2025 Sustainability Report

Hanyang Industry Co., Ltd. 2025 Sustainability Report

HANYANG INDUSTRY CO., LTD.

About This Report

REPORT OVERVIEW

Hanyang Industry Co., Ltd. has published this report to reflect on its achievements over the past 60 years since its founding in 1966 and to set the direction for sustainable management going forward. The 2025 Sustainability Report provides a transparent overview of the Company's key environmental, social, and governance activities and performance. It was also prepared to strengthen communication with stakeholders, focusing on the sustainability topics that matter most. This is Hanyang Industry Co., Ltd.'s first Sustainability Report.

REPORTING SCOPE

This report covers the Company's entire headquarters operations, and certain data also includes information from its overseas subsidiaries. Financial information has been prepared on the basis of the financial statements in accordance with Korean International Financial Reporting Standards (K-IFRS). For environmental and social information, where there were limitations in data collection, the reporting scope has been separately indicated.

REPORTING PERIOD

This report presents the Company's sustainability management performance for the period from January 1 to December 31, 2025. To help stakeholders identify performance trends, key quantitative data for three or more years is also disclosed. For certain major issues and meaningful activities and achievements, updates from the first half of 2026 are also included.

REPORTING STANDARDS AND PUBLICATION CYCLE

This report has been prepared with reference to the GRI Standards 2021 of the Global Reporting Initiative (GRI). Hanyang Industry Co., Ltd. plans to publish its Sustainability Report annually in Korean, and this report is available for viewing and download at any time in PDF format on the Company's website.

REPORT ASSURANCE

To enhance the credibility of the report for both internal and external stakeholders, Hanyang Industry Co., Ltd. engaged Han Consulting Group, an independent third-party assurance provider, to verify the report. Through this process, the Company sought to ensure the reliability and fairness of the reporting process, data, and content. The detailed assurance statement is included in the Appendix.

CONTACT INFORMATION

For inquiries or comments regarding Hanyang Industry Co., Ltd.'s sustainability activities or this report, please contact us using the information below.

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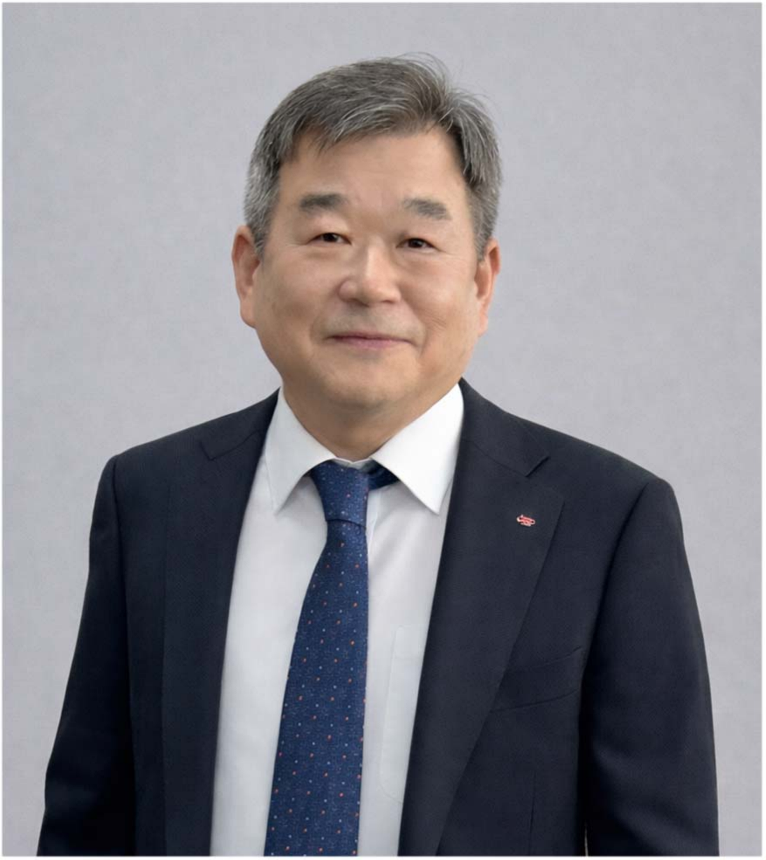
CEO Message



CEO, Hanyang Industry Co., Ltd.
Hee Son

"We joined the UNGC to advance ESG management as we build a 100-year company where technology, the environment, and people are in harmony."

Dear Shareholders, Customers, and Business Partners,
I am pleased to share Hanyang Industry Co., Ltd.'s 2025 Sustainability Report with you.

Since 1966, we have focused on combustion technology and environmental plant solutions, contributing to Korea's industrial growth. As the climate crisis becomes a global challenge, our role as an environmental equipment company is more important than ever. We now aim to evolve beyond equipment manufacturing and become a Total Environmental Solution Provider. Thank you for your continued trust and support.

Green Technology

We contributed to reducing our customers' carbon emissions by advancing eco-friendly equipment technologies. By maximizing the efficiency of waste heat recovery boilers and energy-efficient incineration systems, we strengthened our position as a leader in green technology.

Safety Culture

We strengthened our occupational safety and health management system in line with international standards. Guided by our core values of safety and mutual growth, we focused on creating accident-free workplaces for both employees and business partners.

Transparent Management

We also established a board-led responsible management framework and adopted ethical management principles. By increasing transparency in decision-making and expanding communication channels with stakeholders, we built a governance structure based on trust.

UNGC Participation

Global Compact
Network Korea

(주) 한양인더스트리 손희 대표이사님께

안녕하십니까?

(주) 한양인더스트리가 유엔글로벌콤팩트에 가입하게 된 것을 진심으로 환영합니다.
아울러, 귀사에서 안토니오 구테헤스 유엔사무총장님께 보내신 서한과 같이,
유엔글로벌콤팩트의 10대 원칙 및 SDGs에 대한 추진의지를 보여주신 것에 감사드립니다.

유엔글로벌콤팩트는 현재 160여 개국에서 2만 5천여 개의 기업 및 기관이 참여하는 세계 최대의 기업 지속가능성 이니셔티브입니다. 유엔글로벌콤팩트 한국협회는 2007년 9월 설립된 이래, 우리 기업 및 기관들이 UNGC 10대 원칙을 이행하고, 인권, 노동, 환경, 반부패의 가치를 정책과 경영활동에 통합할 수 있도록 지원하고 있습니다.

유엔글로벌콤팩트 한국협회는 다양한 컨퍼런스, 세미나, 워크숍 개최 및 지속가능경영 관련 연구·조사, 정책제안, 네트워킹과 대화의 장 마련, 기업의 사회적 책임 및 지속가능발전목표(SDGs) 관련 프로젝트 수행 등을 통해 회원사의 유엔글로벌콤팩트 10대 원칙 이행 활동을 지원하고 있습니다. 또한, 회원사가 COP(이행보고서, Communication on Progress)를 이해관계자들에게 효과적으로 공유할 수 있도록 돕고 있습니다. 더불어 우리 회원사의 우수 사례를 국제적으로도 알리고, 한국이 기업 및 기관의 지속가능경영 분야의 선두 국가가 될 수 있도록 노력하고 있습니다.

앞으로 한국협회 활동에 대한 활발한 참여와 관심을 부탁드리며,
이를 통해 귀사의 지속가능성 증진에 큰 도움이 되기를 바랍니다.

귀사의 무궁한 발전을 기원합니다.

2026년 2월 12일

유연철

유엔글로벌콤팩트 한국협회 유연철 사무총장

Participation in the United Nations Global Compact signifies a company's commitment to supporting internationally recognized principles related to human rights, labour, environment, and anti-corruption, and to integrating these principles throughout its business activities.

In February 2026, Hanyang Industry Co., Ltd. officially joined the United Nations Global Compact (UNGC). Through its participation in the UNGC, the Company seeks to further strengthen its management system in line with global standards and promote responsible business practices in the following areas:

- Embedding the UNGC's Ten Principles across the business
- Expanding responsible business practices to stakeholders, including the supply chain
- Enhancing ESG policies and implementation systems
- Transparently disclosing sustainability performance through the Communication on Progress (CoP)

In particular, as the Company expands its participation in overseas EPC projects and global supply chains, compliance with the UNGC principles is expected to serve as an important foundation for enhancing its credibility and competitiveness.
The Company will continue to strengthen responsible business practices in line with global standards and grow as a trusted company across its overseas business and supply chain activities.

Company Overview

- Corporate History and Vision
- Business Sites and Global Network
- Key Products and Services
- Market Overview

Global Plant Solution Partner

Since 1966, the Company has expanded its presence in global markets through over half a century of technological expertise.

1966 ~ 1999
Foundation Period

1966 Establishment of Hanyang Industry Co., Ltd.
1983 Agency agreement with HAUCK (U.S.)
1986 Manufacturing license for thermal equipment obtained
1993 Company renamed Hanyang Industry Co., Ltd.

2000 ~ 2015
Growth and Global Expansion

2000 Technical partnership agreement with CALORIC (Germany)
2003 KSA ISO 9001:2000 certification obtained
2008 Completion of the Anseong plant
2011 ISO 14001:2004 and OHSAS 18001 certifications obtained

2016 ~ 2025
Green Innovation and ESG

2018 Engineering business license obtained
2020 General construction business license obtained
2024 Establishment of the ESG Management Committee
2025 EcoVadis Committed Badge obtained

2026 ~ Future
Advancing Sustainability Management

2026 Publication of first Sustainability Report
2028 Establishment of carbon neutrality roadmap
2030 Growth into a global top-tier ESG company

Company Overview

ESG Vision

ESG-Based Air Pollution Control Equipment Design Advancement

Hanyang Industry Co., Ltd. has established a new ESG vision to respond to a rapidly changing global business environment and pursue sustainable growth. Going beyond profit generation, this vision reflects the Company's commitment to enhancing long-term corporate value through the development of eco-friendly technologies, the creation of safe workplaces, and the establishment of transparent governance.

Ensuring Long-Term Corporate Stability

Core Values

Technological Innovation

The Company seeks to set global standards in eco-friendly equipment through continuous R&D and technological advancement.

Safety First

The Company places safety, a non-negotiable core value, at the center of management and strives to create accident-free workplaces.

Ethical Management

Through transparent and fair decision-making, the Company seeks to earn the trust of stakeholders.

Shared Growth

The Company fulfills its social responsibility through shared growth with business partners and contributions to local communities.

Domestic Operations Network

2 Key Sites
Strategic Bases in Gyeonggi-do

Ansan Headquarters

Strategy & R&D

Jangha-ro, Sangnok-gu, Ansan-si, Gyeonggi-do

As the hub for management strategy and core technology R&D, it oversees the Company's global business operations.

Anseong Plant

Large-Scale Plants

Sindumangok-ro, Miyang-myeon, Anseong-si, Gyeonggi-do

This facility serves as a production base for large-scale plant equipment requiring advanced technological expertise, including SRU reactors, incinerators, and waste heat recovery boilers.

Business Network

Global Production Hub

The Company is committed to delivering high-quality and safe products through advanced facilities and a specialized production system.

Company Overview

Global Network

Overseas Network

United Arab Emirates
Key Hub

- ADNOC and other NOC projects
- Supply of desulfurization and gas processing equipment

Kuwait
Project Execution

- Clean Fuels Project participation
- Supply of high-efficiency combustion equipment

Saudi Arabia
Expansion

- Vision 2030 eco-friendly plant orders
- Aramco vendor registration and stronger cooperation

Middle East

- A key market for energy and refining plants

Malaysia
Partnership Strengthening

- Petronas project partnerships
- Foothold in Southeast Asia's energy hub

Indonesia
Market Entry

- Demand from new capital and infrastructure development
- Local partnerships and technical cooperation

Asia Pacific

- Emerging growth markets and production partnerships

Global Expansion **Strategy**

Building on its strong track record in the domestic market, Hanyang Industry Co., Ltd. is implementing localized strategies tailored to the Middle East and Asian markets. Leveraging globally recognized quality and safety management systems, including ISO certifications, the Company aims to earn the trust of overseas clients, respond proactively to growing demand for eco-friendly equipment, and expand its global market share.

Company Overview

Core Business Areas

Key Business Areas

Building on combustion technologies accumulated since 1966, Hanyang Industry Co., Ltd. delivers eco-friendly plant solutions that maximize energy efficiency.

Industrial Combustion Equipment

Oil / Gas Burner : High-efficiency low-NOx burners (Low NOx Burner)
Oxygen Burner : Pure oxygen combustion technology
Dual Fuel Burner : Fuel flexibility
Process Burner : Specialized burners for petrochemical processes

Helps reduce energy costs

Environmental Plant Equipment

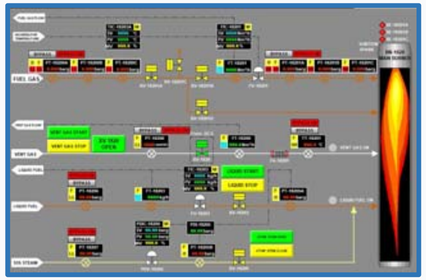
Incinerator : Incinerators for gas and liquid waste
Tail Gas Incinerator : Tail gas treatment equipment
De-NOx System : SCR/SNCR NOx reduction systems
VOCs Treatment : Volatile organic compound treatment

Minimizes air pollutant emissions

Control System & Engineering

BMS(Burner Management System) : Auto ignition and safety shutdown
Combustion Control : Combustion optimization
EPC Turnkey : End-to-end solutions
Retrofit & Maintenance : Upgrades and maintenance

Enhances safety and ease of operation



Company Overview

Products & Services

Advanced Plant Solutions

From core equipment for refining and petrochemical processes to integrated engineering services, Hanyang Industry Co., Ltd. delivers high-quality solutions.

