

Beyond Steel

Hyundai Steel,
Integrated Report 2021
(ENGLISH)





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Overview

Overview

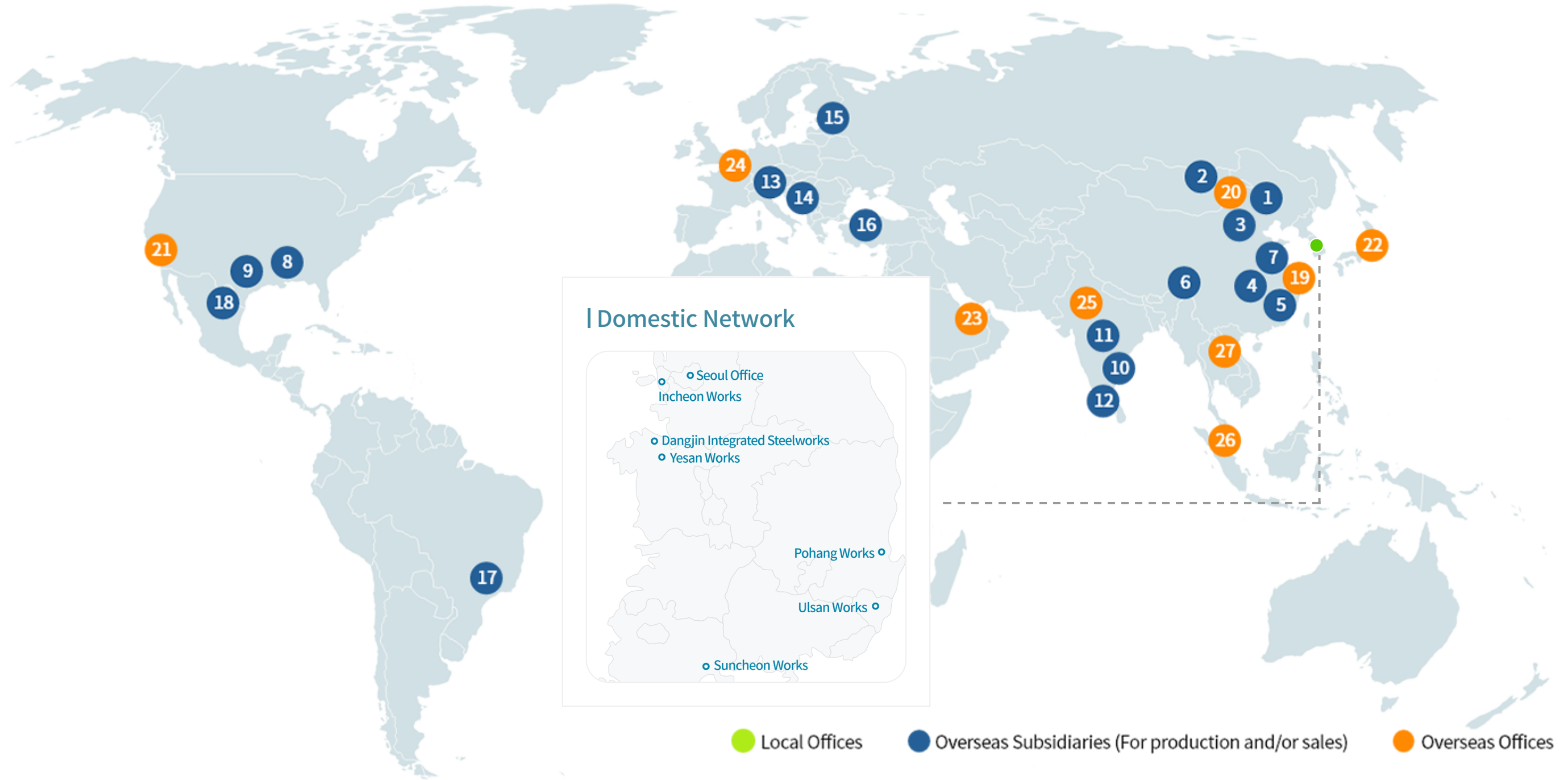
Global Offices

1.1

Since our establishment, Hyundai Steel has been leading the steel industry’s advancement and contributing to the development of the national economy. We have grown into a global steelmaker with a world-class product portfolio that includes Reinforcing Bar, Sections, Hot Rolled Sheet/Coils, Cold Rolled Sheet/Coils, Plates, Special Steel, Automotive Parts, etc. By implementing the resource circulation model that links our Electric Arc Furnaces to our Blast Furnaces, we are creating greater value together with our customers and community. Moving forward, we will create new possibilities and value for steel, lead the advancement of industry, and generate sustainable corporate value through continuous research and development.

Hyundai Steel operates the Incheon Works(Jungbongdae-ro Dong-gu, Incheon Metropolitan City), Pohang Works(Donghaean-ro, Nam-gu, Pohang City, Gyeongsangbuk-do), Dangjin Integrated Steelworks(Bukbusaneopno, Songak-eup, Dangjin City, Chungcheongnam-do), Suncheon Works(Indeok-no, Haeryong-myeon, Suncheon City, Jeollanam-do), Ulsan Works(Yeompo-ro, Buk-gu, Ulsan Metropolitan City), and Yesan Works(Hyorim-ri, Sapgyo-eup, Yesan-gun, Chungcheongnam-do), and is headquartered in Jungbongdae-ro Dong-gu, Incheon Metropolitan City.

Overseas Network [from the 2020 Business Report]





Overseas Subsidiaries

China

- 1

Tianjin [HSCN] Hyundai Steel Investment (China) Co., Ltd.

Main activities: Overseas Steel Service Center and Investment Support

Headcount: 15
- 2

Beijing [HSBJ] Hyundai Steel Beijing Process Co., Ltd.

Main activities: Overseas Steel Service Center

Headcount: 59
- 3

Tianjin [HSTJ] Hyundai Steel Tianjin Co.,Ltd.

Main activities: Overseas Steel Service Center

Headcount: 132
- 4

Jiangsu [HSJS] Hyundai Steel Jiangsu Process Co., Ltd.

Main activities: Overseas Steel Service Center

Headcount: 81
- 5

Suzhou [HSSZ] Hyundai Steel Suzhou Process Co., Ltd.

Main activities: Overseas Steel Service Center

Headcount: 23
- 6

Chongqing [HSCQ] Hyundai Steel Chongqing Co., Ltd.

Main activities: Overseas Steel Service Center

Headcount: 45
- 7

Qingdao [HSMC] Qingdao Hyundai Machinery Co., Ltd.

Main activities: Manufacturing and sale of excavators(continuous track)

Headcount: 134

US

- 8

Alabama [HSAL] Hyundai Steel America, Inc.

Main activities: Overseas Steel Service Center

Headcount: 116
- 9

Huston [HSSA] Hyundai Steel USA, Inc.

Main activities: Manufacturing and sales of steel pipe for automobiles

Headcount: 7

India

- 10

Chennai [HSCH] Hyundai Steel India Private, Ltd.

Main activities: Overseas Steel Service Center

Headcount: 48
- 11

Anantapur [HSAN] Hyundai Steel Anantapur Private, Ltd.

Main activities: Overseas Steel Service Center

Headcount: 39
- 12

Chennai [HSPI] Hyundai Steel Pipe India Private, Ltd.

Main activities: Sale of steel

Headcount: 167

Europe

- 13

Czech Republic [HSCZ] Hyundai Steel Czech s.r.o.

Main activities: Overseas Steel Service Center

Headcount: 62
- 14

Slovakia [HSSK] Hyundai Steel Slovakia s.r.o.

Main activities: Overseas Steel Service Center

Headcount: 59
- 15

Russia [HSRU] Hyundai Steel Rus LLC

Main activities: Overseas Steel Service Center

Headcount: 55
- 16

Turkey [HSTR] Hyundai Steel TR Automotive Steel Parts Co.Ltd

Main activities: Overseas Steel Service Center

Headcount: 55

South America

- 17

Brazil [HSBR] Hyundai Steel Industry and rade Brazil LLC

Main activities: Overseas Steel Service Center

Headcount: 39
- 18

Mexico [HSMX] Hyundai Steel Mexico S de R.L. de C.V

Main activities: Overseas Steel Service Center

Headcount: 77

Overseas Offices

China

- 19

Shanghai Office
- 20

Beijing Office

UAE

- 23

Dubai Office

India

- 25

New Delhi Office

Vietnam

- 27

Hanoi Office

US

- 21

LA Office

Japan

- 22

Tokyo Office

Germany

- 24

Frankfurt Office

Singapore

- 26

Singapore Office



| KEY FIGURE



Overseas business sites

18 subsidiaries and 9 offices in 14 countries



Sales

KRW 18.0234 trillion



Operating Profit

KRW 7.3 billion

Overview

Overview

Business Model

1.2

(as of 2020)



Financial Capital

Our operations are made possible by funding from our shareholders and lenders. Shareholder value is enhanced through our policy of shareholder returns.



Productive Capital

We produce a wide range of products, including Plates, Rods and Bars, and we continue to enhance our production capacity to meet market demand.



Human Capital

We continue to invest in recruiting and nurturing talented people as a key factor in strengthening our business competitiveness.

Input value

Total assets
KRW **34,845,040** million

Total debt
KRW **18,152,008** million

Total capital
KRW **16,693,031** million

Value created

Distribution of economic performance
KRW **11,378.8** billion

Dividend and interest payments
KRW **386.5** billion

Salary increase for employees
KRW **917.1** billion

Key raw materials
KRW **7,651.6** billion

Production volume
19,074 thousand tons

New hires
340 persons

Training hours
199,437 hours

Investment in education
KRW **3,587** million

Number of employees
11,544 persons

Retirement pension
KRW **736,188** million

Employees on parental leave
102 persons



Intellectual Capital

We are strengthening our technological competitiveness by engaging in continuous product R&D to create value for our customers.

R&D investment
KRW **142,536** million

Sales
KRW **18,023.4** billion

Customer satisfaction score
79.1 points



Environmental Capital

We are managing our environmental impact by investing in facilities for the efficient use of resources and by developing eco-friendly processing technologies.

Energy consumption
29.14 TWh

Water consumption
54,407,000 m³

Environmental management
KRW **299.5** billion

Environmental investment
KRW **152.8** billion

Recovery of environmental investment
KRW **177.2** billion

Wastewater treatment capacity
27,503 thousand m³

Recycling volume
10,388 thousand tons



Social Capital

We establish cooperative relationships with our diverse stakeholders by engaging in social contribution activities based on our social contribution vision.

Social contribution
KRW **10,541** million

Support for shared growth
KRW **103.62** billion

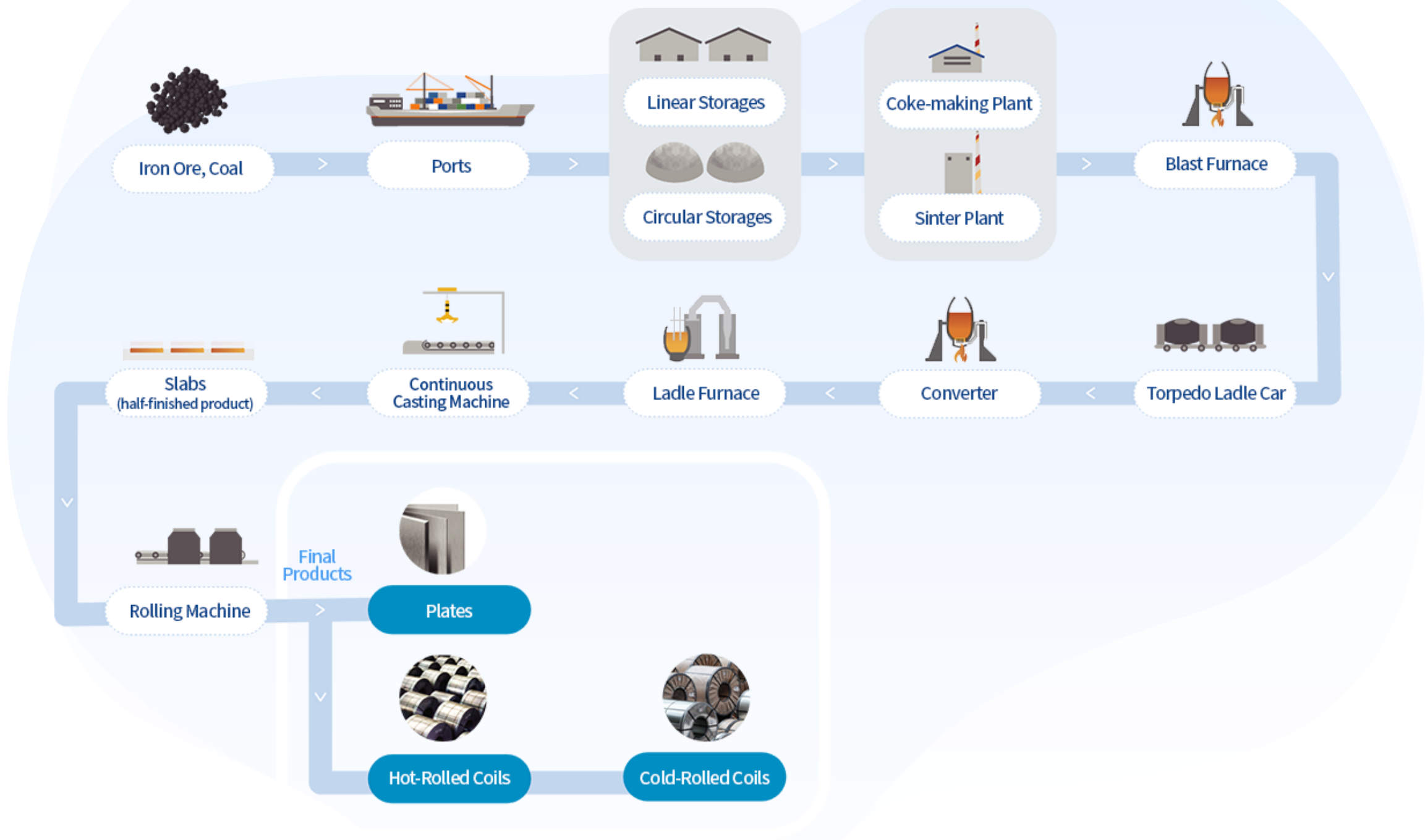
Association fees
KRW **3.09** billion

Volunteering hours
4,149 hours

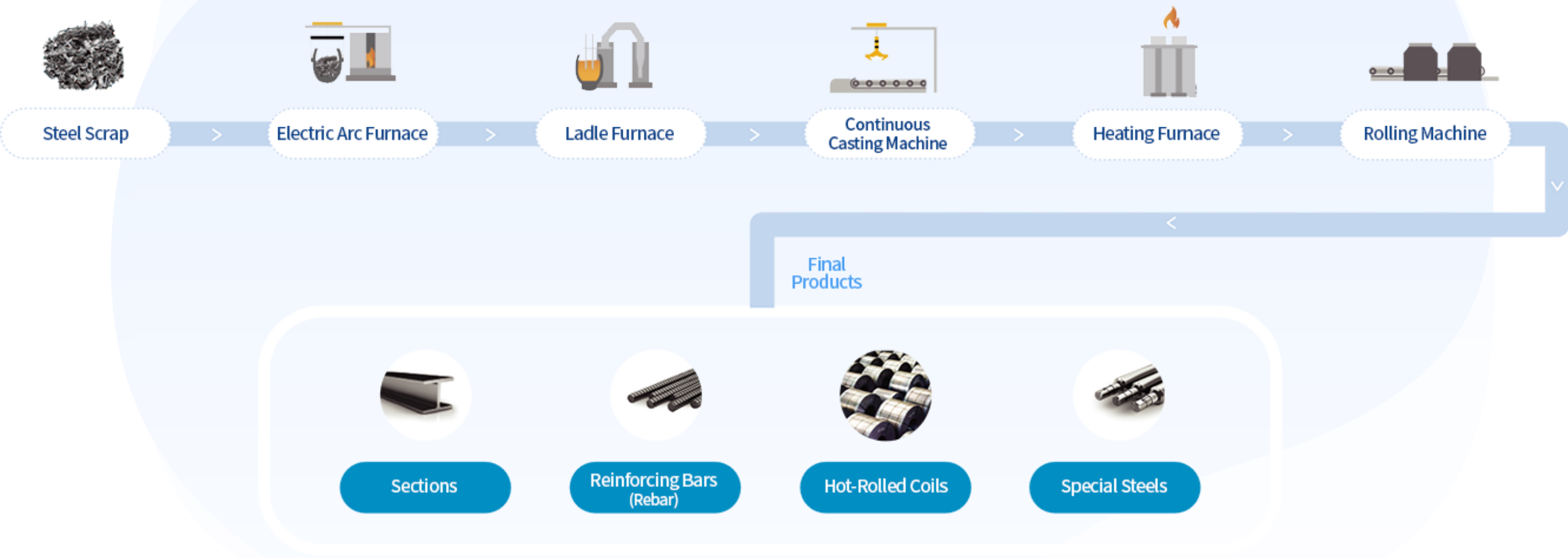
Number of partners
2,502 companies

VALUE CHAIN

| Integrated Steelworks Processing



| Electric Arc Furnace Processing



Overview

Overview

Sustainability Management

1.3

Our Mid- to Long-term Sustainability Management Strategy

Hyundai Steel has organized a mid- to long-term strategy for sustainability management comprising three key directions, four implementation strategies and 16 areas. We are actively engaged in executing and managing specific tasks for each priority areas. Based on this 'Mid- to Long-term Sustainability Management Strategy,' we will continue our commitment in meeting our targets to advance as a sustainable company.

Internalizing Strategic Goals for Sustainability Management

Hyundai Steel incorporates sustainability management targets into senior management performance evaluations such that they comprise at least 5% of the evaluation items. Starting in 2020, we analyzed impacts and risks to key business areas such as human rights, safety, the environment, governance and the supply chain, taking into account both domestic and global ESG trends and worked with expert advisers to identify high-priority items. Furthermore, we established an ESG governance system that sets out annual targets and strategies to implement over the next five years or less. Looking ahead, we plan to manage targets and tasks for sustainability management by incorporating key ESG items, such as ESG ratings, into employee performance targets.

VISION

Engineering the Future Beyond Steel

3 Major Points

Circular Economy

We provide a safe working environment to enhance employees' competency and secure work-life balance, and create a foundation for stakeholder participation to develop communities and create social values.



Sustainable Community

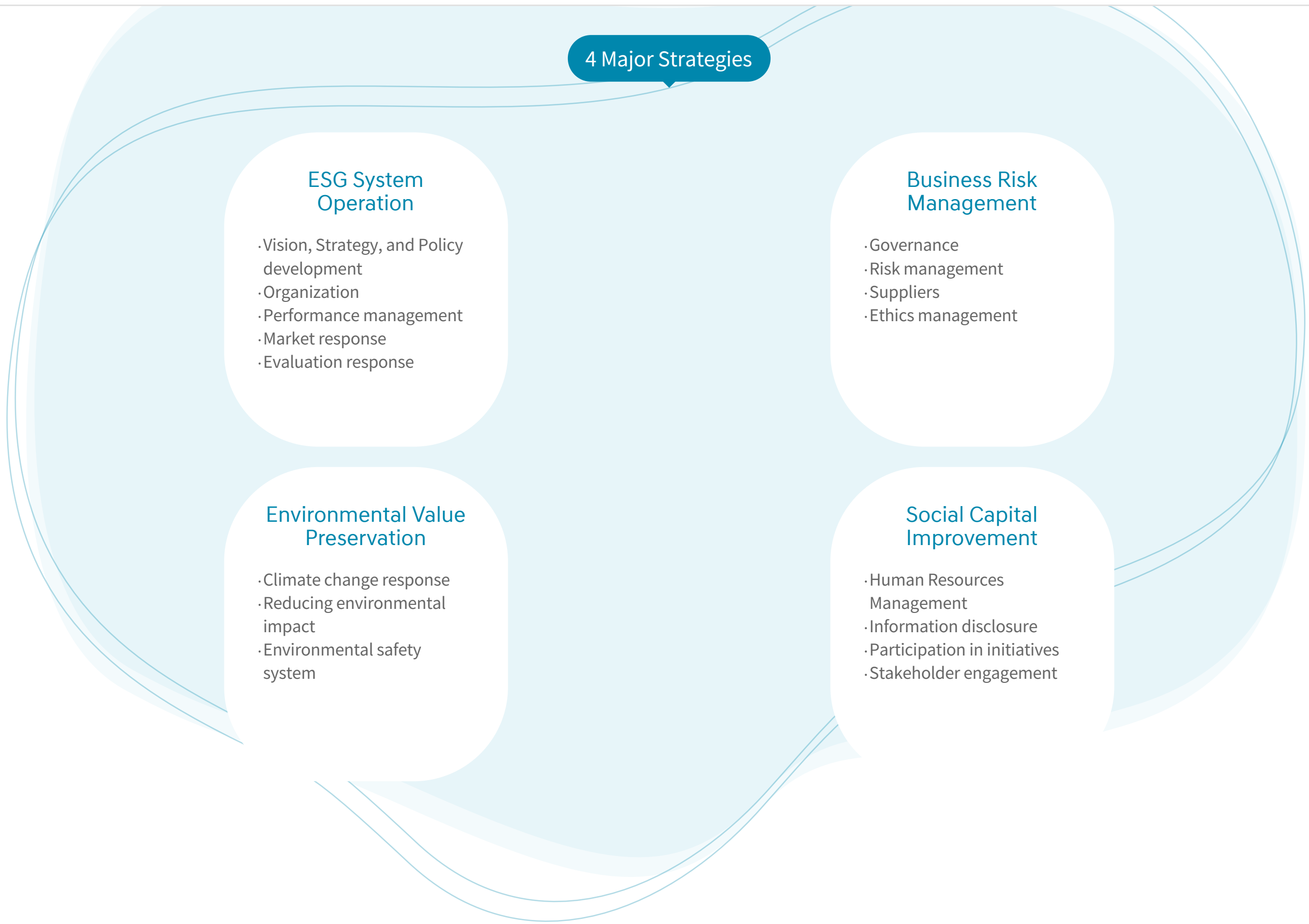
In order to lead the resource recycling for the future of the global society and future generations, we will create an eco-friendly ecosystem by responding to climate change, protecting water resources, and recycling by-products.



Responsible Business

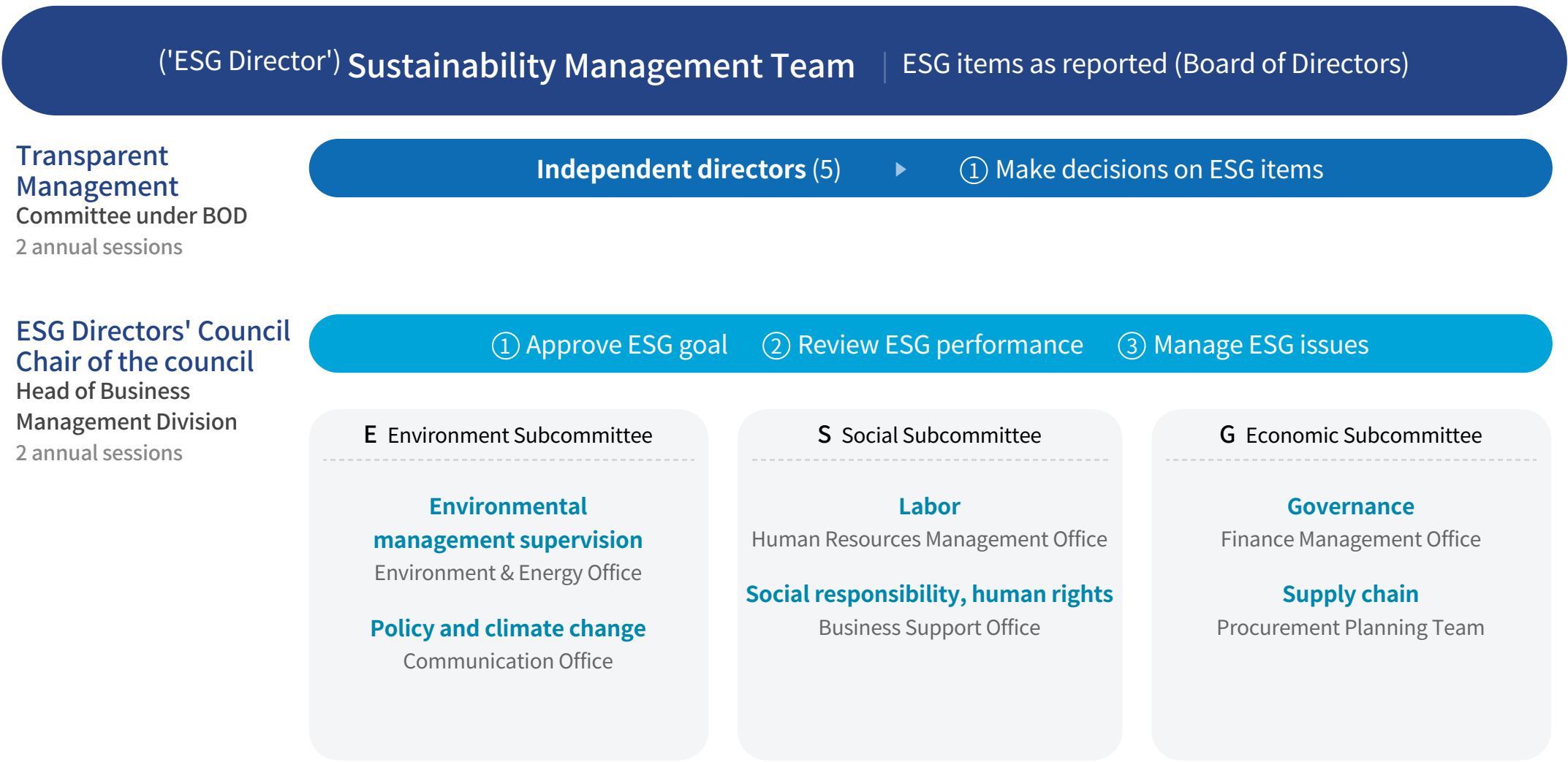
Create a safe and strong future through human-centered and innovative technology development, and create a sound management ecosystem that pursues the sustainability of the value chain whole process.





ESG Governance System

By establishing an ESG governance system, Hyundai Steel is systematically responding to ESG issues, and managing ESG-related tasks and targets



ESG Administrative
Council Chair of the
council
Director of General Affairs
Group
3 annual sessions

① Set ESG goal ② Respond to ESG issues ③ Implement ESG tasks ④ Respond to ESG evaluation

E Environment Subcommittee

Department in charge

External Affairs Team
Environment & Energy Planning Team

Working-level departments

Utility Facilities Team
Environment Conservation Team
Environment & Energy Technology Team
Environment & Energy Research Team

S Social Subcommittee

Department in charge

Sustainability Management Team

Working-level departments

Co-prosperity Communication Team
Growth Design Team
Safety Planning Team
Human Resources Management Team
Human Resources Support Team
PR Team

G Economic Subcommittee

Department in charge

Investor Relations Team

Working-level departments

Blast Furnace Business Planning Team
Procurement Planning Team
Technology Strategy Team
Security Planning Team
Business Management Team
Tax Team
Compliance Team

Overseas



Asia

China:

[HSCN] Hyundai Steel Investment (China) Co., Ltd.

[HSBJ] Hyundai Steel Beijing Process Co., Ltd.

[HSMC] Qingdao Hyundai Machinery Co., Ltd.

[HSTJ] Hyundai Steel Tianjin Process Co., Ltd.

[HSJS] Hyundai Steel Jiangsu Process Co., Ltd.

[HSSZ] Hyundai Steel Suzhou Process Co., Ltd.

[HSCQ] Hyundai Steel Chongqing Co., Ltd.

India:

[HSCH] Hyundai Steel India Private, Ltd.

[HSPI] Automotive Steel Pipe India Private, Ltd.

[HSAN] Hyundai Steel Anantapur Private Ltd.

Europe

[HSTR] Hyundai Steel TR Automotive Steel Parts Co., Ltd.

[HSRU] 33 Hyundai Steel Rus LLC

[HSCZ] Hyundai Steel Czech s.r.o.

[HSSK] Hyundai Steel Slovakia s.r.o.

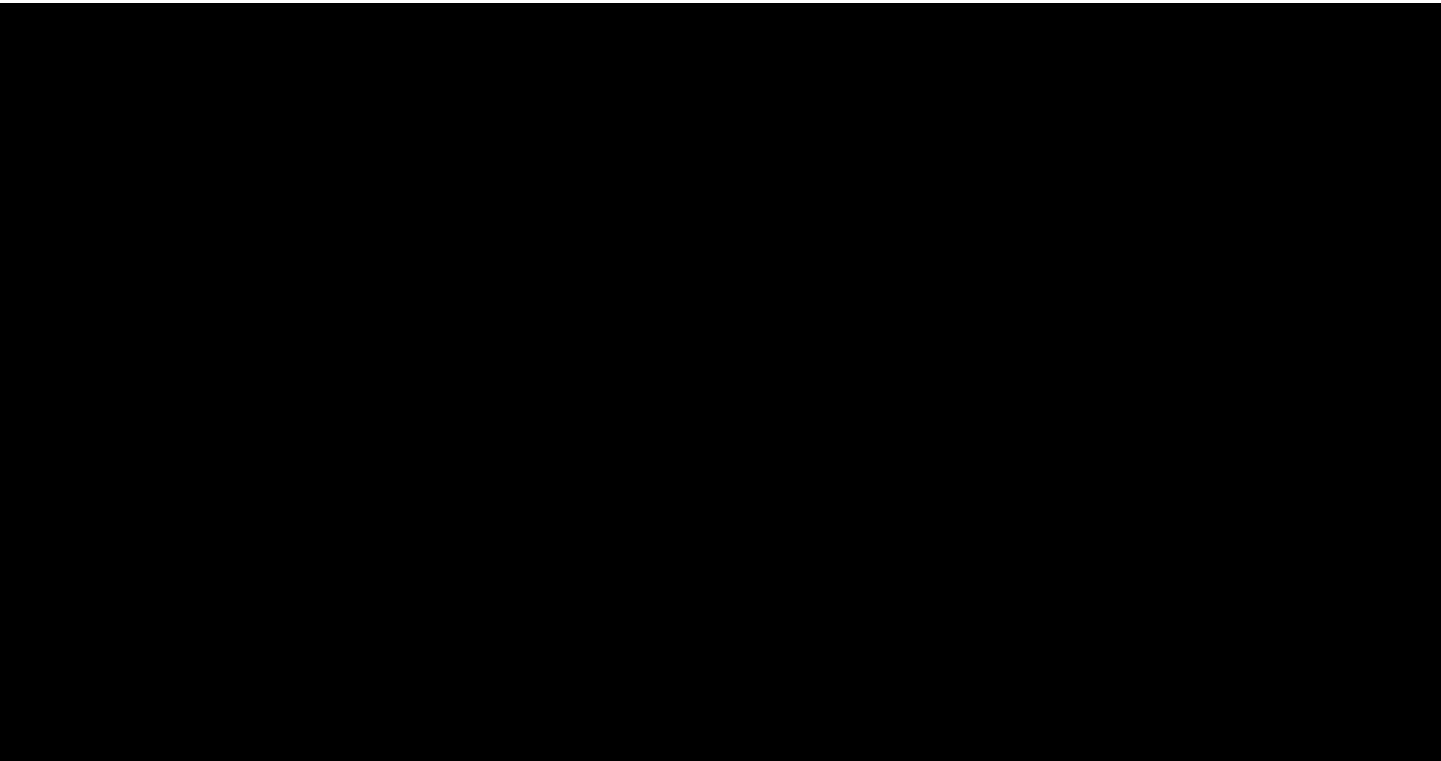
US

[HSAL] Hyundai Steel America, Inc.

[HSBR] Hyundai Steel Industry and Trade Brazil LLC

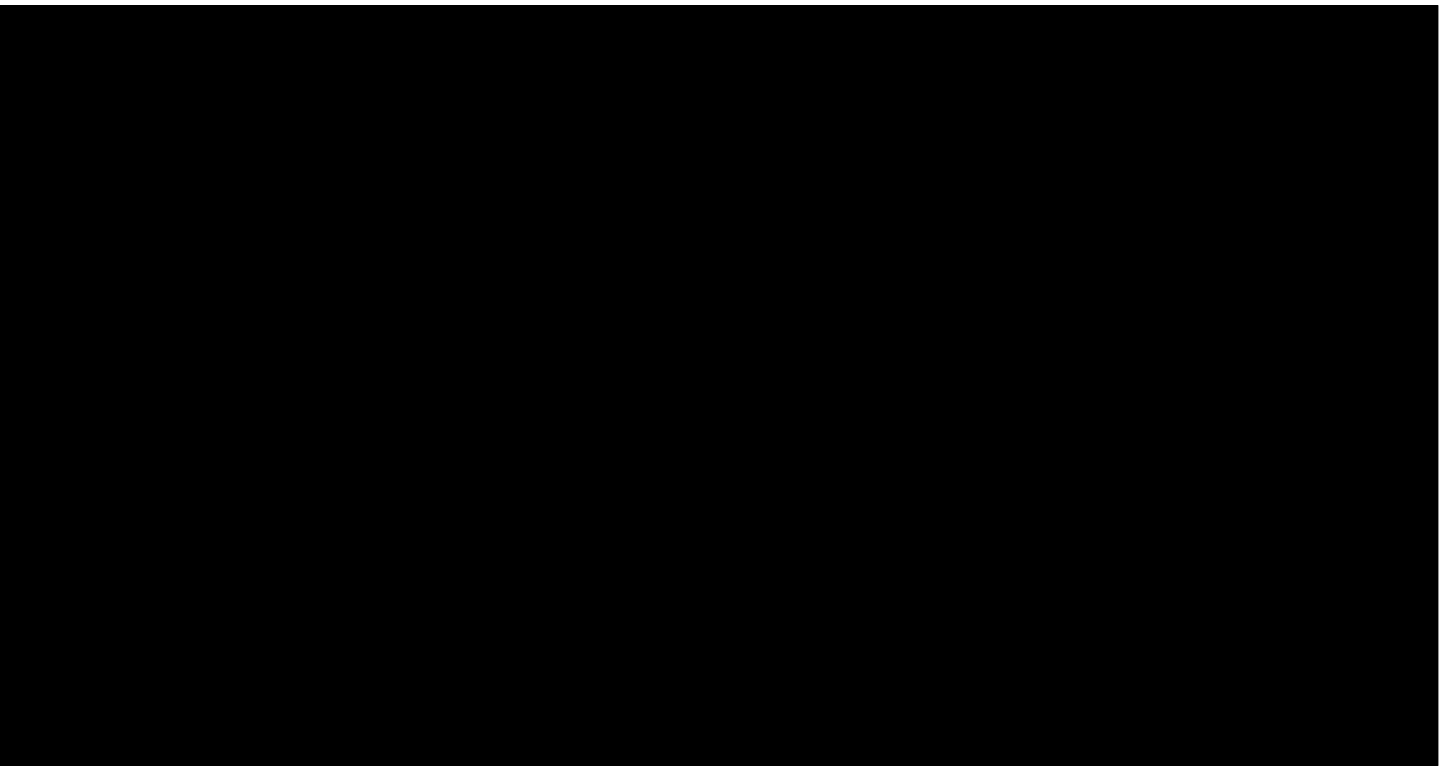
[HSMX] Hyundai Steel Mexico S de R.L.de C.V

Eco-friendly contents (1) Blast furnace safety valve



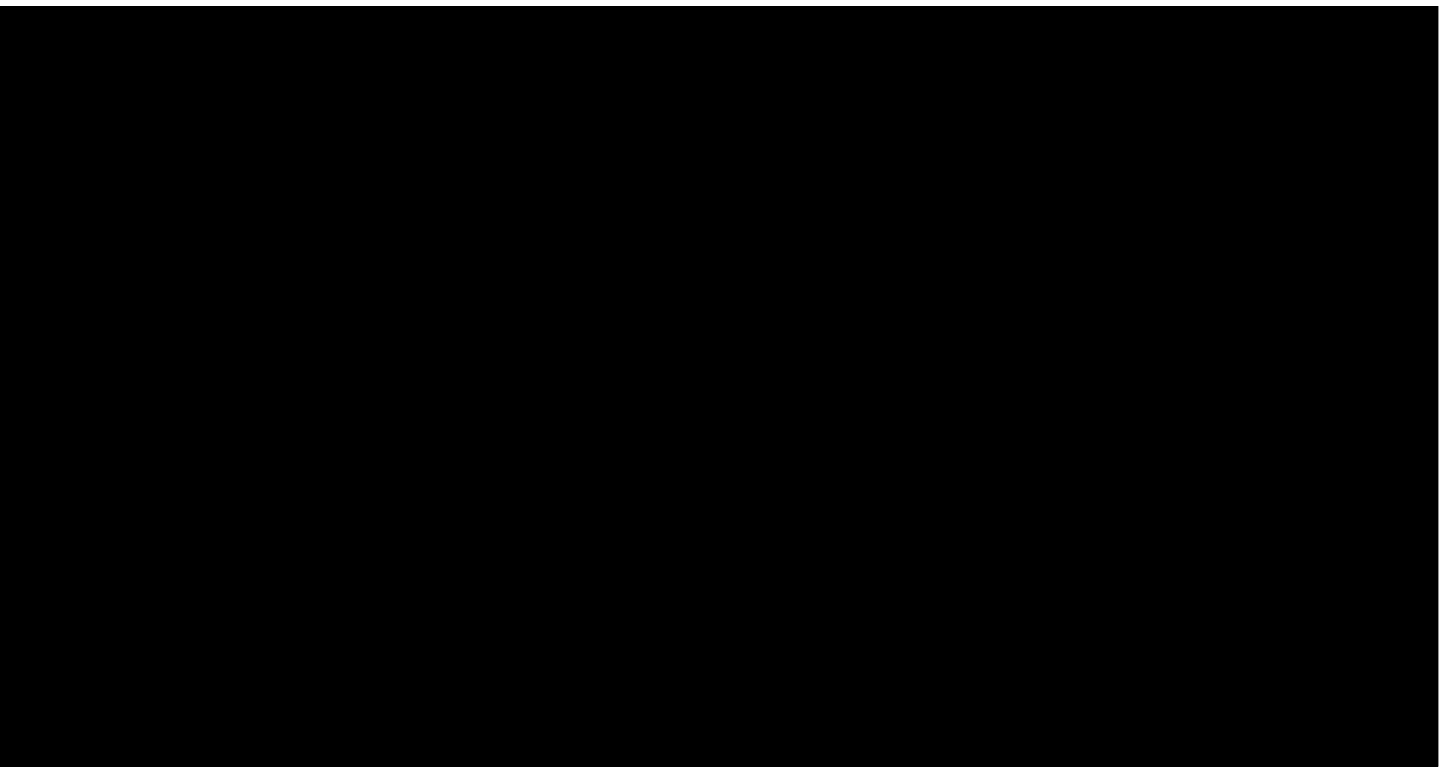
Blast furnace safety valve

Eco-friendly contents (2) Hydrogen vision



Hydrogen vision

Eco-friendly contents (3) Recycling of steel



Recycling of steel

Overview

Overview

CEO Message

1.4

“ Dear stakeholders, ”

We express our deepest gratitude for your unwavering support, trust, and encouragement to Hyundai steel.



It is my pleasure to share with you our numerous achievements and unwavering commitment to sustainability management through the publication of Hyundai Steel’s 6th integrated report, “Beyond Steel”. Please allow me to take this opportunity to extend my sincere gratitude to you all for your steadfast trust and support.

2020 was an incredibly challenging year due to the COVID-19 pandemic. The world was forced to grapple with unprecedented confusion and difficulties and the business environment has shrunk. Despite of all the difficulties, the members of Hyundai Steel strived to fulfill their respective duties continuing to improve performance and reforming business fundamentals to advance in the direction of social change.

Today, the definition of social value is undergoing rapid and profound change, just as it is for industrial structure. Accordingly, corporate social responsibility is broadening in line with renewed definitions of social value.

Corporate competitiveness is no longer measured solely by how companies respond to changes in industrial structure and market situations, with efforts to embrace social value emerging as yet another essential element of such competitiveness. At Hyundai Steel, we are fully embracing this trend and are striving to move forwards as sustainable business.

Focusing on three pillars of sustainability management

We have introduced a web-based integrated report for the first time in the steel industry to enhance communication with stakeholders. Through this web report, we will share our environmental, social, and economic performance more quickly and accurately with diverse stakeholders.

Enhancing communication

At Hyundai Steel, all employees endeavor to create a sustainable corporate future. We have established mid-to-long-term business strategies centered on three pillars—circular economy, sustainable society, and responsible business—and identified tasks to internalize them company-wide.



Establishing an ESG system which meets global standards

In today’s world, corporate sustainability is determined not only by financial factors, but also by non-financial factors such as the environment, society & governance. Hyundai Steel participates in a wide range of both domestic and overseas initiatives, thereby making efforts to quantify non-financial factors and establish an ESG system that meets global standards.

Businesses can only be sustainable in a sustainable society. The 'steel' that we produce plays a pivotal role in resource circulation, which is an integral part of a sustainable society. When its service life ends, steel is recovered as 'scrap metals' and reprocessed through electric arc furnace to be renewed as new steel. The recycling rate we achieved is above 90%

The electric arc furnace business of Hyundai Steel contributes to realizing a 'low-carbon, circular economy' through the efficient recycling of resources, as well as contributing to building a society where humankind can continue to develop sustainably.

As such, Hyundai Steel is striving to create a sustainable society as steelmaker. We hope you continue to show us your support and interest in our sustainable journey. As the CEO of Hyundai Steel, I will proactively communicate with all stakeholders, including shareholders and customers, and listen to your valuable opinions. Thank you.

June 2021
CEO & President of Hyundai Steel



Overview

Overview

About This Report

1.5

Report Outline

Hyundai Steel publishes an integrated report on an annual basis to disclose to stakeholders its business performance and sustainability management activities. Beginning in 2021, the report is issued as a web-based report. The content of this report is divided into five categories to help our stakeholders easily understand our value creating activities: Overview, ESG Issues, ESG Performance, Factbook, and Appendix.

Reporting Principles

This report has been prepared in accordance with the Core option of the GRI(Global Reporting Initiative) Standards, and refers to the IR(Integrated Reporting)Framework of the IIRC(International Integrated Reporting Council) Specific details can be found on the [GRI Index](#) page.

Reporting Scope and Boundaries

This report covers the period from January 1st to December 31st, 2020. Some performance data for the first half of 2021 is also included. Quantitative data is reported for the performance of the past three years. The reporting scope includes the sustainability activities and performance of local offices such as the head office, works, sales offices, etc. Some data includes overseas business sites.

