

GROWING THE FUTURE WITH HANA MATERIALS

HANA Materials Sustainability Report 2025





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About this report



Interactive User Guide

The 2025 HANA Materials Sustainability Report has been published as an interactive PDF featuring functions such as links to related pages within the report and direct access to related webpages. Click the icons embedded in the main text or the table of contents title located on the left side of each page to navigate directly to the corresponding page.

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Report Overview

HANA Materials publishes an annual sustainability report to transparently disclose activities and achievements related to economics, management, society, and the environment to stakeholders.

Reporting Standards

This report has been prepared in accordance with the 2021 GRI Universal Standards, the internationally recognized sustainability reporting standards. The financial performance is based on the Korean-adopted International Financial Reporting Standards (K-IFRS) and has been compiled on a separate financial statements basis.

Reporting Period

The reporting period for this report covers one year, from January 1, 2025, to December 31, 2025. For significant performance outside the reporting period, certain information from before 2025 or from the first half of 2026 has also been included. To enhance comparability, quantitative performance data for the most recent three years (2023-2025) are provided.

Reporting Scope

This report covers the sustainability management performance of HANA Materials' domestic operations, including the Cheonan Campus Headquarters, Asan Campus 1, and Asan Campus 2. Due to limitations in data collection, certain domestic operations (Giheung Office, Pangyo Office, and Miyagi Office) and the consolidated subsidiary HANA S&B Investment have been excluded from the reporting scope. Where the reporting scope and boundaries differ, the relevant information is separately indicated in the notes.

Report Assurance

To ensure the transparency and reliability of the report's content and data, this report has undergone independent third-party assurance by BSI Group Korea in accordance with the AA1000 Assurance Standard (AA1000AS) (Moderate Level, Type 1). Detailed assurance results are provided in the Independent Assurance Statement on page 84.

Report Inquiries

For inquiries regarding this report, please contact us using the details below: Hana

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Publication Date

HANA Materials publishes its Sustainability Report annually. The 2026 Sustainability Report was published on June 30, 2026.



For additional information about HANA Materials, please visit our website. For further inquiries, please contact us using the information below.

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CEO Message

Growing the Future With HANA Materials.



Step by Step

Dear valued stakeholders, I am Hyun Joo Kim,
President of HANA Materials.

**I would like to express my sincere gratitude to all stakeholders
for your continued interest and support for HANA Materials.**

This year, we have published our fourth Sustainability Report to transparently share our key ESG management achievements and progress with our stakeholders. This report sincerely presents the challenges HANA Materials has encountered in embedding ESG values across its management, as well as the specific actions and performance achieved to overcome them. Beginning with the launch of the ESG Committee in 2023, we established the institutional foundation for ESG management, and in 2024, we set our 2050 Net Zero target and established specific milestones toward carbon neutrality. In 2025, we further advanced our climate response system by systematically identifying climate change-related risks and opportunities based on the TCFD recommendations and directly reflecting them in our management strategy. Looking back on the path HANA Materials has taken, I am once again reminded that the achievements we have built by overcoming challenges, large and small, have shaped the HANA Materials of today. As a key partner in the semiconductor materials and parts industry, HANA Materials has continuously strengthened technological innovation and quality competitiveness, and is now establishing itself as a trusted materials specialist in the global market. HANA Materials will continue its journey toward a better tomorrow with sustainable growth and responsible management as its two pillars.

We grow together and move forward together.

HANA Materials considers genuine mutual growth with all stakeholders, including employees, suppliers, and local communities, as the foundation of corporate growth. I firmly believe that HANA Materials' greatest competitiveness lies in its people. Our passionate and diverse employees are creating better results every day. To support them, we continue to invest in creating an environment where all members can work with pride by establishing an inclusive organizational culture, expanding employee benefits, and promoting active internal communication. Externally, to strengthen business ethics across the supply chain, we introduced the signing of the Supplier Code of Conduct Pledge as a mandatory registration requirement starting in the second half of 2025. We are also sincerely putting into practice the value of mutual growth with the local communities where our operations are located by expanding local talent recruitment, receiving recognition as an outstanding company for the employment of persons with disabilities, and supporting vulnerable groups in local communities.

Responsible steps toward becoming a trusted company.

HANA Materials considers sound governance and ethical leadership as the foundation of responsible management, and firmly believes that ethics and transparency are the core foundation supporting the company's sustainable growth. Centered on the ESG Committee under the Board of Directors, we systematically manage key risks and opportunities across environmental, social, and governance areas, while continuously advancing our governance system to meet the trust of shareholders and stakeholders based on a transparent decision-making structure and a rigorous internal control system. Furthermore, we will continue to strengthen our corporate culture that respects human rights, diversity, and fairness by steadily improving education and institutional foundations so that all employees can naturally practice ethical values in their daily work.

With technology and responsibility, we are creating a sustainable tomorrow.

At a time when AI-driven technological innovation is rapidly reshaping industries, competitiveness in semiconductor materials and parts has emerged as a key factor determining a company's future. Amid these changes, HANA Materials continues to strengthen its position in the global market based on its differentiated technological capabilities and stable supply capabilities accumulated over time. At the same time, we regard sustainability management not merely as a management guideline but as a calling of our time, placing ESG values across environmental, social, and governance areas at the center of our management decision-making. All HANA Materials employees continuously reflect and take action to realize both corporate value and social value, building a responsible company where customers, shareholders, employees, and society can all grow together. We will continue to listen sincerely to the valuable voices of our stakeholders and steadily continue our journey toward a sustainable future with technological innovation and responsible management as our two pillars. I sincerely thank you for your unwavering interest and support.

