding, etc.) |

# Talent Management

## Organizational Culture Improvement

### Employee Satisfaction Survey

Hanwha Advanced Materials conducts an annual employee survey to support a healthy organizational culture and higher satisfaction. It is available on mobile and web platforms. In 2024, the survey ran for approximately three weeks from September to October, with around 71% of employees taking part. There are 55 questions across seven areas, including vision sharing, organizational aspects (strategy, leadership, systems), and personal aspects (work purpose, methods, competencies). The analysis identified weaknesses in the systems and work methods areas. Improvement tasks were established, an action plan was prepared and reported to the CEO, and these outcomes are being integrated into ongoing culture-enhancement initiatives, contributing to greater employee satisfaction.

#### Employee Satisfaction Survey Process

**STEP 1** Draft and distribute survey
- Design survey questions based on organizational culture and talent characteristics
- Distribute to all employees via mobile and web

**STEP 2** Encourage participation/ Data analysis
- Encourage participation for about three weeks (71% participation rate as of 2024)
- Conduct quantitative and qualitative analysis on 55 questions across seven areas

**STEP 3** Plan and execute improvement tasks
- Identify areas needing improvement (e.g., systems, work methods)
- Establish action plans and reflect organizational culture improvement activities by reporting to the CEO

### Employee Communication Channel Operation

Hanwha Advanced Materials maintains two-way communication with employees through meetings and workshops, enabling open dialogue about the current work environment, collecting feedback, and identifying improvement actions to continuously enhance the workplace. Each site operates a grievance committee to promptly address concerns, and open chat rooms for general staff give frontline voices a direct channel, reinforcing a culture centered on open communication..

| General communication committee meeting

| Labor union workshop

# Talent Management

## Labor Management System

### Labor Relations Policy

Hanwha Advanced Materials is committed to building stable labor–management relations based on mutual trust and cooperation. Labor unions and labor–management councils operate at all business sites, actively reflecting employees' opinions in management. All major business sites are located in areas where the right to freely associate is guaranteed and are not subject to restrictions under local laws and regulations.

Legally mandated labor–management councils, with equal representation from labor and management, hold quarterly meetings to discuss employment, welfare, safety and health, and working conditions. The outcomes are shared transparently and implemented thoroughly. The Seoul headquarters introduced the Advanced Materials Open–Up (Communication Committee) in March 2024, an autonomous body for general and office workers to enhance culture and mutual gains. Representatives are chosen through direct, secret, and anonymous voting, and minutes are posted on the company intranet.

Furthermore, working conditions are systematically governed by collective agreements and employment rules. Workshops between labor unions and on–site workers reinforce a culture of open communication and cooperation in the workplace. Hanwha Advanced Materials formalizes communications with employee representative bodies under its human–rights and labor policies, which guarantee freedom of association, respect employees' rights, and foster a healthy labor—management relationship for a sustainable management environment.

### Labor Relations Goal

Hanwha Advanced Materials is committed to improving and strengthening labor–management relations through clear goal setting. Currently, we are rigorously managing the implementation rate of labor–management agreements compared to the previous year, and on a practical level, we have established and are operating KPIs for early settlement of wage agreements and wage levels.

## Labor Management Activities

### Labor Union

In line with the Act on the Promotion of Workers' Participation and Cooperation, Hanwha Advanced Materials runs a labor–management council that meets quarterly to discuss diverse issues, promoting ongoing mutual understanding and a collaborative labor—management environment.

#### 2024~2025 Labor Management Council Status

| Meeting Date | Key Discussion Points | |
|---|---|---|
| 2024 Q1 | • Meal allowance increase<br>• Health care room/psychological counseling | • Certification wage increase<br>• Labor–management newsletter publication |
| 2024 Q2 | • Summer coupon increase<br>• Business trip expense increase | • Work bicycle repair<br>• Gym equipment replacement/ maintenance |
| 2024 Q3 | • Rest area PC installation<br>• Massage chair model replacement | • Southeast district commuter bus route expansion<br>• Change room shoe locker replacement |
| 2024 Q4 | • Substation restroom<br>• Late–night snack allowance increase | • Work uniform distribution<br>• Health checkup fee increase |
| 2025 Q1 | • Sauna room equipment replacement<br>• Air purifier installation in vacant offices | • Gym bicycle machine replacement<br>• Additional air conditioner installation I nchange rooms |
| 2025 Q2 | • Club support fund increase<br>• Late–night snack provision | • Summer coupon price increase<br>• Facility check–up at vacant spaces |

#### Labor Union Registration Status

(As of 2024)

| Subject for registration | Registered | Registration Rate |
|---|---|---|
| 258 persons | 258 persons | 100% |

# Human Rights Management

## Human Rights Management System

### Human Rights Policy

Hanwha Advanced Materials places human rights at the core of its corporate management and adheres to international standards such as the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights (UNGPs), and the UN Global Compact Ten Principles through its human rights management policy. The HR department is solely responsible for human-rights-related tasks, and governance is strengthened by clearly defined roles within the organizational structure and job descriptions.

Our human rights policy includes guidelines on child labor, forced labor, and the rights of local communities and Indigenous peoples. Child and forced labor are strictly prohibited across all sites, including international operations. During recruitment, applicants' ages are checked with official documents and hiring proceeds only if the legal working age is met. If minors are hired, we ensure compliance with national laws and implement protective measures; should child labor be identified, immediate actions are taken to protect the child's rights and interests. No recruitment fees or deposits are required, and employees have the freedom to change positions or resign.

All employees are guaranteed fair opportunities regardless of gender, race, nationality, age, religion, disability, social status, political views, family relations, pregnancy, or childbirth. An inclusive organizational culture that respects minorities and vulnerable groups is fostered. In line with principles of humane treatment, workplace harassment, sexual harassment, violence, verbal abuse, and bullying are strictly prohibited, and technical and administrative measures are implemented to protect employees' privacy and personal information.

In cases of human rights policy violations, fair and impartial disciplinary procedures are conducted in accordance with relevant laws and regulations, ensuring all parties have ample opportunity to present their case. The human rights policy is published on the website to support policy awareness and compliance among internal and external stakeholders.

Human Rights Management Policy

### Human Rights Management Goal

Hanwha Advanced Materials aims to maintain zero child labor and forced labor and is thoroughly implementing measures to prevent them. We deeply recognize the importance of protecting human rights for external stakeholders and plan to establish specific goals reflecting this in stages. To achieve sustainable management, we are reviewing various measures, including the establishment of a human rights management policy, and will build a system to protect and strengthen human rights based on mutual respect and trust with external stakeholders.

#### Human Rights Management Roadmap

| | 2024 | 2025 | 2026 |
|---|---|---|---|
| Goal | Raise human rights management awareness and set policy foundation | Set and implement human rights management | Enhance human rights management |
| Details | Review human rights management policies | Enact and publicize human rights management policies within the company | Conduct human rights impact assessments once a year and incorporate improvements |
| | Designate dedicated human rights management team and its roles | Operate human rights management system through dedicated team | |
| | | Design human rights impact assessments | Strengthen system for proactive response to human rights risks |
| | Organize grievance procedure and inspect operational system | Conduct human rights training once a year for all employees | |

# Human Rights Management

## Human Rights Promotion Activities

### Human Rights Training

Hanwha Advanced Materials conducts a range of human rights promotion activities for employees and other stakeholders to realize the value of human rights management. Each year we provide training on preventing workplace harassment, including sexual harassment, disability awareness, and personal data protection. Beginning in 2024, as part of our ESG management, we will introduce ESG training that includes human rights awareness training to further strengthen employees' sensitivity to human rights issues. We recognize our social responsibility regarding major human rights challenges such as child labor, forced labor, and human trafficking and plan to gradually expand related training to raise awareness. We will also continue DE&I (Diversity, Equity & Inclusion) training to foster a culture of mutual respect and create a discrimination–free workplace.

**Employee Human Rights Training Status**

| Topic | Details | Participants/Subjects | Completion Rate | Period |
|---|---|---|---|---|
| ESG strategies that determine corporate survival | Understanding ESG management and practical application methods | 631 persons/631 persons | 100% | December 16–27, 2024 (2 weeks) |

### Wage Gap Elimination

Hanwha Advanced Materials operates a compensation system that ensures fair pay for employees performing the same duties and roles. We conduct regular pay audits to ensure equal pay, and these reviews help maintain and improve the fairness and transparency of its internal pay structure.

### Workplace Discrimination and Harassment Prohibition

Hanwha Advanced Materials emphasizes fair development and promotion, building an organizational culture that supports growth for everyone, irrespective of gender, age, education, or background. Through ongoing system improvements, it increases transparency and equity and guarantees equal opportunities. The human rights policy sets out humane treatment standards and strictly prohibits workplace harassment, offering both anonymous and named reporting channels to prevent abuse. Violations are subject to fair, stringent disciplinary action, with robust privacy protections. Combined with preventive education, these measures foster a healthy, respectful work environment.

Whistleblowing Channel

## Diversity Promotion Activities

### Women Diversity Promotion

To strengthen diversity, Hanwha Advanced Materials is implementing policies to develop and retain female talent. These include initiatives that support skill enhancement and work–life balance, offering flexible work arrangements such as staggered working hours and flexible schedules to prevent career interruptions due to childcare. Ongoing efforts to cultivate female leaders through mentoring programs are helping to increase the share of female managers and address the structural barriers present in the manufacturing industry.

### Employee with Disabilities Support

Hanwha Advanced Materials strives to grow alongside talented individuals from diverse backgrounds. Currently, nine employees with disabilities are working in our field departments and provide them with ongoing support with our business units to ensure they can perform their duties in line with their individual capabilities. We plan to gradually expand this tailored support to ensure more stable and sustainable employment for our employees with disabilities.

# Human Rights Management

## Human Rights Risk Management

### Human Rights Impact Assessment

As part of its systematic management efforts to strengthen human rights protection, Hanwha Advanced Materials is preparing to design an assessment system aimed at conducting human rights impact assessments for vulnerable occupations and positions across all its business sites. The assessments will be led by the Human Rights Management Working Group and will be conducted in a variety of formats, including written and on-site assessments. The assessments will be conducted in line with domestic and international human rights standards, including guidelines from the National Human Rights Commission. They will identify and evaluate human rights risks for all stakeholders—employees, suppliers, and customers. Based on the results, Hanwha Advanced Materials will develop and implement risk-mitigation measures and establish a monitoring system, gradually building an operational foundation to minimize risks.

#### Human Rights Impact Assessment Process

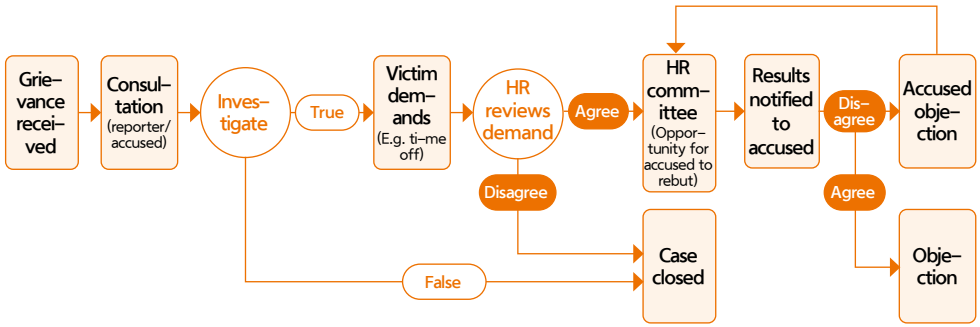
| | | |
|---|---|---|
| STEP 1 | Draft assessment checklist | • Prepare assessment checklist considering causing factors and stakeholders |
| STEP 2 | Define and assess risks | • Conduct assessment<br>• Analyze assessment results |
| STEP 3 | Plan and execute risk mitigation actions | • Identify priority improvement tasks based on likelihood and severity, plan and execute action plan |
| STEP 4 | Monitor and follow-up | • Regularly monitor improvement task implementation status<br>• Continuous effectiveness evaluation |

### Human Rights Grievance Handling System

Hanwha Advanced Materials maintains multiple grievance-reporting channels to address and prevent employee complaints and potential human rights violations. Reports can be submitted through the company website's reporting center or via phone lines, anonymously or with the reporter's name. Each workplace appoints both male and female grievance counselors, and a grievance-handling committee oversees a counseling process that accounts for gender and language. Reported grievances are addressed promptly with priority given to protecting victims; information provided is kept strictly confidential to prevent secondary harm, and a strict non-retaliation policy is enforced. Outcomes are communicated individually to reporters, and in 2024 no human rights-related grievances were reported through the channels.
Additionally, the grievance reporting channels are utilized not only by internal employees but also as a means to respond to human rights risks such as child labor, forced labor, and concerns raised by external stakeholders. Accordingly, a response system linked with follow-up measures to strengthen internal controls and monitoring is being established. Moving forward, grievance handling records will be systematically logged and managed through an electronic system to enable organized history management, and a framework will be put in place to regularly evaluate the effectiveness of the grievance handling process, continuously enhancing the system's efficacy.

Grievance Channel

#### Grievnace Handling Process



# Supply Chain Management

## Sustainable Supply Chain Management System

### Sustainable Supply Chain Management Policy

Hanwha Advanced Materials is operating a supply chain management system that incorporates ESG factors to strengthen sustainable management capabilities of its suppliers. The Sustainable Supply Chain Management Policy applies to all suppliers, including primary suppliers, clearly stating the implementation of activities related to sustainable procurement principles considering environmental and social aspects, supplier code of conduct, supply chain ESG list evaluation system, and grievance handling.