Report Assurance

To ensure its reliability, this report has been verified by a global verification agency. The results can be found on the . '[Third Party Assurance Statement](#)' page.

Global initiatives and partnerships

Hyundai Steel is a member of the UN Global Compact(UNGC), which was established through cooperation between the UN and corporations to address global ethical and environmental issues. We also abide by ISO 26000, the global standard for management systems, which outlines principles and requirements for corporate social responsibility. Further, we participate in the Carbon Disclosure Project(CDP), which analyzes and evaluates corporate activities to respond to climate change. Our efforts to enhance sustainability have received public recognition. For example, we were included in the 'DJSI World' index in the Dow Jones Sustainability Indices(DJSI) in 2020 for the third consecutive year, and named as the “Industry Leader” in the steel industry for two years in a row. In addition, we have been included in both the 'DJSI Asia Pacific' index for 12 consecutive years and the 'DJSI Korea' index for three years running.

Reporting by

Sustainability Management Team, Business Management Division, Hyundai Steel
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Contributions by

Supervision

Hea-Jin Choi. General Affairs Group General Manager	Hyungchang Kim. Sustainability Management Team Team Leader	Gayun Kim. Sustainability Management Team Senior Manager	Wonsang Lee. Sustainability Management Team Senior Manager
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Environment

Jihoon Kwak. Environment & Energy Planning Team Senior Manager	Minkyung Kwon. Environment & Energy Engineering Team Manager	Sanghyuk Kim. Environmental Conservation Team Senior Manager	Junyoung Park. Environment and Energy Research Team Senior Research Engineer	Changyong Oh. Environment & Energy Planning Team Senior Manager
Junho Woo. Utility Facility Team Manager				

Society

Kyongsook Kim. Mutual Communication Team Senior Manager	Seonji Oh. HT management Team Manager	Min-A Woo. Talent Growth Design Team Manager	Sehyun Yun. Mutual Communication Team Senior Manager	Jungae Yoon. Sustainability Management Team Senior Manager
Namhyung Cho. Safety Planning Team Senior Manager	Sewoong Hwang. Human Talent Support Team Senior Manager			

Economy

Seonin Kim. Security Planning Team Senior Manager	Hoonsik Kim. Investor Relations Team Senior Manager	Miae Park. Blast Furnace Business Planning Team Senior Manager	Dongkyun Seo. Technology Strategy Team Senior Research Engineer	Woncheol Yoo. Compliance Team Manager
Seungju Lee. Public Relations Team	Seongjin Choi. Business Management Team	Jung Ho Choi. Procurement Planning Team		

Issues

Issues

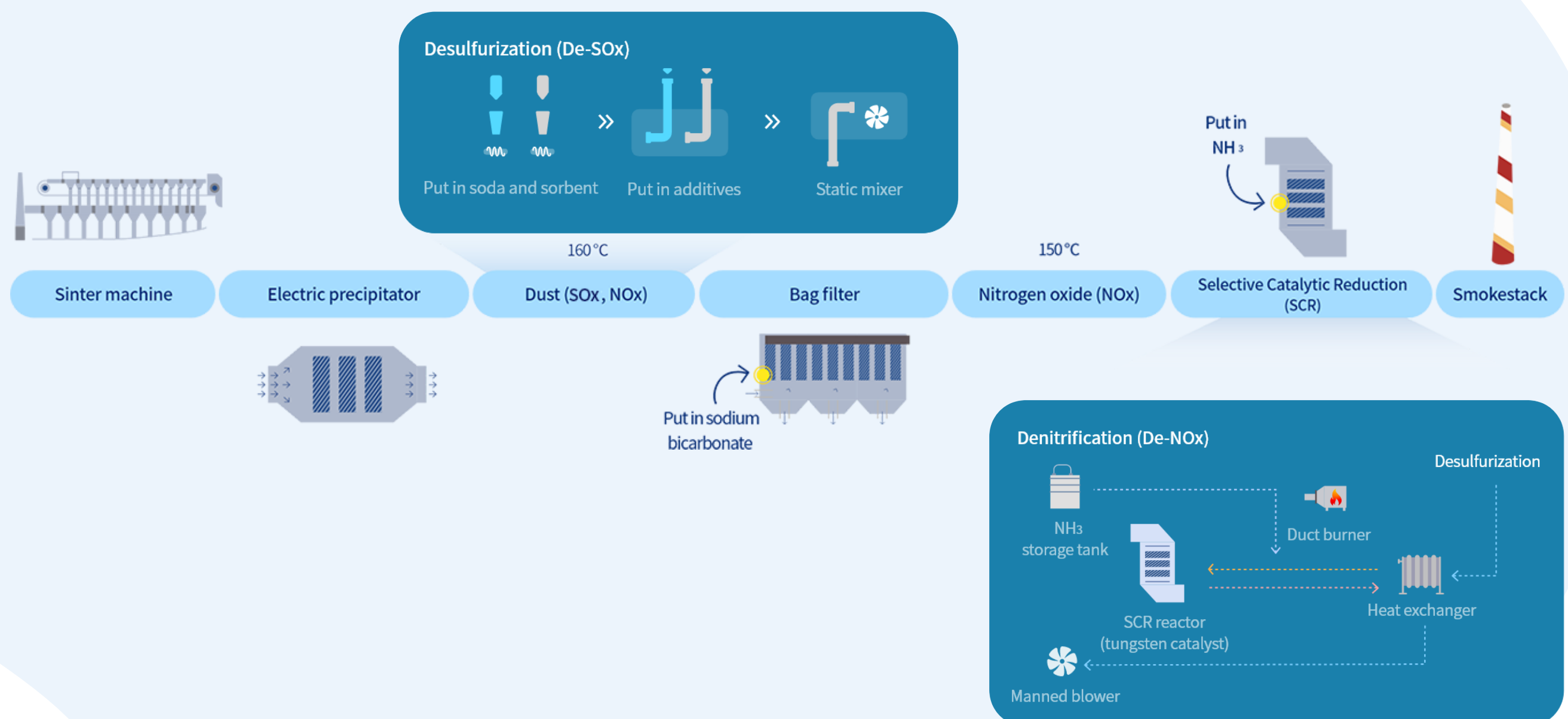
Circular Economy

2.1

Installation of Sinter Gas Treatment System

As the world accelerates its response to climate change, the Korean government is implementing a wide range of policies to reduce emissions of pollutants, such as setting a cap on air pollutant emissions, and a seasonal system for managing emissions of fine dust pollution. Hyundai Steel has installed a Sinter Gas Treatment System(SGTS), which is an air pollutant reduction device, at the Dangjin Integrated Steelworks to reduce emissions of sulfur oxides(SOx) and nitrogen oxides(NOx), which are known to be contributors to fine dust (PM 2.5). Sinter plants produce the highest proportion of air pollutants of all the stages in the steel-making process. Accordingly, we have installed the SGTS at Sinter Plants 1 and 2, where the system has been in stable operation since 2019. With the installation of SGTS at Sinter Plant 3 in 2020, all three sinter plants in operation at the Dangjin Integrated Steelworks are now equipped with air pollutant reduction devices. This has led to a reduction in air pollutant emissions from our sinter plants of more than 50%, and has enabled us to maintain a stable emissions level of below 30% of the permitted standard. We plan to optimize the operation of the SGTS through the development of a low-temperature active SCR catalyst and through the stable recycling of desulfurization waste material.

| Sinter Gas Treatment System(SGTS)



Development of Emissions-blocking Valve Technology for Blast Furnaces

Hyundai Steel is the first company in the world to develop technology that blocks the emission of air pollutants from the bleeders in blast furnaces, and to successfully deploy the technology in actual production. In a blast furnace, the bleeder is a safety valve that releases gas to prevent safety incidents, such as explosions, when pressure builds up inside. Since it was indicated that air pollutants are emitted through the bleeder in the process of [blowing down^{1\)}](#) and [blowing in^{2\)}](#) blast furnaces, Hyundai Steel worked closely with a specialized European engineering company and succeeded in developing a gas filtering valve that innovatively reduces air pollutant emissions. We have named this component the 'Primary Safety Valve' and have patented the technology in Europe. In the second half of 2020, we completed its installation on all blast furnaces. By filtering harmful gases left inside the blast furnaces in the blowing-down and blowing-in processes before they are released, Hyundai Steel has achieved marked improvements in emissions transparency. We plan to continue communicating with our local communities and contribute to improving the environment, as well as actively support the installation of this device in domestic and overseas steel mills for operational safety and stability.

- 1) Stop high-temperature air injections before blast furnace maintenance
- 2) Re-blow high-temperature wind following regular maintenance

I Conceptual diagram of blast furnace pollutants reduction

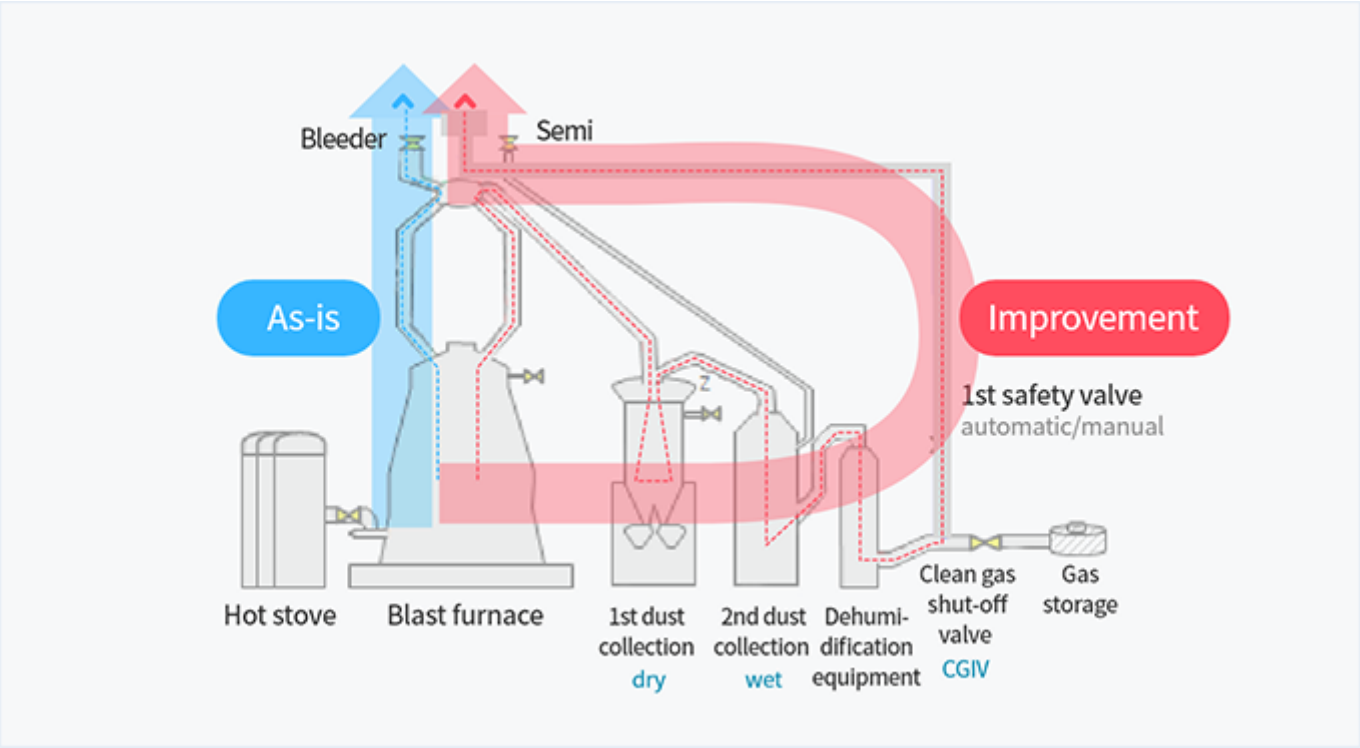


Photo of the 1st stage safety valves installed in a blast furnace

Issues

Issues

Sustainable Community

2.2

Creating a Resource Circulation System – Coffee Grounds Recycling Project

The 'Coffee Grounds Recycling Project', our most well-known social contribution effort, was awarded the 7th Porter Prize for Excellence in CSV in the category of Effectiveness in 2020. The Porter Prize was created in partnership with Harvard Professor Michael Porter to recognize companies and institutions that have shown leadership in CSV(Creating Shared Value). Hyundai Steel was recognized for its contribution to addressing social issues through the Coffee Grounds Recycling Project. Coffee grounds are the by-product from brewing coffee, and for this project, Hyundai Steel applied the concept used in its circular-economy initiative for reusing discarded steel scrap. From 2018, in cooperation with the central and local governments and NGOs, Hyundai Steel collected coffee grounds produced in the city of Incheon and upcycled them into eco-friendly products such as flower pots, bricks and road paving material. This not only reduced waste in local communities, but also helped create jobs for the underprivileged.



In 2020, with the participation of coffee shops in Incheon, and specifically the city districts of Jung-gu and Michuhol-gu, we collected a monthly average of 15 tons of coffee grounds, enabling us to support four social ventures that took part in the second edition of our open competition. In recognition of these achievements, the Coffee Grounds Recycling Project was declared last November by Incheon as part of the city's Eco-friendly Resource Circulation Policy. In March 2021, our MOU with the city of Incheon was extended and expanded to include the districts of Bupyeong-gu, Namdong-gu and Seo-gu in Incheon. Hyundai Steel will continue our commitments to strengthening local resource circulation and raising public awareness of recycling.

Corporate value

Fostered a favorable business environment and enhance our image as an eco-friendly business

- Built partnerships with 10 public institutions, including Incheon Metropolitan City and other local governments, by signing MOUs
- Held a conference in July 2020(participation by Incheon City, media coverage exceeding 45 cases)
- Ran advertisements for public campaigns at three major subway stations

Social value

Waste recycling / Public contest for recycling

- Collected an average of 15 tons of coffee grounds from coffee shops in Incheon per month
- Reduced waste by 360 tons and save landfill costs of KRW 210 million
- Supported the commercialization of four social ventures



Joining the Global Initiative 'Responsible Steel'

Domestic and overseas investment institutions and rating agencies have recently been incorporating [ESG^{1\)}](#) themes into their ratings to a greater degree. The European Union, since 2018, has made it mandatory for companies to disclose ESG data and response measures. As such, ESG is gradually gaining importance in business management and accordingly, Hyundai Steel became the first Korean company to join the global steel industry initiative, 'Responsible Steel', in a bid to internalize ESG requirements under our mid- to long-term sustainability strategy. As an ESG initiative bringing together 71 related entities, including steelmakers and automakers, 'Responsible Steel' is developing the steel industry's first ESG standards and certifications with the aim of achieving 'sustainable steel'. Hyundai Steel aims to cultivate a global network of leading companies to actively address ESG issues and systematically manage ESG matters. At the same time, by joining the ESG initiative, we seek not only to strengthen our self-directed ESG management, but also to secure the trust of the market and of society in the field of ESG and thereby achieve a leading position.

1) ESG: Acronym for the non-financial business factors of Environment, Social and Governance. Used in business decision-making on evaluations, investment and other dealings as an additional non-financial consideration.



Issues

Issues

Responsible Business

2.3

H-Solution Technical Conference(Online)

Amid the COVID-19 pandemic, Hyundai Steel held the 1st H-Solution Technical Conference in an online format.

The conference was held from December 2-10, 2020, in which nine subject areas were covered over four sessions. The conference attracted 881 participants from 130 companies around the world, demonstrating great interest in automotive steel products from Hyundai Steel. Through the conference, Hyundai Steel demonstrated to global customers and academic researchers the company's differentiated R&D capabilities, with presentations not only on our customer-tailored automotive solutions brand 'H-Solution', but also on 'Future Automotive Materials' and 'Filler Wire Hot Stamping TWB Welding Technology.' Furthermore, the conference served as a valuable venue to promote the high-quality automotive materials unique to Hyundai Steel, and to showcase the eco-friendly technologies and services we provide in response to the changing automotive market.

Going forward, we plan to explore effective ways to create synergies in the development of future Automotive Steel Plates by continuing our engagement with the global customers who participated in the conference.



Ultra High Strength Automotive Steel Brand 'ULTREX'

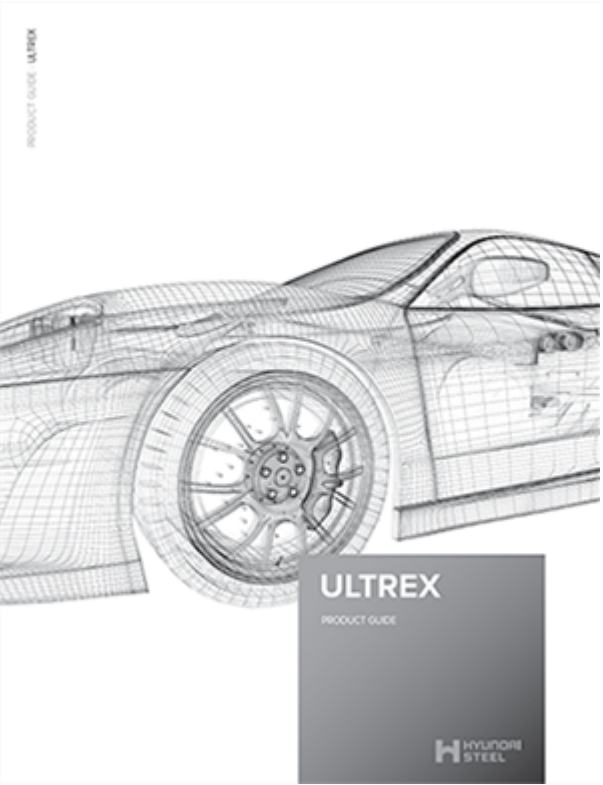
In September 2020, Hyundai Steel launched ULTREX, an ultra-high-strength steel product with a tensile strength of 60kgf¹⁾ or higher, which has excellent strength and formability. ULTREX(Ultra+sTrength+Excellent) is a core material optimized for use in automotive panels, structural components and chassis parts. Containing alloying elements in optimal ratios, ULTREX is produced using a meticulously controlled cooling process, giving it high strength and outstanding formability.

The main applications of ULTREX include MS(Martensitic) and ACP(Advanced Complex Phase). Of these, MS is the product with the highest strength and is used in parts that absorb shock, such as the front bumper beam. ACP steel has excellent bendability and weldability, and is used for structurally complex parts, such as the front pillar inner lower panel, that need to be welded to other parts.

In addition, Hyundai Steel is developing AMP(Advanced Multi-Phase) and Q&P (Quenching & Partitioning), which are third-generation steels. Third-generation steels, with tensile strengths and elongation rates higher than existing ultra-high strength steels, can be used in parts requiring high strength and formability. With ULTREX, we are promoting the quality and technology of our high strength steel, and we plan to lead the mobility materials industry by taking an active part in the supply and development of materials for the eco-friendly automobiles of the future.

1) A gravitational metric unit of force, also called kilogram-force, which refers to the magnitude of force exerted on an object with a mass of 1kg under the standard gravitational acceleration on Earth.

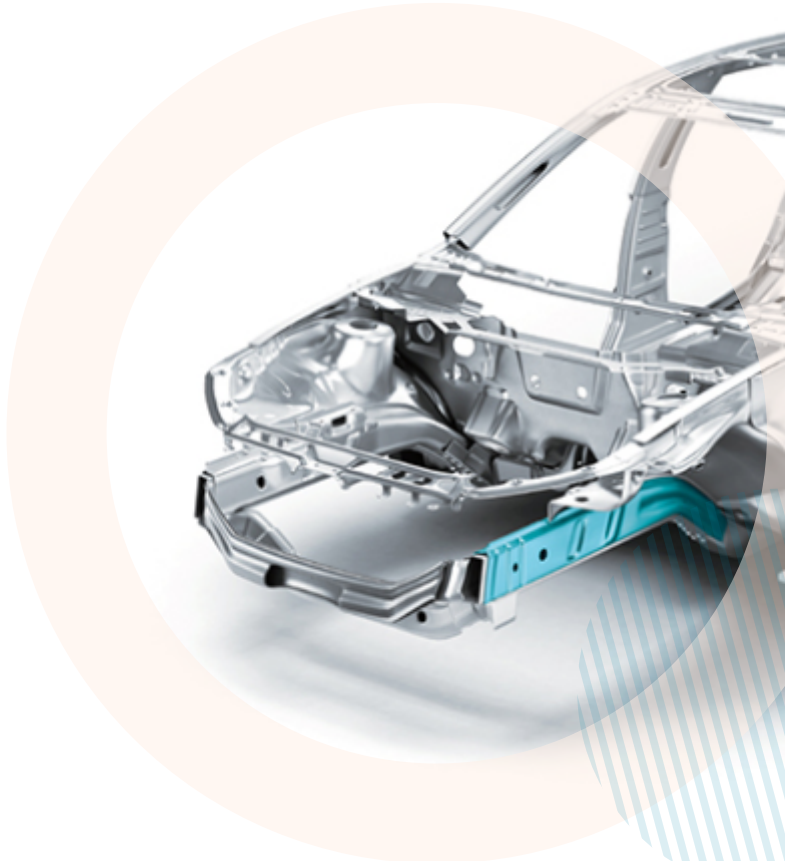
ULTREX brand catalog



Korean catalog



English catalog



Performance

Performance

Materiality Assessment

3.1

Materiality Assessment Process

Hyundai Steel has evaluated a range of issues in terms of their 'business relevance' and 'stakeholder impact', considering the company's situation and the characteristics of the steel industry, in order to identify key issues related to sustainability. We first identified issues with a high 'business relevance' by conducting an internal employee survey and analyzing competitor trends. We prioritized issues with high 'stakeholder impact' through a combination of external stakeholder surveys, media reports and matters raised by international organizations. Among them, key issues were selected through discussion with relevant departments and confirmation by the management. These key issues are also considered from the perspective of their financial impacts such as cost, revenue and risk.

I Step 1. Issue Pool Formation

In terms of sustainability, 42 material issues were identified through a comprehensive analysis of global standards and initiatives, external evaluation requirements and stakeholder impact, while taking into consideration the internal/external environment of Hyundai Steel and its stakeholders.

- Trends in international standards: Analysis of international standards and assessment indicators, including GRI Standards, ISO 26000, DJSI, SDGs
- Global benchmarking: Survey of 11 business issues and trends covering leading companies in sustainability management, comparable companies, etc.
- Media research: Survey of 1,996 media articles appearing from January 2020 to January 2021

I Step 2. Materiality Assessment

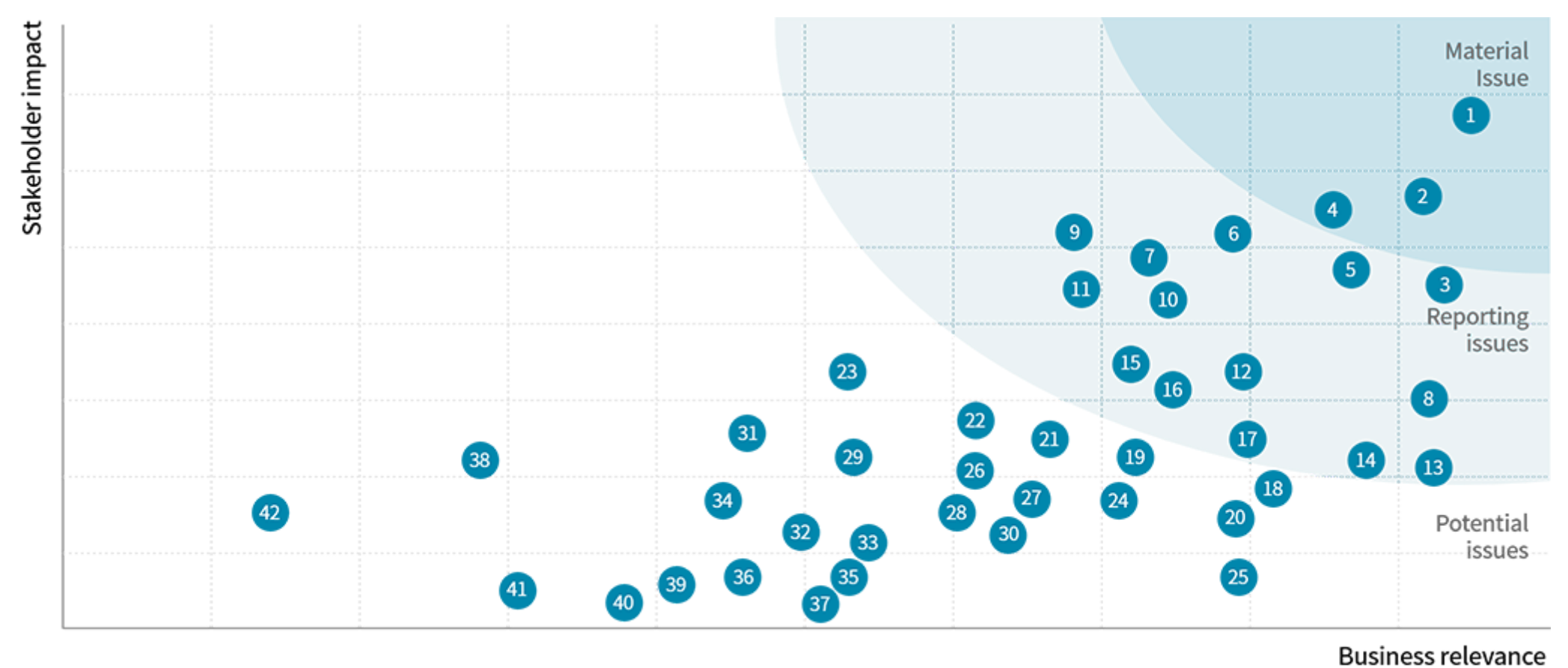
We conducted a materiality assessment of the issues in consideration of business relevance and stakeholder impact, including surveys of internal and external stakeholders, media research, global benchmarking and international standards.

- Business relevance: Relevance to steel industry, aligned with mid- to long-term strategy
- Stakeholder impact: Issues of interest to stakeholders, legal and regulatory compliance, sustainability-related ESG trends

I Step 3. Selection of Key Issues

We identified key issues that are in alignment with economic, environmental and social indicators as defined by the GRI Standards. In addition, we present Hyundai Steel's response strategies, specific actions, key performance and targets.

Material Topics in Integrated Report



Key Issues

The attributes of potential impacts are classified by cost, revenue and risk.

Key Issue	Reason	Impact on Stakeholders	Impact Attributes ¹	Scope of Reporting
Reduce the emission of environmental pollutants	The steel industry is perceived as the industry that produces the largest volume of GHG emissions and, moreover, social interest in managing environmental pollutants is on the rise. In response, the government is amending related legislation to strengthen corresponding regulations and measures.	Employees, suppliers, local communities and government	Cost	Pollutant Management
Strengthen worksite health and safety	Occupational hazards not only reduce productivity, but also represent potential risks and can seriously impact business operations. Steel production exposes the surroundings to high temperatures, high pressure and toxic gases. Furthermore, extremely heavy coils are used, resulting in extreme danger if accidents occur.	Customers, employees and suppliers	Risk	Occupational Health and Safety
Expand supply chain ESG management	If issues such as environmental hazards, human rights violations, or ownership abuses are identified at our major suppliers and exposed in the media, business risks that can damage our reputation may arise. In addition, as more client companies now demand the results of supply chain ESG assessments, the transaction risk arising from supply chain ESG is increasing.	Suppliers and local communities	Risk	Supply Chain Management
Strengthen product competitiveness through R&D	Global steelmakers are enhancing their competitiveness in the market through the expansion of contact points with customers and convergence with the latest material and IT technologies. In particular, the development of new products and production technologies that reflect the needs of related, major industries, such as automobile, construction and shipbuilding, is gaining greater importance as an element of sustainable growth.	Executives, customers, shareholders and investors	Revenue	R&D Performance
Enhance legal compliance	Recently, in addition to the pursuit of profit, there have been increasing demands on the social responsibility and role of companies. Accordingly, their legal, ethical, social, and environmental responsibilities are now being emphasized. By fulfilling ethical responsibilities, businesses are making efforts to earn trust from all stakeholders, including customers, shareholders, employees, competitors, and suppliers.	Customers, employees, suppliers and government	Risk	Ethical Management

Strategies for responding to key issues

1. Reduce emission of environmental pollutants

Across our management activities, Hyundai Steel strives to minimize the environmental impact of our production processes. In order to reduce pollutants, we have installed three air pollutant reduction facilities in the Dangjin Integrated Steelworks, and reduced air pollutant emission by more than 65% compared to that of 2016, exceeding our reduction target.

Key performance	Target
Reduce air pollutant emissions · 2019: 18,131 tons · 2020: 8,116 tons	Reduce air pollutant emissions to 50% (10,297 tons) or below, compared with a 2016 baseline year (to be achieved by 2021)

- Our existing emissions target was increased in line with the revised Air Quality Conservation Act, which expanded the range of facilities subject to emission control. The target value is set in accordance with internal criteria.

2. Strengthen health and safety on worksites

As part of our continuous efforts to enhance safety across our business sites, Hyundai Steel has acquired KOSHA 18001 and ISO 45001 certifications for our safety and health management system. In addition, we have been implementing our planned investment of KRW 300 billion in safety management across three years since 2019. We also identify areas to improve safety across all our business sites, prepare comprehensive measures for improvement and report the result to the management.

Key performance	Target
TRIFR (Total Recordable Injury Frequency Rate) · 2019: 3.72 · 2020: 3.01	TRIFR Target: Zero (By 2023)

- Refer to 4.2 Social Performance "Occupational Disasters Rate" for details of TRIFR

I 3. Expand supply chain ESG management

Hyundai Steel adopted integrated supply chain management as a key business strategy by incorporating supply chain ESG management. Accordingly, we have built a supply chain management process and conduct risk assessments of 350 suppliers annually. Among these, the bottom 5% are classified as high-risk suppliers, for which we conduct on-site due diligence and implement improvement measures.

Key performance	Target
1. Supply chain ESG assessment ratio · 2019: 32%, 2020 : 36%	1. Supply chain ESG assessment ratio 35% (to be achieved by 2023)
2. Purchasing manager ESG training ratio · 2019: 55%, 2020 : 100%	2. Purchasing manager ESG training ratio 80%(to be achieved by 2023)
3. Average score in the supply chain ESG assessment · 2019: 67 points, 2020 : 64 points	3. Average score in the supply chain ESG assessment 80 points(to be achieved by 2023)

- The supply chain ESG assessment ratio is measured on the basis of the accumulated number of assessed suppliers during the three-year period. Refer to ‘3.3.4 Supply Chain Management’ for detailed information on Supply Chain ESG.

I 4. Strengthen product competitiveness through R&D

With an eye towards the future, Hyundai Steel focuses on R&D such as the development of eco-friendly technologies to achieve carbon neutrality, and next-generation mobility materials. We also conduct R&D to secure our capability to achieve sustainable growth - for example, through the expansion of high-profit new steel types and profit-oriented process technologies. In this manner, we are rapidly responding to changes in the market and society and maintaining a harmonious balance between new products, process technology, and environmental technology. We are also expanding our supply capabilities by developing new steel types for automotive steel sheets, and expanding our customer base through non-face-to-face technology marketing for global customers. Going forward, we will continue to enhance our competitiveness in front and back office activities through organic alignment and coordination with our business strategies.

Key performance	Target
R&D investment costs · 2019: KRW 136,250 million · 2020: KRW 142,536 million	Lead global technology competitiveness, secure future mobility and energy material supply capabilities (to be achieved by 2025)

I 5. Enhancement of legal compliance

Hyundai Steel pursues fair and transparent competition based on ethics and morals, and is well aware that ethical management forms the fundamental basis of corporate competitiveness. In this regard, we strive to ensure ethical management is firmly rooted company-wide by producing guidebooks and promoting the Ethics Charter and Code of Conduct. In addition, ethics training is provided to all employees in order to share the standards of conduct to abide by when performing their duties. Through these efforts, a fair and transparent relationship is maintained with our stakeholders.

Key performance	Target
Compliance training training (fair trade, ethical management, overseas anti-corruption law, etc.) · 2020: 481 persons	Establish a compliance management system, based on legal risk analysis, by sector (to be achieved by 2025)

Performance

Environment

Environmental Management

3.2.1

Through compliance with environmental regulations and environmental management, Hyundai Steel strives to realize an economy that deals with steel, an environmentally-friendly resource, in the most eco-friendly possible. To minimize environmental risks, all of our business sites have dedicated environmental groups for each sector, which conduct environmental impacts that could arise in the course of business activities. In addition, we operate an environmental management system to actively respond to environmental regulations, develop eco-friendly products and services, and conduct CSR activities for environmental protection, thus fulfilling our corporate social responsibilities.

“

Proactive response to environmental risk
through systematic environmental
management processes

”

Integrated environmental management



Response to
climate change



Energy
management



Pollutant
management



Recycling
by-products

| Environment and Energy Policy

Analyze management activity risks

- Proactive response to government policies and regulations
- Gather information on environmental and energy issues
- Predict, evaluate and implement response strategies for influential factors

Invest efficiently energy and resources

- Procurement: green procurement of fuel, raw materials, equipment and energy
- Production: optimize process utility input and reduce GHG emissions
- Conserve water resources and manage risk

Minimize emissions and pollution

- Optimally operate and monitor pollutant measurement/prevention facilities
- Prevent emission of pollutants
- Recycle and add value to by-products/waste

Fulfill corporate ethical and social responsibilities

- Raise brand value through campaigns, win-win growth with communities and CSR activities
- Develop projects for alternative resources/energy and offsetting

Regular Internal Environmental Inspections

Hyundai Steel conducts internal inspections on a regular basis as a preemptive response to external inspections in order to reduce the unseen potential for violations of environmental regulations. An inspection team comprising persons in charge from each sector conducts weekly on-site inspections of each area. If a potential violation of environmental regulations is spotted, relevant training for environmental management is implemented, and risk awareness training and improvement plans are put in place. In 2020, our internal inspections yielded 415 improvements to potential risks.

Laws	Contents	Our Response
Act on the Integrated Control of Pollutant-Discharging Facilities	Effective in 2017, the Act establishes permitted standards for each type of worksite, integrating 10 permit standards previously used for different aspects of the environment, such as air, water quality, etc.	Hyundai Steel is applying the best available methods at facilities that discharge pollutants by improving management processes, analyzing emission impacts across all worksites, and preemptively studying the permitted emissions levels for each worksite to effectively reduce pollutant discharge, and we have prepared measures to make practical improvements to the environment.
Framework Act on Resource Circulation	Implemented in 2018, the Act outlines a new system to reduce waste and encourage recycling in all stages from production to distribution, consumption and disposal, thereby protecting the environment and establishing the foundation for a circular economy.	Hyundai Steel seeks to ensure by-products should be perceived as resources that can be recycled, rather than waste to be disposed of, and accordingly take preemptive actions to promote resources circulation through per-unit management of by-product output, new technology research, increased by-products input to processes, and collaboration with other companies on recycling.
Act on Liability for Environmental Damage and Relief Thereof	Effective from 2016, the Act establishes a system for effective damage relief with clear standards for compensation and eases the burden of proof on the injured party, providing a means of fair and speedy relief in cases of damage from environmental pollution.	Hyundai Steel maintains environmental liability insurance to facilitate swift compensation for the injured party in case of environmental pollution incidents, and we have strengthened environmental supervision at our worksites to prevent environment-related incidents.
Special Act on the Improvement of Air Environment in Air Quality Management Areas	Enacted in April 2020, the Act seeks to improve air quality by controlling air pollutants broadly and systematically according to regional characteristics.	Hyundai Steel is subject to the emission cap regulation and hence we comply with the mandatory installation of telemonitoring systems (TMS) on smokestacks and work to ensure that all of our business sites can comply with the smokestack emissions cap regulations.

Reduction of Raw and Subsidiary Materials Consumption

Despite the domestic and international economic slowdown caused by the Covid-19 pandemic, Hyundai Steel continues to hold monthly meetings attended by key senior managers, reviewing efforts to reduce costs and proactively addressing environmental risks. Furthermore, these meetings, which previously focused on monthly production performance, now extend to production techniques, energy and logistics. They include a preliminary review of expected performance in the current month, and preemptive action to reduce costs. Hyundai Steel will continue working to reduce its raw and subsidiary material consumption and to lower not only its production costs but its emissions of greenhouse gases and other air pollutants.

Operation of the Hyundai Steel Environmental Improvement Council

Since 2019, Hyundai Steel has operated the Environmental Improvement Council in order to transparently share and exchange information with local communities. Bringing together a total of 17 representatives of Hyundai Steel and relevant institutions, the Council discusses matters including the status of environmental management at steelworks, such as TMS, pollutants concentration levels and air pollutant emissions, as well as issues related to the steelworks and local environment, including air pollutants reduction and the installation of blast furnace bleeders. Since February 2020, we have deployed cleaning trucks (one sprinkler truck, one sweeper truck) to reduce fine dust on roads near our steelworks. The Council discloses environmental information relating to our steelworks through Danjin municipality's homepage and, starting March 2021, began using an automatic odor measurement network installed at three locations near the southern end of the Danjin Steelworks last year and disclosing the measured data on our website. The Hyundai Steel Environmental Improvement Meetings will continue exploring concrete measures to improve the environment at our steelworks and address pending issues for the development of local communities.

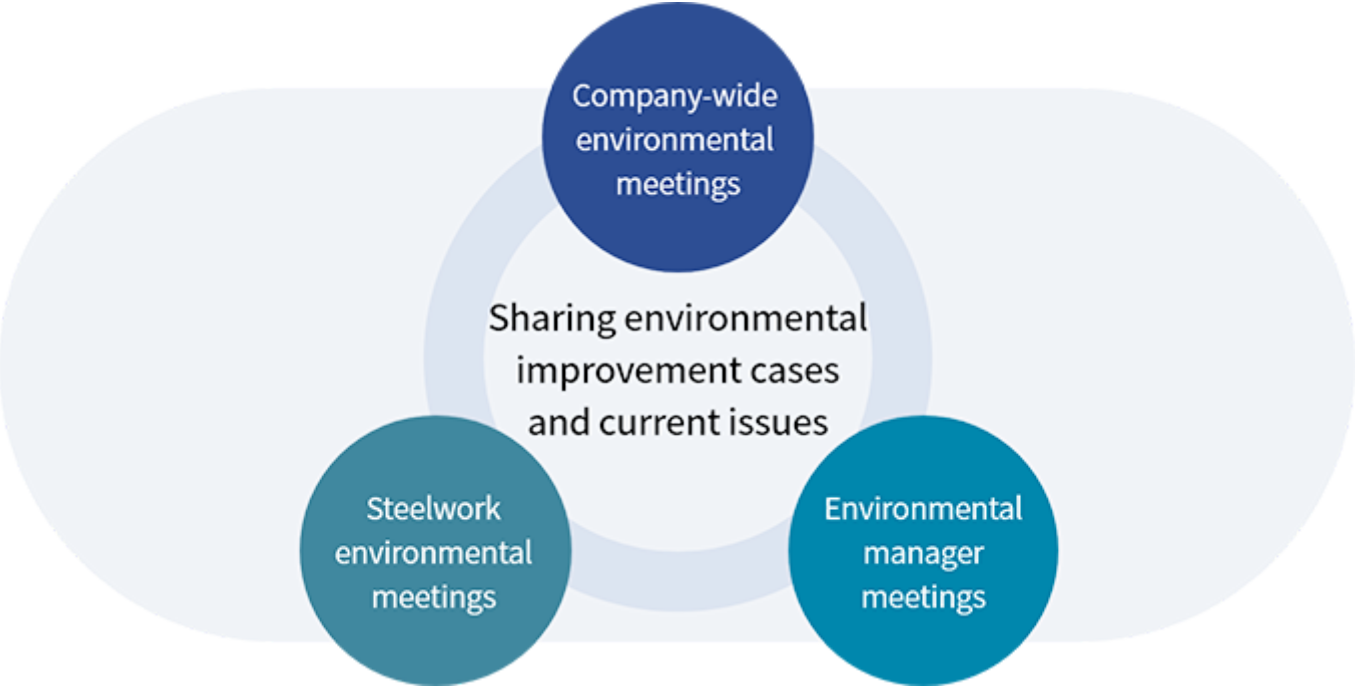


The Danjin Integrated Steelworks started to operate scattered dust cleaning vehicles.

Systematized Environmental Meetings

Hyundai Steel systematically organizes environmental meetings to raise awareness of the importance of environmental management to the company's leadership and to build a consensus across the company. Company-wide meetings are organized every quarter, while monthly sessions are convened at steelworks and among environmental managers. Attendees share environmental improvement cases and issues at each worksite and collectively formulate solutions. In addition, we maintain an effective communication system with executive management through regular, company-wide environmental meetings.

I Diagram of the environmental meetings system



ESG Bond Issuance

As part of eco-friendly management, Hyundai Steel is considering expanding the issuance of the [green bonds](#)¹⁾ we issue under our [ESG bond](#)²⁾ program. This is due to overwhelming demand among institutional investors for our green bond issue in January 2021, when demand was forecast at KRW 250 billion, but actual demand was KRW 2.07 trillion, exceeding the forecast by eight fold. ESG certification for this bond issuance was conducted by a credit rating agency, and Hyundai Steel received the highest rating of [GB1](#)³⁾(E1/M1). When a company undergoes the certification by a strict ratings agency, and its rating is managed on a regular basis through follow-up evaluations, it gains greater confidence among investors.

The funds raised from these green bonds, which reflect Hyundai Steel's active commitment to environmental investment, will be invested entirely in green projects until maturity.

1) ESG Bonds: Bonds issued to fund social responsibility investments such as environmental, social and governance improvements, broadly categorized into three types: green bonds, social bonds and sustainability bonds.

2) Bonds whose use is limited to eco-friendly activities and green projects such as carbon reduction, new and renewable energy and electric vehicles.

3) The highest rating(E1/M1)given in the Part 2 evaluation dealing with fund management, operation systems and transparency in evaluations for green bond rating(GB1~GB5)and ESG bonds.

Performance

Environment

Response to Climate Change

3.2.2

In response to climate change, Hyundai Steel is making a range of efforts across the business such as GHG reduction activities. In accordance with Korea's National Greenhouse Gas Emissions Reduction Roadmap, our active response measures include the introduction of new equipment and the improvement of processes to reduce energy consumption and GHG emissions.

Response to Transition Risks

As global society becomes aware of the seriousness of the climate change issue, advanced economies and developing countries have committed to the Paris Agreement and, beginning in 2016, submitted voluntary GHG emission reduction targets. In accordance with this agreement, UN member states will submit long-term low greenhouse gas emission development strategies(LEDs) and Nationally Determined Contributions(NDCs) in an effort to keep global warming to below 2°C – and ideally below 1.5°C. In October 2020, the South Korean government, which ratified the Paris Agreement in 2016, pledged to become carbon neutral by 2050, announcing its '2050 Long-Term Low-Carbon Power Generation Strategy' and '2030 National GHG Reduction Target'. Hyundai Steel analyzes the risks and opportunities arising from global climate change-related issues, and is taking action to identify and minimize the associated transition risks across our business operations.