Refining & Petrochemical Equipment and EPC

SRU Thermal Reactor

A core component of sulfur recovery units (SRUs), designed to enable stable chemical reactions under high-temperature and high-pressure conditions and process hazardous hydrogen sulfide.

Waste Heat Boiler

An eco-friendly system that recovers high-temperature waste heat generated during the process to produce steam and maximize energy efficiency.

Super Heater

A key heat exchanger that converts saturated steam into superheated steam, improving turbine efficiency and overall power generation performance.

Economizer

A system that preheats boiler feedwater to reduce fuel consumption, lower flue gas temperature, and improve overall thermal efficiency.

Integrated EPC Capabilities (Integrated Solution)

E → P → C → ✔

Engineering | **Procurement** | **Construction** | **Commissioning**

Domestic Market

Domestic Market

Strong Domestic Foundation and Trusted Partnerships

Over the past 60 years, Hanyang Industry Co., Ltd. has supplied key equipment to major industrial complexes across Korea and built a strong reputation for its technological expertise and quality.

Major Refining and Petrochemical Complexes

The Company provides a stable supply of industrial burners and environmental plant equipment to major companies in Korea's key petrochemical complexes, including Yeosu, Ulsan, and Daesan.

Quality and Regulatory Compliance

The Company delivers advanced engineering solutions that meet strict quality standards and increasingly stringent domestic environmental regulations.

Global Market Trend

Decarbonization and Demand for Eco-Friendly Equipment

As the global shift toward carbon neutrality accelerates, demand for energy-efficient and air pollution control equipment is growing rapidly worldwide.

Overseas Market Expansion

- Expanding participation in energy plant modernization projects in the Middle East and emerging Southeast Asian markets
- Growing demand for the replacement of aging facilities and the introduction of new eco-friendly equipment driven by stricter global environmental regulations

Eco-Friendly and High-Efficiency Technologies

- Rapidly growing demand for key energy-saving equipment such as sulfur recovery units (SRUs) and waste heat recovery boilers
- Growing demand for high-efficiency combustion systems to reduce carbon emissions and De-NOx technologies to lower NOx emissions

ESG Framework

- ESG Strategy and Objectives
- ESG Governance Structure
- Materiality Assessment
- ESG Risk Management
- Stakeholder Engagement

Three Core ESG Priorities

Hanyang Industry Co., Ltd. establishes and implements clear management policies across environmental, social, and governance areas to build a sustainable future.

Guided by GRI Standards and ISO 14001/45001RI

Environmental

Environmental Responsibility

The Company pursues carbon neutrality and minimizes environmental impact through eco-friendly innovation.

Energy Efficiency & GHG Reduction

Eco-Friendly Design Advancement

ISO 14001 System Enhancement

Resource Circulation & Waste Reduction

Social

Human Rights & Safety

The Company fosters a culture of shared growth by placing the safety and human rights of all stakeholders first.

Achieving Zero Serious Accidents (Safety First)

ISO 45001 OH&S Management

Human Rights & Non-Discrimination

Shared Growth & Supply Chain ESG

Governance

Ethics & Transparency

The Company seeks to build trust through sound governance and strict ethical standards.

Board-Led Responsible Management

Anti-Corruption & Compliance Controls

Disclosure & Stakeholder Engagement

ESG Committee & Risk Management

ESG Policy and Three Strategic Priorities

ESG Strategic Directions

Hanyang Industry Co., Ltd. has established key ESG priorities and implements systematic ESG management for a sustainable future.

E — Environmental

Environmental Responsibility

- Energy Efficiency & GHG Reduction
- Eco-Friendly Design Advancement
- ISO 14001 Environmental Management System

S — Social

Human Rights & Safety

- Zero Serious Accidents & Safety Management
- Human Rights Mgmt. & Employee Welfare
- ISO 45001 OH&S Management System

G — Governance

Ethics & Transparency

- Compliance Controls & Ethical Standards
- Board-Led Transparent Decision-Making
- Supply Chain ESG Risk Management

Mid- to Long-Term Roadmap and 2028 Targets

ESG Management Roadmap (2024-2028)

Through a phased strategy, the Company aims to build global-standard ESG capabilities by 2028.

NOW

01

~2024

FOUNDATION PHASE

COMPLETED

- Established the ESG Management Committee
- Conducted company-wide ESG training
- Developed ESG strategies by business area
- Secured basic ESG infrastructure

02

~2026

ESG Integration Phase

IN PROGRESS

- Strengthening company-wide organizational capabilities
- Advancing eco-friendly design capabilities
- Expanding community support
- Embedding ESG management across the Company

03

~2028

Performance Expansion Phase

PLANNED

- Obtaining international standard assessments
- Expanding CSV initiatives
- Completing the global ESG framework
- Advancing the transparent management system

Vision 2028 Goals

By 2028, Hanyang Industry Co., Ltd. aims to establish a global-standard ESG management framework and achieve three core targets for sustainable growth.

Global Standards

Global ESG Recognition

EcoVadis Gold rating and enhanced ISO 14001/45001 systems

Social Value

CSV Expansion

Community partnerships and ESG support for business partners

Transparency

Governance Enhancement

Board-led management and embedded ethical management

ESG Management Committee and Dedicated Teams

Centered on the ESG Management Committee reporting directly to the CEO, Hanyang Industry Co., Ltd. has established a company-wide governance structure to enable swift decision-making and effective implementation.

ESG Operating Structure and Decision-Marking Framework

Roles by Subcommittee

Environmental (E) Subcommittee

Manages energy use and greenhouse gas emissions, advances eco-design, and operates the ISO 14001-based environmental management system.

Social (S) Subcommittee

Operates the ISO 45001-based occupational health and safety management system, protects employees' human rights, and promotes shared growth programs with business partners and community contribution activities.

Governance (G) Subcommittee

Conducts ethics compliance training, operates anti-corruption programs, supports the operation of the Board and committees, and manages disclosure-related tasks.

Operating and Decision-Making Process

1

Strategy Development and Decision-Making

Sets company-wide strategic directions, approves key policies, and holds regular semiannual meetings through the ESG Management Committee.

Lead: ESG Management Committee

2

Implementation and KPI Management

Establishes division-specific KPIs, applies them in practice, monitors data regularly, and carries out improvement tasks.

Lead: Each subcommittee and relevant departments

3

Monitoring and Performance Reporting

Reviews implementation performance, analyzes risks, reports to management, and reflects findings in the following year's plans.

Lead: ESG Officer-in-Charge

ESG Data Management Process

The Company operates a structured four-step verification process from data collection to disclosure to ensure data reliability and transparency.

1 Data Collection

Departmental Data Owners

Collect basic data from relevant departments, including environment, safety, and HR, secure supporting evidence, and conduct initial verification.

2 Validation and Consolidation

ESG Lead

Consolidates company-wide data, reviews data consistency, compares trends with previous data, and requests corrections or supplementation.

3 Decision-Making

ESG Management Committee

Reviews key performance and issues, evaluates target achievement and feedback, and approves the final report.

4 Disclosure and Communication

External Disclosure

Publishes the Sustainability Report, discloses information through the website and disclosure channels, and collects stakeholder feedback.

Departmental R&R and Data Management Framework

Global Standards

Domain-Specific Data Management Based on International Standards

Environmental

Energy, GHG, and waste data based on ISO 14001

Social

Safety, human rights, and supply chain indicators based on ISO 45001

Governance

Board, anti-corruption, and risk controls based on internal control and ethics principles

Data Management and Disclosure Process

1 Data Collection

Departmental Data Owners collect Initial data and maintain supporting documentation

2 Validation and Consolidation

ESG Lead review data consistency and consolidate company-wide data

3 Final Approval

The ESG Management Committee reviews key issues, and the CEO grants final approval.

4 External Disclosure

Relevant Department publish the report and manage stakeholder communication channels

Ensuring Data Reliability

(Hanyang Industry Co., Ltd. operates a named data owner system by department to ensure data accuracy. All collected data is linked with internal systems, including ERP and HR, to manage data history. The Company plans to expand the scope of third-party assurance to further strengthen the objectivity of disclosed data.

Material Topic Selection Process

Hanyang Industry Co., Ltd. identifies material topics by following global guidelines, including the GRI Standards, and by comprehensively considering the impact of its business activities on the environment and society, as well as stakeholder interests.

1

Issue Identification

- Analysis of global standards, including GRI and ISO
- Benchmarking of industry peers
- Review of internal issues and development of an issue pool

2

Materiality Assessment

- Analysis of business impact
- Survey of stakeholder interests, including stakeholder interviews
- Identification of seven material issues

3

Validation

- Prioritization of material topics
- Review by the ESG Management Committee
- Verification of strategic relevance and consistency

4

Final Approval

- Final approval by the CEO
- Reflection in key report content
- Establishment of mid- to long-term KPIs

Stakeholder Engagement

To ensure the objectivity and reliability of the assessment, Hanyang Industry Co., Ltd. actively collected opinions from various internal and external stakeholders and reviewed their key interests.

Employees

Key Interests

- Safe working environment
- Fair evaluation and compensation
- Employee benefits and work-life balance
- Respect for human rights and communication

Customers

Key Interests

- Carbon emissions reduction efforts
- Product quality and safety
- Supply chain risk management
- Compliance with ethical management

Suppliers

Key Interests

- Fair Transactions and Mutual Cooperation
- Shared growth support programs
- Payment terms and transparency
- Safety and health technical support

Shareholders / Investors

Key Interests

- Response to climate change risks
- Financial stability
- Governance transparency
- Status of global certifications

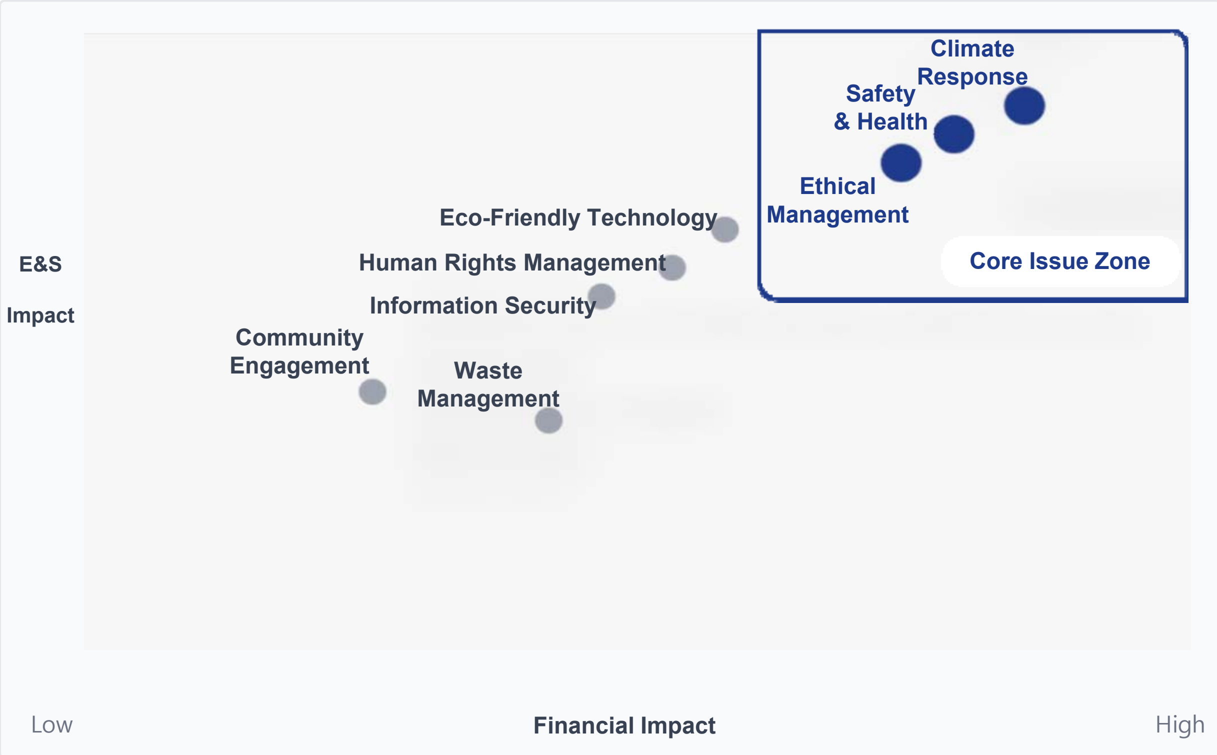
Financial Institutions

Key Interests

- ESG risk management framework
- Financial soundness and creditworthiness
- Status of legal violations and sanctions
- Sustainability management strategy

Materiality Assessment

Materiality Matrix



Top 3 Material Topics

Based on internal and external stakeholder surveys and business impact analysis, Hanyang Industry Co., Ltd. identified its top material topics for sustainability management.

1	**Climate Change & GHG Management**	ENV
2	**Occupational Safety & Serious Accident Prevention**	SOC
3	**Ethics, Transparency & Supply Chain Management**	GOV
4	Eco-Friendly Product and Technology Development	ENV
5	Human Rights Management and Labor Practices Improvement	SOC
6	Information Security and Data Protection	SOC
7	Waste Management and Resource Circulation	ENV
8	Community Contribution and Shared Growth	SOC

Key Issue Identification Results

TOP PRIORITY ISSUE

Climate Change Response and Greenhouse Gas Management

Climate change is a global challenge and a key risk factor for the energy plant industry. Hanyang Industry Co., Ltd. goes beyond mere regulatory compliance by advancing eco-friendly design technologies and developing high-efficiency combustion and heat recovery systems to reduce greenhouse gas emissions. In addition, we are committed to improving energy efficiency across our operations and aim to contribute to carbon reduction throughout the product use phase.