Supply Chain Management Policy

### Supplier Code of Conduct

Hanwha Advanced Materials specifies the Supplier Code of Conduct in contracts with all partners, aiming to ensure that they comply with the necessary laws and regulations for management and uphold high operational standards in areas such as human rights and labor, health and safety, environment, business ethics, and management systems. All suppliers and contractors delivering goods or services to Hanwha Advanced Materials or entering into other contracts must comply with this code of conduct. We also actively encouraging supply chain compliance, including with vendors, to ensure adherence to these standards.

Supplier Code of Conduct

### Supplier Management Guidelines

Hanwha Advanced Materials seeks to strengthen its supply chain by evaluating suppliers of essential materials through a methodical, objective process. The purchasing team and cost team, adhering to defined procedures and working with relevant departments, emphasizes quality, delivery reliability, and reasonable pricing when selecting suppliers capable of stable operations. A contract system that factors in ESG considerations is implemented to promote sustainability across the supply chain. This framework maintains the objectivity and rationality of supplier selection while delivering an excellent, stable supply network.

Supplier Management Guidelines

### Sustainable Supply Chain Management Goal

Hanwha Advanced Materials has established sustainable supply chain management goals that reflect environmental and social issues and is implementing systematic and proactive strategies to achieve them. By 2025, it plans to build a supply chain management system, strengthen it in 2026, and establish it fully by 2027. Through this process, we will continuously strive to create and continue to operate a sustainable supply chain from multiple perspectives, including compliance contracts with suppliers, codes of conduct, evaluation procedures, reporting channels, and ESG training.

| | 2025 | 2026 | 2027 |
|---|---|---|---|
| Goal | Develop supply chain management system | Strengthen supply chain management system | Finalize supply chain management system |
| Key Activities | **Set supply chain management policies**<br>• Draft supply chain code of conduct and policy<br>• Collect supplier compliance pledges<br>**Enhance and enforce suppler code of conduct**<br>• Develop supply chain ESG evaluation and conduct due diligence<br>**Strengthen internal capabilities**<br>• Provide ESG training for relevant personnel and departments<br>**Develop reporting channel** | **Enhance supply chain management policy**<br>• Monitor supply chain ESG policies and improve manuals<br>• Notify suppliers on improvement status<br>**Perform supplier ESG evaluation and monitor**<br>• Expand evaluation target from 15% to 30%<br>• Conduct annual supplier ESG evaluations<br>**Support suppliers' skill development**<br>• Provie ESG training and consulting to suppliers<br>**Operate and monitor reporting channel** | **Perform supplier ESG evaluation and monitor**<br>• Conduct cyclical evaluation<br>• Perform annual supplier ESG evaluations<br>• Operate improvement requests and support programs based on results<br>• Review reorganize evaluation effectiveness in 2026<br>**Support suppliers' skill development**<br>• Review implementation of the Excellent supplier incentive program |

# Supply Chain Management

## Supply Chain Risk Management

### Supply Chain Risk Assessment

Hanwha Advanced Materials has implemented a five-step supply chain ESG risk assessment process to strengthen environmental and social practices from suppliers. This process consists of establishing an evaluation plan, conducting diagnostics, deriving results and improvements, follow-up management, and supply chain support. In 2024, 13 out of 244 suppliers underwent the assessment, and the ESG risk assessment system for the supply chain will be enhanced in the future to establish a sustainable supply chain framework.

#### Supply Chain ESG Risk Assessment Process

**STEP 1 Plan assessment**

- Annual supplier evaluation plan with criteria and target suppliers (financial/non-financial risk assessed on a 5-point scale)
  - Financial risk ➜ Substitutability, transaction volume and duration
  - Non-financial ➜ ESG risk and regional risk

**Supplier Classification**

Took financial/ non-financial matters into consideration (High / Mid / Low)

**STEP 2 Perform assessment**

- Conduct diagnosis based on self assessment checklist (annually), followed by on-site inspection if necessary

**Checklist topics**

Taking the suppliers code of conduct into consideration, topics chosen are human rights and labor, health and safety, environment, ethics, supply chain management

**STEP 3 Derive results**

- Prepare risk based action request identified through document review and on-site inspection, send to suppliers then have them draft a risk action plan and carry out corrective measures

**STEP 4 Follow-up**

- Improve risk compliance through continuous monitoring of our suppliers' ESG risks, and utilize it as a criteria for future supplier selection
- In the case of failure to make appropriate improvement efforts, emphasize the importance of ESG compliance that is significant in maintaining sustainable relationships

**STEP 5 Provide support**

- Conduct ESG management capability training once a year for the supply chain management department (purchasing/cost team), and provide ESG education to partners as needed to improve their ESG management standards

### Supply Chain ESG Due Diligence

To strengthen ESG management across its supply chain, Hanwha Advanced Materials conducted a written assessment in 2024 and plans to conduct an on-site audit in 2025. Through thorough reviews of environmental and social issues, we will assess the ESG management practices of our partners and proactively support and take action in areas requiring improvement. These plans will be planned and implemented through communication with relevant departments and suppliers..

#### Supply Chain ESG Due Diligence Process

**Supplier Participation**

**Request participation**

- Select due diligence target
- Due diligence period
- Due diligence link
- Due diligence procedure
- Inquiries

**Self-assessment**

- Human rights/ labor
- Environment
- Health and safety
- Ethics
- Supply chain management

**Review document**

- Submit written assessment documents

**On-site inspection**

- Identify high-risk suppliers from written assessment results and set on-site inspection plan
- Conduct on-site inspections
- Interviews with related departments and provide improvements

**Comprehensive diagnosis**

- Written assessment review document
- Define improvement areas for on-site inspections

**Results**

- Analyze results
- Review improvement tasks for high-risk suppliers

# Supply Chain Management

## Supply Chain Management Activities

### Securing Supply Chain Diversity

Hanwha Advanced Materials is committed to enhancing suppliers' diversity and plans to improve related policies in the future. Through this, it aims to actively implement preferential policies for companies owned by women, minorities, and vulnerable groups. By collaborating with companies from diverse backgrounds, the company seeks to promote healthy competition, develop sustainable and innovative solutions within the supply chain, and improve the quality of products and services.
Additionally, we plan to introduce various systems and programs to promote workforce diversity, equity, and inclusion within the supply chain. It will also support suppliers in obtaining diversity certifications and link supplier diversity goals with performance rewards to drive tangible change and results.

### Conflict Minerals Management

Hanwha Advanced Materials' conflict minerals management is a key initiative for responsible supply chain management. Based on the OECD Due Diligence Guidelines, we operate a conflict minerals policy and strive to ensure that the supply of key minerals, such as tin, tantalum, tungsten, and gold, is not linked to human rights abuses or environmental destruction. In particular, we conduct thorough monitoring of these minerals to ensure they are not included in our products. We work closely with our suppliers to strengthen ethical standards and conduct regular reviews to maintain a supply chain that respects human rights and the environment.

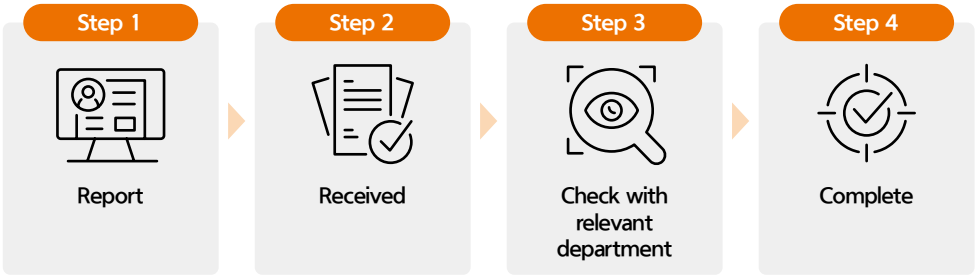
Conflict Mineral Policy

### Supply Chain Communication Channel

Hanwha Advanced Materials operates a 'Grievance Handling Channel' to facilitate smooth communication with suppliers, actively gathering feedback from external stakeholders through this platform. Reports can be submitted either anonymously or by identifying oneself, guaranteeing confidentiality, identity protection, and accountability. We also plan to strengthen our mutually beneficial partnerships by continuously communicating with our suppliers.

Grievance Handling Channel

**Grievance Reporting and Handling Process**

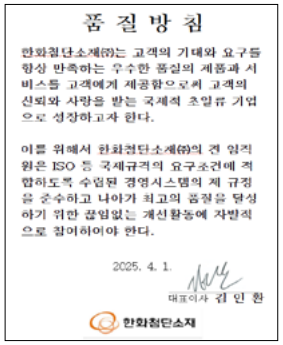


# Product Quality & Liability

## Product Quality Management System

### Product Quality Policy

Hanwha Advanced Materials prioritizes customer safety and is committed to ensuring product quality. We maintain and adhere to product safety and reliability through internal quality management policies at each company and business site. We also strictly adhere to quality standards throughout the entire process.



품 질 방 침

한화첨단소재㈜는 고객의 기대와 요구를 항상 만족하는 우수한 품질의 제품과 서비스를 고객에게 제공함으로써 고객의 신뢰와 사랑을 받는 국제적 초일류 기업으로 성장하고자 한다.

이를 위해서 한화첨단소재㈜의 전 임직원은 ISO 등 국제규격의 요구조건에 적합하도록 수립된 경영시스템의 제 규정을 준수하고 나아가 최고의 품질을 달성하기 위한 끊임없는 개선활동에 자발적으로 참여하여야 한다.

2025. 4. 1.

대표이사 김 인 환

한화첨단소재

### Product Quality Management Goal

Hanwha Advanced Materials prioritizes customer safety and quality and has established a systematic management plan to enhance product quality and customer satisfaction. To achieve this, we manage quality indices, such as the incoming defect rate and defect occurrence index, that meet customer quality requirements and set mid- to long-term quality goals. Furthermore, we aim to strengthen our quality management response, enhance our public image, and support order acquisition efforts by implementing annual improvement activities based on quality indices presented by our customers. We also have quantifiable goals, such as a 10% improvement in the customer quality index and zero defects in customer incoming deliveries, to strengthen our commitment to achieving these goals.

## Product Quality Risk Management

### Product Quality Management

Hanwha Advanced Materials prioritizes customer safety and trust by operating a management system that ensures quality and safety throughout the entire product lifecycle.
From the early stages of product design, safety assessments are conducted to proactively prevent potential health and safety risks that may arise during product use, and decisions on mass production are based on these evaluation results. In particular, through FMEA (Failure Mode and Effects Analysis), the likelihood and impact of failures for each product are analyzed, enabling ongoing risk management activities focused on prevention. These efforts are carried out under a systematic quality management system certified by IATF 16949 and ISO 9001, and the company has maintained the 'Quality Competitiveness Excellence' certification by the Korea Standards Association for three consecutive years.
Additionally, to ensure the safety of hazardous chemicals contained in products, data is registered and approval procedures are managed using the IMDS (International Material Data System), thereby preventing safety incidents related to chemical substances.
Even during the product usage phase, to actively support customer safety, Safety Data Sheets (SDS) detailing the hazards of substances, handling methods, and storage conditions are systematically prepared for each product and provided to customers.


| IATF 16949 Certificate (Sejong)


| ISO 9001 Certificate (Sejong)


| ISO 9001 Certificate (Eumseong)


| Excellent quality acknowledgement award

# Product Quality & Liability

## Product Quality Risk Management

### Customer Safety Issue Inspection

Hanwha Advanced Materials is strengthening its management system for customer health and safety by thoroughly managing and inspecting hazardous substances (ferrous metals, VOC, etc.) that may affect customer safety, based on RoHS (Restriction of Hazardous Substances Directive). We verify product safety through test reports that confirm the presence or absence of these substances.


