



HYUNDAI
STEEL

Scan the QR code with your
smartphone and you'll be
taken directly to our mobile
website, where you can
download a PDF version of
our sustainability report.



ONE STEP FOR TOMORROW

HYUNDAI STEEL SUSTAINABILITY REPORT 2011

ONE STEP FOR TOMORROW

HYUNDAI STEEL SUSTAINABILITY REPORT 2011

공감
그리고
동행



Chairman's Message _ 02

Sustainable Steel _ 04

Hyundai Steel's Story _ 06

CEO Interview _ 12

Building Our Own Future _ 14

Standing at the Center of the World _ 20

Constructing a New World _ 28

Creating Economic Value _ 30

Reinforcing Global Competitiveness _ 33

Creating a Greener World _ 42

In Harmony with Nature _ 46

Addressing Climate Change _ 49

Instilling Hope _ 56

Increasing Employee Competencies _ 58

Growing with Our Stakeholders _ 65

In Harmony with Communities _ 72

Appendix

Third Party Assurance Report _ 80

GRI Guidelines _ 82

About This Report

Changes to this report

Since the publication of our first sustainability report in 2008, Hyundai Steel has achieved remarkable growth, year after year, as a fiscally sound company with a balanced triple bottom line. We are always looking for ways to become more efficient in managing and communicating our performance in terms of sustainability. For our fourth sustainability report, we were determined to take our sense of corporate sustainability to new highs. In order to improve our reporting of sustainability issues for the past year, we have added five new features.

• Themes

In the past, our reports were divided into four sections: Sustainability Management, Economy, Environment, and Society. In order to make the report more reader-friendly and give it greater emotional depth, we renamed the sections Sustainable Steel, Constructing a New World, Creating a Greener World and Instilling Hope.

• Q&A Section

To more effectively address questions from stakeholders, we have included a Q&A section which puts the company's activities and performance into perspective.

• Steel in Life

Although steel is a commonly used resource, stakeholders may find it difficult to understand the mechanisms and processes involved in its creation. As a result, we have earmarked a separate section called Steel in Life (Pages 8-11) to show the extent to which steel has been incorporated into people's daily lives.

• Communication with Stakeholders

For this year's report, we strengthened our stakeholder survey mechanism to more closely reflect the opinions of our stakeholders. In the beginning of each section, we have earmarked Stakeholder Communication pages which include the results of surveys containing stakeholder feedback on our performance in each area.

• A More Reader-friendly Report

In response to stakeholder opinion regarding the reporting structure of our reports, we have improved the reader-friendliness of this publication by using more illustrations and an improved design layout.

I Reporting Standards I

GRI G3 Guidelines, BEST Guidelines, UNGC principles

I Report Structure I

Sustainability Management, Economy, Environment, Society

I Reporting Period & Cycle I

January to December 2010, annual publication
(Information on activities and achievements of significance to stakeholders or having an impact on our business is included up to the end of May 2010.)

I Reporting Scope I

Headquarters, Incheon Works, Pohang Works, Dangjin Works

I Third Party Assurance I

Independent assurance carried out by the Institute for Industrial Policy Studies (IPS)

I Contact Information I

Tel: +82.2.3464.6187 / Fax: +82.2.3464.6210

CSR Team, Strategy & Planning Office, Hyundai Steel

231, Yangjae-dong, Seocho-gu, Seoul, 137-938, Korea

As we continue to discover the sustainable value of steel, we will never stop caring about the sustainable growth of humanity.

Hyundai Steel takes pride in growing along with its stakeholders, while striving for a better future for humanity.

Sustainable
Steel

Constructing
a New World

Creating
a Greener World

Instilling
Hope

Steel has brought about innovations in culture and safety around the world. Its convenience and sustainable utility have also allowed people to live better lives. Over the past half century, Hyundai Steel has contributed to the nation's economic growth. As we greet a new era of advanced technology, steel has, once again, drawn attention due to its sustainability in terms of the environment and the future of society.

At Hyundai Steel, sustainability enables us to reinforce our global competencies and realize mutual growth with our stakeholders.

An objective assessment of the sustainability of a company begins with monitoring to ensure that it remains faithful to its innate values. Based on the strength of its diversified product line-up and advanced technologies, Hyundai Steel is competing with the world's leading steelmakers. Our latest success is our newly completed integrated steel mill that has boosted the range and size of the company's business portfolio.

As we move forward, we will focus on high value-added steel products to ensure mutual growth with our global stakeholders, while enhancing Hyundai Steel's name as a leading global steelmaker.

Aiming for a greener low-carbon economy has become the norm in the global community, and nations around the world have risen to this challenge. In line with this new green economy, Hyundai Steel is always seeking new opportunities to reduce greenhouse gases, while also building upon our carbon credit schemes and renewable energy businesses.

Protecting the environment remains at the top of our list of priorities in all of our business activities, which is part of the reason we have recently completed work on our eco-friendly steel mills.

With state-of-the-art environmental technologies and facilities, Hyundai Steel will continue to lead the way in Korea's low-carbon green growth initiatives.

Companies have a responsibility to the societies in which they operate. When profits are shared with stakeholders, corporate value can grow even more. The sustainable future of a company relies on its stakeholders.

Thus, Hyundai Steel's employees, stakeholders and communities constitute our underlying assets. When every stakeholder makes a concerted effort under a shared goal, powerful synergies can be generated.

Through win-win partnerships with stakeholders, career development programs for employees, and various engagement programs with communities, Hyundai Steel is committed to building a better society for everyone.



HYUNDAI STEEL SUPPORTS THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT.

HUMAN RIGHTS

Principle 1 : Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2 : make sure that they are not complicit in human rights abuses.

LABOUR STANDARDS

Principle 3 : Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4 : the elimination of all forms of forced and compulsory labour;

Principle 5 : the effective abolition of child labour; and

Principle 6 : the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

Principle 7 : Businesses should support a precautionary approach to environmental challenges;

Principle 8 : undertake initiatives to promote greater environmental responsibility; and

Principle 9 : encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

Principle 10 : Businesses should work against corruption in all its forms, including extortion and bribery.



Publisher : Hyundai Steel

Publishing Team : CSR Team, Strategy & Planning Office, Hyundai Steel

Address : 231, Yangjae-dong, Seocho-gu, Seoul, 137-938, Korea

Tel : +82.2.3464.6187

Assurance Provider : Institute for Industrial Policy Studies (IPS)

PROCESS | ACTIVITY | IMPACT

RAW MATERIALS



Hyundai Steel uses steel scrap, a recycled eco-friendly resource, to fuel its electric arc furnaces, and iron ore and coal in its blast furnaces to produce new steel products.

(Unit: 10,000 tons)

Classification	Amount	Major Imports
Iron ore	796	Australia, Brazil
Coal	375	Australia, Canada
Steel Scrap	926	
Domestic	530	
imported	396	Japan, U.S.A.

※ as of the end of 2010

RECYCLED RESOURCES



PRODUCTION



Hyundai Steel operates 15 electric arc furnaces and two blast furnaces at our steelworks in Incheon, Pohang, and Dangjin, Korea.

(Unit: 10,000 tons)

Plant	Steelmaking	Rolling	Remarks
Incheon	452	440	Seven electric arc furnaces
Pohang	321	321	Five electric arc furnaces
Dangjin	744	756	Three electric arc furnaces and two blast furnaces
Total	1,517	1,517	

※ as of the end of 2010



CREATING
A CLEANER
ENVIRONMENT

PRODUCTS



Hyundai Steel manufactures durable, high-quality products that are used in the automobiles, construction and shipbuilding industries.

(Unit: 10,000 tons)

Product	Production	Sales
Long steel	672	646
HRC/Heavy plates	460	443
Stainless Steel/Heavy machinery	64	116
Total	1,196	1,205

※ as of the end of 2010



DEVELOPING
ECO-FRIENDLY
PRODUCTS

APPLICATION



Hyundai Steel manufactures durable, high-quality products that are used in the automotive, construction and shipbuilding industries.

(KRW 100 million)

Product	Usage	Sales
Long steel	Construction , railways, shipbuilding	50,403
HRC Heavy plates Stainless Steel	Industrial use, interior & exterior materials	39,782
Forged steel Heavy industries	Shipbuilding and industrial use	6,819
Purchased	miscellaneous	4,978
Total		101,982

※ as of the end of 2010



PROVIDING
CUSTOMIZED
PRODUCTS

RECYCLING



After serving their purpose in a wide variety of industrial applications, our products are collected and processed as recycled steel scrap. We reuse 94.3% of the by-products from our steelmaking processes, while Incheon Works reprocesses the effluence from its wastewater plants for reuse.

Classification	Unit	Achievements
Byproduct volume	1,000 tons	3,741
Byproduct recycling	%	94.3
Recycled water	1,000 tons	3,807

※ as of the end of 2010

MINIMIZING
OUR ENVIRONMENTAL IMPACT



Hyundai Steel is walking towards bringing about a more sustainable future for everyone.

Success is just one of the goals we pursue.

Our goal remains more than simply being competitive.

A sustainable future lies in increasing the well-being of society, the company, and the nation.

A sustainable future also means being a reliable corporate citizen.

That is how we earn the trust and respect of our stakeholders as a sustainable business.

Leading the global economy with cutting-edge products and advanced technologies, we will harness the potential of steel as a sustainable resource.

We will continue to grow as a leader in the global steel industry, while creating value for our stakeholders.

CHAIRMAN'S MESSAGE

The Hyundai Motor Group has set a new mid-term goal for the upcoming 10 years, "Vision 2020: Together for a better future." As we continue to grow, we are improving our sustainability management and increasing stakeholder value by adopting and developing the concept of triple bottom line reporting.



Distinguished Stakeholders,

I am pleased to report on our activities and achievements in sustainability management over the past year in our fourth sustainability report. These reports have become a significant channel for continued and close communication with our stakeholders.

In 2010, the business world faced numerous challenges due to such adversity as the continuing economic recession in the U.S. and a growing financial crisis in Europe. Uncertainties abounded in the global economy, creating unfavorable conditions in business environments, which directly affected the global steel industry.

In partnership with our stakeholders, we will
continue to grow as a sustainable company.

Even in such trying circumstances, Hyundai Steel performed well, successfully stabilizing and operating two new blast furnaces which increased our annual production capacity by eight million tons within one year. Such a notable achievement over such a short period of time was unprecedented in the history of the global steel industry.

At the same time, Hyundai Steel continued to reinforce its competitiveness through further development of its human resources, improvements in workplace safety, strengthened win-win partnerships with business partners, and upgrades to the quality control system for customer satisfaction.

Since its pledge to uphold sustainability management and the UN Global Compact in 2008, we have worked hard to create a balance between our economic and social values and expectations as a responsible corporate citizen. In 2010, Hyundai Steel remained faithful to our social responsibilities. For instance, we took an active role in addressing climate change in collaboration with major global steelmakers.

Under Hyundai Steel's new vision of "Leading the new era of steel" we have identified five core values that will enable us to achieve this goal: Challenge (unwavering passion and ingenious thinking), People (respect for talent), Customers (a customer-driven corporate culture), Collaboration (mutual communication and cooperation), and Globality (a global corporate citizen).

Under Hyundai Motor Group's new vision, "Vision 2020: Together for a better future," Hyundai Steel will take further steps forward to become a globally competitive steelmaker, while adhering to the highest standards in environmental stewardship. At this time, I would like to ask for your continued encouragement and support for Hyundai Steel as we continue our sustainable growth well into the future.

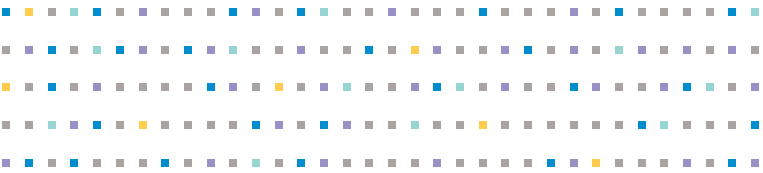
Thank you.

Chairman
Hyundai Motor Group

Mong-koo Chung

Sustainable Steel

Steel has brought about innovations in culture and safety around the world. Its convenience and sustainable utility have also allowed people to live better lives. Over the past half century, Hyundai Steel has contributed to the nation's economic growth. As we greet a new era of advanced technology, steel has, once again, drawn attention due to its sustainability in terms of the environment and the future of society. At Hyundai Steel, sustainability enables us to reinforce our global competencies and realize mutual growth with our stakeholders.



Stakeholder Communication

< Communication Channels by Stakeholder >

Hyundai Steel believes that trust-based communication with stakeholders is essential to its sustainable growth. We define our stakeholders – shareholders, investors, customers, suppliers, employees, and communities – according to their impact on our business activities. For each of these stakeholder groups, we maintain dedicated communication channels to reflect their opinions and feedback in our management activities.

Shareholders & Investors	Investment Planning System, NDR & Conferences
Customers	Customer service portal, customer satisfaction surveys, meetings
Partners	Integrated procurement system, steel scrap procurement system, seminars & training in technologies
Employees	SMART Board, GWP, conferences with employee representatives
Communities	Green Guardians, Home Repairs for Hope, Industrial-Academic Collaboration, Social Contribution activities

< 2011 Stakeholder Surveys >

Hyundai Steel surveyed a total of 1,124 stakeholders from March 2-11, 2011, and has reflected that feedback in this sustainability report.

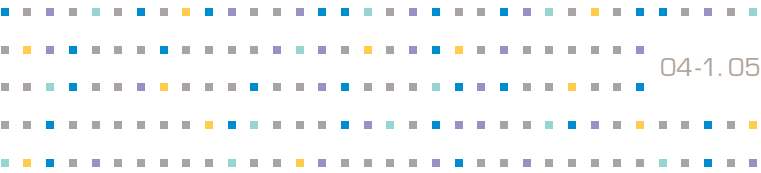
< 2011 Stakeholder Survey Results >

“ Hyundai Steel maintains transparent corporate governance. ”

Employees	<div></div>	77.6
Investors	<div></div>	70.8
Customers	<div></div>	67.5
Partners	<div></div>	73.5
Communities	<div></div>	65.0

“ Hyundai Steel upholds fair competition. ”

Employees	<div></div>	73.3
Investors	<div></div>	72.9
Customers	<div></div>	77.5
Partners	<div></div>	72.3
Communities	<div></div>	70.0



Sustainability Management Highlights

April 2011

Redefining Our Management Philosophy and Core Values (Pages 16-17)

We have redefined our management philosophy, emphasizing the five core values of the Hyundai Motor Group. With this, we intend to establish a corporate culture that meets the highest global standards.

In our steelmaking operations, Hyundai Steel adheres to the highest standards in environmental regulations and recycling, while offering customers the best products and services in the industry. In reinforcing our global competencies, we will strive to realize the Group’s “Vision 2020: Together for a better future.”

| Hyundai Motor Group Vision |

Together for a better future

| Hyundai Steel Vision |

Leading the new era of steel

| Core Values |

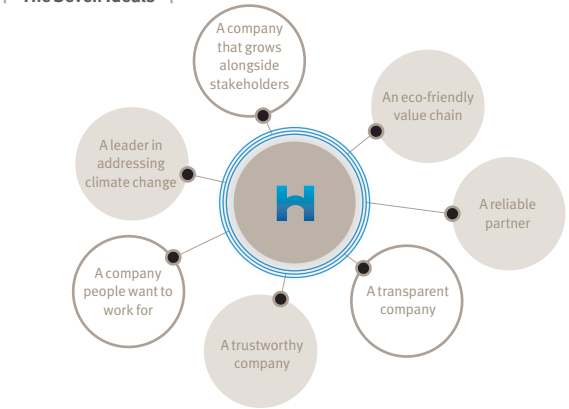


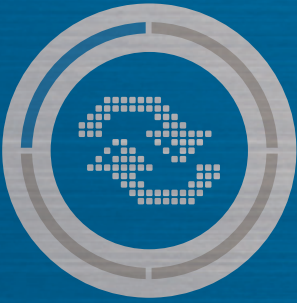
September 2010

Defining the Seven Ideals of Sustainability Management (Page 18)

Hyundai Steel has defined Seven Ideals to give direction to its medium- and long- term SR management strategies.

| The Seven Ideals |





#01 Hyundai Steel's Story

Established in 1953, Hyundai Steel was Korea's first steel manufacturer. Through a half-century of changes and challenges, we have built a success story that has become legendary in the industry. As we prepare for a new century of even greater success, we will pursue goals for the mutual benefit of the company and our stakeholders, while successfully leading the steelmaking industry and contributing to a more prosperous future. We will strive to create a better tomorrow for all stakeholders by achieving sustainable growth.



Company Overview

Name	Hyundai Steel
Establishment	June 10, 1953 (Korea's first steelmaker, under the name of Korea Heavy Industry Corporation)
Business type	Steel manufacturing
Products	Reinforcing bars, H-beams and other long steel, hot-rolled coils, heavy plates and stainless steel and other flat steel, forged steel and heavy machinery
CEO	Vice Chairman Seung-ha Park, President Yu-cheol Woo
Sales	KRW 10,198.2 billion (as of 2010)
Sales breakdown	Domestic 73%, Exports 27% (as of 2010)
End-use industries	Construction, shipbuilding, automobiles

Domestic Work Sites



• **Incheon:** H-beams, reinforcing bars, stainless steel, steel casting products, ingots



• **Pohang:** H-beams, reinforcing bars, heavy machinery, rails, rolls



• **Dangjin:** reinforcing bars, hot-rolled coils, heavy plates

Overseas Branch Offices





Steel in Life

Making a Better World

RAILWAY RAILS

Hyundai steel was the first Korean company to manufacture Railway Rail using its own technology in 1979. Since then, we have been the only rail manufacturer in Korea and have continued to develop technologies in step with new advances in high-speed rail and weight factors. One result of such efforts has been our production and supply of UIC60 rails for the KTX, Korea’s high-speed railway, since 1998. In 2008, we became the second company to develop rails for magnetic levitation trains.

Sailing into the Deep Blue Ocean

STEEL PLATE

Steel Plate consist of sheets of thick flat steel of more than 6mm in thickness. Such plates are mainly used on outside decks, as double-flooring, and bulkheads for hulls. These heavy plates must be strong enough to withstand changes in loads, and rolling and pitching in rough seas. Recently, shipbuilding standards have changed in terms of how plates are joined, from rivets to welding, as market demand for larger size vessels has grown. As such, regulations and standards governing the production of heavy plates have become more stringent, requiring certification by the Korean Register of Shipping. As a result, Hyundai Steel obtained certifications for various classifications of steel plates from 10 major international registers of shipping in March and April of 2010 in preparation for the manufacture of heavy plates.

The Strongest of the Strong

WIDE FLANGE BEAMS & REINFORCING BARS

Hyundai Steel’s H-beams, H-bearing piles, and checkered H-beams have earned an excellent reputation with our domestic and global customers due to their high quality. Hyundai Steel produces several products using advanced technologies under strict quality control, including slim beam-HR asymmetric H-beams, the first Korean company and second in the world to do so, ultra-thick large H-beams (458X417, 900X300 series), of which we are the only supplier in Korea, high-strength H-beams, paint-free weather-proof H-beams, and hot-rolled H-beams for building structures. Due to the lower standard deviation for each of these type of beams, all are highly competitive in the global market. In addition, we produce reinforced bars, from D10mm to D57mm, which are suitable for a variety of applications, including reinforced concrete structures, nuclear power plant construction, and construction projects. Developed in 2001, our super bar has a yield strength that is 25% stronger than standard bars, which allows for better use of space, is stronger in the construction of high-rise buildings, and reduces construction costs.



Railway rails



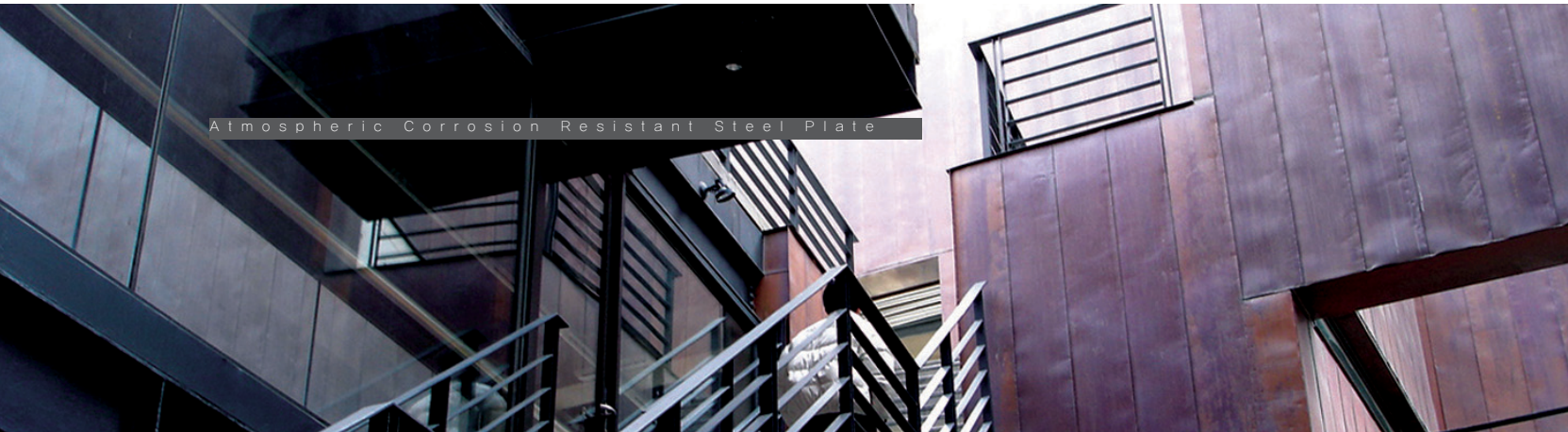
Steel Plate



Wide Flange Beams & Reinforcing Bars



Cold Rolled Stainless Steel Sheets



Atmospheric Corrosion Resistant Steel Plate



High Performance Steel for Bridges

Shining like Diamonds

COLD ROLLED STAINLESS STEEL SHEETS

In general, steel products consist of iron (Fe) that has 0.02-2% carbon, also known as carbon steel. Steelmakers then add alloys to create special types of steel, which are named according to their different usages.

The most well-known and popular type of steel is rust-free stainless steel. Created by adding chrome (Cr) and nickel (Ni) to normal carbon steel, stainless steel was first invented in the early 20th century. Stainless steel was a breakthrough for the steel industry, as it significantly improved the diversity and choice of products depending on usage, resulting in a significant growth in sales. Most notably, durable and rust-free stainless steel tableware brought about a revolution in the kitchen, replacing expensive silverware or heavy brassware that rusted easily. Due to its heat-resistant properties, stainless steel is also excellent for use in the exhaust systems of automobiles. Hyundai Steel has manufactured stainless steel products since 1990.

An Eco-Friendly Material

ATMOSPHERIC CORROSION RESISTANT STEEL PLATE

Under normal conditions, iron oxidizes or corrodes easily when it comes in contact with dioxides (O₂) or water (H₂O). The red oxidized substance (Fe₂O₃) that results is called rust. The conventional means of preventing corrosion was to paint the surface of the steel, but this was only a temporary stop-gap measure. Painting buildings and construction materials was costly and the use of paint polluted the environment.

Atmospheric Corrosion Resistant Steel Plate, however, are resistant to corrosion even without painting the surface. When used in buildings, it decreases maintenance costs and reduces the impact on the environment. The resistance to corrosion is reinforced by adding such alloys as copper (Cu), chrome (Cr) and nickel (Ni). These layers of alloy help to stabilize rust from corrosion, insulating the surface of the steel from the effects of water and oxygen.

A Solid Bridge

HIGH PERFORMANCE STEEL FOR BRIDGES

Heavy plates are universally used in the construction of steel bridges. In close proximity to rivers or the sea, moisture and salt make steel bridges vulnerable to rust. As a result, bridge materials must be able to withstand extreme weather conditions such as heat between 20-30°C and cold winter temperatures of below -30°C.