Implementation of the GHG Emissions Trading Scheme

In accordance with the UN Framework Convention on Climate Change, Korea enacted the Greenhouse Gas Emissions Trading Act, which came into effect in 2015. Hyundai Steel was subject to carbon credit allocation in 2015, and has since complied with the emission trading system in earnest. Internally, we hold company-wide energy meetings to check and implement energy saving activities at each business site, such as optimizing the operation of heating furnaces, improving hot stove efficiency, and recovery of waste heat. Externally, we also participate in overseas projects to secure carbon credits, including the provision of cook stoves and water purifiers to the least developed countries. In this manner, we are taking proactive action to reduce greenhouse gases both at home and abroad, and are preemptively responding to the 'Basic Roadmap to Achieve the National Greenhouse Gas Reduction Targets by 2030'.

I 2050 Carbon Neutral Joint Declaration

Six steel companies, including Hyundai Steel, made a joint declaration to achieve carbon neutrality by 2050 and launched the Green Steel Committee, which is composed of industry, academia, research institutes, and government ministries. Accordingly, we plan to develop new technologies(hydrogen-based DRI), reduce carbon emissions by changing production configurations, promote information sharing through the Green Steel Committee, identify government policy tasks, and promote international cooperation. We will also make continuous investments and develop innovative technologies, thereby transforming the steel industry into a green industry and contributing to Korea's leadership on carbon neutrality.



I Disclosing our Climate Change Response

Through our participation in the Carbon Disclosure Project(CDP) since 2012, Hyundai Steel has been transparently disclosing, to global financial investors and stakeholders, our efforts to respond to climate change. In recognition of this, we have been presented with awards, such as sector leadership awards, for outstanding corporate responses to climate change. Moreover, we publicly disclose information concerning our climate change-related activities in accordance with international standards(GRI Standards, SASB, WEF, TCFD, etc.) via our integrated report, which is consistently released on an annual basis.

I Support for Reducing GHG Emissions to Supply Chain

Hyundai Steel has been providing high-efficiency, energy-saving equipment to our suppliers free of charge since 2014, as part of our commitment to environmental risk management for the entire supply chain. Solar power equipment provided by Hyundai Steel to Junghan Precision Co., Samwoo Eco Co. and Woorim Machinery Co. has enabled these three suppliers to reduce their electricity costs by KRW 10 million a year. Such electricity savings are expected to enable our suppliers reduce GHG emissions of around 790 tons. In addition, by registering these reductions, and converting them to emissions credits, the Company has been able to save approximately KRW 27 million in procurement costs. We plan to continue supporting environmental management at our suppliers and hence build an effective climate change response system encompassing our entire supply chain.



I Securing Overseas Emissions Credits by Providing Cooking Stoves and Water Purifiers

Together with an overseas consulting firm, Hyundai Steel is engaged in a project to supply cooking stoves and water purifiers to some of the world's underdeveloped countries, including Kenya, Myanmar and Bangladesh. Citizens in these countries burn a significant amount of firewood for their everyday needs, which produces black carbon. By providing cooking stoves and water purifiers as substitutes for burning wood, we are not only contributing to improvements in their quality of life, but also securing overseas emissions credits and reducing our emissions credit risk.



I Review of TCFD Information Disclosure

Hyundai Steel is considering the establishment of a climate change management system and information disclosure in accordance with the recommendations of the [TCFD^{1\)}](#), which is a global consultative body established in 2015 to disclose climate change-related information. This management system includes what we do relating to governance, strategy, risk management, and measurement standards and targets, which are the four major disclosure items outlined in the TCFD recommendation. With that, we aim to provide information that is helpful in key decision-making by our stakeholders, including our investors.

1) Task Force on Climate-related Financial Disclosures



I Transition to Zero-emissions Vehicles(K-EV100)

In accordance with the [K-EV100 Project^{2\)}](#) under the Ministry of Environment, Hyundai Steel has announced that it is converting its vehicle fleet to zero-emissions models and will report its plans and progress on a regular basis. Currently, Hyundai Steel has a total of 342 vehicles(11 owned, 331 leased), two of which are electric. In 2021, we expect to acquire 10 additional hydrogen cars, and follow up with a mid- to long-term roadmap and performance report. By taking part in this project, Hyundai Steel will receive support for the expense occurred for the conversion to zero-emissions vehicles, thereby reducing the cost burden, as well as GHG emissions and the cost of emissions credits. Furthermore, we seek to solidify the company's position as an eco-friendly business by proactively responding to the global trend toward carbon neutrality.

2) A project by the Ministry of Environment for private companies. The project aims to encourage private companies to publicly declare a transition to zero-emissions vehicle fleets and step-by-step implementation by 2030.

I Development of Environmental Performance Analysis System

The use of data is becoming increasingly important in terms of Environmental Product Declarations(EPD) certification and improving the environmental and energy efficiency of steel products. Accordingly, Hyundai Steel has developed an environmental performance analysis system for our products, thereby securing transparency in the analysis and evaluation of our products' environmental impacts. This system automatically collects and processes all product data, including raw and subsidiary materials, utilities, by-products and environmental pollution. These measurements enable us to verify the monthly environmental impact of each product, thus conduct real-time monitoring, and automatically accumulated big data help us to optimize environmental impact management to each product. With our steel product analysis system, Hyundai Steel will respond proactively to the needs of our clients, who demand eco-friendly steel.

| EPD Certification Obtained for Steel Sheets

There is a global trend that the environmental performance of products is reflected in import regulations, as seen in the EU's 'Carbon Border Adjustment Mechanism' and California's 'Buy Clean California Act'. Hence, environmental performance is becoming increasingly important for steel products, too. Accordingly, Hyundai Steel has obtained [EPD^{3\)}](#) certification for its sheet products, including Hot Rolled Sheet, Cold-rolled Sheets, Galvanized Steel Sheets and Plates. Environmental Product Declarations indicate, in a measurable way, the environmental impacts of the processes involved in all products and services, from the sourcing of raw materials to production, transportation, logistics, use and disposal, thus helping consumers to compare and choose environmentally-friendly products. Hyundai Steel acquired the globally recognized International EPD, based in Sweden, which will serve as a bridgehead for its entry into the strictly regulated European market. The certification reflected the latest standards, such as quantifying GHG reductions from the recycling of steel materials, which is not yet covered by Korea's domestic standards, and the effect of using by-products generated in the steel-making process. Accordingly, we expect to raise the global competitiveness of our steel sheets, including Automotive Steel Sheets and Plates for shipbuilding.



| Waste Heat Recovery Technology for Energy Saving

The steel-making process generates waste heat in various forms. High-temperature waste heat is recycled in steam production and heat reactors, but mid-temperature waste heat is difficult to recycle due to limited recovery methods and low efficiency. Consequently, Hyundai Steel is developing thermoelectric technology that recovers waste heat in electrical form from low-temperature heat areas, as a way to improve the energy efficiency of our steelworks. The advantage of this technology is that it requires facilities of simple configuration, low probability of failure, and smaller size compared to conventional power generation – such as thermal and hydro power. It is also expected to help the Company reduce production costs, as green energy can be produced without generating greenhouse gases.

| Hydrogen Production Technology Using Blast Furnace Gas

At our steelworks, blast furnace gas(BFG), coke oven gas(COG), and Linz Donawitz gas(LDG)are generated as by-products of blast furnaces, coke ovens and converters. At Hyundai Steel, BFG is used as fuel for steelworks, heating furnaces and hot stoves, whilst by-product gas (COG) generated from the coke production process is used to produce hydrogen of 99.999% purity at hydrogen plants within our steelworks. In addition, we are developing ‘BFG-based Hydrogen Production Technology’ in order to increase hydrogen production in line with the transition towards a hydrogen-based society. In 2020, Hyundai Steel also developed technology to produce(process hydrogen exceeding 95% purity for COG and LDG). Going forward, we plan to enter a demonstration phase by developing a pilot facility to produce hydrogen at more than 300Nm³/h.



Hydrogen plant at the Danjin Steelworks

Response to Physical Risks

According to a report by the Intergovernmental Panel on Climate Change(IPCC), sustained global warming caused by climate change will result in an increasing number of natural disasters, such as heatwaves on land and at sea, floods, earthquakes, a greater frequency of tropical storms, and rises in coastal sea levels. Through scenario analyses, Hyundai Steel is striving to preemptively identify such physical risks and develop effective countermeasures in response.

| Scenario Analysis of High Temperature Events in the Chungnam Region

Hyundai Steel is conducting a scenario analysis of mid- to long-term risks relating to [abnormally high temperatures^{4\)}](#) in South Chungcheon Province(Chungnam), where we maintain a business presence. As a result of global warming, our sites in areas such as Incheon, Dangjin, and Pohang are exposed to abnormally high temperatures and drought every year. In particular, analysis reveals that Chungnam, where our Dangjin site is located, is expected to become a subtropical region by 2050 due to the rising temperatures.

| MOU with Dangjin City on Addressing the Climate Crisis

Hyundai Steel signed an MOU with the city of Dangjin on October 29, 2020, pledging win-win cooperation in reducing GHG emissions from steelworks and improving the environment. To

3) Environmental Product Declaration

4) (March 2017) The Chungnam Institute of Agricultural Sciences predicts the Chungnam region will become a subtropical region by 2050.



Performance

Environment

Energy Management

3.2.3

By developing technologies that reflect the environmental aspects of steelmaking as an energy-intensive industry, Hyundai Steel is striving to efficiently manage its energy consumption while reducing GHG emissions.

Application of a Temperature-optimization System for Heating Furnaces

Heating furnaces need to reach the temperatures required by rolling machines according to the specifications of particular products. However, heating furnaces have been operated manually thus far by operators drawing on their previous experiences, hence precise temperatures were hard to measure and this resulted in energy losses. Hyundai Steel has therefore developed a heating furnace optimization system that enables precise energy input through consideration of key operational variables, measuring material temperatures in real time and identifying target extraction temperatures. In 2020, we equipped the system with a required temperature estimation model and an optimal pattern identification model, and are currently developing a model to forecast target extraction temperatures. In 2021, Hyundai Steel plans to apply this forecasting model, and through the heating furnace optimization system, reduce risk in the rolling and roughing processes while improving our fuel costs.

Stabilization of Heat Generation Measurement for Coke Oven Fuel

In a coke oven, if the thermometer indicates non-ignition or another abnormal reading, this causes a risk of input heat flux due to operation at a fixed **MG(mixed gas) ratio**¹⁾. To address this, Hyundai Steel has developed a dual system for caloric power control. In the event of caloric power flux, this system is used in place of the energy center's caloric value. Since applying the system, the stabilization of input MG caloric power has stabilized our plants' oven temperatures and caloric consumption, which is expected to lead to cost savings. Hyundai Steel will continue to upgrade the system and analyze the application effect to stabilize its heating value.

1) Ratio of COG in mixed gas(**mixture of BFG and COG**)

Optimization of Hot Blast Stove Efficiency

Hyundai Steel's hot blast stoves are equipped with a facility to recover waste heat from gas. This facility consists of separate systems that recover waste heat from the air side and from the fuel side. By optimizing the flow of diverted gas on the air and fuel sides, Hyundai Steel's Technology Team has increased the amount of heat recovered. Furthermore, since 2019, we optimized the divergence of heat recovery gas and deployed the system on site. This is currently applied in blast furnaces 1 and 3, and with plans to introduce it to blast furnace 2 by March 2021. Through these advancements, we have secured our own combustion control model and technology to optimize divergence in heat recovery, leading to improved efficiencies in hot blast stoves. Going forward, we plan to focus on developing an automatic tuning model for hot blast stoves and upgrade our hot blast stove combustion air control system.

System for Heat Recovery from Water Coolant in Heating Furnaces

The system used for reheating materials before rolling consumes a great deal of gas fuel, and the process that produces the most GHG emissions. To cool the [walking beams](#)²⁾ and [skids](#)³⁾ that transfer material inside the furnace, water coolant is used, resulting in heat loss accounting for 10~15% of input heat. Therefore, in 2020, Hyundai Steel introduced an Evaporating Cooling System(ECS) at the large rolling heating furnace in our Incheon Steelworks, which recovers heat from the coolant as steam. As the highly pressurized, high-temperature water passes through the heating furnace and is evaporated, this system absorbs heat and cools the furnace, allowing the heat generated in this process to be reused as steam. Having introduced the ECS, we expect to create profits of KRW 1.8 billion a year by supplying a heat source to the local community.

2) Method of movement and continuous operation for materials to be heated by hydraulic drive

3) Conveyor for steel in the furnace and on the cooling bed

Performance

Environment

Management of Pollutants

3.2.4

Air Pollution

Hyundai Steel is responding preemptively to the generation of air pollution, which includes installing an air quality management system and reducing the emission of air pollutants. To achieve our targets, we have not only signed an MOU with specialized companies and strengthened our joint response to air pollution, but we are also improving our facilities that emit air pollutants and faithfully implementing our reduction agreements.

I First in Steel Industry to Acquire GR Certification for Shaped Steel and Iron Bars

In August 2020, Hyundai Steel became the first in the industry to acquire the GR(Good Recycled Product) certification from the Ministry of Trade, Industry and Energy. Our electric arc furnaces not only generate less CO₂ and wastes compared with furnaces using other feedstock but also use 'steel scraps', which become waste if not recycled, as main feedstock so as to produce more than 10 million tons a year of shaped steel and iron bar products. By adding new value to waste, we received the GR certification in recognition of our outstanding recycling of resources and eco-friendliness. GR-certified products are defined as 'green products' under the law on promoting green product procurement, and public institutions are required to include them in their procurement. With our GR certification, we expect to see a large increase in shipments to public organizations.



Water Pollution

Hyundai Steel is engaged in activities throughout the value chain to manage water quality and reduce water consumption. We are also taking part in international efforts to protect water resources. Moreover, we are working to improve water quality and the ecosystem to avert possible disruption in production due to water shortage.

I Reducing Water Consumption at Dangjin Integrated Steelworks

Hyundai Steel is promoting the reuse of wastewater as a measure to reduce costs and secure competitiveness by increasing water reuse and minimizing industrial water consumption. The steel mill at the Integrated Steelworks is supplied with recycled water for collecting dust and gas generated at the blast furnace when molten iron is made into molten steel. Unlike the rolling process, when Plates and Hot Rolled Coils are sprayed directly with water coolant, the water used for collecting dust in steelmaking can be used even if it is of a relatively low quality. Thus, we are taking steps to reuse waste water from Plates and Hot Rolled Coils as supplementary water. In doing so, we expect to save costs and reduce the amount of wastewater in the process of making plates and hot rolled coils, thereby contributing to improving the inland water ecosystems of our local communities.

I Proactive response to Measuring Organic Substances in Industrial Wastewater

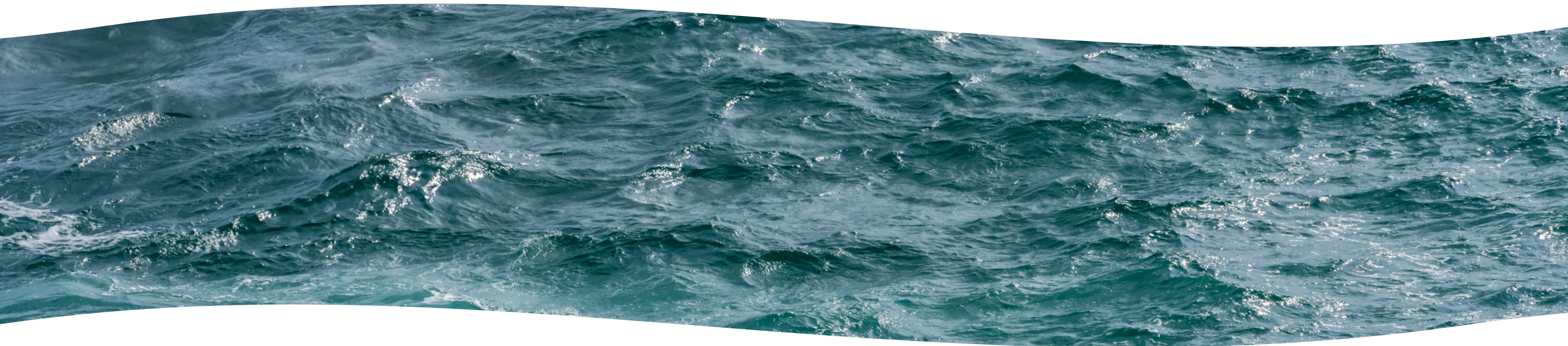
2From the second quarter of 2019, we have been monitoring effluent water standards at Dangin and the plants at Incheon, Pohang, Ulsan and Suncheon, and establishing response measures to reduce [total organic carbon\(TOC\)^{1\)}](#) at the Dangjin plant, such as calculating activated carbon exchange periods. Moreover, starting in January 2020, we converted our indicator for organic substances in industrial wastewater from [chemical oxygen demand\(COD Mn\)^{2\)}](#) to TOC, which is capable of measuring over 90% of all organic substances. Accordingly, the Dangjin plant, which uses the COD tele-monitoring system (TMS), has a grace period of two years to conduct monitoring by converting its internal management standard to TOC. Moving forward, Hyundai Steel will identify TOC reduction measures in preparation for the installation of TOC TMS in June 2023.(Electric arc furnace, installation expected in H1 2021 at cold-rolled 1)

- 1) Total Organic Carbon:The amount of carbon found in an organic compound, used as an indicator of water quality and cleanliness
- 2) Chemical Oxygen Demand: A method of measuring the amount of organic material in water pollution. This method has a low oxidizing strength on non-biodegradable material, and is therefore unable to measure certain types of organic materials.

I Integrated Management of Wastewater Treatment Chemicals at Dangjin

Hyundai Steel is comparing and reviewing the costs of water treatment for each process by calculating the monthly amount of pollutants removed and chemicals used at the 11 water treatment facilities at the Dangjin Integrated Steelworks. This analysis enables us to identify the optimal management approach for the 11 facilities in reducing environmental hazards from the use of chemical treatments and maintaining stable effluent concentrations. [For Biological Effluent Treatment\(BET\)^{3\)}](#) in particular, which has a relatively high unit cost compared to other methods, we conducted on-site assessments, and set final consumption targets to reduce the amount chemical usage. As a result, in 2020, we were able to reduce our consumption of fluoride treatment agents by 35% from the year before. [This reduced our treatment costs by KRW 939,666,220 won^{4\)}](#) for the year, and we are currently using these treatment agents at a reduced rate of 50%. In 2021, we plan to further reduce our chemical consumption through our on-site assessments. Going forward, we will continue to compare and manage our levels of chemical use and pollutants at our wastewater treatment facilities to reduce environmental hazards while at the same time maintaining a stable effluent water quality.

- 3) A biological wastewater treatment method in which harmful substances are collected and processed into a form of mud.
- 4) Reduction in use of fluoride treatment agents led to reduction in pH adjustment agents. Total cost savings with reduced chemical consumption



Chemical Substances

Hyundai Steel is responding actively to changing regulations on chemical substances. In line with tightened Korean regulations on facilities handling chemical substances, we took part in the joint registration of 43 chemical substances, and provide each of our business sites with technical support on toxic chemicals.

I Proactive Response to Chemical Regulations

Hyundai Steel is taking a proactive approach to regulatory demands, such as the expanded list of chemicals required to be registered and the strengthening of chemical facility management standards. In 2020, we registered 43 substances through a group registration system, and plan to register 23 more in 2021 and another 20 substances by 2030. Furthermore, we are improving our management systems for all aspects of chemicals and the environment with an investment of KRW 240 million, and building an environmental management system, which we expect to apply to actual work processes in the first half of 2021. Moreover, to promote knowledge sharing of toxic chemical management across worksites, Dangjin Integrated Steelworks led technical support to worksites at Incheon, Suncheon and Ulsan. We will continue our efforts to minimize our environmental impact on local communities and address concerns related to environmental contamination.



Management of By-products

To fulfill the government's circular economy policy and maximize the resource value of by-products, Hyundai Steel has established a mid- to long-term plan for the integrated management of 22 tasks for by-product recycling. Furthermore, we established an executive-level Steering Committee to bolster cooperation and operate an efficient reporting system.

I Integration and Planning of By-product Recycling Tasks

Category	Short-term	Mid-term	Long-term
Expansion of process utilization	4 cases	6 cases	-
Increase added value	1 cases	1 cases	-
Diversify uses	1 cases	2 cases	2 cases
Develop new demand	2 cases	2 cases	1 cases

Amid the emerging importance of resource recycling, Hyundai Steel has adopted the four strategies of expanding process utilization, increasing added value, diversifying uses, and developing new demand. These four strategies are integrated under a detailed plan that outlines 22 tasks for the short, mid and long terms. We expect to effectively manage and promote by-product recycling, as well as reducing costs and increasing process utilization. We anticipate, in particular, to reduce costs through savings on by-product treatment, the effect of procurement alternatives and an increased recovery rate and other returns. The process utilization rate is expected to rise by 20% from current levels(for dust and sludge).

I By-product Business Collaboration and Reporting System

To unify the directions of resource recycling activities and strengthen our capacity for swift decision-making, we have established a Steering Committee comprised of executives alongside the existing Administrative Council. The Administrative Council performs the functions of communication and cooperation at the working level, and shares priority items with the Steering Committee. In turn, the Steering Committee coordinates tasks shared by the Administrative Council, makes prompt decisions, and reports to the CEO on a regular basis. This efficient 'Administrative Council-Steering Committee-CEO' collaboration and reporting system is expected to speedily promote the utilization of by-products as resources. In addition, we have established an efficient collaboration and reporting system, including reporting agreed items to the CEO on a regular basis.



Performance

Environment

Protecting Biodiversity

3.2.5

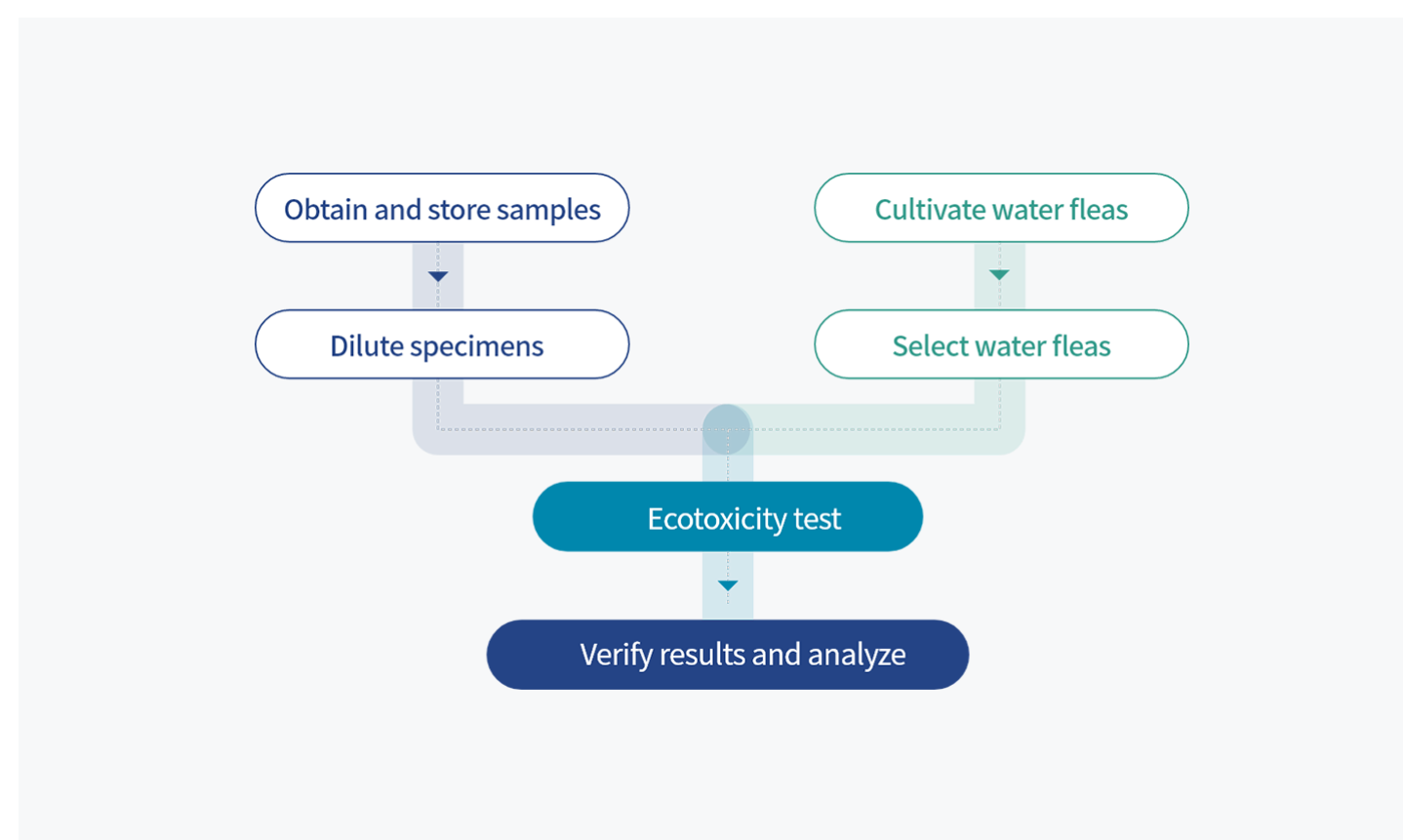
Hyundai Steel minimizes its impact on the marine ecosystems near its steelworks and business sites by monitoring ecotoxicity and managing its wastewater treatment facilities. We are committed to reducing our emissions of water pollutants and improving the aquatic ecosystems of our local communities.

Monitoring Ecotoxicity

Since 2010, Hyundai Steel has been monitoring ecotoxicity to minimize the impact on aquatic ecosystems from the wastewater discharged directly into the ocean from our sites. We have independently established 'work standards' for testing water quality that conform to the 'heavy metal toxicity testing method using water fleas' as a standard method under Article 6 of the 'Environmental Testing and Inspection Act'. These ecotoxicity assessments are conducted on a monthly basis. Also, we carry out annual independent risk assessment, and make efforts to improve the reliability of our testing processes. Furthermore, we operate a dedicated ecotoxicity testing lab where a constant temperature can be maintained and lighting can be adjusted, and we cultivate our own water fleas to ensure a stable supply for testing. In 2020, the ecotoxicity of wastewater discharged from the Dangjin Integrated Steelworks was **below TU 1.0¹⁾** thus meeting legal standards. Through these measures, we are able to systematically manage our wastewater treatment facilities to minimize the impact of the Danjin Integrated Steelworks on nearby marine ecosystems, thereby leading the way in protecting the biological diversity of aquatic ecosystems.

1) Legal standard: under TU 2
※ Refer to Standard Methods for Testing Water Quality

| By-product Business Collaboration and Reporting System



Biodiversity Assessment Status

Hyundai Steel assesses ecological impact in the vicinity of our business sites, including the Dangjin Steelworks(785.5 hectares), our largest business site, as part of our continuous efforts to manage the ecosystem. The ecological impact assessment focuses on the air environment(air quality), water environment(surface/underground water quality), land environment(soil), and living environment(noise, vibration, waste). In 2020, we conducted quarterly assessments that formed the basis for establishing and implementing action plans to improve environmental facilities with the goal of minimizing our impact on the ecosystems near our business sites.

In order to preserve these ecosystems, we monitor the number and population of species(mammals, birds, reptiles, amphibians, fish, insects, land plants, seaweeds, etc.) that inhabit the areas near our business sites, [including three types of legally protected species^{2\)}](#). We also plan to establish and implement a plan to build an ecological park by 2022, which will include green areas to protect wildlife habitats. In addition, we are striving to disclose environmental issues to the public. For example, we opened the “Environmental Issues Reporting Desk” to collect opinions from local residents, and are operating the “Environment Improvement Council” through public-private sector cooperation.

2) Kestrel (Natural Monument No. 323-8), Big Goose (Endangered Wildlife Class II), Black-headed Plover (Natural Monument No. 326, Endangered Wildlife Class II)

Population of wildlife near the Dangjin Steelworks

(as of 2020)

Category	Mammals	Birds	Amphibians, reptiles	Freshwater fish	Insects	Land plant	Plankton
Number of animals (species)	10	57	9	3	78	251	117



Performance

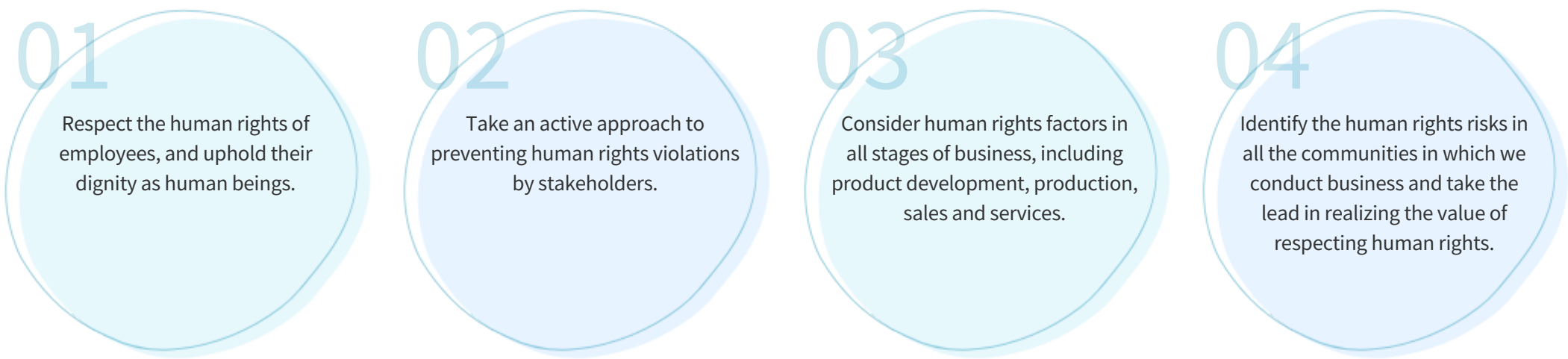
Society

Protecting Human Rights

3.3.1

Hyundai Steel publicly supports and ensures compliance with the standards and laws of international organizations and groups related to labor and human rights, such as the Universal Declaration of Human Rights, the UN Principles on Business and Human Rights, and the International Labor Organization Convention. Through this, we realize the value of human rights, practice social responsibility in all aspects of our business, and strive to communicate with diverse stakeholders to achieve sustainable growth. In addition, we ensure the international human rights and labor regulations mentioned above are observed by all stakeholders, and are putting in place organizations, operational structures, monitoring, measures, and internal/external reporting processes for compliance.

I Hyundai Steel's Human Rights Management Policies



Operation Guidelines

Humane treatment	Strive to prevent mentally or physically inhumane treatment as part of realizing the dignity and value of humanity. If inhumane treatment does occur, take strict measures in accordance with the relevant regulations
Prohibition of forced labor	Respect the worker's freedom to choose in matters of labor. Prohibit all forms of unfair labor such as assault, intimidation, confinement, tracking, and slave labor. Comply with the Labor Standards Act in relation to labor contracts.
Prohibition of child labor	Comply with regulations on child labor, follow appropriate procedures and provide ample support for workers who are minors, in accordance with laws and regulations, and continuously verify legal compliance.
Prohibition of discrimination	Respect the diversity of all employees, and prevent all types of discrimination on the basis of sex, race, age, gender identity, educational background, disability, religion, political orientation and social status in employment processes such as hiring, wages, promotions, etc.
Compliance with working hours	Comply with local regulations on working hours, including regular, overtime and holiday work. Continuously monitor regulatory changes to prevent violations.
Guarantee of freedom of association	Promote sound organizational development through effective and continuous communication between labor and management. Ensure freedom of association in accordance with the relevant local laws, and prevent unfair treatment based on labor union membership and activities.
Protection of personal information	Protect the personal information of stakeholders, including customers, in accordance with local laws and regulations as part of protecting stakeholder human rights. Prohibit the use of personal information without the consent of the parties or for purposes other than those agreed upon
Participation in local communities	Identify potential impacts on communities near worksites, listen to community feedback to prevent problems, and strive for continuous communication.

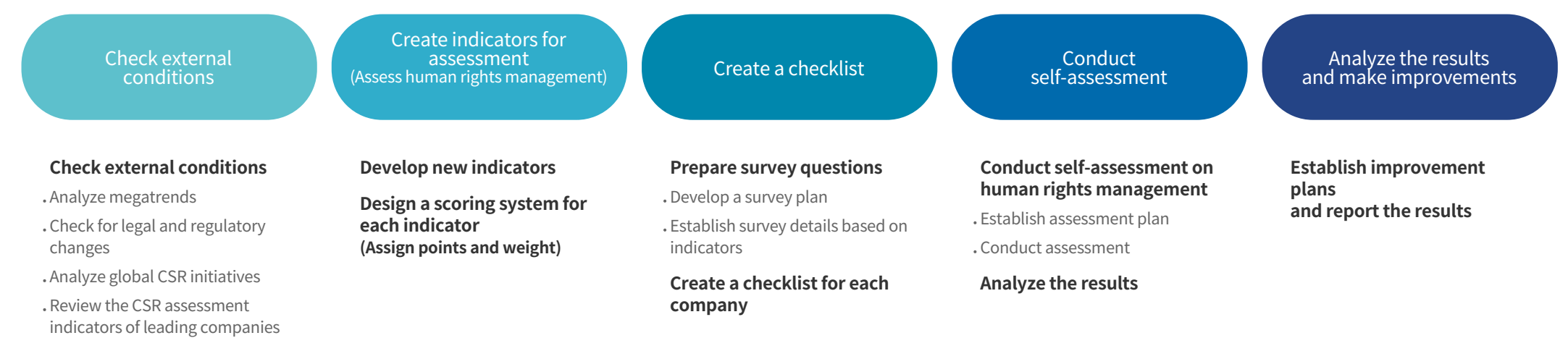
| Hyundai Steel Human Rights Risk Management Process



Implementation of Hyundai Steel Human Rights Assessments

Every year, we conduct human rights assessments of our business sites and suppliers in order to prevent and reduce human rights risks, as defined in our Human Rights Management Policy and Detailed Operational Guidelines. At our business sites, we conduct employee surveys that include items relating to human rights in order to assess compliance with the aforementioned policy and guidelines. We also conduct ESG surveys that include human rights matters on our suppliers, as well as on-site due diligence at worksites where key risks were identified. If human rights risks are discovered during these processes, we take action to identify and address related issues as part of our efforts to protect human rights company-wide.

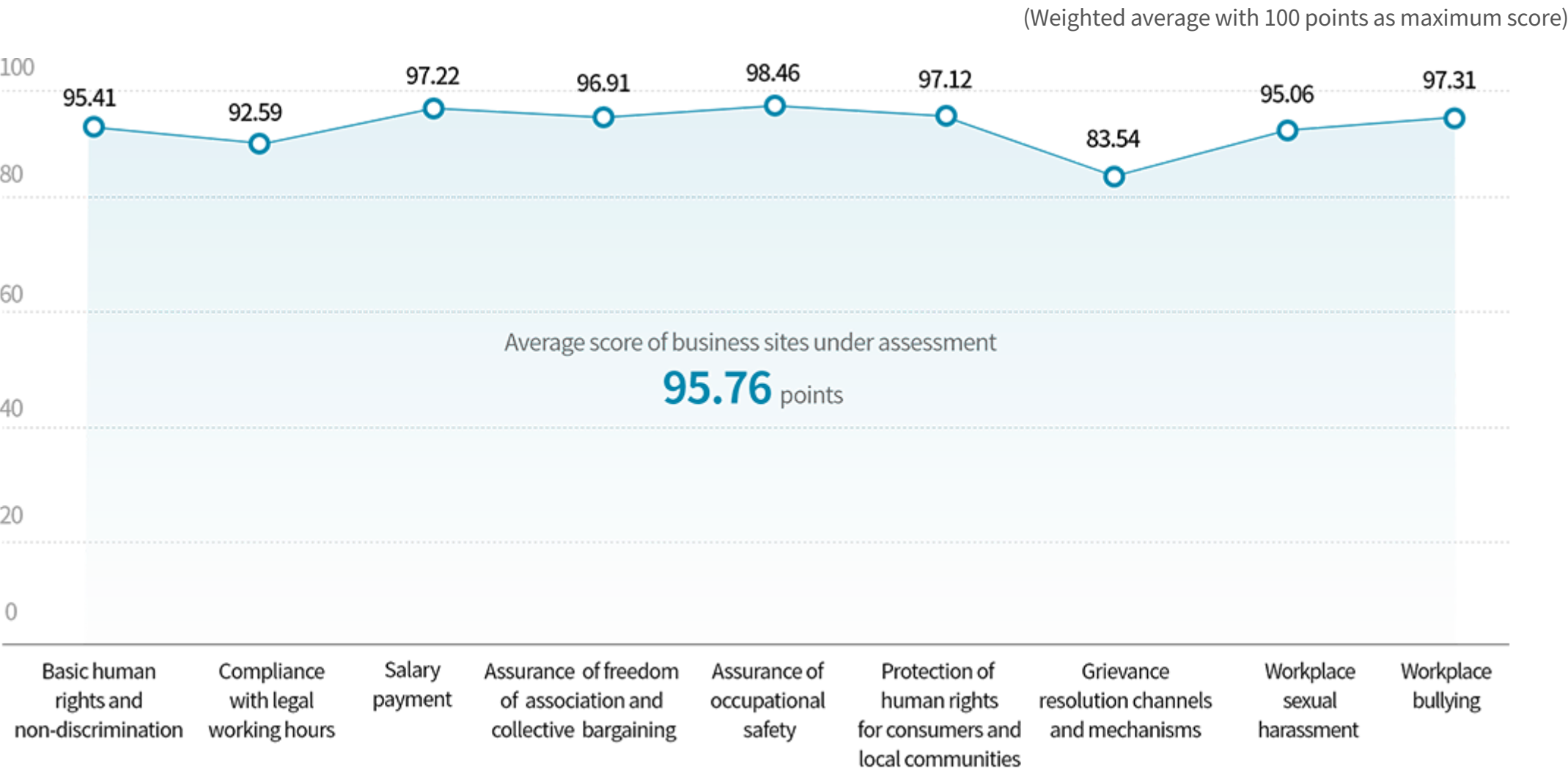
| Assessment Process



| Results of Human Rights Assessments

Hyundai Steel conducted the 2020 human rights assessment across all domestic business sites⁽⁷⁾ and overseas manufacturing subsidiaries⁽¹⁶⁾ in accordance with our human rights assessment process. As a result, two business sites were found to have issues - “lack of grievance resolution channels and mechanisms” and “discrimination in the workplace”. In response, we established a communication channel, “To CEO”, that guarantees anonymous reporting of grievance, took disciplinary measures against the perpetrators, and provided online training on “Prevention of harassment in the workplace” in order to address workplace harassment. In addition, we expanded the human rights assessment across 350 suppliers in 2020, as part of our Supply Chain ESG. A total of 20 suppliers were found to have human rights issues, such as insufficient regulations on the discrimination of minority groups, and the absence of systems to check work hours. Among the 20, 18 suppliers revised their internal regulations or established guidelines on employment in order to address the issues identified in the assessment, and received confirmation by the Company on their improvement.^(26 out of 37 suppliers which have had human rights issues over the past three years have completed improvement measures.)

| Average Scores by Human Rights Indicator



Performance

Society

Human Resources Development

3.3.2

Hyundai Steel remains committed to building a better working environment and providing a wide range of benefits as part of creating a flexible corporate culture. In addition, through our personnel management regulations, we are disclosing the basic principle of diversity that ‘in the operation of a personnel system covering recruitment, retirement, promotion, etc., we ensure that discrimination does not occur due to factors such as gender, race, ethnicity, country of origin, nationality, or cultural background.’ Moreover, we are focused on developing talented employees through systematic training programs designed to maximize individual potential. We will continue our efforts to build a good working environment in order to enhance the performance of our employees, and strive to ensure the growth of our employees leads to the growth of the Company.

Ideal employee

Challenger

Challenges the status quo and pioneers new and uncharted paths

Creator

Tackles change with a proactive and creative mindset

Specialist

Works to be the best in their field with expert knowledge and competence

Collaborator

Fosters camaraderie to build a great work place

HRD Mission

Develop outstanding employees with competence and character

HR Development Direction

Develop innovative leaders who create new values

Develop leaders with world-class expertise

Promote a culture that prizes relentless curiosity and supports self-directed growth



Talent Recruitment

Hyundai Steel has adopted a year-round recruitment system in order to attract talented and qualified applicants. Each division has its own recruitment plan, and cross-checks its screening results with the head office to ensure transparency in the recruitment process. This system has enabled us to reduce the social cost of applicants acquiring unrelated credentials, expedite recruitment process, and improve job satisfaction for our new recruits as well as existing employees. In addition, we have implemented a policy, in accordance with the law, to support the employment of individuals in the socially vulnerable groups, including veterans. Going forward, we will continue working to boost engagement among new employees and reduce turnover by optimizing our recruitment selection process and assigning new employees to departments that match their individual needs.

Improved Performance Evaluation and Promotion System for General Employees and Researchers

Hyundai Steel has introduced a new system aimed at building trust with employees in terms of performance evaluations and promotions, improving our corporate culture and strengthening our capabilities. In this regard, a talent selection system centered on performance was introduced. To ensure fair evaluation, all employees' performances are set based on detailed targets and evaluated by comparison within their peer groups (employees in the same rank). Also, reasonable criteria, not seniority, are adopted to determine promotions, such as the expansion of multidimensional assessments for senior managers and above. Furthermore, we are minimizing one-size-fits-all standards by introducing evaluation criteria tailored to the characteristics of each department, while optimizing the criteria according to the required competencies and expected roles of each value chain. In doing so, we are able to select the right person for each department while increasing employee satisfaction with our HR system.

Employee Statistics

As of December 31, 2020, Hyundai Steel has 11,544 employees with an average length of service of 12 years. We employ 246 employees with disabilities and 334 veterans. Across our overseas subsidiaries, we have 497 employees in Asia, 236 employees in America, and 230 employees in Europe. In management, there are 264 women, accounting for 8.1% of total management positions. Women and men are paid at the same rate, whether in a management position or not, as base pay is determined by job rank and seniority.

Company-wide Job Rotation System

Hyundai Steel has reorganized a job rotation system across the company to enable employees to grow their organizational and job experience, and to break down departmental silos. First, we expanded mandatory rotation to more employees and strengthened the rotation incentives related to appointments and promotions. In addition, we applied different policies depending on whether deepening expertise or diversifying experiences is more important. In the future, we will use the rotation system to enhance understanding among organizations, while establishing an internal culture of collaboration that fosters future leaders with diverse job and product experiences.