President **Hyun Joo Kim**

HYUN JOO KIM
PRESIDENT / HANA Materials

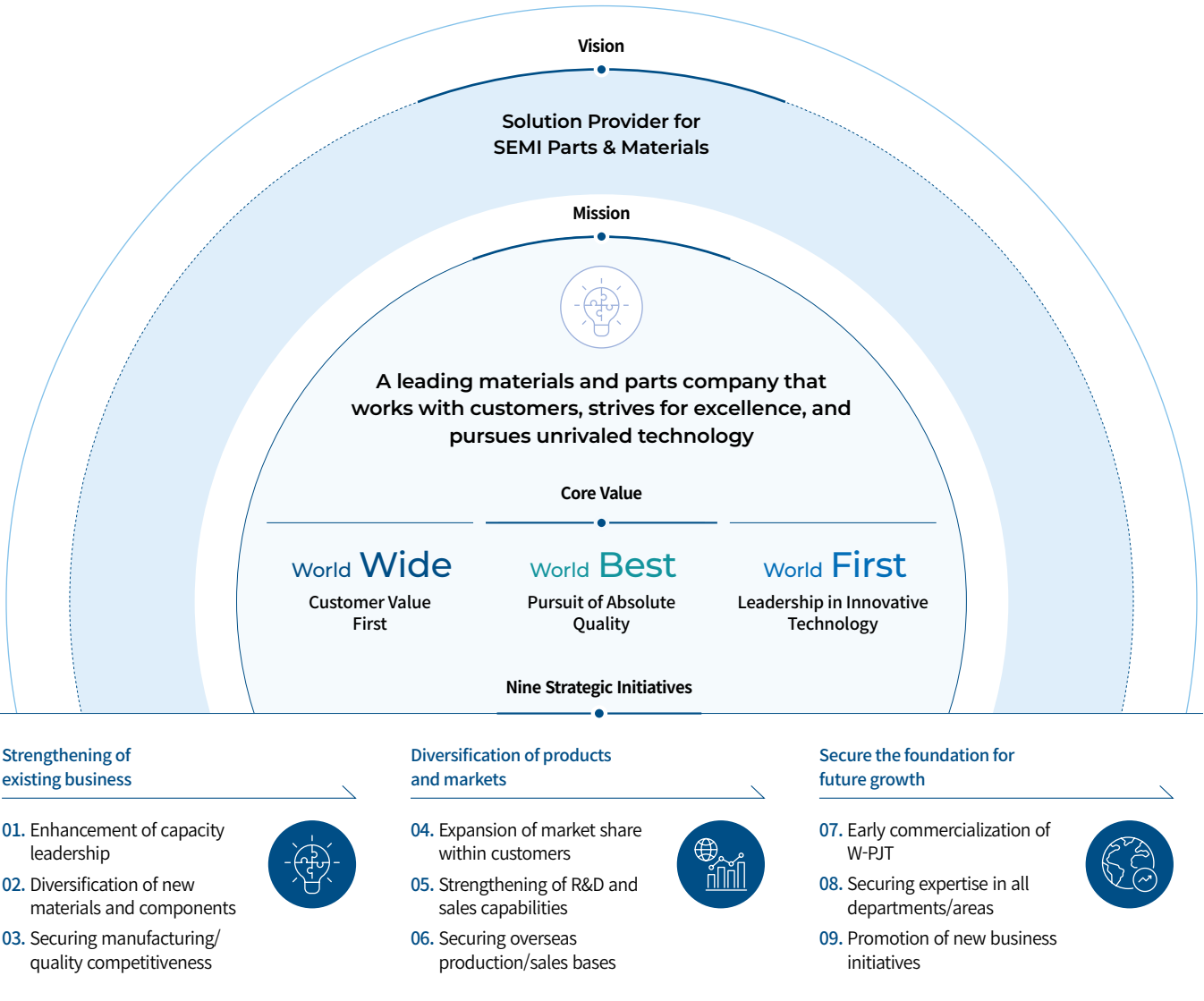
Company Overview

HANA Materials places customer value as its top priority and provides customers with a wide range of services through continuous challenges and research.

Since its establishment in 2007, HANA Materials, a specialist in semiconductor parts and materials, has contributed to the growth of the domestic semiconductor industry through technological advancements and localization efforts. Amid many changes and challenges, HANA Materials has strengthened its competitiveness and secured future growth engines through quality improvement, investment in innovative technologies, and the pursuit of new businesses, and is working toward becoming the world's leading semiconductor parts and materials solutions company. We are committed to providing quality and service that meet our customers' needs and fulfilling our social responsibilities as a member of the global community to prepare for a sustainable future.

Company Name	HANA Materials Inc.
President	Hyun Joo Kim
Date of Establishment	January 23, 2007
Headquarters	42, 3gongdan 3-ro, Seobuk-gu, Cheonan-si, Chungcheongnam-do, Republic of Korea
Main Business Area	Semiconductor materials and parts business
Major Products	Silicon Parts (Ring/Electrode) Silicon Carbide (Ring) Part
Website	www.hanamts.com
Number of Employees	719 ¹⁾²⁾
Total Assets ¹⁾	KRW 685.6 billion ¹⁾
Credit Rating ¹⁾	BBB

1) As of December 2025
2) Includes regular employees, contract employees, and executives





Company Overview

Domestic and International Business Locations



Headquarters (Cheonan Campus) →



42, 3gongdan 3-ro, Seobuk-gu, Cheonan-si,
Chungcheongnam-do, Republic of Korea

Main Business: Parts manufacturing, research and development, etc.

Asan Campus →



77-50, Yeonamyulgeum-ro, Eumbong-myeon, Asan-si,
Chungcheongnam-do, Republic of Korea

Main Business: Parts manufacturing

Offices →

- **Pangyo Office**
35, Pangyo-ro 255beon-gil, Bundang-gu,
Seongnam-si, Gyeonggi-do, Republic of Korea 
Main Business: Planning, research and development,
sales, customer service, etc.
- **Miyagi Office**
12-25 Futsukamachi, Aoba-ku, Sendai, Miyagi
Prefecture, Japan 
Main Business: Sales, Customer Service (CS), etc.

※ HANA S&B Sobujang (Materials, Components and Equipment) No. 1 New
Technology Investment Association and HANA S&B Investment Co., Ltd.,
consolidated subsidiaries, are excluded from the reporting scope.

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2007

January

- Established HANA Silicon Co., Ltd.

November

- Obtained ISO 9001 Quality Management System certification



2008

November

- Selected as a Clean Workplace by the Ministry of Employment and Labor



2011

June

- Acquired ISO 14001 Environmental Management System certification



2013

April

- Renamed from HANA Silicon Co., Ltd. to HANA Materials Inc.