- ✔ Carbon Reduction Roadmap
- ✔ Eco-friendly Design Technologies
- ✔ Energy Efficiency Enhancement

KEY ISSUE 02

Occupational Health & Safety and Prevention of Major Industrial Accidents

Safety in manufacturing and construction sites is a non-negotiable top priority.
We ensure strict compliance with strengthened regulations, including the Serious Accidents Punishment Act, while continuously implementing risk assessments under an ISO 45001-based Occupational Health and Safety Management System.
Through these efforts, we aim to achieve “Zero Major Accidents” across all operations, including those involving our business partners.

- ✔ ISO 45001 Certification
- ✔ Zero Major Accidents
- ✔ Continuous Risk Assessment

KEY ISSUE 03

Ethical and Transparent Management & Supply Chain ESG

We uphold high standards of ethical management and transparency to secure global project opportunities and sustain long-term partnerships.
By strengthening our anti-corruption and information security frameworks, and expanding ESG management across the entire supply chain, we are building a sound and sustainable business ecosystem.

- ✔ Anti-corruption Policy
- ✔ Supply Chain Due Diligence
- ✔ Strengthened Information Security

Integrated Risk Management Process

In alignment with international standards, including ISO 14001 (Environmental Management) and ISO 45001 (Occupational Health & Safety), we proactively identify potential risks at an early stage and manage them systematically through a four-step process.

1 Risk Identification

- Analysis of internal and external business environments
- Identification of stakeholder requirements
- Prioritization of key risks

2 Risk Assessment

- Analysis of likelihood and impact
- Evaluation of financial and non-financial impacts
- Prioritization of key risks

3 Mitigation and Response

- Establishment of risk mitigation plans
- Assignment of responsible owners and accountability
- Implementation of improvement actions and controls

4 Monitoring

- Periodic review of implementation performance
- Reporting to the ESG Committee and incorporation of feedback
- Continuous enhancement of the management system

RISK GOVERNANCE

Field-driven, Bottom-up Risk Management Framework

1. Operational Departments (Risk Owners)

- Routine monitoring and identification of risks
- Immediate reporting and first-line response upon risk occurrence
- Identification of site-driven issues

2. Dedicated ESG Organization (Risk Manager)

- Aggregation and validation of enterprise-wide risk data
- Assessment of risk materiality and analysis of financial impacts
- Operation of an integrated risk register

3. ESG Management Committee (Control Tower)

- Selection and approval of key risks
- Decision-making on enterprise-wide response strategies and resource allocation
- Monitoring of management performance and provision of feedback

Key Risk Categories Categorized in Alignment with International Standards and Regulatory Requirements

Climate

- Strengthening regulations on carbon emissions trading and greenhouse gas (GHG) emissions
- Increased risk of operational and facility damage due to abnormal climate conditions
- Rising investment costs associated with the transition to low-carbon technologies
- Growing customer demand for environmentally friendly products and processes

Safety

- Compliance with strengthened regulations, including the Serious Accidents Punishment Act and Occupational Safety and Health Act
- Workplace accidents and potential loss of life
- Safety management of contractors and risk transfer at sites
- Occupational diseases and employee health management issues

Ethics

- Risks of employee misconduct, bribery, and corruption
- Unfair trade practices and collusion risks
- Conflicts of interest and misuse of internal information
- Human rights violations and workplace harassment issues

Compliance

- Response to changes in domestic and international environmental and supply chain due diligence regulations
- Personal data breaches and information security incidents
- Intellectual property disputes and risk of technology leakage
- Contract non-compliance and legal dispute risks

Climate Change Risk Management

In line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), Hanyang Industries Co., Ltd. identify potential climate-related risks and establish and implement preemptive response strategies.

Regulatory Risk

Key Risk Drivers

- **Strengthening of carbon neutrality obligation**
  Pressure to achieve NDC targets (40% reduction by 2030) and Net Zero by 2050
- **Reinforcement of the K-ETS**
  Financial burden due to reduced free allowances and rising carbon prices

Mitigation Measures

- Establishment of a GHG reduction roadmap
  Targeting a 15% reduction in Scope 1 and 2 emissions by 2027
- Introduction of Internal Carbon Pricing (ICP)
  Reflecting carbon costs in investment decision-making

Physical Risk

Key Risk Drivers

- **Increased frequency of extreme weather events**
  Operational disruptions and asset losses due to heavy rain and typhoons
- **Sea level rise and flood damage**
  Disruptions to major project sites and supply chains, particularly in Southeast Asia

Mitigation Measures

- TCFD climate scenario analysis
  Assessment of financial impacts under RCP scenarios (1.5°C–4°C)
- Strengthening climate resilience
  Securing backup power, upgrading flood prevention facilities, and establishing BCP (Business Continuity Plans)

Transition Risk

Key Risk Drivers

- **Delays in low-carbon technology transition**
  Risk of losing global market competitiveness
- **Increasing customer demand for eco-friendly solutions**
  Rising requirements for green specifications from plant clients

Key Strategy

- Expansion of low-carbon product portfolio
  Development of hydrogen combustion burners and CO_2 reduction SRU technologies
- Increased investment in eco-friendly R&D
  Target to raise to 5% of revenue by 2027
- Acceleration of renewable energy Achieve 30% renewable energy usage across operations by 2030

Safety & Human Rights Risk Management

Hanyang Industries Co., Ltd. prioritizes the safety of all employees and partners above all else, and strives to build a sustainable workplace rooted in a strong culture of respect for human rights.

Occupational Health & Safety Management System

Operation of a Management System Based on International Standards

- Maintenance and continuous improvement of ISO 45001 certification
  (International Safety Standards)
- Establishment of occupational health and safety targets and performance monitoring
- Continuous risk assessment and implementation of improvement measures

Major Accident Prevention Activities

Promotion of a Prevention-oriented Safety Culture

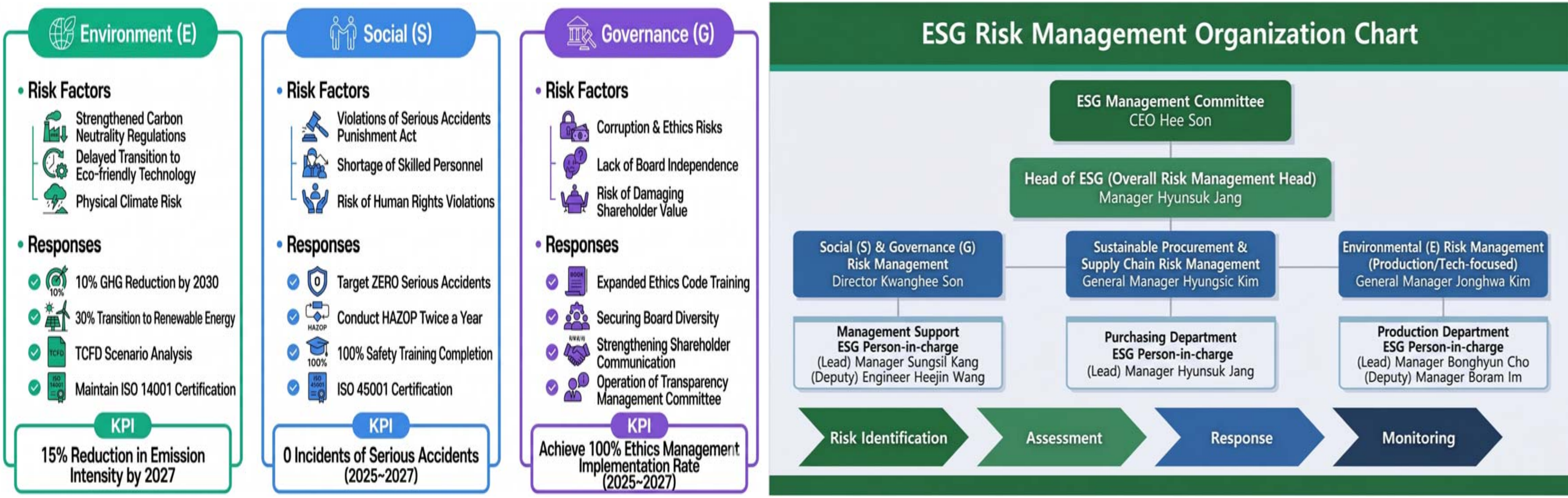
- Strengthening safety education and conducting hands-on training programs
  (Enhanced Safety Education)
- Operation of safety support programs for business partners
  (Partner Safety Support)
- Routine implementation of pre-task safety meetings

Human Rights Management Practices

Fostering a Respectful and Inclusive Workplace

- Declaration and adherence to the Human Rights Charter
  (Human Rights Charter)
- Prevention of workplace harassment and operation of grievance handling mechanisms
  (Grievance Mechanism)
- Protection of vulnerable groups and respect for diversity

Hanyang Industries Co., Ltd. ESG Risk Management Framework



Ethical Management & Compliance

Hanyang Industries Co., Ltd. operates an integrated risk management framework encompassing anti-corruption, whistleblower protection, information security, and supply chain management to foster a transparent and fair business environment.

01 Anti-corruption Policy

- Zero-tolerance policy for corruption
- Strengthened prohibition on the acceptance of gifts, entertainment, and other improper benefits
- Mandatory compliance pledge to the Code of Ethics for all employees

Clean Hanyang

02 Whistleblowing System

- Operation of an anonymous reporting channel (hotline)
- Strict protection of whistleblower confidentiality and prohibition of retaliation
- Provision of feedback on reported cases and implementation of corrective actions

Speak Up Culture

03 Information Security Framework

- Implementation of physical and logical network segmentation systems
- Access control and authorization management for critical data
- Regular cybersecurity drills and simulation exercises

Cyber Resilience

04 Supply Chain ESG Due Diligence

- Periodic ESG risk assessments of key suppliers
- On-site audits and improvement support for high-risk suppliers
- Promotion of compliance with the Supplier Code of Conduct

Sustainable Partner

Stakeholder Engagement

Hanyang Industries Co., Ltd. defines five key stakeholder groups that both influence and are impacted by its business activities. Through tailored communication channels for each group, we foster transparent and trustworthy partnerships.

Employees

- Labor-management council
- Anonymous reporting channel
- Internal bulletin boards

Customers

- Regular meetings
- Voice of Customer channels
- Customer satisfaction surveys

Suppliers

- Win-win partnership meetings
- Regular ESG evaluations
- Training and capacity-building support

Shareholders & Investors

- General shareholders' meetings
- Management disclosures
- Annual reports

Local Communities

- Volunteer activities
- Donations and sponsorships
- Sisterhood partnerships

Communication Outcomes and Implementation Cases

Stakeholder Feedback Integration Process

01
Listening
Identification of stakeholder needs and interests through various online and offline channels

02
Analysis
Review of feasibility and materiality through cross-functional discussions, Identification of key issues

03
Action
Integration into management strategies and policies, Implementation of improvement initiatives and execution of concrete actions

04
Reporting
Transparent disclosure of outcomes through the Sustainability Report and corporate website

Key Achievements

Request for Enhanced Safety Training
Employees

Growing demand for enhanced, site-based practical safety training and greater participation in interactive programs

- **Established an experiential safety training center and doubled the duration of regular risk assessment training**

Strengthening Supplier Support
Suppliers

Small and medium-sized suppliers have raised concerns regarding the financial burden and technical challenges associated with the adoption of ESG management practices

- **Established a supply chain ESG co-prosperity fund and provided free occupational health and safety consulting support**

Enhancing the disclosure of environmental information
Shareholders & Investors

Stakeholders are increasingly calling for transparent disclosure of climate change response strategies in line with TCFD recommendations, as well as greenhouse gas emissions data

- **Establishment of a plan to expand the Scope 3 calculation boundary and to publish a standalone TCFD report**

ESG Management Declaration Ceremony

On June 18, 2025, Hanyang Industries Co., Ltd. formally announced its commitment to ESG management as part of its efforts to build a sustainability management framework in line with global standards.

Through this declaration ceremony, in which all employees participated, we reaffirmed our commitment to strengthening responsible management across all areas of Environmental, Social, and Governance (ESG). We will continue to enhance our long-term corporate value and strengthen our capabilities to respond to global supply chain requirements.

ESG Training for Business Partners

On February 11, 2026, at 2:00 PM, Hanyang Industries Co., Ltd. held an ESG training session for nine key suppliers at the headquarters' 3rd-floor conference room, focusing on "Enhancing ESG Understanding and Strengthening Supply Chain Response Capabilities."

This training was designed to strengthen sustainability management capabilities across the supply chain and to proactively respond to ESG standards required in the global market. The program covered key topics including the concept and importance of ESG, the rationale for corporate ESG adoption and potential risks of non-compliance, an overview of ESG certification and assessment systems, an introduction to Eco-Vadis, and case studies of sustainability reports from other companies.

In particular, the training emphasized that ESG is not merely a form of external communication, but a critical factor directly linked to maintaining business relationships and participating in global supply chains. By sharing this perspective, we enhanced our suppliers' understanding and supported the development of their practical response capabilities. Building on this initiative, we plan to progressively advance a sustainable supply chain management framework based on long-term partnerships with our suppliers.