Our HSB products, with significantly improved strength, tenacity, and weldability, include HSB500 and HSB600 steel plates, each boasting tensile strengths of 500MPa and 600MPa.

Hyundai Steel initiated the manufacturing of HSB500 and HSB600 in April 2010 at its heavy plate mills. In less than a year, we made our mark in the HSB market, gaining a 30% market share to emerge as a new and important player in the HSB market.



CEO INTERVIEW

Under the new vision of “Leading the new era of steel,” Hyundai Steel will build a better world in cooperation with its stakeholders by offering advanced eco-friendly products and services and the recycling of resources.



Q. What do you think of the company’s performance in terms of sustainability management in 2010?

I believe that Hyundai Steel remained steadfast to its commitment to sustainability management despite an unfavorable business environment in the aftermath of the global economic crisis. In 2010, we stayed connected to our five core values and pushed forward with sustainability management practices.

Q. Could you share with us Hyundai Steel’s most remarkable economic achievement in 2010?

Hyundai Steel successfully commenced operations of two blast furnaces in 2010. As the new driver of growth for the company, the combined annual output of these two units will be eight million tons. The addition of these furnaces has also laid the groundwork for Hyundai Steel to become a steelmaker with an annual capacity of 20 million tons of steel, including an annual output of 12 million tons by the company’s electric arc furnaces. With the new integrated steel mills, flat steel has been added to our traditional long-steel product portfolio. Most importantly, we successfully brought the blast furnaces on-stream, in line with our normal processes, and this led to the generation of profits in the first quarter of 2010, contributing to overall sales of KRW 10 trillion and an operating profit of KRW 1 trillion.

Q. How does Hyundai Steel contribute to the competitiveness of its customers?

We initiated the Hyundai Steel R&D Center in 2007 in order to develop our own technologies in integrated steel mills as well as next-generation source technologies. At the R&D center, a total of 400 competent researchers from affiliates of the Hyundai Motor Group collaborate on developing products tailored to customer needs. We strongly believe that we can contribute to our customers’ competitiveness by developing technologies for high value-added products and the world’s best steel products. To that end, we work in close collaboration with our client companies to improve product quality and develop new products suited to their needs.

Q. Your management philosophy states a respect for humanity. What steps did you take to implement such a principle in 2010?

As one of the pillars of our management philosophy, respect for humanity implies our dedication to sustainable growth based on mutual trust and understanding between our company and our employees. We aim to create a great workplace (GWP) through various family events and activities. In 2010, we established a SMART Board to facilitate open communication with employees. At the same time, safety is our top priority in our workplaces, and to this end we installed safety booths at each of our steelworks to provide safety training for employees. Furthermore, Hyundai Steel encourages suppliers to pledge their support of the company’s Win-Win Cooperation Agreement and Mutual Growth Agreement to strengthen relationships based on trust. We also assist our suppliers in offering various training programs on information security and safety in the workplace, helping them to reinforce the competencies of their employees.

Q. Hyundai Steel has three steelworks. With community engagement playing an important role in business management, what are your community engagement programs?

Hyundai Steel was selected as one of the 100 best performers in job creation for 2010 by the Ministry of Labor. We are well aware that a company can only thrive when it is supported by local communities. As such, we remain vigilant to the needs of our communities and offer support in various forms. As part of an initiative for industrial-academic cooperation, Hyundai Steel offers scholarships and donates educational materials and equipment to schools in the vicinity of our workplaces. We also recruit graduates from these communities, contributing to job creation at a local level. Committed to economic growth, locally and nationally, we take part in campaigns to revive local traditional markets and have signed agreements of support to this end. Furthermore, we sponsor a number of artistic and cultural activities in local communities. We also remain involved in the Home Repair for Hope project and operate the Green Guardians, a project that is offered to one thousand elementary school students every year to help them understand the dangers of climate change and global warming and encourage them to conserve energy. Our employees also volunteer to keep local communities clean. Going forward, we will continue to develop close relationships with local communities through on-going communication.

Q. Hyundai Steel aspires to be the world’s leading eco-friendly steelmaker. What plans do you have in place to realize this vision?

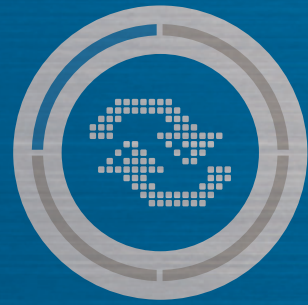
With Hyundai Steel’s completion of an integrated steel mill, the Hyundai Motor Group has also put in place a resource recycling value chain, the first time this has been done in the steelmaking industry. At the beginning of the value chain, Hyundai Steel and Hyundai Hysco manufacture steel sheets for automobiles using natural resources such as iron ore. The steel sheets then move along the value chain to car makers such as Hyundai Motor and Kia Motor. At the end of the product lifecycle, steel scrap is returned to Hyundai Steel, which we recycle and then reuse in the production of long steel. This is then used in the construction of buildings. This unprecedented eco-friendly value chain for the recycling of resources was a key idea of management at the Hyundai Motor Group. Dedicated to creating a cleaner and better environment, Hyundai Steel will continue to strive for a more sustainable society.

Q. Today, companies are obliged to consider future generations in their business decisions. Hyundai Steel achieved remarkable results in 2010, but what are your plans for improvements in the future?

Under the vision of “Leading the new era of steel,” Hyundai Steel is seeking to become an eco-friendly, resource recycling steelmaker, while striving to provide the best quality products and services in the industry. That is how we are working to build a better world for our stakeholders. In addressing the worldwide environmental issue of global warming, Hyundai Steel aims to play a part in reducing greenhouse gas emissions. As such, we have already implemented an environmental energy management system and completed a greenhouse gas inventory, while cooperating with domestic and international climate change initiatives for reducing greenhouse gas emissions. In the future, we will proactively deal with climate change issues through various cooperative networks on policies and technologies.

Hyundai Steel
Vice-chairman & CEO

Seung-ha Park



#02 Building Our Own Future

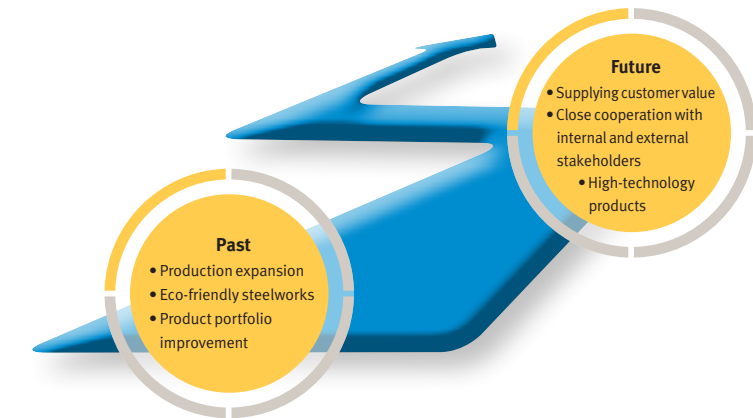
Hyundai Steel operates eco-friendly steelworks that use advanced steel technologies to bring about a diversified product portfolio. Through creative thinking and constantly overcoming challenges, we are a leader in the paradigm shift taking place in the global steel industry, contributing to a higher quality of life for everyone. With the aim of taking the lead in the new era of steel, Hyundai Steel has set three grand strategies: to maximize customer value; to strengthen its networks; and to develop new growth engines. We have also developed nine detailed action plans to support these three grand strategies.



Corporate Philosophy

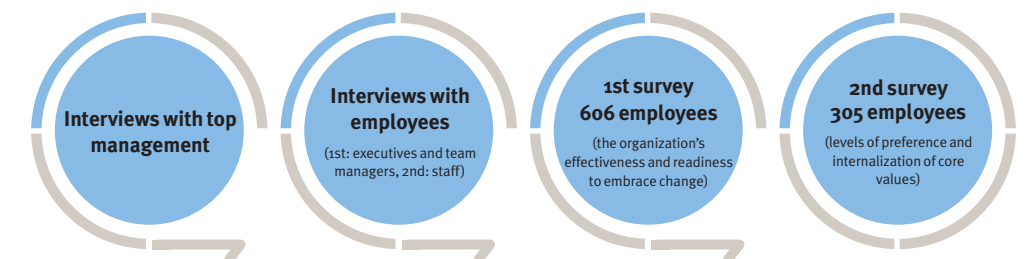
Paradigm Shift

Over the past 10 years, the global steel industry has achieved steady growth amid the ups and downs of the global economy. However, a completely different landscape is forecast for the next decade due to changes in the competition model and paradigm shifts in the industry. Based on an in-depth analysis and preemptive countermeasures, Hyundai Steel will take advantage of opportunities arising from such risks, laying the foundation for sustainable growth.



The Process of Developing a New Vision

Throughout history, companies that have survived have had one thing in common: they all remained steadfast in their commitment to company philosophies and core values. In light of this, the Hyundai Motor Group has redefined its management philosophy to ensure a continuation of the factors that have propelled us to success in the past and to take great strides forward to achieve sustainable and sizeable growth.



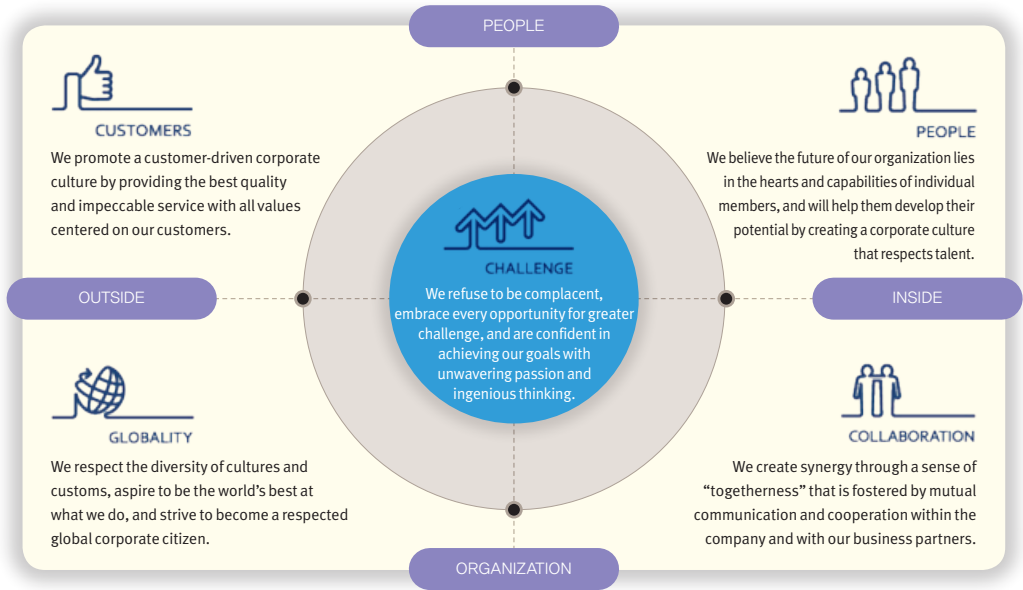
Based on the management philosophy of the Group, Hyundai Steel has developed a new vision and accompanying strategies with the aim of setting a framework for proactively responding to the changing business environment and for creating mutual growth in conjunction with stakeholders.



Management Philosophy



Core Values



Vision

Hyundai Steel strives to mobilize the innate values that have been behind our continued success to date to take the lead in a new paradigm, while seeking opportunities arising from adversity to take the lead in a new era of steel.

| Hyundai Motor Group: |

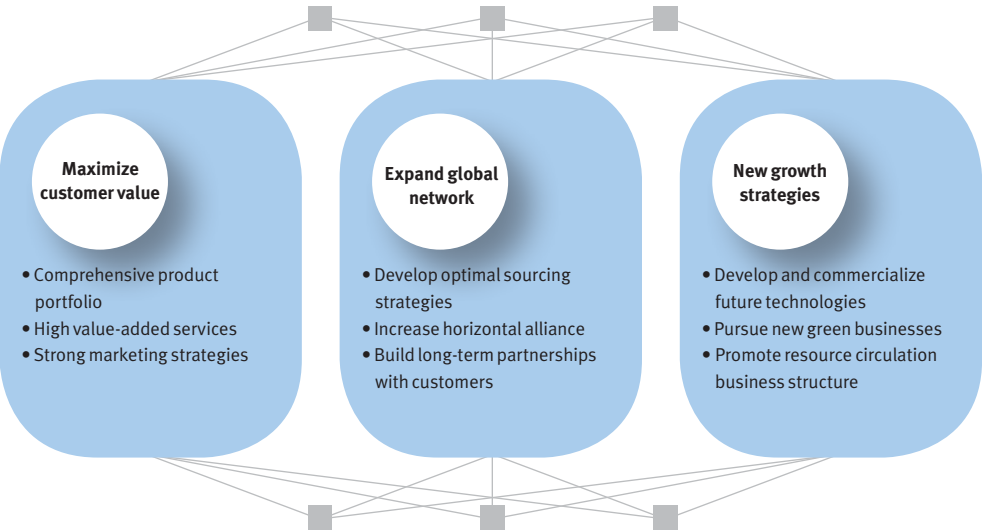
Together for a better future

| Hyundai Steel: |

Leading the new era of steel

As an eco-friendly, resource-circulation company, we will lead a new era in the steel industry by providing high value-added products and services and realizing world's best competitiveness based on cooperative relations with our stakeholders.

| 3 Strategic Directions |





Sustainability Management

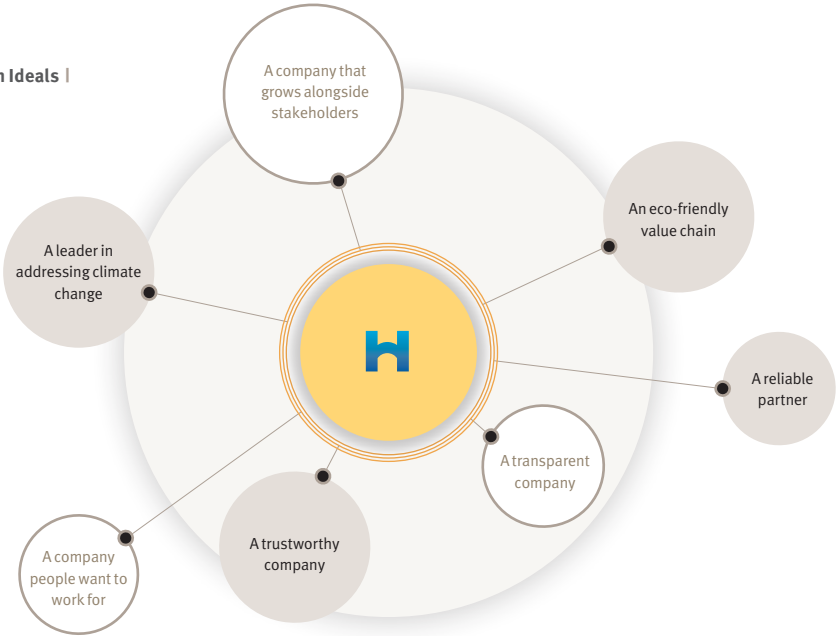
CSR Committee

At Hyundai Steel, sustainability management has its roots in the mutual trust and prosperity of our stakeholders. Since April 2008, when we adopted our Resolution for Implementing Corporate Social Responsibility, Hyundai Steel has implemented a management framework based on CSR principles, organized a CSR Committee that is chaired by the CEO, and joined the UN Global Compact. The Committee devises mid- to long-term CSR strategies in three areas, including trust-based management, environmental management, and social contributions.

Hyundai Steel has developed Seven Ideals as guidelines for implementing CSR strategies.



The Seven Ideals

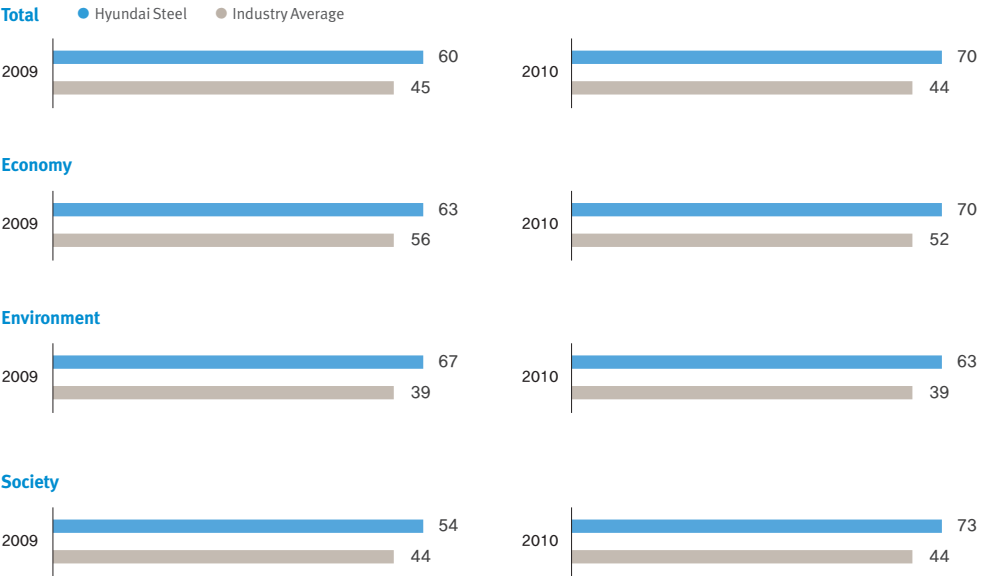


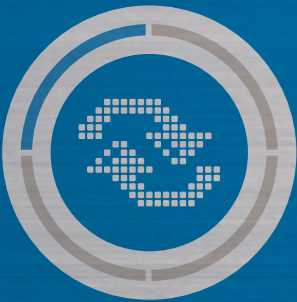
Sustainability Management Awards

Hyundai Steel is implementing sustainability management practices in all of our business activities. Since 2008, we have published annual sustainability reports on our Sustainability Management activities and achievements, and have consistently gained positive feedback from stakeholders on our Sustainability Management performances. In September 2010, Hyundai Steel was listed on the Dow Jones Sustainability Index (DJSI) Asia. Scoring above the industry average in all 17 criteria, we earned 70 points, 10 higher than the 60 points of 2009. We were also awarded a Best Practice Prize at the 2010 Korea Sustainability Management Awards, which was held by the Hankyoreh Economic Research Institute.

We were the first steel company in the world to adopt an enclosed raw material processing system at our new integrated steel mill at Dangjin Works, reducing at the source the amount of fugitive dust. In recognition of this achievement in dealing with a chronic environmental problem faced by the steel industry and for our efforts at setting a new vision and installing a new system for the processing of raw materials for steel, the Jeongjinki Media & Culture Foundation awarded Hyundai Steel the Grand Prize in the Science & Technology category. The sponsors of the Jeongjinki Media & Culture Awards select individuals and organizations whose original and creative scientific and technological achievements contribute to the development of the Korea's economy and industry. We were also named one of the 100 best performers in job creation by the Ministry of Labor for creating more than 4,000 new jobs through large investments in the integrated steel mill and other facilities over a four-year period, from 2006 to 2010.

DJSI Average Scores (Hyundai Steel vs. Industry Average)





#03 Standing at the Center of the World

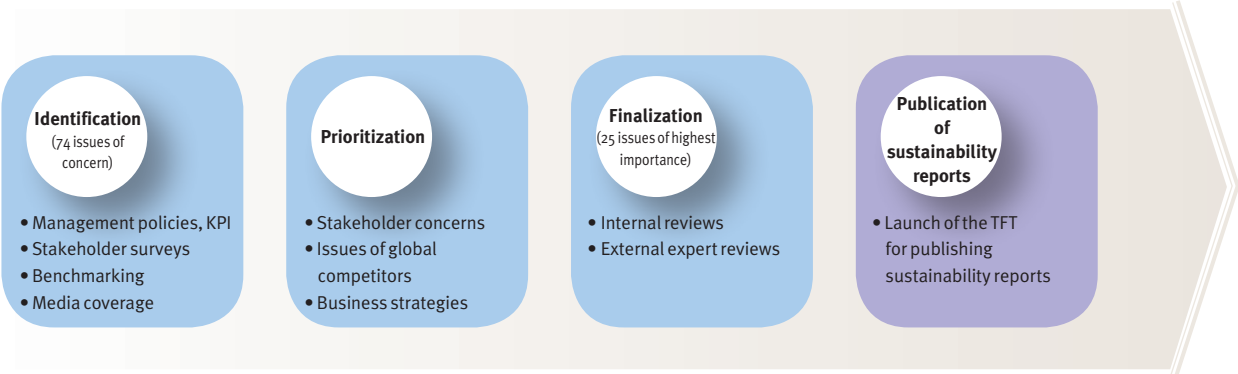
Adhering to principles is the first step towards establishing fair competition practices. At Hyundai Steel, we work to establish sound and transparent corporate governance and make management information available to stakeholders through various avenues of communication. We have also implemented a system for risk management, business ethics practices, and fair trade as we seek to build trust in our relationships with stakeholders. Today, Hyundai Steel is working tirelessly to ensure a sustainable corporate culture.



Materiality Test

Materiality Test Process

Hyundai Steel has identified 25 issues of the highest importance through a three-step materiality test. This sustainability report was structured to effectively report on the company's performance and plans regarding those issues. In the future, we will continue to monitor our progress on these issues.



Materiality Test Results

Sustainability Management		Society				
Key Issues	Strategic direction	Teams in charge	Shareholders & Investors	Employees	Customers	Suppliers
			<ul style="list-style-type: none">• Risk management• Financial results• Transparent disclosure	<ul style="list-style-type: none">• Safety & Health• Employment• Human Resource Development• Evaluation & Compensation	<ul style="list-style-type: none">• Stable supply• Product quality• Pricing policy	<ul style="list-style-type: none">• Fair and transparent selection of partners• Mutual growth
			<ul style="list-style-type: none">• Strengthening financial soundness	<ul style="list-style-type: none">• Consistent HRD programs	<ul style="list-style-type: none">• Stable supply of products	<ul style="list-style-type: none">• Strengthening win-win partnerships
			<ul style="list-style-type: none">• IR Team• Treasury Team	<ul style="list-style-type: none">• HRM Team• HRD Team• Personnel Team	<ul style="list-style-type: none">• Sales Division	<ul style="list-style-type: none">• CSR Team• Scrap Purchase Strategy Team• Purchase Planning Team• Cooperative Management Team
Environment	Economy	Local Communities	<ul style="list-style-type: none">• Donations & Volunteerism• Cultural, artistic, and sports sponsorships• Stimulating local economies			
			<ul style="list-style-type: none">• Increasing social contribution programs			
			<ul style="list-style-type: none">• CSR Team• General Affairs Team			
Environment	Economy	Local Communities	<ul style="list-style-type: none">• Environment & Energy Management Team• Environment & Safety Team• Environment & Energy Center			
			<ul style="list-style-type: none">• Minimizing our environmental impact			
			<ul style="list-style-type: none">• Addressing climate change• Reducing energy use• Managing pollution emissions• Environmental management system			
Environment	Economy	Local Communities	<ul style="list-style-type: none">• Management Planning Division• R&D Center			
			<ul style="list-style-type: none">• Creating economic value			
			<ul style="list-style-type: none">• New technology & Product development• Exploring new markets• Securing raw materials			



What does Hyundai Steel do to ensure transparency in its corporate governance and adherence to responsible management practices?

✓ Powerful leadership is decisive in implementing new business plans.

Defying concerns over the success of the plan, Hyundai Steel successfully completed and commenced operation of an integrated steel mill ahead of schedule in 2010. Backing this success was a confident and insightful management which remained firm in its resolve to bring the project to completion by steadily investing more than KRW 6 trillion, even in 2008, when global steelmakers halted investment in facilities in the aftermath of the global economic crisis. Hyundai Steel's management remained positive enough about the future of the project to conclude long-term contracts with suppliers of raw materials in Brazil and Australia. Management also regularly visited the construction site of the blast furnaces to check on the progress being made and to encourage workers. We are building sound corporate governance practices.