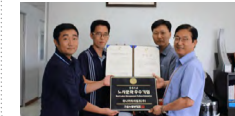
2014

December

- Received Presidential Commendation for Labor-Management Win-Win Cooperation

August

- Selected as a Best Labor-Management Culture Enterprise by the Ministry of Employment and Labor



2020

July

- Awarded the Commendation for Contributions to Job Creation by the Minister of Employment and Labor

February

- Selected as a Youth-Friendly Small Giant Company by the Ministry of Employment and Labor



2019

December

- Awarded the Commendation for Contributions to Job Creation by the Minister of Employment and Labor

August

- Selected as a Best Labor-Management Culture Enterprise by the Ministry of Employment and Labor



June

- Won the Best Next-Generation Company Award at the Korea KOSDAQ Awards

April

- Received the President's Award from the Korea Employment Agency for Persons with Disabilities and the Cheonan Mayor's Award for outstanding employment of persons with disabilities

- Completed construction of Asan plant



January

2017

December

- Awarded \$20 Million Export Tower

April

- Listed on KOSDAQ



2015

December

- Awarded the Commendation for Contributions to Job Creation by the Minister of Employment and Labor

August

- Awarded the Minister of Economy and Finance's Commendation on Taxpayers' Day



2021

November

- Awarded the Presidential Commendation at the National Productivity Award

May

- Produced 600mm single crystal



2022

October

- Certified as an Excellent Employer for Persons with Disabilities

June

- Acquired ISO 45001 Occupational Health and Safety Management System certification



2023

September

- Selected as a Best Job-Creating Company in Korea by the Ministry of Employment and Labor



2024

March

- Received the Presidential Citation as an Exemplary Taxpayer at the 28th Taxpayer's Day



2025

November

- Recognized as an Outstanding Work-Life Balance Company
- Received the Outstanding Employer of Persons with Disabilities Award

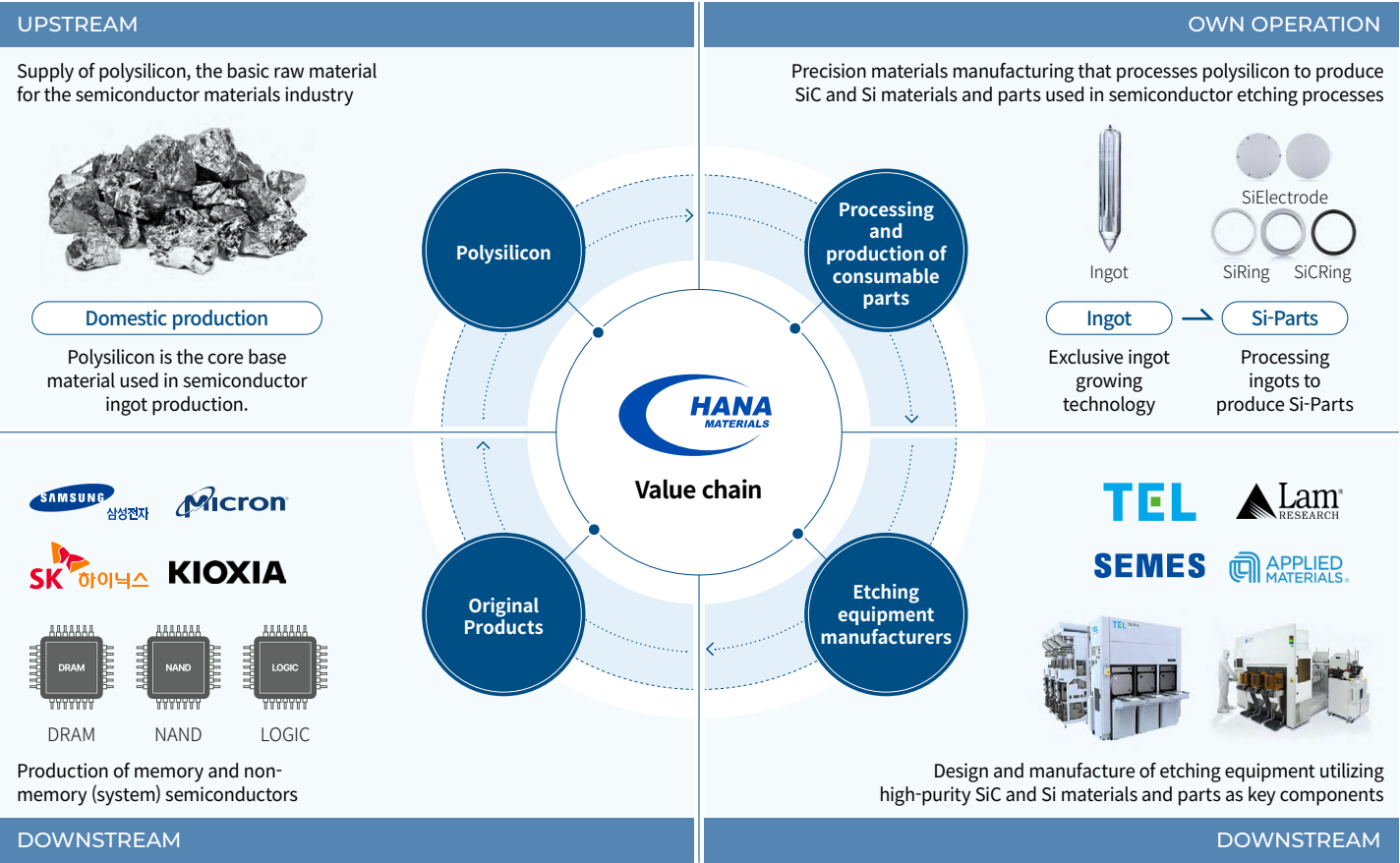


Business Overview

Main Business

HANA Materials operates primarily in the semiconductor parts business, comprising the production of silicon parts (Si-Parts) and silicon carbide parts (SiC-Parts), used in semiconductor manufacturing processes. The products are crucial for the etching process, a core manufacturing step in semiconductors, especially with the introduction of high-density plasma environments and the spread of Dry Etching processes to accommodate high integration and finer line widths in recent semiconductor processes. We have established an integrated production system from material production to processing and maintain a competitive advantage through technological partnerships and transactions with major semiconductor equipment companies worldwide.