Non-Contact Recruitment Implementation

Hyundai Steel initiated a non-contact recruitment system in 2020 as the COVID-19 pandemic prevented on-site recruitment. The entire screening process was conducted online. The paper-based Hyundai Motor Group Aptitude Test(HMAT) was replaced with Computer Based Test(CBT) and AI screening. Interviews were organized through videoconferencing. In addition, as security and identification procedures are important in the non-contact recruitment process, applicants were requested to sign information protection agreements and preliminary calls with applicants were organized. These new measures enabled us to streamline processes for the applicants and reduce recruitment costs.

Implementation of New Reward System

Hyundai Steel provides a range of employee reward programs aimed at building a company culture of innovation and pioneering spirit. The previous system of year-end rewards has been replaced with a year-round system, which gives authority to each department to provide rewards independently. Under a special reward system established in 2020, employees with ideas that contribute to cost savings or improved profitability have the opportunity to receive rewards as a long-term incentive, a system we plan to continue. We anticipate the newly introduced reward systems will serve to increase motivation among employees and help build a healthy corporate culture.

Organizational Culture

To realize a horizontal corporate culture, Hyundai Steel implements a variety of initiatives to boost employee morale and is improving our approach to work by holding corporate culture sessions and taking active measures to improve reporting methods. We obtained the Family Friendly Company Certification by fostering family-friendly corporate culture and operate leave programs, such as 'Leader's Insight' and 'Refresh' in an effort to guarantee work-life balance. Furthermore, under the government's 52-hour work week policy, we are implementing a range of policies to ensure that employees do not exceed the legal limit, such as a PC control program to remind employees about their work hours. We also operate on a flexible work schedule system.

Remote Real-time Online Learning through 'Home Learn'

Hyundai Steel has developed and implemented a non-contact, remote training tool called 'Home Learn', as an alternative to cancellation or delays in all training sessions due to the COVID-19 pandemic. 'Home Learn' is a safe remote videoconferencing solution that ensures the effectiveness of in-person learning with a group.

In 2020, 3,012 employees participated in 'Home Learn' in place of in-person training sessions, and this reduced indirect training costs(lodging, food, transportation, etc.) for the year by KRW 150 million. In addition, with no time lost on traveling to a training facility, around 8,000 working hours were saved across the company. About 30% of our employees participated in the program, and with the positive feedback on the new method, the program will continue even after the pandemic with new, tailored content.

Building Infrastructure for On-demand Learning Content

Hyundai Steel puts in place on-demand video content infrastructure that enables our employees to learn at any time. This pool of contents includes 'Steeltube' for learning basic knowledge about the steel industry and the company 'Biztube' to cultivate employees professional knowledge and 'HMG Prime' for expanding business perspective of team leaders and executives, enhancing the leadership competitiveness of the senior managers and senior researchers. Furthermore, in line with the changes brought by year-round recruiting and training culture, our onboarding training has been moved partially online, using content produced in-house so that we can enhance the efficiency of training. Also, team leaders training, which was conducted as an online live Home Learn program, was made available to all employees as needed. In 2020, our real-time learning content was viewed 22,990 times. In 2021, we will establish an on-demand learning academy to enhance our non-contact, on-demand content.

Training	Contents
Steeltube	Introduced a section on "In-depth Knowledge" to the existing four sections that include basic knowledge, steelmaking process, product manufacturing process, and product applications, thereby expanding the course to five sections and 56 videos.
Biztube	The latest content and updates to learning materials in the areas of business, economy, the humanities and society Recommended and provided content to employees
HMG Prime	Provides an on-demand learning environment via web/mobile

Introduction of Paperless Electronic Approval System

Since October 2018, Hyundai Steel has been implementing an electronic approval system through the 'Work Smart Campaign'. After a trial phase of eight months, the electronic approval system led to remarkable improvements in efficiency at offices, including a 60% reduction in document printing. Unnecessary document printing has been reduced and decision-making have become more efficient, with a significant reduction in multi-step face-to-face approval processes, and elimination of old-fashioned document-signing folders to minimize preliminary reporting. The electronic approval system has also improved work efficiency by enabling collaboration and reporting despite social distancing in the COVID-19 pandemic. We will continue to address inefficiencies caused by restrictive, outdated practices and implement 'smarter' ways of working.



Measuring Training Feedback and Improving Analysis Efficiency

To analyze and manage the results of training more efficiently, Hyundai Steel has unified all items on the training feedback survey, beginning in 2020. This has made it easier to conduct a comparative [analysis](#)¹⁾ of each training area. In addition, we use the measured qualitative and quantitative data to conduct an in-depth analysis of the training's effectiveness. The assessments serve as a reference for future curriculum. Specifically, we review the [Net Promoter Scores\(NPS\)](#)²⁾ of training participants and use our findings as the benchmark for the effectiveness of the sessions. Quantitatively, NPS is a value between -100 and 100, and an NPS above 20 is considered positive. The average NPS of our training sessions in 2020 was 30.4. Going forward, we will use NPS to systematically analyze the results of our training and continue to make improvements.

- 1) Suitability of material, expertise of instructor, applicability to job, etc
- 2) Net Promoter Score: Measures willingness to recommend the course to others on a scale of 1 to 10, with the scores removed for 'promoters'(9~10)and 'detractors' (0~6)

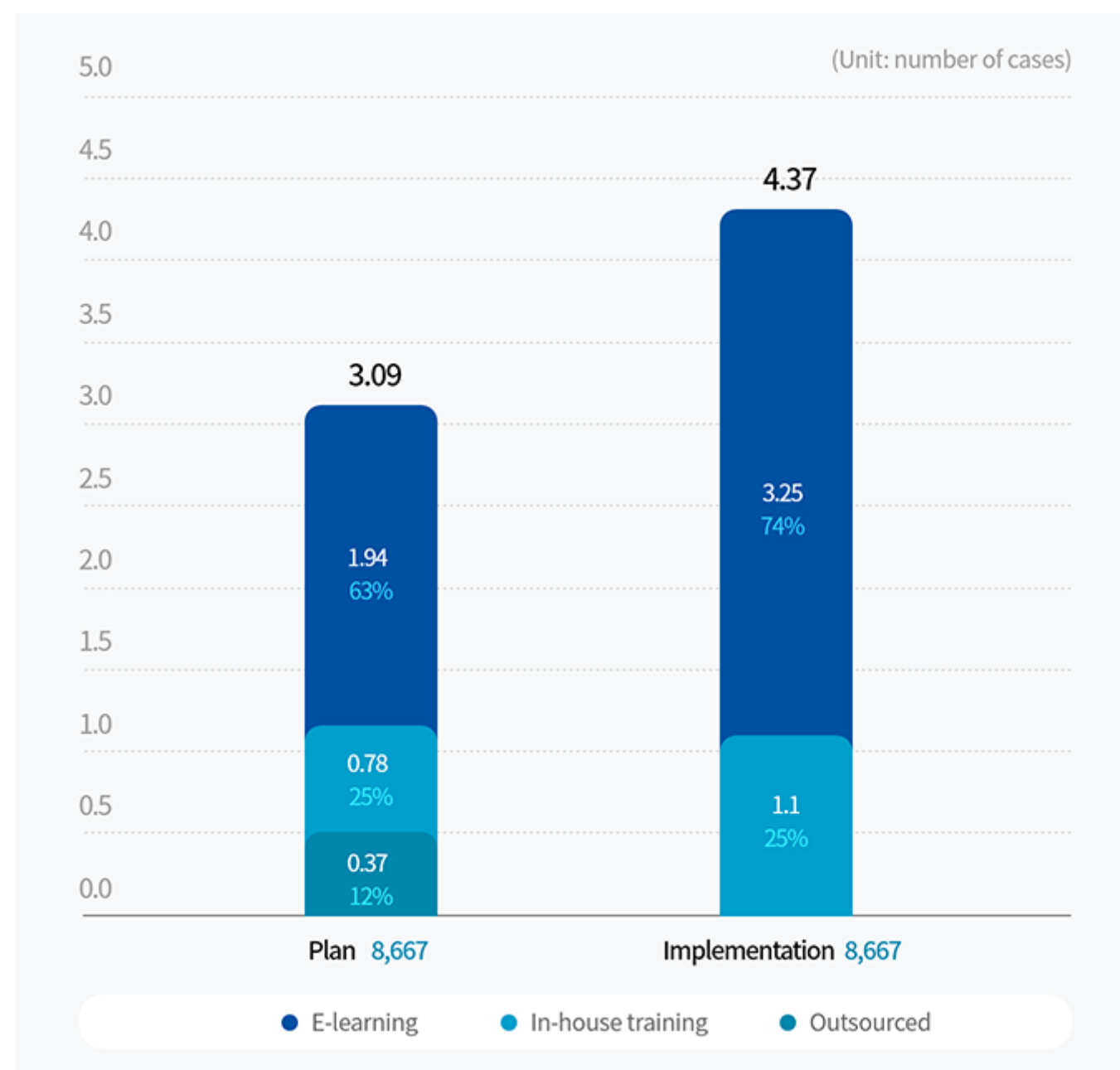
Training on Human Rights and Retirement Preparation

As part of efforts to build a fair and transparent organizational culture and promote a healthy working environment, Hyundai Steel has included mandatory compliance training in our onboarding program for newly promoted team leaders and new employees since 2017. In particular, we are using e-learning and group sessions to train all employees on the prevention of sexual harassment and disability awareness as part of our leadership in building a healthy workplace culture. In 2020, we continued to provide training on 'Preventing Workplace Harassment', a program launched in 2019, to further advance our corporate culture. In addition, Hyundai Steel is providing education for retiring employees as they plan a new chapter in their lives. In 2020, we conducted courses for 194 participants across four categories: preparing for retirement, planning a new life, goal-setting and running a business. We plan to continue these sessions for retiring employees in 2021.

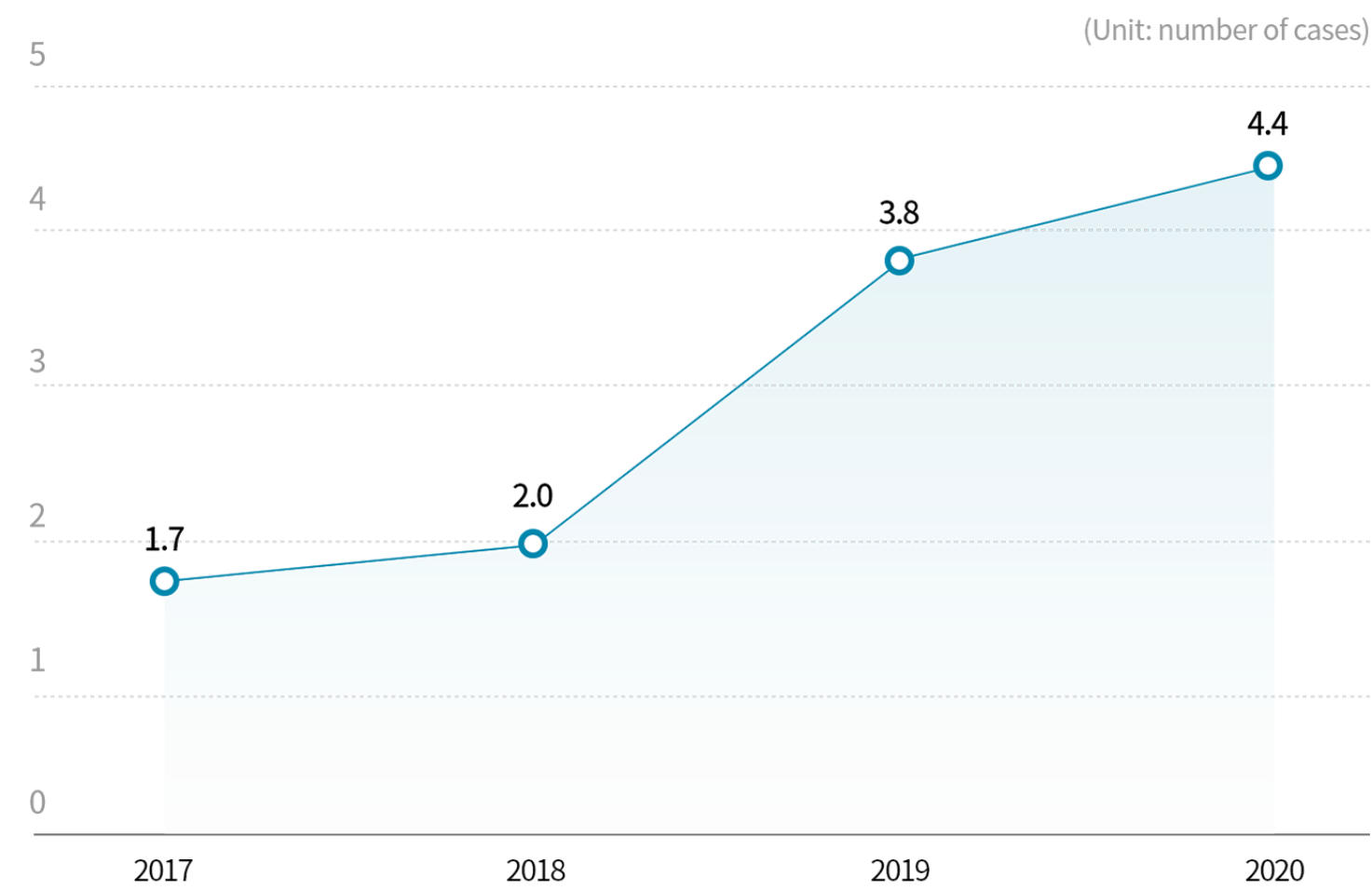
Individual Development Process(IDP)

Since 2019, Hyundai Steel has been pursuing the quantitative and qualitative expansion of training through the Individual Development Process(IDP), which systematically supports employees in their career development and growth. Through this policy, all employees are able to plan their development path in accordance with their duties and roles. Additionally, team leaders take active part in employee development by providing extensive support and feedback, while also managing the entire process through quantitative data. In 2019, the IDP was reflected quantitatively in team leader performance reviews. However, with the introduction of the absolute evaluation system in 2020, IDP performance was used as a reference indicator within an assessment section on the development of subordinate employees. Compared to 2019, a higher training participation rate was recorded in line with an increase in training performance(number of sessions). In 2017, the training performance was only 1.7 sessions a year on average, but with the implementation of the IDP, the figure continued to rise, and by 2020 it had doubled to 4.4. In 2021, the standard of the IDP system will be measured by the number of sessions to number of hours, which will help determine the quantitative and qualitative differences among the training sessions.

| Per capita performance vs. IDP plan



| Per capita education performance from 2017 to 2020



Development of Leadership Training for Team Members(Managerial Level)

Hyundai Steel assess the level of leadership through yearly leadership competency test for those who have promoted as senior manager and senior researcher. We have created new leadership training for team members(managerial level) who need to enhance leadership abilities and developed three training courses on 'performance management', 'leading by example' and 'communication'. Unlike other leadership training programs, the courses aim to maximize capacity and achieve practical behavioral change through a systematic course taught over a span of six weeks. The program is comprised of the following thematic courses: Acquiring Leadership Skills [Phase 1(two days)] → Taking Concrete Action [Individual learning(three weeks) + Phase 2(1 day)] → Establishing Leadership Direction [Individual learning(one week)] + Follow-up assessment]. Our managerial-level leadership training received the best NPS score among all of our training programs in 2020 at 62.2 points, which is more than twice the average of 30.4. In 2021, we plan to expand this leadership training to managers and research engineers to provide a foundation for all employees to take a leap forward and grow as future leaders.

Performance

Society

Occupational Health and Safety

3.3.3

Under the vision of 'Creating a Safe Steelworks to Last a Century', Hyundai Steel aims to 'Achieve Zero Industrial Accidents'. To this end, we have established health and safety policies and are implementing various measures to prevent accidents and strengthen our safety capabilities.

2021 Safety Management Goals and Policies

Vision

Creating a Safe Steelworks to Last a Century

Goal

Achieving Zero Industrial Accidents

Health and Safety Policies

- ① Establish an effective safety and health management system by prioritizing health and safety across our business operations.
- ② Implement and execute safety and health goals and specific targets related to health and safety policy.
- ③ Enhance the health and safety capabilities of employees through education and training.
- ④ Strict compliance with the requirements of health and safety laws and regulations, and with those of the health and safety management system.
- ⑤ Evaluate effectiveness and make continuous improvements through company-wide participation.
- ⑥ Mandatory compliance with safety management obligations for all personnel in the workplace.

Safety Management Operational Policies

- Safety facilities improvement system
- Work standards re-examination
- Safety suggestion system

Preemptive safety activities

- Early indicator safety activities
- Critical Top 5 improvements
- ※ Critical Top 5 : key improvements for safety

Leader-initiated safety activities

- Spreading a culture of safety
 - Safety leadership by setting an example to follow
- (Enhanced on-site manager safety activities)

Establishment of a preemptive occupational health system

- Work environment improvement
- Employee health management

Company-Wide Integrated Safety Management

Hyundai Steel operates an integrated safety management system led by the Safety, Health and Environment Center at Dangjin Integrated Steelworks. The center establishes safety guidelines, policies, and regulations, and supports safety practices of each worksite through safety management meetings, seminars, analysis and assessment. In addition, the safety team of each worksite in Incheon, Pohang, Suncheon, and Ulsan oversees and manages on-site safety practice in accordance with policies in order to prevent industrial disasters. The Safety, Health and Environment Center is at the forefront of ensuring safety by raising awareness across all worksites and maintaining efficient operation of the safety system. In addition, Hyundai Steel acquired KOSHA 18001 and ISO 45001 certifications for our safety and health management system in order to regularly review the implementation of risk assessment, safety training, and safety inspection activities. Based on such activities, all employees recognize the importance of safety management and strive to create accident-free workplaces with the firm belief that all accidents can be prevented.

Safety Awareness Evaluation

In 2020, Hyundai Steel developed the HSRS(Hyundai Steel Safety and Health System Evaluation Program) and trained experts to allow us to properly assess the level of our safety awareness and performance on issues related to safety. Based on the results, we were able to identify the level of safety at Hyundai Steel, and identify areas of weakness in each organization which, in turn, enabled us to conduct tailored safety consultations. Moreover, Hyundai Steel has assessed the safety culture across our organization through the HSRS, enhanced employees' safety awareness and emphasized the importance of safety management through safety diagnoses by experts.

S.H.E. Advisory Committee

Hyundai Steel operated the S.H.E.(Safety, Health and Environment) Advisory Committee in 2020 for the purpose of improving our systems and minimize risk factors in the areas of safety, health and environment through expert consultation. The committee is composed of a policy advisory part that discusses major issues in the system, policies and other relevant areas, and also a technical advisory part that focuses on reducing work-related risks and improves the working environment through thorough on-site analysis. In 2020, we plan to hold 4 committee meetings together with 8 experts.

Safety Inspection with Everyone's Participation

In order to identify potential risks at our worksites, Hyundai Steel conducts company-wide safety inspections which are participated in by executive officers and employees from all divisions working in production, maintenance, support and safety. Employees establish improvement measures on risk factors identified during these inspections by reflecting opinions from the field, and monitor the results of improvement using a computerized system. The company-wide safety inspections are designed to assign safety responsibilities to all personnel at each worksite while promoting safety considerations among colleagues as a community.

Practicing Safety Management

Hyundai Steel holds regular safety management meetings led by the CEO. These safety management meetings are attended by the persons in charge of each worksite and team to decide on safety policies, discuss performance and share new plans.

We also conduct on-site inspections led by the CEO. Through a series of inspections of all worksites, the CEO examines hazardous facilities that need improvement and visits employees on-site to give them encouragement and emphasize compliance with work procedures and safe working.

Establishment of Safety Improvement Processes

Hyundai Steel maintains safety improvement processes in order to immediately address any risks that may occur. We work with external specialist companies to inspect our gas facilities and all hazardous machines and equipment on a regular basis. If any signs of danger, such as gas leaks, are detected during these inspections, specialists take immediate actions to address the issues. Further, if any risks are identified in our equipment, or there are safety facilities that require investment, the relevant issues are reported through our Emergency Safety Investment System, in which immediate action is taken by the maintenance department to address the issue. Hyundai Steel is fully committed to establishing a safety infrastructure to protect everyone working at our business sites.

Prevention-focused Safety Management

We are raising our safety management standards and building a practical and effective accident-prevention system by taking action with a focus on prevention. We use safety management indicators and evaluations for each organization with the goal of achieving zero industrial accidents. We have introduced preventive and actionable safety activities as leading indicators in management. These items include safety inspections, addressing on-site risks, managing standard work procedures, evaluating risk, and the completion of safety training. On the basis of year-end fulfillment of these indicators, organizations and individuals can receive rewards for outstanding safety management.

Creating a Safe Working Environment

Hyundai Steel undertakes a variety of efforts to realize a safe workplace. When work is conducted at a risk-prone facility such as an oxygen facility, or gas storage or usage facility, we ensure that standard work procedures and safety standards are followed with safety as the top priority. We are also continuously conducting inspections and making improvements to these facilities. In addition, we have standard work procedures that must be followed for jobs conducted in high-temperature environments, and we manage such worksites to prevent accidents through strict access procedures.

Action to Mitigate Risk

To ensure that our steelworks are safe, we are implementing a risk mitigation program called 'Critical Top 5' at all worksites, as well as at our suppliers. Under this program, each organization, including offices and business divisions, selected 564 items for improvement from among facilities and work sites in the field, and set up a comprehensive improvement plan at the start of the year. We continue to implement risk mitigation activities as part of our annual improvement plan, and the results of improvements are shared through weekly safety meetings with management.



Leadership Participation in Safety

Hyundai Steel emphasizes safety-oriented action by leaders. Through our safety program for leaders, called 'Leaders Contact', we assign goals for safety-related activities. On-site managers engage in related activities with on-site personnel, such as Tool Box Meetings, safety training and safety roundtables. We strive to promote a culture of self-directed safety through such activities by leaders, as well as by spreading our commitment to put safety first.

Managing Safety with Partners

To ensure that our steelworks are safe, Hyundai Steel continues to engage in 'Safety Together' with our suppliers. With our suppliers, we share safety incidents that have occurred and efforts to improve safety. Every month, through safety roundtables, we agree on actions items related with safety issues. In addition, we provide a range of training courses to support our suppliers and their staffs on areas such as risk assessment, fundamental safety training for staff new to business sites, and on-site safety training to strengthen related expertise. Furthermore, together with our suppliers, we promote safety awareness, a self-directed safety culture, while working together to ensure our steelworks are accident-free.



Employee Health Programs

Hyundai Steel strives to promote the health of our employees through a diverse range of health facilities and management systems. We operate in-house clinics, a psychological counseling center, and Oriental medicine treatment facilities in order to provide our employees with access to diagnoses and treatments by medical professionals. We have also put in place a clinical pathology laboratory, exercise facilities and a physical therapy center - all under an advanced healthcare system. Additionally, we offer health improvement programs, such as hearing care, to employees suspected of having a disease, and are making continuous improvements to prevent additional patients as part of our efforts to manage our employees' health indicators.

Improvement of Safety Training

As it is impossible to conduct group training due to the COVID-19 pandemic, Hyundai Steel has developed and implemented a non-contact online program for both basic and mandatory safety training. To raise the standard of on-site safety training, we also provide training through worksite visits by expert safety instructors. In addition, by improving the hands-on experience facilities at the Century Safety Center, as well as developing new training courses, we strive to reinforce the capabilities of our employees in terms of safety. Furthermore, we provide optimal safety training to enhance the standard of safety management by supervisors responsible for on-site safety, and enable them to better carry out their role as safety leaders.

Raising Safety Awareness

To prevent accidents and raise awareness of safety, Hyundai Steel organizes a range of safety-related events at all of our worksites in which all personnel can participate. In 2020, due to the COVID-19 pandemic, all safety-related events were held in a non-contact(virtual) manner. We held contests for safety slogans and for improving safety with jig tools, and over 2,000 proposals were submitted. Among these, 30 proposals were awarded and the selected jig tools were featured in a booklet that has been distributed so that other worksites can use them. Going forward, we will continue to build a culture of safety and raise safety awareness by encouraging all employees to take part in safety initiatives.

Performance

Society

Supply Chain Management

3.3.4

Hyundai Steel is implementing a supply chain strategy aimed at building an integrated management system and forming solid partnerships with suppliers. We are building a stable supply chain system by strengthening the competitiveness of our purchasing costs and improving our transparent ethical management, supporting a smart working environment and managing ESG. Through these measures, we are managing potential risks related to supplier human rights, safety, the environment and regulatory compliance. Furthermore, we are improving the risk response capabilities of our suppliers by implementing a diverse range of win-win growth programs and striving to build sustainable partnerships.

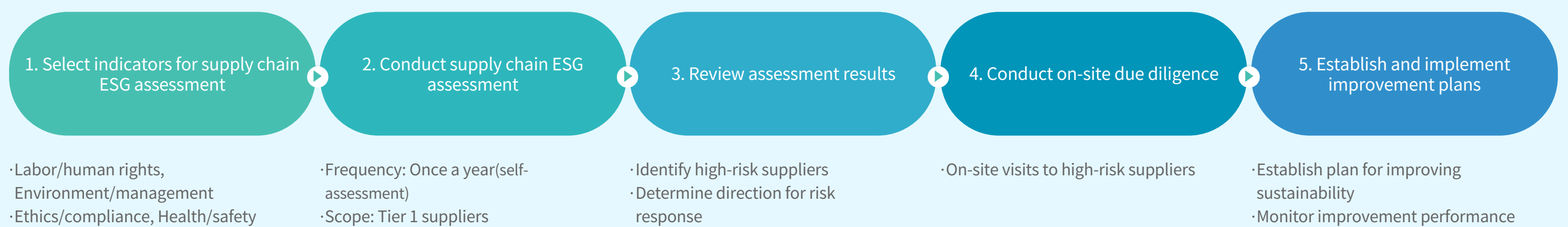
Supply Chain Management Processes

Every year, Hyundai Steel conducts supply chain ESG assessments to identify potential risks within our supply chain. To this end, we inspect our suppliers in terms of labor/human rights, environment/management, ethics/compliance and health/safety. Further, based on the results of the ESG assessment, we identify high-risk suppliers, establish improvement plans for them, and conduct monitoring on the outcomes of these improvements.

Supply Chain ESG Assessments

As part of efforts to maintain a sustainable supply chain, in 2020, Hyundai Steel conducted supply chain ESG assessments for 350 suppliers to identify potential risks. The assessment consisted of 43 items across 4 areas, including labor and human rights(14), ethics(9), safety (10), and the environment(10). Of these, suppliers scoring in the bottom 5% were categorized as high-risk, and on-site due diligence for these suppliers was conducted. Among 20 suppliers where a due diligence was conducted, 19 suppliers submitted improvement plans and successfully resolved these risks. In particular, prompt actions were taken to address significant risks, such as the development of a safety work manual and an emergency response system. Improvement was also made at a system level, including the establishment of an internal risk communication channel. With the supply chain ESG assessment, Hyundai Steel requires our suppliers to meet a certain score threshold in such areas as health/safety and labor/human rights. Those that fail to meet these thresholds are placed at a disadvantage in bidding or supplier evaluation.

Supply Chain ESG Assessment Process



I Integrated Supply Chain Management



Code of Conduct

Partners supplying products and services to Hyundai Steel are required to adhere to our Supplier Code of Conduct. Our suppliers must create safe workplaces, respect the human rights of workers, and continuously strive to protect the environment. They must also operate their businesses in an ethical manner, source their raw materials lawfully and maintain their management systems. Each of these rules being equally important, we require our suppliers to comply with all related laws and regulations.

Win-Win Growth Policy

Hyundai Steel operates a range of programs on finance, technology and management in order to achieve mutual growth with our suppliers and provide them with effective support in the areas they need. We have also concluded a fair trade agreement with the Fair Trade Commission, which evaluates our implementation results. We are thus making clear to internal and external parties our commitment to win-win growth. To do this, we are continuously developing mutually beneficial partnerships with our suppliers under the three key principles of fair trade compliance, continuous strengthening of partnership fundamentals, and supplier communication.



Communication Channels for Suppliers

Hyundai Steel is building a business model for win-win growth with our suppliers through a range of programs. We have always held a New Year's meeting with our suppliers, but as this was not possible in 2020 because of the COVID-19 pandemic, we held the event virtually through the '2021 New Year Greeting Homepage.' Furthermore, our subcommittees for each purchasing area, which inform suppliers of our purchasing policies and product management plans, held 36 meetings in 2020 through videoconferencing, reaching 246 suppliers. In addition, based on supplier feedback – received through our online communication channel regarding systems and work-related difficulties - we were able to resolve 32 items. Moving forward, we will continue working through various communication channels to achieve win-win growth with our suppliers.

Hyundai Steel Tech Show

The Hyundai Steel Tech Show aims to promote the outstanding technologies of Hyundai Steel suppliers and to help expand their sales channels. In 2020, this event was held online to comply with the government's guidelines on the COVID-19 pandemic. In 2020, 80 domestic and overseas suppliers took part in the Show and showcased, in an online exhibition hall, a variety of production processes and products on the themes of localization, quality and productivity, the energy, safety and environment. We also held a videoconference seminar on our purchasing system for 244 suppliers to enhance their understanding of our procurement policies, and to reinforce communication. We also presented 'Eco-Partnership' certifications to suppliers that have contributed excellent ideas and have been certified as eco-friendly. The Hyundai Steel Eco-Partnership is a certification for small and mid-sized suppliers that have contributed to eco-friendly procurement. We launched this program in 2020 as a way to take part in the government's environmental policies and encourage suppliers to practice sustainability management. Through many additional sideline events, such as the 'Online Technology Seminar,' the Hyundai Steel Tech Show serves as a venue of practical business exchanges. Moving forward, we plan to enhance the technological competitiveness of our suppliers, and further strengthen mutually beneficial cooperation, through the Hyundai Steel Tech Show.



Supporting Win-Win Growth

I Win-Win Growth Fund

Hyundai Steel has raised, through financial institutions, a Win-Win Growth Fund worth KRW 40 billion to help pay the interest expenses of our suppliers' operational loans. This enables our suppliers to reduce their financial expenses and obtain the funds they need for their business, helping to ensure a stable supply chain.

I Energy Saving and Facility Support Project

To fundamentally address environmental risks at our suppliers, Hyundai Steel provides consulting on all aspects of energy consumption, including the provision of energy-saving equipment and energy management systems to ensure efficient facility operation - all free of charge. We have provided support not only in terms of facilities, but have also contributed. The expert consulting we provide on environment and energy assists our suppliers in identifying optimal energy saving solutions, and concurrent training for relevant managers enables them to strengthen their environmental risk management capabilities. In 2020, approximately KRW 300 million was spent across seven suppliers, which enabled them to save KRW 80 million in energy costs. Hyundai Steel began this project in 2014 and so far has provided support to a total of 31 suppliers, with facilities and systems worth approximately KRW 1.5 billion. Through this, the suppliers saved approximately KRW 440 million in annual electricity costs. Going forward, we will continue to help our suppliers save electricity, thereby enhancing our business competitiveness and ability to respond to environmental risk across the supply chain.



I Performance Sharing System

Hyundai Steel operates a system where suppliers submit proposals on domestic production and the functional improvement of parts, etc., and share the outcome of their contributions. We help suppliers to implement the proposals they make and provide incentives, such as long-term procurement contracts, for those who successfully implement their proposals. This way, our suppliers can ensure a stable supply network and enhance technological competitiveness, and we can improve efficiency through cost savings and higher productivity. Thus far, 117 proposals have been adopted and are undergoing implementation, including 51 new development projects in 2020 . Long-term procurement contracts were also signed with 18 suppliers.

I The COVID-19 Pandemic Crisis Support

In 2020, Hyundai Steel implemented a range of programs together with its business partners to overcome the crisis caused by the COVID-19 pandemic. First, we provided funding and supplies for our partners, which is continued in 2021. While operating the KRW 40 billion won Win-Win Growth Fund, we increased the capital available to each supplier from the existing KRW 500 million to KRW 1 billion for suppliers impacted by the pandemic. Furthermore, we have expanded financial benefits for our suppliers with the establishment of a new initiative called the 'Steel Win-Win Fund', worth KRW 20 billion. We also provided KRW 7.2 billion in emergency funding to our partners having difficulties raising funds. Reflecting the on-going business challenges, we will defer repayment of funds provided prior to 2020. Early in the COVID-19 pandemic, when masks were scarce in Korea, we mobilized our existing supply channels to provide our suppliers with 8,300 KF94 masks(nationwide 4,700 + Dangjin 1,100 + Suncheon 2,500) and 940 containers of hand sanitizer, free of charge. Hyundai Steel will spare no effort to support our suppliers until we have overcome the global pandemic.

I Win-Win Growth Program

Three Basic Principles		Category	Win-Win Growth Program
Fair Trade Compliance	Fair trade and ethical management	<ul style="list-style-type: none">• Four key practices required by Fair Trade Commission• Procurement ethics regulations	<ul style="list-style-type: none">• Fair trade compliance program
	Fair procurement policy	<ul style="list-style-type: none">• Transparent procurement process• E-procurement System	<ul style="list-style-type: none">• Payment conditions for supply of goods
Continuous Reinforcement of Cooperation	Financial support	<ul style="list-style-type: none">• Win-Win Growth Fund• Win-Win payment system	<ul style="list-style-type: none">• Network loans(based on transaction history, loan provision)• Win-Win investment project
	Technical support	<ul style="list-style-type: none">• Performance sharing system• Non-exclusive licensing• Support for new product development with option to purchase• Technical Data Bailment System	<ul style="list-style-type: none">• Seminars on improving technology protection• Joint R&D• Joint patent applications
	Business management support	<ul style="list-style-type: none">• Exclusive online recruiting center for suppliers• Education and training programs	<ul style="list-style-type: none">• Support suppliers in expanding sales channels domestically and overseas• Support for employee benefits
Communication with Suppliers	OOperate wide-ranging communication channels	<ul style="list-style-type: none">• Procurement cooperation• New Year's meeting with procurement partners• On-site visits to suppliers by management• Meetings among departments related to win-win growth	<ul style="list-style-type: none">• Ethical management pledge• Supplier inquiries (communication bulletin)• Supplier VOC activities• Online platform for win-win growth 'Sangsaeng-Nuri'

Performance

Society

Social Contribution

3.3.5

Amidst the growing importance of corporate social responsibility around the world, Hyundai Steel has strived to fulfill its social responsibility by implementing CSR activities. This is having positive effects in terms of management, with improvements to our corporate image and boosts to employee satisfaction – thereby enhancing our sustainable growth. Under our vision for CSR, "Hyundai Steel always with you", we have established mid- to long-term strategies centered on three core values of CSR – circulation, communication and change – and have conducted continuous and sincere CSR activities in accordance with these values.

Social Contribution Vision

“Hyundai Steel always with you”

Core Values



Value Circulation

Contributing to business and social value creation by leveraging resources and capabilities across the entire value chain

- Contributing to resource circulation and the reduction of environmental impact
- Contributing to society through our business

Key Projects

- Home Repairs of Hope
- Han River Forest Planting
- Coffee Grounds Recycling Project

SDGs



Stakeholder Engagement

Being at the forefront of diverse subjects and increasing impact through communication with internal and external stakeholders

- Expand stakeholder participation
- Raise awareness internally and externally

Key Projects

- Employee volunteer activities
- Pul-ppuri(Grassroots) 1.0
- H-USR
- H-Together
- Employee Participation Fund
- Social contribution activities to overcome COVID-19

SDGs



Social Innovation

Going beyond mitigation and pursuing change to realize fundamental solutions to social issues

- Contributing to solving social issues
- Building a foundation for self-reliance

Key Projects

- 'Happy Safe Village' Project in India
- Self-reliance Support Model in the Philippines
- SDG Partnership Fund with the World Bank Group

SDGs



CSR Activities in Korea

I Home Repairs of Hope

As a project we have run since 2011, 'Home Repairs of Hope' aims to improve the energy efficiency of low-income homes and public welfare facilities. The social benefits of this include reducing energy costs and CO2 emissions, while at the same time creating self-sufficiency and jobs for social enterprises. All the expenses of this project are funded through voluntary donations from Hyundai Steel employees. By 2020, we aimed to carry out relevant improvements at 1,000 sites, but the project was paused due to COVID-19. As of 2019, we had completed energy efficiency improvements across 917 low-income homes, as well as ten public welfare facilities, for a total of 927 sites. We plan to continue these efforts in 2021.



'Home Repairs of Hope' – Energy Efficiency Project

Corporate value

Enhanced the positive image of Hyundai Steel to internal/external stakeholders

- Positive response rate from recipients: 100%
- Enhanced employees' loyalty to Hyundai Steel by engaging them in CSR fundraising

Social value

Created positive impacts on the environment, welfare, and job creation

- Reduced CO2 emissions from old houses: approximately 1.3 tons per household, and 5.6 tons per public welfare facility
- Reduced energy costs for heating: approximately KRW 190,000 per household, and KRW 1.3 million per public welfare facility
- Created jobs through social enterprises and self-support businesses: 339 people

I H-USR

The H-USR Project at Hyundai Steel aims to promote joint volunteering between labor and management, and to strengthen communication with local residents. On 'H-USR Day', designated for volunteer activities by the Hyundai Steel labor union, our union members carry out a wide range of tailored programs to promote the development of these communities, such as building a safe living environment for low-income households in our local communities. In 2020, these programs were unfortunately limited in scale. Nevertheless, with the participation of three branches of our labor union, we carried out six meaningful projects for our communities – providing 10,000 charcoal briquettes for heating, sending out 200 COVID-19 care packages, and carrying out volunteer quarantine work at 15 locations.





Corporate value

Enhanced the image of the labor union as a contributor to local communities Fostered a culture of communication and cooperation among employees

- H-USR activities in 2020: 6 times(participation by three branches)

Social value

Supported people who are vulnerable to COVID-19

- COVID-19 care packages to 200 households, 10,000 charcoal briquettes for heating, and quarantine work for 15 households

I Pul-ppuri(Grassroots) 1.0

Since 2018, to reflect the needs of our local communities and provide practical assistance where needed, Hyundai Steel has organized a program called 'Pul-ppuri(Grassroots) 1.0'. This program provides humanities-related lectures and cultural performances for the residents of Dangjin, Pohang and Suncheon, as well as organizing forest-planning efforts to conserve the local environment of Incheon. In 2020, because of the pandemic, this program was held in a non-contact manner. At our worksites in Dangjin, Pohang and Suncheon, we also held online talk concerts for local middle and high school students, which were broadcast live nationwide via social media. Furthermore, in Incheon, we planted cherry blossom trees while adhering to social distancing guidelines. Looking ahead, we will strive to improve living environments in our communities by continuing to pursue cooperative governance with local public institutions.



'2020 Hyundai Steel Dream Talk Concert'

Corporate value

Strengthened cooperation with stakeholders by supporting local communities and the supply chain

- Provided quarantine supplies, daily essentials, blood donation campaign, etc.

Social value

Strengthened cooperation with the supply chain

- Provided 47 small and medium-sized suppliers with 4,700 face masks and 1,000 hand sanitizers

I Recognition for Contributions to Local Communities

Based on our social contribution activities in the communities of our business sites in Incheon, Pohang, Dangjin, Suncheon and Ulsan, Hyundai Steel was selected for recognition in 2020 with a plaque for 'CSR in the Community'. This honor is given to companies in recognition of their social contributions and community revitalization efforts. Selected companies are provided with a range of incentives, including a plaque of recognition, the right to use the 'CSR in the Community' emblem, coverage in the media, and a citation from the Minister of Health and Welfare.



'CSR in the Community' Plaque

I H-Together

Since 2014, Hyundai Steel has held an annual camp called 'H-Together' as an opportunity to raise disability awareness among adolescents and to help disabled people develop interpersonal relationships. In 2019, the camp was held on Jeju Island for 60 disabled and non-disabled young people, paired one-to-one, who were able to enjoy a variety of cultural experiences – such as picking mandarin oranges and a photography contest. This was an experience that promoted mutual understanding through the sharing of a group mission, and fostered a sense of community spirit. In 2020, the project was canceled due to COVID-19.



I Employee Volunteer Activities

Hyundai Steel has engaged in continuous and systematic volunteer activities, centered on volunteer groups, as a means of encouraging employee participation. Despite the limitations imposed on our volunteer activities in 2020 due to COVID-19, many employees actively participated. Through an inaugural volunteering contest on the theme of 'non-contact volunteering', we engaged in a wide range of activities dedicated to local communities, such as improving deteriorated living environments and marine environment clean-up projects. Going forward, we plan to actively support sharing activities by our employees to achieve mutual prosperity with our local communities.



Employees engaged in volunteering activities

I Social Contributions for Overcoming COVID-19

In 2020, as part of our efforts to help local communities experiencing difficulties in the pandemic, we provided quarantine supplies and daily essentials, such as masks and hand sanitizer, to communities near our business sites in Seoul, Dangjin, Incheon, Pohang, Suncheon and Ulsan. Moreover, our employees took active part in non-contact efforts, such as a blood donation drive and quarantine work, and reinforced our determination to overcome the pandemic.



Employees' CSR Activities to Cope with the COVID-19 Pandemic

Corporate value

Strengthened communication with local communities and enhance our positive image

- Live broadcast via our YouTube channel(over 1,000 views)
- Media coverage exceeding 60 cases

Social value

Satisfied the needs of local communities

- Talk concert for local middle and high school students(60 students on-site and over 1,000 people watching online)
- Planted cherry blossom trees in Songhyun Park and supporting gardening at public welfare facilities

I Employee-funded Community Social Contributions

Employee-funded Community Social Contributions Using funds gathered from our employees across our business sites, Hyundai Steel is engaging in social contribution activities for the benefit of local communities. Through these efforts, we are contributing to the development of these communities by carrying out social contribution activities that reflect the unique characteristics of each region. In 2020, 42% of all employees took part in fund-raising, contributing a total of KRW 361.34 million. Further, we selected the social contribution activities we would pursue through an employee vote, and used the our funds for these purposes within the local community of each business site.



I Han River Forest Planting

In 2020, together with the Hangang Project Headquarters and the Korean Federation for Environmental Movements, Hyundai Steel launched the 'Han River Forest Planting Project', a social contribution program on the themes of environment and art. For this purpose, Hyundai Steel was allotted a space of approximately 330 m2 inside Jamsil Hangang Park, on the south end of the Jamsil Bridge, in which to plant a variety of trees. The resources used in the 'Han River Forest Planting' project, which aims to provide a comfortable place for citizens to relax, were funded by voluntary donations from Hyundai Steel employees, and for which the company has contributed an equal amount since 2005 in the form of matching grants. These funds will continue to be used for a variety of social contribution activities, thus conveying the sincere care of our employees across society.