Environmental

- Climate Change Response
- Energy Efficiency Enhancement
- Resource Circularity
- Waste Management
- Water Resource Management

Roadmap to Net Zero

Establishment of science-based emission reduction targets aligned with SBTi and implementation of TCFD recommendations

SBTi Review | TCFD Alignment

2024

Base Year

GHG emissions calculation and verification

- Finalization of Scope 1, 2 emissions
- Completion of third-party verification
- Analysis of emission reduction potential
- Establishment of a dedicated carbon neutrality task force

2027

15% Emissions Reduction (Interim)

Efficiency Improvement and System Establishment

- Replacement of Aging Equipment with High-efficiency Systems
- Implementation of FEMS
- Expansion of Waste Heat Recovery Systems
- Achievement of 10% Process Efficiency Improvement

2030

30% Emissions Reduction (Target)

Transition to Low-carbon Energy

- Adoption of Renewable Energy (RE100)
- Acceleration of Eco-friendly Fuel Transition
- Establishment of a Scope 3 Management Framework
- 50% Low-carbon Product Portfolio

2050

Net Zero

Achievement of Carbon Neutrality

- 100% Carbon Neutrality
- Full-scale Implementation of CCUS
- Utilization of Green Hydrogen Energy
- Securing Leadership in the Green Industry

Carbon Reduction Strategy

Hanyang Industries Co., Ltd. is pursuing three core strategic initiatives designed to effectively achieve carbon neutrality by 2030.

Efficiency

20% Reduction in Energy Consumption through Efficiency Improvement

Replacement of aging equipment, implementation of smart factory systems, and optimization of processes to achieve a 20% improvement in energy intensity

Eco-Design

Eco-friendly Design and Development of High-efficiency Equipment

Design based on Life Cycle Assessment (LCA), maximization of waste heat recovery efficiency, and expansion of eco-friendly product lines such as low-carbon burners

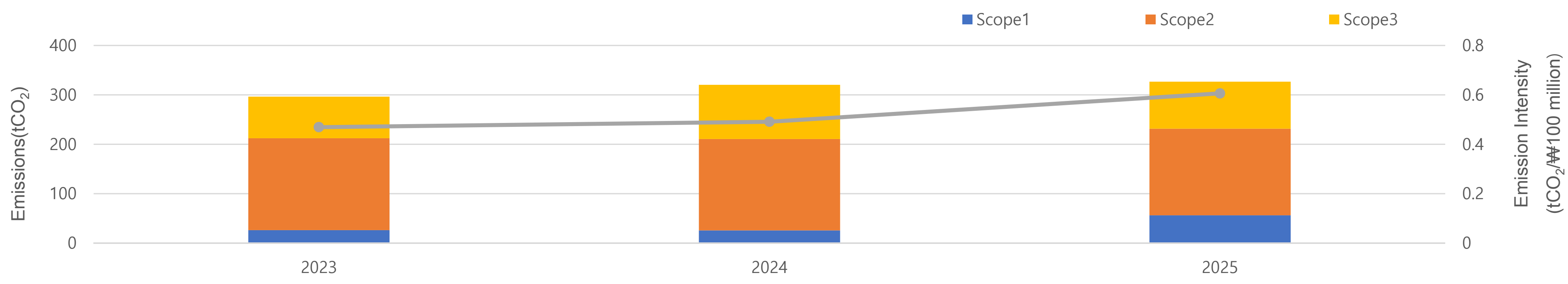
Renewable

Renewable Energy Transition and Solar Power Adoption

Installation of solar power facilities on idle sites and promotion of renewable energy transition through measures such as Power Purchase Agreements (PPAs) to support RE100 implementation

GHG Emissions & Intensity

Since the establishment of our Malaysian subsidiary in 2025, we have established a global environmental management framework and are concentrating our management efforts on Scope 1 and Scope 2 emissions, taking into account the characteristics of an office-based entity. *(2025 GHG emissions of the Malaysian subsidiary: 45.381 tCO_2e)*



Total greenhouse gas emissions

2023 : 296.509 tCO_2eq
2024 : 320.186 tCO_2eq
2025 : 326.621 tCO_2eq

Emission Intensity

2023 : 0.469 tCO_2eq/KRW 100 million
2024 : 0.491 tCO_2eq/KRW 100 million
2025 : 0.606 tCO_2eq/KRW 100 million

Progress toward achieving the 2030 reduction target

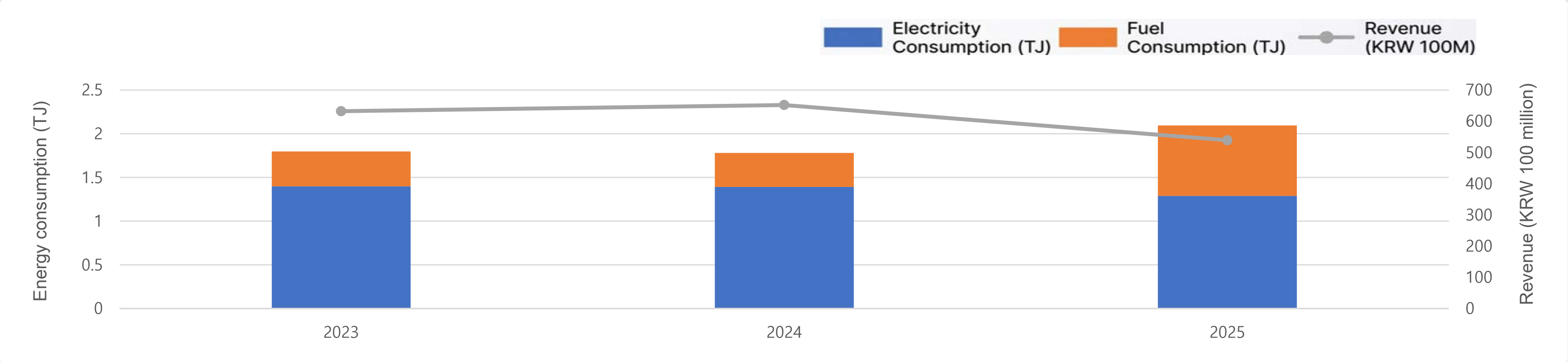
30% **Progress** **On Track**

Energy Consumption and Revenue Trend

Energy Efficiency Performance Analysis

The more than twofold increase in fuel consumption in 2025 compared to 2024 suggests a significant rise in the number of corporate vehicles operated by the Malaysia subsidiary. (2025 Malaysia subsidiary GHG emissions: 45.381 tCO_2e). Since the increase in fuel consumption is substantially higher than the increase in electricity use, it is necessary to establish a more efficient corporate vehicle management policy.

Total energy consumption	Total revenue (₩100 million)	Energy intensity
2023 : 1.797 TJ	2023 : 632	2023 : 0.0028
2024 : 1.781 TJ	2024 : 652	2024 : 0.0027
2025 : 2.095 TJ	2025 : 539	2025 : 0.0039



Analysis Insight

As Malaysia has different energy generation sources and climatic conditions compared to Korea, strategies for managing electricity and fuel consumption should be differentiated. In Malaysia, the share of private vehicle usage is significantly higher than that of public transportation. Accordingly, the rapid increase in corporate vehicle operation in the early stage of business establishment—driven by sales activities, government and client visits—appears to be the primary cause of the surge in fuel consumption.

In addition, as Malaysia is an oil-producing country with lower fuel costs than Korea, internal awareness of fuel reduction may be relatively limited. Therefore, the introduction of a fuel card management system is recommended to monitor vehicle-level fuel efficiency based on mileage and improve operational efficiency.

2027 Energy Efficiency Roadmap

Hanyang Industries Co., Ltd. will maximize energy efficiency and significantly reduce carbon emissions by 2027 through bold capital investment in facilities and operational optimization.

Reduction Goal

20% energy reduction by 2027

Established a target to reduce both total energy consumption and greenhouse gas emission intensity by 20% compared to the base year (2024)

Strategic Investment

Focused investment in facility modernization

Replacement of aging incinerators and boilers, introduction of high-efficiency inverters, and implementation of a Factory Energy Management System (FEMS), with a total investment of KRW 5 billion

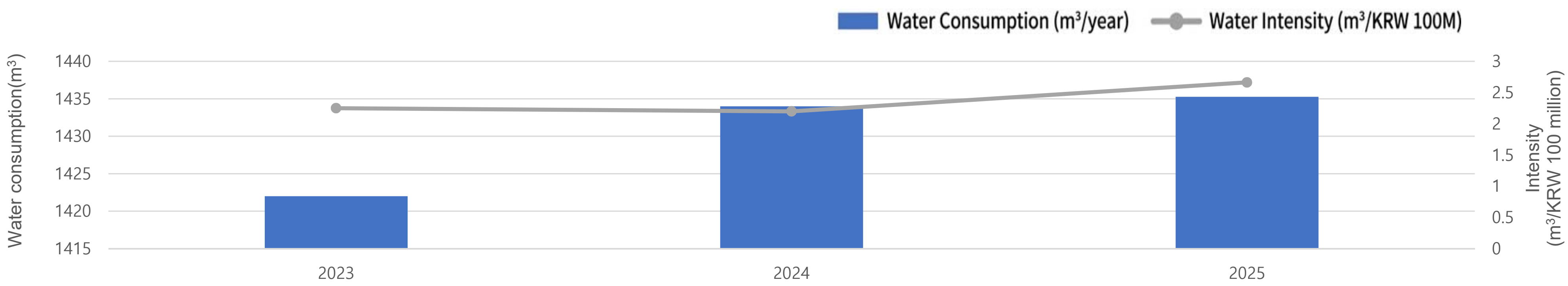
ROI & Impact

Cost reduction and environmental value creation

Expected annual energy cost savings of KRW 1.5 billion and reduction of 3,000 tons of greenhouse gas emissions, contributing to a shortened investment payback period

Water Consumption & Intensity

To manage water resource risks, the Company has systematically monitored water consumption and implemented reduction initiatives. However, with the establishment of the Malaysia subsidiary in 2025, both total water consumption and water intensity have increased significantly, as reflected by the Malaysia subsidiary's water usage of 63.27 m³ in 2025.



Total water consumption

2023 : 1,422 m3
2024 : 1,434 m3
2025 : 1,435.27 m3

Water consumption intensity

2023 : 2.25 m3 / KRW 100 million
2024 : 2.199 m3 / KRW 100 million
2025 : 2.663 m3 / KRW 100 million

Water reuse rate

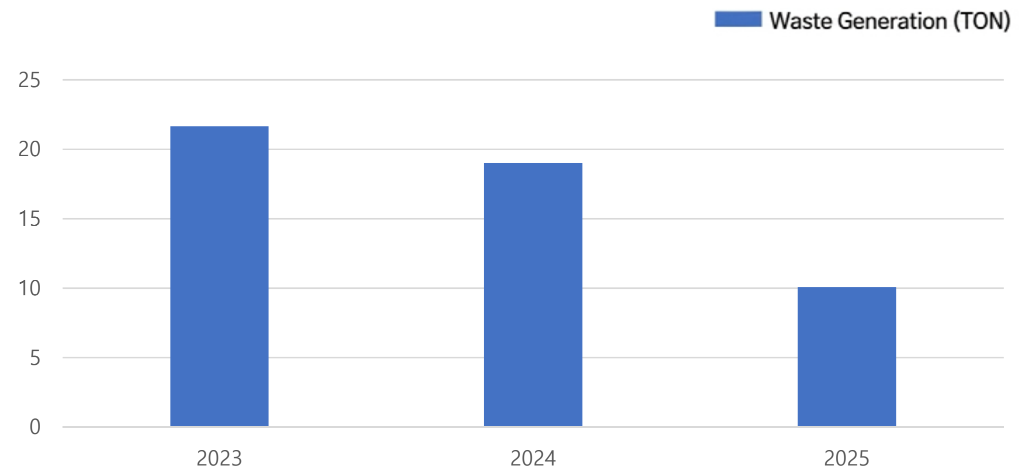
0%

Waste Management and Resource Circularity Performance

The Company systematically manages waste generated from its operations and continuously increases its recycling rate, contributing to the realization of a circular economy. As of 2025, a recycling rate of 45.25% was achieved.

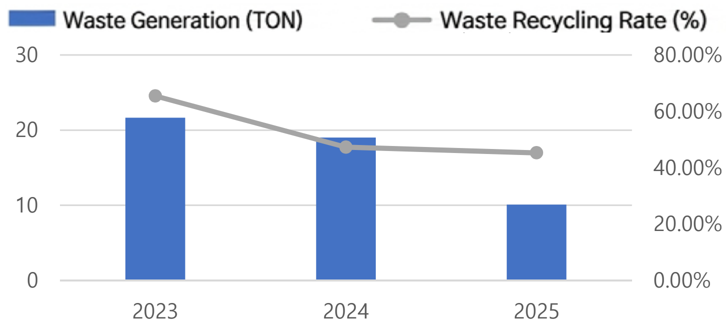
Waste generation trend by type

Unit: Ton



Changes in waste recycling rate

Unit: %



Insight: Scrap metal generation decreased by approximately 80% compared to 2023, demonstrating significant improvements in production efficiency and a reduction in fixed raw material losses. General waste is safely managed and disposed of through specialized licensed waste contractors.

IV

Social

- Safety and Health Management
- Talent Management
- Human Rights Management
- Supply Chain Management
- Information Security and Protection
- Community and Customer Value

SAFETY MANAGEMENT

Operation and Advancement of ISO 45001-based Occupational Health and Safety Management System

Hanyang Industries Co., Ltd. has obtained ISO 45001 certification, an internationally recognized standard, and operates a systematic occupational health and safety management system based on it.
With "safety" as a non-negotiable top priority core value, the Company is committed to creating an accident-free workplace where all employees and partners can work with confidence.

ISO 45001 Certified Worksites

Key Systems

Establishment of Occupational Health and Safety Policy

The Company declares a policy reflecting top management's strong commitment to safety, and shares it with all members to ensure regulatory compliance and continuous improvement activities

Dedicated Organizational Structure

A dedicated occupational health and safety organization has been established under the direct supervision of the CEO, with qualified professionals assigned to strengthen its control tower function.

Designation of Responsible Personnel and R&R

Occupational health and safety managers and supervisors have been designated for each site, establishing a site-oriented, immediate accountability and management system.