✓ We are building sound corporate governance practices.



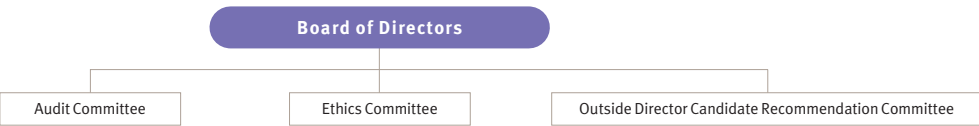
Hyundai Steel has an established system for outside directors to ensure their independence from the Board of Directors (BOD) and to manage potential conflicts of interest. In 2010, Hyundai Steel's Board of Directors held 10 meetings.

Shareholder Composition

As of the end of 2010, Hyundai Steel's total outstanding shares amounted to 85,314,475 shares, as listed on the Korea Stock Exchange (KRX). The largest shareholder of the company is Kia Motors, which holds 21.29%. The percentage of shares held by Kia and its related parties stood at 33.86% overall. Shareholders holding more than 5% of the company's shares include the National Pension Fund, which owns 6.06% of the company.

Board of Directors

Hyundai Steel's Board of Directors consists of four inside and five outside directors. Under the BOD are the sub-committees chaired by or with the active participation of outside directors. Comprised exclusively of outside directors, the Ethics Committee and Audit Committee meet regularly to fulfill duties independent of the BOD.



The Outside Director Candidate Recommendation Committee reviews the qualifications of candidates for outside directors and recommends the final candidates to the general shareholders' meeting, which then chooses candidates as outside directors.

Directors	Name	Position & Career	Audit Committee	Ethics Committee	Outside Director Candidate Recommendation Committee
Inside	Mong-koo Chung	Chairman, Hyundai Motor Group			
	Seung-ha Park	Vice chairman & CEO (chairman of the BOD)			◎
	Yu-cheol Woo	President & CEO			
	Hak-seo Kang	Vice President & CFO			○
Outside	Dong-joon Min	Professor, Engineering College, Yonsei University	○	○	○
	Sang-dae Kim	Professor, Engineering College, Korea University	○	◎	○
	Hyong-soo Chon	Advisor to Kim & Jang law firm	◎	○	
	Jeong-seok Oh	Professor, College of Business Administration, Seoul National University		○	
	Seung-do Kim	Professor, Department of Environmental and Bio Engineering, Hallym University	○	○	

◎ Chairman ○ Member

✓ We provide transparent management information.



BOD Meetings, Agenda & Activities

In 2010, the board of directors held a total of ten meetings, including four regular and six extraordinary meetings, to discuss and approve such matters as the issuance of corporate bonds and the selection of a new CEO. The board also reviewed management's performance in terms of sustainability based on reports on the current status of the internal accounting control and compliance program. The attendance rate of outside directors at all meetings was 84%. Passing a resolution requires the presence of more than half of the BOD members, with a majority of those present voting in favor. Any member of the BOD facing a conflict of interest on a particular issue is not allowed to cast a vote on the issue. While a cap on annual compensation for the nine directors was set at KRW 10 billion, the total remuneration actually paid out to directors for fiscal 2010 stood at KRW 6.7 billion.

Major IR Activities

Category	Description	Remarks
Quarterly announcements	4 times	
NDR, conferences	16 times (domestic: 13, overseas: 3)	Hong Kong (Feb.), Asia (Mar.) North America (May)
One-on-one meetings	327 times	
Plant tours	7 times	
Others	2 conference calls following the earnings release	

Hyundai Steel holds annual meetings to strengthen its communication with analysts. In 2010, we conducted two surveys of analyst opinions regarding our IR activities. The survey results showed that analysts scored the company highly on our IR activities. In particular, they gave high scores in terms of reliability and integrity as well as plant tours. Analysts also requested that we increase the number of overseas non-deal road shows.

(Survey) of 40 steel industry analysts, domestic and overseas via e-mail and fax

Topped IR Best Practices

In a survey based on the MK-CSI (a socially responsible investment index by a Korean economic newspaper, the Maekyung Economy), Hyundai Steel scored the highest in terms of reliability out of three criteria: reliability, positiveness and fairness. In addition, the company's sales forecast for the first and second halves of 2009 achieved a 98% accuracy (a percentage of the variance between the outlook and actual sales records; the higher the score, the more accurate the outlook).

2009 Annual Report: Platinum Award at the LACP Vision Awards

Hyundai Steel's 2009 annual report, titled a "Second Leap Forward," won a platinum award in the material industry category at the 2009 Vision Awards, sponsored by the League of American Communications Professionals (LACP). The book scored 97 points on a scale of 100, earning a perfect score in six out of the eight criteria, including creativity, clarity of message, and accessibility of information.

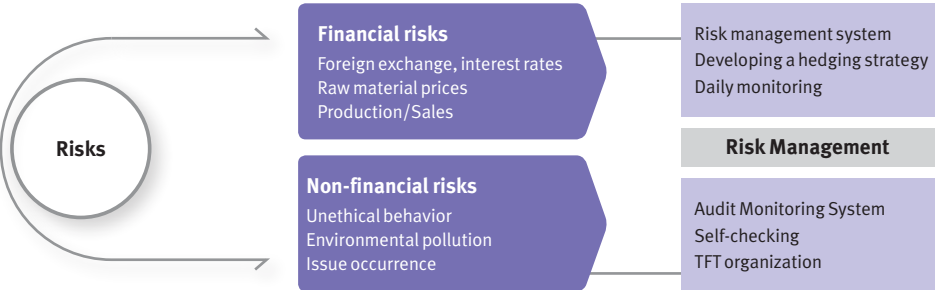


What do you do to systematically manage risk?

✓ We have established a systematic management structure for financial and non-financial risks.

Hyundai Steel has established a comprehensive framework for pre-emptive and follow-up measures, as well as a system for responding swiftly to risks from the outset. The risk management process consists of prevention, management, and monitoring of risk factors.

Definition and Management of Risks



Financial Risks

Hyundai Steel established a risk management system based on risk management processes in 2006 to detect potential risk factors and to minimize the impact of risks. By classifying the company-wide work processes into production, sales, purchasing, and finance, the risk management system was used to develop risk indicators for each category that could be evaluated and managed according to category. In step with changing business environments and in consideration of feedback from each department, the risk indicators are updated and managed on a regular basis. Further to that, Hyundai Steel established a Risk Monitoring Task Force Team in 2009, and also holds regular meetings where executives and working-level managers in production, sales, purchasing, and finance are briefed on operations, enabling more efficient decision-making in response to changing circumstances. In the meetings, executives and managers are updated on economic and steel industry trends and briefed on the company's daily monitoring of various internal and external factors, including raw materials, production, and sales.

Non-financial Risks

Hyundai Steel's audit monitoring system eliminates risk factors at source and strengthens follow-up measures to prevent the recurrence of similar risks. In 2010, we conducted a diagnosis of management practices to improve the working processes and applied stricter measures to combat unethical behavior through administrative means such as directives and corrective actions, or impediments to promotion such as sanctions or warnings. We also improved the purchasing system and inspection processes to prevent the occurrence of unethical behavior. For departments with close and frequent contact with stakeholders, we also developed checklists for the monitoring of ethical behavior, while encouraging staff to monitor their own behavior in the daily fulfillment of duties.

Risk Responsiveness PR TFT

Hyundai Steel launched the Risk Responsiveness PR TFT in 2010. Consisting of 28 experts from the production, sales and PR departments, the TFT team previews potential problems and develops response manuals for the facilitation of swift responses in the event of an incident of concern, minimizing any tangible and intangible impact on the business.

FX Risk Management

Hyundai Steel's basic risk hedging policy on foreign exchange (FX) is to remove or minimize FX risk factors by mobilizing internal management mechanisms before resorting to the use of derivatives such as currency forwarding, currency swaps or options. The FX risks are monitored on a regular basis and reported on to top management, whenever necessary, for effective internal control.

What are you doing to incorporate business ethics practices into your corporate culture?

✓ We promote business ethics through education programs and a wide variety of campaigns.

A company can achieve sustainable growth only when it practices business ethics, as this is the only way it can earn the unwavering trust of stakeholders. Today, Hyundai Steel continues to offer education programs and run campaigns to raise employee awareness about business ethics. In addition, we have established and share business ethics principles company-wide to ensure mutual growth alongside our stakeholders.

At many other companies, procurement-related departments can be prone to corruption or other unethical behavior. As a result, Hyundai Steel operates a specific business ethics system for employees who work in these departments to increase their understanding and practice of business ethics. Furthermore, we have developed an integrated purchasing system and a separate ethics committee for the purchasing division to promote fair and transparent purchasing practices.

Business Ethics Guidebook

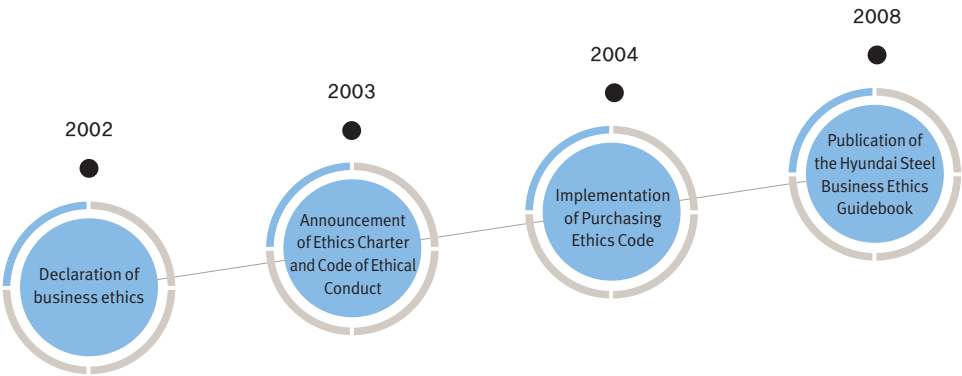
Hyundai Steel declared its full commitment to business ethics in 2002. Since then, we have instituted an Ethics Charter and Code of Ethical Conduct based on three management policies: trust-based management, field-oriented management and transparent management. We have also adopted our own Compliance Program (CP). As part of our business ethics practices, we published the Hyundai Steel Business Ethics Guidebook in 2008, and it now serves to guide employees while offering them solutions to ethical issues they might face in the course of carrying out their day-to-day responsibilities.

Education & Campaigns

Hyundai Steel operates online business ethics courses for our entire workforce. We also give new employees an ethics training session during orientation. In 2010, we provided two mandatory ethics training sessions to all our employees on anti-corruption and anti-bribery, information security, prohibition on illegal political contributions, tax compliance, compliance with fair trade, and trade secret protection. In addition, we provided outsourced security personnel with nine sessions of ethics and human rights education in 2010.

Cyber Auditor

Hyundai Steel operates a Cyber Auditor page on its website. Employees, customers, suppliers and stakeholders can report any unethical employee behavior by phone, Internet, e-mail or fax. An informant's identity is always protected, with every reported case being given an exhaustive investigation in accordance with internal regulations and processes. Any and all appropriate measures are then carried out.





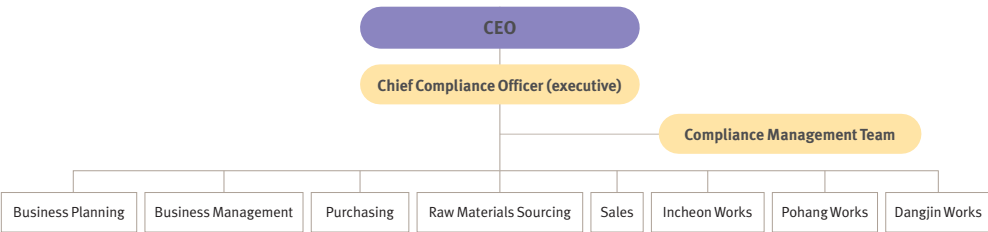
✓ We voluntarily
comply with fair trade
principles.

Fair trade underpins an ethical corporate culture. As such, Hyundai Steel adopted a Compliance Program (CP) in 2002. We also host the Growth Potential (GP) Council, a CP sub-organization for each sector that promotes voluntary compliance with fair trade throughout the value chain.

Adoption of the Compliance Program

Under the stewardship of the CEO, Hyundai Steel’s CP program has been committed to voluntarily complying with fair trade principles since 2002. Hyundai Steel received an A rating for our compliance practices in CP ratings reviews by Korea’s Fair Trade Commission in 2008 and 2010. In April 2010, we were awarded a Fair Trade Commissioner’s Commendation for exemplary achievements in CP practices.

| Fair Trade Voluntary Compliance Organization |



CP Performance

Hyundai Steel employees are subject to four sessions of in-class training courses every year on fair trade principles and the company’s compliance program. Employees working in the sales and purchasing departments, as well as other departments vulnerable to unfair trading, are subject to separate educational programs, which include online courses, lectures by external agencies, and fair trade experts.

	2008			2009			2010		
	No.ofsessions	No.oftrainees	Hours	No.ofsessions	No.oftrainees	Hours	No.ofsessions	No.oftrainees	Hours
In-class training	6	366	8	12	620	12	9	414	9
e-Learning	-	-	-	-	-	-	1	202	17
External training	6	10	48	3	6	48	5	7	27
Total	12	376	56	15	626	60	15	623	53

Internal Monitoring

Hyundai Steel conducts regular and ad hoc internal monitoring on the teams whose job duties are vulnerable to unfair common practices and other unfair trade practices. The teams are also provided with education on fair trade issues accompanying the regular fulfillment of their duties. When employees begin a job vulnerable to unfair trade practices, the Legal Affairs Team monitors their legal compliance practices. In addition, these teams closely collaborate with the CP Team to prevent any unintentional violation of the Fair Trade Act.

	2008	2009	2010
No. of teams subject to internal monitoring	39 teams	36 teams	102 teams

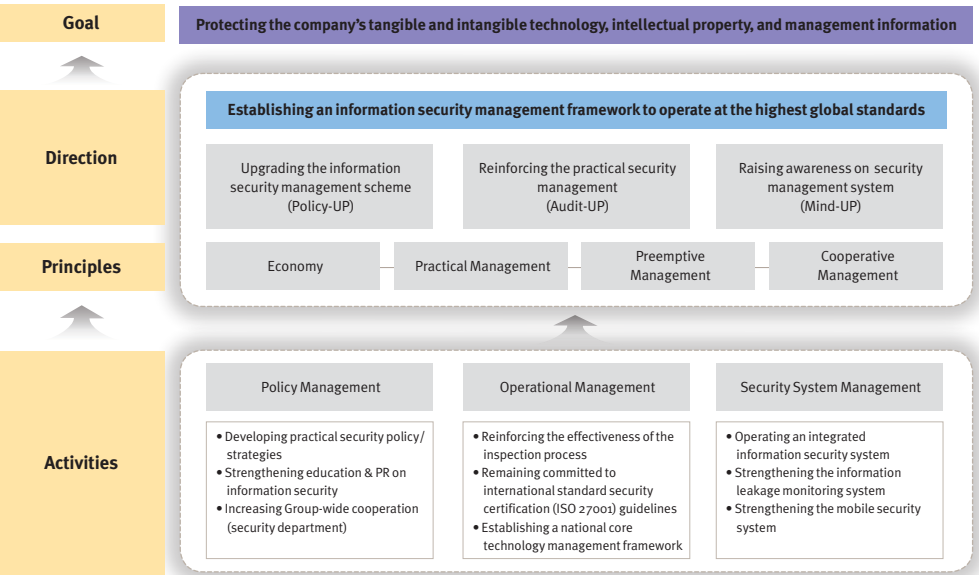
As a result of our consistent internal monitoring and commitment to voluntary compliance with fair trade, Hyundai Steel was found to have no violations in our transactions with subcontractors in a written survey conducted by Korea’s Fair Trade Commission.

We also printed our Compliance Code of Conduct on the inside cover of the official Hyundai Steel Employee Handbook, which is distributed to everyone at the company. Furthermore, we published the Compliance Program Guidebook, a collection of compliance program case studies, and distributed it to all of the company’s departments.


In 2011, we plan on hosting GP Council meetings by sector and inviting external experts for a CP workshop. We will also be increasing incentives for CP best practices, revising CP stipulations, creating a CP Day, and running an online test on CP training to effectively promote voluntary compliance with fair trade throughout the company.

Information Security

Hyundai Steel has established an information security framework which operates at the highest global standards and protects tangible and intangible intellectual properties and technologies, as well as management information related to the company. In addition, Hyundai Steel is subject to an ISO 27001 review on a biannual basis by an external agency called BSI Korea. We have also developed and put in place a checklist for quarterly information security practices, which encourages employees to voluntarily participate in information security management.



Hyundai Steel runs various information security training programs and campaigns to raise employee awareness on information security. Team managers in the information security department receive regular training and are encouraged to share pertinent information with their colleagues to help point out how important information security is throughout the entire company. We also give separate training sessions about information security to new employees, employees working for overseas subsidiaries, and employees working for our suppliers. In addition, Hyundai Steel publishes a monthly newsletter called *Information Security News* in an effort to share case studies related to information leaks. Screensavers have also been installed that reiterate the importance of information protection with the aim of ensuring the company’s entire workforce remains vigilant about information security.



SUSTAINABLE GROWTH .

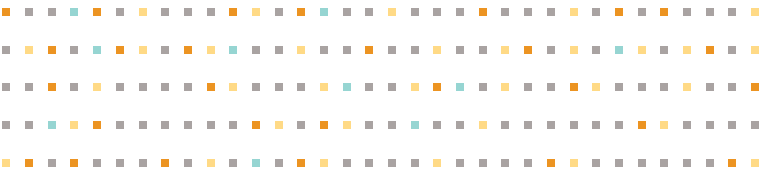
Constructing a New World

An objective assessment of the sustainability of a company begins with monitoring to ensure that it remains faithful to its innate values.

Based on the strength of its diversified product line-up and advanced technologies, Hyundai Steel is competing with the world's leading steelmakers.

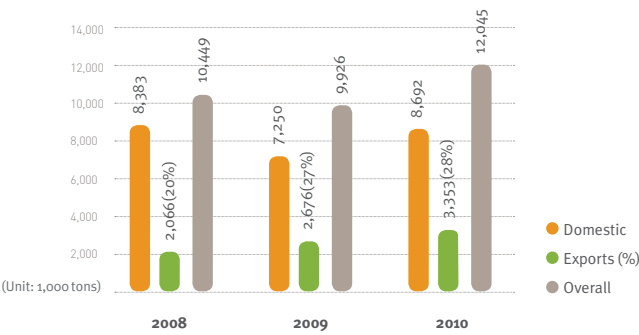
Our latest success is our newly completed integrated steel mill that has boosted the range and size of the company's business portfolio.

As we move forward, we will focus on high value-added steel products to ensure mutual growth with our global stakeholders, while enhancing Hyundai Steel's name as a leading global steelmaker.



Stakeholder Communication

< Sales Volume >



< 2011 Stakeholder Survey Results >

“ Hyundai Steel is a financially sound company. ”

Employees	<div></div>	79.6
Investors	<div></div>	73.1
Customers	<div></div>	83.8
Partners	<div></div>	83.0
Communities	<div></div>	80.0

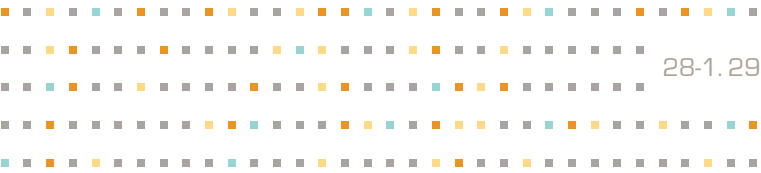
“ Hyundai Steel is a profitable investment. ”

Employees	<div></div>	83.4
Investors	<div></div>	95.8
Customers	<div></div>	85.0
Partners	<div></div>	83.7
Communities	<div></div>	83.3

“ Hyundai Steel is a technological leader. ”

2010	<div></div>	71.4
2011	<div></div>	76.2

※ **Period** : March 2, ~ March 11, 2011 **Respondents**: 1,124 persons



Sustainable Growth Highlights

January 2010

Full operation of Dangjin Integrated Steel Mill (Pages 39-41)

With the blow-in of its first blast furnace on January 5, 2010, Dangjin Integrated Steel Mill commenced full operation, with the plant’s second blast furnace blowing just 10 months later, in November. The successful operation of the two blast furnaces led to profits for the integrated steel mill at Dangjin Works in their first year of full operation. With an annual output of four million tons of steel each, the two blast furnaces, each one 5,250m³ in capacity, 17m in diameter and 110m in height, added a total of eight million tons to Hyundai Steel’s annual production.



Ultra-Strength H-beams and Reinforcing Bars (Page 34)

Hyundai Steel successfully developed three ultra-strength steel products, hot rolled H-beams with enhanced earthquake-resistance for building structures (SHN520 and 570) and ultra-strength reinforcing bars, after five years of meticulous R&D. The new products can withstand wind speeds of over 250km/h and earthquakes. They are also flame-resistant for at least four hours in the event of a fire and have a lifespan of more than 50 years.

With a yield strength¹ of 800MPa, the new reinforcing bars are perfect for ultra-high skyscrapers and enormous bridges.

¹ Yield strength: the marginal point required to recover from deformation when exposed to stress





#01 Creating Economic Value

In 2010, Hyundai Steel posted KRW 10,198.2 billion in sales and KRW 1,037.6 billion in operating profit, the second-highest figures in the company’s history. Economic value at Hyundai Steel is always fairly distributed back to stakeholders and reinvested into the company for its continued success in the future. As a result of its stable operations, Hyundai Steel has earned excellent ratings from overseas credit rating agencies.



Does Hyundai Steel create and distribute economic value?

✓ Sales grew by 28% and operating profit grew by 79% from 2009.

In 2010, Hyundai Steel realized KRW 10,198.2 billion in sales, KRW 1,037.6 billion in operating profit, and KRW 1,014.1 billion in net income, the second-highest performance in its history after the KRW 10,503.0 billion in sales and KRW 1,321.4 billion in operating profit we posted in 2008. This achievement can be attributed to the early normalization of the two blast furnaces at Dangjin Works, continued technology development and KPI management, and the resultant enhancement in cost competitiveness throughout the year.

In 2011, we have set the goal of achieving a 34% growth in sales, to reach KRW 13,739.3 billion, and a 32% growth in sales volume, to reach 15.94 million tons, based on the prediction that there will be sharp growth in flat steel sales brought about by the full-scale operation of our two new blast furnaces. To that end, Hyundai Steel will continue to increase its technological competitiveness through R&D on high-profit products, such as steel sheets for automobiles and Steel Plate.