Corporate value

Enhanced Hyundai Steel's positive image to internal/external stakeholders

- Enhanced our image as an eco-friendly business(media coverage of over 70 cases)
- Enhanced employees' loyalty to Hyundai Steel by carrying out employee-funded CSR activities

Social value

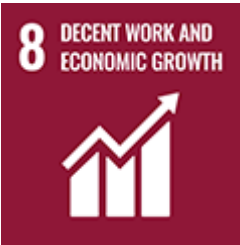
Created spaces where local residents can relax, and reduce fine dust

- Planted trees(covering approximately 330 m2) in Jamsil Hangang Park

Overseas CSR Activities

I Self-reliance Support Model in the Philippines

As part of efforts to establish a global self-reliance support model, we have built a job training center for women and young people in Northern Samar, a province in the Philippines with a high rate of poverty, and have been providing job training there since 2017. This project has drawn the participation of 550 women and young adults aged 21 to 30, and helped 37 of them successfully find jobs. In 2020, to help respond to the impact of COVID-19, we planned additional efforts such as providing masks and personal protection equipment, as well as offering disease protection classes to students at the center.



Overseas CSR Activities in the Philippines

I SDG Partnership Fund with the World Bank Group

In 2019, Hyundai Steel became the first private sector company to partner with the World Bank SDG Fund, and has since joined efforts to achieve the Sustainable Development Goals and fulfill our social responsibility as a global company. The SDG Fund was launched with the aim of achieving the UN's Sustainable Development Goals by 2030. Raised through joint contributions from the World Bank and the private sector, the Fund is used to support sustainable development in 35 countries, including Brazil, Mexico, and Vietnam. By participating in the partnership, Hyundai Steel will spearhead efforts to address the universal, social issues facing mankind.



Corporate value

Enhanced our image as a socially responsible business, as the first private sector company to partner with the SDG fund

Social value

Addressed social issues by participating in the implementation of the UN SDGs

- Recipients: 30 countries including Bangladesh, Philippines, Vietnam and Mexico

I Happy & Safe Village Project in Chennai, India

To make local villages and schools safer and more pleasant, Hyundai Steel carried out the 'Happy Safe Village' Project in Chennai, India, over a period of three years. In 2020, as the final stage of the project to create a 'sustainable operating system', we not only built sanitation facilities and school infrastructure, but also established autonomous village councils and provided facility management training. Furthermore, to address a lack of hygiene supplies and the loss of jobs due to COVID-19, we provided quarantine supplies to local public institutions and basic living expenses to poor families. Moreover, communities have benefited from waste removal trolleys that were developed by the university student volunteer group, 'Happy Move', over the past two years. In 2021, we plan to continue our support for sustainable growth in Chennai, India with new and different projects.



Creating a digital media environment at a local school in Chennai, India



Installing roadside drainage in Aya Kolathur village in Chennai, India

Corporate value

Strengthened cooperation with stakeholders in the local community near our subsidiary in India

- Received a plaque of appreciation from the Minister of Education of Tamil Nadu, India
- Supported Kanchipuram in Tamil Nadu, India to overcome COVID-19 by actively responding to its requests
- Enhanced our corporate image by improving the satisfaction of the local community

Social value

Improved village sanitation

- Repaired three drainage systems and improved the environment within three schools
- Provided support to overcome COVID-19: sanitation suppliers to public institutions, basic living expenses to families with children

Performance

Society

Local Community Engagement

3.3.6

Hyundai Steel Framework for Local Community Engagement

I Process of Local Community Engagement

- The framework for local community engagement is organized and operated in accordance with the following process.
1. Providing information: Providing balanced and objective information to help local communities understand the issues, measures and solutions proposed.
 2. Collecting opinions: Collecting opinions from local communities about decisions made by the company.
 3. Engagement activities: Engaging with local communities to learn directly about their opinions on key issues.
 4. Cooperation: Pursuing cooperation with local communities in each aspect of decision-making by developing alternatives, identifying preferred solutions, etc.
 5. Empowerment: Giving local communities the ability to take direct part in the final decision-making process.

I Process of Local Community Engagement



I Communication Channels for Key Stakeholders

Latest update: June 2021

Major Stakeholders	Definition	Point of contact	Communication channel	Major issues	Communication cycle
Customer companies	The basis for the creation of economic and corporate value	Blast Furnace Business Division, Electric Furnace Business Division, AP Steel Pipe Business Division, Business Management Division, Innovation Strategy Division	Department meetings, technology seminars, customer satisfaction surveys, customer portal sites, websites, newsletters	Expanding customer communication, Enhancing customer satisfaction Protecting information	frequently
Employees	Key members for sustainable growth	Business Management Division, Innovation Strategy Division	Intranet, GWP, Future Board, education programs, labor-management cooperation	Encouraging communication among employees and departments, Strengthening employee capabilities, Work-life balance	frequently
Suppliers	Partner cooperation for win-win growth based on stability	Business Management Division, Procurement & Logistics Division, Major business sites(domestic/overseas)	growth agreements, meetings, procurement system, technology exchange meetings, websites, newsletters	Operating fair supply chain management process, Advancing activities to support win-win growth, Establishing a win-win growth culture	quarterly, frequently
Shareholders and investors	Providing financial capital as a source of corporate management	Financial Management Division	General shareholders' meetings, performance presentations, NDRs and conferences, 1:1 meetings, visits to worksites, public announcement materials	Enhancing value of Hyundai Steel, Securing new growth engines	quarterly, frequently
Local communities	Local communities and their members interacting through business operations	All domestic and overseas worksites	Major social contribution cooperatives, feedback discussions on CSR activities, webpage, integrated reports	Engaging in communication with stakeholders, Supporting socially disadvantaged and vulnerable people, Performing continuous social contribution activities	quarterly, before and after social contribution activities
NGOs, government and media	Proposals for the company's direction	Business Management Division, Major domestic and overseas worksites	Worksite visits, press releases	Responding to and participating in government policy, Making transparent business announcements, Creating jobs	frequently

1. Operate the "Environmental Improvement Council" for transparent information disclosure and environmental improvement(composed of Dangjin City Government, Dangjin City Council, Chungnam Province, civic groups, resident representatives, and Hyundai Steel officials / Meetings are held every other month from 2019)
2. Opened the "Stakeholder Suggestions System" page(see bottom shortcut), which is an external channel for clear communication with the local community(Web Report/2021)

I Site-specific Support for Vulnerable Groups in Local Communities

Hyundai Steel is engaged in a wide range of support activities aimed at building closer relations with the local communities near our business sites, and contributing to their development. We plan to continue growing together with these communities as we build community-related infrastructure such as educational support and environmental improvements.

Site-specific joint support activities	Site-specific key support activities
<div><div>· Holiday sharing events</div><div>· Blood donation campaign</div></div>	<div><div>Incheon 'Green Village'(tree-planting)</div><div>Pohang Health insurance support for low-income households, volunteering support</div><div>Dangjin 'Junior Engineering Class,' 'Happy Prism' Family Volunteering</div><div>Suncheon Free meals for local seniors, delivery of banchan(Korean side dishes)</div><div>Ulsan Nurturing Childhood Dreams (employee fundraiser)</div></div>



Happy Prism Family Volunteering(↑), Junior Engineering Class(↓)

I Job creation to revitalize the local economy

In 2019, Hyundai Steel established a subsidiary in Anantapur, Andhra Pradesh, India and hired all 110 of its employees from among local residents(102 in Andhra Pradesh, 48 in Anantapur). These employees have been assigned to offices and worksites, and have completed job training. Looking ahead, we will continue to strive to stabilize the employment of local residents.

Performance

Governance

Corporate Governance

3.4.1

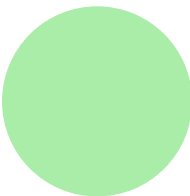
Hyundai Steel has built a transparent and sound governance structure whereby we pursue the interests of the company and shareholders, and foster a sustainable business environment. In addition, the Board of Directors and specialized committees, which demonstrate independence, diversity and expertise, help to promote shareholder and corporate value. Related matters are transparently disclosed through the integrated report, business reports, and the corporate website.

Board of Directors

As the company’s highest decision-making body, the Hyundai Steel Board of Directors pursues sustainable growth as its top priority by working to raise the company's value. The Board consists of nine directors in total and the ratio of independent directors is maintained at 60% or more(four executive directors and five independent directors) to strengthen its independence. All four of the executive directors who lead the board have been newly appointed since 2019. In addition, the Board has four specialized committees(Audit Committee, Transparent Management Committee, Independent Director Candidate Recommendation Committee, and Compensation Committee) that were established to provide expertise in decision-making and improve operational efficiency. On these specialized committees, at least half of the members consist of independent directors to reinforce the Board's function of management supervision. In particular, the Audit Committee and Transparent Management Committee are comprised entirely of independent directors, and the chairs of the Independent Director Candidate Recommendation Committee and the Compensation Committee are also independent directors. These measures systematically ensure the autonomy of the independent directors and opportunities for them to participate.

● Committee Chair, ○ Committee Member (as of March 2021)

Classification	Name	Gender	Position	BOD	Audit Committee	Transparent Management Committee	Independent Director Candidate Nomination Committee	Remuneration Committee	Verification of the Independence/ Diversity of the Independent Directors
Executive Director	Tong-Il An	male	President of Hyundai Steel(CEO)	●			○		
	Myung-Jin Seo	male	Executive Vice President of Hyundai Steel(Procurement & Logistics)	○					
	Jong-Sung Park	male	Executive Vice President of Hyundai Steel(Blast Furnace Division)	○					
	Won-Jin Kim	male	Senior Vice President of Hyundai Steel(Head of Financial Management Division)	○				○	
Independent Director	Ho-Yul Jeong	male	Professor, Konkuk University Law School(Economic Law)	○	●	○	●		Verified
	Kyung-Tae Hong	male	Senior Researcher at Korea Institute of Science and Technology(Metallurgy)	○	○	●	○		Verified
	Sang-Yong Kim	male	Professor, Korea University(Business Administration)	○		○		●	Verified
	Jeong-Han Yoo	male	Professor, Seoul National University of Science & Technology(Architecture)	○	○	○			Verified
	Geum-Joo Chang	female	Professor, University of Seoul(Business Administration)	○	○	○		○	Verified



I Audit Committee

The Audit Committee deliberates and makes decisions on accounting, and business audits and other matters entrusted to it by the Board of Directors. It consists of four independent directors who supervise the management's job performance to enable rational decision-making by the directors and management. In 2020, the Audit Committee convened meetings a total of six times, deliberating on matters such as the operation of the internal accounting management system and the reporting of quarterly business performance. The Committee also meets face-to-face with external auditors every quarter without management. Furthermore, in October 2020, external specialists were invited to provide training to the Audit Committee on the Committee's operational guidelines. Notably, in April 2020, the non-audit roles of outside auditors, which had been only a basic reporting item, were upgraded to a matter for prior approval by resolution of the Audit Committee. With this change, aimed at reinforcing the independence of outside auditors, the non-audit services provided in the first half of the year were given prior approval in July. Furthermore, the Audit Committee enacted rules for the appointment of outside auditors in October and auditors were directly selected under these rules in December.

I Independent Director Candidate Recommendation Committee

The Independent Director Candidate Recommendation Committee exists to ensure the nomination of independent director candidates is conducted in a transparent and sound manner. The Committee is comprised of two independent directors and one executive director, giving independent directors a majority in accordance with relevant laws, the articles of incorporation, and the regulations of the Board of Directors. The Committee recommends candidates for independent director who align with the interests of the company and shareholders using procedures that are fair and transparent, and verifies the candidate's qualifications under related laws. The transparency and independence of the Committee was enhanced with the appointment of independent director, Ho-Yul Jeong, as chairman. The Committee met once in 2020 to reappoint two independent directors, and once in 2021 to reappoint and newly appoint three independent directors.

I Transparent Management Committee

The Transparent Management Committee, composed of five independent directors, seeks to build an ethical corporate culture and practice transparent management for the purposes of reviewing the transparency of internal transactions, promoting ethical management, and protecting shareholder rights and interests. In 2020, the Transparent Management Committee met seven times to deliberate on matters such as social contribution activities, fair trade compliance program, activities of the compliance officers, and the approval of large internal transactions. We plan to assign one Committee member to manage the protection of shareholder rights and interests, which will serve to expand communication with domestic and overseas shareholders, and enable us to continuously identify policies that enhance their rights and interests. In addition, based on a Board resolution passed in April 2020, the Committee reported the status of ESG implementation twice a year, including important policies related to ESG decision-making. In 2021, the Committee approved the company's health and safety plans. Going forward, the Committee plans to deliberate on a wide range of matters, with a focus on ESG management.

I Compensation Committee

In April 2020, Hyundai Steel established the Compensation Committee with a resolution at a regular Board meeting. The committee consists of one executive director and two independent directors, and serves to enhance the transparency of the director compensation system and improve the governance structure. The Compensation Committee meets in advance of the Board to convene the regular General Shareholders' Meeting. It holds at least one session a year primarily to approve the remuneration limit for directors and to review the executive director compensation system. The Committee met once in 2020 and appointed independent director Eui-Man Park as chairman. In 2021, it approved the executive director compensation system, and appointed independent director Sang-Yong Kim as chairman.



Operation of the BOD

The Articles of Association classify meetings of the Board of Directors as either regular meetings or temporary meetings, and stipulates that regular Board meetings convene once a quarter, while temporary meetings are held as needed. The chairman of the Board finds candidates for the chairmanship from among the executive and independent directors, one of whom is then elected by resolution of the Board. Each director submits his or her proposals along with the relevant explanations, and the Board notifies each director of the meeting at least seven days in advance in writing, verbally or by electronic document. For those who wish to participate virtually, a videoconferencing system has been established. Directors can also request the attendance of relevant employees and outside personnel to voice their opinions about the issues in question. The attendance and votes of executive directors are disclosed through a regular report. In 2020, the Board held a total of nine sessions(four regular meetings and five extraordinary meetings) deliberating 30 agenda issues(including the 2020 business plan and budget, the issuance of bonds, signing off on management performance, and approving transactions with affiliated persons) and with a meeting attendance rate of 98% for executive directors. Furthermore, the Board reviewed both financial and non-financial business performance, including the status of the internal accounting management system, fair trade compliance program and activities of the compliance officer.

Every year, Hyundai Steel is assessed on our governance - including the activities of the Board of Directors - by the Korea Corporate Governance Service, and we are using the feedback to strive towards establishing a leading, sustainable governance structure.

Transparency and Expertise in Director Appointments

In accordance with the Commercial Act and the Articles of Association, directors are appointed at the General Shareholders' Meeting. Independent directors are nominated by the Independent Director Candidate Recommendation Committee, which performs a comprehensive evaluation of the candidates' qualifications and competencies, after which the directors are appointed by resolution of the General Shareholders' Meeting. In line with the changing business environment, which requires constant strategic judgment by the Board, the independent directors comprise experts in various fields of society as a means of enhancing the expertise of each respective director. Executive directors are appointed from among senior managers from each sector of the business. With the participation of members with different perspectives, this ensures objective supervision of management, and brings insight from each specialized field on important matters related to the basic policies of the company's operation and business execution.

The chairman of the Board is appointed by an extraordinary meeting of the Board following the annual General Shareholders' Meeting. He or she leads the convening of the Board and the deliberation of agenda items, and hence should have a deep understanding of the various pending issues tabled to the Board and be able to provide sufficient explanation and information regarding these issues. In this regard, Representative Director and President Tong-Il Ahn was appointed Board Chairman in March 2021.

Independence of the Independent Directors

To ensure that independent directors are appointed fairly and transparently, they are nominated at the General Shareholders' Meeting by the 'Independent Director Candidate Recommendation Committee', The Committee adheres strictly to the 'Guidelines on the Independence of Outside Directors', which outlines nine criteria for determining independence. Under these guidelines, the Committee should give comprehensive consideration to any significant relationship between the director and the company, including the domestic and international environment and any other situation involving the director and the company. In addition, Hyundai Steel clearly stipulates the importance of independence among independent directors in the 'Charter of Corporate Governance', In the Charter, Article 2-2(Composition and Operation of the Board of Directors) Paragraph 1 states that 'at least half of the Board of Directors shall be independent directors who can serve independently of the management and the controlling shareholders', According to Article 2-3(Qualification and Independence of Directors) Paragraph 4 of the Charter, 'An independent director is a person who has a wealth of professional knowledge and/or practical experience in related fields such as finance, economics, management, law and accounting', It stipulates further that such persons, 'should have no stake or interest in the company, and must be able to make decisions independently from the management and controlling shareholders.

' As of June 2021, the average tenure of directors is 2.3 years. To the Korea Exchange, Hyundai Steel issues a 'Certificate of Independent Director Qualifications' as part of verifying the relevant facts(independence from the company, qualifications under law, etc.). Furthermore, when announcing the General Shareholders' Meeting, details are provided with regard to verification of the candidate's qualification under law and under the company's own independence criteria.

Diversity of the Board of Directors

Hyundai Steel has formed a Board comprised of directors with a wide range of experience, taking into account the diversity of our stakeholders, including shareholders and customers. We are committed to making important decisions from a broader perspective.

The 'Guidelines for Diversity of the Board of Directors' specifies the expertise required for the appointment of independent directors, and gives specific diversity considerations(nationality, age, gender, background, race, religion, ethnicity, etc.) that take into account the business environment. The 'Charter of Corporate Governance' stipulates that directors shall be persons with diverse backgrounds who can make substantial contributions to the management of the company, and that such persons shall have extensive professional knowledge and/or practical experience in related fields such as finance, economics, management, law and accounting.(Article 2-3; Qualifications and Independence of Directors). The Charter further stipulates that, 'directors shall be appointed according to equal standards without discrimination on the basis of gender, age, nationality, experience or background, and directors shall be able to contribute to the enhancement of the Company's value and shareholder rights'. It also states that 'the Company strives to increase the diversity of the Board, taking into account our diverse stakeholders, including shareholders(Article 2-4; Appointment of Directors and Candidate Nominations).

Accordingly, the Hyundai Steel Board of Directors currently consists of a variety of experts(in metallurgy, architecture, law, accounting, management, etc.), and in particular, independent directors Kyung-Tae Hong and Jeong-Han Yoo, who are experts in metallurgy and architecture, have professional experience in the steel industry. The diversity of the Board in terms of age and gender was further enhanced with the appointment of two new independent directors at the Regular Shareholders' Meeting in March 2021.

Reason for BOD appointment^{1), 2)}

(As of Jun. 1, 2020)

Classification	Name	Reason for appointment	Position	Consecutive appointment	The number of consecutive appointments	Concurrent position status
Executive Director	Tong-Il An	To stably carry out overall business operations including the company-wide competitiveness upgrade and acquisition of sustainable growth engines as at Dangjin Integrated Steelworks, as President and as an expert on steelmaking facilities and production.	President	X	-	
	Meyong-Jin Seo	To alleviate purchasing risks and enhance cost competitiveness through the optimal purchasing strategy as the Head of the Procurement Division.	Procurement & Logistics	X	-	
	Jong-Seong Park	To stably carry out overall business operations including those of expansion of production and technology capability, as the Chief Operating Officer of Dangjin Integrated Steelworks.	Blast Furnace Division	O	1	
	Won-Jin Kim	To stably carry out overall business as the Head of Financial Management Division.	Head of Financial Management Division	X	-	
Independent Director	Ho-Yul Jeong	Specialist in law	Management consultant	○	2	○
	Kyung-Tae Hong	Specialist in Metallurgy	Management consultant	X	-	
	Sang-Yong Kim	Specialist in business management	Management consultant	○	1	○
	Jeong-Han Yoo	Specialist in accounting	Management consultant	X	-	-
	Geum-Joo Chang	Specialist in accounting	Management consultant	X	-	-

1) The Company restrict the appointment to independent director of a person who is serving as an executive, a director or an auditor of more than two companies

2) Korean regulations disqualify a person from being appointed as an independent director for listed companies if they have served as an independent director in a listed company for more than 6 years, or 9 years when including time served as an independent director in an affiliate.(Article 34, Paragraph 5 of the Commercial Act, effective from February 2020)

BOD Remuneration

In accordance with Article 388 of the Commercial Act and the Hyundai Steel Articles of Association, the limit of remuneration for directors is determined by resolution of the General Shareholders' Meeting. At the regular General Shareholders' Meeting in March 2020, the limit of remuneration for the 56th Board of Directors was set at KRW 5 billion, and the amount paid in 2020 was approximately KRW 2.629 billion. In 2021, in view of the difficult business environment, the remuneration cap for the 57th Board was frozen at KRW 5 billion, a limit also approved by the regular General Shareholders' Meeting. Compensation for the CEO changes year by year depending on performance, which is evaluated through various aspects such as 'financial performance(financial indicators compared to plans for each period)' and 'relative indicators(stock price movements and evaluation of competitiveness compared with industry peers, etc.)', and is set in accordance with reasonable standards.

I Shareholding Status of the Majority Shareholder and Affiliated Persons

(As of Jun. 1, 2020)

Relationship	Name	The number of shares held	Remarks
Majority shareholder	Kia Motors	23,049,159shares	
Affiliated person	Mong-koo Chung	15,761,674shares	
Affiliated company	Hyundai Motor Company	9,173,595shares	
Registered director	Tong-Il An	3,000shares	* Affiliated person: Honorary Chairman of Hyundai Motor Group * Current outstanding shares: 133,445,785 shares
	Myung-Jin Seo	1,000shares	
	Jong-Sung Park	3,328shares	
	Won-Jin Kim	1,200shares	
	Kang-Hyeon Seo	2,000shares	
	Ho-Yul Chung	1,000shares	
Total		47,995,956shares	

Future Direction for Corporate Governance

I Reinforcing Protection of Shareholder Rights and Interests

At the 2021 General Shareholders' Meeting, Hyundai Steel extended the period of notification beyond the duration stipulated by law(two weeks before the general meeting) and disclosed the agenda four weeks before the general meeting to provide shareholders ample time for review. Furthermore, to make participation more convenient for minority shareholders, we have implemented an electronic voting system since 2020. We are committed to establishing a transparent and shareholder-friendly corporate governance structure by actively gathering the opinions of shareholders and market participants, while providing sufficient explanation of the agenda through meetings with major institutional investors ahead of the General Shareholders' Meeting. We are also actively considering measures such as increasing dividends to enhance mid- to long-term shareholder returns.

I Enhancing Sub-committee Members' Roles and Expertise

The role of each subcommittee member is vital as the Board's operations center on the subcommittees to which it has delegated authority. To actively support the professional development of subcommittee members, Hyundai Steel has provided lectures by outside experts since 2018. In 2020, lectures were given by in-house instructors on the direction of Hyundai Steel's future strategy and outside experts on the operational guidelines for the Audit Committee. Furthermore, in 2021, we provided newly appointed independent directors with in-house training courses using video contents related to basic information on the steel industry. Training by external professional organizations and field tours were also conducted to enhance their expertise. The Board regulations were revised in April 2020 to 'provide regular training to members of the Board of Directors to improve their expertise and understanding of the company.'

| Establishing an Advanced Governance Structure

In April 2019, Hyundai Steel announced its determination to establish a sound governance structure and enacted the Charter of Corporate Governance, which contains general principles for specific practices, and posted it on the company website to provide transparent information on the overall governance structure. In April 2020, the Charter was revised through a resolution of the Board to improve transparency in governance by stipulating a minimum Board attendance rate(75%), and clarifying the requirements for diversity when appointing directors.

Several other measures were also taken as part of ESG management: the Compensation Committee was established; the diversity of the Board was enhanced through the appointment of women to executive positions; General Shareholders’ Meetings would provide earlier notice and have greater authority to convene; and disclosure of information was further enhanced, such as the annual compensation of all directors and related compliance status. We are continuously enhancing the transparency of our governance structure by stating at shareholder meetings whether director candidates satisfy the independence requirements and by improving the provision of ESG-related information at IR sessions. In addition, at the regular General Shareholders' Meeting in 2021, we improved the flexibility and independence of the Board’s operations by revising the Articles of Association to give each director equal authority to convene the Board. Lastly, we have identified and implemented tasks in phases, to systematize performance management in terms of governance and respond to mid- to long-term issues.

Investor Relations Activities

Hyundai Steel holds business performance briefings for analysts, institutional investors, credit rating agencies, and the media regarding our quarterly, semiannual and annual performance. Senior Vice President-level executives from each division, including the Chief Financial Officer(CFO), engage in active communication with these parties by explaining the company's performance and key management issues, and conducting related Q&As. To broaden our contact points with domestic and foreign investors, we attend major conferences and conduct quarterly NDRs for major institutional investors, including our shareholders. Furthermore, we hold conference calls with analysts, in addition to company visits, to provide information to investors who cannot visit in person. At the same time, we actively engage in Investor Relations(IR) activities by promptly providing information when a market event occurs. Recently, with the spread of the COVID-19 pandemic, we have been actively utilizing non-face-to-face conference calls. In addition, our website has a consultation & inquiry section to actively respond to investment-related inquiries and to enable investors to ask the IR department, at any time, about the business environment.

QUARTERLY	QUARTERLY	NON-SCHEDULED (On demand)
Management performance presentation (Quarterly, semi-annual, and annual)	NDR (Non-Deal Roadshow)	Conduct conference calls, company visits, etc.

Performance

Governance

Tax Strategy

3.4.2

Companies with international operations are required to comply with the tax laws of the relevant countries and with the OECD transfer pricing guidelines. Also, the issue of tax avoidance by multinational corporations has prompted rising calls from society for companies to honor their tax obligations transparently. Accordingly, Hyundai Steel’s internal regulations stipulate the maintenance of a tax-related reporting system and chain of command. This is because tax strategy can present significant risks not only from a reputational perspective but also financially. We plan to continue to faithfully fulfill our tax duties while minimizing tax-related risk.

Tax Policy

- Employees overseeing tax-related matters faithfully fulfill their duties of tax reporting and payment, while maintaining the principle of transparency with the tax authorities.
- In the event tax laws are revised, or other laws, rules or rulings are enacted or amended, we monitor the areas that could apply to the company and review potential risks in advance.
- We fully comply with our duty to faithfully report and pay taxes in accordance with the laws and tax treaties of the countries in which we operate, and fulfill our duty as a taxpayer in close cooperation with the tax authorities of each country.
- We do not exploit differences in tax law between countries, loopholes in the international taxation system or tax havens to transfer income between countries or evade taxes. We ensure that taxable income is legally distributed based on the value created in each country where we do business.
- In response to each country’s BEPS(Base Erosion and Profit Sharing)-related reporting requirements, we appoint outside experts to conduct BEPS risk assessments and reporting projects at our overseas business sites.
- We transparently disclose our tax information through external notices. The financial statements and footnotes in our financial statements contain information of our income tax calculation standards, deferred income tax assets and liabilities, income tax expenses and our tax rate, which are transparently and objectively verified by external audit.
- Hyundai Steel does not attempt to avoid taxes using tax structures that serve no commercial purpose.
- All transactions with our subsidiaries are based on regular prices(normal prices are applied to transactions with third parties that do not have special relations with Hyundai Steel). In addition, the appropriateness of transfer prices is evaluated through confirmation by external experts.



Tax Risk Management

The core of our tax risk management is 'strict legal compliance'. Hyundai Steel maintain transparent relations with the tax authorities and provide relevant factual evidence upon request. We do not own subsidiaries established for the purpose of tax evasion, and do not transfer income to companies located in tax havens. We recognize the risk of double taxation in transfer pricing that involves our overseas business sites as caused by competition between the tax authorities for taxation rights. To address this issue, we abide by the principle of transacting within the 'normal price range'.

Tax Filing

Hyundai Steel operates overseas subsidiaries⁽¹⁸⁾ and overseas offices⁽⁹⁾ in 14 countries. We faithfully pay corporate tax in all of these countries every year, and there have been no incidents concerning failure to pay corporate tax. Please visit our Global Offices page to find out more about our overseas business sites(company name, major activities, number of employees, etc.).

Performance

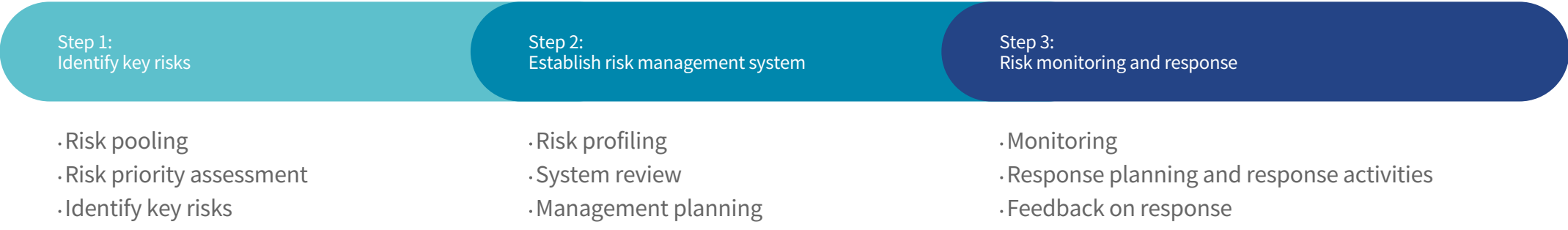
Governance

Risk Management

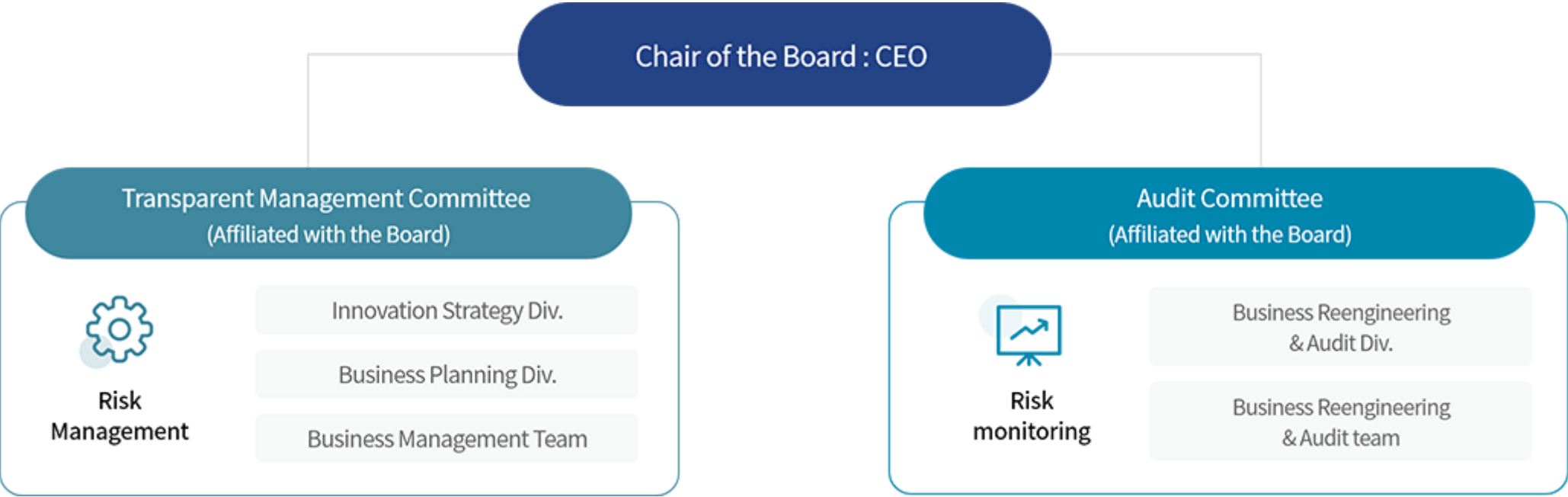
3.4.3

Hyundai Steel seeks to identify and respond proactively to potential management risks through a systematic risk management process. We identify specific management indicators by analyzing and selecting key risk factors, and work to minimize the market impact of these risks by monitoring them on a regular basis. Indicators and data identified in addition to these are updated based on internal and external market conditions. Furthermore we define and manage risks in each sector based on risk governance.

Risk Management Process



Risk Governance



Risk Identification and Response

Considering the mid- to long-term changes in the business environment occurring in the domestic and overseas markets, Hyundai Steel has identified and selected key high-priority risks through objective assessments, including analyses of risk candidates, their impacts and our vulnerabilities, and expert surveys across the Group.

For indicator-type risks, we evaluate risk according to four levels(attention, caution, warning, serious)based on the monitoring of leading and lagging indicators, and respond immediately according to management processes when a high level of risk is detected. For scenario-type risks, we prepare specific crisis scenarios and predict potential impacts, and sector-specific crisis management response groups analyze opportunities and risk factors to formulate responses accordingly. For disaster-type risks such as earthquakes, which cannot be predicted but have recently been frequent, we have established a response manual and conduct regular response drills as part of our efforts to prevent damage and injury.

Furthermore, we conduct an annual review of our indicators to reflect changes in the business environment and issues pertaining to market demand while calculating and managing potential risks. We also track and manage indicators of safety, security and trade.

Responding to Key Risks

Hyundai Steel conducts regular monitoring of key risks that affect the industry as a whole to calculate the risk impact, and we establish and apply effective countermeasures in response. In 2020, through a company-wide risk analysis, we identified 23 key risks and carried out processes to address them. Also, as part of organizational restructuring, the Management Planning Division is operating a task force to reinforce legal compliance management and improve our competitiveness in the steel industry as we work to strengthen our risk response systems.

Key Risks

Classification	Improvement projects	Number of projects
Planning	Organization of the risk management system, revision of the regulations on the delegation of discretionary powers, etc.	7
Marketing	Expansion of sales to global automakers and automotive parts manufacturers	1
Safety	Examination and assessment of the current implementation of company-wide safety activities	1
Quality	Establishment of a company-wide comprehensive examination management system, etc.	3
Human Resource	Enhancement of personnel management based on the segregation of duties	1
Labor	Creation of labor-management relations based on principles	1
Corporate Culture	Enhancement of the flexibility of organization culture, etc.	3
IT	Construction of a disaster recovery system, etc.	2
Core Tasks	[Planning] Review the reorganization of business structure [Procurement] Establish response measures for the fluctuations in raw material prices [HR] Overcome rigidity in the management of the manpower [Labor] Review the improvement of sub-contract operation model	4

Emerging Risks

Hyundai Steel monitors potential risks that could directly or indirectly impact the business and engages in efforts to respond proactively to these risks.

I Market Change Risks from Climate Change Regulation

Abnormal weather variations and climate agreement failures were ranked as the top two risks in the Global Risks Report released by the World Economic Forum (WEF). As such, the current environmental situation is globally recognized as an existential crisis, and consumers, the international community, and investors have recently begun to strongly demand that companies attain "carbon neutrality". Currently, 110 countries have set Net Zero targets, and 32 countries, including Korea, the United States, Europe, Japan, and China, have reflected these targets in national policies. Moreover, by legislating the Carbon Border Adjustment Mechanism(CBAM), the EU plans to impose a tax on steel products whose manufacture results in greater carbon emissions than products produced within the Union, beginning in 2023. Domestic steel products are hence expected to be subject to up to KRW 375.7 billion in tariffs, depending on EU carbon prices and emissions differences. Under these circumstances, car manufacturers, Hyundai Steel's main customers, are implementing [an energy transition^{1\)}](#) and reducing the weight of their vehicles, which is predicted to reduce demand for automobile steel plates by up to 15 percent after 2030. Consequently, steel companies are facing a situation that necessitates a fundamental transformation of their energy sources and a reorganization of their business portfolios in accordance with changing market risks.

1) This involves transitioning from vehicles equipped with existing engines and tailored to the production of electric vehicles, to vehicles with internal batteries.

Keeping in step with the needs of key stakeholders for eco-friendliness, Hyundai Steel is striving to establish a foundation to lead the next generation hydrogen ecosystem. In October 2020, Hyundai Motor, Korea Gas Corporation, HyNet, and Hyundai Glovis, amongst others, signed a memorandum of understanding for the development of the hydrogen distribution industry for hydrogen vehicles, and announced a business plan to supply high purity hydrogen and expand related infrastructure. Moving forwards, to foster the hydrogen business area as a new avenue of growth into the future, Hyundai Steel plans to

- Establish and expand hydrogen production and distribution facilities
- Introduce FCEV at key business sites and expand usage of hydrogen vehicles
- Establish an eco-friendly, hydrogen fuel cell generation system.

Further, we will prepare for sluggish growth in the manufacturing sector by strengthening our electric furnace capacities and expanding downstream(e.g. by entering the automotive components business, expanding hot stamping operations, etc.), and will respond to the decrease in steel trade – caused by saturation of the domestic market and carbon borders – by securing our overseas supply chain and establishing a global steel association.

I Supply Chain Risks from a Surge in Demand for Eco-friendly Materials

In line with strengthened eco-friendly regulations on the construction industry, the supply of eco-friendly raw materials and carbon neutrality across the supply chain are expected to emerge as key issues in the steel industry as the demand for eco-friendly materials increases. With green building regulations tightening around the world, the demand for eco-friendly materials in steelmaking is naturally on the rise. In the U.S., the state of California has mandated the installation of solar panels for new homes since 2020, and public buildings in South Korea will also be required to undergo green modelling beginning in 2025. The government(Ministry of Land, Infrastructure and Transport) is seeking to promote green buildings and has recently announced a "Green Building Revitalization Plan for Carbon Neutrality", which includes support tasks for green remodeling and zero-energy buildings. Construction companies are one of Hyundai Steel's main customers, and we expect sales of eco-friendly steel products to increase as the demand for eco-friendly construction increases. Moreover, in the future, it is expected that eco-friendly materials will not only be mandatory for public construction, but also for other areas of construction, too – and this will have a positive impact on our revenue. To proactively respond to the supply chain risks that can arise from such market changes, Hyundai Steel has obtained eco-friendly certification and is currently developing new business opportunities. In 2020, we obtained EPD certification for our steel plate products, such as hot-rolled, cold-rolled, plated, and thick plates, and hence established a bridgehead for entering the European market, which has strict environmental regulations. In the same year, we also laid the foundation for strong sales growth by obtaining GR certification from the Ministry of Trade, Industry & Energy for the first time. On top of this, Hyundai Steel is working with customers to conduct research on reducing the weight of steel battery cases. This will secure our competitiveness in the electric vehicle market and proactively ensure a source of demand, with the commercialization of steel battery cases expected to generate a demand for steel of approximately 100,000 tons(by 2025) – representing 1 million electric vehicles. Furthermore, Hyundai Steel holds technology expositions to provide improved opportunities for our suppliers to expand their markets and foster their capabilities to manage climate change risks. At the Hyundai Steel Tech Show 2020, which was conducted virtually in compliance with government COVID-19 quarantine guidelines, we held a 'procurement system briefing' for 244 suppliers to improve their understanding of procurement policies, as well as selecting outstanding eco-friendly proposals and eco-certified suppliers for the 'eco-partnership certification'. Moving forwards, Hyundai Steel will proactively respond to increasing domestic and international environmental regulations and strive to dominate the electric vehicle market. Going further, we will also develop methods for recycling slag, produced as a by-product of electric furnace processes, in asphalt concrete – and by pivoting to such research that enhances our electric furnace-related capabilities, we will expand our production of eco-friendly construction materials and manage risks across our supply chain.

I Risks from the spread of infectious diseases

The economy has experienced significant contraction due to the global pandemic. Accordingly, Hyundai Steel is seeking to promote sustainable growth by reinforcing our corporate fundamentals. In particular, we will reorganize our business structure to focus our capabilities on our core businesses and high value-added products. We are also operating a company-wide emergency response system to minimize production disruptions caused by the spread of infectious diseases. Company-wide codes of conduct were established in response to the spread of infection and all employees are encouraged to comply. We are also striving to establish a preemptive risk response system through which we can respond to threats and opportunities, and monitor and predict changes in the environment inside and outside of the company.

I Productivity risk due to innovation in smart manufacturing technology

Productivity risks associated with innovation in smart manufacturing technologies are the most critical issue that must be addressed for sustainable corporate growth. Recently, convergence with new IT technologies, such as big data and AI, have emerged as a new way to significantly increase productivity. Companies that fail to respond to such innovation and

Performance

Governance

R&D Performance

3.4.4

Hyundai Steel is focused on future-oriented R&D in areas such as eco-friendly technology for carbon-neutrality and developing materials for the next-generation mobility market. Furthermore, we are expanding our supply capacity with the development of new grades of automotive steel for the global market, and strengthening our customer base through non-contact marketing with our global customers. By adding profitable new steel grades and developing profit-focused cost-cutting technologies, we are pursuing R&D that will secure our ability to grow sustainably.

Mass Production of High-toughness 1.0GPa Hot-stamping Steel

To strengthen our global capacity, we are expanding our development of automotive steel sheet and our related sales channels. In particular, Hyundai Kia Motor Company(HKMC) has decided to apply a high-toughness material to its [center pillars^{1\)}](#) to boost the collision performance of its car bodies and reduce their weight. For this, Hyundai Steel developed and successfully mass produced Korea's first material with a toughness two times higher than the conventional level, a 1.0GPa high-toughness hot-stamping steel. This product reduced the weight of the Hyundai Avante's collision structure by 9.3%. From November 2019 through December 2020, we supplied 1,550 tons of this product for the new Avante. Going forward, as the number of parts increases for the bodies of next-generation vehicles, we foresee see corresponding growth in demand for the development of parts using different thicknesses. We expect to increase our supply of hot-stamping materials to HKMC, and globally, to 10,000 tons by 2023.

1) Installed in a central, lateral position on passenger cars to support the roof and the door area

Mass Production of High-strength 1.8GPa Hot-stamping Galvanized Material

The Korea New Car Assessment Program(KNCAP), which evaluates collision safety in Korea, and the European New Car Assessment Program(EuroNCAP) have recently strengthened their standards, thereby increasing our customers' needs for ultra high strength automotive steel. To meet these needs, Hyundai Steel has developed and begun supplying the world's first 1.8GPa hot-stamping galvanized material with strength and corrosion resistance higher than conventional materials. These materials are currently applied to [mass-produced models^{2\)}](#). It is used, in particular, in the outer and upper sections of the center pillar of large sedans, improving roof strength performance by 4.8%. Looking ahead, as next-generation vehicle weights increase, we foresee a greater need for 1.8 GPa hot-stamping material, and we expect supplies to our main customer Hyundai Kia Motor Company, and to global OEMs, to increase to 4,000 tons by 2023.