Main Business Areas



Core Technologies

01. Single Crystal Silicon

- Large-diameter ingot growing technology
- Continuous production technology
- N-type ingot growing technology



02. CVD SiC

- Bulk SiC growth technology
- Low-cost manufacturing technology
- Coating technology



03. Processing Technology

- Digital Twin
- Large silicon parts machining technology
- Hole drilling technology
 - Angle, high-length, and micro-hole processing

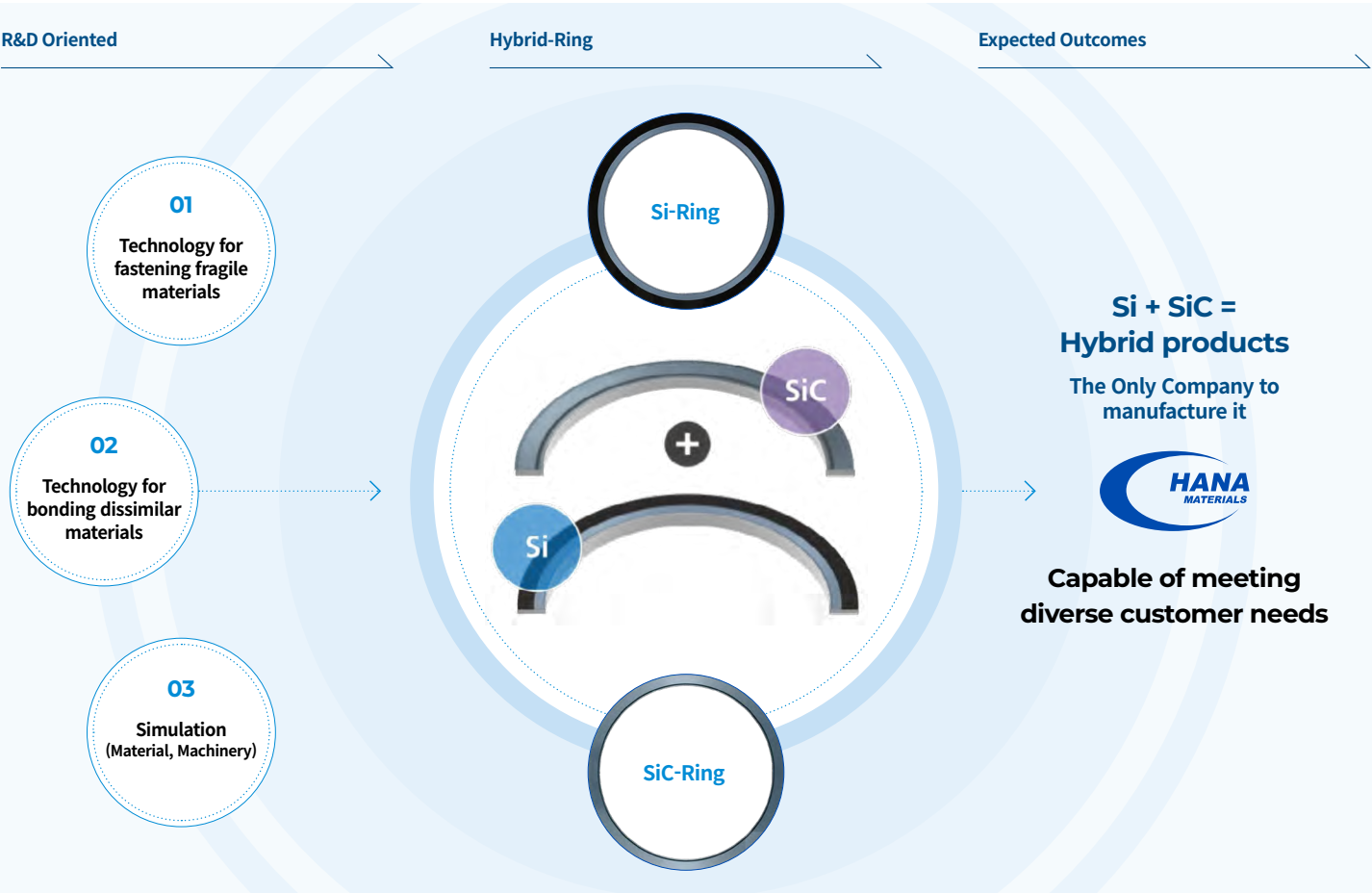




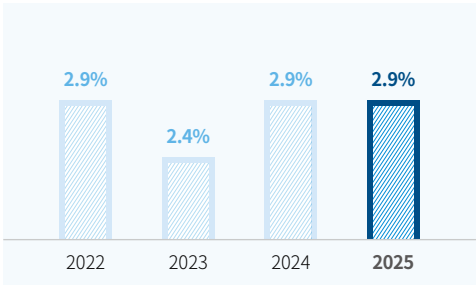
Business Overview

R&D and Product Competitiveness

The quality of products manufactured by HANA Materials determines productivity and yield improvement in semiconductor processes, and R&D and technological innovation are important issues directly linked to product competitiveness and the sustainable growth of semiconductor parts manufacturers. We have secured optimal ingot growth capabilities and precision parts processing capacity through continuous R&D investment. By developing technology for hybrid material bonding and utilizing patents, we have introduced a new product to the market, the Hybrid Ring, which combines Si and SiC. Additionally, to manage the high temperatures and precise processes in semiconductor manufacturing, we are expanding our research and development in the silicon carbide business (SiC). This effort is aimed at diversifying our semiconductor parts materials, enabling us to flexibly adapt to changes in manufacturing processes and to continue providing high-quality products to our customers.