Assessment Report

### Claim Response Process

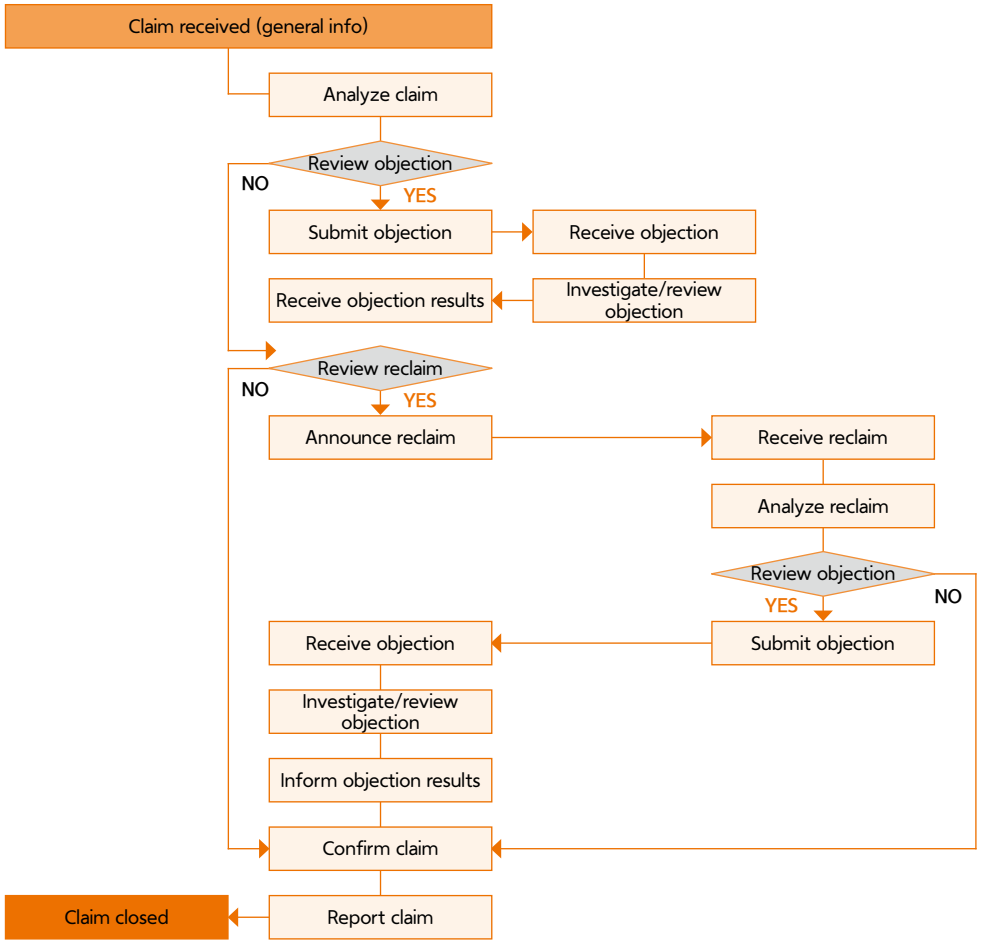
When product quality issues arise, Hanwha Advanced Materials works closely with our customers based on our claims management guidelines, tailored to the claim type, to promptly identify the problem and implement appropriate measures. These procedures are implemented monthly by each business and sales team, and a monthly claims status report is prepared to strengthen our management system. Through this systematic management process, we aim to achieve a 100% field claims resolution rate. Furthermore, we continuously pursue improvement initiatives to enhance customer trust and strengthen our quality competitiveness.

### Customer Grievance Channel

Hanwha Advanced Materials recognizes the safety and quality of its customers' products as a critical responsibility and actively gathers customer feedback through various channels. In particular, for product–related claims received from automotive OEM customers, the company promptly identifies the issues and implements corrective actions to prevent recurrence of similar cases and link them to quality improvement activities. Additionally, through regular customer satisfaction surveys, we thoroughly understand customers' expectations and demands regarding product safety and is also considering enhancing the survey items for more refined responses in the future.

Customer Grievance Channel

**Customer Grievance Channel Process**



# Social Contributions

## Social Contribution Activities

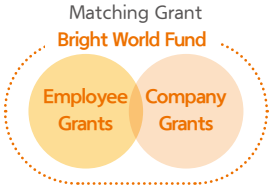
### Local Community Rights Protection

Hanwha Advanced Materials practices sharing through sincere and substantial social contribution activities based on Hanwha Group's philosophy of "Going Further, Together." Each workplace forms a "Hanwha Volunteer Corps," where all employees voluntarily participate in volunteer work at least once a year. Since 2002, employees have voluntarily donated a portion of their monthly salary, and the company supports this through a matching grant system to establish the "Bright World Fund." Through this, employees and the company jointly engage in various community contribution activities..

### Indigenous Communities

While indigenous management does not apply domestically, Hanwha Advanced Materials thoroughly considers the rights of indigenous communities and their lands throughout all operations at its U.S. business sites. Accordingly, Hanwha Advanced Materials complies with all indigenous-related laws and regulations in each state.

## Hanwha Advanced Materials




We support social contribution activities for vulnerable groups, the environment, and nonprofit organizations through a progressive fundraising system where employees voluntarily donate a fixed amount from their monthly salaries, and the company provides additional matching contributions.

### Tree Pruning and Mowing

Pruning and mowing activities are being carried out in the Bugang Industrial Complex to prevent damage to neighboring residents' crops caused by tree pests and diseases

### Eco-friendly Bean Bag Making

Making eco-friendly bean bags at the local children center using EPP materials


### Environmental Cleanup Activities

Trail maintenance activities in collaboration with the Nature Conservation Council

### Tree Planting Campaign

Launch event for the tree planting campaign among Sejong citizens to create a Citizens' Forest

### Special Recognition

In 2024, Hanwha Advanced Materials partnered with the Korea Federation for Environmental Movements and received a ministerial commendation for its carbon-reduction efforts, including the Citizen Forest Creation and My Tree Ownership Campaign, which supported biodiversity and environmental conservation.

# Governance

Board of Directors 057
Ethics Management 058
Information Security 062

# Board of Directors

## Board Composition

### Board Status

As of March 2025, Hanwha Advanced Materials' board comprises three internal directors and two non-executive directors. The board serves as the highest decision-making body, responsible for matters required by law or the articles of incorporation, setting fundamental management policies, approving key business decisions, and overseeing the directors' performance.

(As of end of March 2025)

#### Board Composition Status

| Category | Name | Gender | Career | Tenure |
|---|---|---|---|---|
| Executive Directors | In-Hwan Kim[1)] | M | Current CEO at Hanwha Advanced Materials<br>Former Head of Polymer Department at Hanwha Total Energies | March 29, 2024 ~ March 2026 general shareholders' meeting |
| | Hyun Seock Kim | M | Current Planning Director at Hanwha Advanced Materials<br>Former Head of SuperLite Department at Hanwha Advanced Materials | December 27, 2024 ~ March 2026 general shareholders' meeting |
| | Si Young Kong | M | Current Support Director at Hanwha Advanced Materials<br>Former Head of Q Cell Division HR at Hanwha Advanced Materials | March 29, 2024 ~ March 2026 general shareholders' meeting |
| Non-executive Directors | Chan Woo Lee | M | Current CEO at Glenwood Credit<br>Former Senior Executive Vice President at Dominos Investment | March 29, 2024 ~ March 2026 general shareholders' meeting |
| | Young Wook Lee | M | Current Operating Partner at Bain Capital Special Situations<br>Former Global Sales Managing Director at Kolma Holdings | March 29, 2024 ~ March 2026 general shareholders' meeting |

1) Board chairman

## Board Operations

### Board Activities

In 2024, Hanwha Advanced Materials held seven board meetings with an attendance rate of 100%, approving 31 agenda items. Such ESG-related reviews are strengthening our sustainability management system and refining decision-making processes.

#### 2024 Board Activity Status

**2024 Board Activities**

| Board meeting held | Approved items | Number of resolutions | Board attendance rate |
|---|---|---|---|
| 7 | 31 | 31 | 100% |

#### 2024 ESG-related Board Activity Status

| Date | Details |
|---|---|
| March 13, 2024 | • Board reporting and approval for health and safety related plans for 2024 |
| May 20, 2024 | • GHG emissions related transaction approvals |
| June 25, 2024 | • Renewable energy related transaction approvals |

# Ethics Management

## Ethics Management System

### Ethics Management Declaration

Hanwha Advanced Materials promotes stakeholder value through the ethics charter and ethical behavior guidelines rooted in the philosophy of trust, respect, innovation and the values of credit and loyalty. The framework emphasizes respect for customer feedback, fair competition and transactions, protection of employee rights, environmental and safety management, and social responsibility, while including anti-corruption provisions that prohibit improper practices and the acceptance of money or entertainment. Practical implementation is supported by systems such as a payment linkage system for deliveries and compliance guidelines to protect trade secrets and technical information.

Ethics Management Declaration

### Ethics Management Policy

Hanwha Advanced Materials has established an ethics management policy to fulfill its social responsibilities as a global company and support sustainable growth. The policy consists of three areas: employee ethics, fair competition and transactions, and realizing customer value. The employee ethics area covers bribery, solicitation, conflicts of interest, insider trading, workplace conduct, abuse of authority, documentation, and reporting. The fair competition and transactions area addresses antitrust, collusion, unfair competition, money laundering, intellectual property rights, tax compliance, mutual growth, fraud, and export controls. The customer value realization area focuses on customer safety and quality, counterfeit parts, information provision, and personal data protection.

Ethics Management Policy

### Ethics Charter

In accordance with the ethics management policy, we have established a code of ethics. Through ethics management, our goal is to grow into a leading company of the 21st century, sharing achievements and values with customers, employees, suppliers, and shareholders. The charter consists of five key areas: creating customer value, creating value for suppliers, protecting employees' rights and interests, fostering desirable attitudes among employees, and creating value for the nation and society.

Ethics Charter

### Ethical Behavior Guidelines

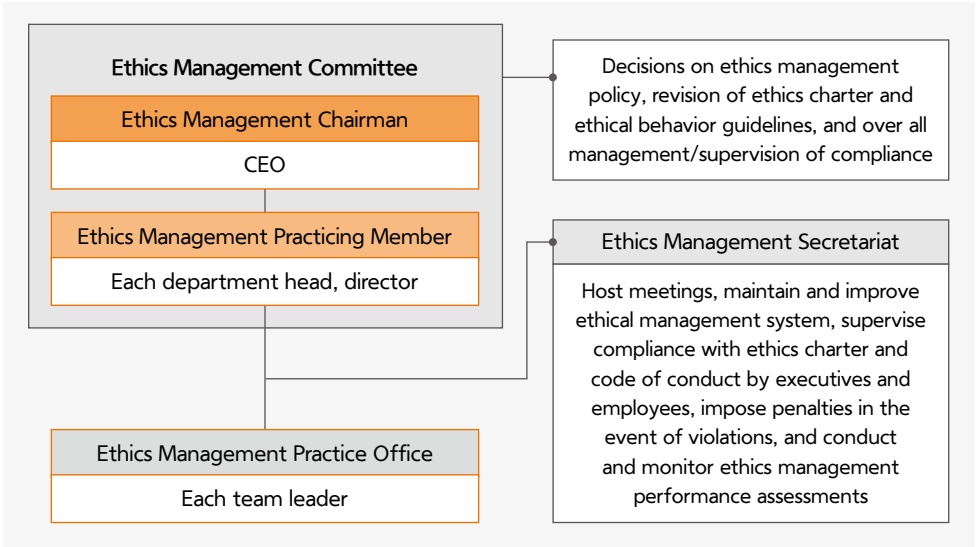
To ensure the ethics charter is put into practice, Hanwha Advanced Materials has implemented an ethical behavior guidelines. These guidelines prohibit accepting economic benefits, require duties to be performed with integrity, and upholds fair trade practices, providing all employees with explicit behavioral standards to follow in their work.

Ethical Behavior Guidelines

### Ethics Management Organization

Hanwha Advanced Materials has established a systematic operational framework centered on a dedicated Compliance Team and the Ethics Management Committee to strengthen ethics management. In particular, the organizational structure, including the CEO, is transparently disclosed through official channels. Moving forward, we plan to further enhance our ethics management standards by linking this with strengthened governance disclosures in the Sustainability Report.
Hanwha Advanced Materials has formed an Ethics Management Committee to ensure employees comply with the ethics charter and to promote ethical corporate practices. The committee is scheduled to meet quarterly and may convene additional meetings as needed at the discretion of the chair, the members, or the Ethics Management Secretariat. It is chaired by the CEO, with department heads and division chiefs as members, and the head of the Ethics Management Secretariat serves as the secretary.

#### Organizational Structure



# Ethics Management

## Ethics Management System

### Ethics Management Goal

Hanwha Advanced Materials has established ethical principles within its ethics management policy to foster a transparent and ethical corporate culture. To proactively address ethical risks such as corruption, conflicts of interest, fraud, and money laundering, we are strengthening internal controls with core goals of fair trade and anti-corruption, and internalizing compliance functions. A proactive response process has been created for departments and operations with high corruption risk, and the risk-prevention system is being enhanced through increased internal reporting and a prevention-oriented culture. Furthermore, to promote fair and transparent dealings with suppliers, Hanwha Advanced Materials has committed to a compliance and anti-corruption pledge and incorporates ethical risks into its supplier selection and assessment processes. All employees undergo ethics-management training and case studies to internalize compliance and apply ethical standards in decisions. Ongoing monitoring includes updates to the anti-corruption manual, regular inspections, and improvements in high-risk areas.

#### Ethics Management Target

**Anti-corruption and Fair Trade**

**Regular anti-corruption evaluation**

- Conduct annual corruption risk assessments by department
- Achieve implementation rate of over 80% for improvement measures in high-risk tasks

**Enhance internal controls**

- Submit 100% of ethics management self-checklist semiannually
- Achieve over 80% completion/satisfaction rates for handling received reports
- Zero serious corruption/conflicts of interest cases

**Establish fair trade relations**

- Obtain 100% code of ethics compliance pledges from new and key suppliers
- Ensure 100% application of fairness evaluations in selecting new suppliers

**Compliance Functions Internalization**

**2024 ethics training**

- Achieve 100% ethics training completion rate
- Achieve 100% ethics training completion rate for new/experienced hires
- Achieve 100% ethics training completion rate for key suppliers

**Monitor/due diligence**

- Conduct regular ethics management monitoring annually
- Achieve over 95% implementation rate for internal audit/inspection improvements

## Ethics Management Activities

### Ethics Management Training

Hanwha Advanced Materials conducts regular training on its Code of Ethics to deepen employees' understanding of ethical management and foster an integrity-driven culture by communicating its ethics policies and implementation plans. To promote fair trading, the company also provides training on consignment fair trade. This training clarifies the definitions of consignments and consignment transactions, compares them with applicable laws, covers corporate compliance requirements, explains penalties for violations, and outlines how the Consignment and Consignment Dispute Resolution Council operates.
We provide training to raise awareness of unfair trade practices among employees. We maintain a repository of internal regulations and standard subcontracting agreements related to fair trade to ensure compliance with laws and regulations and to manage corruption risks. Ethics training is mandatory for new hires, and all employees must sign a Code of Ethics pledge to reinforce ethical management.