Proactive Budget Allocation

A dedicated safety budget is separately allocated and prioritized for execution to prevent accidents, including investments in upgrading aging facilities and adopting smart safety equipment.

Occupational Health and Safety Risk Management Process

To achieve "Zero Serious Accidents," the Company operates a virtuous cycle of safety management that proactively identifies risk factors and continuously implements improvements.

1 Risk Assessment

Identification of Potential Hazards
Identification of task-specific hazards and risk factors, Worker-participatory risk assessments, Verification of compliance with legal requirements

2 Corrective Actions

Elimination of Risk Factors
Enhancement of safety measures for equipment and processes, Improvement of working environments and procedures, Provision and management of personal protective equipment (PPE)

3 Safety Training

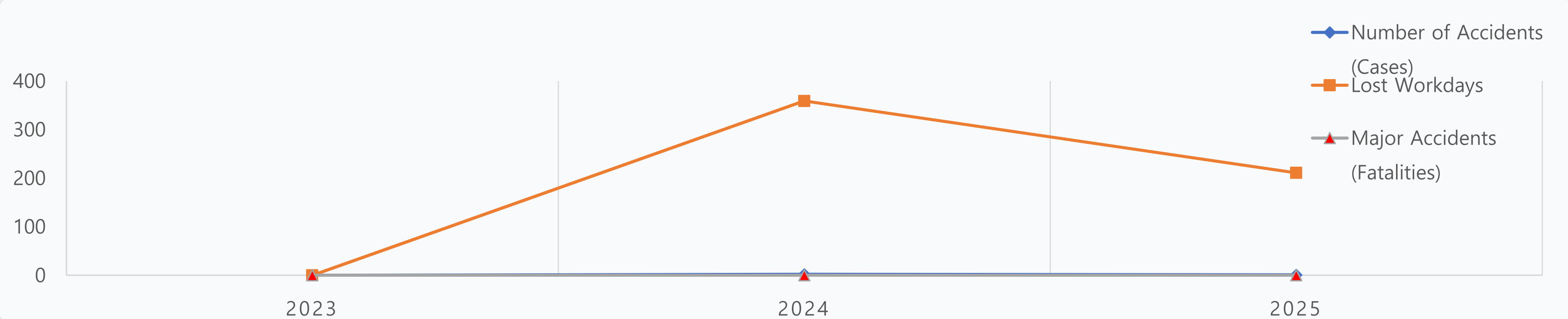
Enhancement of Safety Awareness
Pre-work TBM (Toolbox Meeting), Regular occupational health and safety training, Sharing of incident cases and preventive education

4 Monitoring & Feedback

Continuous Improvement
Inspection of safety activity implementation, Identification and improvement of near-miss incidents, Performance analysis and incorporation into future plans

Industrial Accident Status and Performance of Prevention Activities

With employee safety as the top priority, the Company is building a safer workplace through systematic, data-driven safety management activities.



Total number of accidents (2025)

1 case **50% decrease compared to the previous year**

Lost Workdays (2025)

211 days **Continuous downward trend**

Serious Accidents (Fatalities)

0 case **Zero cases achieved for 3 years**

Safety Prevention Activities

Hanyang Industries Co., Ltd. is implementing five key preventive activities to proactively eliminate potential hazards at worksites, under the principle that “safety is a non-negotiable top priority.

PPE Provision and Inspection

Appropriate personal protective equipment is provided to all workers based on the nature of their tasks, and physical protection is reinforced through daily inspections of proper use and regular replacement of worn-out equipment.

TBM Activities

A daily on-site communication activity is conducted through a 10-minute team meeting before work begins, where potential hazards for the day’s tasks are shared and safety rules are recited to enhance safety. awareness.

Safety Campaigns

Under the slogan “Safety First, Life Best,” quarterly themed safety campaigns are conducted, and voluntary participation in a proactive safety culture is encouraged through initiatives such as recognizing and rewarding exemplary safety practices.

Joint Inspections with Contractors

To promote shared safety with contractors, a monthly joint safety inspection is conducted with the participation of labor representatives and contractor representatives, establishing a comprehensive safety net with no blind spots.

Permit-to-Work System

For high-risk tasks such as hot work, confined space entry, and working at height, a permit-to-work system is strictly enforced. Work is carried out only after a pre-established safety plan is approved, thereby preventing serious accidents.

Human Resource Overview

Hanyang Industries Co., Ltd. fosters a stable employment environment based on the belief that "people are our greatest competitive advantage," and continues to invest in the growth and job satisfaction of its employees.

Total Workforce

78 Employees

Stable organizational operation with approximately 78 employees through continuous talent acquisition driven by business expansion

Employment Stability

92.30 %

Adherence to a full-time employment–focused hiring policy to ensure job security and enhance employee engagement

Average Tenure

12.3 Year

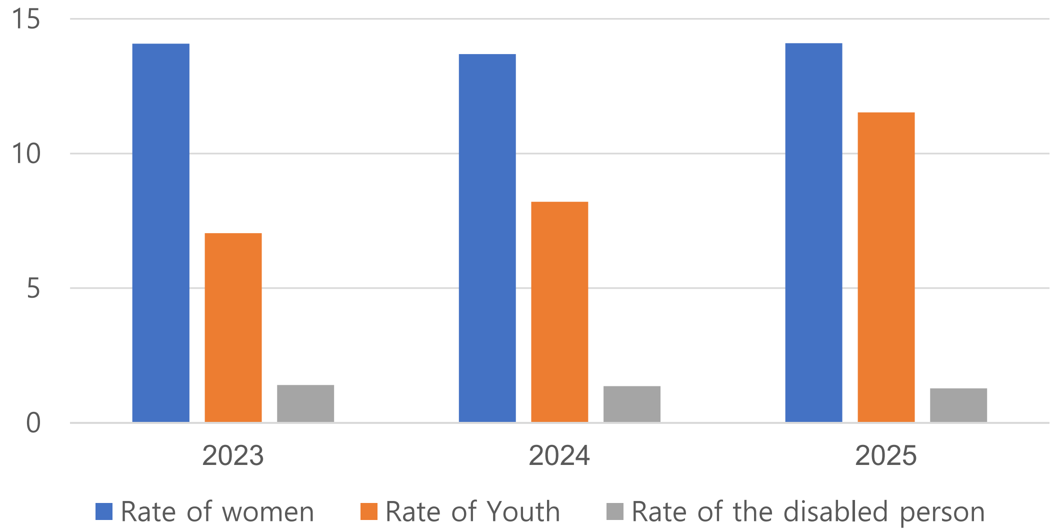
Strengthening corporate competitiveness and organizational trust by fostering a culture of long-term employment and accumulating job expertise

Employees' Diversity and inclusion metrics

Hanyang Industry builds a culture that respects diversity through fair hiring practices.
We are dedicated to consistently expanding our workforce to include more women and socially disadvantaged class

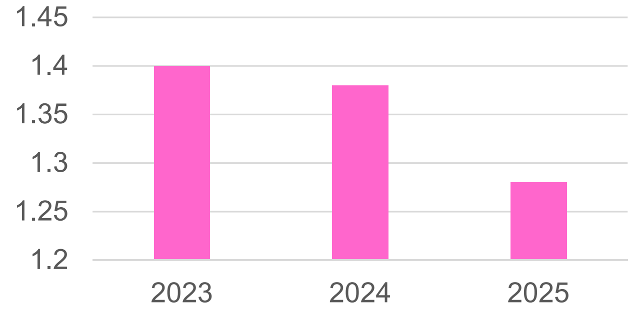
Trends in key diversity employment indicators

Unit : %



Percentage of female employees

Unit : %



Insight:
In 2025, female employment rate increased 0.41% year-on-year.
We are making efforts to gradually increase the percentage of Women managers through the introduction of a women's leadership development program.

Attracting and Retaining Top Talent

Recruitment

A Fair and Transparent Recruitment Process"

We adhere to a blind recruitment process centered on job competencies, providing fair opportunities regardless of gender, age, or educational background. To secure top talent, we are expanding our year-round hiring and industry-academic partnerships

1. **Application Review (Job Competency Evaluation)**
2. **Working-level Interview (Professional Competency Verification)**
3. **Executive Interview (Personality & Values Assessment)**
4. **Final Hire (Medical & Offer Negotiation)**

8 persons	0%	100%
2025 New Hiring *Including resigned employees	Ratio of New Employees	Ratio of Experienced Employees

Retention & Strategy

Strategies for Key Talent Retention and Turnover Management

Based on our belief that the growth of our members is the growth of the company, we prevent talent outflow by creating a great workplace and maintaining a competitive compensation system.

Providing Growth Opportunities

We provide various career paths by supporting Individual Development Plans (IDP) and implementing a job rotation system.

Work-Life Balance

We enhance employee focus and job satisfaction by introducing flexible work arrangements, PC-OFF systems, and bridge-day holidays.

Salary Policy, Determination Procedures, and Total Salary Ratio

*The company determines the salary for executives and employees based on job responsibility, complexity, expertise, performance, financial status, and industry standards, ensuring no gender discrimination.
*Executive salary is determined with the approval of the Board of Directors and the General Meeting of Shareholders, while employee salary is based on HR/salary standards and performance evaluations.
*To ensure equity and internal fairness, the company regularly monitors key indicators, such as the ratio between the highest-paid individual and the average employee salary.

2025 Employee Turnover Rate 5.40%

Talent Development and Training

Talent Development

Mandatory Training & Leadership Capability Training

"To maximize job-related expertise and systematically nurture future leaders, we operate customized training programs tailored to each stage of our employees' careers.

Madatory Training

Average training hours per employee

18 hour/year

Target rate: 100%

Participation 100 %

Leadership Capability Training

Training completion rate

35 %

Target rate: 100%

Participation 35%

Mandatory Training

Status of Mandatory Safety & Ethics Training

Regular Safety and Health Training

Quarterly safety training for all employees and partner companies, including TBM (Tool Box Meetings) and CPR training with a strong focus on on-site learning

Annual training hours

12 hours or more

Completion rate 92.3%

Ethics & Compliance Training

Mandatory education on the Anti-Corruption Act, sexual harassment prevention, and workplace harassment prohibition to foster a sound organizational culture

training cycle

Once per year company-wide

Completion rate 92.3%

Information Security Training

Security awareness training to prevent personal data breaches and leakage of technical assets

Completion rate 92.3%

Human Rights Management

Human Rights Policy

Respect-Driven, Human Rights -Focused Corporate Culture

"Hanyang Industry Co., Ltd. guarantees the freedom to establish labor unions and strives to address employee grievances and improve working conditions through labor-management councils to protect worker's rights."

Three(3) Absolute Prohibitions

Non-Discrimination	No discrimination based on gender, age, religion or background
Prohibition of Forced Labor	Ensuring voluntary employment and eliminating coercive labor practices
Prohibition of Child Labor	Complete prevention of employment of minors below the legal minimum age

Education & Monitoring

Human Rights Education and Monitoring Process

Rate of human rights training for all employees	The number of human rights violations
92.3%	Zero

Human Rights Impact Assessment and Monitoring Process

1. **Risk Identification**
   Identification of human rights risk factors in workplaces and partner companies
2. **Impact Assessment**
   Annual evaluations through checklist-based self-assessments and on-site inspections
3. **Corrective Action & Monitoring**
   Development and monitoring of improvement plans for identified vulnerabilities
4. **Grievance Handling and Remediation**
   Providing practical solutions by operating anonymous reporting channels and establishing victim remediation procedures

Grievance Handling & Remediation

Hanyang Industry Co., Ltd. prioritizes the dignity and value of all employees and stakeholders, establishing a culture of respect for human rights through a transparent and fair grievance process.

Reporting Channels

Anonymous Hotline
Operated 24/7 through an external service to ensure anonymity

Dedicated Email / Website
hsjang@hycne.com

Internal Suggestion Boxes
Installed in lounges and cafeterias at each site

Whistleblower Protection

Strict confidentiality
Confidentiality management of informant identification and report content

The anti-retaliation principle
No discrimination against disadvantages or working conditions in terms of status

Fair handling
Impartial handling through an independent department

Handling Process

Step 1. Receive
Complaint received via online/offline channels

Step 2. Fact-finding
Audit team and related department investigation (within 7 days)

Step 3. Review & Action
Personnel Committee Deliberation and Disciplinary/Relief Measures

Improvement Cases

Workplace harassment prevention
Advancing Enterprise-wide Training & Initiating Mutual Respect Campaigns

Improvement of work environments
Reinforcing Safety Barriers and Enhancing Ventilation Systems for Hazardous Workplace

Enhanced communication with partner companies
Establishment of rest areas and support for convenience facilities of partner companies

Supply Chain ESG Management Process

We operate a systematic four-stage management process to enhance the sustainability of our partners and minimize supply chain risks.