R&D Expense Ratio to Sales



Patent Status

Patents	Before 2020	2020	2021	2022	2023	2024	2025
Registered	33	3	3	0	3	6	4
						Total	52

Research Personnel Status

Research Personnel Status	2022	2023	2024	2025
PhD	1	1	2	2
Master's	4	5	6	4
Bachelor's	12	14	5	6
Others	8	0	0	0
Total	25	20	13	12



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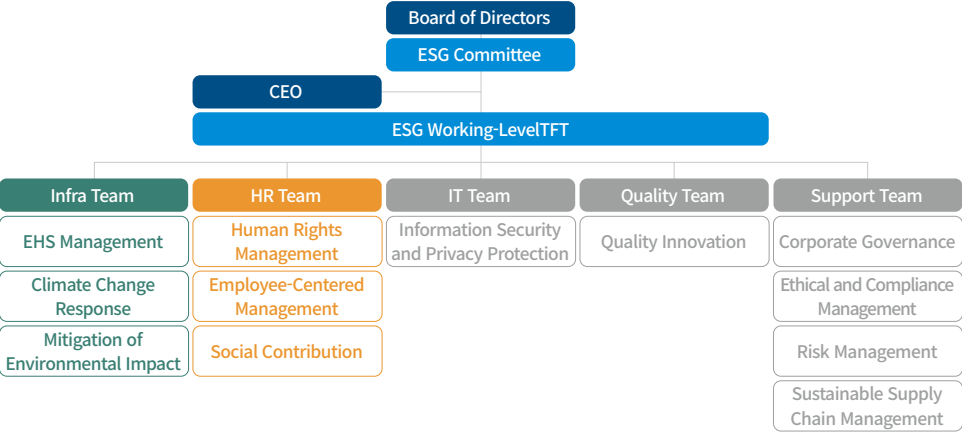


ESG Management System

ESG Governance

HANA Materials has established a company-wide ESG governance system, from the ESG Committee to working-level departments, to systematically implement sustainability management. The ESG Committee under the Board of Directors serves as the highest decision-making body. Each year, it reviews material ESG issues, identifies and manages the impacts of each issue, and reviews and resolves mid- to long-term goals and strategies linked to material issues, as well as major investment agenda items. We have established a process to report key matters reviewed and resolved by the ESG Committee to the Board of Directors, enabling final oversight and decision-making at the Board level. In 2025, the ESG Committee convened twice. The CEO regularly monitors performance related to ESG strategy implementation, manages and oversees implementation activities, submits relevant agenda items, and provides necessary information to support appropriate decision-making by the ESG Committee. The ESG Working-Level TFT supports ESG execution as a working-level organization that establishes and implements detailed action tasks. Each working-level department identifies and implements environmental, social, and governance improvement tasks, and key matters are advanced through a process in which they are reviewed by the ESG Committee and finally reported to the Board of Directors.

ESG Implementation Organization

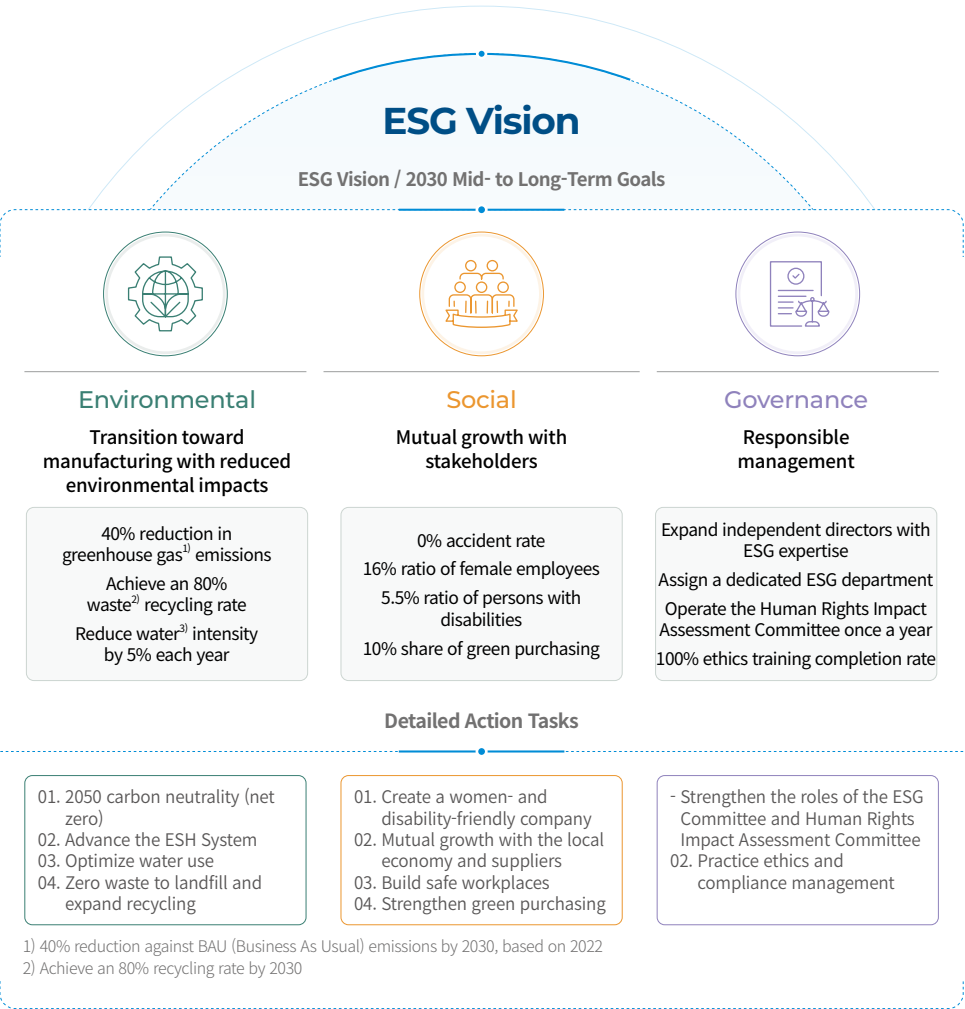


ESG Committee Resolutions

Category	Resolution Outcome	Agenda Items
2025.5.14	Approved	- ESG materiality assessment report - ESG promotion strategy - Mid- to long-term environmental goals
2025.11.12	Approved	- Climate change response KPI plan
2026.05.13	Reported	- Report on double materiality assessment results

ESG Management Strategy

HANA Materials has established promotion strategies for each area of environmental, social, and governance to strengthen ESG management activities, and continues to develop them by identifying detailed action tasks.