#### Employee Ethics Training Status

| Subject | Details | Number of sessions | Participants | Completion Rate |
|---|---|---|---|---|
| All employees | Ethical principles guidelines | 2 | 380 persons | 100% |
| All employees | Ethics compliance management regulations for suppliers | 1 | 380 persons | 100% |
| All employees | Ethical management (anti-corruption, fair trade, regulation compliance, work ethics, etc.) | 1 | 380 persons | 100% |
| Experienced hires | HAMC Ethical Management | 2 | 25 persons | 100% |
| Interns | HAMC Ethical Management | 1 | 6 persons | 100% |

#### Supplier Ethics Training Status

| Subject | Details | Number of sessions | Participants | Completion Rate |
|---|---|---|---|---|
| Key suppliers | Compliance pledge signing | 1 | 501 persons | 99% |

# Ethics Management

## Ethics Risk Management

### Internal Accounting Management System

Hanwha Advanced Materials monitors the systematic operation of its Internal Controlled Financial Reporting (ICFR) system, ensuring the reliability of its financial statements and transparency in accounting. Consequently, we monitor compliance of its employees with regulations and procedures..
In particular, to prevent the possibility of misstatements due to fund fraud, we plan to establish fund fraud control items in accordance with the 'Fund Fraud Control' disclosure standards starting in 2025 and are designing and operating them at the PLC (Process Level Control) level.
Additionally, to ensure the effectiveness and objectivity of the internal accounting management system, we receive regular reviews of the entire system from external auditors.

### Fraud Risk Assessment

Hanwha Advanced Materials operates a fraud risk assessment process to prevent fraudulent activities and foster a transparent organizational culture. Based on this, we regularly evaluate fraud risk factors and enhance employees' awareness of fraud risks, thereby strengthening the foundation for sustainable ethical management.

#### Fraud Risk Assessment Process

| | | |
|---|---|---|
| STEP 1 | Establish assessment standards and define risks | Establish and identify fraud risk assessment criteria considering motivation/pressure, opportunity, and attitude/rationalization |
| STEP 2 | Assess and analyze risks | Each department conducts its own evaluation and analyzes risk levels |
| STEP 3 | Plan corrective actions | Define improvement areas and develop specific action plans |
| STEP 4 | Report results | Report annual assessment results to the board or via audit report |

### Anti-bribery Due Diligence and Internal Controls

Hanwha Advanced Materials is strengthening internal controls by regularly requiring all executives and employees to sign an anti-corruption pledge, and also requiring new suppliers to sign an ethics compliance pledge. Furthermore, we utilize an electronic bidding system to prevent potential irregularities during the bidding and procurement process. Furthermore, we plan to systematically manage the potential for corruption through regular risk assessments of high-risk suppliers.
Additionally, to mitigate potential corruption risks in transactions with third parties, we are developing measures to integrate anti-corruption topics into our supply chain due diligence, and gradually rolling out an evaluation system for each project.

### Sensitive Transaction Approval Process

Hanwha Advanced Materials operates an internal process to report or obtain approval for sensitive transactions to ensure transparency and fairness. Transactions between the company and its affiliates undergo a review process according to the Internal Transaction Review Committee's operating regulations. In accordance with Article 5, Chapter 2 of the Code of Ethics, if any gifts or benefits are received, a report detailing the receipt of gifts, entertainment, or hospitality must be submitted to the responsible executive.

# Ethics Management

## Ethics Risk Management

### Ethics Whistleblowing Process

Hanwha Advanced Materials maintains reporting and consultation channels to reinforce ethical management. The whistleblowing guide lists reportable cases such as improper solicitations and bribery, unfair instructions, and violations of internal regulations, and explains the procedures along with whistleblower protections to ensure reporter safety and process transparency. Employees and stakeholders can report anonymously or with their names, and all reports undergo thorough internal verification and investigation.

The reporting channel prohibits acts that reveal or imply the identity of the whistleblower without their consent (confidentiality protection), protects against disadvantages or discrimination from business relationships or affiliated departments due to, statements, and submission of materials (identity protection), and notifies the whistleblower of reduced disciplinary action (reduction of responsibility) in the event that their negligence or error is discovered in relation to the report.

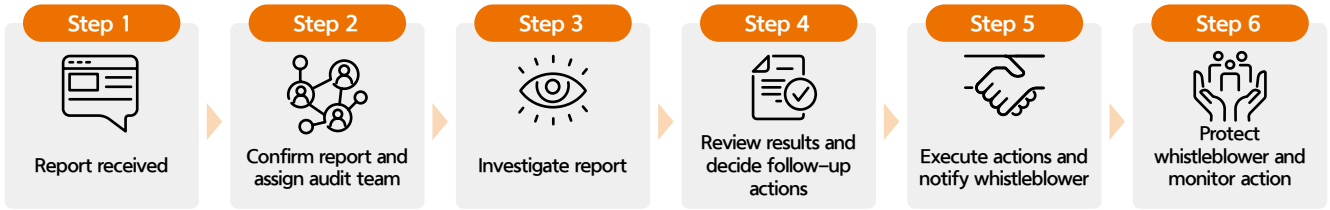
### Ethical Management System

Hanwha Advanced Materials is pursuing international-standard certifications as part of its medium- to long-term strategy to enhance ethical management. It has set up internal initiatives to achieve ISO 37001 (Anti-Bribery Management) and ISO 37301 (Compliance Management). Through thorough preparation, we plan to obtain these certifications to reinforce credibility with external stakeholders.

#### 3 Whistleblower Protection Principles

| | |
|---|---|
| 01. Confidentiality | Prohibit disclosing/implying identity of whistleblowers without consent |
| 02. Anonymity | Protect from retaliation/discrimination by business partners or affiliated departments from whistleblowing, testimony or material submission |
| 03. Liability | Mitigate disciplinary action against whistleblowers if fault/errors are found related to their report |

#### Reporting Procedure and Whistleblower Protection Process




#### Key Reporting Channels

**Mail**

Hanwha Advanced Materials,
Compliance Team
25F, Hanwha Building,
86 Cheonggyecheon-ro,
Jung-gu, Seoul, Korea

**Email**

cleanhamc@hanwha.com

**Phone**

+82-2-729-2100

**Fax**

+82-2-729-3227

# Information Security

## Information Security System

### Information Security Policy

Hanwha Advanced Materials has established internal regulations, guidelines, and policies related to information security to protect information assets and manage personal data. Through internal security rules, employees are guided to consistently comply with security policies. Additionally, personal data collection and usage policies are regularly updated to reflect changes in relevant laws and security threat trends, establishing a systematic information security management system.

Additionally, to proactively address information security risks, we conduct regular internal audits and risk management, and strengthen our management system through information security activities such as vulnerability assessments and penetration testing exercises to prevent security threats in advance.

To prepare for potential information system failures, we maintain a continuous data-backup plan to support restart and recovery, with backups stored securely on a regular basis. In the event of an information security incident, we retain access and operation logs in accordance with the Information Security Management Standards for Information System Log Management, categorize them, and keep them for periods ranging from one year to more than five years, depending on the type of information, to facilitate root-cause analysis and accountability.

Information Security Policy

### Information Security Goal

Hanwha Advanced Materials is conducting information security level assessment in compliance with ISO and ISMS standards at the group-level and monitoring the results to strengthen information security. Based on the 2024 evaluation results, we have set a goal to improve scores in the following year. By linking the information security level assessments with holding the Information Security Committee, raising awareness of information security, and strengthening information system management, we are advancing our information security management system.

#### Information Targets and Performance

Information Security Score[1)]


1) 5-point scale

#### Management Security Improvement Plan

| Category | Improvement Areas | Period |
|---|---|---|
| Organization operations | Annual Information Security Committee meeting | Second half of the year |
| Personnel security | Strengthen compliance with confidentiality clauses for subcontractors | First half of the year |
| Awareness enhancement | All office security inspections | First/second half of the year |

#### Information System Security/Operation Improvement Plan

| Category | Improvement Areas | Period |
|---|---|---|
| Access control | Strengthen database access rights management | Second half of the year |
| Development security | Implement separation between development PCs and servers | Second half of the year |
| Server security | Enhance security reviews for new servers | First half of the year |

# Information Security

## Information Security Activities

### Information Security Training

Hanwha Advanced Materials runs a structured information security training program to raise awareness where all employees sign an Information Security Pledge committing to policy compliance. Biannual training includes simulated phishing exercises to prevent breaches, and new hires receive a security guide outlining key policies, including document security and USB controls. We regularly share security trends and incident–response measures and inform staff of policy changes to promote and compliance.

**2024 Information Security Training Status**

| Subject | Details | Number of sessions | Participants | Completion Rate |
|---|---|---|---|---|
| All employees (domestic) | Personal information protection training | Once | 635 persons | 100% |
| New hires | Security guidance provision | 35 times | 35 persons | 100% |
| All employees (subject to those who have email accounts) | International/ overseas hacking mail training | Twice | 919 persons | 100% |
| Subject employees | Training subject for violators | Twice | 107 persons | 100% |
| Subject employees | Data breach and leakage training | Always | 26 persons | 100% |

## Information Security Risk Management

### Information Security Risk Assessment

Hanwha Advanced Materials conducts an annual information security assessment to verify compliance with applicable laws, information protection guidelines, and other regulations, and to review the operation of the information security management system (ISMS). The 2024 assessment covered the headquarters and all sites, focusing on information security governance, physical security, information system security management and operations, and personal data protection. Based on the findings, remediation plans addressing identified vulnerabilities were developed and reported to the Chief Information Security Officer (CISO) and senior management.

**Information Security Level Assessment Process**

| Category | | Details |
|---|---|---|
| Level 1 | Establish information security level assessment plan for current year | • Information security officer shall establish an assessment plan for the current year's information security level, including timing and scope, and report to the CISO within the first quarter |
| Level 2 | Information security level assessment | • Annual assessment are carried out in areas such as information security management, physical security, information system security management, information system operations, and personal information protection |
| Level 3 | Analyze assessment results and develop improvement plans | • Calculate assessment scores and target scores for each areas, analyze the distribution of management levels by field ad diagnose overall information security level by categorizing security management maturity into five stages<br>• Maintain security management maturity at level 4 or above(compliant) through continuous management and set plans to improve vulnerabilities |
| Level 4 | Report and follow–up | • Report assessment results to management |

# Information Security

## Information Security Risk Management

### Confidential Information Management and Third-Party Data Protection

Hanwha Advanced Materials maintains a comprehensive management system to protect all information assets, including confidential company data and third-party information. It sets global standards for storage, backups, and retention, and organizes documents into five retention categories in line with document-management regulations. Regulations on processing and disposing of personal and third-party data are publicly disclosed on the company website. Employee personal data is collected only with prior consent and processed in accordance with applicable laws.

Based on internal assessment criteria in compliance with ISO and ISMS standards, Hanwha Advanced Materials conducts structured security management by annually reviewing 57 control items across all sites in administrative, physical, and technical areas. For personal information protection, it applies multi-level standards (three or more levels) covering each stage—collection, use, provision, retention, and destruction. Findings drive improvement tasks and action plans, including related technical investments to continually raise security levels. Additionally, admins of critical systems regularly review server and database management, and an ongoing inspection and reporting system is maintained through server access monitoring.

Through these efforts, we proactively prevent unauthorized access and data leakage risks, striving to protect the rights and interests of data subjects and to enhance the trust of stakeholders.

Privacy Policy

### Information Security Incident Prevention Process

Hanwha Advanced Materials operates the following procedures to prevent information security incidents in advance and systematically manage security risks.

**Incident Prevention Process**

| Category | Details |
|---|---|
| Regular audits and vulnerability assessments | • Annual information security inspections with external experts diagnosing OS/infrastructure, conducting penetration tests, identifying vulnerabilities, and implementing improvements within the year<br>• In 2024, security assessments including overseas subsidiaries identified vulnerabilities in network segmentation, account privilege management, and server security |
| Establish and implement improvement plans | • Priorities for identified vulnerabilities are set, with phased improvements underway, including partner security checks, stronger encryption policies, and test-data management procedures |
| Continuous management system operations | • Effectiveness is ensured by regular monitoring through information security working groups and committees, with ongoing enhancements to security policies |

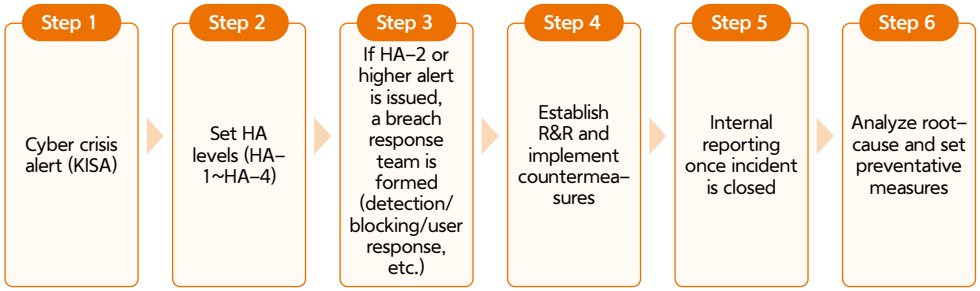
# Information Security

## Information Security Risk Management

### Information Security Incident Response

Hanwha Advanced Materials has established a formal information security incident response process to ensure swift and systematic action in the event of a breach of confidential information. The process uses Korea Internet & Security Agency (KISA) cyber crisis alerts to determine Hanwha Alert (HA) levels and trigger the incident response system accordingly. When HA–2 or higher is issued, the Information Security Center and the Information Security Department form an incident response team with clearly defined roles in detection, prevention, and user response. After response actions are complete, the root cause and results are reported internally and used to prevent similar incidents in the future. This system strengthens our ability to respond to information security incidents and continually safeguards the organization's information assets.