1 Establishing Evaluation Criteria

Establishing a Supplier Code of Conduct and Developing Evaluation Metrics based on Global Guidelines (e.g., RBA) and Domestic Regulations

2 Partner evaluation

Assessing ESG Risk Levels through Self-Assessment Questionnaires (SAQ) and On-site Audits, Identifying High-Risk Suppliers, and Assigning Risk Ratings

3 Support for improvement

Establishing Corrective Action Plans (CAP) for Areas of Non-compliance, Providing Customized Consulting and Training, and Supporting Investments in Safety and Environmental Facilities

4 Re-evaluation and certification

Verifying Improvement Implementation and Re-evaluating, Providing Incentives for Outstanding Partners, and Ensuring Continuous Monitoring and Partnership Strengthening

Supplier Evaluation and Management

Evaluation System

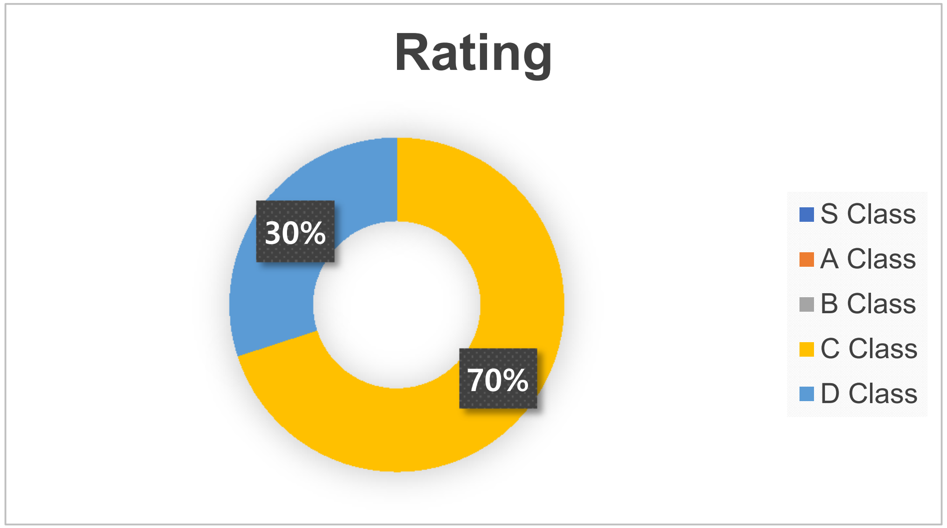
For sustainable growth
ESG-based Supply Chain Assessment System

Evaluation cycle: once a year (May to June)

Environment	Greenhouse Gas, Energy Management, Waste, Hazardous Substances Management	40%
Social	Human Rights, Labor Rights, Occupational Safety, Safety Training, Disaster Management	40%
Governance	Ethical Management, Anti-Corruption, Information Security, Compliance	20%

This assessment is conducted in accordance with Environmental (E), Social (S), and Governance (G) criteria to comprehensively evaluate the ESG risk levels of our partners.

Evaluation Result for 2025



Key Achievements

Completion Rate of Corrective Actions

100%

3/3 Company

ESG Evaluation Performance Rate

100%

10/10 Company

Personal Data Protection System

Policy & Organization

Operating Systematic Privacy Policies and Dedicated Personal Data Protection Organizations

Hanyang Industry Co., Ltd. complies with all relevant laws and regulations to protect the valuable personal information of our customers and, employees and operates under the highest standards of security policy. We have established a company-wide management system led by the Chief Privacy Officer (CPO) to fundamentally prevent any data breach incidents

Data Privacy Organization

Chief Privacy Officer (CPO) / Head of Corporate Support Division

Privacy Manager / Head of HR & Administration Team

Privacy Practitioner / Person in Charge of Each Department

Technical Security Measures

Access Control System

We grant minimum access privileges to our personal information processing systems and operate intrusion prevention systems to block unauthorized external access.

Application of Encryption Technologies

Sensitive data, including unique identification numbers and passwords, are stored and transmitted using secure encryption algorithms. We ensure that such data remains unreadable and protected even in the event of an unauthorized leak.

Backup and Disaster Recovery

We perform regular data backups to ensure secure storage and have established redundant systems to facilitate rapid recovery in the event of disasters such as fire or flooding.

Personal Data Lifecycle Protection Framework

We safely manages the valuable personal information of our customers and employees through rigorous technical and administrative safeguards at every stage—from collection to destruction—to fundamentally prevent any security breaches..

1 Collection

Minimizing Data Collection

Securing Legal Basis and Explicit Consent

Encryption in Transit (SSL)

Disclosure of Personal Information Processing Policy

2 Usage

Prohibition of Use for Other Purposes

Minimization of Access Rights(Role-Based)

Masking of Sensitive Information

Monthly Review of Access Logs

3 Storage

Secure Storage Management

Encrypted Storage of Unique Identification Information

Network Separation and Firewall Management

Operation of Intrusion Prevention System (IPS)

4 Destruction

Complete and Permanent Data Erasure

Immediate Disposal upon Expiration of Retention Period

Destruction of Physical Documents via Shredding and Incineration

Irrecoverable Data Wiping

Data & Cyber Security

Technical Security

Network Separation

We fundamentally block the influx of external malware by physically and logically separating the business network from the public internet. We strictly control all potential paths to prevent the leakage of critical technical data and personal information.

VDI STSTEM | Physical network separation

Rights Management System (IAM & NAC)

Apply the principle of least privilege by segmenting access rights based on individual users and roles. Through Network Access Control (NAC), unauthorized devices are automatically blocked, and Multi-Factor Authentication (MFA) is mandated across the organization.

Access control | Two-Step Authentication

Response System

Cyber Attack Simulation Training

We conduct simulated cyberattack drills, including malicious email distribution and DDoS attacks, at least twice a year for all employees. These realistic simulations are designed to enhance security awareness and evaluate our organization's response capabilities

APT Training | Enhancing Security Awareness

CERT(Computer Emergency Response Team)

Securing our systems through a 24/7 Security Operations Center (SOC) for real-time anomaly detection. With a specialized CERT team and standardized recovery manuals, we provide an immediate and effective response to any potential cyber threats.

24/7 Control | Quick recovery

Security Enhancement Roadmap 2027

By 2027, We will secure global-level security capabilities through the acquisition of information security management system certifications and increased investment in cybersecurity, ensuring the safe protection of our customers' valuable information

01 Acquisition of certification

Acquiring ISMS-P Certification

- Establishment of ISMS and Preparation for Certification Audits
- Advancing the Personal Information Management System
- **Target 2026** Achievement of Certification

02 Expansion of investment

Strengthen Security Investments

- Allocating 5% of your total IT budget to information security
- Replacement of Legacy Systems and Implementation of Next-Generation Firewalls
- Investment in Cloud Security Solutions

03 Capacity Building

Education and Cultivating Security Culture

- Mandatory Security Training (At least once a year)
- Expanding Phishing Simulation Drills (Twice a year)
- Regularizing 'Information Security Day' Campaigns

04 Enhancing Response Capabilities

Incident Response Key Performance Indicators (KPIs)

- Conducting Incident Response Simulation Drills
- Reviewing the Implementation of Security Orchestration, Automation, and Response (SOAR)
- **Target 2027** Zero Trust Security Model

Social Contribution

Growing Together with Community

Hanyang Industry Co., Ltd. grows together with the local community, practicing sharing for a better tomorrow.

Community contribution activities

Blood donation volunteer work

Sharing Management

Through voluntary group blood donations, our employees contribute to stabilizing the regional blood supply and practice the noble value of 'Sharing Life

Environmental Cleanup Activities

Environmental protection

We regularly conduct environmental cleanup activities in the roads and parks surrounding our business sites, contributing to the protection of the local ecosystem and the creation of a pleasant living environment for the community

Status of employee participation

61%

Number of social contribution activities

2(Two times)

Customer Satisfaction & Complaint Management KPIs

We listens to the voices of our customers,
and we are committed to being a trusted partner through excellence in quality and service.

Customer Complaint Resolution Rate

100%

The percentage of received customer complaints that have been successfully resolved within the established timeframe.

On-time Delivery (OTD) Rate

95%

The rate of meeting scheduled delivery dates for all project-related materials and equipment as specified in contracts.

Number of Quality-Related Claims

0%

The total count of quality-related claims received from customers during the reporting period.

Customer Complaint Management & Feedback System

We operate a systematic process that handles the Voice of the Customer (VOC) with speed and transparency.
By conducting root cause analysis, we ensure a robust framework to prevent recurrence and enhance service quality.

1

Reception

Multi-Channel counter
Phone, e-mail, homepage, SNS, etc
Receive customer complaints through various channels
and immediate notice of receipt

2

Analysis

Root Cause Analysis and Issue Categorization
We conduct precise analysis to identify the causes of complaints and collaborate with relevant departments to seek effective solutions. Additionally, a severity assessment is performed to prioritize and manage critical issues.

3

Resolution

Implementation of Corrective Actions and Compensation
Execute rapid problem-solving and corrective actions, informing customers of the results and applicable compensation.

4

Feedback

Preventing and improving recurrence
We conduct satisfaction surveys on the complaint resolution process and establish measures to prevent recurrence.
By transforming the Voice of the Customer (VOC) into strategic management assets, we drive continuous process optimization.

V

Governance

- Governance structure
- Ethical management
- Compliance management
- Anti-corruption

Status of the Board of Directors

To ensure transparent and sound management, we have appointed directors with deep industry expertise.
By formalizing our ESG Management Declaration, we have established a balanced decision-making framework that aligns with global standards.

Board of Directors

Highest Decision-Making Body (Chair: CEO)

4	100%	0
Total Number	Ratio of Executive Directors	Female Director (Diversity)

Executive Directors

Position	Name	Role
CEO	**SON HEE**	General management
Internal Director	**SON GWANG HUI**	General manager of finance/accounting
Internal Director	**KIM KYOUNG HOE**	General Manager of Business/Operation
Internal Auditor	**JONG HUH**	General manager of sales

Board Committees

Audit Committee

Enhancing Management Oversight and Accounting Transparency (Composition of All Outside Directors)

Outside Director Candidate Recommendation Committee

Ensuring fairness and independence

ESG Committee

Establish ESG strategies and Supervision of non-financial risk management

Ethical and legal management

Code of Conduct

Code of Ethics and Business Conduct

At Hanyang Industry Co., Ltd. , ethics and compliance are our top priorities in all management activities. We have established and put into practice a Code of Conduct that serves as the standard for right decision-making and behavior for all employees.

Responsibility and Obligation to Customers

We prioritize customer value above all else and drive our growth based on the enduring trust of our customers.

Respect for Shareholders and Investors

We aim to enhance corporate value through rational management and protect the rights and interests of our shareholders.

Respect and Fair Treatment for Employees

We recognize the dignity of each individual and ensure a fair evaluation process based on ability and performance

Tax Approach

We faithfully fulfill our tax obligations in accordance with relevant laws and regulations, avoiding tax evasion and upholding transparency as a core principle.
In collaboration with tax authorities and external experts, we manage tax risks and respond appropriately to the requirements of tax stakeholders.

Key Compliance & Ethics Policies

Applying Global Standard

Fair Trade Compliance Policy

Prohibition of Unfair Trade : Strictly banning the abuse of superior bargaining positions and unjust refusal to deal.

Anti-Collusion : Rejecting any collusion with competitors regarding pricing, bidding, or production volumes.

Mutual Growth with Suppliers : Strictly adhere to subcontracting laws and regulations to build fair and equitable partnerships

Disclosure of Information : Adhere to the principle of transparently disclosing all transaction terms and conditions. Strictly enforces a written contract

Conflict of Interest Prevention Policy

Prioritizing Company Interests : Ensuring all business decisions prioritize the company's interests over personal gain

Restrictions on Dual Employment : Prohibiting unauthorized dual employment or commercial activities with competitors without prior company approval.

Prohibition of using internal information : Strictly banning the use of undisclosed material information for personal financial gain

Mandatory Reporting : Requiring immediate report to the Ethics Management Team whenever a potential conflict of interest arises

All executives and employees prepare an ethics management pledge every year and pledge to comply with the policy.

Ethics Practice Guidelines

To ensure the practice of sound ethical management, Hanyang Industry Co., Ltd. operates various reporting channels and training programs. We strictly apply a 'Zero Tolerance' policy toward any violations of our ethical standards.

Reporting Channels

Reporting and Consultation Channels

- **Ethics Management Hotline**
  24 Hours Anonymous Report Available
  (031-486-3200 EXT. 100)
- **Dedicated E-mail**
  hsjang@hycne.com (confidentiality)
- **Cyber Reporting Center & Postal Submission**
  We operate a Cyber Reporting Center on our official website and a dedicated postal channel through the Audit Team

Education Programs

Ethics Education Programs

- **Regular ethics training for all employees**
  Mandatory Learning at least once a year (on/offline)
- **Tailored Training by Career Level**
  Specialized training programs customized for new hires, newly promoted employees, and managers
- **Ethical Conduct Pledge**
  Every year, all employees sign the Ethical Conduct Pledge, reaffirming their commitment

Zero Tolerance

Sanctions and zero tolerance principles

- **Zero Tolerance**
  We strictly prohibit and punish serious misconduct, such as bribery, embezzlement, and data leakage
- **Strict Protection of Whistleblowers**
  Strict prohibition of identity disclosure and comprehensive prevention of retaliatory treatment
- **Fair Investigation and Discipline**
  Disciplinary measures are finalized through the objective deliberations of the Personnel Committee to ensure fairness and transparency

Anti-Corruption Process

To achieve zero corruption risk, Hanyang Industry operates a systematic four-stage management process, ranging from the establishment of strict principles to rigorous enforcement.

1

Policy Setting

The prohibiting the receipt of money and goods
Strictly prohibiting the acceptance of any money, gifts, or entertainment from all stakeholders, regardless of whether they are related to one's duties or job functions.

2

Setting Criteria

Guidelines for Hospitality and Gifts
Specific limits for gifts and congratulatory payments to prevent them from exceeding socially acceptable standards. All employees are mandated to sign a compliance pledge to uphold these guidelines.

3

Reporting & Detection

Integrated Reporting Channels
24/7 integrated reporting system where suspected violations can be reported or consulted upon at any time via our dedicated ethics hotline and anonymous channels.

4

Investigation & Sanctions

Zero-tolerance enforcement
Following an independent investigation, any confirmed violations are met with rigorous disciplinary measures in accordance with corporate regulations.