Double Materiality Assessment

Double Materiality Assessment

HANA Materials conducts an annual Double Materiality Assessment to objectively identify sustainability issues across its business activities and communicate transparently with stakeholders. By analyzing both the impacts of business activities on society and the environment (Inside-out) and the impacts of external sustainability issues on the Company’s financial performance (Outside-in), HANA Materials identified the key impacts, risks, and opportunities that require priority action. In the 2025 assessment, Climate Change Response, Employee Health and Safety, Organizational Culture, and Supply Chain Management were selected as the four key material issues most directly linked to the Company’s sustainable growth. HANA Materials will strengthen execution by making these issues the core pillars of its ESG management strategy.

Double Materiality Assessment Process

Step	Selection →	IROs Identification →	IROs Assessment →	Determination
Description	• Develop a sustainability issue pool - HANA Materials developed a sustainability issue pool (Long List) based on international standards, including the EU ESRS, GRI, and SASB. - We then comprehensively analyzed external assessment requirements, industry trends, and internal data to identify a Short List of 10 key issues.	• Identify sustainability-related impacts, risks, and opportunities - Related activities were defined for each of the 10 key issues, and risks and opportunities across the value chain were systematically identified. - Applying the double materiality perspective, we identified the impacts of our business activities on society and the environment (10) and the financial risks and opportunities arising from external changes affecting HANA Materials (20).	• Assess sustainability issues - To ensure the reliability and objectivity of the assessment, both internal employees and external stakeholders participated in the detailed evaluation of IROs (Impacts, Risks, and Opportunities). - Based on the European Sustainability Reporting Standards (ESRS) under the EU CSRD, the magnitude and likelihood of each issue were quantitatively assessed using a four-point scale.	• Prioritize material issues and determine final issues - Survey results from internal and external stakeholders served as the primary basis for prioritization. To enhance the accuracy and completeness of the results, subsidiary material issues and media analysis were also comprehensively reflected, resulting in the identification of four final key issues.
Detailed Process	Long List (46 issues) ESRS 1 Sustainability Topics GRI Topic Standards SASB Standard (Semiconductors) ▼ • Classification Criteria - ESG disclosures and assessment indicators - Guidelines and associations - HANA Materials internal data - Benchmarking of peer companies - Initiatives ▼ Short List (10 issues) Issue screening for IRO identification through Long List mapping based on the classification criteria	Value Chain Upstream Own Operation Downstream ▼ Impact Social and Environmental Impacts Impact (10) Type Positive / Negative Status Actual / Potential Impact Scope Short-term / Mid-term / Long-term Financial Impacts Risk&Opportunity (20) Type Risk / Opportunity Impact Scope Short-term / Mid-term / Long-term	Impact Risk Opportunity ▼ Assessment Criteria Likelihood Scale Probability Frequency scale Survey Participants • Internal Stakeholders (62 persons) Employees of departments in contact with HANA Materials' ESG functions • External stakeholders (21 persons) Shareholders, customers, and business partners of HANA Materials Survey Period: April 1, 2026 – April 8, 2026 (8 days)	Analysis Items Media analysis* 224 news articles from major media outlets Guidelines and Associations Initiatives Industry peers HANA Materials internal data ESG disclosure and assessment indicators *News articles published between January 1, 2025, and December 31, 2025 ▼ Final Selection of Material Issues • Climate Change Response • Employee Health and Safety • Organizational Culture • Supply Chain Management





Double Materiality Assessment

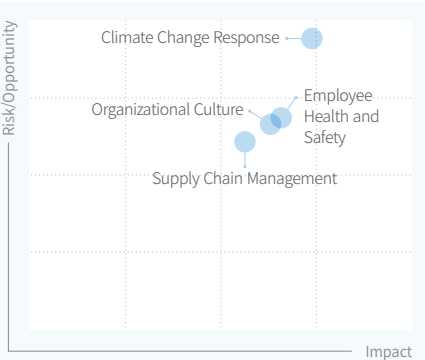
Double Materiality Assessment

Double Materiality Assessment Results

According to the results of HANA Materials’ 2025 Double Materiality Assessment, Climate Change Response (E), Employee Health and Safety (S), Organizational Culture (S), and Supply Chain Management (S) were identified as the four issues with the greatest overall significance when considering both the Impact and the Risk/Opportunity dimensions. HANA Materials transparently discloses the detailed assessment results, including the significance of each issue.

Comparison with the Previous Year’s Material Issues

Based on the results of the 2025 Double Materiality Assessment, Climate Change Response (E), Employee Health and Safety (S), Organizational Culture (S), and Supply Chain Management (S) were selected as the Company’s key material issues. Compared with the previous year’s assessment, Climate Change Response, Employee Health and Safety, and Supply Chain Management remained key material issues, while Resource Circularity, which had been identified as a material issue in 2024, moved out of the top-ranked issues. This may be interpreted as indicating that the Company’s internal management system for resource circularity has reached a certain level of maturity. Meanwhile, Organizational Culture newly emerged as a key material issue. This reflects growing competition for talent in the semiconductor materials and parts industry and increasing attention from both internal and external stakeholders to employee engagement, diversity, and inclusion, leading to greater recognition that building a healthy and sustainable organizational culture is a key driver of the Company’s long-term competitiveness. Based on these assessment results, HANA Materials will further refine its ESG management strategy and strengthen execution centered on the four key material issues.