● Key Financial Performance Indicators

	2008	2009	2010
Sales (KRW bil.)	10,503	7,966	10,198
Operating profit (KRW bil.)	1,321	578	1,038
Net income (KRW bil.)	823	1,152	1,014
Operating profit margin (%)	12.6	7.3	10.2
ROE(%)	17.0	17.4	13.1
EBITDA (KRW bil.)	1,587	840	1,436
Debt-to-equity ratio (%)	143.1	135.8	135.1

※ as of the end of each year

● Share prices

Year	2008	2009	2010
Share price (KRW)	37,600	86,500	124,500
Market Cap. (KRW tril.)	3.2	7.3	10.6

※ as of the end of each year

Credit Rating

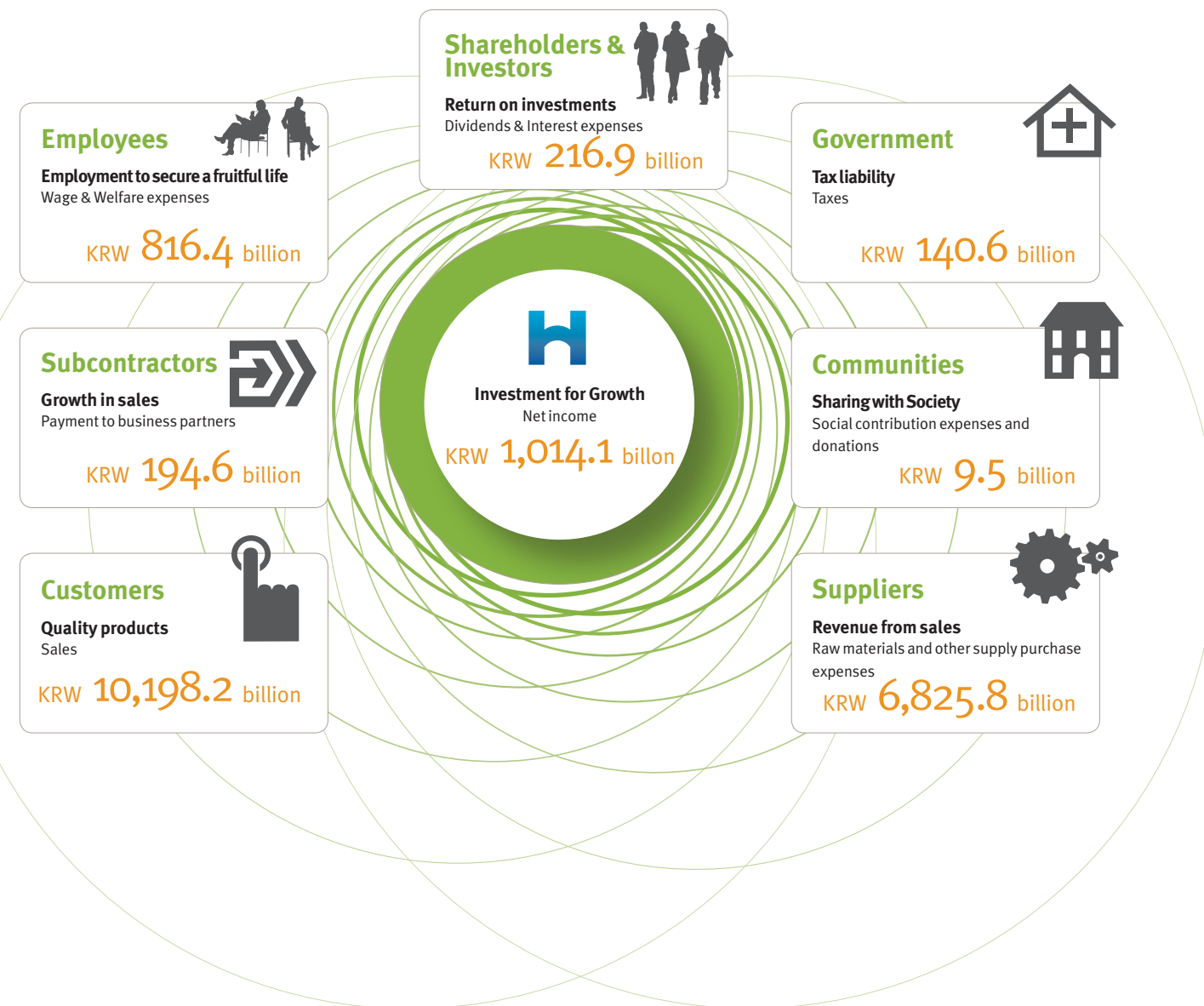
Moody's	S&P	Fitch	KR	KIS	NICE
Baa3	BBB-	NR	AA	AA	AA

※ KR – Korea Ratings, KIS – Korea Investors Service, NICE – NICE Rating

In November and then again in December of 2010, Hyundai Steel obtained an investment-grade rating from S&P and Moody's. This rating is not only a reflection of the company's successful operation of its integrated steel mill but is expected to enhance Hyundai Steel's overall credibility and stature as a global steelmaker, while also improving its cost of funds.

Value Creation and Distribution to Stakeholders

In 2010, Hyundai Steel purchased raw materials from domestic and international suppliers worth KRW 6,825.8 billion. At every step of the way we collaborated with our major stakeholders – shareholders, investors, customers, suppliers, employees, and partners – in our economic value creation activities. The value created from this contributed not just to improving the corporate value of Hyundai Steel but also in enhancing value for each of our stakeholders. For example, shareholders and investors receive profits through dividends and the interest we pay them, while employees are supported through self-realization and the financial stability brought about by the job itself. We also contribute to the growth of our partners through fair trading and win-win cooperation programs, with the high-quality products we provide our customers contributing to the enhancement of their productivity and competitiveness. Furthermore, as a corporate citizen, Hyundai Steel makes donations and contributions to the communities it operates in and faithfully complies with all its tax obligations.



#02 Reinforcing Global Competitiveness

With the completion of the integrated steel mill at Dangjin Works, Hyundai Steel has opened a new chapter in the Korean steel industry. A diversified product portfolio and aggressive export strategies will lead the company's market expansion strategies, with a stable and long-term raw materials supply line contributing to our cost competitiveness in the global market. Hyundai Steel will not relent in its pursuit to become the world leader in all its business areas.





What are you doing to enhance your competitiveness?

✓ We are developing new products and technologies that reflect market needs.

Hyundai Steel contributes to social development through a number of innovative technologies and product development activities. Through the use of our proprietary technologies, we became only the second company in the world to develop magnetic levitation train rails. Our steel used for megastructures has heightened the vertical limit of buildings and made them safer than ever before. Hyundai Steel also possesses the technology necessary to customize sheet pile product size to an individual customer's needs.

Magnetic Levitation Train Rails

Korea's railroad rail market requires 50,000 tons of steel per year for both new construction and replacement work, and Hyundai Steel is the country's sole producer of this type of rail. In 2008, we employed in-house technology to become only the second company in the world to develop the rails for a national project aimed at commercializing unmanned automatic urban maglev trains. A 53km railroad for urban maglev trains is now under construction in Yeongjongdo, near Incheon International Airport. Hyundai Steel is providing all 35,000 tons of the rail required for the construction. At the same time, we are aggressively pursuing new markets in the Middle East and Southeast Asia.

Ultra-Strength H-Beam and Reinforcing Bars

Hyundai Steel joined the government-led Megastructure Steel Development project in 2004 and has since pushed forward with related R&D activities. After five years of constant R&D, we successfully developed hot rolled H-beams that have enhanced earthquake resistance for building structures (SHN520 and 570) and ultra-strength reinforcing bars (SD800: yield strength 800MPa).

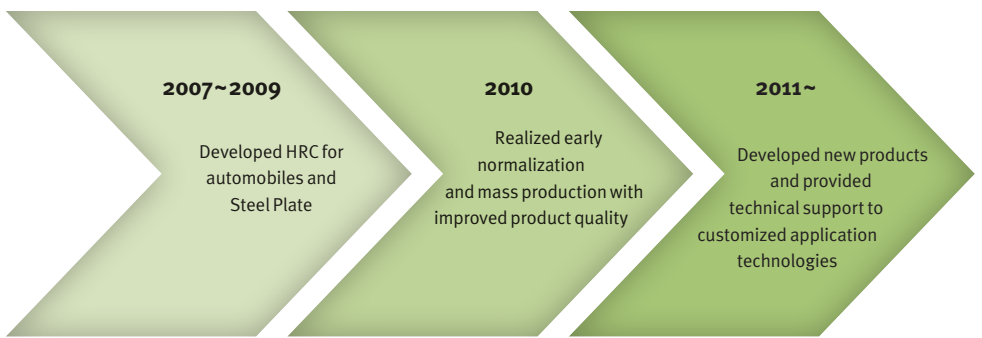
Megastructure steel products are made from high-quality steel and feature special properties meant for skyscrapers and very large floating structures (VLFSs). Boasting at least 650MPa of tensile strength, structures made from this steel are able to withstand wind speeds of over 250km/h and earthquakes. They are also fire resistant for at least 240 minutes in the event of fire and have a lifespan of more than 50 years. Officially unveiled in April 2011, the warranty guarantee on this earthquake-resistant steel product speaks volumes of how confident we are in our products. In the future, Hyundai Steel will step up its R&D efforts and develop even safer steel products, ones that can endure a range of natural disasters such as the devastating earthquake that struck Japan in 2005 and Hurricane Katrina in 2005.



✓ R&D Center is at the forefront of all our R&D endeavors.

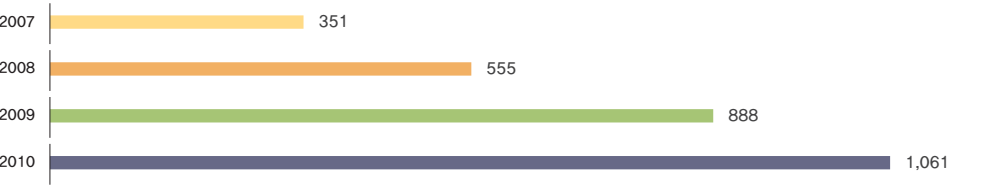
The Hyundai Steel's R&D Center mobilizes our advanced source technology, component processing technologies, and auto body design technologies to develop new steel products for automobiles. At the heart of an R&D network connecting subsidiaries of the Hyundai Motor Group, which includes Hyundai Hysco, Hyundai Motor and Kia Motors, the R&D Center allows clients to be involved from the early stages of product development through a process stage-based research and development system that maximizes synergies in technology R&D. Consisting of a research building, a rolling laboratory, and a steelmaking laboratory, the Hyundai Steel R&D Center is equipped with everything needed for the stable operation of an integrated steel mill. In early 2011, our Total Solutions Center will be completed, providing support to application technologies that will be tailored to individual customer needs.

| Milestones |



Since the opening of the Hyundai Steel R&D Center, it has increased the number of patents it files every year. In 2010, it filed 1,061 patents, with the total number of patents filed up until April 2011 standing at 3,516.

| No. of Filings for Patents |



HPC System

Since introducing a high-performance computing (HPC) system, Hyundai Steel has been able to have supercomputers and computer clusters solve advanced computation problems. The HPC system has increased the speed at which we can respond to demands by departments at customer contact points as well as help in the development of advanced analysis technologies, thereby enhancing productivity and product quality. As a result, Hyundai Steel has the ability to provide competitive and optimized products to customers, and this has led to increased customer satisfaction levels.



✓ We are implementing various cost reduction initiatives company-wide.

To overcome adverse business environments brought about by sagging sales of long steel and which are affected by a sluggish construction economy and the global oversupply of steel products, we continuously strive for early normalization and cost reduction in blast furnace operations. While streamlining the process through the production of low-quality pig iron, increased recovery rate, and energy conservation, we are improving our wide array of production systems by implementing cost-cutting measures in all business sectors. Monthly cost reduction meetings provide a venue for the company-wide review of cost-cutting activities and achievements. Furthermore, workshops, campaigns, and slogan contests are also carried out throughout the company to further this end.

Energy-Efficient Water-Cooled Panels Developed at Pohang Works

Hyundai Steel has developed energy-efficient water-cooled panels which are used to prevent the inside of an electric arc furnace from melting in extreme heat. By widening and reforming the shape of conventional water-cooled panel pipelines, we can now agglutinate more slag. In addition, the new panels have reduced the heating surface area part of the furnace that is exposed to the arc or hot metal heat by 17%. An automatic temperature controller is attached to control the flow of cooling water, which has considerably reduced energy losses and extended durability from the previous six months to 12 months.

Slag is adhered to the surface of the water-cooled panel to protect it, with temperatures reaching high enough to melt steel scrap. Conventional water-cooled panels use vertically shaped pipelines that make it difficult to attach slag, which easily falls off from the pipelines due to the narrow space. Also, the long pipeline has increased the heating surface area, resulting in a greater loss of energy.

Copper Mold Developed at Incheon Works

Hyundai Steel collaborated with a subcontractor to develop copper molds, which were previously imported, using in-house technologies. Furthermore, they adjusted the lower part of the dummy bar head and improved the spray filter, extending the use of copper molds 10 fold and halving annual purchase expenses. In addition, the new molds address procurement issues arising from high import prices and lengthy transportation times.

※ Copper molds are components that cool down hot metal used to manufacture semi-finished products such as slab, bloom, and billet. Molds account for 90% of their quality and directly affect the surface of semi-finished goods.



Development of Energy-Efficient Water-Cooled Panels



Development of Copper Molds

✓ Diversified export markets have led to an increase in exports.

The full operation of our two new blast furnaces has further enhanced Hyundai Steel's product portfolio competitiveness. We are penetrating more new markets based on the company's differentiated production line-up, which focuses on highly profitable products such as Steel Plate and offshore structures.

Increased Export Volume

Hyundai Steel exported a total of 3.35 million tons of steel products in 2010. In a bid to offset sagging sales of long steel to the sluggish domestic construction and shipbuilding industries, we have aggressively engaged in entering new export markets. As a result of these and other efforts, exports have grown 25.2% since 2009 and 62.2% since 2008.

(Unit: 1,000 tons)

	2008	2009	2010
Domestic	8,383	7,250	8,692
Exports (percentage)	2,066(20%)	2,676(27%)	3,353(28%)
Total	10,449	9,926	12,045

Export Volume Ratio by Region

(Unit: %)

Region	2008	2009	2010
Southeast Asia	21.5	39.4	35.6
Middle East/Southwest Asia	24.3	14.8	24.9
China	8.6	18.4	20.2
US/Europe	38.8	17.5	14.0
Others	6.8	9.9	5.3
Total	100.0	100.0	100.0

First Rollout and Export of Steel Plate

Hyundai Steel has an annual capacity of 1.5 million tons. In April 2010, we commenced work on the production of heavy plates for Hyundai Heavy Industries, and have since entered into an MOU with Vinashin, Vietnam's state-run shipbuilding conglomerate, in order to supply 100,000 tons of Steel Plate on an annual basis. In the future, Hyundai Steel will strive to expand its share of the heavy plate market, while completing work on a differentiated production line-up whose focus will be on highly profitable TMCPs and HRC for shipbuilders.

Exporting Heavy Plates for Offshore Structures

Hyundai Steel signed an MOU with Malaysia's EEW Group to supply 200,000 tons of heavy plates annually for offshore structures. Since completing our integrated steel mill, we have supplied heavy plates to domestic manufacturers of petronas (thick pipes). Recently, Hyundai Steel has utilized its advance R&D marketing capabilities to develop heavy plates for offshore structures.

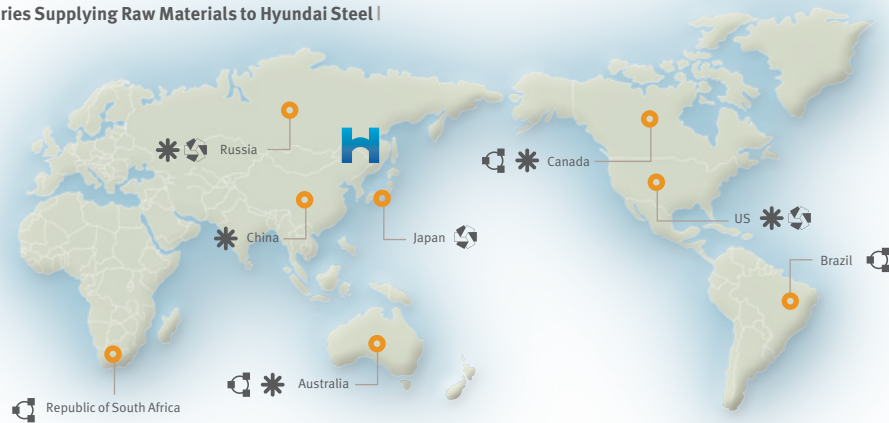


✓ We have secured a stable and long-term raw materials supply channel.

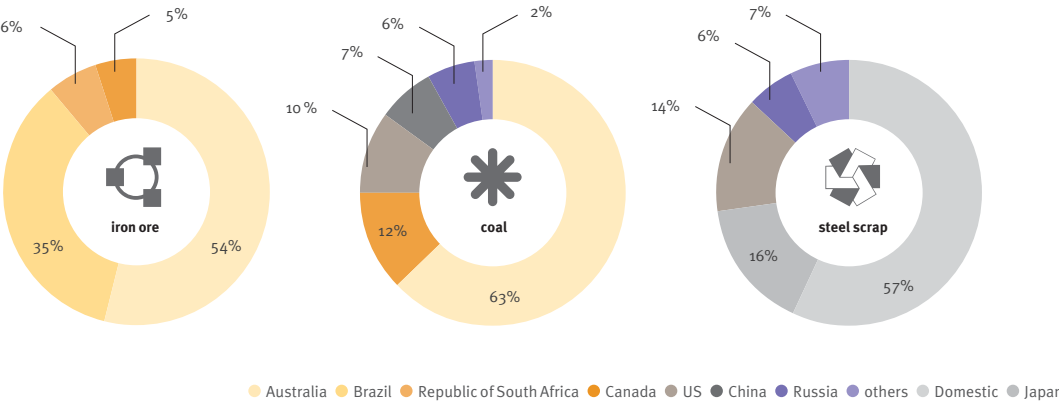
The price of steel products depends on market supply and the prices of major raw materials such as iron ore, coal, and steel scrap. The price of steel scrap, the main raw material for steelmaking in electric arc furnaces, is affected by its supply and the global construction economy. In a bid to hedge exchange risks arising from imported steel scrap, Hyundai Steel has secured domestic suppliers of quality steel scrap for its long-term supply line and worked hard to enhance domestic self-sufficiency and reduce mediator margins in order to stabilize procurement.

With iron ore and coal being the main raw materials of blast furnace steelmaking, Hyundai Steel has secured stable long-term supply channels through several supply MOUs, including one with Australia's BHP Billiton. Hyundai Steel will continue to seek new supply lines in order to secure the reserves required for the stable operation of our integrated steel mills.

Countries Supplying Raw Materials to Hyundai Steel



Percentage of Raw Material Purchases by Country



Dangjin Integrated Steel Mill

“It was insightful and farsighted leadership by Chairman Chung to continue investments and make the impossible possible, even when others were staggering amid the global financial crisis.”

- Quote from congratulatory speech by President Lee, Myung-bak

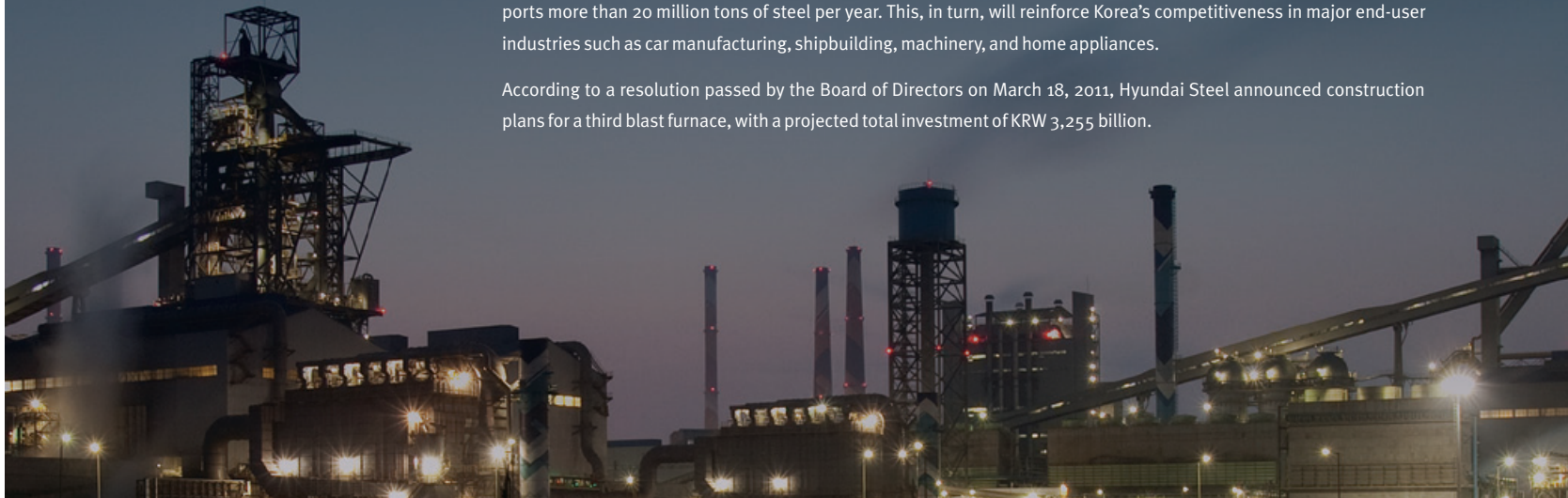
Rewriting the history of Korea's steel industry
Creating 80,000 new jobs with an import substitution effect of US\$ 8.0 billion, and contributing to the Korean economy

Hyundai Steel began construction of an integrated steel mill at its Dangjin Works in 2006 to deal with a chronic shortage in the upstream process of the Korean steelmaking industry, as well as to reinforce profitability through expanded production and improve sales of highly profitable products such as automotive sheets. Following its completion in January 2010, Dangjin's integrated steel mill commenced commercial production on April 1, 2010.

On April 8, 2010, Hyundai Steel celebrated the completion of the integrated steel mill, Korea's first blast furnace built using private funds and the world's first eco-friendly system to encompass the entire process, from raw materials to finished products. Fifty-seven years after our foundation as Korea's first steelmaker in 1953, Hyundai Steel has rewritten the history of Korea's steelmaking industry.

With the completion of the integrated steel mill, the Hyundai Motor Group completed the world's first entire value chain in car manufacturing, from hot metal to automobiles. The operation of a second blast furnace in November 2010 added to our steelmaking capacity, and has since reached 20 million tons of steel per annum (12 million tons from electric arc furnaces and 8 million tons from blast furnaces). Our product portfolio has also become more balanced, with high-end steel sheets such as HRC for automobiles and Steel Plate being added to the product line-up. Furthermore, completion of the integrated steel mill is expected to help improve market supply in the domestic steelmaking industry, which imports more than 20 million tons of steel per year. This, in turn, will reinforce Korea's competitiveness in major end-user industries such as car manufacturing, shipbuilding, machinery, and home appliances.

According to a resolution passed by the Board of Directors on March 18, 2011, Hyundai Steel announced construction plans for a third blast furnace, with a projected total investment of KRW 3,255 billion.

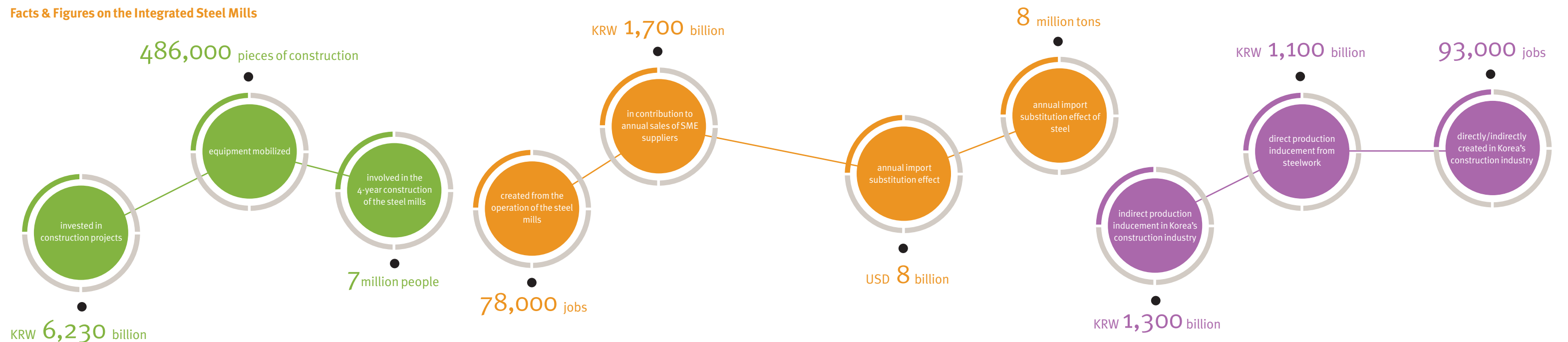




The world's best eco-friendly steel mill



Facts & Figures on the Integrated Steel Mills



Creating a Greener World

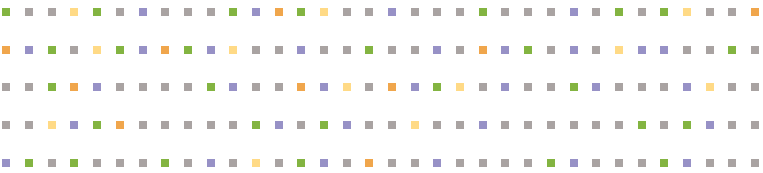
Aiming for a greener low-carbon economy has become the norm in the global community, and nations around the world have risen to this challenge.