2) Launch of the first electric Genesis model, the G80 EV in April 2021

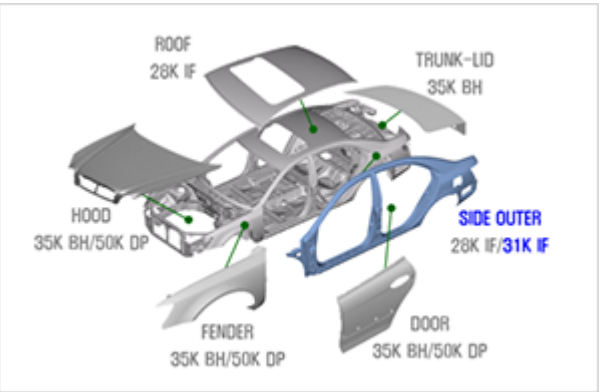


Hot-stamping product development

Development of High-formability Side Outer Part

Reflecting the changes in the market environment of the automotive materials industry, Hyundai Steel is expanding its portfolio of high-performance products that are both lightweight and high-strength. Among these, the side outer is the most difficult part to form, and as such, it has limited strength.

To address this challenge, in 2015, Hyundai Steel developed high-strength interstitial free(IF) steels for 32K-grade side outers by applying high-formability, high-strength IF technology, while providing active customer support. This product is now being mass produced and supplied for finished vehicles in the domestic and overseas markets. When applied to the vehicle body, dent resistance is raised by 30% at the same thickness, while reducing weight by approximately 7% through thinning.



3) Prevention of dents caused by impact

Expanding Global Sales of Automotive Steel through Product Competitiveness

To reinvent ourselves as a steelworks specializing in automotive steel sheets, Hyundai Steel is continuously expanding the global supply for finished vehicles. Even with the COVID-19 pandemic disrupting normal operations, in 2020 we were able to obtain certifications for 31 steel grades from leading global automakers such as GM, Ford and PSA Group. In particular, Ford carried out the industry's first online mill audit.

Through this audit, we obtained certification for 203 steel grades from 21 global manufacturers of finished vehicles. In addition, in 2020, we developed 48 grades of steel for global finished vehicles, which completed our development of a total of 266 grades of steel for global vehicles. With that, we achieved a product coverage of 70% in the global market. In 2021, we expect to take a leading position not only with our existing general-use steel grades, but also through the development of high-grade steels for electric vehicles. Furthermore, we plan to dispatch technical specialists to Mexico to open a new market in the Americas and reinforce our technical support.

	2018	2019	2020	2021(E)
Grade of steels(accumulated)	161grades	218grades	266grades	311grades
Coverage	51%	66%	70%	74%
Certified	114grades	164grades	203grades	220grades

Development of Steel Battery Cases for Electric Vehicles

Amid tightening environmental regulations worldwide, such as regulations on CO₂ fuel economy, the electric vehicle market is growing at a rapid pace. There is a growing use of aluminum materials to reduce vehicle weight and increase range as part of developing long-range electric vehicles that can cover distances of over 300 km. Hyundai Steel has worked with its customers to research steel battery cases in order to boost the competitiveness its steel materials and create demand in the eco-friendly vehicle market. In particular, we have established the direction of our development by analyzing domestic and overseas regulations and vehicle specs related to assessments of electric vehicle battery cases.

In developing our battery case, we put the highest value on safety, and through structural and collision analysis, identified a lightweight solution with a weight equivalent to that of an aluminum battery case. If our steel battery case is applied to electric cars, it will be possible in 2025 to create 100,000 tons of steel demand, which would be approximately 1 million vehicles. Going forward, we will continue working with our customers to develop new technologies for the eco-friendly automobile market.

Development of 9% Nickel(Ni) Plates for LNG Storage

In response to marine environment regulations and the changing energy market, Hyundai Steel is developing and mass-producing 9% nickel steel. 9% nickel steel is used mainly as a material in LNG storage tanks, as these tanks must be impact resistant and stable at −196 °C. In 2020, Hyundai Steel established the common goal of 'Building an Initial Mass Production System for 9% Nickel Steel', and built an organic collaboration system across the company. In particular, having completed ship certification in just ten months, a process that normally takes close to two years, and in parallel with our shipbuilder evaluation, we laid a foundation for linking development and sales at the same time. As a highly profitable material at KRW 3.5 million/ton, we expect 9% nickel steel to contribute greatly to strengthening Hyundai Steel's future growth engines. In 2021, we are working to optimize the conditions for mass production in response to initial orders for LNG-powered vessels, and to expand the application of 9% nickel steel to LNG storage tanks on land. Based on our experience in developing 9% nickel steel, we plan to diversify our ultra low temperature steel portfolio by adding 5% nickel steel as a substitute material and steel for liquid nitrogen storage, and will strive to become a company specializing in eco-friendly materials.

Korea's First Patent License for Hot Stamping

On July 17, 2020, Hyundai Steel entered a licensing agreement with ArcelorMittal, which holds patented technology for hot stamping process and products. This agreement has enabled us to expand the production and sales of hot stamping products, using ArcelorMittal's proprietary method, in Korea, China and ASEAN(Association of Southeast Asian Nations) countries without patent infringement. Currently, we have 22 hot stamping lines at the Yesan Works and two at the Ulsan Works. We have therefore established the largest hot-stamping facilities in Korea and produce Automotive Parts using this method. Furthermore, in 2020, we plan to build two new hot stamping facilities at Hyundai Steel Czech and will continue to expand facilities in the future. With the new patent licensing agreement, we plan to expand our automotive hot stamping business overseas. We expect to achieve win-win growth with our customers through sales of related products, growth in our parts business, and through the expansion in high value-added Automotive Parts.

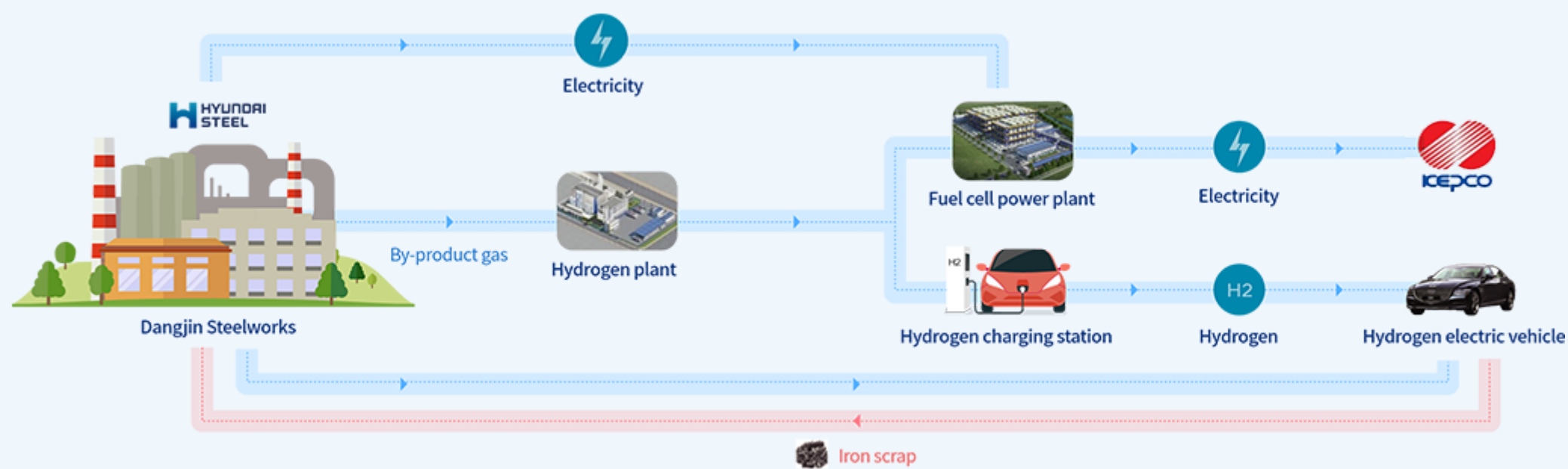
High-performance Special Steels

Hyundai Steel has successfully completed [ISIRs^{4\)}](#) for 63 strategic steel grades used in Automotive Parts such as engines, transmission and chassis, and has systems in place for their mass production and supply. Since completing the ISIRs, Hyundai Steel has decided on a strategic direction for Special Steel product development of three types of materials: premium-grade high-performance materials, high-strength materials and optimized materials. We are currently accelerating product development and some materials are now in production. In March, we began joint development of high-durability steel grades for transmissions, jointly developed with Hyundai Motor Group, as a means of reducing the weight and raising the performance of vehicles. In particular, we are developing materials that can improve fretting and rolling contact fatigue by 30% for transmission bearings and gear parts, for which six new grades of steel are in development. We expect that these will be able to go into production from next year. Since completing the Special Steel plant, we have gone through much trial and error, but thanks to swift feedback and improvements to our production systems, we have achieved stable product quality. We look forward to stabilizing our existing products further and presenting new Special Steel products to the market that can lead the industry.

4) Initial Sample Inspection Report

Business Vision for Developing the Hydrogen Industry

Under the Hyundai Motor Group vision for fuel cell electric vehicles(FCEV), Hyundai Steel has signed an MOU with Hyundai Motor, Korea Gas Corporation, Hydrogen Energy Network, Hyundai Glovis, SPG and others on 'Developing the Hydrogen Logistics Industry for Hydrogen Vehicles'. We have also presented a business plan for expanding high-purity hydrogen supplies and infrastructure. Hyundai Steel plans to expand hydrogen production/distribution facilities, expand the use of FCEVs at our worksites and in our transport fleet, while building hydrogen-based eco-friendly fuel cell generation systems. Furthermore, we aim to contribute to the building and operation of independent hydrogen production facilities and related fuel cell generation systems in order to boost the use of eco-friendly power generation sources and enhance power self-sufficiency. As Hyundai Steel engages actively in resource circulation and recycling, we are committed to taking an active part in hydrogen production and the eco-friendly energy sector to become one of the world's most eco-friendly steelworks.



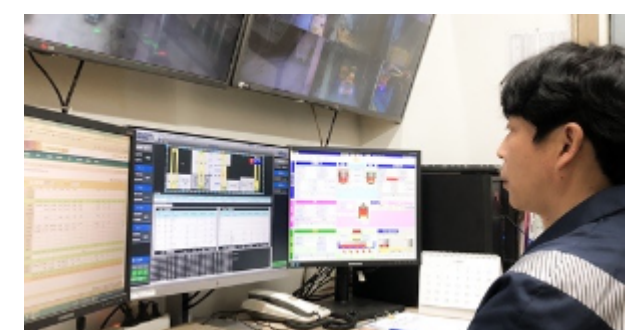
MOU with Korea Gas Technology Corporation on Plant Technology Cooperation

Hyundai Steel has signed a 'Strategic MOU on Plant Technology Cooperation' with Korea Gas Technology Corporation to revitalize the plant industry and reinforce our expertise. The main objective of the MOU is to pursue joint technological measures to strengthen our competitiveness in winning plant orders domestically and overseas over the next three years. We expect this to lead to increased sales of steel in the LNG plant sector, such as our newly developed 9% Nickel Steel Plates, Ultra Low Temperature Rebar, etc. Based on this MOU, we aim to boost our price competitiveness in steel for plants and expand the use of our newly developed high-performance steel grades.



'Smart Enterprise' for Innovation in the Manufacturing Sector

Hyundai Steel has adopted key technologies of the 4th Industrial Revolution, such as artificial intelligence, Big Data and the Internet of Things, within our production processes to increase productivity and enhance product quality. As part of the 'Smart Enterprise' project, which was launched in 2017, we have introduced a 'raw material operation optimization system', based on Big Data, not only at the Integrated Steelworks blast furnaces, but as of April 2020, also at the 120-ton electric arc furnace at the Incheon Works. At the core of the newly introduced system for the electric arc furnace is the 'electronic map of raw material storage'. The electronic map provides an exact representation of the raw material storage facilities, enabling the user to determine the weight, grade and location of steel scrap. Because data on all scrap is accumulated automatically, we plan to use this as basic data to optimize product quality and improve our operations. Furthermore, we adopted the system at the 120-ton electric arc furnace in the second half of 2020 and reviewing the possible implementation of the system at all our electric arc furnaces. In the near term, we expect to be able to reduce unnecessary steel scrap inputs and ultimately improve our efficiency by forecasting product quality through the 'electric arc furnace raw material operation optimization system'. As part of our continued growth, we plan to complete the 'Smart Enterprise' project by 2025, which will contribute to the operation of customer-centered processes and the building of an optimized decision-making system.



Performance

Governance

Customer management

3.4.5

Hyundai Steel continuously provides solutions that can maximize value for our clients and strives to respond swiftly to their needs. We are actively communicating with our customers, and strengthening our competitiveness by expanding our global product sales. In particular, we are continuously investing in high-quality products and strengthening our brand marketing to focus on sustainable growth.

Mid- to Long-term Business Vision



Customer Satisfaction Surveys

Every year, Hyundai Steel conducts a customer satisfaction survey, based on which we minimize customer attrition by identifying satisfaction levels, analyzing customer needs, and implementing measures for improvement. In 2021, the survey was conducted on 345 domestic and overseas client companies across approximately seven weeks, in order to assess their satisfaction with doing business with Hyundai Steel in 2020. This survey included items such as ease of doing business, delivery and pricing policies, customer orientation, and support on quality and technology. The results showed that 79.1%, or 273 client companies, were 'satisfied' with 'convenient transactions, delivery scheduling and pricing policy, customer orientation, and quality technology support', marking a 1% increase from the previous year. Going forward, we will continue to reflect on customer satisfaction in order to address customer complaints and set directions for marketing strategies, as well as to ensure practical marketing activities are well aligned with the field.

Customer Support Systems

Hyundai Steel engages in a wide range of customer support activities to increase customer satisfaction and maintain strong relationships with our customers. We are communicating with distributors and end-use customers through regular visits and roundtable meetings to foster mutual understanding. In 2020, in a bid to help our customers cope with the COVID-19 pandemic, we delivered masks to both our domestic and overseas customers, and presented awards to our top customers.



I Donation of Masks for Domestic and Overseas Client Companies

Throughout the prolonged COVID-19 pandemic, Hyundai Steel has been supporting client companies in Korea and overseas(United States, Canada, Mexico, etc.) by producing and distributing our own anti-droplet face masks. Since 2020, we have been delivering masks to our domestic client companies on a regular basis.

I Awards for Top Client Firms

Hyundai Steel hosts a New Year's event every year as part of our effort to improve and strengthen the relationship with our customers. In 2020, the invitation event was canceled due to COVID-19, and only the award ceremony for our top clients was held. At the ceremony, we presented awards in each product category to our top customers, long-standing customers, and high performing customers with increased sales, as well as to their employees.

I Customer Technology/Quality Exchange Meetings

Hyundai Steel strives to secure win-win growth with its clients by holding regular technology and quality exchange meetings. Through these sessions, we process customer complaints and manage claims. In 2020, we provided training on 'rebar manufacturing process and quality standards' to enhance our customers' technical capabilities.

I Customer Support System

Hyundai Steel provides a range of customer support schemes as part of our continuous efforts to build relationships with our customers. In 2020, we provided snack delivery services, gifts on the anniversary of the foundation of the customer company and the birthday of the representative, and supported supplies for funerals when an employee suffered a personal loss, to 234 domestic customers and 10 export companies.

I Business Exchange Meetings/Roundtable Meetings

To reinforce our understanding of our customers and strengthen trust, we hold business exchange meetings and luncheon meetings with large end-user companies and major distributors in each region. In 2020, we visited and held luncheon meetings with four companies in the Jeolla region, five in the Busan area, seven in the Chungcheong region, and four companies in the Daegu area.

I AE Technology Service Portal

In January 2020, Hyundai Steel opened the AE(Application Engineering) technology service portal site, and we have since strived to increase our competitiveness and secure a dominant position in the future automotive material market. The AE technology service portal represents Hyundai Steel's unique business strategy that seeks to 'maximize the competitiveness of customers by creating and providing differentiated value in all processes, from the stages of planning and design to production and sales'. On the AE Service Portal, the 'H-Solution' brand, launched in April 2019 as a customized automotive solution, offers a snapshot of the technologies needed for the application of automotive steel materials and parts. In particular, we prepared a separate website designed to enhance customer service, enabling users to check the status of steel grade certification and request technical support at any time. Our mobile app offers a convenient way of using the same services via smartphone. This platform has improved our internal work efficiency and is also expected to leave strong impression with our customers with respect to our high-quality automotive materials, technology and services.



Launch of 'Zero Complaint' System

To enhance customer satisfaction, Hyundai Steel promotes a company-wide claim campaign that facilitates our transition from production and quality control centered on existing indicators, to quality control focused on customers. This is a company-wide initiative for innovation, aimed at coping with increasing competition in the global steel market and market economy uncertainties amid the COVID-19 pandemic, as well as for rapidly responding to various demands from our customers. The core of this initiative is to go beyond the traditional [KPI-based^{1\)}](#) quality management and follow-up measures, and focus company-wide efforts on improving the quality management system by analyzing customer and market needs in advance. To make this transition, we devised three main strategies: 'Transformation to Customer-centered Production and Quality Management', 'A Quality-focused Mindset across All Departments', and 'Customer-centered Proactive Work Processes'. We plan to implement specific measures to promote a company-wide quality mindset, strengthen customer-centered activities, change our claims management policies, and enhance management processes. Hyundai Steel plans to implement a 'Company Claim Campaign' throughout the year and share the results company-wide at the end of the year. Through successful reforms, we will overcome the current business challenges and lead the global steel market.

1) Key Performance Indicator

Performance

Governance

Ethics Management

3.4.6

Through ethical management, Hyundai Steel fulfills its economic, and legal duties to stakeholders, including customers, shareholders, suppliers and local communities. To this end, we are working to establish a culture of ethical management through efforts such as declaring an Ethics Charter and a Code of Conduct for Ethical Management; and publishing guidebooks. Furthermore, by organizing ethics training for employees, we are striving to raise awareness of ethics and promote a culture of fair trade.

Ethical Management/Fair Trade Education for New Employees

In 2020, Hyundai Steel conducted training on ethical management and fair trade for new employees at manager-level and above. The introductory course covers the concept and importance of ethical management, best practices and sanctions, and Hyundai Steel's rules and systems related to ethical management. A total of 47 employees have completed the training since January 2020. In 2021, the scope of trainees was expanded to all of our regular and contracted employees, with a training completion rate of 100%. Education on fair trade is conducted online in the second half of each year, covering topics including the Fair Trade Act, the Subcontracting Act, the Franchise Business Act, and the basic topics of other fair trade-related laws and regulations. A total of 69 employees have completed the training since October 2019. Hyundai Steel will continue striving to enhance its employees' understanding of ethical management and to promote a mindset of legal compliance.

'Compliance News' Publication

There is growing demand worldwide for corporations to take on responsibilities and roles in society, international standards such as those on fair trade and anti-corruption are continuing to strengthen. As part of our efforts to support compliance management activities, Hyundai Steel is publishing its own 'Compliance News'. The newsletter is issued on a bimonthly basis for employees at manager-level and above. In 2020, 'Compliance News' was printed and distributed 22 times in total, sharing key legal changes along with trends at regulatory agencies and current legal issues. In order to skillfully adapt to the rapidly changing business environment, Hyundai Steel not only raises employee awareness of legal compliance by helping keep them to keep abreast on legal changes, precedents and legislative trends, but also does its best to prevent legal violations and related risks.

Raise employee awareness

Submission of the written pledge

Distribute promotional leaflets

Regular training

Systematic management

Permanent monitoring

- . Cyber Audit Office
- . Preventative Preemptive inspection

Follow-up action

Disciplinary actions

- . System improvement
- . Follow-up training

Fair Trade Education for Relevant Departments

In October and November 2020, Hyundai Steel conducted online and offline training sessions on fair trade for a total of 352 people across 42 related departments. Our fair trade education covers four areas - internal transactions, subcontractor transactions, agent transactions and collusion - including foundational contents of the laws and regulations concerning internal transactions, subcontractor transactions and agent transactions, as well as major sanctions and precedents, and the trends and implications of the Fair Trade Commission(FTC)'s legislation and regulations.

Going forward, we will continue to provide training sessions on fair trade to relevant departments to eliminate the risks of violating fair trade laws, and to enhance employees' awareness of self-disciplined compliance.

'Foreign Corrupt Practices Act' Education for Newly Appointed Expatriate Employees

In July and September 2020, Hyundai Steel provided training on the U.S. Foreign Corrupt Practices Act(FCPA) for a total of 12 newly appointed expat employees, covering the basic contents of the Act, a comparison with Korean laws, and cases of sanctions. In the future, Hyundai Steel will continue to boost anti-corruption training to enhance employees' understanding of ethical management and to foster a mindset of compliance.

Status of External Audit Operations

In accordance with the Act on External Audit of Stock Companies, Hyundai Steel operates an internal accounting management system. Of the system's internal control measures, those related to ethical management include 'posting(the Ethics Charter and the Code of Conduct) on the corporate website and intranet; carrying out related training(on corporate ethics and fair trade); and expressing the CEO's commitment to fair trade'. Our internal management activities, including compliance with the law and ethical management, are verified annually by a third-party external auditor(accounting firm).

Revision of the Ethical Management Code of Conduct

In order to spread a culture of ethical management, the Ethics Charter and the Code of Conduct, which should be observed by all members of the company, are posted on our website. In July 2020, we revised the Code of Conduct on ethical management practices to reflect the need to request documents when registering overseas client deliveries and factory audits, respond to new social issues and corporate ethics matters, and improve ethics rules in our sustainable management evaluations. In addition, we continue to provide training on fair trade to relevant departments to eliminate the risks of violating fair trade laws, and to enhance employees' awareness of self-disciplined compliance with fair trade. In the future, we plan to reinforce our framework for ethical management by adding provisions as required by international standards, and to make sustained efforts to promote employees' awareness of ethics and respect, fair competition and transactions, realization of customer value, and continuous ethical management.

Major Revisions	
Chapter 2 Contribution to the State and Society	<ul style="list-style-type: none">• Content related to fair trade- Restriction of competition(collusion) is prohibited, money laundering and illegal insider trading are prohibited.
Chapter 3 Respect for People and Fostering Talent	<ul style="list-style-type: none">• Content related to human rights protections- Compliance with international standards, prohibition of labor exploitation, prohibition of discrimination, and etc.
Chapter 6 Employee Ethics	<ul style="list-style-type: none">• Content related to protection of information (individuals and firms)• Content related to conflicts of interest and the Improper Solicitation and Graft Act
Chapter 7 Establishing Ethical Management	<ul style="list-style-type: none">• Implement regular and mandatory ethical management and anti-corruption training for employees
Chapter 8 Eco-friendly Management	<ul style="list-style-type: none">• Content related to eco-friendly management- Conservation of ecosystem and biodiversity, application of environmental management system, etc.



Ethics Charter



Contributing to the Nation and Society

We contribute to the development of the national economy through continuous job creation and faithfully fulfilling our tax obligations.

We fully comply with all environmental laws and regulations, lead the way in environmental protection, and contribute to society through cultural and welfare projects.



Enhancing the Rights and Interests of Customers and Shareholders

We promote the rights and interests of our customers by providing the best products and services, and manage our client information with great care.

We preserve and increase the assets of shareholders by maximizing management efficiency and improving our financial structure.



Respect for People and Fostering Talent

By respecting every employee as an individual, we establish a mature organizational culture based on mutual trust and understanding, and do our utmost to prevent sexual harassment in the workplace.

We actively promote to cultivate ethical awareness among employees and foster independent and creative talents by providing systematic support with a long-term perspective.



Establishing Relationships with Business Partners

We actively provide technical support and management guidance to our business partners to foster mutual growth and maintain long-term competitive advantage.

We trade on an equal footing with our business partners, and do not use a superior bargaining position to make unreasonable demands in any form.



Establishing Transparent Management

We handle all business according to transparent standards, and uphold a corporate culture of integrity that is trusted by the public by maintaining fair relationships with all parties that engage in contractual relationships with our company, including customers and business partners, by using transparent terms of transaction that guarantee mutual benefits.

We reject all solicitations from stakeholders that could compromise fairness in relation to our duties, and we do not solicit improper gains.

Performance

Governance

Information Protection

3.4.7

Recently, with the acceleration of the Digital Transformation, cyber security has emerged as a corporate management risk. In addressing these concerns, Hyundai Steel has acknowledged the importance of cyber security and has tasked the Audit Committee, under the BOD, to oversee risks (personal information, cyber security, etc.), as well as acquiring the ISO 27001 standard – a certified framework for security management. We are also strengthening the management of security system operations and boosting in-house security training.

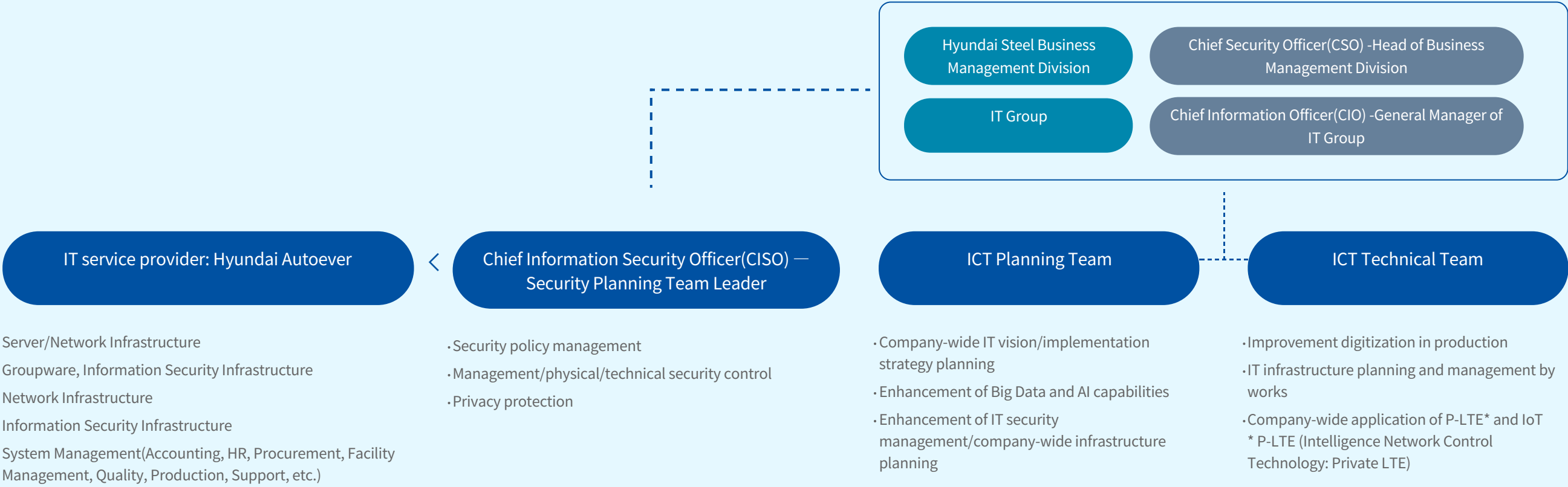
Security Policy Implementation and Diagnosis

Hyundai Steel has established security policies that are implemented and diagnosed for the safe management of corporate security. The principle goal of our security policy is 'the protection of tangible and intangible business information and technical information.' Through our in-house standards management system, we have disclosed our 'Regulations on Security Management', which include rules on entry, everyday security rules, personal information protection, and rules for suppliers/outourcing companies, in order to guide employees on how to respond immediately in case of emergency. Hyundai Steel diagnoses security policies through the company's security level assessment and an ISO 27001 certification audit is conducted annually. In addition, we use hacking simulations to diagnose our IT systems and infrastructure every year, and set out measures to mitigate the exposed vulnerabilities.

Status of Security Training

Hyundai Steel organizes a half-yearly security conference for designated security officers from each of the company's departments. The security conference is held for the purpose of training and promotion, aimed at reinforcing employees' basic knowledge of security, providing information on policy changes, requesting cooperation on related tasks, and facilitating communication. The main agendas of the meetings are 'security policy sharing, guidance on phishing trends, sharing security issues, and training on personal information protection.' Upon completing the training session, security officers share the content with members of their respective departments. In 2020, due to COVID-19, the format of the security conference had to be adjusted from 'collective training at the workplace' to 'remote self-directed training', and in the second half of the year, 319 teams(99.7%) out of a total of 320 teams participated in this training. In addition, in 2020, we developed new contents for online security training. This security training was provided to all employees with a completion rate of '99.7%', and will be conducted on an annual basis.

I Cyber Security Governance



Strengthening Protection System for National Core Technology¹⁾

In accordance with the Industrial Technology Drain Prevention Act, Hyundai Steel has strengthened its security management system for the **national core technologies²⁾** it possesses. In particular, the company has made efforts to revise its security management rules and regulations, obtain security pledges, conduct security training, and inspect how national core technologies are being managed. Hyundai Steel has established comprehensive information protection measures to raise the level of information protection management across the company. This has helped prevent information leaks concerning our core technologies and assisted in resolving compliance issues.

1)) 'National Core Technology' pertains to a technology that has high technical and economic value in the domestic and foreign markets, or has high growth potential in related industries. Thus, if the technology is leaked outside the country, national security and economic development could be compromised.

2) Current status of National Core Technologies possessed by Hyundai Steel
① Rebar/section steel manufacturing technology with a yield strength of 600MPa or higher
② Giga-class, high-strength steel plate manufacturing technology with a sum of total alloying elements of less than 4%

Training to Prevent Cyberattacks

Hyundai Steel conducts bi-annual training for all employees using mock phishing e-mails, as a measure to raise security awareness. In the second half of 2020, 3,320 out of 16,452 trainees clicked the mock phishing email, recording a 20.2% vulnerability rate. In the future, we will hold regular employee training using realistic scenarios, in order to minimize damage from security lapses such as those triggered by malicious code, and to strengthen employees' awareness of security against such threats.

ISO 27001(Information Security Management System) Certification

Hyundai Steel continues to diagnose its security systems and take improvement measures through verification assessments as part of international security standard certification. Assessments for ISO 27001 are held every three years, and in the second half of 2020, our certification was renewed through document reviews in 14 areas of certification standards, and an on-site inspection. In the future, Hyundai Steel will maintain the international security standard framework and strengthen its excellence in security.

Security management system(security portal) reorganization

Hyundai Steel has installed a new security management system called 'MY Security' as a necessary update to the previous system. 'MY Security' has added quick menu options, notification services and tabs to support overseas subsidiary management and enhance overall user convenience in various tasks. Also, by linking it to the security system, MY Security integrates distributed data, and provides various operational statistics and enhanced functions. In the future, we will continue to do our best to provide an efficient management system for information protection.

“ MY Security ”

New Security Portal

Key
management
information



Main Screen(Quick Menu, etc.)

Payment management

Policy management

Business management

Diagnosis management

Access control

Communication Platform

System management

Implement efficient information protection management system
“Work efficiency improvement”



Improve service
and satisfaction
through new
portal

- Enhance information and service accessibility(quick menu, etc.)
- User convenience (messaging service, etc.)
- Overseas corporation management support(management screen added)
 - Eliminate manual management(systematizes data management)
- Flexible system(easily manage changes)



“Functional
enhancement”

- Provision of various operational statistics(information summary)
 - Security proposal reorganization(enhancement of convenience functions, etc.)
- Distributed data integration(linked to security system)
- Improved security organization management(linked to groupware)
- Provide summary information(shorten work time)

Security system data linkage



Groupware
(Autoway)



Document
Security
(DRM)



QA asset
management



FA asset
management



Visitor
management



Human
Resources/
Organization
Information



Net client



Access
information

Factbook

Factbook

Consolidated balance sheet

4.1.1

Assets (Unit: KRW)

Term 54: As of 31 Dec 2018

Term 55: As of 31 Dec 2019

Term 56: As of 31 Dec 2020

Classification	Term 54	Term 55	Term 56
Current assets	8,769,002,687,562	9,578,737,698,343	9,934,768,948,051
Cash or cash equivalents	762,113,418,369	915,767,249,640	917,233,010,613
Short term financial instrument	157,215,008,632	138,346,158,474	550,228,351,815
Current term profit and loss - financial assets at fair value	-	17,028,439,102	954,011,267,010
Receivables from sales and other activities	2,672,237,219,109	2,694,841,199,120	2,571,462,745,788
Inventory	4,919,469,612,665	5,415,551,805,006	4,687,841,156,709
Corporate tax	5,045,761,600	78,716,614,906	10,959,032,507
Derivatives	577,465,960	6,612,023,493	2,757,781,792
Other financial assets	133,415,515,071	152,859,823,736	115,679,910,757
Other current assets	118,928,686,156	159,014,384,866	124,595,691,060
Non-current assets	24,535,914,735,043	24,787,594,810,036	24,910,271,160,090
Trade receivables and other receivables	945,673,966	97,002,176,324	179,986,939,442
Other comprehensive income - financial assets at fair value	1,188,674,309,350	1,541,618,040,267	1,533,290,191,120
Current term profit and loss - financial assets at fair value	824,937,458	-	-
Shares invested in affiliated companies and joint ventures	125,538,192,051	124,217,060,832	211,764,779,834
Lease rights	-	85,792,775,006	856,086,187,817
Property	409,561,133,314	439,580,866,714	454,321,567,907
Tangible assets	20,784,606,078,643	20,563,303,097,958	19,874,309,624,244
Intangible assets	1,653,424,161,036	1,578,202,140,520	1,507,126,507,102
Financial derivatives	5,912,576,894	15,299,590,307	349,406,409
Other financial assets	307,109,372,958	288,138,864,977	213,094,398,839
Deferred income tax assets	28,633,258,316	50,940,657,615	78,340,187,398
Other non-current assets	30,685,041,057	3,499,539,516	1,601,369,978
Total Assets	33,304,917,422,605	34,366,332,508,379	34,845,040,108,141



Liabilities (Unit: KRW)

Term 54: As of 31 Dec 2018
Term 55: As of 31 Dec 2019
Term 56: As of 31 Dec 2020

Classification	Term 54	Term 55	Term 56
Current liabilities	6,702,510,183,900	6,420,343,347,706	6,072,727,118,058
Purchase payables and other payables	3,345,900,688,590	3,266,616,484,477	2,756,123,128,883
Short-term borrowings	986,187,228,856	727,200,973,023	553,386,784,591
Liquidity bonds	1,129,823,635,762	989,711,626,651	949,677,468,671
Long-term loan for liquidity	935,845,982,508	1,138,488,804,698	1,391,445,636,761
Unpaid Corporate Tax	116,335,885,065	2,682,751,942	8,865,818,184
Derived financial liability	4,720,165,948	2,107,192,068	13,104,727,466
Other financial liability	589,445,909	843,259,640	896,477,307
Lease rights liability	-	16,633,840,161	77,365,639,426
Current estimated liabilities	64,516,579,579	150,301,351,246	183,767,047,348
Other current liabilities	118,590,571,683	125,757,063,800	138,094,389,421
Non-current liabilities	9,579,273,263,513	10,712,249,036,028	12,079,281,648,524
Trade payables and other payables	-	17,424,683,486	-
Bonds	4,153,838,123,349	4,405,750,630,098	4,694,382,814,719
Long-term loans	4,080,149,251,969	4,896,620,377,814	5,207,872,617,624
Derived financial payables	83,755,076,163	87,415,083,467	185,634,313,014
Other financial payables	950,604,663	1,432,790,579	776,936,000
Defined benefit liability	142,291,287,870	48,761,179,597	79,851,450,260
Deferred tax liabilities	685,469,461,602	763,430,360,293	667,601,905,894
Lease rights payables	-	42,822,177,934	755,384,243,881
Non-current estimated liabilities	366,110,221,054	380,388,421,393	407,430,966,245
Other non-current liabilities	66,709,236,843	68,203,331,367	80,346,400,887
Total Liabilities	16,281,783,447,413	17,132,592,383,734	18,152,008,766,582

Equity (Unit: KRW)

Term 54: As of 31 Dec 2018
Term 55: As of 31 Dec 2019
Term 56: As of 31 Dec 2020

Classification	Term 54	Term 55	Term 56
Shares held by holding company	16,696,013,584,818	16,898,376,307,152	16,345,442,678,336
Capital	667,228,925,000	667,228,925,000	667,228,925,000
Capital surplus	3,914,481,193,065	3,914,481,193,065	3,906,081,404,889
Retained earnings	11,560,630,208,201	11,488,335,873,492	10,933,098,786,612
Accumulated other comprehensive income	682,779,591,018	957,436,648,061	951,498,276,597
Treasury stock	(129,106,332,466)	(129,106,332,466)	(112,464,714,762)
Non-controlling interest	327,120,390,374	335,363,817,493	347,588,663,223
Total Equity	17,023,133,975,192	17,233,740,124,645	16,693,031,341,559
Total Liabilities and Equity	33,304,917,422,605	34,366,332,508,379	34,845,040,108,141

Factbook

Factbook

Consolidated Statement of Changes in Equity

4.1.2

2018 (Unit: KRW)

Term 54: Jan 1 2018 to Dec 31 2018

Classification		Equity					
		Capital stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock	Non-controlling interests
Jan 1 2018 (Beginning Equity)		667,228,925,000	3,914,481,193,065	11,277,740,474,420	985,196,290,258	(129,106,332,466)	319,982,457,731
Changes from initial application of K-IFRS 1109 (after tax)		-	-	24,452,300,056	(24,452,300,056)	-	-
Changes from initial application of K-IFRS 1115 (after tax)		-	-	(711,006,769)	-	-	(711,006,769)
Adjusted value		667,228,925,000	3,914,481,193,065	11,301,481,767,707	960,743,990,202	(129,106,332,466)	319,982,457,731
Total comprehensive profit	Net income	-	-	398,674,377,985	-	-	9,285,057,217
	Other comprehensive income - Valuation profit and loss of financial assets at fair value	-	-	-	(258,985,779,028)	-	(281,333,300)
	Valuation profit and loss of financial derivatives	-	-	-	(6,544,247,225)	-	-
	Cumulative translation adjustments for overseas subsidiaries and branches	-	-	-	(12,434,372,931)	-	21,372,177
	Remeasurement of net defined benefit liabilities	-	-	(41,072,953,741)	-	-	(983,060,001)
	Valuation by equity method	-	-	-	-	-	-
Transactions with shareholders directly reflected in equity	Dividends	-	-	(98,452,983,750)	-	-	(904,103,450)
	Changes from capital increase of affiliated companies	-	-	-	-	-	-
	Acquisition of treasury stocks	-	-	-	-	-	-
	Disposal of treasury stocks	-	-	-	-	-	-
Dec 31 2018 (Ending Equity)		667,228,925,000	3,914,481,193,065	11,560,630,208,201	682,779,591,018	(129,106,332,466)	327,120,390,374

17,023,133,975,192



2019 (Unit: KRW)

Term 55: Jan 1 2019 to Dec 31 2019

Classification		Equity					
		Capital stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock	Non-controlling interests
Jan 1 2019 (Beginning Equity)		667,228,925,000	3,914,481,193,065	11,560,630,208,201	682,779,591,018	(129,106,332,466)	327,120,390,374
Changes from initial application of K-IFRS 1109 (after tax)		-	-	-	-	-	-
Changes from initial application of K-IFRS 1115 (after tax)		-	-	-	-	-	-
Adjusted Value		667,228,925,000	3,914,481,193,065	11,560,630,208,201	682,779,591,018	(129,106,332,466)	327,120,390,374
Total comprehensive income	Net Income	-	-	17,104,664,648	-	-	8,508,633,499
	Other comprehensive income - Valuation profit and loss of financial assets at fair value	-	-	-	255,581,302,443	-	(143,564,487)
	Valuation profit and loss of financial derivatives	-	-	-	(12,264,655,364)	-	-
	Cumulative translation adjustments for overseas subsidiaries and branches	-	-	-	31,340,409,964	-	136,037,582
	Remeasurement of net defined benefit liabilities	-	-	9,053,984,393	-	-	646,423,975
	Valuation by equity method	-	-	-	-	-	-
Transactions with shareholders directly reflected in equity	Dividends	-	-	(98,452,983,750)	-	-	(904,103,450)
	Changes from capital increase of affiliated companies	-	-	-	-	-	-
	Acquisition of treasury stocks	-	-	-	-	-	-
	Disposal of treasury stocks	-	-	-	-	-	-
Dec 31 2019 (Ending Equity)		667,228,925,000	3,914,481,193,065	11,488,335,873,492	957,436,648,061	(129,106,332,466)	335,363,817,493

17,233,740,124,645



2020 (Unit: KRW)

Term 56: Jan 1 2020 to Dec 31 2020

Classification		Equity					
		Capital stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock	Non-controlling interests
Jan 1 2020 (Beginning Equity)		667,228,925,000	3,914,481,193,065	11,488,335,873,492	957,436,648,061	(129,106,332,466)	335,363,817,493
Changes from initial application of K-IFRS 1109 (after tax)		-	-	-	-	-	-
Changes from initial application of K-IFRS 1115 (after tax)		-	-	-	-	-	-
Adjusted value		667,228,925,000	3,914,481,193,065	11,488,335,873,492	957,436,648,061	(129,106,332,466)	335,363,817,493
Total comprehensive profit	Net income	-	-	(430,013,443,945)	-	-	(10,106,305,858)
	Other comprehensive income - Valuation profit and loss of financial assets at fair value	-	-	-	(6,415,614,333)	-	722,312,760
	Valuation profit and loss of financial derivatives	-	-	-	36,562,463,628	-	-
	Cumulative translation adjustments for overseas subsidiaries and branches	-	-	-	(36,085,220,759)	-	84,380,212
	Remeasurement of net defined benefit liabilities	-	-	(22,773,162,698)	-	-	1,281,358,725
	Valuation by equity method	-	-	(3,997,496,487)	-	-	-
Transactions with shareholders directly reflected in equity	Dividends	-	-	(98,452,983,750)	-	-	(901,945,909)
	Changes from capital increase of affiliated companies	-	-	-	-	-	21,145,045,800
	Acquisition of treasury stocks	-	-	-	-	(381,280,500)	-
	Disposal of treasury stocks	-	(8,399,788,176)	-	-	17,022,898,204	-
Dec 31 2020 (Ending Equity)		667,228,925,000	3,906,081,404,889	10,933,098,786,612	951,498,276,597	(112,464,714,762)	347,588,663,223

16,693,031,341,559

Factbook

Factbook

Consolidated Statement of Cash Flows

4.1.3

Cash flows from operating activities (Unit: KRW)