2024 Material Issues

Category	2024 Material Issues
Environmental	Climate Change
Social	Supply Chain
Environmental	Resource Circularity and Sustainable Business Model
Social	Employee Health and Safety

2025 Material Issues

Category	2025 Material Issues
Environmental	Climate Change Response
Social	Employee Health and Safety
Social	Organizational Culture
Social	Supply Chain Management

Impact

Rank	Issue	Impact Factor	Value Chain Identification		Impact Classification		Time Horizon			
			Up	Own	Down	Positive/Negative	Actual/Potential	Short-term	Mid-term	Long-term
1	Climate Change Response	Contributing to the acceleration of climate change through direct and indirect greenhouse gas emissions	●	●	●	Negative	Actual	●	●	●
2	Employee Health and Safety	Protecting employees’ physical and mental health from hazardous and harmful factors in the workplace		●		Positive	Actual	●	●	●
3	Organizational Culture	Promoting social value through respect for human rights and the establishment of an inclusive organizational culture		●		Positive	Actual	●	●	●
4	Supply Chain Management	Building a foundation for sustainable shared growth within the industry through fair supplier selection and business practices	●			Positive	Actual	●	●	●

Risk and Opportunity

Rank	Issue	Category	Impact Factor	Value Chain Identification		Time Horizon			Page
				Up	Own	Down	Short-term	Mid-term	
1	Climate Change Response	Risk	Financial losses resulting from damage to production facilities within the supply chain and reduced plant operating rates caused by extreme weather	●	●		●	●	34-37
		Opportunity	Mitigation of electricity cost volatility and improved cost efficiency through investment in renewable energy facilities and advancement of procurement strategies		●		●	●	
2	Employee Health and Safety	Risk	Increased direct costs resulting from workplace accidents, including production interruptions, compensation, and higher insurance premiums		●		●	●	18-26, 30-33
		Opportunity	Prevention of accidents and reduction of related costs through the establishment of a proactive safety management system		●		●	●	
3	Organizational Culture	Risk	Increased talent acquisition costs and reduced productivity due to reputational damage and employee turnover arising from human rights issues		●		●	●	39-47
		Opportunity	Improved business performance through enhanced employee motivation and satisfaction driven by the implementation of human rights management		●	●	●	●	
4	Supply Chain Management	Risk	Negative impacts on product reputation and credibility resulting from suppliers' non-compliance with environmental, labor, and safety standards	●			●	●	48-50
		Opportunity	Enhanced market competitiveness through the establishment of sustainable partnerships	●			●	●	



Stakeholder Engagement

Stakeholder Communication Channels

HANA Materials considers close communication with diverse stakeholders to be a core principle of its ESG management. We continuously identify issues of interest to each stakeholder group—including customers, employees, shareholders and investors, suppliers, local communities, and government—through a variety of communication channels. We actively incorporate stakeholder feedback into our management activities while minimizing negative impacts and maximizing positive impacts. In addition, we participate in relevant industry associations and networks to actively share the latest information and best practices with other companies, thereby contributing to the broader advancement of sustainability management.

Category	Key Communication Channels & Frequency	Issues of Interest	HANA Materials Communication Status
 Shareholders / Investors	- Investor Relations (NDR) – Twice a year - Corporate visits – As needed	- Industry outlook and growth drivers - Shareholder return policy	- Explain business performance and industry outlook through quarterly NDR sessions - Establish and disclose dividend policy
 Customers	- Customer satisfaction survey – Once a year - VOC survey – Once a year	- Product quality - Customer satisfaction - Technological competitiveness	- Conduct regular customer satisfaction surveys and identify improvement opportunities - Conduct research to improve product quality and strengthen competitiveness
 Employees	- Joint Labor-Management Conference – Quarterly - Occupational Safety and Health Committee – Quarterly - Internal newsletter and broadcasting – Monthly - Online bulletin board – Ongoing - Online communication channels – Ongoing	- Workers’ rights - Work-life balance and welfare - Talent development and capability building	- Operate capability development programs - Protect employees’ rights to collective bargaining
 Suppliers	- Technical meetings – Ongoing - Online communication channels – Ongoing - Subcontractor consultative body – Monthly	- Workers’ rights - Work-life balance and welfare - Talent development and capability building	- Support stable contractual relationships - Manage supplier quality
 Local Communities	- Social contribution activities – As needed - Meetings – As needed - MOUs	- Social contribution activities - Community revitalization - Minimize negative impacts on communities surrounding business sites	Conduct social contribution activities for vulnerable groups
 Government	- Conferences - Meetings – As needed - Regular communication with ministry representatives – As needed	- Anti-corruption - Compliance - Taxation	- Prevent unfair practices and corruption - Transparent financial disclosure and tax compliance - Compliance with regulations and applicable laws

Major Association Memberships

Association Joined
Korea International Trade Association
KOSDAQ Association
Korea Electrical Engineers Association
Korea Industrial Safety Association – North Chungnam Branch
Korea Fire Safety Institute
Eumbong-myeon Development Council
Korea Productivity Center
Federation of Middle Market Enterprises of Korea (FOMEK)



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ENVIRONMENTAL





ESH Management

ESH Management Framework

ESH Management Policy

HANA Materials has established an ESH Management Policy and adopted it as a core principle of its management activities to manage environmental pollution, minimize environmental impacts, and create a workplace where all employees can work in a safe and healthy environment. This policy is founded on the principle of prioritizing environmental protection, safety, and health throughout every stage of the product manufacturing process, thoroughly identifying and complying with applicable laws, regulations, and stakeholder requirements, and proactively minimizing environmental pollution and adverse impacts arising from overall production activities. In addition, the policy systematically incorporates five core principles to ensure transparent communication of ESH management performance with stakeholders and to enable each business site to provide a safe and pleasant working environment that promotes employees' health.

To effectively implement this policy in practice, HANA Materials continuously improves its internal processes, identifies and implements site-specific improvement initiatives, and steadily expands communication with stakeholders through various activities to enhance the value of ESH management. Furthermore, HANA Materials has established four key ESH management strategies—Advancing the ESH System, Embedding an ESH Culture, Achieving Zero Safety Accidents, and Strengthening ESG Management—and is implementing detailed action plans for each strategy in a phased manner. Through these efforts, we aim to go beyond simple regulatory compliance by establishing an advanced ESH management system in which environmental protection, safety, and health are deeply embedded in our organizational culture, creating safe and sustainable workplaces trusted by both employees and stakeholders.

ESH Management Strategy

ESH Management Strategy	Detailed Action Tasks	
Advance the ESH System	Utilize mobile applications	Digitalize the ESH System
Embed an ESH Culture	Strengthen ESH communication and employee participation	Publish a monthly ESH newsletter
Achieve Zero Safety Accidents	Hi-Five Zero activities	Strengthen safety design
Strengthen ESG Management	Climate Change Response	ESG campaigns

ESH Management Policy

HANA Materials Inc. recognizes that establishing an environmental, safety, and health management system is a key element of the Company's sustainable growth and is committed to continuous improvement.