Whistleblowing System

Transparency & Ethics

Whistleblower Protection Principles for a Trusted Enterprise

Hanyang Industry Co., Ltd. operates an independent whistleblowing system to ensure transparent and fair management. We guarantee the strict protection of the reporter's identity and the contents of the report. Also any retaliation is strictly prohibited.

Ensuring Absolute Anonymity

We keep all personal information of reporters confidential and provide robust identity protection through technical security measures, such as preventing IP address tracking.

Non-Retaliation and Guarantee of Status

Any disadvantage—including dismissal, disciplinary action, or unfair personnel measures—taken against a reporter is strictly prohibited. In the event of a violation, the offender will face severe disciplinary action.

Obligation of Confidentiality

Investigators are obliged to keep the information and related information confidential, and violations will be subject to disciplinary action.

Report Processing Process

1	2	3	4
Report received	**Fact check**	**Investigation /deliberation**	**Action / Feedback**
Hot line/Web	Investigation	Ethics committee	Notification of results

Continuous Management of the Whistleblowing System

- Strengthen regular monitoring systems
- Normalizing Integrity Training

Reporting channel : hsjang@hycne.com | 031-486-3200 (Ext. 100)

Ethics education and monitoring

Ethics Education

For employees, regular training in ethical management

92.3%

Hanyang Industry Co., Ltd. mandates annual ethics management pledges and regular training.

*Completion rate as of 2025(excluding those on leave)

Conducting regular training once a year

Internal Audit and Improvement System

Conducting Internal Audits & Inspections

To verify adherence to our ethics management principles, we conducts regular self-inspections alongside unannounced audits

Anti-corruption risk diagnosis | Monitoring Corporate card

Corrective Actions and Feedback Mechanism

Vulnerabilities identified during inspections are addressed with immediate corrective measures. For any confirmed violations, we strictly applies a zero-tolerance policy

Process Improvement | Referral to the Disciplinary Committee

Spreading a Culture of ethical

We foster ethical awareness in daily operations through regular ethics newsletters and awareness campaigns.

CEO Letter | Ethics campaign

Disciplinary Process for Violations

Hanyang Industry Co., Ltd. handles ethical violations through transparent and fair procedures.
By applying a Zero Tolerance policy, we are dedicated to fostering a healthy and upright corporate culture

STEP 01

Reporting and recognition

Reports are received through various channels, including our Ethics Hotline and email, or identified through proactive internal auditing activities

STEP 02

factual investigation

Led by the Ethics Management Team and the Audit Team, we conduct objective fact-finding missions and secure relevant evidence.

STEP 03

Deliberation by the Disciplinary Committee

Disciplinary Committee Meeting and Deliberation
The committee determines the level of sanctions based on the severity of the violation
(Given an opportunity to vindicate)

STEP 04

Execution and prevention of recurrence

Process for disciplinary enforcement (warning~dismissal)
We strengthen our training programs and refine internal processes to prevent similar ethical breaches in the future.

SECTION

Appendix

Economic Performance

Statements of Financial

(Unit: KRW million)

Category	2023	2024	2025
I. Current assets	44,496	48,709	30,333
Cash and cash equivalents	2,765	3,809	9,743
Accounts receivable, net	13,734	9,739	7,060
Inventories	1,017	178	595
Other current financial assets	23,016	28,061	10,709
Other current assets	3,963	6,920	2,224
II. Non-Current assets	7,508	7,278	8,706
Long-term financial instruments	1,215	1,550	1,566
Tangible assets	4,699	4,555	4,464
Intangible assets	251	246	239
Defined benefit assets	650	0	1,509
Other non-current assets	304	306	305
Total assets	52,005	55,988	39,039
Current liabilities	25,663	25,097	7,253
Trade and other payables	4,993	7,484	2,546
Bonds and borrowings			
Other current liabilities	19,713	17,128	4,660
Income taxes payable			
II. Non-Current liabilities	0	164	0
Bonds and borrowings			
Other non-current liabilities			
Accrued severance benefits	4,218	7,432	7,894
Total liabilities	25,663	25,261	7,253
Shareholders' Equity			
Capital stock	1,050	1,050	1,050
Capital surplus	0	0	0
Retained earnings	25,291	29,676	30,735
Total shareholders' equity	26,341	30,726	31,785
Total liabilities and shareholders' equity	52,005	55,988	39,039

Statements of Income

(Unit: KRW million)

Category	2023	2024	2025
Sales	60,980	65,468	53,917
Coast of Sales	48,406	50,101	43,857
Gross profit	12,573	15,367	10,059
Selling and administrative expenses	7,056	11,251	8,379
Operating income(Loss)	5,516	4,115	1,679
Non-operating income	1,668	1,894	1,109
Non-operating expenses	796	180	138
Income before income taxes	6,389	5,829	2,650
Income taxes	1,196	1,129	541
Net income	5,193	4,699	2,108

Status of Corporate Tax Payment

(Unit: KRW million)

Classification	Number of Employees	Sales	Operating Income	Corporate IncomeTax Paid
2025	74	53,917	1,679	387

1)Based on sales figures from the management report.

Environmental Performance

Energy Consumption(As of year-end)

Category	Unit	2023	2024	2025
Fuel	TJ /KRW 100mn	0.398	0.3887	0.806(0.465)
Propane		-	-	-
LNG		0.0041	0.0045	0.0037
Gasoline		0.3657	0.3608	0.544(0.221)
Diesel		0.0282	0.0234	0.258 (0.244)
Electricity		1.399	1.392	1.289(0.056)
Combined Heat & Power Steam		-	-	-
Total Energy Comsumption		1.797	1.781	2.095
Total Energy Intensity	TJ/KRW 100mn	0.0028	0.0027	0.0039

1) Figures in parentheses represent the energy consumption of the Malaysian subsidiary.

GHG Emissions

Category	Unit	2023	2024	2025
Scope 1: Direct Emissions 1)	tCO_2eq	26.307	25.688	56.30 (33.78)
Scope 2: Indirect Emissions 1)		185.762	184.858	175.29 (11.6)
Total GHG Emissions (Scope 1+2)		212.069	210.546	231.59 (45.381)
GHG Emission Intensity (Scope 1+2)	tCO_2eq/ KRW billion	3.356	3.229	4.297
Sales	KRW 100 million	632	652	539

1) Figures in parentheses represent the energy consumption of the Malaysian subsidiary.

Energy Consumption Reduction

Category	Unit	2023	2024	2025
Cost of Inverter Compressor Replacement	KRW Million	0	0	21.120
Energy Savings from Replacement	kWh	0	0	89,798
Coast Savings from Energy Reduction	KRW Million	0	0	10.776

1) Compressor replacement date: January 2025

Water Consumption

Category	Unit	2023	2024	2025
Total Water Withdrawal	m^3	900	920	880
Total Water Consumption		597	599	580 (63.27)
Wastewater Discharge		537	539	522
(Tap Water and Sewage Usage)	m^3	1,422	1,434	1,435.27

Waste

Category		Unit	2023	2024	2025
Waste Generation	Industrial Waste	Kg	21,650	19,000	10,080
	Designated Waste		0	0	0
	Total Waste Generation		21,650	19,000	10,080
Waste Treatment	Recycling		14,169	8,978	4,561
	Incineration(Off-site)		5,990	8,018	4,415
	Landfill(Off-Site)		1,497	2,004	1,104
	Total Waste Treated		21,650	19,000	10,080
Waste Recycling Rate 1)		%	65.45	47.25	45.25

1) Ratio of recycled waste to total waste generation.

Environmental Performance

Status of Environmental & Occupational Health and Safety Management System Certifications

Category		2023	2024	2025
Environmental Management	ISO 14001	Maintained	Maintained	Maintained
Occupational Health &Safety Management	ISO 45001	-	-	Certified

Environmental Law Violations

Category	Unit	2023	2024	2025
Total Fines	KRW million	0	0	0
Number of Lawsuits Filed	Cases	0	0	0
Number of Non-monetary Sanctions	Cases	0	0	0

Status of ESG Training

Category			Unit	2023	2024	2025
ESH Training (General)	Total ESH Training Hours	New Hire Training	Hours	0	0	0
		Safety and Health Training		12	12	12
		Supervisor Training		16	0	8
		Manager Training		0	0	24
	Employees Completing ESH Training	New Hire Training	Persons	0	0	0
		Safety and Health Training		71	72	72
		Supervisor Training		2	2	1
		Manager Training		0	3	3
Waste Management Personnel Training	Employees completing Professional Air Quality Environmental Technician Training		Persons	0	0	0
	Employees completing General Water Quality Environmental Technician training			0	0	0
	Employees completing Hazardous Chemical Substance Personnel training			0	0	4

Social Performance

Employee Status & Diversity (Headquarters and Factories)

Category		Unit	2023	2024	2025
Total Employees	Total	Persons	71	72	74
	Male		61	62	64
	Female		10	10	10
Permanent Employees	Total		69	72	72
	Male		59	62	60
	Female		10	10	10
Contract Employees 1)	Total		2	0	2
	Male		2	0	2
	Female		0	0	0
Aged Under 30	Male		3	3	3
	Female		2	3	3
Aged 30–50	Male		38	39	37
	Female		8	7	6
Aged Over 50	Male		20	20	24
	Female		0	0	1

Employee Status & Diversity (Malaysia)

Category		Unit	2023	2024	2025
Total Employees	Total	Persons	0	0	4
	Male		0	1	3
	Female		0	0	1
Permanent Employees	Total		0	0	0
	Male		0	0	0
	Female		0	0	0
Contract Employees 1)	Total		0	1	4
	Male		0	1	3
	Female		0	0	1
Aged Under 30	Male		0	0	2
	Female		0	0	1
Aged 30–50	Male		0	1	1
	Female		0	0	0
Aged Over 50	Male		0	0	0
	Female		0	0	0

1) Includes general contract workers and executives
2) Percentage of female employees as of year-end

Social Performance

New Hires (As of December 31)

Category			Unit	2023	2024	2025
New Hires	Total		Persons	16	4	8
	By Gender	Male		12	2	3
		Female		4	2	5
	By Age Group	Under 30		6	2	3
		30~50		5	2	2
		Over 50		5	0	3

Employee Turnover Status

Category		Unit	2023	2024	2025
Turnover Rate	Total Turnover Rate	%	10.81%	6.85%	5.19%
	Voluntary Turnover Rate 1)		10.81%	6.85%	5.19%
By Gender	Male	Persons	6	2	3
	Female		2	3	1
By Age Group	Under 30		1	1	0
	30~50		4	2	2
	Over 50		3	2	2

1) Annual number of voluntary resignations of permanent employees relative to the total number of employees at each year-end.

Parental Leave Users and Returnees

Category		Unit	2023	2024	2025
Maternity Leave	Total(Female)	Persons	1	1	0
Parental Leave Users	Total		1	1	0
	Male		0	0	0
	Female		1	1	0
Returning After Parental Leave	Total		0	0	0
	Male		0	0	0
	Female		1	1	0
Remaining Employed 12 Months After Return	Total		0	1	1
	Male		0	0	0
	Female		0	1	1

Actions Taken on Discrimination Incidents

Category	Unit	2023	2024	2025
Incidents Received and Reported	Cases	0	0	0
Corrective Actions and Deliberation Results		0	0	0

Social Performance

Employee Training Status

Category	Sub-Category	Unit	2023	2024	2025
Total Training Hours	-	Hours	18	18	18
Average Training Hours per Employee	Male	Hours	18	18	18
	Female	Hours	18	18	18
Training Expenses	Total Training Expenses	KRW	6,871,000	9,132,940	9,868,041
	Training Expenses per Employee	KRW	99,580	126,846	133,352

Status of Mandatory Employee Training

Category		Unit	2023	2024	2025
Ethics & Compliance Management Training 1)	Training Hours	Hours	1	1	1
	Number of Participating Employees	Persons	69	72	72
Sexual Harassment Prevention Training	Training Hours	Hours	1	1	1
	Number of Participating Employees	Persons	69	72	72
Human Rights Training 2)	Training Hours	Hours	1	1	1
	교Number of Participating Employees	Persons	69	72	72

1) Online training was conducted for all employees at the workplace.
2) Includes training on workplace harassment prevention and disability awareness.