Term 54: Jan 1 2018 to Dec 31 2018

Term 55: Jan 1 2019 to Dec 31 2019

Term 56: Jan 1 2020 to Dec 31 2020

Classification	Term 54	Term 55	Term 56
Cash flows from operating activities	1,575,279,409,992	626,355,650,890	2,014,160,118,424
Cash flows created from operating activities	2,132,052,392,981	1,144,996,541,230	2,231,311,538,509
Net income	407,959,435,202	25,613,298,147	(440,119,749,803)
Addition of expenses without cash outflow	2,748,409,551,417	2,230,948,064,697	2,285,428,665,449
Deduction of expenses without cash inflow	(161,298,483,755)	(207,774,473,229)	(187,627,370,147)
Change in assets / liabilities from operating activities	(863,018,109,883)	(903,790,348,385)	573,629,993,010
Decrease (increase) in sales receivables and other receivables	22,817,471,295	25,645,634,798	(88,411,974,930)
Decrease (increase) in inventory	(831,548,174,936)	(483,250,430,749)	648,189,470,156
Decrease (increase) in other current financial assets	4,708,648,371	11,692,042,447	45,781,157,576
Decrease (increase) in other current assets	(4,523,823,798)	(52,435,647,839)	30,976,742,096
Decrease (increase) in non-current financial assets	(131,036,299,106)	(37,989,744,249)	(57,825,217,084)
Decrease (increase) in other non-current assets	713,966,343	261,345,458	350,636,877
Increase (decrease) of purchase payables or other payables	197,983,169,889	(199,961,029,315)	(9,706,501,442)
Increase (decrease) in other current payables	(48,388,066,741)	13,498,026,995	14,756,118,547
Increase (decrease) in provisions for current liabilities	-	-	63,829,802,900
Increase (decrease) in other (non-current) financial liabilities	100,000,000	935,754,878	(240,964,733)
Increase (decrease) in other non-current liabilities	30,472,219,706	(4,813,301,182)	11,662,294,912
Changes in financial derivatives and liabilities	(1,854,502,418)	(1,973,529,136)	4,487,343,465
Pension payout	(81,119,370,063)	(80,634,858,632)	(75,334,359,783)
Decrease (increase) in plan assets	(21,300,720,084)	(94,807,240,200)	(14,948,017,304)
Transfers from (to) affiliates	(42,628,341)	42,628,341	63,461,757
Interest received	30,148,877,601	15,240,438,180	17,397,546,359
Dividends received	36,233,807,850	42,298,536,610	30,154,485,819
Interest paid	(344,393,904,904)	(322,756,985,739)	(320,703,432,760)
Corporate tax refund (payment)	(278,761,763,536)	(253,422,879,391)	55,999,980,497



Cash flows from investment activities

(Unit: KRW)

Term 54: Jan 1 2018 to Dec 31 2018

Term 55: Jan 1 2019 to Dec 31 2019

Term 56: Jan 1 2020 to Dec 31 2020

Classification	Term 54	Term 55	Term 56
Cash flows from investment activities	(1,164,791,709,774)	(1,162,877,420,508)	(2,437,789,284,875)
Cash flows from investment activities	563,265,325,388	468,734,498,868	6,336,313,015,417
Decrease in short-term financial instruments	513,671,857,664	461,618,965,205	433,646,596,834
Decrease in long-term financial instruments	2,000,000	-	11,578,000
Disposal of financial assets at amortized cost	3,723,247,641	5,000,000,000	-
Net income – disposal of financial assets at fair value	-	-	5,827,534,675,718
Other comprehensive income – disposal of financial assets at fair value	-	395,120,726	399,346,784
Disposal of property investment	-	2,012,114,150	7,916,652,000
Sales of tangible assets	44,277,884,502	(1,911,321,662)	60,848,022,555
Sales of intangible assets	1,156,750,000	1,296,363,651	3,669,818,184
Government subsidy received	433,585,581	323,256,798	2,286,325,342
Cash outflows from investment activities	(1,728,057,035,162)	(1,631,611,919,376)	(8,774,102,300,292)
Increase in short-term financial instruments	(519,974,561,653)	(442,795,633,463)	(851,281,832,516)
Increase in long-term financial instruments	-	-	(11,823,000)
Acquisition of financial assets at amortized cost	(3,820,180,000)	-	-
Net income – acquisition of financial assets at fair value	-	(16,992,119,302)	(6,758,786,044,983)
Other comprehensive income – acquisition of financial assets at fair value	(319,972,137)	(393,740,000)	(25,090,000)
Acquisition of shares in joint ventures	-	-	(81,548,489,680)
Acquisition of tangible assets	(1,197,973,221,886)	(1,157,154,786,135)	(1,033,556,415,637)
Acquisition of intangible assets	(5,150,783,326)	(14,055,482,460)	(48,892,604,476)
Increase in other (non-current) financial assets	(818,316,160)	(220,158,016)	-



Cash flows from financial activities

(Unit: KRW)

Term 54: Jan 1 2018 to Dec 31 2018
Term 55: Jan 1 2019 to Dec 31 2019
Term 56: Jan 1 2020 to Dec 31 2020

Classification	Term 54	Term 55	Term 56
Cash flows from financial activities	(418,531,652,707)	690,692,168,666	448,666,382,733
Cash inflow from financial activities	19,729,191,465,433	12,778,420,780,957	6,707,827,935,411
Acquired short-term loans	17,219,810,186,514	9,465,766,119,785	3,501,085,779,922
Issue of company bonds	1,205,665,080,000	1,210,373,780,000	1,215,907,020,000
Acquired long-term loans	1,303,716,198,919	2,102,280,881,172	1,964,198,106,211
Disposal of treasury stocks	-	-	5,436,983,478
Capital increase of affiliated companies	-	-	21,145,045,800
Increase in security deposit	-	-	55,000,000
Cash outflow from financial activities	(20,147,723,118,140)	(12,087,728,612,291)	(6,259,161,552,678)
Repayment of short-term loans	(17,102,722,182,424)	(9,704,392,910,990)	(3,868,617,049,966)
Repayment of current bonds	(960,244,660,000)	(1,130,000,000,000)	(990,000,000,000)
Repayment of long-term current loans	(1,220,878,924,840)	(936,584,530,308)	(1,167,736,666,455)
Repayment of current lease liabilities	-	(17,391,632,247)	(34,339,764,672)
Repayment of long-term loans	(764,520,263,676)	(200,002,451,546)	(98,803,141,926)
Issuance of dividends	(99,357,087,200)	(99,357,087,200)	(99,354,929,659)
Repayment of security deposit	-	-	(310,000,000)
Effect of FX changes on cash and cash equivalents	(1,232,102,398)	(516,567,777)	(23,571,455,309)
Changes in the scope of consolidation	737,461,923	-	-
Increase (decrease) in cash and cash equivalents	(8,538,592,964)	153,653,831,271	1,465,760,973
Cash and cash equivalents at beginning of term	770,652,011,333	762,113,418,369	915,767,249,640
Cash and cash equivalents at end of term	762,113,418,369	915,767,249,640	917,233,010,613

Factbook

Factbook

Consolidated Comprehensive Statement of Income

4.1.4

Consolidated Comprehensive Statement of Income (Unit: KRW)

Term 54: Jan 1 2018 to Dec 31 2018

Term 55: Jan 1 2019 to Dec 31 2019

Term 56: Jan 1 2020 to Dec 31 2020

Classification	Term 54	Term 55	Term 56
Sales	20,780,381,550,301	20,512,590,431,956	18,023,398,349,630
Cost of sales	18,708,282,382,698	19,115,157,896,604	16,930,206,956,979
Gross profit from sales	2,072,099,167,603	1,397,432,535,352	1,093,191,392,651
Selling and administrative expenses	1,046,009,792,959	1,066,135,029,070	1,020,158,954,760
Operating profit	1,026,089,374,644	331,297,506,282	73,032,437,891
Financial income	(301,719,261,970)	(283,262,055,948)	(360,265,228,968)
Financial profit	147,179,555,239	160,186,105,874	227,386,676,717
Financial cost	448,898,817,209	443,448,161,822	(587,651,905,685)
Profit (loss) related to investment in associates and joint ventures	17,786,817,792	7,567,384,770	18,885,225,809
Other income	(172,346,629,881)	(3,952,155,366)	(235,566,392,124)
Other profit	192,576,369,021	213,785,598,802	198,632,524,893
Other costs	(364,922,998,902)	(217,737,754,168)	(434,198,917,017)
Profit (loss) before income tax	569,810,300,585	51,650,679,738	(503,913,957,392)
Income tax expenses	161,850,865,383	26,037,381,591	(63,794,207,589)
Net profit (loss)	407,959,435,202	25,613,298,147	(440,119,749,803)
Other comprehensive income	(320,280,374,049)	284,349,938,506	(30,620,978,952)
Items subsequently reclassified as net income			
Valuation income from derivative instruments	(6,544,247,225)	(12,264,655,364)	36,562,463,628
Gain or loss on overseas operations translation	(12,413,000,754)	31,476,447,546	(36,000,840,547)
Items not subsequently reclassified as net income			
Remeasurement of net defined benefit liabilities	42,056,013,742	9,700,408,368	(21,491,803,973)
Changes in retained earnings by equity method	-	-	(3,997,496,487)
Other comprehensive income - gains from fair value financial asset valuation	(259,267,112,328)	255,437,737,956	(5,693,301,573)



Total comprehensive profit (loss)	87,679,061,153	309,963,236,653	(470,740,728,755)
Attribution of Net Income (loss)			
Ownership of controlling company	398,674,377,985	17,104,664,648	(430,013,443,945)
Non-controlling interest	9,285,057,217	8,508,633,499	(10,106,305,858)
Attribution of comprehensive profit (loss)			
Ownership of controlling company	79,637,025,060	300,815,706,084	(462,722,474,594)
Non-controlling interest	8,042,036,093	9,147,530,569	(8,018,254,161)
Profit (loss) per share			
Profit (loss) per ordinary share	3,037	130	(3,272)

Factbook

Factbook

Balance sheet

4.2.1

Assets (Unit: KRW)

Term 54: As of 31 Dec 2018

Term 55: As of 31 Dec 2019

Term 56: As of 31 Dec 2020

Classification	Term 54	Term 55	Term 56
Assets			
Current assets	6,823,460,373,962	7,492,358,563,469	7,789,955,734,269
Cash or cash equivalents	647,264,108,498	821,022,260,355	638,170,897,134
Short-term financial instruments	155,239,112,695	129,338,148,029	547,192,547,215
Current term profit and loss - financial assets at fair value	-	-	891,783,356,983
Receivables from sales and other activities	2,105,513,219,336	2,039,161,667,677	1,861,963,796,1348
Inventory	3,729,457,740,878	4,214,288,069,302	3,667,950,478,857
Corporate tax	-	72,517,568,941	4,641,230,698
Derivatives	27,528,774	6,181,441.188	2,683,536.151
Other financial assets	127,907,208,515	122,200,057,812	89,449,754,521
Other current assets	58,051,455,266	87,649,350,165	86,120,136,576
Non-current assets	24,365,075,914,776	24,532,865,731,238	24,662,404,991,288
Trade receivables and other receivables	-	88,043,382,235	171,298,650,684
Other comprehensive income and fair value financial assets	1,187,453,142,600	1,540,045,996,834	1,530,156,378,570
Shares invested in affiliated companies and joint ventures	985,637,054,827	1,065,606,054,827	1,336,720,968,380
Shares invested in affiliated corporations	985,637,054,827	1,065,606,054,827	1,336,720,968,380
Lease rights	-	50,169,789,759	821,233,091,083
Property	346,769,470,250	368,295,399,800	386,855,709,660
Tangible assets	20,014,384,199,163	19,691,557,249,012	18,712,495,204,910
Intangible assets	1,437,937,850,054	1,382,330,306,981	1,354,699,489,209
Financial derivatives	4,993,262,593	8,578,442,751	349,095,618
Other financial assets	298,220,529,631	249,373,356,542	179,879,361,406
Other non-current assets	2,812,717,370	1,998,064,209	300,863,800
Total assets	31,188,536,288,738	32,025,224,294,707	32,452,360,725,557



Liabilities (Unit: KRW)

Term 54: As of 31 Dec 2018

Term 55: As of 31 Dec 2019

Term 56: As of 31 Dec 2020

Classification	Term 54	Term 55	Term 56
Current liabilities	5,604,443,921,635	5,387,009,080,908	5,100,519,107,622
Purchase payables and other payables	2,997,902,995,026	2,945,754,488,778	2,463,586,770,113
Short-term borrowings	363,941,869,181	194,309,460,142	83,551,844,770
Liquidity bonds	1,099,831,843,884	939,742,541,000	839,720,081,287
Long-term loan for liquidity	858,251,959,857	1,059,213,097,669	1,346,477,816,412
Unpaid corporate tax	111,550,193,646	-	-
Derived financial liability	2,715,422,935	1,967,107,323	8,926,775,516
Lease rights liability (current)	-	15,777,163,010	76,917,115,801
Provisions for current liabilities	63,121,731,630	119,332,727,499	158,332,338,229
Other current liabilities	107,127,905,476	110,912,495,487	123,006,365,494
Non-current liabilities	8,830,885,602,530	9,699,061,990,042	10,949,303,671,968
Trade payable and other payables	-	17,424,683,486	-
Bonds	4,014,259,895,404	4,251,303,354,967	4,631,802,553,857
Long-term loans	3,618,104,561,333	4,221,656,145,769	4,336,380,113,376
Derived financial payables	82,161,384,050	82,189,543,602	162,948,087,138
Other financial payables	709,506,000	679,506,000	714,506,000
Defined benefit liabilities	119,929,904,172	31,941,761,920	66,375,758,439
Deferred tax liabilities	590,523,648,906	655,565,558,752	558,940,257,432
Lease rights payables	-	34,925,080,518	748,145,155,540
Non-current estimated liabilities	354,627,570,956	351,053,699,003	379,781,164,435
Other non-current liabilities	50,569,131,709	52,322,656,025	64,216,075,751
Total Liabilities	14,435,329,524,165	15,086,071,070,950	16,049,822,779,590

Equity (Unit: KRW)

Term 54: As of 31 Dec 2018

Term 55: As of 31 Dec 2019

Term 56: As of 31 Dec 2020

Classification	Term 54	Term 55	Term 56
Capital	667,228,925,000	667,228,925,000	667,228,925,000
Capital surplus	3,931,385,607,938	3,931,385,607,938	3,922,985,819,762
Retained earnings	11,517,818,852,215	11,460,394,259,928	10,882,248,102,524
Accumulated other comprehensive income	765,879,711,886	1,009,250,763,357	1,042,539,813,443
Treasury stock	(129,106,332,466)	(129,106,332,466)	(112,464,714,762)
Total equity	16,753,206,764,573	16,939,153,223,757	16,402,537,945,967
Total liabilities and equity	31,188,536,288,738	32,025,224,294,707	32,452,360,725,557

Factbook

Factbook

Statement of Changes in Equity

4.2.2

2018 (Unit: KRW)

Term 54: Jan 1 2018 to Dec 31 2018

Classification		Equity					
		Capital stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock	Total equity
1 Jan 2018 (Beginning Equity)		667,228,925,000	3,931,385,607,938	11,260,189,627,388	1,054,348,806,645	(129,106,332,466)	16,784,046,634,505
Changes from initial application of K-IFRS 1109 (after tax)		-	-	23,336,239,035	(23,336,239,035)	-	-
Changes from initial application of K-IFRS 1115 (after tax)		-	-	(711,006,769)	-	-	(711,006,769)
Adjusted value		667,228,925,000	3,931,385,607,938	11,282,814,859,654	1,031,012,567,610	(129,106,332,466)	16,783,335,627,736
Total comprehensive profit	Net income	-	-	373,477,704,257	-	-	373,477,704,257
	Other comprehensive income - Valuation profit and loss of financial assets at fair value	-	-	-	(258,588,608,499)	-	(258,588,608,499)
	Valuation profit and loss of financial derivatives	-	-	-	(6,544,247,225)	-	(6,544,247,225)
	Remeasurement of net defined benefit liabilities	-	-	(40,020,727,946)	-	-	(40,020,727,946)
Transactions with shareholders directly reflected in equity	Dividends	-	-	(98,452,983,750)	-	-	(98,452,983,750)
	Acquisition of treasury stocks	-	-	-	-	-	-
	Disposal of treasury stocks	-	-	-	-	-	-
Others	Changes resulting from physical division	-	-	-	-	-	-
31 Dec 2018 (Ending Equity)		667,228,925,000	3,931,385,607,938	11,517,818,852,215	765,879,711,886	(129,106,332,466)	16,753,206,764,573



2019 (Unit: KRW)

Term 55: Jan 1 2019 to Dec 31 2019

Classification		Equity					
		Capital stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock	Total equity
1 Jan 2019 (Beginning Equity)		667,228,925,000	3,931,385,607,938	11,517,818,852,215	765,879,711,886	(129,106,332,466)	16,753,206,764,573
Changes from initial application of K-IFRS 1109 (after tax)		-	-	-	-	-	-
Changes from initial application of K-IFRS 1115 (after tax)		-	-	-	-	-	-
Adjusted value		667,228,925,000	3,931,385,607,938	11,517,818,852,215	765,879,711,886	(129,106,332,466)	16,753,206,764,573
Total comprehensive income	Net income	-	-	32,468,233,310	-	-	32,468,233,310
	Other comprehensive income - Valuation profit and loss of financial assets at fair value	-	-	-	255,635,706,835	-	255,635,706,835
	Valuation profit and loss of financial derivatives	-	-	-	(12,264,655,364)	-	(12,264,655,364)
	Remeasurement of net defined benefit liabilities	-	-	8,560,158,153	-	-	8,560,158,153
Transactions with shareholders directly reflected in equity	Dividends	-	-	(98,452,983,750)	-	-	(98,452,983,750)
	Acquisition of treasury stocks	-	-	-	-	-	-
	Disposal of treasury stocks	-	-	-	-	-	-
Others	Changes resulting from physical division	-	-	-	-	-	-
31 Dec 2019 (Ending Equity)		667,228,925,000	3,931,385,607,938	11,460,394,259,928	1,009,250,763,357	(129,106,332,466)	16,939,153,223,757



2020 (Unit: KRW)

Term 56: Jan 1 2020 to Dec 31 2020

Classification		Equity					
		Capital stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock	Total equity
1 Jan 2020 (Beginning Equity)		667,228,925,000	3,931,385,607,938	11,460,394,259,928	1,009,250,763,357	(129,106,332,466)	16,939,153,223,757
Changes from initial application of K-IFRS 1109 (after tax)		-	-	-	-	-	-
Changes from initial application of K-IFRS 1115 (after tax)		-	-	-	-	-	-
Adjusted value		667,228,925,000	3,931,385,607,938	11,460,394,259,928	1,009,250,763,357	(129,106,332,466)	16,939,153,223,757
Total comprehensive profit	Net Income	-	-	(455,916,769,443)	-	-	(455,916,769,443)
	Other comprehensive income - Valuation profit and loss of financial assets at fair value	-	-	-	(6,893,402,510)	-	(6,893,402,510)
	Valuation profit and loss of financial derivatives	-	-	-	36,562,463,628	-	36,562,463,628
	Remeasurement of net defined benefit liabilities	-	-	(23,776,404,211)	-	-	(23,776,404,211)
Transactions with shareholders directly reflected in equity	Dividends	-	-	(98,452,983,750)	-	-	(98,452,983,750)
	Acquisition of treasury stocks	-	-	-	-	(381,280,500)	(381,280,500)
	Disposal of treasury stocks	-	(8,399,788,176)	-	-	17,022,898,204	8,623,110,028
Others	Changes resulting from physical division	-	-	-	5,090,025,027	-	5,090,025,027
31 Dec 2020 (Ending Equity)		667,228,925,000	3,922,985,819,762	10,882,248,102,524	1,042,539,813,443	(112,464,714,762)	16,402,537,945,967

Factbook

Factbook

Statement of Cash Flows

4.2.3

Cash flows from operating activities(Unit: KRW)

Term 54: Jan 1 2018 to Dec 31 2018

Term 55: Jan 1 2019 to Dec 31 2019

Term 56: Jan 1 2020 to Dec 31 2020

Classification	Term 54	Term 55	Term 56
Cash flows from operating activities	1,387,708,330,435	719,648,331,462	1,461,224,211,466
Cash flows created from operating activities	1,874,118,509,930	1,168,986,124,618	1,611,567,037,043
Net income	373,477,704,257	32,468,233,310	(455,916,769,443)
Addition of expenses without cash outflow	2,551,791,233,184	2,032,557,623,391	2,095,523,069,468
Deduction of expenses without cash inflow	(130,558,183,316)	(169,201,619,127)	(137,556,181,405)
Change in assets / liabilities from operating activities	(920,592,244,195)	(726,838,112,956)	109,516,918,423
Decrease (increase) in sales receivables and other receivables	(248,948,295,471)	59,424,026,100	134,837,511,047
Decrease (increase) in inventory	(598,110,549,128)	(498,036,081,345)	370,753,382,504
Decrease (increase) in other current financial assets	14,592,739,520	11,404,447,025	42,857,870,843
Decrease (increase) in other current assets	16,280,414,483	(29,597,894,899)	773,642,961
Decrease (increase) in non-current financial assets	(131,041,542,547)	(37,141,464,578)	(55,106,798,520)
Decrease (increase) in other non-current assets	814,653,159	814,653,161	82,312,638
Increase (decrease) in purchase payables or other payables	140,428,488,938	(74,501,578,772)	(390,365,852,087)
Increase (decrease) in other current payables	(46,334,783,718)	3,784,590,011	12,400,612,478
Increase (decrease) in provisions for current liabilities	-	-	63,829,802,900
Increase (decrease) in other (non-current) financial liabilities	100,000,000	(30,000,000)	35,000,000
Increase (decrease) in other non-current liabilities	31,501,119,510	1,753,524,316	12,052,007,635
Pension payout	(78,431,688,631)	(77,389,964,602)	(71,266,859,884)
Decrease (increase) in plan assets	(21,442,800,310)	(87,322,369,373)	(11,365,714,092)
Interest received	14,583,114,073	13,860,945,868	28,857,188,498
Dividends received	36,854,063,300	42,918,792,060	30,776,898,810
Interest paid	(291,434,234,928)	(274,405,642,181)	(281,106,888,275)
Corporate tax refund (payment)	(246,413,121,940)	(231,711,888,903)	71,129,975,390



Cash flows from investment activities

(Unit: KRW)

Term 54: Jan 1 2018 to Dec 31 2018
Term 55: Jan 1 2019 to Dec 31 2019
Term 56: Jan 1 2020 to Dec 31 2020

Classification	Term 54	Term 55	Term 56
Cash flows from investment activities	(1,103,695,033,811)	(1,088,293,291,675)	(2,360,033,484,524)
Cash inflow from investment activities	552,650,668,653	460,933,161,742	6,005,662,990,825
Decrease in short-term financial instruments	513,566,857,664	461,474,965,205	428,092,316,104
Disposal of financial assets at amortized cost	3,723,247,641	-	-
Net income – disposal of financial assets at fair value	-	-	5,520,000,000,000
Other comprehensive income – disposal of financial assets at fair value	-	395,120,726	407,886,784
Disposal of property investment	-	113,444,000	21,352,000
Sales of tangible assets	34,309,813,348	(2,346,731,840)	53,721,617,753
Sales of intangible assets	1,050,750,000	1,296,363,651	3,419,818,184
Cash outflows from investment activities	(1,656,345,702,464)	(1,549,226,453,417)	(8,365,696,475,349)
Increase in short-term financial instruments	(517,762,097,251)	(435,650,152,995)	(846,697,551,786)
Acquisition of financial assets at amortized cost	(3,820,180,000)	-	-
Net income - acquisition of financial assets at fair value	-	-	(6,411,783,356,983)
Other comprehensive income – acquisition of financial assets at fair value	(319,972,137)	(393,740,000)	(33,630,000)
Acquisition of investment assets in subsidiary companies	(16,238,119,070)	(79,969,000,000)	(51,766,100,000)
Acquisition of investment assets in joint ventures	-	-	(81,548,489,680)
Cash outflow resulting from physical division	-	-	(11,900,000,000)
Acquisition of tangible assets	(1,113,868,344,506)	(1,020,551,855,326)	(915,898,571,314)
Acquisition of intangible assets	(4,336,989,500)	(12,661,705,096)	(46,068,775,586)

Factbook

Factbook

Comprehensive Statement of Income

4.2.4

Comprehensive Statement of Income (Unit: KRW)

Term 54: Jan 1 2018 to Dec 31 2018

Term 55: Jan 1 2019 to Dec 31 2019

Term 56: Jan 1 2020 to Dec 31 2020

Classification	Term 54	Term 55	Term 56
Sales	18,610,813,227,460	18,073,859,360,410	15,568,026,955,252
Cost of sales	16,765,839,748,282	16,873,407,567,174	14,651,503,439,577
Gross profit from sales	1,844,973,479,178	1,200,451,793,236	916,523,515,675
Selling and administrative expenses	911,520,179,599	922,014,542,911	874,864,230,449
Operating profit	933,453,299,579	278,437,250,325	41,659,285,226
Financial income	(256,222,804,562)	(229,235,781,338)	(299,013,630,633)
Financial profit	136,032,693,654	153,955,076,464	204,743,431,620
Financial cost	(392,255,498,216)	(383,190,857,802)	(503,757,062,253)
Other income	(150,981,645,114)	389,111,194	(259,172,446,037)
Other profit	150,014,051,790	173,123,526,856	170,813,214,545
Other cost	(300,995,696,904)	(172,734,415,662)	(429,985,660,582)
Profit (loss) before income tax	526,248,849,903	49,590,580,181	(516,526,791,444)
Income tax expenses	(152,771,145,646)	17,122,346,871	(60,610,022,001)
Net profit (loss)	373,477,704,257	32,468,233,310	(455,916,769,443)
Other comprehensive income	(305,153,583,670)	251,931,209,624	4,422,620,848
Items subsequently reclassified as net income			
Valuation income from derivative instruments	(6,544,247,225)	(12,264,655,364)	35,092,427,569
Items not subsequently reclassified as net income			
Remeasurement of net defined benefit liabilities	(40,020,727,946)	8,560,158,153	(23,776,404,211)
Other comprehensive income - gains from fair value financial asset valuation	(258,588,608,499)	255,635,706,835	(6,893,402,510)
Total comprehensive profit (loss)	68,324,120,587	284,399,442,934	(451,494,148,595)
Profit (loss) per share			
Profit (loss) per ordinary share (Unit: KRW)	2,845	247	(3,469)



Factbook

Factbook

Environmental Performance

4.3

Environmental Targets

Classification	2018	2019	2020	Unit
GHG emissions	N/A	22,263	30,692	1,000 tCO ₂
Energy consumption	N/A	37.37	31.25	TWh
Water consumption	N/A	60.3	56.47	1 million m ³
Byproduct volume	N/A	11,010	10,659	1,000 tons
Amount recycled	N/A	10,740	10,476	1,000 tons
Proportion recycled	N/A	97.5	98.3	%
NOx	N/A	8,776	5,167	tons
SOx	N/A	11,300	6,148	tons
Dust	N/A	712	577	tons

Environmental Investment

Classification	2018	2019	2020	Unit
Environmental operation cost	3,037	2,911	2,995	KRW 100 million
Environmental investment cost	1,955	2,133	1,528	KRW 100 million
Environmental benefit	2,123	2,002	1,772	KRW 100 million

1) Environmental benefit: Includes cost savings, profit from selling by-products, and tax benefits

GHG Emissions

Classification	2018	2019	2020	Unit
Scope 1	16,492	16,405	25,966	1,000 tCO ₂
Scope 2	5,806	5,806	2,657	1,000 tCO ₂
Total	22,298	22,211	28,623	1,000 tCO ₂

1) Changes in distribution method for data have been applied retrospectively resulting in modified data. Final value is subject to change according to government conformity assessment.
- Benchmark method applied as of 2019 (incentives provided to companies with high emissions efficiency)
- Data prepared prior to changes in criteria for annual report and distribution method

2) Including CO₂, CH₄, N₂O, HFCs, PFCs or SF₆ as defined in Article 2 (9) of the Framework Act on Low Carbon, Green Growth
- Retrospective application of changes in emissions due to changes in the calculation method of GHG emissions during certification of government conformity assessment
- Calculated according to the Guidance on Reporting and Certification of Emissions from the GHG Emissions Trading Scheme (excluding biological emissions)

3) Reduction of indirect emissions (Scope 2) associated with electric power and steam, as power plants were converted into internal electric facilities. Hyundai Green Power's emissions are included.



Energy Consumption

Classification	2018	2019	2020	Unit
Electricity	11.71	11.49	10.37	TWh
Fuel	5.96	6.14	18.73	TWh
Steam	0.44	0.55	0.04	TWh
Total	18.11	18.18	29.14	TWh

1) Changes in distribution method for data have been applied retrospectively resulting in modified data. Final value is subject to change according to government conformity assessment.

- Benchmark method applied as of 2019

- Data prepared prior to changes in criteria for annual report and distribution method

2) Electricity: Some data were changed in line with internal management standards. Power generated by the power plants was included in the electricity consumption data

Intensity of GHG and Energy

Classification	2018	2019	2020	Unit
GHG intensity	0.94	0.94	1.35	CO ₂ tons/tons
Energy intensity	0.76	0.78	1.38	MWh/ton

1) Intensity of GHG and Energy: Production performance from annual report

Water Consumption Volume

Classification	2018	2019	2020	Unit
Industrial water	55,711	55,215	49,709	1,000m ³
Waterworks	4,656	4,973	4,698	1,000m ³
Total	60,367	60,188	54,407	1,000m ³

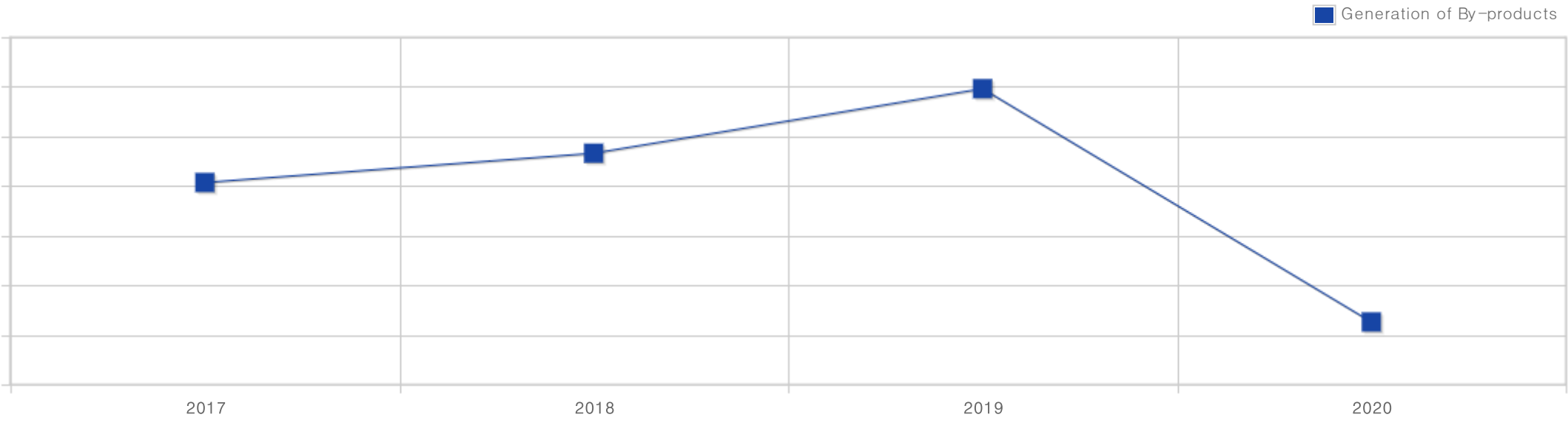
Wastewater

Classification	2018	2019	2020	Unit
Water recycling volume	8,337	9,825	5,850	1,000m ³
Discharge volume	22,444	22,993	21,653	1,000m ³
Total	30,781	32,818	27,503	1,000m ³

Intensity of water consumption and wastewater treatment

Classification	2018	2019	2020	Unit
Water consumption per production amount	2.54	2.58	2.57	m ³ /ton
Amount of treated wastewater per production amount	1.3	1.41	1.3	m ³ /ton

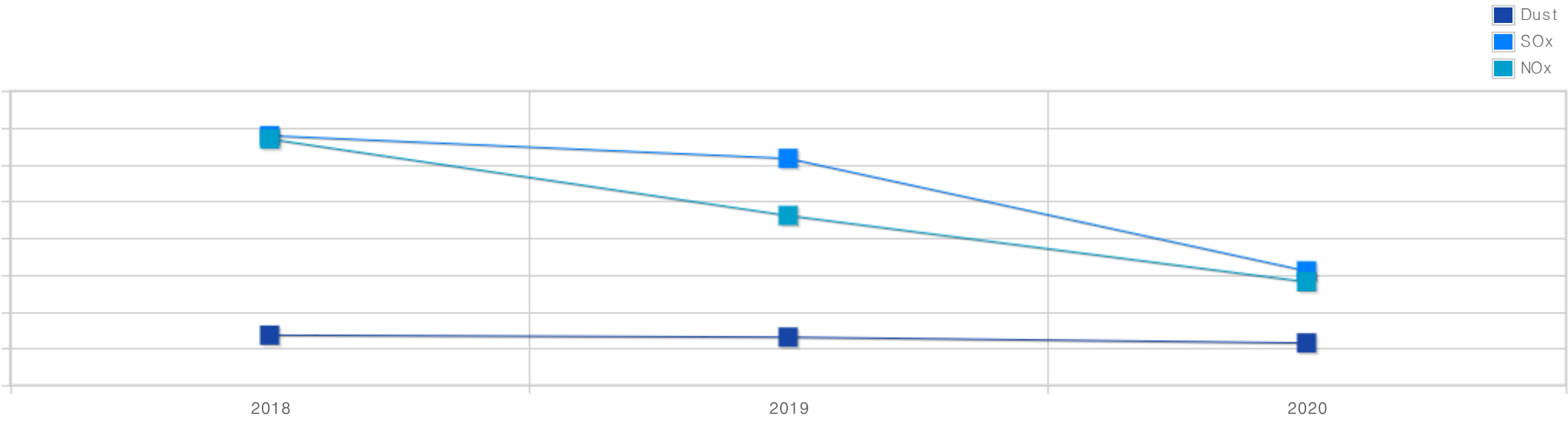
1) Water consumption per production amount target: 2.64m3/ton (by 2021)



Generation of By-products

Classification	2018	2019	2020	Unit
Slag	7,030	7,055	6,705	1,000 tons
Dust	479	507	512	1,000 tons
Refractory	161	159	141	1,000 tons
Sludge	661	663	690	1,000 tons
Others	2,335	2,412	2,278	1,000 tons
Total	10,666	10,796	10,326	1,000 tons

1) The amount of each by-product, and the total amount, were rounded off to the nearest integer.



Air Pollutant Emissions

Classification	2018	2019	2020	Unit
Dust	717	609	293	ton
SOx	11,546	10,311	4,205	ton
NOx	11,362	7,211	3,617	ton

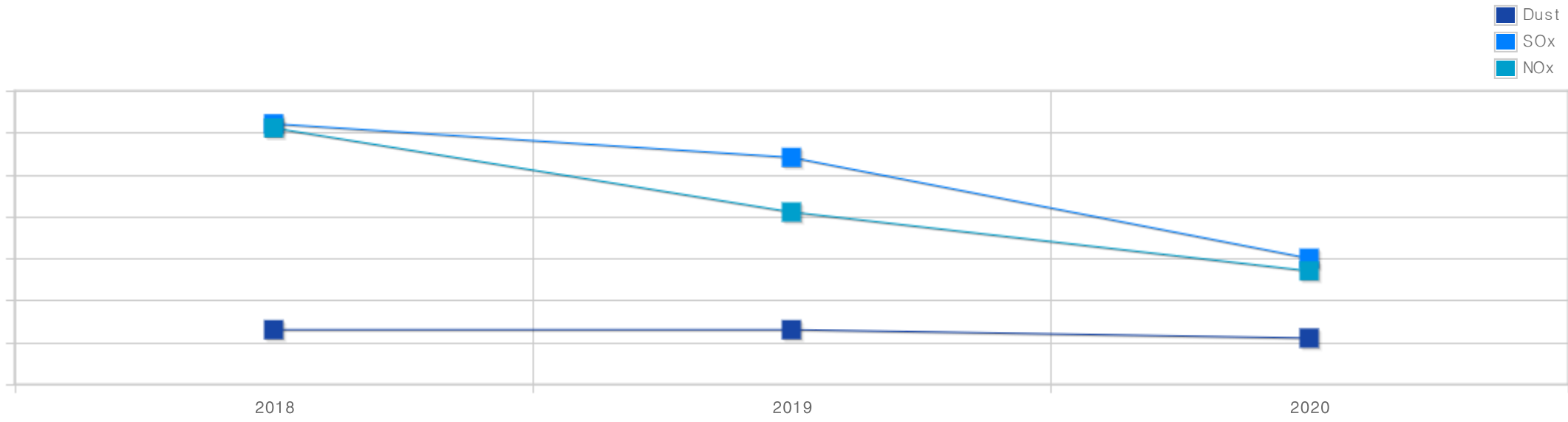


Concentration of Water Pollutant Emissions

Classification		2018	2019	2020	Unit
Suspended Solids (SS)	Blast Furnace in Dangjin	3.6	2.6	1.7	mg/ℓ
	Electric Arc Furnace in Dangjin	2	1.4	1.2	mg/ℓ
	Incheon	8	6	1.2	mg/ℓ
	Pohang	2.1	1.9	1.6	mg/ℓ
	Suncheon	4.8	4.9	2.4	mg/ℓ
	Ulsan	9.6	6.6	4.1	mg/ℓ
Chemical Oxygen Demand (COD)	Blast Furnace in Dangjin	9.8	10.1	9.8	mg/ℓ
	Electric Arc Furnace in Dangjin	5.6	6.1	4.9	mg/ℓ
	Incheon	17	10.9	6.8	mg/ℓ
	Pohang	6.5	6.8	7.7	mg/ℓ
	Suncheon	13.2	17.2	18.6	mg/ℓ
	Ulsan	51	31.5	13.5	mg/ℓ

Status of By-product Recycling

Classification	2018	2019	2020	Unit
Recycling amount	10,399	10,611	10,233	1,000 tons
Recycling rate	97.5	98.3	99.1	%



Intensity of GHG and Energy

Classification	2018	2019	2020	Unit
Dust	0.03	0.03	0.01	kg/ton
SOx	0.52	0.44	0.2	kg/ton
NOx	0.51	0.31	0.17	kg/ton

1) Intensity of GHG and Energy: Air pollutant emissions / steel production



Emission Concentration of Dioxin

Classification	2018	2019	2020	Unit
Blast Furnace in Dangjin	0.01	0.07	0	ng-TEQ/m ³
Electric Arc Furnace in Dangjin	0.01	0.01	0.02	ng-TEQ/m ³
Incheon	0.05	0.06	0.07	ng-TEQ/m ³
Pohang	0.01	0.04	0.1	ng-TEQ/m ³

Violations of environmental regulations

Classification	2018	2019	2020	Unit
No. of violations of environmental regulations	0	0	0	no. of cases
Fines	0	0	0	KRW 100 million
Environment-related liabilities	0	0	0	KRW 100 million

1) Violations of environmental regulations: Based on fine payment exceeding KRW 10 million per case

Eco-friendly procurement

Classification	2018	2019	2020	Unit
Contracts for products certified as eco-friendly	N/A	N/A	1,219	KRW million



Specific air pollutant emission concentration

Classification		2018	2019	2020	Unit
Pb	Emission Standard	N/A	1	0.8	ppm
	Average concentration	N/A	0	0	ppm
	Ratio	N/A	0.04	0.04	%
Ni	Emission Standard	N/A	1	1	ppm
	Average concentration	N/A	0.1	0.05	ppm
	Ratio	N/A	9.78	5	%
CH ₂ Cl ₂	Emission Standard	N/A	50	50	ppm
	Average concentration	N/A	0	0	ppm
	Ratio	N/A	0	0	%
C ₆ H ₆	Emission Standard	N/A	10	6	ppm
	Average concentration	N/A	0	0	ppm
	Ratio	N/A	0	0.01	%
F	Emission Standard	N/A	3	2	ppm
	Average concentration	N/A	0.01	0.13	ppm
	Ratio	N/A	0.21	6.5	%
As	Emission Standard	N/A	2	0.5	ppm
	Average concentration	N/A	0	0	ppm
	Ratio	N/A	0	0	%
Hg	Emission Standard	N/A	2	0.1	ppm
	Average concentration	N/A	0	0	ppm
	Ratio	N/A	0.01	0.3	%
HCN	Emission Standard	N/A	3	2	ppm
	Average concentration	N/A	0.42	0.36	ppm
	Ratio	N/A	14.05	18	%
HCl	Emission Standard	N/A	3	2	ppm
	Average concentration	N/A	0.48	0.3	ppm
	Ratio	N/A	16.06	15	%
Cd	Emission Standard	N/A	1	0.2	ppm
	Average concentration	N/A	0	0	ppm
	Ratio	N/A	0.08	0.1	%
Cr	Emission Standard	N/A	1	0.2	ppm
	Average concentration	N/A	0.04	0.02	ppm
	Ratio	N/A	8.56	10	%
C ₆ H ₆ O	Emission Standard	N/A	3	3	ppm
	Average concentration	N/A	0.24	0.12	ppm
	Ratio	N/A	8.01	4	%
CH ₂ O	Emission Standard	N/A	10	8	ppm
	Average concentration	N/A	0.02	0.05	ppm
	Ratio	N/A	0.2	0.63	%
Average	Emission Standard	N/A	6.85	5.83	ppm
	Average concentration	N/A	0.1	0.08	ppm
	Ratio	N/A	1.47	1.36	%

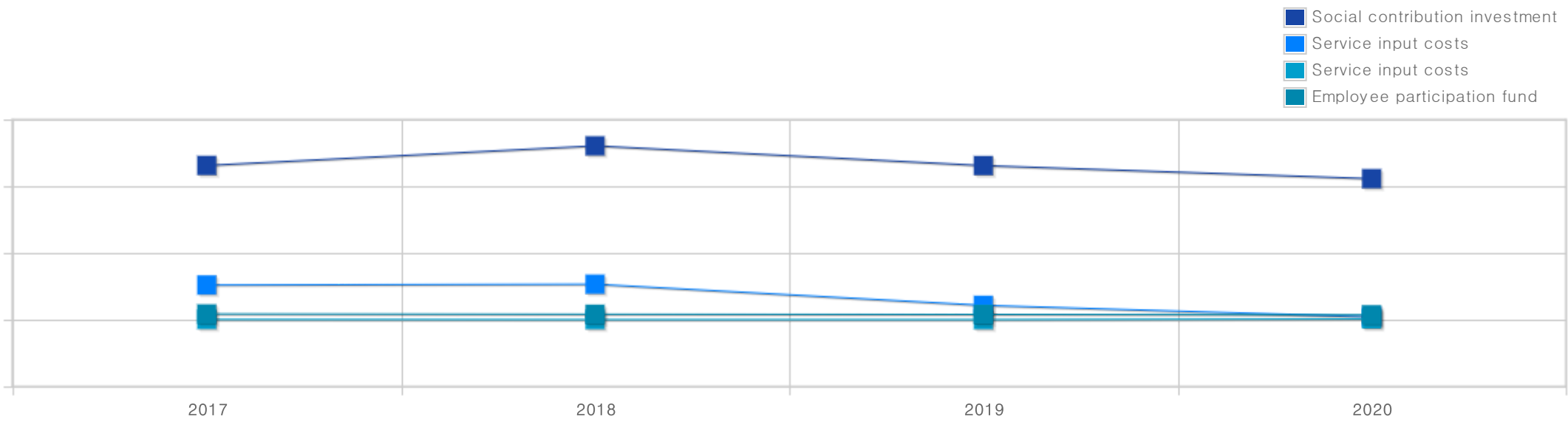
1) Specific air pollutant emission concentration: Dangjin Integrated Steelworks

Factbook

Factbook

Social Performance

4.4



Social Contribution Performance

Classification	2018	2019	2020	Unit
Social contribution investment	12,994	11,519	10,541	KRW Million
Service input costs	2,652	1,072	207	KRW Million
Service input costs	2	2	50	KRW Million
Employee participation fund	406	390	361	KRW Million
Participation rate (%)	97	93	12	%
Participation hours	80,374	52,665	4,149	hr

1) Service input costs: Service hours × Employee average hourly wage (excluding weekends)

Talent Development

Classification		2018	2019	2020	Unit
Total training hours		424,469	333,324	199,437	Hours
Total training investment		6,558	5,053	3,587	KRW Million
Male	Total training hours	405,064	319,217	186,726	Hours
	Number of employees	11,187	11,172	11,139	No. of Trainees
	Average training hours	36.2	28.6	16.8	Hours
Female	Total training hours	19,405	14,107	12,711	Hours
	Number of employees	365	402	405	No. of Trainees
	Average training hours	53.2	35.1	31.4	Hours

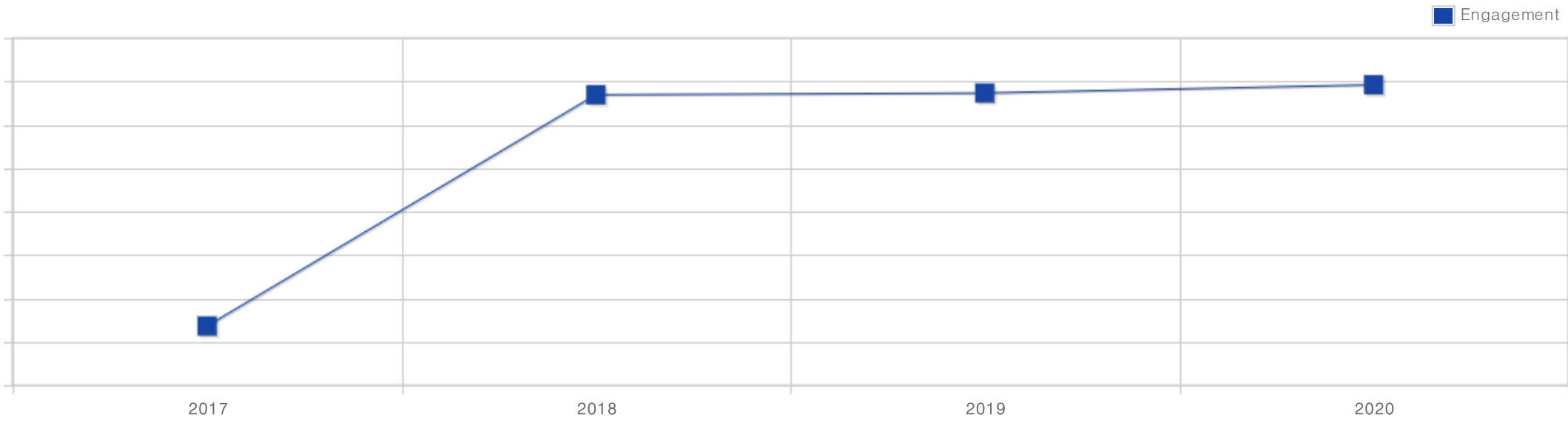


Employee Statistics

Classification		2018	2019	2020	Unit
No. of total employees	No. of total employees	11,552	11,574	11,544	person
Gender	Male	11,187	11,172	11,139	person
	Female	365	402	405	person
Work type	General	3,355	3,364	3,261	person
	Technical	7,815	7,785	7,773	person
	Others	382	415	510	person
Employment type	Regular	11,274	11,250	11,169	person
	Contract	278	314	375	person
Minority	People with disabilities	272	253	246	person
	Foreigners	6	7	7	person
	Veterans	346	345	334	person
Age	30 or younger	2,176	1,594	1,608	person
	31~40	4,613	4,756	4,729	person
	41 ~ 50	2,728	2,813	2,800	person
	51 ~ 54	937	1,104	1,092	person
	55 or older	1,098	1,297	1,315	person
No. of recruits	Total	688	401	340	person
Turnover rate	Turnover rate	5	3.7	3.2	%

- 1) No. of total employees: Excluding recruits of overseas offices : China (497), US (236), Europe (230), Others (263)
- 2) The ratio of female employees in the Company is 3.5%, and the target for 2022 (3.5%) was achieved.
- Ratio of women by position/division among all employees

Category	Management position	Junior management position	Top management position	Sales division	STEM division
As-is	8.1%	16.6%	11%	14.6%	9.3%
To-be (target year)	8.5% (2025)	17.6% (2025)	11% (2021)	15.7% (2025)	10% (2025)
- 3) Status of employees by employment type: excluding in-house suppliers
- 4) There are seven foreign employees(management position, domestic) as of 2020 : China(0.1%), US(0.03%) and Spain(0.01%).
- 5) The number of hires decreased relatively, as we filled open positions with internal candidates(52% in 2018, 60% in 2019, 80% in 2020).
- 6) The voluntary turnover rate has remained below 2% every year.