#### Information Security Incident Response Proces

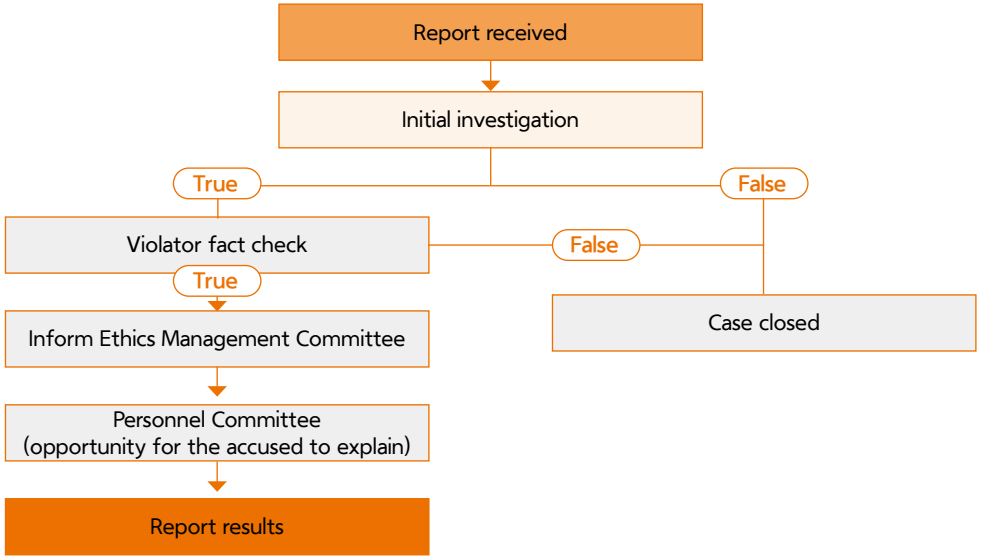



### Information Security Whistleblowing Process

Hanwha Advanced Materials operates a whistleblowing system that allows not only employees but also external stakeholders to report information security breaches and related concerns. Employees are strictly prohibited from concealing facts or resolving issues on their own when security incidents occur and are required to immediately report to their department head or the dedicated information security department. To ensure prompt reporting and systematic response, an online reporting channel is provided, supporting external stakeholders such as suppliers and customers to report information security incidents or suspicious signs. Upon receiving a report, the company investigates the facts according to internal procedures, and if violations are confirmed, necessary follow–up actions such as disciplinary measures are taken in accordance with relevant regulations. Hanwha Advanced Materials will continue to strengthen transparency and responsiveness related to information security going forward.

Whistleblowing Channel

#### Information Security Whistleblowing Process



# Appendix

ESG Data 067
GRI Standards Index 076
UN SDGs 078
Association/Membership Status 079
GHG Verification Statement 080
Independent Assurance Statement 081

# ESG Data

## Consolidated Financial Data

### Summary of Consolidated Financial Statement

| Category | Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Current assets | KRW million | 343,433 | 621,936 | 552,044 |
| Non-current assets | KRW million | 255,989 | 580,649 | 863,059 |
| Total assets | KRW million | 599,422 | 1,202,585 | 1,415,103 |
| Current liabilities | KRW million | 101,427 | 305,523 | 435,547 |
| Non-current liabilities | KRW million | 55,916 | 123,660 | 157,926 |
| Total liabilities | KRW million | 157,343 | 429,183 | 593,473 |
| Capital stock | KRW million | 29,140 | 41,129 | 41,129 |
| Capital surplus | KRW million | 334,676 | 652,688 | 652,688 |
| Other equities | KRW million | - | -31,611 | -6,798 |
| Accumulated other comprehensive income | KRW million | - | 23,126 | 61,749 |
| Earning surplus | KRW million | 78,262 | 88,070 | 72,861 |
| Non-controlling interest | KRW million | - | - | - |
| Total equity | KRW million | 442,078 | 773,402 | 821,630 |
| Total liabilities and equity | KRW million | 599,422 | 1,202,585 | 1,415,103 |

### Summary of Consolidated Income Statement

| Category | Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Revenue | KRW million | 48,361 | 558,240 | 1,082,121 |
| Cost of sales | KRW million | 44,741 | 460,238 | 918,568 |
| Gross profit | KRW million | 3,620 | 98,002 | 163,553 |
| Selling, general, and administrative expenses | KRW million | 7,729 | 65,394 | 142,279 |
| Operating profit | KRW million | -4,109 | 32,608 | 21,275 |
| Other income | KRW million | 471 | 14,026 | 49,581 |
| Other expenses | KRW million | -3,841 | -14,478 | -49,030 |
| Financial income | KRW million | 57 | 6,727 | 6,397 |
| Financial costs | KRW million | -3 | -1,409 | -11,250 |
| Profit before income taxes | KRW million | -7,425 | 37,473 | 16,973 |
| Income tax expenses | KRW million | -1,687 | 7,431 | -492 |
| Net profit for the year | KRW million | -5,738 | 30,042 | 17,465 |

# ESG Data

## Environment

### GHG Emissions

| Category | | | Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|
| GHG emissions[1] (Scope 1, 2) | Total | | $tCO_2eq$ | 47,303.4 | 42,978.0 | 41,861.3 |
| | Scope 1 | Subtotal | $tCO_2eq$ | 10,219.8 | 9,850.6 | 10,169.5 |
| | Scope 2 | Subtotal | $tCO_2eq$ | 37,083.6 | 33,127.5 | 31,691.8 |
| | | Electricity | $tCO_2eq$ | 37,081.4 | 33,127.5 | 31,691.8 |
| | | Steam | $tCO_2eq$ | 2.2 | 0 | 0 |
| GHG emissions intensity[2] | Scope 1 | | $tCO_2eq$/KRW 100 million | 1.3 | 1.8 | 0.9 |
| | Scope 2 | | $tCO_2eq$/KRW 100 million | 4.8 | 5.9 | 2.9 |
| GHG emissions reduction | Total | | $tCO_2eq$ | 296.9 | 19.4 | 122.0 |
| | Scope 1 reduction | | $tCO_2eq$ | 0 | 0 | 122.0 |
| | Scope 2 reduction | | $tCO_2eq$ | 296.9 | 19.4 | 0 |
| GHG emissions (Scope 3) | Total | | $tCO_2eq$ | 226,562.0 | 247,660.0 | 252,845.0 |
| | Category 1. Purchased goods and services | | $tCO_2eq$ | 216,855.5 | 204,960.0 | 209,483.0 |
| | Category 2.Capital goods | | $tCO_2eq$ | 15.4 | 7.0 | 69.0 |
| | Category 3. Fuel and energy related activities | | $tCO_2eq$ | 4,442.4 | 20,004.0 | 20,174.0 |
| | Category 4. Upstream transportation and distribution | | $tCO_2eq$ | 1,993.2 | 2,048.0 | 1,986.0 |
| | Category 5. Wasted generated in operations | | $tCO_2eq$ | 528.1 | 955.0 | 753.0 |
| | Category 6. Business travel | | $tCO_2eq$ | 925.4 | 943.0 | 1,393.0 |
| | Category 7. Employee commuting | | $tCO_2eq$ | 300.8 | 262.0 | 295.0 |
| | Category 9. Downstream transportation and distribution | | $tCO_2eq$ | 1,501.2 | 8,785.0 | 9,296.0 |
| | Category 12. End-of-life treatment of sold products | | $tCO_2eq$ | 0.0 | 9,696.0 | 9,396.0 |

1) Rounded to the first decimal place
2) Consolidated revenue basis

### Energy Consumption

| Category | | | Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|
| Total energy consumption | | | GJ | 1,077,769.9 | 950,885.6 | 928,798.2 |
| Energy intensity[1] | | | GJ/KRW 100 million | 138.9 | 170.3 | 85.8 |
| Energy reduction | | | GJ | 6,020 | 404 | 2,399 |
| Direct energy | Non-renewable energy consumption | Total | GJ | 200,207.8 | 193,091.2 | 199,378.6 |
| | | Gasoline | GJ | 1,577.1 | 1,203.1 | 1,192.1 |
| | | Diesel | GJ | 2,351.0 | 2,206.1 | 2,099.6 |
| | | Kerosene | GJ | 0 | 0 | 0 |
| | | LNG | GJ | 196,105.0 | 189,463.4 | 195,533.2 |
| | | LPG | GJ | 174.7 | 218.6 | 553.7 |
| | | Others | GJ | 0 | 0 | 0 |
| | Renewable energy consumption | Total | GJ | 0 | 0 | 0 |
| Indirect energy | Total[1] | | GJ | 880,843.4 | 757,794.4 | 729,419.6 |
| | Consumption | Subtotal | GJ | 877,562.1 | 692,243.3 | 662,242.7 |
| | | Electricity | GJ | 774,865.7 | 692,240.3 | 662,242.7 |
| | | Steam | GJ | 52.0 | 3.0 | 0 |
| | Self-generated | Total | GJ | 117,425.1 | 109,358.6 | 111,628.3 |
| | | Electricity | GJ | N/A | N/A | N/A |
| | | Steam | GJ | 117,425.1 | 109,358.6 | 111,628.3 |
| | Sold | Total | GJ | 14,780.6 | 43,807 | 44,451.4 |
| | | Electricity | GJ | 0.0 | 0.0 | 0.0 |
| | | Steam | GJ | 14,780.6 | 43807.5 | 44,451.4 |
| Renewable energy consumption rate | | Total | % | 0 | 0 | 0 |
| | | Electricity | % | 0 | 0 | 0 |
| | | Fuel | % | 0 | 0 | 0 |
| | | Steam | % | 0 | 0 | 0 |

1) Consolidated revenue basis
2) Usage = Self-generated + Sold

# ESG Data

## Environment

### Water Consumption

| Category | | | Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|
| Withdrawal | Total | | ton | 471,680.0 | 455,771.8 | 442,987.0 |
| | By category | Freshwater | ton | 471,680.0 | 455,771.8 | 442,987.0 |
| | | Surface water | ton | 0 | 0 | 0 |
| | | Groundwater | ton | 0 | 0 | 0 |
| | | Seawater | ton | 0 | 0 | 0 |
| | | Other | ton | 0 | 0 | 0 |
| | By source | 3rd party | ton | 471,680.0 | 455,771.8 | 442,987.0 |
| | Withdrawal from high water stress areas | | ton | N/A | N/A | N/A |
| Withdrawal (wastewater)[1] | Total | | ton | 156,334.2 | 162,436.7 | 196,943.4 |
| | By type | Freshwater | ton | 156,334.2 | 162,436.7 | 196,943.4 |
| | | Other | ton | N/A | N/A | N/A |
| | By discharge type | 3rd party | ton | 156,334.2 | 162,436.7 | 196,943.4 |
| | Discharge from high water stress areas | | ton | N/A | N/A | N/A |
| Consumption | | | ton | 249,932.0 | 240,665.3 | 255,117.0 |
| Reuse | Reused amount | | ton | 0 | 0 | 0 |
| | Reused ratio | | % | 0 | 0 | 0 |

1) Sejong and Eumseong plant only

### Eco-friendly Operations

| Category | | Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| Eco-friendly investment | Environmental investment | Million KRW | 747 | 481 | 394 |
| | Eco-friendly investment ratio compared to sales | % | 0.10 | 0.09 | 0.04 |
| Eco-friendly fleet | Eco-friendly fleet ownership ratio | % | 0.0 | 8.0 | 8.0 |

### Pollutants

| Category | | Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| Water | Total organic carbon (TOC) | ton | 10.6 | 6.6 | 10.4 |
| | Biochemical oxygen demand (BOD) | ton | 8.1 | 8.8 | 11.4 |
| | Suspended solids (SS) | ton | 3.8 | 2.3 | 3.0 |
| Air | Ozone-layer depleting substances (ODS) | ton | N/A | N/A | N/A |
| | Nitrogen oxides (NOx) | ton | 3.7 | 4.4 | 5.3 |
| | Sulfur oxides (SOx) | ton | 0.0 | 0.2 | 0.5 |
| | Particulate matter (PM) | ton | 3.7 | 0.2 | 3.3 |
| Hazardous substance | Consumption | ton | 0.4 | 40.8 | 33.2 |
| | Chemical discharge | Ton | 0 | 0 | 0 |

### Biodiversity[1]

| Category | | Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| Endangered species near sites | Critically endangered | Species | Analysis Not Performed | | 0 |
| | Endangered | Species | | | 11 |
| | Vulnerable | Species | | | 18 |
| | Near threatened | Species | | | 22 |
| | Least concern | Species | | | 455 |