In line with this new green economy, Hyundai Steel is always seeking new opportunities to reduce greenhouse gases, while also building upon our carbon credit schemes and renewable energy businesses.

Protecting the environment remains at the top of our list of priorities in all of our business activities, which is part of the reason we have recently completed work on our eco-friendly steel mills.

With state-of-the-art environmental technologies and facilities, Hyundai Steel will continue to lead the way in Korea's low-carbon green growth initiatives.





Stakeholder Communication

< Hyundai Steel’s Environmental Protection Endeavors >

Hyundai Steel does its utmost to protect the environment.

Reducing CO2 Emissions	
• Bicycle promotion (Two-Wheels campaign)	
• No-driving Day once a week campaign	
• Commuter buses	
Reducing Paper Use	
• Encouraging the use of personal mug	
• Encouraging the use of recycled papers	
Reducing Energy Use	
• Using eco-friendly bags	
• Adopting a system that automatically turns off office lights when not in use	

< 2011 Stakeholder Survey Results >

“ Hyundai Steel has a clear vision and policies regarding environmental management. ”



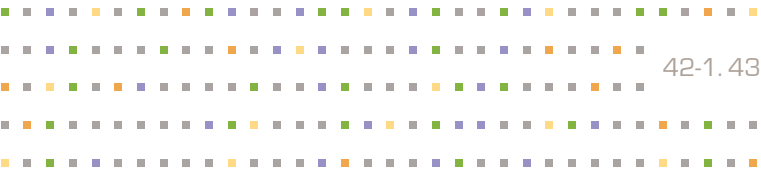
“ Hyundai Steel is effective in its efforts to minimize the company’s environmental impact. ”



“ Hyundai Steel is proactive in developing eco-friendly technologies. ”



※ Period : March 2, ~ March 11, 2011 Respondents : 1,124 persons



Environmental Performance Highlights

October 2010

Acquisition of Environmental Management System ISO 14001 Certification (Page 48)

As the newly operated Dangjin Integrated Steel Mills were assessed and found to meet the requirements of ISO 14001 standard and scope, Hyundai Steel acquired the integrated ISO 14001 certification with three existing sites, approved by Korea Standards Association and the British Standards Institution (BSI). The ISO 14001 is an international standard ensuring environmental management systems improve environmental performance throughout the entire value chain of business activities.

June 2010

Energy Management System Pilot Project (Page 50)

In June 2010, Hyundai Steel participated in the Energy Management System pilot project, a comprehensive management system covering everything from energy use connected to target goals and reduction efforts to monitoring and evaluation. Based on the findings from its consultations with the Korea Foundation for Quality (KFQ), Hyundai Steel's energy use management system was verified in accordance with all relevant government guidelines.

July 2010

Carbon Footprint Management (Page 50)

In line with Korea’s Low-Carbon Green Growth initiative, Hyundai Steel remains committed to reducing its own carbon footprint as well as that of its suppliers. In July 2010, we hosted a ceremony to present performance results from the company’s first year of working with the Carbon Footprint Management (CFM) project and also conferred Low-Carbon Green Growth Partner certificates to suppliers who fulfilled all necessary requirements.

※ Carbon Footprint : A company's carbon footprint is defined as the total amount of CO2 equivalent in terms of both direct and indirect greenhouse gas emissions from the entire value chain, from raw material procurement to recycling product waste.



November 2010

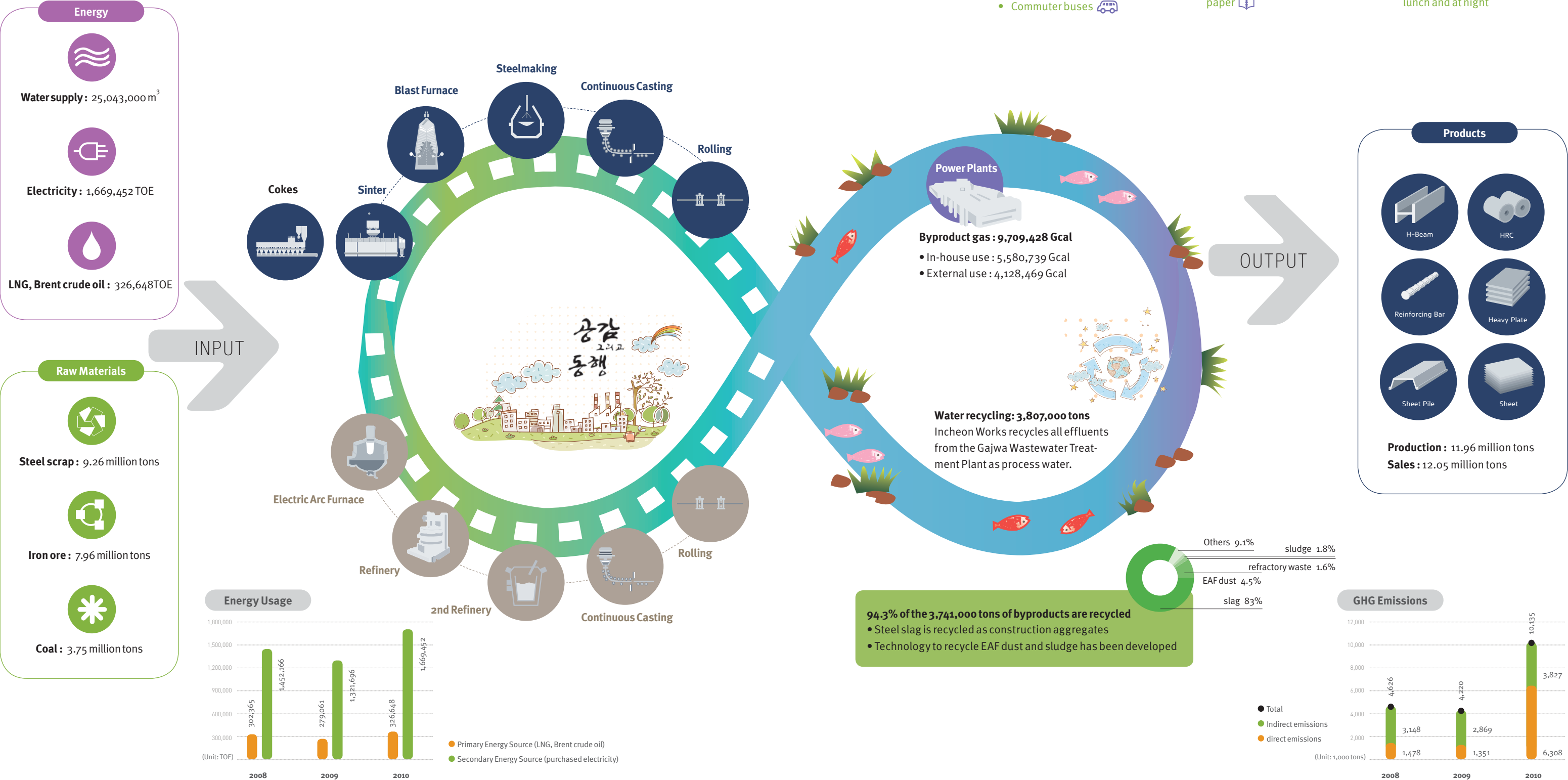
Recipient of Environment Minister’s Prize at Greenstart Network Contest

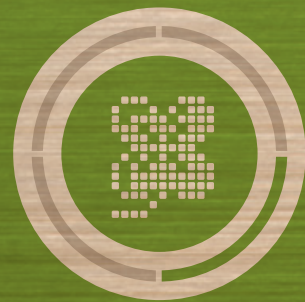
Hyundai Steel was awarded from Minister of Environment at the Green Start Network's Green Lifestyle contest. The Green Start Network is a nationwide movement encouraging the reduction of greenhouse gas emissions from the non-industrial sector.



Hyundai Steel Resource Recycling Flowchart

Dedicated to minimizing our environmental impact, Hyundai Steel strives to reduce CO2 emissions and energy use in proactive response to climate change.





#01 In Harmony with Nature

Hyundai Steel is well aware of the environmental impact of the steel industry, and has committed itself to minimizing the company's environmental impact, while also establishing an environmental management infrastructure. We will continue our investments and R&D efforts into developing environmental facilities, which will reduce the total volume of pollutants and recycling byproducts.



What are Hyundai Steel's environmental management principles?

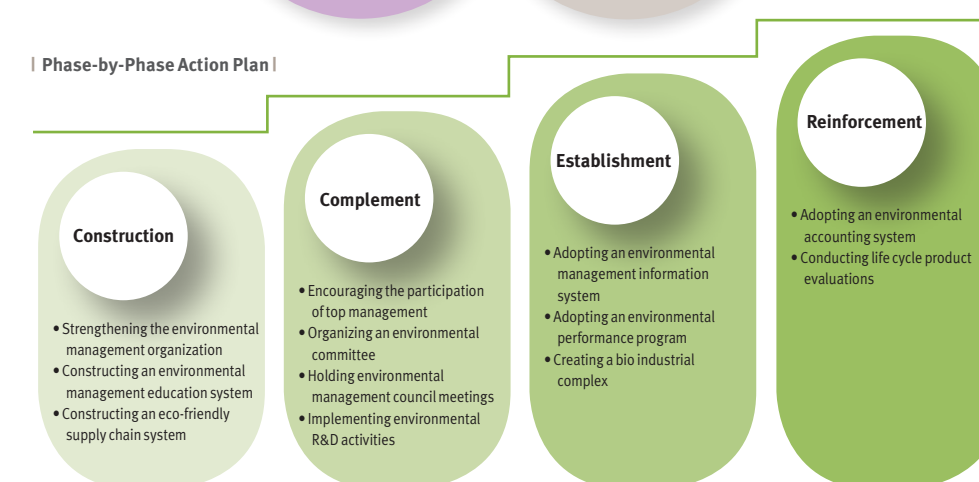
✓ Hyundai Steel considers its environmental impact throughout all business processes.

The steel industry is one which consumes a high amount of energy. Hyundai Steel is well aware of the environmental impact of the steel industry and strives to minimize its own environmental impact. By taking an environmental approach to the entire production process, from raw material management to the rollout of finished products, Hyundai Steel aims to fulfill its responsibility as an eco-friendly company. Since our acquisition in 2003 of the ISO 14001 certificate, a highly respected international environmental management certificate, Hyundai Steel has phased in an environmental management platform. Under the goal of becoming an internationally renowned eco-friendly steelmaker, we have instituted the following strict environmental management policies.

| Environmental Management Policy |



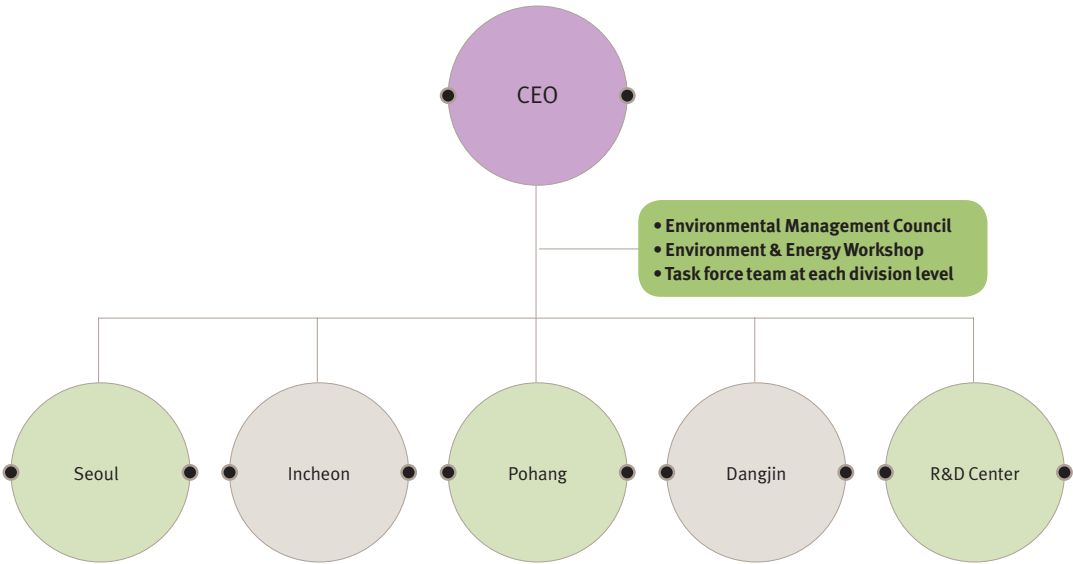
| Phase-by-Phase Action Plan |





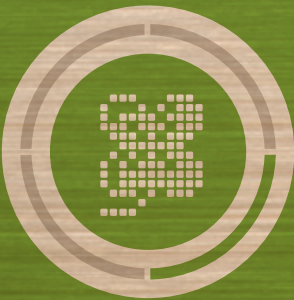
| Environmental Management Organization |

Hyundai Steel operates dedicated Environment and Energy Management teams at all major operation sites, including the headquarters in Seoul, steelwork plants in Incheon, Pohang and Dangjin, and the company's R&D Center. These teams develop environmental management strategies, manage environmental facilities, oversee all legal compliances at a company-wide level, and oversee environmental technology development.



Environmental Management Certification

With the full operation of the new integrated steel mill, Hyundai Steel has renewed its ISO 14001 environmental management certificate with the Korea Standards Association and the British Standards Institution for the new mill and three other steelwork plants. The environmental management system is an internationally recognized standard for the environmental management of businesses, and meant to improve environmental performance throughout the entire value chain of business activities. The certification provides Hyundai Steel with a platform for an integrated environmental approach, as well as giving us the ability to review and improve all business activities, products and services that have the potential to impact the environment.



#02 Addressing Climate Change

Hyundai Steel has adopted an Greenhouse Gas(GHG) energy management system and completed a GHG inventory. While keeping up with relentless R&D efforts to develop GHG reduction technologies, we are also being proactive with industrial initiatives to mitigate climate change through technological collaborations with leading global steelmakers.





What does Hyundai Steel do to mitigate climate change?

✓ We have established a climate change response system.

Facility improvements, technological development, systems formulation, and keeping up with the global trend of stricter regulations to deal with climate change can pose risks to business activities; it can also present opportunities for eco-friendly businesses. Thus, Hyundai Steel has introduced an energy use target management program to achieve low-carbon green growth by saving energy. Hyundai Steel has also implemented a target management system on GHG emissions and energy use. In addition, we have compiled a GHG inventory and a computerized system to control GHG emissions, participate in a target management pilot project, and have developed technology to reduce GHG emissions in proactive response to climate change. Under the Carbon Footprint Management (CFM) project, Hyundai Steel is sharing its knowledge and experience of mitigating climate change with suppliers. Furthermore, we have put in place a mid- to long-term plan to develop technologies for the accurate analysis and effective reduction of GHG emissions which are applicable to our production processes.

Internal Preparedness System

The precise measuring of GHG emissions is critical to reducing greenhouse gas emissions, which is why Hyundai Steel commissioned outside experts to compile its GHG inventory in March 2010, listing all GHG emissions volume by source five months later. Based on these results, we have completed an IT system for comprehensive data management and target management of energy use and GHG emissions at all our work sites.

Energy Use Target Management Pilot Project

Committed to a preemptive response to the GHG energy target management system, Hyundai Steel has become involved in an energy target management pilot project spearheaded by the Ministry of Knowledge Economy. Conducted jointly by Motiva, a leading Finnish-based energy and material efficiency company, and the Korea Management Association Consulting organization in August 2010, the technology exchange program involved inspections of Hyundai Steel's energy management system and the energy use at our production facilities. This opportunity provided us with opportunities to acquire skills in operating a globally recognized energy management system. Following this, Hyundai Steel ran a verification test in November of 2010 which only improved the company's preparedness for introducing the GHG energy target management system. In the pilot project, we set a target of reducing energy use by 0.7% and prepared legal forms that included specification forms and an implementation plan, all in accordance with target management guidelines, upon which they were verified by the Korean government. These procedures offered an excellent opportunity for Hyundai Steel to prepare for the introduction of a GHG energy target management system.

Participation in Energy Management System Pilot Project

In response to energy issues stemming from surging oil prices and climate change, Hyundai Steel participated in an energy management system pilot project in order to establish a system that would encompass all aspects of our business, from setting energy use targets to monitoring and performance evaluations. As a result of this experience, Hyundai Steel is now aiming to acquire certification for its energy management practices by December 2011.

Carbon Footprint Management System

Hyundai Steel signed an agreement with the Ministry of Knowledge Economy and suppliers in October 2009 to establish a carbon footprint management system meant to reduce GHG emissions. A joint project between large corporations and the government, the Carbon Footprint Management System project's mandate is to assist SMEs in their efforts to build competencies in GHG reduction initiatives. During the primary stage of the project, which ended in June 2010, Hyundai Steel prepared a GHG inventory, an energy management system, and carbon emissions statistics for each of our products. We also looked into energy consumption patterns and developed countermeasures to improve related practices. We then provided all this information to 20 suppliers as a platform for their own climate change preparation activities. The average energy use reduction rate for suppliers participating in the first stage was 5.7%. During the second stage, slated to end in June 2011, Hyundai Steel will provide the platform to another 20 suppliers, while continuing to provide assistance to participants from the project's first stage.

Industry Climate Change Response Task Force

Hyundai Steel is a member of the Industry Climate Change Response Task Force, which was initiated by the Business Institute for Sustainable Development. We also actively cooperate with other companies in the industry regarding climate change policies, and have taken the lead in certain industrial initiatives to mitigate climate change, two of which were the adoption of an industry-wide GHG energy target management system and an emissions trading scheme.

Global Steel Industry Climate Change Response Task Force

Hyundai Steel is an active member of the Environmental Policy Committee and the Environmental Technology Committee under the World Steel Association (WSA) and participates in the committee's Better Air Quality project, which is designed to produce policy and technological countermeasures to deal with climate change. In addition, we participate in the Asia-Pacific Partnership on Climate Change (APP), a collaborative initiative of governments and eight industries, including steel, power generation and cement, whose purpose is to establish a worldwide cooperative network for developing policies and technologies to mitigate climate change.

※ **Asia-Pacific Partnership on Climate Change (APP):** Originally proposed by the US government in 2005, the APP is an initiative by Asia-Pacific countries to counter EU-oriented climate change conventions. The governments and industries from the seven members (Australia, Canada, China, India, Japan, Korea, and the US) gather to discuss voluntary initiatives to enhance energy efficiency and effectively reduce greenhouse gases.

Energy Usage

(Unit : TOE)			
	2008	2009	2010
Incheon	652,029	621,399	632,385
Pohang	496,591	459,837	494,482
Dangjin	605,911	519,521	899,233
Total	1,772,531	1,600,757	2,026,100

※ Hyundai Steel employees measure and minimize GHG emissions and energy use in the course of normal business activities. In 2010, the total amount of GHG emissions from Hyundai Steel's Seoul office and sales offices around the country amounted to 728 tons, while energy use stood at 14TJ.

GHG Emissions

(Unit : tons)			
	2008	2009	2010
Incheon	1,736,164	1,625,248	1,632,348
Pohang	1,343,770	1,244,837	1,332,611
Dangjin	1,546,370	1,349,995	7,169,684
Total	4,626,304	4,220,080	10,134,643

Byproduct gases generated from the steelmaking process include blast furnace gas, coke oven gas, and basic oxygen furnace gas. To efficiently make use of these energy sources, Hyundai Steel has developed the technologies to mix these three byproduct gases for the purpose of internal recycling, thereby enhancing energy efficiency and reducing the imported volume of energy sources. As part of our efforts to enhance energy efficiency, we are also developing high-temperature air combustion technology which reuses exhaust heat to heat up combustion air for use in the steelmaking process, which considerably reduces energy usage.



Environmental Management Activities

Hyundai Steel is dedicated to investing in environmental initiatives designed to reduce environmental pollution. Environmental pollution reduction expenses include electricity bills, chemical and labor costs, and waste treatment expenses at environmental facilities. The expenses are comprised of construction and repair, and maintenance costs at environmental prevention facilities, but exclude construction costs for the new integrated steel mills. In 2010, Hyundai Steel spent KRW 153,741 million, up 170.4% from the previous year, on reducing environmental pollution. This surge can be attributed to the operation of Dangjin's integrated steel mills, which began operating in 2010, and which caused an increase in overall expenses to reduce wastewater, air pollutants, and waste. Alternatively, environmental investment expenses declined 1.2% from the previous year, to KRW 19,839 million.

Cost of Environmental Pollution Control

(Unit : KRW million)

	2008	2009	2010
Incheon	23,234	19,944	21,970
Pohang	13,014	14,355	16,830
Dangjin	28,482	22,552	114,941
Total	64,730	56,851	153,741

Environmental Investment Expenses

(Unit : KRW million)

	2008	2009	2010
Incheon	11,411	6,549	8,154
Pohang	5,536	4,998	2,678
Dangjin	7,506	8,535	9,007
Total	24,453	20,082	19,839

Water Quality Control Activities

In an effort to apply stricter internal standards to wastewater treatment than legally required, Hyundai Steel operates advanced facilities involving chemical and biological processing and activated carbon processing, as well as integrated reprocessing at wastewater treatment areas. We also monitor for any impact on marine life and changes to toxic units in order to prevent any impact on local ecology. Committed to minimizing the concentration of pollutants discharged into water anywhere in the vicinity, Hyundai Steel built a pilot facility measuring 1/80,000 of biological processors as part of its continued R&D activities for optimized processing, while also maintaining the efficient operation of wastewater treatment plants. In 2010, we consumed a total of 25.04 million tons of water for cooling and cleaning at our three steelwork plants. The integrated steel mill used approximately 14.01 million tons of water, accounting for 54.8% of the total water used. However, Incheon Works recycled treated sewage water with an annual substitute effect of 3.81 million tons. Despite a decrease in water use at the electric arc furnace in 2010, the water used in crude steel production increased sharply due to the operation of the integrated steel mill.

		2008	2009	2010
Water Usage (1,000 tons)	Tap Water	1,925	1,571	2,329
	Industrial Water	6,414	5,490	18,907
	Recycled Water	4,746	4,306	3,807
	Total	13,085	11,367	25,043
Water Use for Crude Steel Production (m ³ /ton)		1.33	1.35	1.90
Wastewater Treatment Effluent (1,000 m ³)		762	555	6,233

- **Tap water** : water for public use that is supplied by local water purifying plants
- **Industrial water** : lower quality water used for production activities at factories and supplied by local water purifying plants only after primary treatment is carried out
- **Recycled water** : Incheon Works receives effluent from the Gajwa Wastewater Treatment Plant and reprocesses it at its reverse osmosis pressure facility for use in its own processes.

The concentration of water pollutants generated at Hyundai Steel's three steelwork plants is shown in the table below.

(Unit : mg/l)

		2008	2009	2010	Legal Limits
SS	Incheon	29.6	34.0	46.0	120
	Pohang	2.1	2.4	2.3	120
	Dangjin	2.8	2.0	1.8	60
COD	Incheon	32.3	17.3	56.0	120
	Pohang	6.6	6.3	4.8	130
	Dangjin	4.7	4.0	4.3	70

The average concentration of emissions from the integrated steel mill, which began full operation in 2010, stood at SS 1.4mg/l, COD 9.1mg/l for 2010. The waste acid content from wastewater stemming from the stainless steel shop at Incheon Works goes through chemical and biological treatment before being discharged. We also replaced methanol with fruit sugar waste as a carbon source in 2010. Although the water quality control was temporarily disturbed by this trial in the course of finding the optimal operational conditions, the concentration has since been normalized. The resultant economic effect of reducing the use of chemical treatments and byproduct recycling amounted to KRW 130 million. Figures for Dangjin Works represent the concentration of emissions from the electric arc furnace.