Employee engagement

Classification	2018	2019	2020	Unit
Engagement	56.9	57.3	59.2	points
Participation	85	67	73.9	%

1) Engagement points calculation method: Modified as of 2018 (assessment items and standards)



Retirement Pension

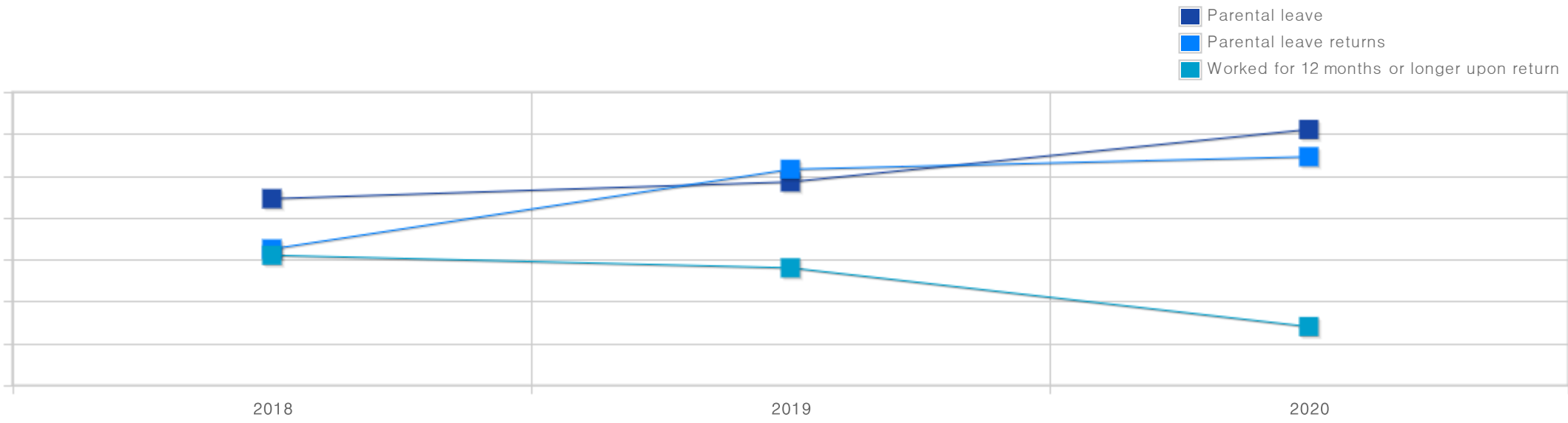
Classification	2018	2019	2020	Unit
Deposit	598,585	698,070	736,188	KRW Million
Pension holders	11,439	11,013	11,461	Persons

1) Retirement Pension: 100% of total employees

Start-up Support Program

Classification		2018	2019	2020	Unit
Support for small and medium-sized steel startups	No. of Supported Companies	N/A	2	4	companies
	Support amount	N/A	757	2,815	KRW Million
Support for social ventures to recycle coffee grounds	No. of Supported Companies	N/A	5	4	companies
	Support amount	N/A	100	46	KRW Million

1) Support for small and medium-sized steel startups : Support provided to steel companies within 7 years of their establishment, as recognized by the Korea Commission for Corporate Partnership



Parental Leave

Classification	2018	2019	2020	Unit
Parental leave	69	77	102	Persons
Parental leave returns	45	83	89	Persons
Worked for 12 months or longer upon return	42	36	8	Persons

Union participation rate

Classification	2018	2019	2020	Unit
Participation rate	70	70	70	%



Violations of company regulations and measures taken

Classification		2018	2019	2020	Unit
Ethics management	Warning	0	3	0	no. of cases
	Discipline	1	5	4	no. of cases
Information security	Warning	0	1	3	no. of cases
	Discipline	0	1	0	no. of cases
Behavioral guidelines	Warning	1	0	3	no. of cases
	Discipline	6	1	2	no. of cases
Sexual harassment/ Harassment in the workplace	Warning	0	0	5	no. of cases
	Discipline	1	0	2	no. of cases

1) Hyundai Steel advocates a zero tolerance policy towards executives and employees who violate laws and our code of ethics
2) Over the past three years, there has been one case of dismissal due to a violation of the code of ethics(2018)

Lost-Time Injury Frequency Rate

Classification		2018	2019	2020	Unit
Fatalities	Employee	1	1	1	Persons
	Contractors	2	2	1	Persons
	Total	2	2	2	Persons
Lost-Time Injury Frequency Rate	Employee	3.81	3.86	3.28	%
	Contractors	3.07	3.6	2.82	%
	Total	3.38	3.72	3.01	%

1) Lost-Time Injury Frequency Rate: Some data were changed in accordance with the standards outlined in the Occupational Safety and Health Act1)
2) LTIFR(Lost-Time Injury Frequency Rate): An indicator of the frequency of occurrence of industrial accidents, the number of disasters per million working hours (Calculation formula: number of industrial accidents counted by Ministry of Employment and Labor (MOEL) / working hours × million hours)

Factbook

Factbook

Economic Performance

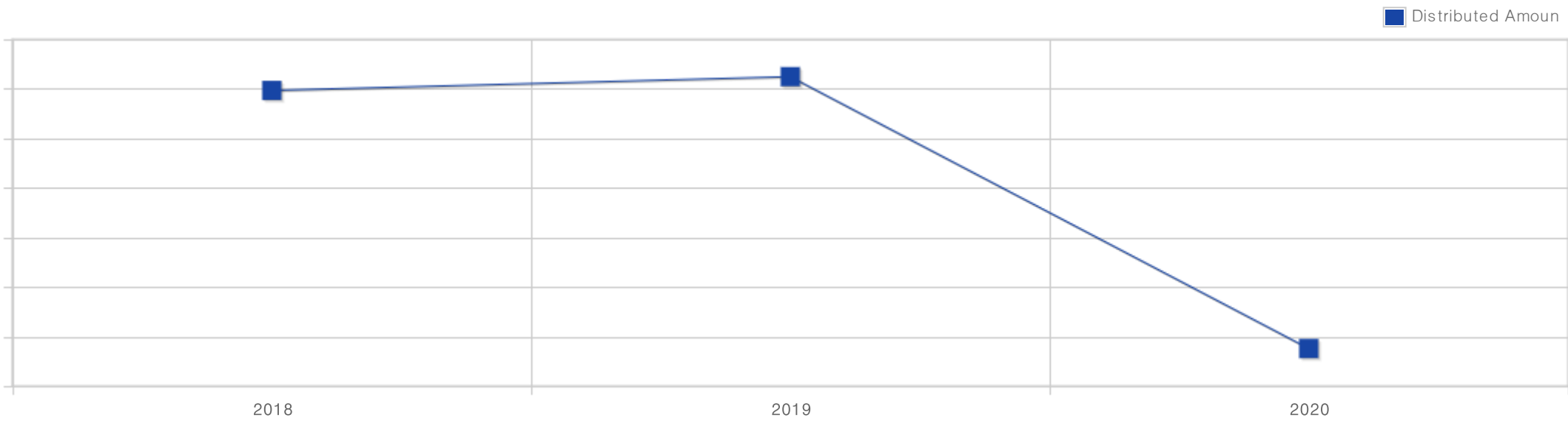
4.5

Board of Directors(BOD)

Classification	2018	2019	2020	Unit
No. of regular board meetings	4	4	4	no. of cases
No. of temporary board meetings	6	4	5	no. of cases
Total No. of board meetings	10	8	9	no. of cases
No. of agendas discussed	29	28	30	no. of cases

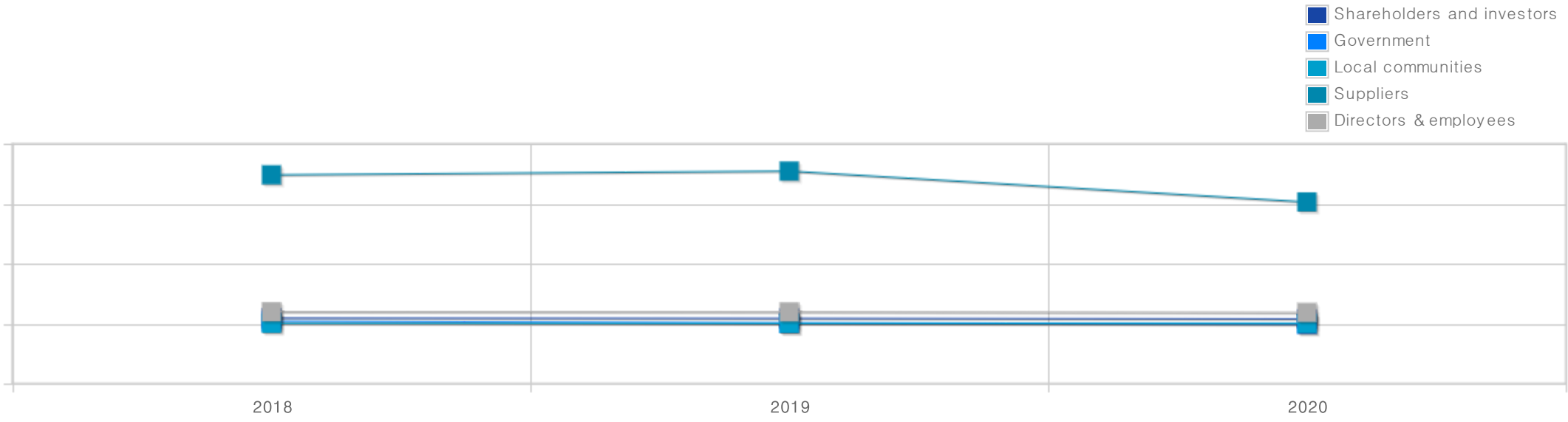
Board of Directors Remuneration

Classification		2018	2019	2020	Unit
Executive directors	No. of persons	4	4	4	persons
	Total amount paid	2,895	1,860	2,249	KRW million
Independent directors	No. of persons	5	5	5	persons
	Total amount paid	315	380	380	KRW million
Employee remuneration	Median	82	81	83	KRW million
	Average	84	83	79	KRW million
CEO	Remuneration	1,352	829	692	KRW million
Highest remuneration	Remuneration received	1,352	829	692	KRW million



Economic Performance Distribution

Classification	2018	2019	2020	Unit
Distributed Amoun	139,829	141,219	113,788	KRW 100 million



Economic Performance Distribution

Classification	2018	2019	2020	Unit
Shareholders and investors	4,428	4,212	3,865	KRW 100 million
Government	1,742	387	-529	KRW 100 million
Local communities	130	115	105	KRW 100 million
Suppliers	123,812	126,908	101,175	KRW 100 million
Directors & employees	9,716	9,597	9,171	KRW 100 million

Association membership fees

Classification	2018	2019	2020	Unit
Total payments	34.5	32.5	29.7	KRW 100 million

Details of key membership fees

Classification	2018	2019	2020	Unit
Korea Iron & Steel Association	13.5	16.9	13	KRW 100 million
WSA	4.8	4.7	4.8	KRW 100 million
Korea Employers Federation	1.2	2.2	2.2	KRW 100 million
Dangjin Chamber of Commerce	2	2	1.8	KRW 100 million
Suncheon Chamber of Commerce and Industry	1	1	1	KRW 100 million

1) Details of key membership fees: In accordance with the Korean Political Funds Act and Ethical Management Principles of Hyundai Steel, donation or support for political purposes using company assets or the company budget is strictly prohibited. There were no cases of political funding in 2019

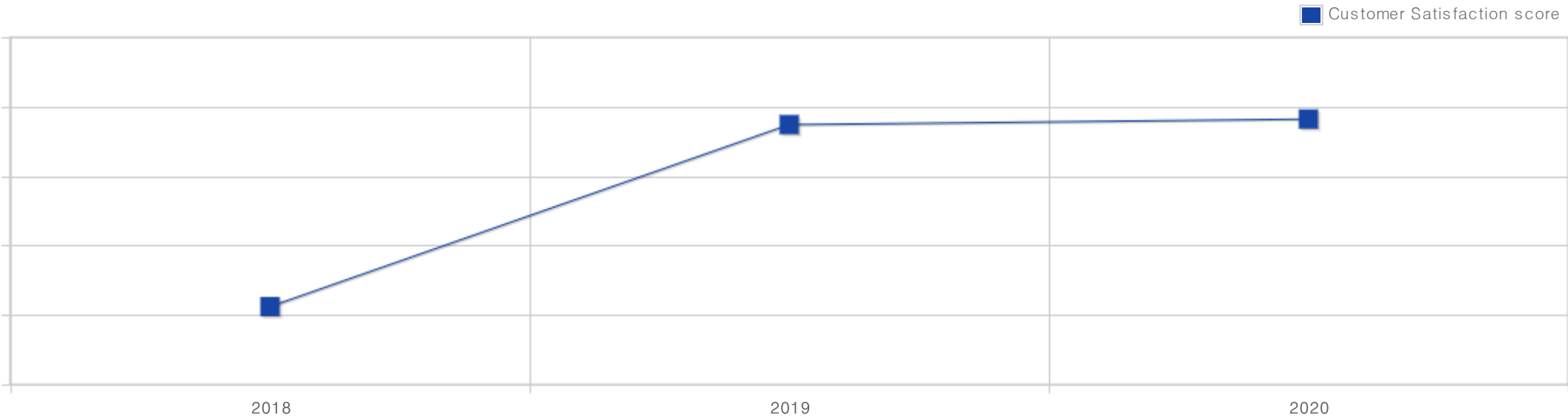
R&D Investment Cost

Classification	2018	2019	2020	Unit
Investment cost	119,120	136,250	142,536	KRW 1 million
R&D expense to sales ratio	0.6	0.7	0.8	%

1) Number of key suppliers: Classified as key supplier if purchase value by product exceeds certain threshold

1) Status of Mutual Growth Support: Cash settlement ratio for SMEs suppliers: 100% of cash and 60 days issuance

Classification		2018	2019	2020	Unit
Specific details of major materials	Amount	N/A	94,121	76,516	KRW 100 million
	Share of purchase from suppliers	N/A	75	76	%
Others	Amount	N/A	31,949	23,584	KRW 100 million
	Share of purchase from suppliers	N/A	25	24	%
Total	Amount	N/A	126,070	100,100	KRW 100 million
	Share of purchase from suppliers	N/A	100	100	%



Status of Customer Satisfaction

Classification	2018	2019	2020	Unit
Customer Satisfaction score	65.6	78.7	79.1	points

Anti-corruption & Competition practices

Classification	2018	2019	2020	Unit
Anti-competition fines	256	392	0	KRW 100 million
Anti-corruption and bribery cases	0	0	0	cases

1) Anti-corruption & Competition practices: Retrospective application based on point of payment

Appendix

Appendix

Policies

5.1

Policies Link



Biodiversity

[Shortcut](#)

Environmental Guidelines

[Shortcut](#)

Donation and Sponsorship Policy

[Shortcut](#)

Human Rights Charter

[Shortcut](#)

Framework for Local Community Engagement

[Shortcut](#)

Guideline upon Independence and Diversity of Independent Directors

[Shortcut](#)

Tax Strategy

[Shortcut](#)

Deforestation Prohibition Policy

[Shortcut](#)

Appendix

Assurances

Independent Assurance Statement

5.2.1

Introduction and objectives of work

BSI Group Korea(hereinafter "the Assurer") was asked to verify Hyundai Steel Co., Ltd. Ltd.'s '2021 Sustainability Report(hereinafter the Report)". This assurance statement applies only to the relevant information contained in the scope of the assurance. Hyundai Steel Co., Ltd. is solely responsible for all information and assertion contained in the report. The responsibility of the assurer is to provide independent assurance statement with expert opinions to Hyundai Steel's executives by applying the verification methodology and

Assurance Standards and Levels

This assurance was based on the AA1000 AS v3(2020) Assurance Standard and confirmed that the report is prepared in accordance with the Core Option of GRI Standards. The assurance level was based on the Type 1 that confirmed compliance with the four principles of AA1000 AP in accordance with the AA1000 AS and the Type 2 assurance that verified the quality and reliability of the information disclosed in the report. Type 2 was verified for energy consumption, energy intensity, water consumption, water discharge, direct GHG emissions(Scope 1) indirect GHG emissions(Scope 2) GHG emissions intensity, waste generated and workers covered by an occupational health and safety management

Scope of Assurance

The scope of assurance applied to this report is as follows;

- Based on the period from January 1st to December 31st, 2020 included in the report
- Appropriateness and consistency of processes and systems for data collection, analysis and review
- Major assertion included in the report such as sustainability management policies, strategies objectives, business and performance
- Information related to material issues determined as a result of materiality assessment
- The following items were not included in this assurance
 - Financial information SASB Index, WEF Index, TCFD Index, UNGC Index and UN SDGs Index included in the report
 - Other related additional information such as the website presented in the report

Methodology

As part of its independent assurance, the assurer has used the methodology developed to collect relevant evidence to comply with the verification criteria and to reduce errors in the reporting, and has performed the following activities;

- To determine verification priorities, review of materiality issue analysis process and verification of the results
- System review for sustainability strategy process and implementation
- Review the evidence to support the material issues through interviews with senior managers with responsibility for them
- Verification of data generation, collection and reporting for each performance index

Assurance Opinion

On the basis of our methodology and the activities described above, it is our opinion that

- The information and data included in 2020 Hyundai Steel Sustainability Report are accurate and reliable and the assurer cannot point out any substantial aspects of material with mistake or misstatement.
- The report was prepared according to the Core option of the GRI Standards

The assurance opinion on the four principles presented by the AA1000 AP(2018) is as follows.

AA1000 AP (2018)

I Inclusivity: Stakeholder Engagement and Opinion

Hyundai Steel has a stakeholder engagement process in which key stakeholders such as executives and employees, customers, suppliers, local communities, government, press agency and NGOs participate. It was confirmed that key stakeholders' expectations and various opinions are collected and the drawn agenda is reflected in decision making on sustainability management.

I Materiality: Identification and reporting of material sustainability topics

Hyundai Steel conducted international standard analysis, industry issue analysis, advanced company benchmarking, media research, and stakeholder survey to derive economic, social, and environmental material reporting issues related to sustainability management and determined priorities by measuring social interest and evaluating business impact, and reported a total of 5 material sustainability management topics

I Responsiveness: Responding to material sustainability topics and related impacts

Hyundai Steel established and implemented plans for each topic to appropriately respond to identified material topics in a way that reflects stakeholders' expectations, and detailed response activities and performance on

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

Hyundai Steel implement ed the process to identify and evaluate the impact on organizations and stakeholders related to material topics, and the financial impact and reputational impact of ESG are identified as cost, revenue, and reputation risk by material topics

Key areas for ongoing development

To the extent that the results of the verification are not affected, the following comments were made.

- If the internal verification process is implemented to manage the data quality and reliability disclosed in the report, it is expected that the reporting process will be continuously improved.
- In order to identify material issues, it is necessary to include a wider range of sustainability themes in the pool, and when selecting material topics, it is necessary to increase the proportion of external stakeholders so that issues with high social interest can be selected.
- Although the impact on organizations and stakeholders related to material topics is identified in terms of financial and reputational, it is recommended to include a means to measure potential impacts, including environmental and social impacts.

Statement of independence and competence

The a ssurer is an independent professional institution that specializes in quality, health, safety, social and environ mental management with almost 12 0 years history in providing independent assurance services. No member of the assurance team has a business relationship with Hyundai Steel The assurer have conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as AA1000AS assurer, have a lot of assurance experience, and understand the BSI Group's assurance standard methodology.

Evaluation against GRI ‘In Accordance' Criteria

The assurer confirmed that this report was prepared in accordance with the GRI Standards Core Option and the disclosures related to the following Universal Standards and Topic specific Standards Indicators based on the data provided by Hyundai Steel.

I Universal Standards

Organinalzational Profile 102 102-1~13/ Strategy 102 102-14/ Ethics and Integrity 102 102-16/ Governance 102-18, 102-21, 102-22, 102-23, 102-24, 102-31, 102-36, 102-38/ Stakeholder Engagement 102-40~44 / Reporting practice 102-45~56/ Management Approach 103-1~3

I Topic specific Standards

- Economic: 201-1, 201-3, 201-4, 205-3, 206-1
- Environmental: 301-1, 301-2, 302-1, 303-3, 303-4, 303-5, 304-2, 304-3, 305-1, 305-2, 305-4, 305-7, 306-1, 306-2, 306-3, 307-1, 308-2
- Social: 401-1, 402-1, 403-1, 403-3, 403-4, 403-6, 403-7, 403-8, 404-1, 404-2, 405-1, 406-1, 410-1, 412-1, 412-2, 413-1, 414-2, 416-2, 417-2, 417-3, 418-1



AA1000
Licensed Report
000-47/V3-L5MU5

4 June 2021

K. S. Song / BSI Group Korea,
Managing Director

Appendix

Assurances

Assurance Statement

5.2.2

Terms of Engagement

Lloyd's Register Quality Assurance Ltd.(LRQA) was commissioned by Hyundai Steel to provide independent assurance on its Greenhouse Gas(GHG) Inventory Report for the calendar year 2020(the report) against GHG Emission Trading Scheme for quantification and reporting of GHG emissions in Korea using Specification with guidance for verification of greenhouse gas

Management Responsibility

LRQA's responsibility is only to Hyundai Steel. LRQA disclaims any liability or responsibility to others as explained in the end footnote. The management of Hyundai Steel is responsible for preparing the report and for maintaining effective internal controls over all the data and information within the report. Ultimately, the report has been approved by, and remains the responsibility of Hyundai Steel.

LRQA's Approach

LRQA's assurance engagement has been carried out in accordance with our verification procedure using "Verification guideline for GHG emission trading system in Korea": Specification with guidance for verification of greenhouse gas assertions to reasonable level of assurance. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

- Visiting sites and auditing management system to control the data and records regarding GHG emissions and energy uses
- Interviewing the relevant persons responsible for managing and maintaining data and associated records
- Reviewing the historical data and information back to source for the calendar year 2020.

Level of Assurance & Materiality

The opinion expressed in this Assurance Statement has been formed on the basis of a reasonable level of assurance, and at the materiality of the professional judgement of the verifier and at the materiality level of 2%.

LRQA's Opinion

Based on LRQA's approach, we believe that the report is prepared in accordance with GHG Emission Trading Scheme for quantification and reporting of GHG emissions in Korea and the GHG emissions data in the Table 1 is materially correct.



Dated: 31 May 2021

Lloyd's Register Quality Assurance Limited.

17F, Sinsong Building, 67, Yeoeuinaru-ro,Yeongdeungpo-gu, Seoul,Republic of Korea

LRQA Reference: SEO 6046432

Table1. GHG emissions reported in the Report

Data is presented in tonnes of CO₂ equivalent.

Scope(as defined within GHG Emission Trading Scheme in Korea)	Year 2020
Direct GHG Emissions	25,966,392
Energy Indirect GHG Emissions	2,656,724
Total GHG Emissions	28,623,116

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Universal Standards(GRI 100)

Classification	Disclosure	Indicators	Page	Note
Organizational Profile	102-1	Name of the organization	CEO Message	
	102-2	Activities, brands, products, and services	Global Offices	
	102-3	Location of headquarters	Global Offices	
	102-4	Location of operations	Global Offices	
	102-5	Ownership and legal form		2020 Annual Report p58
	102-6	Markets served	Global Offices	
	102-7	Scale of the organization	Global Offices Social Performance	
	102-8	Information on employees and other workers	Social Performance	
	102-9	Supply chain	Supply Chain Management	
	102-10	Significant changes to the organization and its supply chain		No significant change
	102-11	Precautionary Principle or approach	Risk Management	
	102-12	External initiatives	About this report	
	102-13	Membership of associations	Economic Performance	
Strategy	102-14	Statement from senior decision-maker	CEO Message	
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	Ethical Management	
Governance	102-18	Governance structure	Corporate Governance	
	102-21	Consulting stakeholders on economic, environmental, and social topics	Corporate Governance	
	102-22	Composition of the highest governance body and its committees	Corporate Governance	
	102-23	Chair of the highest governance body	Corporate Governance	
	102-24	Nominating and selecting the highest governance body	Corporate Governance	
	102-31	Review of economic, environmental, and social topics	Sustainability Management Strategy System	
	102-33	Communicating critical concerns	Risk Management	
	102-36	Process for determining remuneration	Corporate Governance	
	102-38	Annual total compensation ratio	Economic Performance	
Stakeholder Engagement	102-40	List of stakeholder groups	Local Community Engagement	
	102-41	Collective bargaining agreements	Social Performance	
	102-42	Identifying and selecting stakeholders	Local Community Engagement	
	102-43	Approach to stakeholder engagement	Materiality Assessment Local Community Engagement	
	102-44	Key topics and concerns raised	Local Community Engagement	



Reporting Practice	102-45	Entities included in the consolidated financial statements	Consolidated Financial Statements	
	102-46	Defining report content and topic Boundaries	Social Performance	
	102-47	List of material topics	Materiality Assessment	
	102-48	Restatements of information		Each page
	102-49	Changes in reporting		No significant change
	102-50	Reporting period	About this report	
	102-51	Date of most recent report	About this report	
	102-52	Reporting cycle	About this report	
	102-53	Contact point for questions regarding the report	About this report	
	102-54	Claims of reporting in accordance with the GRI Standards	About this report	
	102-55	GRI content index	GRI Index	
	102-56	External assurance	Independent Assurance Statement	
Management Approach	103-01	Explanation of the material topic and its Boundary	Materiality Assessment	
	103-02	The management approach and its components	Materiality Assessment	
	103-03	Evaluation of the management approach	Materiality Assessment	

Topic-specific Standards

| Economic Performance(GRI 200)

Classification	Disclosure	Indicators	Page	Note
Economic Performance	201-1	Direct economic value generated and distributed	Economic Performance	
	201-3	Defined benefit plan obligations and other retirement plans	Social Performance	
	201-4	Financial assistance received from government		No financial assistance from the government
Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	Social Performance	
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Economic Performance	



| Environmental Performance(GRI 300)

Classification	Disclosure	Indicators	Page	Note
Materials	301-1	Materials used by weight or volume		Annual Report
	301-2	Recycled input materials used	Environmental Performance	
Energy	302-1	Energy consumption within the organization	Environmental Performance	
	302-3	Energy consumption outside of the organization	Environmental Performance	
Water	303-3	Water withdrawal	Environmental Performance	
	303-4	Water discharge	Environmental Performance	
	303-5	Water consumption	Environmental Performance	
Biodiversity	304-2	Significant impacts of activities, products, and services on biodiversity	Pollutants Management	
	304-3	Habitats protected or restored	Pollutants Management	
Emissions	305-1	Direct (Scope 1) GHG emissions	Environmental Performance	
	305-2	Energy indirect (Scope 2) GHG emissions	Environmental Performance	
	305-4	GHG emissions intensity	Environmental Performance	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environmental Performance	
Waste	306-1	Waste generation and significant waste-related impacts	Environmental Performance	
	306-2	Management of significant waste-related impacts	Environmental Performance	
	306-3	Waste generated		N/A
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Environmental Performance	Annual Report
Supplier Environmental Assessment	308-2	Negative environmental impacts in the supply chain and actions taken	Supply Chain Management	Assess environmental impact through ESG assessment of the supply chain

Appendix

Index

SASB

5.3.2

Hyundai Steel discloses key ESG information in line with the accounting standards outlined by the US-based Sustainability Accounting Standards Board(SASB) for the steel industry, so that we can communicate the financial impact of our sustainability management with our investors and customers. This year, we disclosed information corresponding to part of the indices included in the SASB standards, and we expect that the scope of our disclosure will gradually expand to cover the full reporting scope required by the SASB standards.

Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Accounting Metric	Unit of measure	Current status
Greenhouse Gas Emissions	EM-IS-110a.1	1) Gross global Scope 1 emissions	1) Metric tons(t) CO ₂ -e	1) 25,966,230
		2) Percentage covered under emissions-limiting regulations	2) Percentage(%)	2) 100
	EM-IS-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	-	Response to Climate Change
Air Emissions	EM-IS-120a.1	1) NOx(excluding N ₂ O)	Metric tons (t)	1) 3,617
		2) SOx		2) 4,205
		3) Particulate Matter(PM ₁₀)		3) 293
Energy Management	EM-IS-130a.1	Total energy consumed	GJ	167,123,325
	EM-IS-130a.2	Total fuel consumed	Gigajoules (GJ), Percentage (%)	67,429,209
Water Management	EM-IS-140a.1	1) Total fresh water withdrawn	1) Thousand cubic meters (m ³)	1) 54,407
		2) Percentage Recycled	2) Percentage (%)	2) 10.8
Waste Management	EM-IS-150a.1	1) Amount of waste generated	1)Metric tons (t)	1) 10,326,000
		2) Percentage Recycled	2) %	2) 99.1
Workforce Health & Safety	EM-IS-320a.1	1) Total recordable incident rate (TRIR)	Rate	1) 0.78
		2) Near Miss Frequency Rate (NMFR)		2) 3.23

Activity Metric

Code	Activity Metric	Unit of Measure	Current status
EM-IS-000.B	Total iron ore production2	Metric tons (t)	Most of the demand is dependent on imports.
EM-IS-000.C	Total coking coal production3	Metric tons (t)	Most of the demand is dependent on imports.

[Index](#)

WEF

5.3.3

Stakeholder Capitalism Metric

I Principle of Governance (6 indices)

Theme	Metric	Page	Note
Governing purpose	Setting purpose	Business Model CEO Message	
Quality of governing body	Governance body composition	Corporate Governance	
Stakeholder engagement	Material issues impacting stakeholders	Materiality Assessment	
Ethical behaviour	Anti-corruption	Economic Performance Social Performance	
	Protected ethics advice and reporting mechanisms	Ethical Management	
Risk and opportunity oversight	Integrating risk and opportunity into business process	Risk Management	

I Planet(4 indices)

Theme	Metric	Page	Note
Climate change	Greenhouse gas(GHG) emissions	Environmental Performance	
	TCFD implementation	TCFD	
Nature loss	Land use and ecological sensitivity	-	
Freshwater availability	Water consumption and withdrawal in water stressed areas	-	



I People(6 indices)

Theme	Metric	Page	Note
Dignity and equality	Diversity and inclusion	Social Performance	
	Pay equality	Social Performance	
	Wage level	Economic Performance	
	Risk for incidents of child, forced or compulsory labour	-	
Health and well being	Health and safety	Social Performance	
Skills for the future	Training provided	Social Performance	

I Prosperity(5 indices)

Theme	Metric	Page	Note
Employment and wealth generation	Absolute number and rate of employment	Social Performance	
	Economic contribution	Economic Performance	
	Financial investment contribution	-	Annual Report
Innovation of better products and services	Total R&D expenses	Economic Performance	
Community and social vitality	Total tax paid	-	Annual Report

Appendix

Initiative

TCFD

5.4.1

Hyundai Steel supports the TCFD and proactively implements the following actions in response to climate change, based on the TCFD recommendations covering: governance, strategy, risk management, metrics and reduction targets.

Classification	Items	Contents
Governance	Committee’s role	<ul style="list-style-type: none">The executive board oversees issues related to climate change. It reviews and guides risk management policies, monitors target execution and performance and forms a Transparency Management Committee under the BOD in order to make ESG-related decisions
	Responsibility and role of executive board	<ul style="list-style-type: none">The CEO receives periodical reports of results regarding GHG and energy and environmental issues, and reviews climate change strategies, target achievement and risk management as well as making investment decisions
	Status of exclusive department	<ul style="list-style-type: none">The worksite’s major operations department, R&D department, and strategy department form a TF for the purpose of an integrated GHG reduction response. The ESG Execution Cooperative sets and drives annual targets, responds to third party ESG assessments and will form an Operative Cooperative to review targets and performance
Strategy	2030 Reduction target roadmap	<ul style="list-style-type: none">Establish a large-scale investment plan in order to achieve an 11.1% reduction on BAU by 2030(Build CDQ for cork production, investment of KRW 340 billion, etc.) and drive technological development from a mid- to-long term perspective
	Tasks in production, R&D, strategy sectors	<ul style="list-style-type: none">The production department discovers and executes challenges regarding GHG reduction. The R&D department carries out reviews and implementation. The Strategy department reflects internal and external influences so as to build reduction targets and policy responses to decrease carbon credit risk as well as make carbon credit transactions.
Analysis of risks and opportunities	Analysis of risks and opportunities	<ul style="list-style-type: none">The Management Planning Division creates an integrated strategy based on analysis of data on global trends. Each worksite’s operation division builds specific targets for execution. The reduction target is decided based on reduction costs and financial risk assessment standards according to the average carbon credit price.
	Investment and expenses	<ul style="list-style-type: none">KRW 340 billion to be invested in order to introduce CDQ equipment in Corks Plant after 2020 to achieve 2030 reduction target.KRW 410 billion invested to introduce gas cleaning equipment in Sintering Machine 3 in order to reduce air pollutants(2017 to 2020).
	Details	<ul style="list-style-type: none">Discover and implement reduction tasks: improved efficiency of shaft furnace and electricity path, implemented a heat recovery system, pushed to increase cases of LDG by-product gas formed in circuitsSecure overseas carbon credits : Participate in GHG reduction projects outside of Korea(cooking stoves, power generation using landfill gas) to secure carbon creditsHouse Repair - Energy Efficiency Project: Provided aid for low-income households and welfare centers to improve energy efficiency as well as the living environment(2011 to 2019, 927 facilities supported, CO2 reduction of 1.3 tons per household and 5.6 tons per facility)Energy Saving Consulting and Facility Support Project: Drafted optimized energy reduction solutions by supplier and provided high-efficiency equipment such as solar energy equipment(KRW 200 million delivered to 4 suppliers, annual energy reduction worth KRW 41 million achieved/as of 2019)
	Participation in global initiatives	<ul style="list-style-type: none">Participate annually in CDP to disclose climate change related items
Metrics and Targets	2030 Target	<ul style="list-style-type: none">The South Korean government set an 11.1% BAU reduction target for 2030 in accordance with the Basic Roadmap for 2030 National GHG Reduction(targeting the steel industry).In compliance with the government’s reduction targets, Hyundai Steel has established a portfolio to ease the burden of GHG reduction and is taking actions accordingly.

Appendix

Initiative

UNGC

5.4.2

Beginning with our participation in the UN Global Compact in 2008, Hyundai Steel has reflected in our business activities the 10 Principles across the four areas of human rights, labor, environment, and anti-corruption. Furthermore, we embrace the "Universal Declaration of Human Rights" and the "UN Guiding Principles on Business and Human Rights(Ruggie Framework)" of the UN Commission on Human Rights, and in doing so, we strive to respect the human rights of outside stakeholders as well as all members of the Company.

Field	Principle	page
Human Rights	1. Businesses should support and respect the protection of internationally proclaimed human rights; and	Protecting Human Rights
	2. Make sure that they are not complicit in human rights abuses.	Protecting Human Rights
Labor	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Protecting Human Rights
	4. The elimination of all forms of forced and compulsory labor;	Protecting Human Rights
	5. The effective abolition of child labor; and	Protecting Human Rights
	6. The elimination of discrimination in respect of employment and occupation.	Protecting Human Rights
Environment	7. Businesses should support a precautionary approach to environmental challenges;	Environmental Management
	8. Undertake initiatives to promote greater environmental responsibility; and	Environmental Management
	9. Encourage the development and diffusion of environmentally friendly technologies.	Environmental Management
Anti-Corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.	Ethical Management

Appendix

Initiative

UN SDGs

5.4.3

Hyundai Steel conducts the following activities in order to achieve the UN SDGs(Sustainable Development Goals). Going forward, we are planning to enhance the efficiency of such activities by establishing tasks and implementation plans specific to each SDG.

Classification	SDGs indicator	Related Activities	Page
Goal 1	End poverty in all its forms, everywhere	Employee volunteer activities	Social Contribution
Goal 3	Ensure healthy lives and promote well-being for all, at all ages	Occupational Health and Safety, Recognition for Contributions to Local Communities, Social contribution activities to overcome COVID-19, Pulpuri(Grassroots) 1.0	Occupational Safety and Health
Goal 4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Human Resources Development	Human Resources Development
Goal 5	Achieve gender equality and empower all women and girls	Protecting Human Rights	Protecting Human Rights
Goal 6	Ensure availability and sustainable management of water and sanitation for all	Pollutants Management	Pollutants Management
Goal 7	Ensure access to affordable, reliable, sustainable and modern energy for all	Response to Climate Change	Response to Climate Change
Goal 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Human Resources Development	Human Resources Development
Goal 10	Reduce inequality within and between countries	H-Together	Social Contribution
Goal 11	Make cities and human settlements inclusive, safe, resilient and sustainable	H-USR, Employee Participation Fund, Han River Forest Planting	Social Contribution
Goal 12	Ensure sustainable consumption and production patterns	Pollutants Management, Coffee Grounds Recycling Project	Pollutants Management Creating a Sustainable
Goal 13	Take urgent action to combat climate change and its impacts	Response to Climate Change	Response to Climate Change
Goal 16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Ethical Management, Home Repair of Hope	Ethical Management
Goal 17	Strengthen the means of implementation and revitalize the global partnership for sustainable development.	SDG Partnership Fund with the World Bank Group	Social Contribution