1) Conducted endangered species analysis starting from 2024

# ESG Data

## Environment

### Waste and Raw Materials

| Category | | | Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|
| Waste generated | Total | | ton | 957.5 | 3,706.2 | 5,453.1 |
| | By type | Designated | ton | 2.0 | 27.8 | 74.5 |
| | | General | ton | 955.5 | 3,678.4 | 5,378.6 |
| Waste disposed | Total | | ton | 957.5 | 3,706.2 | 5,453.1 |
| Designated waste | By type | Subtotal | ton | 2.0 | 27.8 | 74.5 |
| | | Landfill | ton | 0 | 0 | 0 |
| | | Incineration | ton | 2.0 | 10.5 | 13.8 |
| | | Other | ton | 0 | 17.3 | 60.7 |
| | By method | Subtotal | ton | 2.0 | 27.8 | 74.5 |
| | | Internal | ton | 0 | 0 | 0 |
| | | External | ton | 2.0 | 27.8 | 74.5 |
| General waste | By type | Subtotal | ton | 955.5 | 3,678.4 | 5,378.6 |
| | | Landfill | ton | 5.6 | 269.0 | 384.0 |
| | | Incineration | ton | 0 | 89.8 | 55.9 |
| | | Other | ton | 949.9 | 3,319.6 | 4,938.7 |
| | By method | Subtotal | ton | 955.5 | 3,678.4 | 5,378.6 |
| | | Internal | ton | 0 | 0 | 0 |
| | | External | ton | 955.5 | 3,678.4 | 5,378.6 |

| Category | | | Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|
| Recycled waste | Total | | ton | 949.9 | 3,336.9 | 4,999.4 |
| | Waste-to-resource ratio | | % | 99 | 90 | 92 |
| Designated waste | By type | Total | ton | 0.0 | 17.3 | 60.7 |
| | | Processed for reuse | ton | 0 | 0 | 0 |
| | | Recycled | ton | 0.0 | 17.3 | 60.7 |
| | | Other | ton | 0 | 0 | 0 |
| | By method | Internal | ton | 0 | 0 | 0 |
| | | External | ton | 0.0 | 17.3 | 60.7 |
| General waste | By type | Total | ton | 949.9 | 3,319.6 | 4,938.7 |
| | | Processed for reuse | ton | 0 | 0 | 0 |
| | | Recycled | ton | 949.9 | 3,319.6 | 4,938.7 |
| | | Other | ton | 0 | 0 | 0 |
| | By method | Internal | ton | 0 | 0 | 0 |
| | | External | ton | 949.9 | 3,319.6 | 4,938.7 |
| Raw material usage | Total | | ton | 2,901.0 | 2,379.0 | 2,685.0 |
| | Renewable material | | ton | 2,901.0 | 2,379.0 | 2,685.0 |
| | Non-renewable material | Subtotal | ton | 0 | 0 | 0 |
| | | Aluminum | ton | 0 | 0 | 0 |
| | | Steel | ton | 0 | 0 | 0 |
| Reused material | Reused raw material | | weight | 0 | 0 | 0 |
| | Reused material use ratio | | % | 0 | 0 | 0 |

# ESG Data

## Social

### Employee Status

| Category | | | | Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| Total no. of employees[1] | | | | Persons | 635 | 638 | 686 |
| Executives[2] | Total | | | Persons | 3 | 3 | 3 |
| | Gender | Male | | Persons | 3 | 3 | 3 |
| | | Female | | Persons | 0 | 0 | 0 |
| | Age | Under 30 | | Persons | 0 | 0 | 0 |
| | | 30 to 50 | | Persons | 1 | 0 | 0 |
| | | Over 50 | | Persons | 2 | 3 | 3 |
| Employees | Total | | | Persons | 632 | 635 | 683 |
| | Permanent | Total | | Persons | 569 | 580 | 618 |
| | | Gender | Subtotal | Persons | 569 | 580 | 618 |
| | | | Male | Persons | 506 | 517 | 551 |
| | | | Female | Persons | 63 | 63 | 67 |
| | | Nationality[3] | Subtotal | Persons | 569 | 580 | 618 |
| | | | Korea | Persons | 549 | 555 | 588 |
| | | | America | Persons | 9 | 15 | 20 |
| | | | Others | Persons | 11 | 10 | 10 |
| | | Age | Under 30 | Persons | 58 | 64 | 67 |
| | | | 30 to 50 | Persons | 331 | 332 | 358 |
| | | | Over 50 | Persons | 180 | 184 | 193 |
| | Contract | Total | | Persons | 63 | 55 | 65 |
| | | Gender | Subtotal | Persons | 63 | 55 | 65 |
| | | | Male | Persons | 58 | 51 | 63 |
| | | | Female | Persons | 5 | 4 | 2 |
| | | Nationality | Subtotal | Persons | 63 | 55 | 65 |
| | | | Korea | Persons | 60 | 50 | 60 |
| | | | America | Persons | 2 | 3 | 3 |
| | | | Others | Persons | 1 | 2 | 2 |

| Category | | | | | Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|
| Employees | Total | | | | Persons | 632 | 635 | 683 |
| | By position | Team leader level and above | Total | | Persons | 42 | 43 | 45 |
| | | | Gender | Subtotal | Persons | 42 | 43 | 45 |
| | | | | Male | Persons | 42 | 43 | 45 |
| | | | | Female | Persons | 0 | 0 | 0 |
| | | | Age | Subtotal | Persons | 42 | 43 | 45 |
| | | | | Under 30 | Persons | 0 | 0 | 0 |
| | | | | 30 to 50 | Persons | 26 | 27 | 25 |
| | | | | Over 50 | Persons | 16 | 16 | 20 |
| | | Staff | Total | | Persons | 590 | 592 | 638 |
| | | | Gender | Subtotal | Persons | 590 | 592 | 638 |
| | | | | Male | Persons | 522 | 525 | 569 |
| | | | | Female | Persons | 68 | 67 | 69 |
| | | | Age | Subtotal | Persons | 590 | 592 | 638 |
| | | | | Under 30 | Persons | 90 | 95 | 102 |
| | | | | 30 to 50 | Persons | 313 | 310 | 341 |
| | | | | Over 50 | Persons | 187 | 187 | 195 |
| | Non-affiliated workers | | | | Persons | 0 | 0 | 0 |
| | Vulnerable group | Employment rate of persons with disabilities | | | % | 1.7 | 1.4 | 1.3 |
| | | National veteran | | | % | 2.4 | 2.0 | 1.9 |

1) Separate basis 2) Registered director based 3) Location based

# ESG Data

## Social

### Recruitment and Turnover

| Category | | | Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|
| New hires | Total | | Persons | 95 | 46 | 61 |
| | New hire rate | | % | 16.7 | 7.9 | 9.9 |
| | Gender | Male | Persons | 81 | 40 | 53 |
| | | Female | Persons | 14 | 6 | 8 |
| | Age | Under 30 | Persons | 38 | 14 | 12 |
| | | 30 to 50 | Persons | 56 | 31 | 49 |
| | | Over 50 | Persons | 1 | 1 | 0 |
| Turnover | Total | | Persons | 81 | 65 | 53 |
| | Gender | Male | Persons | 78 | 56 | 44 |
| | | Female | Persons | 3 | 9 | 9 |
| | Age | Under 30 | Persons | 29 | 34 | 27 |
| | | 30 to 50 | Persons | 35 | 22 | 19 |
| | | Over 50 | Persons | 17 | 9 | 7 |
| | By region | Korea | Persons | 81 | 65 | 53 |
| | | Czech | Persons | 0 | 0 | 0 |
| | Turnover rate | | % | 12.8 | 10.2 | 7.8 |
| | Voluntary turnover rate | | % | 10.7 | 9.1 | 7.0 |

### Non-discrimination

| Category | | Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| Discrimination cases | | Cases | 0 | 0 | 0 |
| Discrimination management status | Under investigation | Cases | 0 | 0 | 0 |
| | Action plan established | Cases | 0 | 0 | 0 |
| | Action completed | Cases | 0 | 0 | 0 |

### Parental Leave

| Category | | Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| Subject employees | Total | Persons | 149 | 142 | 118 |
| | Male | Persons | 127 | 121 | 99 |
| | Female | Persons | 22 | 21 | 19 |
| Used employees[1)] | Total | Persons | 7 | 6 | 5 |
| | Male | Persons | 3 | 0 | 3 |
| | Female | Persons | 4 | 6 | 2 |
| Returned employees[1)] | Total | Persons | 2 | 4 | 6 |
| | Male | Persons | 1 | 1 | 1 |
| | Female | Persons | 1 | 3 | 5 |
| Employees with over one year of service since returning | Total | Persons | 3 | 2 | 4 |
| | Male | Persons | 1 | 1 | 1 |
| | Female | Persons | 2 | 1 | 3 |
| Return rate from leave | Total | % | 100 | 100 | 100 |
| | Male | % | 100 | 100 | 100 |
| | Female | % | 100 | 100 | 100 |

1) The number of employees who used/returned from parental leave is calculated only for those who used/returned from leave while employed (retirees excluded)

### Employee Satisfaction Survey

| Category | Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Employees participated | Persons | 486 | 450 | 484 |
| Employee participation rate | % | 76.5 | 70.5 | 70.6 |

### Employee Grievance Status

| Category | Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Received grievance cases | Cases | 0 | 0 | 0 |
| Resolved grievance cases | Cases | 0 | 0 | 0 |

# ESG Data

## Social

### Compensation System

| Category | | Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| Salary rate | Male to female salary rate | % | 41 | 58 | 68 |
| | Minimum wage ratio compared to the statutory minimum wage | % | 154 | 153 | 154 |
| Average salary pay | Total | Thousand KRW | 80,134 | 83,063 | 84,723 |
| | Make | Thousand KRW | 83,518 | 86,627 | 88,052 |
| | Female | Thousand KRW | 47,313 | 51,858 | 55,071 |

### Employee Training and Career Development

| Category | | | Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|
| Training completion status | Employees | | Persons | 721 | 642 | 679 |
| | Completion rate | | % | 114.1 | 101.1 | 99.4 |
| | Total completed training hours | | Hour | 4,947 | 6,081 | 7,988 |
| | Average training completed | | Hours/persons | 8 | 10 | 12 |
| Total training hours | Gender | Male | Hour | 4,172 | 5,437 | 7,002 |
| | | Female | Hour | 775 | 644 | 986 |
| | By contract type | Permanent | Hour | 4,803 | 5,437 | 7,687 |
| | | Contract | Hour | 144 | 218 | 301 |
| Average training hours | Gender | Male | Hours/persons | 8.2 | 10.5 | 12.7 |
| | | Female | Hours/persons | 12 | 10 | 15 |
| | By contract type | Permanent | Hours/persons | 8 | 9 | 12 |
| | | Contract | Hours/persons | 2 | 4 | 5 |
| Average training costs per person | | | KRW won | 541,478 | 864,120 | 962,715 |
| Percentage of employees that received performance evaluations | Gender | Male | % | 100 | 100 | 100 |
| | | Female | % | 100 | 100 | 100 |
| | By position[1)] | Manager | % | 100 | 100 | 100 |
| | | Staff | % | 100 | 100 | 100 |

1) Retirees excluded

### Supply Chain Assessment

| Category | | | Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|
| New supplier screening proportion | No. of new suppliers that undergo ESG screening | | Count | 0 | 0 | 0 |
| | New suppliers | | Count | 176 | 106 | 87 |
| | New supplier ESG screening ratio | | % | 0 | 0 | 0 |
| Supply chain ESG assessment | No. of suppliers that undergo supply chain ESG assessment | | Count | 0 | 0 | 13 |
| | Percentage of purchases made from suppliers who have completed supply chain ESG assessments | | % | 0 | 0 | 44.1 |
| | Low rated suppliers | | Count | 0 | 0 | 0 |
| | Improvement measures | No. of suppliers in compliance with improvement measures | Count | 0 | 0 | 0 |
| | | Rate of suppliers tin compliance with improvement measures | % | 0 | 0 | 0 |
| | | No. of supplies whose contracts were terminated due to significant negative impact | Count | 0 | 0 | 0 |
| | | Rate of suppliers whose contracts were terminated due to significant negative impact | % | 0 | 0 | 0 |

### Product Customer Safety

| Category | Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Received safety-related reports by customers | Cases | 0 | 0 | 0 |
| Resolved safety-related reports by customers | Cases | 0 | 0 | 0 |
| No. of products assessed for customer safety | Count | 165 | 172 | 177 |

# ESG Data

## Social

### Health & Safety

| Category | | Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| Health and safety management system applicability | No. of employees | Persons | 591 | 462 | 504 |
| | Employee rate | % | 93.1 | 72.4 | 73.5 |
| Health & safety training | Training completion rate | % | 92.1 | 92.9 | 92.6 |
| Employee health check-ups | Employees who got check-up | Persons | 568 | 546 | 628 |
| | Rate of employees who got check-ups | % | 89.4 | 85.6 | 91.5 |

### Work-related Ill Health

| Category | | Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| Employees | No. of deaths caused by occupational disease | Case | 0 | 0 | 0 |
| | No. of occupational diseases | Case | 0 | 0 | 0 |
| Supplier | No. of deaths caused by occupational disease | Case | 0 | 0 | 0 |
| | No. of occupational diseases | Case | 0 | 0 | 0 |

### Labor-Management Relations

| Category | Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| No. of members subject to labor union | Persons | 245 | 247 | 258 |
| No. of members registered to labor union | Persons | 245 | 247 | 258 |
| Employee labor union registration rate | % | 100 | 100 | 100 |
| Labor-management council meetings held | Count | 13 | 8 | 8 |

### Work-related Injuries

| Category | | Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| Occupational incidents | Employee | Case | 2 | 1 | 2 |
| | Supplier | Case | 0 | 3 | 0 |
| Occupational incident rate | Employee | % | 0.31 | 0.16 | 0.29 |
| | Supplier | % | 0 | 2.54 | 0 |
| Lost-time incident (LTI) | Employee | Case | 3 | 1 | 3 |
| | Supplier | Case | 0 | 3 | 0 |
| Lost-time incident rate (LTIR)[1] | Employee | – | 1.82 | 0.74 | 2.06 |
| | Supplier | – | 0 | 12.04 | 0 |
| Recordable incident (RI) | Employee | Case | 5 | 2 | 3 |
| | Supplier | Case | 1 | 3 | 0 |
| Total recordable incident rate (TRIR)[1] | Employee | – | 3.03 | 1.48 | 2.06 |
| | Supplier | – | 3.95 | 12.04 | 0 |
| Work-related severe injury | Employee | Case | 0 | 0 | 0 |
| | Supplier | Case | 0 | 0 | 0 |
| Work-related severe injury rate | Employee | % | 0 | 0 | 0 |
| | Supplier | % | 0 | 0 | 0 |
| Fatality (FAT) | Employee | Case | 0 | 0 | 0 |
| | Supplier | Case | 0 | 0 | 0 |
| Fatality rate | Employee | % | 0 | 0 | 0 |
| | Supplier | % | 0 | 0 | 0 |
| Total working hours | Employee | Hour | 1,651,497 | 1,355,153 | 1,455,517 |
| | Supplier | Hour | 253,440 | 249,216 | 264,000 |

1) One million person-hours basis

# ESG Data

## Governance

Hanwha Advanced Materials was established in December 2022 through a physical division from Hanwha Solutions, so the 2022 data was consolidated and disclosed under Hanwha Solutions.