Air Pollutant Control Activities

Hyundai Steel actively carries out R&D to improve the efficiency of dust collection and to develop activated carbon in order to reduce the emissions of major air pollutants such as dust, sulfur oxides, and nitrogen oxides. Since 2009, we have been regularly monitoring air quality and applying diffusion modeling techniques by checking the content of dust and odors in the vicinities of all work sites to minimize any impact on local communities. Hyundai Steel has also installed a filter dust collector on its sinters. This filter dust collector can remove pollutants from the exhaust gas stemming from combustion in the sintering process without any other equipment. In addition, it can effectively treat SOx and NOx, as well as high concentrations of dust from the sintering process's exhaust gas. This device has not only enhanced the efficiency in the simultaneous treatment of pollutants but also maximized the efficiency and cost reduction in the installment and maintenance expenses of the treatment facilities. Conventional filters located at the sinter plants can be replaced with catalyst-embedded filters to the same effect.



In order to reduce fugitive dust, Hyundai Steel built walls and roofs at our coke yard and used vacuum clean vehicles and high-pressure water trucks to keep roads on our work sites clean. We have also installed an electric dust collector and filter dust collector in our sintering plant, maximizing dust removal. An activated carbon absorber was also added in order to fully treat SO_x, NO_x, and dioxins in a bid to minimize the generation of air pollutants.

The emissions of dust, sulfur oxides, and nitrogen oxides, by plant, are shown in the table below.

(Unit : kg/t-s)

		2008	2009	2010
Dust	Incheon	0.08	0.06	0.05
	Pohang	0.03	0.03	0.02
	Dangjin	Electric arc furnace	0.04	0.04
		Blast furnace	-	0.09
SO _x	Pohang	0.07	0.10	0.11
	Dangjin	Electric arc furnace	0.02	0.03
		Blast furnace	-	0.75
NO _x	Incheon	0.09	0.08	0.07
	Pohang	0.08	0.08	0.10
	Dangjin	Electric arc furnace	0.02	0.03
		Blast furnace	-	0.61

In 2010, dioxin emissions from Incheon Works and Pohang Works fell by almost 50% compared to 2009, while remaining steady at Dangjin. In fact, the concentration of emissions at Dangjin Works remained at an incredibly low 0.03 at its electric arc furnaces and 0.24 at its sintering plants. Incheon Works and Pohang Works thoroughly check product quality from the raw material stage and optimize the cooling of exhaust gases from electric arc furnaces, which prevents the recombination of dioxins and maintains a moderate level of emissions.

(Unit : ng-TEQ/m³)

		2008	2009	2010	Emissions Allowance
Dioxin	Incheon	0.05	0.10	0.05	Electric arc furnace: 0.7 Sintering plant: 0.5
	Pohang	0.04	0.15	0.06	
	Dangjin	Electric arc furnace	0.03	0.03	
		Sintering plant	-	0.24	

Chemical Substance Reduction Activities

The emissions of chemical substances from Hyundai Steel's operations into the air and water amounted to 22,545kg in 2010. Under Korea's Hazardous Chemical Substance Discharge Act, we measure the amount of chemical substances such as aluminum, copper and zinc that are discharged from each process before disclosing all results.

(Unit : kg)

		2008	2009	2010
Incheon		4,259	3,208	5,369
Pohang		1,100	1,170	1,144
Dangjin	Electric arc furnace	3,097	3,502	3,520
	Blast furnace	-	-	12,512
Total		8,456	7,880	22,545

In 2010, the total volume of byproducts, water pollutants, and air pollutants generated by all of Hyundai Steel's operations temporarily increased from 2009. However, we remain committed to developing and implementing measures to reduce the total volume and intensity of emissions through ceaseless investment, improvements to the emissions control system, and strengthened R&D.

Byproduct Reuse

The total volume of byproducts generated at Hyundai Steel's three steelwork plants amounted to 3.74 million tons in 2010, with slag accounting for 83% of the total, followed by dust (4.5%), refractory waste (1.6%), and sludge (1.8%). Hyundai Steel reused 94.3% of these byproducts for cement, aggregates for road construction, ascon aggregates, and for recovering valuable metals. We will continue to reduce and reuse byproducts by adopting valuable metal recovery technologies for dust, while also improving the quality of steel scrap.

Hyundai Steel has developed technologies to reuse the slag generated during the steelmaking process as construction aggregate. Furthermore, we have developed the technology to recycle dust and sludge containing high concentrations of iron and carbon generated from the blast furnace in the electric arc furnace process. At the same time, dust and sludge containing low amounts of iron and carbon are recycled as eco-labeled products, which are then used for landfills and as exhaust gas treatment agents.

	2008	2009	2010
Byproduct Volume (1,000 tons)	2,099	1,613	3,741
Byproduct Recycling Rate (%)	88.4	92.8	94.3

• **Byproduct recycling rate:** the percentage of byproducts recycled as cement component, aggregate substitute, and recycling in the steelmaking process, excluding that which is treated through incinerations and landfills.

Converting Steel Slag into Construction Aggregate

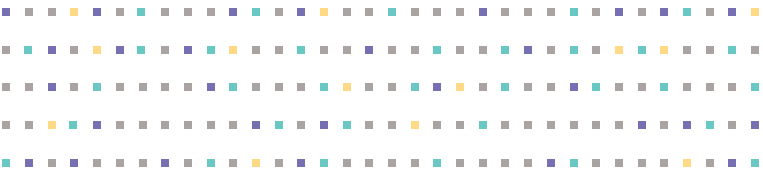
Environmentally-friendly steel slag-based aggregate has a similar structure to that of conventional aggregate, but contains higher quality properties. This plays a significant role in the development of construction aggregates and various other recycling technologies. In consideration of the physical and chemical properties of the slag created from its steelmaking process, Hyundai Steel ran a series of tests to verify the eco-friendliness of the slag when recycled as construction aggregates such as concrete and ascon and obtained positive results. Furthermore, we ensured its suitability for the construction field, achieving a higher quality than conventional aggregates through a number of tests at construction sites. In the future, we will continue our technology R&D activities so we can use this slag for special-purpose construction and offshore construction materials.

Legal Compliance & Improvements

In response to concerns raised by local residents, Hyundai Steel invested a total of KRW 2.4 billion planting dust hoods at Dangjin Works to improve the facilities in 2010. Aside from this, we have not been in any other violation of environmental regulations. Following the completion of our integrated steel mill, Hyundai Steel is now obliged to conduct regular environmental impact assessments under Article 24 of the Environmental Impact Assessment Act and reveal these results to authorities by the end of January of the following year. We measure the air quality, water quality, quality of marine life, underground water, soil, noise and vibration, as well as the state of marine and inland ecology of neighboring areas every year. In addition, Hyundai Steel does not use or discharge any ozone-depleting substances or use any environmental pollutants for packaging.

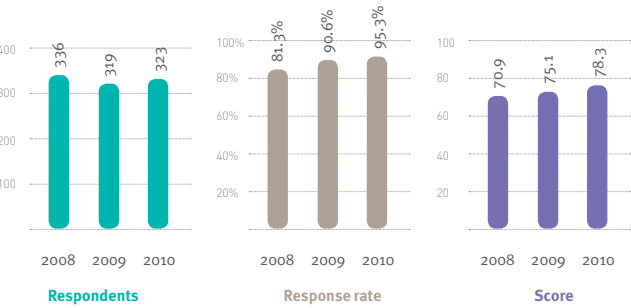
Instilling Hope

Companies have a responsibility to the societies in which they operate. When profits are shared with stakeholders, corporate value can grow even more. The sustainable future of a company relies on its stakeholders. Thus, Hyundai Steel's employees, stakeholders and communities constitute our underlying assets. When every stakeholder makes a concerted effort under a shared goal, powerful synergies can be generated. Through win-win partnerships with stakeholders, career development programs for employees, and various engagement programs with communities, Hyundai Steel is committed to building a better society for everyone.



Stakeholder Communication

< Customer Satisfaction Surveys >



< 2011 Stakeholder Survey Results >

Customers

“ The product purchase system is convenient and efficient. ”

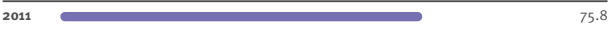


“ Hyundai Steel takes full responsibility for its products and services. ”



Suppliers

“ Hyundai Steel selects its suppliers in a fair and transparent manner. ”



“ Hyundai Steel is committed to win-win partnership with suppliers. ”



Employees

“ Hyundai Steel makes every effort to prevent industrial accidents. ”



“ Hyundai Steel is committed to promoting a cooperative labor-management relationship. ”



Communities

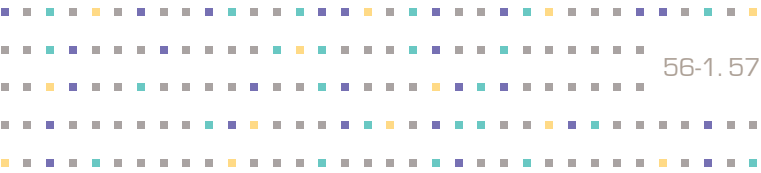
“ Hyundai Steel is active with its volunteer activities and social contribution programs. ”



“ Hyundai Steel contributes to the development of local economies. ”



※ Period : March 2, ~ March 11, 2011 Respondents : 1,124 persons



Social Performance Highlights

May 2010

Team Seminars to Promote Communication (Page 61)

Hyundai Steel holds team seminars to enhance employee performance and to mobilize the company's resources. The seminars have four stages in place: team diagnosis questionnaires, team manager seminars, preliminary meetings by team, and team seminars. Based on the findings at each stage, we identify any issue for improvement and develop subsequent action plans, while working on an infrastructure for communication and collaboration between team managers and team members.

November 2010

Win-Win Cooperation Agreement (Page 70)

In November 2010, we held the Hyundai Steel Win-Win Cooperation Agreement Declaration Ceremony. The agreement calls for expanding the scope of financial aid, improving transactional conditions, promoting the development of quality and technology, reinforcing win-win cooperation with supplier subcontractors, increasing inter-company councils, and supporting training and business activities.



March 2011

House Repair for Hope and Energy Efficiency (Page 73)

Hyundai Steel signed an agreement with Korea's Housing Welfare Association for House Repair for Hope and Energy Efficiency in March 2011. Under the agreement, we provided a total of KRW 385.91 million to the association in 2011, and for a period of 10 years, until 2020, Hyundai Steel is committed to repairing and weatherizing 1,000 houses in Incheon, Pohang, and Dangjin.





#01 Increasing Employee Competencies

People are the most valuable asset a company has, and the more competencies they have, the greater the workplace. As such, Hyundai Steel fosters future leaders of the steel industry through our performance-oriented next-generation human resource development system. At Hyundai Steel, we are dedicated to bringing about the best workplaces based on safe and healthy working conditions, and a communicative and cooperative corporate culture.



Workforce

As of the end of 2010, Hyundai Steel employed a total of 8,356 people, with technicians making up 69.7% of that number, followed by office workers/engineers (18.3%), then salespeople (3.0%), researchers (2.5%), and other employees (5.4%). That same year our job creation rate stood at 8% and the turnover rate at 2.2%.

| Workforce |

(Unit : persons)

	Executives	Office workers/Engineers	Salespersons	Researchers	Technicians	Others	Total
Personnel	88	1,532	247	212	5,824	453	8,356

| Female Workforce |

(Unit : persons)

	2008	2009	2010
Total	204	210	243
(above senior-level)	15	15	17

| Job Creation Rate |

(Unit : persons)

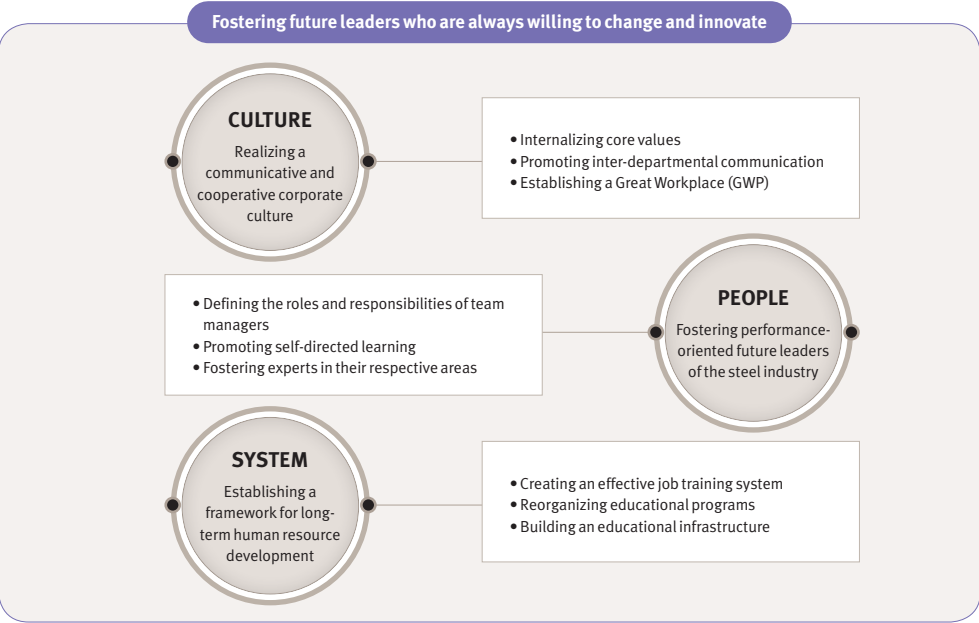
	2008	2009	2010
No. of workers	6,756	7,757	8,356
Job creation rate	10%	15%	8%

What programs do you run for reinforcing employee competencies?

✓ We systematically develop human resources based on competence-building training systems and human resource development planning.

People constitute the true competitiveness of any company, which is why Hyundai Steel invests in the potential of its employees. We offer equal opportunities to all employees so they can realize their full potential, offering fair and reasonable compensation for excellent performance results. The three aims of human resources development at Hyundai Steel are to internalize core values, foster future leaders, and establish a performance-oriented human resource development system.

3 HRD Directions





● Education

Hyundai Steel operates diverse educational programs to foster globally competent and passionate employees. Designed to address basic competencies, leadership, and expertise, the educational system does not discriminate based on job position or job duties. We foster future leaders of the steel industry through this educational system.

	2008	2009	2010
Total Training Hours	536,009	323,581	432,898
Total Training Expenses (KRW million)	4,957	2,340	5,699

Hyundai Steel has reopened its team motivation and cultural exchange programs. We have also launched new courses that include team seminars to promote communication, and they have increased the number of educational opportunities open to employees.

Leadership Program for Team Managers

Hyundai Steel provides leadership training to team managers. The two-day course includes extensive debates and special lectures on the roles and responsibilities of team managers. Held in March 2010, the 2010 team manager leadership course had five aspects to it, including discussions on future corporate strategies, Great Workplace initiatives, talks on core values, and special lectures by celebrities.



Leadership Program for Team Managers



Team Seminars to Promote Communication



Culture Exchange

Internalizing Core Values

Hyundai Steel gives training sessions to employees to internalize core values of the company as behavioral guidelines, which also helps reinforce solidarity among workers. The course is designed to help employees understand and practice the company's core values in their jobs.

Cultural Exchanges

Hyundai Steel has run a cultural exchange program since 2006, providing employees with the opportunity to experience foreign cultures and cultivate a global mindset. A total of 74 people in 21 groups have had the chance to travel to Europe, the United States, and other countries. In 2010, there was little change to the program. For example, participants are still required to accomplish goals during their trips. The goals are in line with the company's five core values. The purpose of the trip is to learn the best practices of one of the five core values at a foreign country. Upon their return to Korea, employees are required to write an essay about their experiences overseas and then to post it online. This program turned out to be very effective in drawing attention to the company's core values and in better understanding them. Hyundai Steel will continue to develop this program in the future through employee surveys.

Team Seminars to Promote Communication

Hyundai Steel holds team seminars to enhance employee performance and to mobilize company resources. The four-stage seminars aim at developing practical solutions and goals for each team through debates on the strengths and weaknesses of the team. The first stage begins with a diagnostic survey. For one week in May 2010, every member of participating teams, including team managers, answered questionnaires about the five criteria of trust, pride, interest, creativity, and accomplishment. In the second stage, team managers reviewed the corporate culture and developed strategies based on the survey findings. The third stage is a preliminary meeting for teams where they discussed the results of the previous two stages and brainstormed on issues that required improvement. At the fourth stage, all teams got together to analyze the resolutions of the previous stages and set their own goals. This provides valuable opportunities for teams to collaborate and communicate, while clearly diagnosing their respective strengths and weaknesses.

| Team Seminar Procedures |

	Stage 1	Stage 2	Stage 3	Stage 4
	Diagnostic survey	Team manager seminar	Pre-meeting	Team seminar
Schedule	7 days prior to team manager seminar	One-night two-days/7h	7 days prior to team seminar	One-night two-days/7h
Participants	Team manager/ teammates	Team manager	Team manager/ teammates	Team manager/ teammates
Methodology	Web-based questionnaires	Camp training	Team play (meeting rooms)	Camp training
Description	<ul style="list-style-type: none">• Attachment to team /communication level• Level of trust, pride, interest, creativity, and accomplishment• Survey results are not open to others outside the respective team	<ul style="list-style-type: none">• Analysis of survey results /review of team atmosphere• Developing a team's change of plans/strategies	<ul style="list-style-type: none">• Sharing the seminar results with teammates• Discussion on the strengths and weaknesses of the team /discussing issues for improvement	<ul style="list-style-type: none">• Analysis of current team issues /brainstorming on solutions• Games to build trust among teammates• Making pledges to better facilitate communication among the team



✓ **Performances are fairly evaluated and compensated.**

Hyundai Steel reviews every employee's performance through annual capability evaluations and three quarterly performance evaluations on an annual basis. Based on these results, the company determines the employee's annual salary, ensuring fair compensation for their work. In addition, we keep the evaluation criteria and judgment system up to date with the changing business environment. The latest update was in 2001 when we adopted a new capability evaluation scheme. For the evaluation of lower-level employees, we have a multi-layered evaluation scheme, where team managers and teammates evaluate each other's performance, helping ensure fair and objective evaluations. As with the team-based performance evaluations, we use Key Performance Indicators (KPI) as the prime indicator for teams to fine-tune their goals and strategies in line with corporate management policies and goals.

What do you do to ensure the safety and health of employees at workplaces?

✓ **We are dedicated to industrial safety management and operate training programs and campaigns with employees to increase knowledge about safety awareness.**

Hyundai Steel puts safety and enjoyable workplaces at the top of our priority list with respect to employee welfare policy. In line with this, we have in place safety and health guidelines which stipulate how the health and safety of employees are protected and looked after in the course of their daily job duties. Hyundai Steel employees, as well as employees of suppliers and business partners, are obliged to abide by the guidelines. We also offer regular seminars and campaigns on safety to raise employee awareness on the issue.

Industrial Safety & Health Committee

Hyundai Steel operates an Industrial Safety & Health Committee consisting of 20 members, 10 from labor and 10 from management, at each of its steel plants. The committees hold quarterly meetings to deliberate annual safety and health plans, review and keep track of initiatives and safety and health facility management, and discuss safety education and accident prevention activities.

Monthly Safety Meetings

Each steel plant holds monthly meetings to check on safety issues and track improvements that need to be made at each particular work site. Every plant also sets accident-free target periods and provides rewards to departments depending on their accomplishments. In addition, Hyundai Steel holds council meetings with partners to ensure collaboration on safety control at worksites by raising safety awareness among employees and employees of business partner companies.

Safety Rallies and Related Safety Campaigns

Hyundai Steel holds regular meetings at each steel plant to share information and experiences and to develop ideas to prevent accidents. Safety rallies and various other safety campaigns remind employees about the safety mindset they need to remember every day they enter their work site. Furthermore, we provide regular training to safety and health managers and supervisors. Employees working at production lines are subject to quarterly safety training sessions to ensure safe and accident-free workplaces.

Safety Training Center

Hyundai Steel has safety training centers at its Incheon, Pohang and Dangjin Works to more effectively educate employees on safety issues. Equipped with diverse safety devices and accident simulation programs, the centers are accessible to both our employees and outside visitors. We continue to repair and upgrade the facilities for the efficient operation of training programs and to ensure accident-free workplaces.

Back to Basics: Safety Comes First

The Facility Team at Incheon Works reached a monumental 4,000 days of accident-free work on June 17, 2010, an unprecedented event by any subsidiary of the Hyundai Motor Group. By November 8, 2011, the team will have surpassed the industry standard for accident-free work hours 19 times over. This remarkable achievement can be attributed to the concerted efforts of all team members who share common goals through regular training and after-work rallies. The team also keeps all working conditions as clean as possible. With this accomplishment, the Facility Team has set the bar at new highs for other plants, improved work efficiency, and raised company-wide safety awareness.

Safe Work Places Equal Happy Families

Hyundai Steel's Pohang Works holds a contest every May whereby family members of employees are asked to write letters asking to keep the workplace safe in an effort to instill safety awareness among employees. To date, we have chosen 32 winners, and when Pohang Works published a compilation of winning letters from the 2009 contest, it brought yet more attention to employee safety.



Accident-free declaration ceremony



Incheon Works' Facility Team's accident-free records



Compilation of letters

Health Management

Hyundai Steel is committed to a safe and healthy workplace for all its employees. Each plant operates an infirmary and fitness room. In addition, the company subsidizes various health expenses, provides regular health check-ups, and provides subsidies for medical expenses.



Employee Communication

Labor-Management Council

Each plant runs a Labor-Management Council that consists of 20 people, 10 representatives from labor and 10 from management. The councils convene quarterly meetings to discuss ways for mutually beneficial cooperation. In 2010, councils at all three plants held four meetings to discuss improvements that needed to be made to working conditions.

Labor Union

As of the end of December 2010, the number of employees covered by collective bargaining agreements stood at 5,742, or 68.7% of Hyundai Steel's 8,356 employees.

GWP

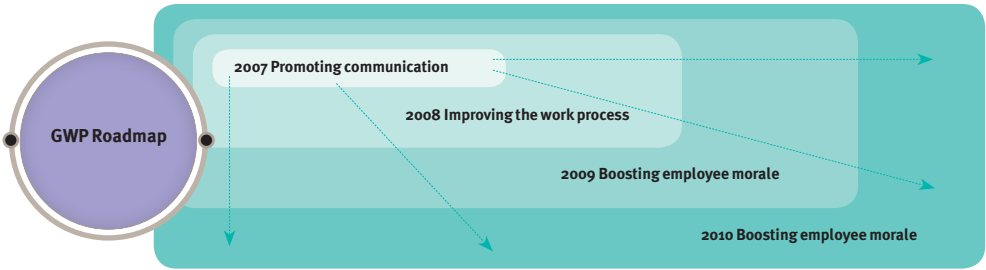
Hyundai Steel initiated a Great Workplace (GWP) campaign in 2007 to build a corporate culture filled with trust, pride and interest, which has since enhanced the company's business performance. We operate GWP initiatives at each plant and award one GWP champion at each division, with one GWP agent representing each team. In 2010, the three GWP goals were the same as in 2009: raising employee morale, improving the work process, and promoting a fun workplace. In consideration of the specific needs of each division, more action plans were added, such as encouraging self-development, improving work habits and processes, and promoting bottom-up communication.