Industrial Accident Status

Category	Category	Unit	2023	2024	2025
Employees	Accident Rate	%	0 %	2.7%	1.28
	Fatality Rate	per 10,000 workers	-	-	-
	LTIFR 1)	Cases per million working hours	0 Cases / 0 hrs	2 Cases / 15 hrs	1 Cases / 7 hrs
	Number of Fatalities	Persons	-	-	-
Partners	Accident Rate	%	-	-	-
	Fatality Rate	per 10,000 workers	-	-	-
	LTIFR 1)	Cases per million working hours	-	-	-
	Number of Fatalities	Persons	-	-	-

1) Lost Time Injury Frequency Rate

Industrial Health and Safety (Employees)

Category		Unit	2023	2024	2025
Accident Rate	Employees	%	0%	2.7%	1.28%
Number of Serious Accidents	Employees	Cases	-	-	-

Social Performance

Labor-Management Council

Category	Unit	2023	2024	2025
Ratio of employees covered by Labor-Management Council	%	5.76	5.66	5
Number of Labor-Management Council meetings held	Cases	4	4	4
Ratio of agenda items resolved in Labor-Management Council	%	29.4%	30.7%	28.5%

Quality Audit

Category		Unit	2023	2024	2025
Client	Quality Audit(client audit)	Cases			1
	Due diligence	Cases			
Total					1

Strengthening R&D Capability

Category		Unit	2023	2024	2025
R&D Personnel Status 1)	Doctor's Degree	Persons	0	0	0
	Master's Degree	Persons	0	0	0
	Other	Persons	0	0	0
	Total Personnel	Persons	0	0	0
R&D Investment Status	Investment Amount	KRW million	0	0	0
	R&D Intensity 1)	%	0	0	0

Information Security Investment & Training

Category		Unit	2023	2024	2025
Investment in Information Security 1)		KRW million	0	0	0
Information Security Training	Training Hours	Hours	0	1	1
	Number of Participants	Persons	0	1	1
Personal Information Protection Training	Training Hours	Hours	1	1	1
	Number of Participants	Persons	69	72	72

Supplier Purchasing Status

Category		Unit	2023	2024	2025
Total Suppliers	Total Number of Supplier	Companies	153	170	135
	Purchase Ratio	%	100	100	100
Critical Suppliers 1)	Total Number of Supplier	Companies	10	10	10
	Purchase Ratio	%	35.2	25.8	32.5

Governance Performance

Board of Directors (BOD) Composition

Category		Unit	2023	2024	2025
BOD Composition	**Inside Directors** (Excluding Outside Directors & Audit Committee members)	Persons	4	3	3
	Outside Directors (Excluding Audit Committee members)	Persons	0	0	0
	Audit Committee Members or Auditor	Persons	1	1	1
Number of BOD Meetings Held		Meetings	1	4	2

Governance Certification

Category	Unit	2023	2024	2025
ISO 37001 Anti-bribery Management System		Not Certified	Not Certified	Not Certified

GRI Standards Index

GRI Standards 2021	Remarks	
GRI 1: Foundation	**Statement of use**	**Hanyang Industry Co., Ltd. has reported in accordance with the GRI Standards for the period [January 1, 2025 to December 31, 2025.**
	GRI 1	**GRI 1 : Foundation 2021**
	GRI sector standards	**None (No applicable sector standards have been published for this industry as of the reporting date.)**

GRI Standards 2021 – General Disclosures

GRI Standard	Topic		Disclosure	Location Page	Remark
Universal Standards					
GRI 2 : General Disclosures 2021	The organization and its reporting practices	2-1	Organizational details	2, 9	
		2-2	Entities included in the organization's sustainability reporting	2	
		2-3	Reporting period, frequency and contact point	2	
		2-4	Restatements of information	Initial reporting	N/A
		2-5	External assurance	83~87	
	Activities and workers	2-6	Activities, value chain and other business relationships	10~12	
		2-7	Employees	50, 76	
		2-8	Workers who are not employees		N/A
	Governance	2-9	Governance structure and composition	66	
		2-10	Nomination and selection of the highest governance body	66	
		2-11	Chair of the highest governance body	66	
		2-12	Role of the highest governance body in overseeing the management of impacts	19	
		2-13	Delegation of responsibility for managing impacts	19, 20	
		2-14	Role of the highest governance body in sustainability reporting	21	

GRI Standards 2021 – General Disclosures

GRI Standard	Topic		Disclosure	Location Page	Remark
Universal Standards					
GRI 2 : General Disclosures 2021	Governance	2-15	Conflicts of interest	28, 67	
		2-16	Communication of critical concerns	20, 21	
		2-17	Collective knowledge of the highest governance body	66	
		2-18	Evaluation of the performance of the highest governance body	20	
		2-19	Remuneration policies	52	
		2-20	Process to determine remuneration	52	
		2-21	Annual total compensation ratio	52	
	Strategy, policies and practices	2-22	Statement on sustainable development strategy	4. 8	
		2-23	Policy commitments	15	
		2-24	Embedding policy commitments	16, 17	
		2-25	Processes to remediate negative impacts	64	
		2-26	Mechanisms for seeking advice and raising concerns	68, 70	
		2-27	Compliance with laws and regulations	67, 76	
		2-28	Membership associations	5	
	Stakeholder engagement	2-29	Approach to stakeholder engagement	33, 34	
		2-30	Collective bargaining agreements	54	

GRI Standards Index

GRI Standards 2021 – Topic Standards

GRI Standard	Topic		Disclosure	Location Page	Remark
Universal Standards					
GRI 3 : Material Topics 2021		3-1	Process to determine material topics	23	
		3-2	List of material topics	25	
		3-3	Management of material topics	26, 38	
GRI 200 : Economic	GRI 201 : Economic Performance 2016	201-1	Direct economic value generated and distributed	74	
		201-2	Financial implications and other risks and opportunities due to climate change	29	
	GRI 202 : Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage		
		202-2	Proportion of senior management hired from the local community		
	GRI 203 : Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	62	
		203-2	Significant indirect economic impacts	10, 11	
	GRI 205 : Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	69	
		205-2	Communication and training about anti-corruption policies and procedures	72, 78	
		205-3	Confirmed incidents of corruption and actions taken	77	

GRI Standards 2021 – Topic Standards

GRI Standard	Topic		Disclosure	Location Page	Remark
Universal Standards					
GRI 200 : Economic	GRI 206 : Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	76	
	GRI 207 : Tax 2019	207-1	Approach to tax	67, 74	
		207-2	Tax governance, control, and risk management	67, 74	
GRI 300 : Environment	GRI 301 : Materials 2016	301-1	Materials used by weight or volume	44	
	GRI 302 : Energy 2016	302-1	Energy consumption within the organization	41, 75	
		302-2	Energy consumption outside of the organization		
		302-3	Energy intensity	41, 75	
		302-4	Reduction of energy consumption	42	
	GRI 303 : Water and Effluents 2018	303-3	Water withdrawal	75	
		303-4	Water discharge	75	
		303-5	Water consumption	43, 75	
	GRI 305 : Emissions 2016	305-1	Direct (Scope 1) GHG emissions	40, 75	
		305-2	Energy indirect (Scope 2) GHG emissions	40, 75	
		305-4	GHG emissions intensity	40, 75	
		305-5	Reduction of GHG emissions	38, 39	
	GRI 306 : Waste 2020	306-1	Waste generation and significant waste-related impacts	44	
		306-3	Waste generated	44, 75	
		306-4	Waste diverted from disposal	44, 75	
		306-5	Waste directed to disposal	44, 75	

GRI Standards Index

GRI Standards 2021 – Topic Standards

GRI Standard	Topic	Disclosure		Location Page	Remark
Universal Standards					
GRI 400 : Social	GRI 401 : Employment 2016	401-1	New employee hires and employee turnover	52, 77	
		401-3	Parental leave	77	
	GRI 403 : Occupational Health and Safety 2018	403-1	Occupational health and safety management system	46, 76	
		403-2	Hazard identification, risk assessment, and incident investigation	47	
		403-4	Worker participation, consultation, and communication on occupational health and safety	33, 55	
		403-5	Worker training on occupational health and safety	49, 76	
		403-6	Promotion of worker health	53	
		403-8	Workers covered by an occupational health and safety management system	78	
	GRI 404 : Training and Education 2016	404-1	Average hours of training per year per employee	53	
		404-2	Programs for upgrading employee skills and transition assistance programs	52	
	GRI 405 : Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	51, 66	
		405-2	Ratio of basic salary and remuneration of women to men	52	
	GRI 406 : Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	54, 78	
	GRI 407 : Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	52, 78	
	GRI 413 : Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	62	

Independent Assurance Statement

Third-Party Assurance Opinion

To the Stakeholders of Hanyang Industry Co., Ltd.

Han Consulting Group Co., Ltd. (hereinafter referred to as the "assurer") has been requested by Hanyang Industry Co., Ltd. to assure the "Sustainability Report 2025" (hereinafter referred to as the "Report"). The purpose of this Assurance Opinion is to provide Assurance and related information to relevant stakeholders regarding Hanyang Industry's report concerning environment, society, and governance; therefore, it applies only to the information included within the scope of Assurance. This Assurance Opinion has been prepared based on the Assurance results regarding the information and claims presented by Hanyang Industry, and the Assurance was conducted under the assumption that the presented supporting information and data are complete and accurate. The assurer's responsibility is to provide the Assurance opinion derived by applying Assurance methodology to the specified scope to the management of Hanyang Industry Co., Ltd. Responsibility for all information and claims included in the Report rests entirely with the management of Hanyang Industry Co., Ltd.

Assurance Criteria and Level

This Assurance applied the international Assurance standard AA1000AS (Assurance Standard) v3 (2020), and was conducted using the Type 1 method and a Moderate level of assurance. Specifically, the Assurance team evaluated compliance with the principles of Inclusivity, Materiality, Responsiveness, and Impact presented in AA1000AP (2018), as well as the reliability of the data and information regarding the following GRI indicators listed in the report. Furthermore, it was confirmed that the report was reported with reference to the GRI Standards 2021, the international standard guideline for sustainability reports.

Scope of Assurance

The scope of Assurance applied to the report confirmed the applicability of the GRI Standards 2021 reporting requirements, and the details are as follows.

- The reported content and some data included in the report covering the period from January 1, 2025, to December 31, 2025, encompass activities up to the first half of 2026.
- The Assurance boundary is limited to Hanyang Industries Co., Ltd.'s domestic headquarters and domestic business sites.
- The scope of Assurance includes confirmation of satisfaction with the reporting requirements of GRI Standards 2021.

It has been confirmed that the detailed indicators for the materiality topics derived through the double materiality assessment process are as follows:

- GRI Standards 2021 Reporting Principles (Reporting with reference to the GRI Standards)
- Universal Standards

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

● Separate Sector Standards do not apply
● Topic Standards
201-1, 201-2, 202-1, 202-2, 203-1, 203-2, 205-1, 205-2, 205-3, 206-1, 207-1, 207-2
301-1, 302-1, 302-2. 302-3, 302-4, 303-3, 303-4, 303-5, 305-1, 305-2, 305-4, 305-5, 306-1, 306-3, 306-4, 306-5, 401-1, 401-3, 403-1, 403-2, 403-4, 403-5, 403-6, 403-8, 404-1, 404-2, 405-1, 405-2, 406-1, 407-1, 413-1
The following items were not included in the scope of Assurance.
- Financial information presented in the Appendix of the report
- Information related to other international standards, norms, and initiatives, excluding GRI, presented in the Appendix of the report Index items
- Other related supplementary information, such as the website and business reports

Assurance Method
The assurers of Han Consulting Group Co., Ltd. complied with Assurance standards and conducted Assurance within the agreed scope of Assurance as follows:
● Overall review of the contents of the report
● Materiality assessment for determining Assurance priorities and review and confirmation of suitability of internal analysis processes
● Interviews with personnel responsible for the preparation of the report
● Assurance of the data generation, collection, and reporting processes for each performance area

Assurance Limitations
The Assurance was conducted based on the assumption that the data and information provided by Hanyang Industry Co., Ltd. are complete and sufficient. Data Assurance was conducted as a limited Assurance over a limited period based on the data and materials provided by Hanyang Industry Co., Ltd. Accordingly, no material errors were discovered during the Assurance process, and it contains limitations related to unavoidable risks that may exist. The Validator provides no warranties regarding possible future impacts or additional aspects related thereto that could not be predicted or assured during the Assurance process.

Assurance Results and Opinions
Based on the results of document reviews and interviews, the Assurance team held multiple discussions with Hanyang Industries Co., Ltd. regarding revisions to the report and reviewed the final version of the report to assure the incorporation of revisions and recommendations. As a result of the Assurance, the Validator found no grounds to conclude that the information and data contained in Hanyang Industries Co., Ltd.'s report were improperly described in terms of materiality. The report is deemed to be a "Reporting with reference to the GRI Standards 2021," and the Assurance opinion regarding the four principles presented in AA1000AP (2018) is as follows:

4 Principles of AA1000 AP

■ Principle of Inclusiveness

Hanyang Industries Co., Ltd. has designated employees, customers, suppliers, local communities, shareholders, and investors as key stakeholders, and has developed and operates various forms and levels of stakeholder communication channels to commit to organizational responsibilities and to put them into practice. The Assurance team could not find any key stakeholder groups omitted in this process and confirmed that efforts are being made to ensure their views and expectations are appropriately reflected in the organization's strategy.

■ Principle of Materiality

Hanyang Industries Co., Ltd. operates a materiality assessment process to identify reporting issues related to sustainability, and has established a unique materiality assessment process considering Hanyang Industries' key business and operational characteristics. During the materiality assessment, an analysis of the relevant impact was conducted through the analysis of international disclosure standards and evaluation indicators. Through this process, eight We selected critical issues and identified three core issues among them, and we are disclosing the list of critical issues and related GRI Topic Standards through the report.

■ Principle of Responsiveness

Hanyang Industries Co., Ltd. has established a management process for core issues determined by materiality assessments. To respond in a manner that reflects stakeholder expectations, we disclose responsiveness through reports, including policies regarding core issues, project implementation status, activity results, and improvement plans.

■ Principle of Impact

Hanyang Industries Co., Ltd. has established a process to identify and evaluate the impact of core issues on the organization and stakeholders. We determine the importance of major issues affecting the organization's sustainability performance through a unique assessment process, and the Assurance team did not discover any critical issues omitted during this process.

Independence and Competence

Han Consulting Group Co., Ltd. is an independent professional organization that has provided certification and Assurance services with expertise in management systems fields such as quality, environment, occupational safety and health, energy, anti-corruption, and compliance. The assurer has no business relationship with Hanyang Industries Co., Ltd. We have not, and the Assurance was conducted independently, with no conflicts of interest. The Assurance team that performed this Assurance consists of AA1000AS auditors with extensive experience in management systems (environment, occupational safety and health, etc.) and sustainability (social responsibility, corporate ethics, etc.), as well as an outstanding understanding of Han Consulting Group Co., Ltd.'s Assurance standard methodology.

March 26, 2026

Seoul, Republic of Korea

HCG (주)한컨설팅그룹 Han Consulting Group Ltd. CEO Lee Seung-yong

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HANYANG INDUSTRY Co., Ltd.

Building a Sustainable Future Together

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2025 Sustainability Report

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