### Board of Directors

| Category | | | Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|
| Composition | Subcategory | Total | Person | | 5 | 5 |
| | | Executive directors | Person | | 3 | 3 |
| | | Outside directors | Person | | 0 | 0 |
| | | Non-executive directors | Person | | 2 | 2 |
| | Gender | Male | Person | | 5 | 5 |
| | | Female | Person | | 0 | 0 |
| Meetings | No. of meetings | | Meeting | | 5 | 7 |
| | No. of agenda items | Resolved | Case | | 23 | 31 |
| | | Reported | Case | | 0 | 2 |

### Compensation

| Category | Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| CEO compensation | KRW million | 565 | 859 | 539 |
| Avg. employee compensation (excl. registered executives) | KRW million | 80 | 83 | 85 |

### Information Security and Protection

| Category | | Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| Information security status | Employee information security training completion rate | % | | 100 | 100 |
| | Site information security due diligence rate | % | | 100 | 100 |
| | No. information security assessments done | count | | 1 | 1 |
| Information security incidents | No. of incidents | Case | | 0 | 0 |
| | Fine amount | KRW million | | 0 | 0 |
| Privacy violations | No. of external complaints | Case | | 0 | 0 |
| | No. of regulatory authority complaints | Case | | 0 | 0 |
| Personal information leak/theft/loss | | Case | | 0 | 0 |

### Ethics and Fair Trade

| Category | | Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| Ethics training | Ethics training completion rate | % | | 100 | 100 |
| Anti-bribery risk assessment | No. of sites assessed | Count | | 0 | 0 |
| | Total no. of sites | Count | | 2 | 2 |
| | Ratio of sites assessed | % | | 0 | 0 |
| Fair trade training | No. of employees completed | Persons | | 0 | 50 |
| | No. employee trainings | Count | | 0 | 2 |
| | No. of supplier trainings | Count | | 0 | 0 |
| | No. training hours | Hour | | 0 | 50 |
| Anti-bribery training | No. of executives who completed training | Persons | | 0 | 0 |
| | Ratio of executives who completed training | % | | 0 | 0 |
| | No. employees who completed training | Persons | | 0 | 0 |
| | Rati oof employees who completed training | % | | 0 | 0 |
| Integrity agreement/ supplier code of conduct pledge | No. employees signed | Persons | | 0 | 317 |
| | No. of suppliers signed | Count | | 0 | 0 |
| | Ration of suppliers signed | % | | 0 | 0 |
| Corruption cases | Corruption cases | Case | | 0 | 0 |
| | Disciplinary actions taken | Count | | 0 | 0 |
| | Dismissals taken | Count | | 0 | 0 |
| | Supplier contract terminations | Count | | 0 | 0 |
| | Corruption-related legal actions | Count | | 0 | 0 |
| Laws/regulations violations | Total | Count | | 0 | 0 |
| | Monetary sanctions | Count | | 0 | 0 |
| | Non-monetary sanctions | Count | | 0 | 0 |

# GRI Standards Index

Hanwha Advanced Materials reported its ESG performance for the period from January 1, 2024 to December 31, 2024, in accordance with the Global Reporting Initiative (GRI) Standards 2021, an international sustainability reporting standard. GRI 1 used: GRI 1: Foundation 2021 Applicable GRI Sector Standards: N/A

| Category | | Disclosure | Page | Remarks |
|---|---|---|---|---|
| **GRI 2 General Disclosures** | | | | |
| The organization and its reporting practices | 2–1 | Organizational details | 6–7 | – |
| | 2–2 | Entities included in the organization's sustainability reporting | 2 | – |
| | 2–3 | Reporting period, frequency, and contact point | 2 | – |
| | 2–4 | Restatement of information | – | |
| | 2–5 | External assurance | 80–81 | First publication for FY24 |
| Activities and workers | 2–6 | Activities, value chain and other business relationships | 6–7 | – |
| | 2–7 | Employees | 71 | – |
| | 2–8 | Workers who are not employees | 71 | – |
| Governance | 2–9 | Governance structure and composition | 12, 57 | – |
| | 2–10 | Nomination and selection of the highest governance body | 12, 57 | – |
| | 2–11 | Chair of the highest governance body | 12, 57 | – |
| | 2–12 | Role of the highest governance body in overseeing the management of impacts | 12, 57 | – |
| | 2–13 | Delegation of responsibility for managing impacts | 12, 57 | – |
| | 2–14 | Role of highest governance body in sustainability reporting | 12 | – |
| | 2–15 | Conflicts of interest | – | No conflicts of interest |
| | 2–16 | Communication of critical concerns | 16, 57 | – |
| | 2–17 | Collective knowledge of the highest governance body | 12 | – |
| | 2–18 | Evaluation of the performance of the highest governance body | – | Evaluation not performed |
| | 2–19 | Remuneration policies | – | Confidential |
| | 2–20 | Process to determine remuneration | – | Confidential |
| | 2–21 | Annual total compensation ratio | – | Confidential |
| Strategy, Policies and Practices | 2–22 | Statement on sustainable development strategy | 5 | – |
| | 2–23 | Policy commitments | 18, 29, 35, 41, 46, 47, 50, 52, 53, 58, 62 | – |
| | 2–24 | Embedding policy commitments | 18, 29, 35, 41, 46, 47, 50, 52, 53, 58, 62 | – |
| | 2–25 | Processes to remediate negative impacts | 15, 23, 37, 49, 52, 54, 61 | – |
| | 2–26 | Mechanisms for seeking advice and raising concerns | 16, 49, 52, 54, 61 | – |
| | 2–27 | Compliance with laws and regulations | 19, 23, 25, 26, 27,35, 41, 44, 46, 47, 58 | – |
| | 2–28 | Membership associations | 79 | – |

| Category | | Disclosure | Page | Remarks |
|---|---|---|---|---|
| **GRI 2 General Disclosures** | | | | |
| Stakeholder Engagement | 2–29 | Approach to stakeholder engagement | 12 | – |
| | 2–30 | Collective bargaining agreement | 12, 46 | – |
| GRI 3 Material Topics | | | | |
| GRI 3: Material Topics 2021 | 3–1 | Process to determine material topics | 13 | – |
| | 3–2 | List of material topics | 14–15 | – |
| **Climate Change Response** | | | | |
| GRI 3: Material Topics 2021 | 3–1 | Management of material topics | 20–22 | – |
| GRI 302: Energy 2016 | 302–1 | Energy consumption with the organization | 68 | – |
| | 302–3 | Energy intensity | 68 | – |
| | 302–4 | Reduction of energy consumption | 22 | – |
| GRI 305: Emissions 2016 | 305–1 | Direct (Scope 1) GHG emissions | 68 | – |
| | 305–2 | Energy indirect (Scope 2) GHG emissions | 68 | – |
| | 305–3 | Other indirect (Scope 3) GHG emissions | 68 | – |
| | 305–4 | GHG emissions intensity | 68 | – |
| | 305–5 | Reduction of GHG emissions | 21, 68 | – |
| **Health & Safety** | | | | |
| GRI 3: Material Topics 2021 | 3–1 | Management of material topics | 35–40 | – |
| GRI 403: Occupational Health and Safety 2018 | 403–1 | Occupational health and safety management system | 36–37 | – |
| | 403–2 | Hazard identification, risk assessment, and incident investigation | 36 | – |
| | 403–3 | Occupational health services | 37–38 | – |
| | 403–4 | Worker participation, consultation, and communication on occupational health and safety | 37–39 | – |
| | 403–5 | Worker training on occupational health and safety | 37, 40 | – |
| | 403–6 | Promotion of worker health | 38 | – |
| | 403–7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 35–40 | – |
| | 403–8 | Workers covered by an occupational health and safety management system | 35 | – |
| | 403–9 | Work-related injuries | 74 | – |
| | 403–10 | Work-related ill health | 74 | – |

# GRI Standards Index

| Category | | Disclosure | Page | Remarks |
|---|---|---|---|---|
| **Supply Chain Management** | | | | |
| GRI 3: Material Topics 2021 | 3–3 | Management of material topics | 15, 50–52 | – |
| GRI 308: Supplier Environmental Assessment 2016 | 308–1 | New suppliers screened using environmental criteria | 51, 73 | – |
| | 308–2 | Negative environmental impacts in the supply chain and actions taken | 67 | – |
| GRI 414: Supplier Socia Assessment 2016 | 414–1 | New suppliers screened using social impact assessment criteria | 51, 73 | – |
| | 414–2 | Significant negative social impacts in the supply chain and measures implemented | 51 | – |
| **Product Quality & Liability** | | | | |
| GRI 3: Material Topics 2021 | 3–3 | Management of material topics | 13, 33, 53–54 | |
| **Product R&D** | | | | |
| GRI 3: Material Topics 2021 | 3–3 | Management of material topics | 15, 32–33 | |
| **Non-material topics** | | | | |
| GRI 202: Market Presence 2016 | 202–1 | Ratio of new employee wages by gender compared to local legal minimum wage at workplace | 75 | – |
| GRI 203: Indirect Economic Impacts 2016 | 203–1 | Infrastructure investment and service provision | 55 | – |
| | 203–2 | Significant indirect economic impact | 32, 33 | – |
| GRI 204: Procurement Practices 2016 | 204–1 | Proportion of spending on local suppliers | 75 | |
| GRI 205: Anticorruption 2016 | 205–1 | Workplaces assessed for corruption-related risks | 60 | – |
| | 205–2 | Communication and training on anti-corruption policies and procedures | 59, 61 | – |
| | 205–3 | Confirmed corruption incidents and actions taken | 59–61 | |
| GRI 206: Anticompetitive Behavior 2016 | 206–1 | Legal actions regarding anticompetitive, antitrust, and monopoly practices | 60 | – |
| GRI 301: Materials 2016 | 301–1 | Materials used by weight or volume | 32 | |
| | 301–3 | Reclaimed products and their packaging materials | 32 | |
| GRI 303: Water and Effluents 2018 | 303–1 | Interactions with water as a shared resource | 23–24 | |
| | 303–2 | Management of water discharge-related impacts | 23 | |
| | 303–3 | Water withdrawal | 69 | |
| | 303–4 | Water discharge | 23, 69 | |
| | 303–5 | Water consumption | 69 | |

| Category | | Disclosure | Page | Remarks |
|---|---|---|---|---|
| **Non-material topics** | | | | |
| GRI 304: Biodiversity 2016 | 304–1 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | 30–31 | – |
| | 304–2 | Significant impacts of activities, products and services on biodiversity | 30–31 | – |
| | 304–3 | Habitats protected or restored | 31 | |
| | 304–4 | IUCN Red List species and national conservation list species with habitats in areas affected by operations | 31, 69 | |
| GRI 306: Waste 2020 | 306–1 | Waste generation and significant waste-related impacts | 26, 32 | – |
| | 306–2 | Management of significant waste-related impacts | 26 | – |
| | 306–3 | Generated waste | 26, 70 | – |
| | 306–4 | Unprocessed waste | 70 | – |
| GRI 401: Employment 2016 | 401–1 | New hires and turnover | 72 | – |
| | 401–2 | Benefits provided only to full-time employees | 72 | – |
| | 401–3 | Parental leave | 72 | – |
| GRI 404: Training and Education 2016 | 404–1 | Average training hours per employee | 73 | – |
| | 404–2 | Employee capacity building and transition support programs | 43, 73 | – |
| | 404–3 | Percentage of employees receiving regular performance evaluation and career development review | 43 | – |
| GRI 405: Diversity and Equal Opportunity 2016 | 405–1 | Composition of governance bodies and employees by category (gender, age, minority groups, other diversity indicators) | 57 | – |
| | 405–2 | Ratio of basic salary and remuneration of female to male employees (by employee category, major business sites) | 73 | – |
| GRI 406: Non-discrimination 2016 | 406–1 | Number of discrimination incidents and corrective actions taken | – | No discrimination incidents |
| GRI 416: Customer Health and Safety 2016 | 416–1 | Implementation rate of health and safety impact assessments for major products and services | 54 | – |
| | 416–2 | Number of violations of health and safety laws and voluntary regulations | 54 | |
| GRI 417: Marketing and Labeling 2016 | 417–1 | Requirements for information and labeling procedures | 54 | – |
| | 417–2 | Number of violations of laws and voluntary regulations related to information and labeling (disposition results) | 54 | |
| | 417–3 | Customer satisfaction survey results | 54 | – |
| GRI 418: Customer Privacy 2016 | 418–1 | Number of complaints regarding customer privacy violations and loss of customer information | 62–65 | – |