Mentors Make Great Teachers: Pohang Machinery Team Holds GWP Event

The Machinery Team at Pohang Works held a GWP event in the run-up to Teacher's Day. Under the belief that great mentors also make great teachers, lower-level employees delivered thank-you letters and small flowerpots to their more senior staff members. They also presented carnations to their superiors on Teacher's Day in 2009. The Machinery Team was selected the best GWP team for the third consecutive year and spent their reward money on buying an LCD TV and then donating it to a local charity. The team successfully made full use of the company's various GWP programs to improve their work process and efficiency. The team also won the top prize at a nationwide contest in 2009.



| GWP procedures |



SMART Board

In 2010, Hyundai Steel launched a SMART Board program, which stands for Self-determining, Motivated, Active, Revolutionary and Together. The SMART Board is intended for the 42 people who represent lower-level employees, from clerks to managers, at Incheon, Pohang and Dangjin Works, as well as the Seoul office. These members work to develop innovative ideas and promote internal communication, developing and promoting future corporate plans at company-wide meetings and division level meetings. In the past they have suggested new ideas for enhancing customer satisfaction and win-win cooperation, both of which were reflected when Hyundai Steel developed its new 2020 Vision and Strategies.



#02 Growing with Our Stakeholders

As the business environment grows more complex, Hyundai Steel sees opportunities – and not crises – in its partnership with stakeholders. From our raw material suppliers to customers and investors, the growth of our stakeholders provides the foundation for the profitable growth of Hyundai Steel. Firmly dedicated to the development of the steel industry, we will continue to work tirelessly for mutual growth with our stakeholders as we strive to create new growth engines.





What plans does Hyundai Steel have in place for mutual growth with its stakeholders?

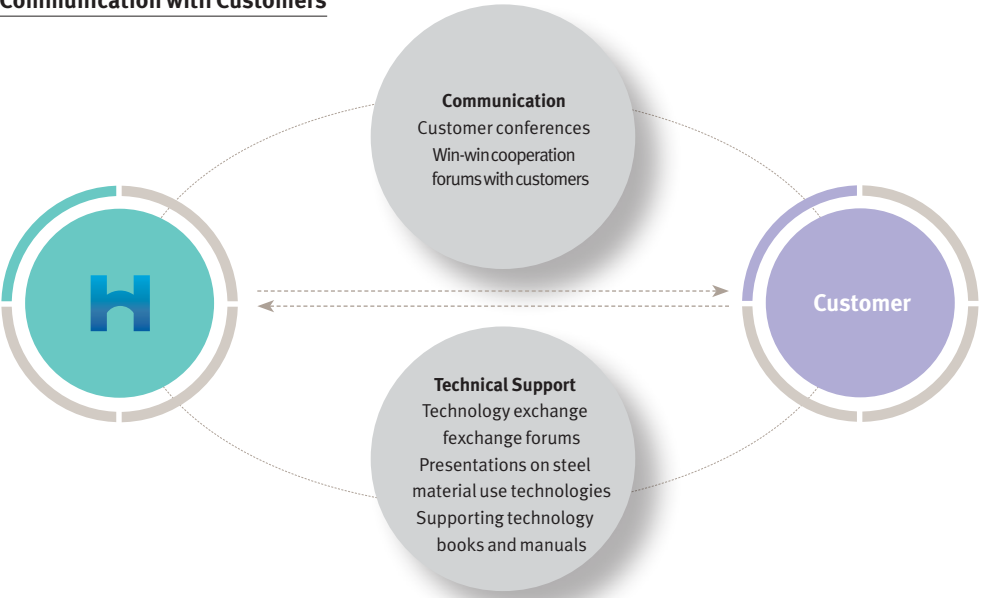
✓ We aim to achieve mutual growth.

Hyundai Steel considers the growth of its stakeholders growth for itself. As such, we promote mutual growth based on fair and transparent partnerships. In June 2006, we established a dedicated team for a company-wide integrated approach to win-win cooperation with suppliers. We invited stakeholders to win-win cooperation forums with customers, pledged to carry out win-win cooperation with suppliers, and held regular meetings with suppliers to review related strategies and best practices. We also offer financial aid to our suppliers through such programs as the Green Bridge Loan and by paying steel scrap suppliers earlier than before.

• Customer Satisfaction

Hyundai Steel trains its sales force on how to build customer satisfaction capabilities in order to provide specially tailored customer service. We have also expanded our technology sales network, developed customer-oriented steel products and enhanced the quality of our products in a bid to increase products suited to our specific customer needs. We will stay in close communication with our customers to create opportunities for mutual growth, while proactively supporting our value creation for them with our reinforced technology marketing. We will also collaborate with client companies as we advance into new markets in search of lucrative new business opportunities.

Communication with Customers



Customer Conferences

We hold regular and on-demand meetings with major client companies (by product type) to ensure we reflect their needs and opinions in our production and sales operations.

April	• Conferences with 227 major client companies
May	• Conferences with 65 international buyers from 25 countries
September	• Conferences with employees from 64 reinforcing bar and hot rolled product client companies
October	• Conferences with employees from 189 flat steel and long steel client companies • Technical exchange forums with 16 international hot rolled product customers and shippers from 14 countries
November	• Conferences with employees from 74 client companies of heavy plates and stainless steel
December	• Win-win cooperation forums with 100 of our best customers from 2010

Customer Satisfaction Survey

Hyundai Steel issues annual customer satisfaction surveys to get customer opinions on our product development and the work process. We carry out in-depth interviews with client companies by email or face-to-face on 11 criteria, including product quality, supply volume, response to orders, and claim processing. The latest results from 2010 indicate that our technician services, prices, and claim processing continue to improve. Hyundai Steel earned its highest scores in our salespeople's service, customer satisfaction, response to orders and product quality.

	2008	2009	2010
Respondents	336	319	323
Response rate	81.3%	90.6%	95.3%
Scores	70.9	75.1	78.3

Hyundai Steel protects all customer information under its information security bylaws, and had no cases of claims of personal information leaks in 2010. We strive to provide accurate information to our customers and fully abide by the laws and regulations regarding marketing communications, such as advertisements, promotions and sponsorships, as well as the Supply of Goods and Services Act. We had no cases of violations or resultant monetary sanctions from these regulations during this reporting period.



What are you doing to help business partners enhance their competitiveness?

✓ We offer financial, technical, and educational support to our partners and listen carefully to their suggestions and opinions.

● Enhancing the Competitiveness of Our Partners

We operate a number of mutual growth programs to help our partners reinforce their financial stability and sustainable competitiveness. Hyundai Steel recently expanded the scope of financial aid and now provides technical R&D support to partners as well.

Financial Aid

Hyundai Steel runs its Green Bridge Loan program in alliance with the Industrial Bank of Korea (IBK). The program offers loan guarantees up to 80% of raw material purchase prices to our suppliers of eco-friendly facilities or those who lack guarantees. In 2010, we provided substantial loan support to partners through the Green Bridge Loan and expanded the scope of beneficiaries from only facility suppliers to construction and procurement subcontractors. The Green Bridge Loan program has earned an excellent reputation for its contribution to Green Growth and win-win cooperation.

- **Green Bridge Loan:** loan support worth KRW 11.7 billion in alliance with IBK to facility suppliers for raw material purchases and outsourcing expenses
- Financial aid worth KRW 9.0 billion to suppliers for land purchases and capital expenditures
- Quality guarantee program ensured cost recovery and no-check warehousing, which shortens unloading times
- Monitoring of steel scrap yards allowed preferred pricing for the volume of delivery after warehousing at the yard
- Plans to shorten term of payment bills from 85 days to 60 days, effective July 2011, to support stable purchases and hedging financial risks for steel scrap suppliers (mutual growth agreement between steelmakers and steel scrap suppliers on November 4, 2010)
- Agreement with eight commercial banks on loans dealing with accounts receivable for financial aid to suppliers (balance stood at KRW 1,050 billion as of the end of December 2010)

Technology R&D Support and Protection

Whenever we introduce new technology, we hold technology exchange forums to share newfound knowledge with our partners. Also, seminars and on-site training sessions help them learn of these new technologies and save on R&D expenses.

- **Joint R&D :** participating in industry-academic R&D projects (as of the end of 2010, two projects had been completed and 11 projects were under development)
- **Joint patent filings :** as of the end of 2010, 23 joint filing patent cases with partners, with filing fees shared or assumed by Hyundai Steel
- Technical guidance on the working conditions and heat process technologies for new product development, preliminary inspections, and guidance to make appropriate corrections prior to SQ inspections
- Information sharing for response to rising demands for higher technology and regulatory revisions through technology exchange forums and presentations on how to use steel products properly
- **Technical support :** technical and manual support for design, construction, and processing technology for the use of our products
- **Support of carbon footprint management (CFM) project :** subsidizing energy management consulting for energy conservation and low-carbon management for partners, with subsidies provided by the Korea National Cleaner Production Center (KNPC) and our own subsidies

Win-Win Cooperation

- Subsidies with payment guarantee fees worth KRW 7.4 billion for customers of good standing to allow them to secure a desired amount of products
- Regular conferences by product type and customer group meetings to listen to customer needs and opinions while sharing information about industry/market trends
- 102 technology exchange forums and technical presentations on how to use steel products to help customers understand the complex technologies of our products
- Technical support on the use of 82 Hyundai Steel products by providing design, engineering, and processing manuals to promote the development and popularization of the use of steel products
- 130 cases of product monitoring and listening to customer opinions to enhance customer satisfaction while making a preemptive response to claims
- Customer satisfaction surveys to improve and reflect in our work process and productivity
- Customer information security through customer portal system and information security system that provides real-time data on production plans, inventory, and other product information

Advanced R&D and Strict Quality Control

Hyundai Steel was able to make an operating profit from its first blast furnace a mere three months after the start of operations, an unprecedented accomplishment in the steel industry. Blast furnace products are all high-quality steel products that include things such as steel sheets for automobiles and Steel Plate. As a result, customers tend to be very demanding about the quality of these products and will not buy them from an unverified blast furnace. The manufacturer should also have extensive experience and know-how about the optimal mixture of cokes and iron ores that come from different mines around the world, which is why it is very difficult to penetrate any market in the early stages of a blast furnace's operations. Nevertheless, we were able to generate an operating profit from our first blast furnace through years of extensive preparation. In fact, since the start of construction on the first blast furnace in 2007, we dispatched 150 employees to ThyssenKrupp, a leading global steelmaker, for a two-year course that included on-site training on the main processes of integrated steel mills. In 2008, we invited experienced engineers and technicians from Japan, Germany, Austria, and the US to provide technical advice to employees at our in-house training center. We also invited 700 supervisors from our facility suppliers for on-site support at each stage of the building of the blast furnace as well as during its operation. Due to all these efforts, our first blast furnace unit has become a stable source of income ahead of schedule. In addition, this success with our first blast furnace was the result of our advanced R&D efforts to swiftly respond to customer needs with respect to product quality. Hyundai Steel completed work on its Technology R&D Center in 2007. Since then, the center has been involved in advanced R&D with the integrated steel mill processes and acquired the essential factors to raise the quality of Steel Plate and steel sheets for automobiles. Hyundai Steel's heavy plates acquired the necessary classification certification from the Korean Register of Shipping as soon as they rolled out from the blast furnace in April. The first heavy plates were supplied to the world's top shipbuilder, Hyundai Heavy Industries, and to the Vietnamese state-run shipbuilder Vinashin.





Training & Educational Support

We provide information on security and safety training to business partners at our work sites to raise their awareness concerning information on security and safe workplaces.

- **Safety training** : visits and on-site training at safety training centers
- **Information security education** : ensuring people know the importance of information security
- **Technical training** : new technologies and policy changes
- **Business support training** : training to reinforce competitiveness through win-win management system

Communication

Hyundai Steel has declared its determination to win-win cooperation with partners with our win-win cooperation agreement and reinforced communication with partners to listen to their opinions and concerns. We also hold regular conferences to listen to the thoughts of partners and to share information on raw material prices and market developments. We take turns and move among different work sites, holding conferences with steel scrap suppliers, facility suppliers, and construction subcontractors in turn.

Partner Opinions

Case	Description
Yard monitoring system	Supporting the yard monitoring system at 54 workplaces with 34 partners
Quality Guarantee program	Quality Guarantee program for 17 partners (no-check warehousing)
IT upgrading	Video conferencing with partners

2011 Plan

In line with the government's Large-SME Win-Win Cooperation initiative, which was announced in September 2010, Hyundai Steel held an agreement signing ceremony as a member of the Hyundai Motor Group, a first in the industry, on win-win cooperation and fair transactions in March 2011. In collaboration with our customers and partners, we will continue to strive for mutual growth with all stakeholders.

- Supporting loans to partners through the new Hyundai Steel Win-Win Cooperation Fund
- Expanding the scope of financial aid to include the support of partners' capital expenditures
- Compensation to partners' not-in-use long-term inventory
- Shortening bill payment terms to steel scrap suppliers: to 60 days by the end of 2011; to 30 days by the first half of 2012

Together We Can Do It!

At 5pm every third Friday, the Raw Material Purchase Team at Incheon Works plays soccer with employees from steel scrap suppliers. The two groups have maintained a close relationship through regular gatherings for a significant amount of time, while playing soccer together since 2008. Hyundai Steel agreed to the soccer games during work hours as we knew the positive influence this would have on closer ties and closer communication with business partners. Hyundai Steel builds mutual trust with partners under the shared notion that "Together we can do it!"



What are you doing to ensure fair transactions with business partners?

✓ We have completed an integrated purchase and evaluation system.

Hyundai Steel organized the Hyundai Steel Supplier Association to evaluate the capacities of candidates for stable supply, credit ratings, production capacity, and transparent management based on a criteria of management capacity, performance records, and candidate reliability when we select new suppliers. This criteria includes business ethics practices to ensure transparency of supplier management practices. We select and reward suppliers of good standing once a year and support them with competence-building through educational support programs. In 2010, we evaluated 223 procurement partners and 53 raw materials suppliers. Outsourcers are evaluated on a biannual basis for their management capacity, performance capability, and safety control practices, as well as their independent project performance.

Outsourcing Evaluation Criteria

Management Strategies	Performance Capabilities	Safety Control
Stability Transparency Efficiency	Improvements (Work Process/ Environments) Accomplishments (completion)	Accident rate (industrial) Safety control performance Accident prevention performance

We have also completed an online procurement system, allowing suppliers real-time access to our procurement information.

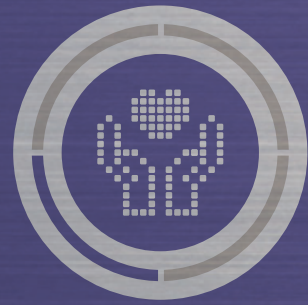
- **Integrated purchase system**: eprocure.hyundai-steel.com
- **Steel scrap purchase system** : is.hyundai-steel.com



Mutual Growth Agreement Ceremony



Declaration of Mutual Growth and Fair Trade Agreement



#03 In Harmony with Communities

It is our responsibility to our children to protect the environment. We also help invigorate local economies through our investments in business operations, which help create jobs. As a responsible corporate citizen, Hyundai Steel promotes a wide range of social contribution activities in the fields of social welfare, arts and culture, education, and the environment.



What kind of social contribution activities does Hyundai Steel take part in?

✓ We run programs like Home Repair for Hope, Green Guardians, and Happy Yes for local communities.

House Remodeling for Hope

Since 2009, Hyundai Steel has run House Remodeling for Hope, which improves housing conditions for low-income people who live in the vicinity of our work sites. In 2009, we remodeled 32 farm houses in Dangjin. Then, in 2010, we remodeled 40 houses around Incheon and 80 houses in Pohang. We have also signed agreements with city officials in Pohang and Incheon to establish a steering committee which will collaborate with local authorities on House Remodeling for Hope, even from the selection of beneficiaries. With the help of architects, Hyundai Steel employees volunteer their time alongside other volunteers from universities and local communities to carry out this work. In 2011, we began expanding the project and came up with Home Repair for Better Energy Efficiency, a way to reduce CO₂ emissions through the enhancement of home energy efficiency.

Green Guardians

Under the motto "Children and the environment are our future," Hyundai Steel operates several environmental protection programs, including camps, quiz contests and special classes for elementary students who go to school in communities around our work sites. We develop a full-year curriculum on the environment for children to learn from while also offering them the chance to take part in programs firsthand. In 2010, we launched our Green Guardians program at elementary schools located around our work sites with the belief that instilling "green habits" into the next generation will drive long-term initiatives concerning environmental protection.

Happy Yes

As part of our corporate social responsibility to local communities, we have set up a volunteer corps for university students called Happy Yes. This program encourages university students to help the underprivileged. In 2009, we recruited 100 university students from across the country to initiate the program as the first class. The second class was chosen in June 2010 and they participated in the House Remodeling for Hope program, as well as many other volunteer activities, during the summer and winter volunteer camps, not to mention the matching grant campaign carried out for eight months until February 2011.



Green Guardians



Happy Yes



What kind of social contribution activities does Hyundai Steel take part in?

✓ Hyundai Steel wants to establish volunteerism and donation practices as part of our corporate culture.

Volunteer Activities

	2008	2009	2010
Participation rate	80%	86%	83%
Time spent volunteering	83,886 hours	85,039 hours	99,496 hours

To ensure that social contribution activities are systematic and consistent, training a volunteer corps is as essential as collaborating with local communities. As a result, Hyundai Steel has trained team leaders for our volunteer corps on a yearly basis since 2006. One team leader is chosen from every department at Hyundai Steel and they are responsible for their respective team's volunteer activities. Although the participation rate of employees who volunteered in 2010 dropped by 3% from 2009, the participants' average volunteer hours for the year increased by three hours, from 33 hours per person in 2009 to 36 hours per person in 2010.

Employees' Participation in Matching Grant Program

	2008	2009	2010
No. of participants	2,061 persons	2,590 persons	3,108 persons
Participation rate	31%	33%	37%
Fund amount	KRW 141,606,000	KRW 171,284,000	KRW 192,959,000

Hyundai Steel is proud of its matching grant program, which is different from other companies as we do not deduct anything from an employee's paycheck. Instead, we encourage voluntary donations from employees. Since 2008, employees have been able to donate up to KRW 20,000 and be guaranteed that their donation will be matched by Hyundai Steel. The total amount raised is then spent on the company's social contribution programs at the end of the year. In 2010, 787 employees agreed to make donations, raising a total of KRW 192,959,000, up KRW 21,675,000 from 2009.

Matching Grant Fund Execution

	2008	2009	2010
Selected programs	Provision of throw-type fire extinguishers	Home Repair for Hope	Home Repair for Hope
Beneficiaries	184 welfare institutes for disabilities	32 low-income families in Dangjin	80 low-income families in Incheon and Pohang
Funding size (employee donation + company contribution)	KRW 219,216,000	KRW 283,212,000	KRW 342,568,000



What does Hyundai Steel do to invigorate regional economies?

✓ We are actively involved in campaigns to revive traditional markets.

Hyundai Steel is also involved in a campaign to revitalize traditional markets. We have signed food supply agreements and encourage employees to shop for groceries at traditional markets. In 2010, we purchased goods worth KRW 280 million at traditional markets to donate to local charities. In addition, many of our employees participate in a Traditional Market Day campaign twice a year to support shopping at nearby traditional markets.

Incheon	Mar. 2009 Entered into food supply agreement with nearby Hyundai Traditional Market and purchased groceries worth KRW 300 million for the year. Purchased food items for New Year's Day and Korean Thanksgiving Day to donate to local charities 2010 Purchased rice from Hyundai Traditional Market and donated it to local residents
Pohang	Sep. 2009 Held a Traditional Market Day for Korean Thanksgiving Day at Jukdo Market 2010 200 employees participated in a Traditional Market Day campaign to buy groceries
Dangjin	Sep. 2010 Signed an agreement with Dangjin County officials and the Agency for Traditional Market Administration on working together to revitalize traditional markets in Dangjin ※ The agreement calls for Hyundai Steel's sponsoring of joint marketing and events to discover and develop new ideas for revitalizing traditional markets as well as purchasing food from traditional markets and signing a food supply agreement.



Traditional Market Day



Agreement to help revitalize traditional markets



✓ We are involved in various community engagement programs.

Social Contribution Investment Amounts and Portion by Activity

(Unit : KRW million)

	Social contribution expenses			Portion
	Donations	Public expenses	Total	
Social Welfare	4,027,040	973,549	5,000,589	Portion
Culture, Art & Sports	848,200	2,493,366	3,341,566	35%
Academic Research & Education	758,500	89,700	848,200	9%
Environmental Protection	187,600	62,769	250,369	3%
Total	5,821,340	3,619,384	9,440,724	100%

Hyundai Steel's social contribution expenses grew by KRW 1.1 billion, or 13%, from 2009. Spending on academic research and education saw the greatest increase, followed by social welfare, environmental protection, and arts, culture and sports.

Sisterhood Ties with Farming Villages

Program	Descriptions		Remarks
Helping out at farms	Times	31 times	Seeding and harvesting, restoration from typhoon damage
	Volunteers	226 volunteers	
	Volunteer hours	1,830 hours	
Environmental clean-up activities	Times	49 times	Quarantine and cleaning
	Volunteers	525 volunteers	
	Volunteer hours	3,422 hours	
Resident-friendly activities	Times	282 times	Social gatherings for villages, general meetings, and supporting village censuses
	Volunteers	2,299 volunteers	
	Volunteer hours	10,914 hours	
Sponsoring parties and picnics for elderly citizens	Times	22 times	Sponsoring spring and autumn picnics
Quarantine activities	Times	99 times	Community centers and public hygiene areas
	Volunteers	198 volunteers	
	Volunteer hours	792 hours	
Oil expenses subsidies	Volume	14,726 liters	Subsidizing kerosene fuel for boilers at elderly community halls



Sharing gifts with local residents



Blood drive campaign



Social Contribution Month

● Social Welfare

Giving Gifts to the Underprivileged on Festive Days

Since 2007, Hyundai Steel has provided gifts on New Year's Day and Korean Thanksgiving to low-income bracket people in local communities. Our employees visit between 1,000 and 3,000 houses, as recommended by local government bodies, to deliver the gifts and provide hope. In 2010, we delivered living necessities and food items to 1,900 low-income families and 20 charities.

Blood Donation Campaigns

Since 2004, Hyundai Steel has run blood donation campaigns every March to contribute to the blood supply shortage at local hospitals. The number of Hyundai Steel employees who take part in this campaign continues to grow every year, with 707 people participating in the 2010 blood drive.

Year-End Volunteer Weeks

Hyundai Steel designates every December as Social Contribution Month, encouraging employees to volunteer and help the underprivileged in local communities. In 2010, some of our employees dressed up as Santa Claus and visited local charities to deliver 1,630 gifts to needy children, elderly citizens, and multicultural families. We also delivered heating oil to 13 charities and visited local military troops, police stations, and fire stations to show them our support.

● Culture, Art and Sports

Hyundai Steel is committed to promoting cultural and artistic activities in local communities. We are actively engaged in a number of local festivals and events where we work as volunteers and take part in such events as the Incheon Korean Traditional Music Festival, the Pohang Hope Concert, and the Dangjin Tug of War.

Sports Teams (Women's Soccer & Men's Archery)

Hyundai Steel is proud to have formed the Red Angels, Korea's first company-run women's soccer club, in December 1993. Dedicated to the development of women's soccer in Korea, Hyundai Steel owns a stadium which its women's team uses to play in and train. Founded in February 1993, the Hyundai Steel Men's Archery Team has been at the forefront of the development of archery in Korea. A highly competitive group of archers, the team has seen many remarkable performances in a number of domestic and international competitions.

Children's Soccer Academy

Hyundai Steel runs a soccer academy for elementary school students in Incheon, using the same soccer stadium which the company's women's soccer team plays at. Hosted every summer since 2003, the Children's Soccer Academy cultivates soccer skills, sportsmanship, and the proper mindset in the next generation of players.



● **Scholarship Programs: Fostering Future Leaders**

Scholarship Programs for Training On-site Researchers at Social Enterprises

Since 2007, Hyundai Steel has operated scholarship programs in partnership with Sungkonghoe University's Graduate School of Social Welfare for training on-site researchers at social enterprises. The program trains aspiring future leaders of philanthropic organizations to provide good jobs for those most under-represented in the workforce. The training is done both in Korea and abroad, and involves a number of forums and other practical programs.