# UN SDGs

| UN SDGs | 2024 Key Activities | Page |
|---|---|---|
|  | • Not applicable | – |
|  | • Bright World fundraising campaign | 55 |
|  | • Employee health management<br>• Welfare programs | 38, 44 |
|  | • Employee training programs<br>• Employee skill development and career planning | 43 |
|  | • Establishment of human rights policies and conducting human rights education<br>• Activities to promote gender diversity | 47–48 |
|  | • Wastewater quality assessment and water conservation activities<br>• Water recycling and reuse activities | 23 |
|  | • Use of renewable energy<br>• Reduction of carbon emissions from transportation | 21–22 |
|  | • Talent acquisition investments | 42–43 |

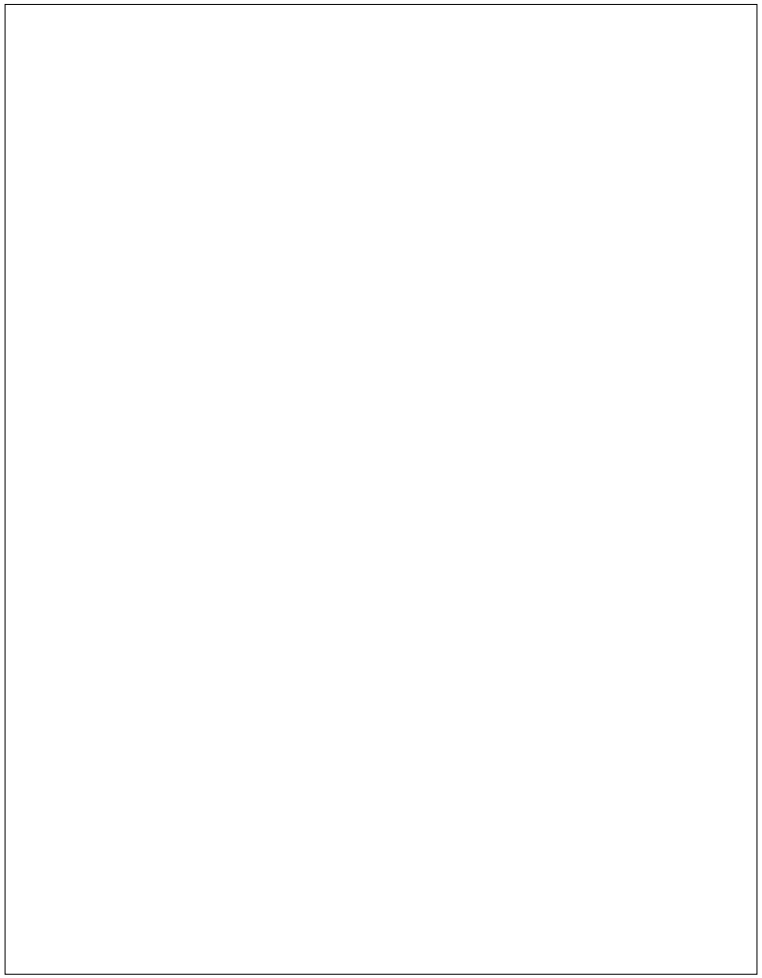
| UN SDGs | 2024 Key Activities | Page |
|---|---|---|
|  | • Lightweight composite materials, solar energy materials development project<br>• Sustainable product R&D | 8– 9, 32 |
|  | • Establishment of fair recruitment processes<br>• Human rights management policies and activities | 42, 47–48 |
|  | • Community contribution activities<br>• Protection of indigenous rights | 55 |
|  | • Life Cycle Assessment (LCA) implementation | 32–33 |
|  | • Policy development for GHG emission reduction and implementation of climate change response activities<br>• Environmental impact management activities and goal setting (water resources, waste, pollutants, biodiversity) | 20–29 |
|  | • Biodiversity impact assessment and conservation activities | 29–31 |
|  | • Ethics management activities and operation of reporting channels | 58–61 |
|  | • Establishment of sustainable supply chain management system<br>• Establishment of ethical management system and fair trade management | 50, 52, 60 |

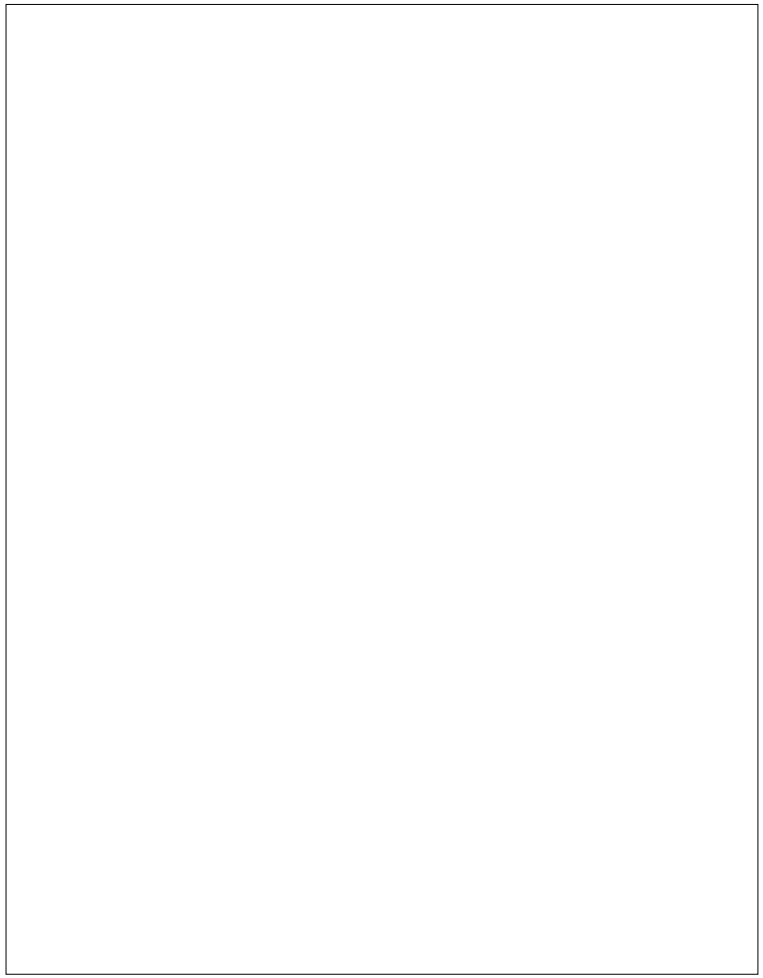
# Association/Membership Status

| Association Name | Purpose of Membership |
|---|---|
| Korea Industrial Safety Association | Industrial safety information exchange, etc. |
| Korea Hope Safety Institute | Registration and training for fire safety managers and hazardous material safety managers, etc. |
| Chungbuk Environmental Engineers Association | Information exchange for environmental engineers, etc. |
| Sejong Health and Safety Council | Sharing safety and health information for companies in Sejong, etc. |
| Daejeon and Sejong PSM Council | Sharing PSM–related information, etc. |
| Daejeon, Sejong, and Chungnam Environmental Engineers Association | Sharing information for environmental engineers, etc. |
| Sejong City Environmental Engineers Association | Environmental information and education support |
| Bugang–myeon Nature Conservation Council | Regional–linked nature conservation activities |
| Seoul Chamber of Commerce and Industry | Member company exchange and international business support |

| Association Name | Purpose of Membership |
|---|---|
| AKI Cooperation Association | Adient Korea Cooperation Association |
| Korean Society for Composite Materials | Networking for composite material experts and understanding of technology trends |
| Korea Carbon Nano Association | Networking for carbon composite material experts in the automotive industry and understanding of technology trends |
| Sejong Chamber of Commerce and Industry | Exchanging key information and regional development in Sejong City (as stipulated in the Chamber of Commerce and Industry Act, Article 10, Paragraph 3, Article 14, Paragraph 2, etc.) |
| Hyundai–Kia Cooperation Association | Hyundai–Kia business environment and partner exchange |
| GM Korea Association | GM Korea business environment and partner exchange |
| NIC (Non–Metallic Innovation Center) | Oil & Gas market trend analysis |
| Korea Electrical Engineers Association | Electrical safety manager association fee |
| Korea Mechanical Equipment Construction Association | Mechanical equipment maintenance manager career management fee |

# GHG Verification Statement





# Independent Assurance Statement

## To readers of 2024 Hanwha Advanced Materials Sustainability Report

### Introduction

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

### Subject Matter

The reporting boundaries included the performance and activities of sustainability-related organizations as described in Hanwha Advanced Materials' report:

- 2024 Hanwha Advanced Materials Sustainability Report

### Reference Standard

- GRI Standards 2021 : 2023 (GRI)

### Assurance Criteria

KMR applied the quality management system in accordance with ISO 17029 and KMR EDV 01, and carried out the verification in accordance with the assurance criteria of AA1000AS v3 and KMR's proprietary SRV1000. Under AA1000AS v3, we assessed the adherence to the four principles presented in AA1000AP:2018—Inclusivity, Materiality, Responsiveness, and Impact—and evaluated the reliability and quality of the data and information using. Under SRV1000, we conducted a multidimensional review aimed at zero data errors, applying expert judgment to determine the materiality criteria.

- ISO 17029 : 2019, ISO 14065 : 2020, AA1000AS v3 : 2020 (AccountAbility), AA1000AP : 2018 (AccountAbility), SRV1000 : 2022 (KMR), KMR EDV 01 : 2024 (KMR)
- Levels of assurance/materiality: AA1000AS v3 — Type 2/moderate, limited/ not set

### Scope of Assurance

The information subject to verification in the sustainability report is as follows.

- GRI Standards 2021 reporting principles
- Universal Standards
- Topic Specific Standards
  - Energy: GRI 302-1, 3, 4
  - Emissions: GRI 305-1~5
  - Supplier Environmental Assessment: GRI 308-1~2
  - Occupational Health and Safety: GRI 403-1~10
  - Supplier Social Assessment: GRI 414-1~2

### KMR's Approach

Our Assurance Team undertook the following activities for the agreed scope of assurance using the standard outlined above:

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

# Independent Assurance Statement

## To readers of 2024 Hanwha Advanced Materials Sustainability Report

### Limitations and Recommendations

The absence of generally accepted reporting frameworks or well-established practices on which to draw to evaluate and measure non-financial information allows for different measures and measuring techniques, which can affect comparability between entities. Therefore, our assurance team relied on professional judgment. In a limited assurance engagement, the scope of the risk assessment procedures and the subsequent procedures performed in response to the assessed risks are limited than in a reasonable assurance engagement. Our assurance team conducted our work to a limited extent through inquiries, analysis, and limited sampling based on the assumption that the data and information provided by Hanwha Advanced Materials are complete and sufficient. To overcome these limitations, we confirmed the quality and reliability of the information by referring to independent external sources and public databases, such as DART and the National GHGs Management System (NGMS).

### Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with Hanwha Advanced Materials on the revision of the Report. We reviewed the Report's final version in order to make sure that our recommendations for improvement and revision have been reflected. We found that the report was prepared in accordance with the criteria presented by Hanwha Advanced Materials, and nothing comes to our attention to suggest that the evidence obtained regarding its content is insufficient to provide a basis for our opinion. Our opinion on the principles is as follows:

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

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

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

**Impact**
Hanwha Advanced Materials identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

**Reliability of Specific Sustainability Performance Information**
In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of sustainability performance data, including the number of employees, employment rates for persons with disabilities and veterans, new hires, and turnover. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

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

Korea Management Registrar (KMR) is a verification body for the Republic of Korea Emissions Trading Scheme (K-ETS), accredited to ISO/IEC 17029:2019 (Conformity Assessment – General principles and requirements for validation and verification bodies), ISO 14067, the additional accreditation criteria ISO 14065, and ISO/IEC 17021:2015 (Requirements for bodies providing audit and certification of management systems). Additionally, KMR maintains a comprehensive quality control system that includes documented policies and procedures of the KMR EDV 01:2024 (ESG Disclosure Assurance System) based on ISO/IEC 17029 requirements and compliant with IAASB ISQM1:2022 (International Standard on Quality Management 1 by the International Auditing and Assurance Standards Board). Furthermore, KMR adheres to the ethical requirements of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior in accordance with the IESBA Code:2023 (International Code of Ethics for Professional Accountants). Our assurance team consists of sustainability experts. Other than providing an independent assurance, KMR has no other contract with Hanwha Advanced Materials and did not provide any services to Hanwha Advanced Materials that could compromise the independence of our work.

### Limitations of Use

This assurance statement is made solely for the management of Hanwha Advanced Materials for the purpose of enhancing an understanding of the organization's sustainability performance and activities. We assume no liability or responsibility for its use by third parties other than the management of Hanwha Advanced Materials. As this assurance statement may be subject to revision after the assurance date below, we recommend verifying whether this is the latest version.

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September 8, 2025
CEO **E. J Hwang** E. J Hwang

Korea Management Registrar SRV1000 Sustainability Committee Assurance AA1000 Licensed Report 000-129/V3-3KZ59

Hanwha Advanced Materials