Junior Engineering Academy

Hyundai Steel has run its Junior Engineering Academy for elementary school students in Dangjin since 2005. Developed by the Korean National Academy of Engineering, the courses involve various scientific experiments, such as working with magnetic levitation propulsion trains and making voltaic batteries. The 50 trained volunteers, who are all Hyundai Steel employees, led a total of six classes in 2010.

● **Environmental Conservation**

One Company-One River Activities

For our One Company-One River Activities, Hyundai Steel takes part in regular cleanups of Incheon's Gulpo River. In 2010, 50 volunteers picked up litter along the 2.4km riverbank and helped clean the bottom of the river.

Underwater Cleanup Activities

The scuba diving clubs at Dangjin Works and Pohang Works go scuba diving to clean the bottom of bodies of water eight times a year.

Flea Markets

Hyundai Steel holds flea markets in partnership with local communities in Incheon and Pohang. At these flea markets, employees and their families have a chance to sell their unused goods for reuse to local residents, donating all proceeds to social causes. In the future, we plan on establishing the event biannually in promotion of reusing resources in local communities.



Hyundai Steel's Women's Soccer Team



Junior Engineering Academy



One Company-One River Protection Campaign

Appendix

Third Party Assurance Report _ 80
GRI Guidelines _ 82

Third Party Assurance Report

To the Stakeholders of the HYUNDAI STEEL Sustainability Report 2011

Upon request of Hyundai Steel, the Institute for Industrial Policy Studies as a “third party assurance provider” (hereinafter referred to as the “Assurance Provider”) presents the following third party’s assurance report on the “HYUNDAI STEEL Sustainability Report 2011 (hereinafter referred to as the “Report”)”

Accountability and Objective

Hyundai Steel is held accountable for all information and claims contained in the Report including sustainability management goal setting, performance management, data collection and report preparation. The objective of this assurance report is to check whether the Report is free of material misstatement or bias and whether the data collection systems used are robust, and to offer advice on improving the quality of the Report through identifying sustainable management issues and reviewing its reporting process.

Independence

The Assurance Provider has no relations with Hyundai Steel regarding any of its for-profit operations and activities. In addition, the Assurance Provider has carried out its assurance process with independence and autonomy as it was not involved in the preparation of the Report except for offering comments in the process.

Criteria for Assurance

The Assurance Provider assessed the Report against the following guidelines:

- AA1000 Assurance Standard (2008)¹
- BEST Guideline²
- Global Reporting Initiative(GRI) G3 Sustainability Reporting Guidelines³

Type and Level of Assurance

The Assurance Provider conducted assurance process for the Report in accordance with Type 1 and Moderate Level of AA1000AS (2008).

- The Assurance Provider evaluated the reliability of the data compiled in the Report for Type 1 assurance, and assessed publicly disclosed information, reporting system and performance management process based on the three core principles of AA1000AS (2008), namely Inclusivity, Materiality and Responsiveness. However, this assurance engagement does not provide the evaluation of the credibility of the offered data.
- The Assurance Provider pursued moderate level of assurance where sufficient evidence has been obtained and limited sampling has been conducted at each performance sector to support its assurance report such that the risk of its conclusion being in error is reduced but not reduced to very low or not zero.

Scope and Methodology

The Assurance Provider carried out the following activities in order to (1) review the extent to which The Report applies the principles of Inclusivity, Materiality and Responsiveness and (2) assess the Report’s application level of the GRI/ BEST Sustainability Reporting Guidelines.

- Evaluating the sources of publicly disclosed information and internal parties involved
- Verifying the performance data collection systems and processes
- Ensuring the financial data in the Report and Hyundai Steel’s audited financial reports correspond
- Reviewing the Hyundai Steel’s response system for material issues
- Conducting interviews with managers and staffs responsible for dimension-specific performance
- Completing on-site due diligence focusing on the Seoul office (May 24, 2011)
- Evaluating the Report as to its adherence to GRI/ BEST Guidelines

Limitations

- A review of the accuracy and reliability of data and interviews with persons in charge of data collection and performance-related information at management levels
- Verifying the data and inquiries into each functional manager and information collection manager
- On-site validation focused on the Seoul office
- Assurance engagement based on data and publicly available information only during the current reporting period
- Evaluation of the reliability of the performance data being excluded

Conclusions

The Assurance Provider did not find the Report to contain any material misstatements or bias on the basis of the scope, methodology and criteria described above. All material findings of the Assurance Provider are provided herein, and detailed findings and follow-up recommendations have been submitted to the Hyundai Steel.

[Inclusivity]: Is Hyundai Steel’s strategy-setting and engagement process for stakeholder participation adequate?

The Assurance Provider noted the emphasis placed by the Company on stakeholder communications in the implementation of its sustainability management program. Hyundai Steel has put in place a regular channel of communication with its respective stakeholders i.e. shareholders, investors, customers, suppliers, management and staff, and the local community. It is the Assurance Provider’s view that Hyundai Steel has been using these channels to better identify issues requiring a greater focused effort, while engaging stakeholders in the development and implementation of a strategic and responsible response to achieve sustainability management. The following points were found to be particularly commendable.

1 AA1000 AS(Assurance Standard)

is a sustainability reporting standard developed by Accountability in its pursuit to promote overall organizational performance and accountability by improving the quality of social and ethical accounting. As a U. K. based not-for-profit organization focusing on corporate social responsibility and business ethics, Accountability first developed AA1000AS in 1999 and amended the standards in 2008 for application in 2010.

2 BEST Guideline or BEST Sustainability Reporting Guideline is a guideline for the preparation and assurance of sustainability reporting and offers five levels of reporting quality assessment. It was jointly developed by the Ministry of Knowledge Economy (MKE), the Institute for Industrial Policy Studies (IPS), and the Korea Chamber of Commerce and Industry (KCCI) in the Business Ethics Sustainability Management for Top Performers (BEST) forum in their endeavor to promote sustainability reporting among local companies.

3 GRI Sustainability Reporting Guidelines were jointly convened by the Coalition for Environmentally Responsible Economies (CERES) and UNEP in 1997. GRI announced the G3 Guideline, the third edition of its sustainability reporting guidelines, in October 2006.

- ☐ Continuous use of stakeholder surveys, with an increasingly extended scope to be more inclusive of multiple stakeholders.
- ☐ Efforts to actively reflect stakeholder views in identifying priority issues for sustainability management.
- ☐ Efforts to reflect customer views on product development and quality improvement.

Going forward, the Assurance Provider suggests providing a fuller account of the process for managing customer view-points at the level of the top management and other decision-making processes.

[Materiality]: Does the Report contain information of the highest material importance to Hyundai Steel stakeholders?

It is the Assurance Provider’s view that the Report covers issues of material importance to the stakeholders of Hyundai Steel. We verified that the Company has identified issues material to Hyundai Steel’s internal and external stakeholders through a refined process of materiality test, consistent with the Assurance Provider’s recommendations regarding last year’s Report on expanding the scope of its surveys. The following points were found to be particularly commendable.

- ☐ The Report presents issues of material importance specific to different stakeholders; and
- ☐ Presents performance outcomes centering on material issues in a question and answer reporting format.

Going forward, the Assurance Provider suggests providing additional information on any emergent or newly identified issues, while comparing the relative materiality of the reported issues, and providing trend data tracking how the assessed materiality of particular issues changed by reporting period.

[Responsiveness]: Does the Report provide an adequate response to stakeholder demands and areas of interest?

It is the Assurance Provider’s view that Hyundai Steel has been working to be responsive to stakeholder demands. Recognizing the importance of effective communication with all stakeholders, the Company has employed various channels of communication to collect their views while also implementing various programs designed to respond to stakeholder requirements and high-interest issues. The following points were found to be particularly commendable.

- ☐ The Report provides information on the company’s organization that is in charge of responding to key issues; and
- ☐ Accounts for outcomes regarding issues of high-interest for stakeholders such as new product development, responding to climate change, fairness and transparency in business partner selection etc.

Going forward, the Assurance Provider suggests providing stronger coverage on actual stakeholder communication results on key material issues as well as presenting how it has processed and responded to stakeholder requirements.

[GRI Application Levels]

The Assurance Provider found the Report to apply to GRI G3 Reporting Framework at the level of A+. The GRI Application Level is assessed by the following table.

[BEST Fulfillment Levels]

The Assurance Provider found the Report to fulfill 96.3% of the reporting requirements necessary to qualify for a Level 5 Report (from among Level 1 ~ 5)

Recommendations

Relative to the prior year, the Assurance Provider found “HYUNDAI STEEL Sustainability Report 2011”, Hyundai Steel’s fourth Report, commendable on the following counts. The Report 1) provides reinforced coverage centered around issues of material stakeholder concern using a question and answer format; 2) informs readers on various Hyundai Steel products utilized in day to day life as well as key process-specific data as a means to provide a fuller overview of the Company’s products and management activities; and 3) reflects efforts by the Company to better accommodate its stakeholders by adopting a new Report design as well as new format for its table of contents.

For future reports, the Assurance Provider suggests the following considerations.

- Present performance results against mid-to-long terms sustainability management targets.
- Provide stronger disclosure of performance results.

Based on the findings of this assurance report as well as the recommendation letter that was submitted separately, the Assurance Provider recommends that Hyundai Steel establish a more systematic system for sustainability management and reporting.



Eligibility of IPS as an Assurance Provider

Established in 1993, the Institute for Industrial Policy Studies (IPS) has accumulated broad expertise in the areas of ethics management, corporate social responsibility and sustainable management since 2002, and serves as a third party assurance provider for the sustainability reports published by local companies. IPS has conducted the assurance engagement upon request of Hyundai Steel, and assembled a team of five assurance providers who are professors at Korea’s top universities or professionals with accreditation and extensive experience in sustainability management after majoring in business management, accounting or environmental science.



AA1000
Licensed Assurance Provider
000-24

June 13, 2011

Jae-eun Kim

President, The Institute for Industrial Policy Studies

GRI Guidelines

● Reported ① Partially Reported ○ Not Available ◇ Not Applicable

Company Overview					
Profile	GRI Index	Indicators	Reporting Status	Page	BEST Index
Strategy and Analysis	1.1	Statement from the most senior decision-maker of the organization	●	2~3, 12~13	A_1
	1.2	Description of key impacts, risks, and opportunities	●	15	A_2
Organizational Profile	2.1	Name of the organization	●	Cover	A_3
	2.2	Primary brands, products, and/or services	●	8~11	A_4
	2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	●	Annual report, 7	A_5
	2.4	Location of organization's headquarters	●	Annual report	A_7
	2.5	Number of countries where the organization operates and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	●	7	A_7
	2.6	Nature of ownership and legal form	●	22	A_8
	2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	●	37	A_9
	2.8	Scale of the reporting organization	●	31, 59	A_10
	2.9	Significant changes during the reporting period regarding size, structure, or ownership	●	Annual report, 40~41	B_8
	2.10	Awards received in the reporting period	●	19	CO8
Report Parameters	3.1	Reporting period (e.g., fiscal/calendar year) for information provided	●	1	B_3
	3.2	Date of most recent previous report (if any)	●	1	B_8
	3.3	Reporting cycle (annual, biennial, etc.)	●	1	B_6
	3.4	Contact point for questions regarding the report or its contents	●	1	B_9
	3.5	Process for defining report content	●	21	B_4
	3.6	Boundary of the report	●	1	B-1
	3.7	State any specific limitations on the scope or boundary of the	●	1	B-2
	3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that cansignificantly affect comparability from period to period and/or between organizations	◇		A_6
	3.9	Data measurement techniques and the bases of calculations	●	51, 53, 55	-
	3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	●	1	-
	3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	◇		B_5
	3.12	Table identifying the location of the Standard Disclosures in the report	●	Appendix	B_10
	3.13	Policy and current practice with regard to seeking external assurance for the report	●	Appendix	B_7
Governance, Commitments, and Engagement	4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	●	22, 23	GR1
	4.2	Indicate whether the Chair of the highest governance body is also an executive officer	●	22	GR1 GR3
	4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members	●	22	GR2
	4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	●	4-1	GR12
	4.5	Linkage between compensation for members of the highest governance body for guiding the organization's performance	①	23	GR7
	4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	●	23	GR13
	4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics	●	Annual report, 22	GR4
	4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	●	18, Web site	-
	4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including relevant risks and opportunities	●	2010 Report, 18	GR5
	4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	①	23	GR6
	4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	●	24	GR11
	4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	●	Web site, Appendix	GR10
	4.13	Memberships in associations and/or national/international advocacy organizations	●	Web site, Appendix	A_11
	4.14	List of stakeholder groups engaged by the organization.	●	4-1	C_1 C_2
	4.15	Basis for identification and selection of stakeholders with whom to engage	●	4-1	C_1
	4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	●	4-1	C_2
	4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns	①	4-1, 28-1, 44-1, 56-1	C_3

Economic Performance					
Performance Indicator	GRI Index	Indicators	Reporting Status	Page	BEST Index
EC		Disclosure on Management Approach	●	21	
Economic Performance	EC1	Direct economic value generated and distributed	●	32	EC1
	EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	●	50	EC2
	EC3	Coverage of the organization's defined benefit plan obligations	●	Annual Report	EC3
	EC4	Significant financial assistance received from government	◇	Supplementary information	EC5
Market Presence	EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	●	Annual Report	EM4
	EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	◇	Supplementary information	EC4
	EC7	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	◇	Supplementary information	EC4
Indirect Economic Impacts	EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	●	73, 74~76	EC6
	EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	①	59	EC7

Environmental Performance					
Performance Indicator	GRI Index	Indicators	Reporting Status	Page	BEST Index
EN		Disclosure on Management Approach	●	21	
Materials	EN1	Materials used by weight or volume	●	Special Page	EV10
	EN2	Percentage of materials used that are recycled input materials	●	44~45	EV11
Energy	EN3	Direct energy consumption by primary energy source	●	44	EV7
	EN4	Indirect energy consumption by primary source	●	44	EV8
	EN5	Energy saved due to conservation and efficiency improvements	①	45, 51	EV5
	EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	◇	Supplementary information	EV5
Water	EN7	Initiatives to reduce indirect energy consumption and reductions achieved	●	45	EV5 EV25
	EN8	Total water withdrawal by source	●	52~53	EV9
	EN9	Water sources significantly affected by withdrawal of water	●	Supplementary information	EV20
	EN10	Percentage and total volume of water recycled and reused	●	45, 53	EV18
Biodiversity	EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	◇	Supplementary information	EV22
	EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	◇	Supplementary information	EV22 EV26
	EN13	Habitats protected or restored	◇	Supplementary information	EV27
	EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	◇	Supplementary information	-
	EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	◇	Supplementary information	EV28
Emissions, Effluents, and Waste	EN16	Total direct and indirect greenhouse gas emissions by weight reductions achieved	●	45	EV12
	EN17	Other relevant indirect greenhouse gas emissions by weight	●	45	EV13
	EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	●	50~51	EV4
	EN19	Emissions of ozone-depleting substances by weight	◇	Supplementary information	EV14
	EN20	NOx, SOx, and other significant air emissions by type and weight	●	54	EV15
	EN21	Total water discharge by quality and destination	●	53	EV17
	EN22	Total weight of waste by type and disposal method	●	55	EV16
	EN23	Total number and volume of significant spills	◇	Supplementary information	EV21
	EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	◇	Supplementary information	EV29
	EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	●	Supplementary information	EV19
Products and Services	EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	●	11, 44~45	EV23
	EN27	Percentage of products sold and their packaging materials that are reclaimed by category	●	44~45, 55	EV24
Compliance	EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	●	Supplementary information, 55	EV31
Transport	EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	◇	-	EV30
Total	EN30	Total environmental protection expenditures and investments by type	●	52	EV1

Social: Labor Practices and Decent Work Performance					
Profile	GRI Index	Indicators	Reporting Status	Page	BEST Index
LA		Disclosure on Management Approach	●	21	
Employment	LA1	Total workforce by employment type, employment contract, and region	●	Annual Report, 59	EM1
	LA2	Total number and rate of employee turnover by age group, gender, and region	●	59	EM5
	LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	●	60~61	EM20
Labor/ Management Relatioans	LA4	Percentage of employees covered by collective bargaining agreements	●	64	EM12
	LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	●	2010 Report	EM13
Occupational Health and Safety	LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	●	62	EM14
	LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	○		EM19
	LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	●	62~63	EM18
	LA9	Health and safety topics covered in formal agreements with trade unions	○	62	EM15
Training and Education	LA10	Average hours of training per year per employee by employee category	●	60	EM27
	LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	●	Supplementary information	EM28
	LA12	Percentage of employees receiving regular performance and career development reviews	●	62	EM29
Diversity and Equal Opportunity	LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	●	59	EM2
	LA14	Ratio of basic salary of men to women by employee category	●	Supplementary information	EM3

Human Rights Performance					
Profile	GRI Index	Indicators	Reporting Status	Page	BEST Index
HR		Disclosure on Management Approach			
Investment and Procurement Practice Non-discrimination	HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	○		PN2
	HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	●	71	PN3
	HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	●	25	EM30
	HR4	Total number of incidents of discrimination and actions taken	●	Supplementary information	EM7
Freedom of Association and Collective-Bargaining	HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	●	Supplementary information	EM8
Child Labor	HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	●	Supplementary information	EM9
Forced and Compulsory Labor	HR7	Operations that are likely to have forced labor and measures taken	●	Supplementary information	EM10
Security Practices	HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	●	25	EM31
Indigenous Rights	HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	◇		CO2

Society Performance					
Profile	GRI Index	Indicators	Reporting Status	Page	BEST Index
SO		Disclosure on Management Approach			
Community	SO1	Nature, scope, and effectiveness of any programs andpractices that assess and manage the impacts of operations oncommunities, including entering, operating, and exiting	●	21	CO2
Corruption	SO2	Percentage and total number of business units analyzed forrisks related to corruption	●	26	CO5
	SO3	Percentage of employees trained in organization's anti-corruption policies and procedures	●	25	CO5
Public Policy	SO4	Actions taken in response to incidents of corruption	●	25	CO5
	SO5	Public policy positions and participation in public policydevelopment and lobbying	●	Supplementary information	CO6
Anti-competitive Behavior	SO6	Total value of financial and in-kind contributions to politicalparties, politicians, and related institutions by country	●	Supplementary information	CO7
Unfair Competition Behavior	SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	●	Supplementary information	CS3
Compliance	SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	●	Supplementary information	CO9

Product Responsibility Performance					
Profile	GRI Index	Indicators	Reporting Status	Page	BEST Index
PR		Disclosure on Management Approach	●	21	
Customer Health and Safety	PR1	Life cycle stages in which health and safety impacts of productsand services are assessed for improvement, and percentage ofsignificant products and services categories subject to such procedures	●	44~45, 67	CS4
	PR2	Total number of incidents of non-compliance with regulationsandvoluntary codes concerning health and safety impacts of productsand services during their life cycle, by type of outcomes	●	67	CS11
Product and Service Labeling	PR3	Type of product and service information required byprocedures, and percentage of significant products and servicessubject to such information requirements	●	66~67	CS5
	PR4	Total number of incidents of non-compliance with regulationsand voluntary codes concerning product and service informationand labeling, by type of outcomes	●	67	CS12
	PR5	surveys measuring customer satisfaction	●	66~68	CS9
Marketing Communications	PR6	Programs for adherence to laws, standards, and voluntarycodes related to marketing communications, includingadvertising, promotion, and sponsorship	●	67	CS13
Customer Privacy	PR7	Total number of incidents of non-compliance with regulationsand voluntary codes concerning marketing communications,including advertising, promotion, and sponsorship by type ofoutcomes	●	67	CS14
	PR8	Total number of substantiated complaints regarding breaches ofcustomer privacy and losses of customer data	●	67	CS15
	PR9	Monetary value of significant fines for non-compliance with lawsand regulations concerning the provision and use of productsand services	●	67	CS12

[GRI Application Levels]

The Assurance Provider found the Report to apply to GRI G3 Reporting Framework at the level of A+. The GRI Application Level is assessed by the following table.

Rport Application Level		C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures OUTPUT	Report on : 1.1 2.1-1.10 3.1-3.8, 3.10-3.12 4.1-4.4, 4.14-4.15		Report on all criteria tested for level C plus : 1.2 3.9, 3.13 4.5-4.13, 4.16-4.17		Same as requirement for Level B	
	G3 Management Approach Disclosures OUTPUT	Not Required	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured
	G3 Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Report on a minimum of 10 performance Indicators, including at least one from each of : Economic, Social and Environmental		Report on a minimum of 20 performance Indicators, at least one from each of Economic, Environmental , Human rights, Lobor, Society Product Reponsibility.		Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either : a) reporting on the Indicator or b) explaining the reason for its omission.	* Assurance findings were converted uniformly into fulfillment ratios as measured against Level 1 through 5 requirements.

[BEST Fulfillment Levels]

The Assurance Provider found the Report to fulfill 96.3% of the reporting requirements necessary to qualify for a Level 5 Report (from among Level 1 ~ 5)

Reporting Year	2008	2009	2010	2011
Publications	1st	2nd	3rd	4th
Level	Level 4	Level 4	Level 4	Level 4
Fulfillment	95.6%	95.6%	97.1%	96.3%

Additional Information on Hyundai Steel's Performance			
Economic Performance	EC4	Significant financial assistance received from government	There was no government subsidy during the reporting period.
	EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	Hyundai Steel has a policy of equal employment and procurement, which considers performance or qualifications only.
	EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	
Energy	EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	Due to the nature of the business, it's not applicable to Hyundai Steel.
Water	EN9	Water sources significantly affected by withdrawal of water	<p>"The Incheon Works has a sewage treatment plant that re-treats the water discharged from the Gajwa Sewage Treatment Plant. The plant also supplies additional water from the Poongnap Waterworks when needed. The Pohang Works receives its water from Ahngye Dam and the Dangjin Works from Dae-Cheong Lake. Most of the cooling water is reused at the plants. Some waste water are physically, chemically, and biologically treated and then discharged legally.</p>
	EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	
Biodiversity	EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Hyundai Steel does not own, lease or manage land in, or adjacent to, protected areas and areas of high biodiversity value.
	EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	
	EN13	Habitats protected or restored	There has been no indication that Hyundai Steel's activities have had a negative impact on biodiversity in adjacent areas. Moving forward, Hyundai Steel continues to make a close investigation into the impacts on an ecosystem and manage them.
	EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	
	EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	
Effluents and Waste	EN19	Emissions of ozone-depleting substances by weight	There are no ozone-depleting substances emitted directly by Hyundai Steel.
	EN23	Total number and volume of significant spills	There was no case of significant spills and cross-border transactions of hazardous wastes.
	EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	
Compliance	EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	There was no violation of environmental law and regulations during the reporting period.
Labor	LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	<p>We offer courses for retirees to help these employees plan for a better future.</p> <p>We held a program of 'Planning for Post-retirement life' in both Incheon and Pohang Works</p>
	LA14	Ratio of basic salary of men to women by employee category	Hyundai Steel provides equal opportunity and does not discriminate against employees based on gender, age, nationality or racial background.
Human Right	HR4	Total number of incidents of discrimination and actions taken	Hyundai Steel prohibits discrimination of all kinds and there was no incident of discrimination during the reporting period.
	HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	<p>Hyundai Steel guarantees freedom of association and does not discriminate against members of labor unions for their legitimate activities.</p> <p>There was no interruption in production due to strikes during the reporting period.</p>
	HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	<p>Following the 10 principles of the UN Global Compact as a signatory, and as a law abiding corporate citizen who complies with labor laws, we prohibit child and forced labor, and completely comply with laws on non-discrimination.</p>
	HR7	Operations that are likely to have forced labor and measures taken	
Society	SO5	Public policy positions and participation in public policy development and lobbying	Hyundai Steel does not conduct participate in illegal lobbying and other political affairs, including illegal financial contributions to political parties or politicians.
	SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	
	SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Regarding fair trade actions, non-compliance incident was identified, during the reporting period.
	SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Hyundai Steel was not subjected neither violation nor penalties during the reporting period.