- 1 Prioritize environmental protection, safety, and health at all stages of product manufacturing.
- 2 Identify and comply with environmental, health, and safety-related laws, regulations, and stakeholder requirements.
- 3 Minimize environmental pollution and impacts arising from product manufacturing activities.
- 4 Communicate the performance of environmental, safety, and health management activities honestly with stakeholders.
- 5 Create safe and healthy working environments at each business site to promote the health and well-being of employees.

Hyun Joo Kim, President of HANA Materials Inc.

HANA Materials' Efforts to Implement the ESH Management Policy

- 1 We conduct environmental impact and risk assessments throughout all manufacturing stages and continuously implement improvement activities.
- 2 We have established and operate internal processes to ensure strict compliance with applicable laws, regulations, and stakeholder requirements.
- 3 We conduct monitoring and improvement activities to minimize environmental impacts.
- 4 We communicate with stakeholders by publishing our ESG Report and disclosing our environmental management performance and activities.
- 5 We strive to create a healthy working environment for our employees and suppliers.



ESH Management

ESH Management Framework

ESH Management Organization

Organization and Reporting Structure

HANA Materials has established a Chief Safety Officer (CSO), who reports directly to the CEO, to ensure systematic and prompt decision-making on environmental and safety matters and to establish the highest level of accountability for ESH management. The CSO oversees the dedicated ESH organization and reports directly to the President when ESH-related issues arise, enabling prompt and effective responses. The dedicated environmental and safety organization regularly conducts ESH compliance assessments and checks compliance with applicable laws and regulations, while continuously enhancing the level of ESH management across all business sites. In addition, a management supervisor has been appointed for each business site to respond immediately to on-site ESH issues and strengthen an integrated and consistent management system.

Operational Activities

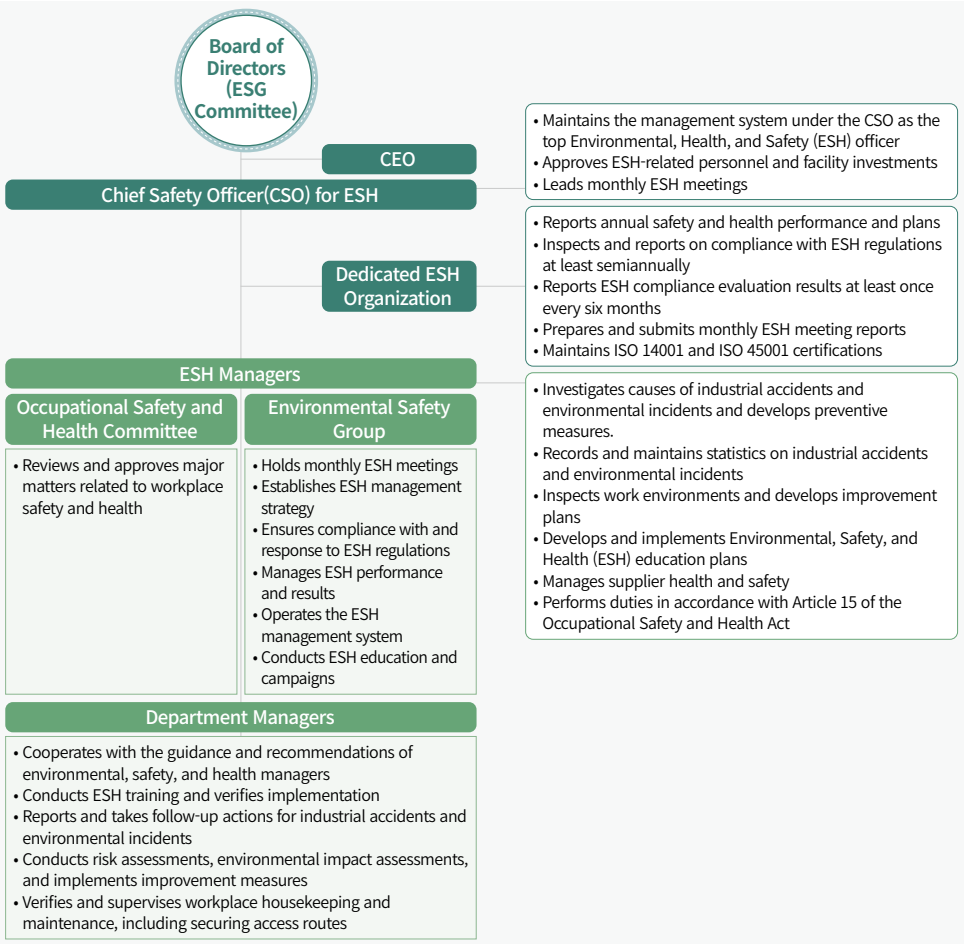
HANA Materials holds monthly ESH meetings to promptly identify and respond to ESH issues and discuss key agenda items. In addition, each business site operates an Occupational Safety and Health Committee on a quarterly basis to gather diverse employee opinions on occupational safety and health and to review and approve related agenda items. Furthermore, we have established a separate consultative body for suppliers that holds regular meetings to ensure the occupational health and safety of supplier employees in accordance with applicable laws, including the Occupational Safety and Health Act and the Serious Accidents Punishment Act, while enhancing safety standards throughout the supply chain.

Regular ESH Reporting

To strengthen the transparency and accountability of ESH management, HANA Materials regularly reports major ESH issues, strategies, and performance to senior management and the Board of Directors. The dedicated ESH organization reports annual performance and future plans to the Board of Directors once a year and provides interim reports to senior management twice a year, enabling management to closely monitor ESH performance and make timely decisions. In addition, ESH performance and key issues are shared with all employees once a month, and improvement measures are discussed together to enhance ESH awareness and foster a culture of participation across the organization.

Category	Reporting Schedule and Agenda
Board of Directors	Regular annual reporting; annual performance and future plans
Top Management	Regular reporting twice a year; direct reporting by the CSO
Employees	Regular monthly reporting; sharing environmental and safety performance and key issues

ESH Organization

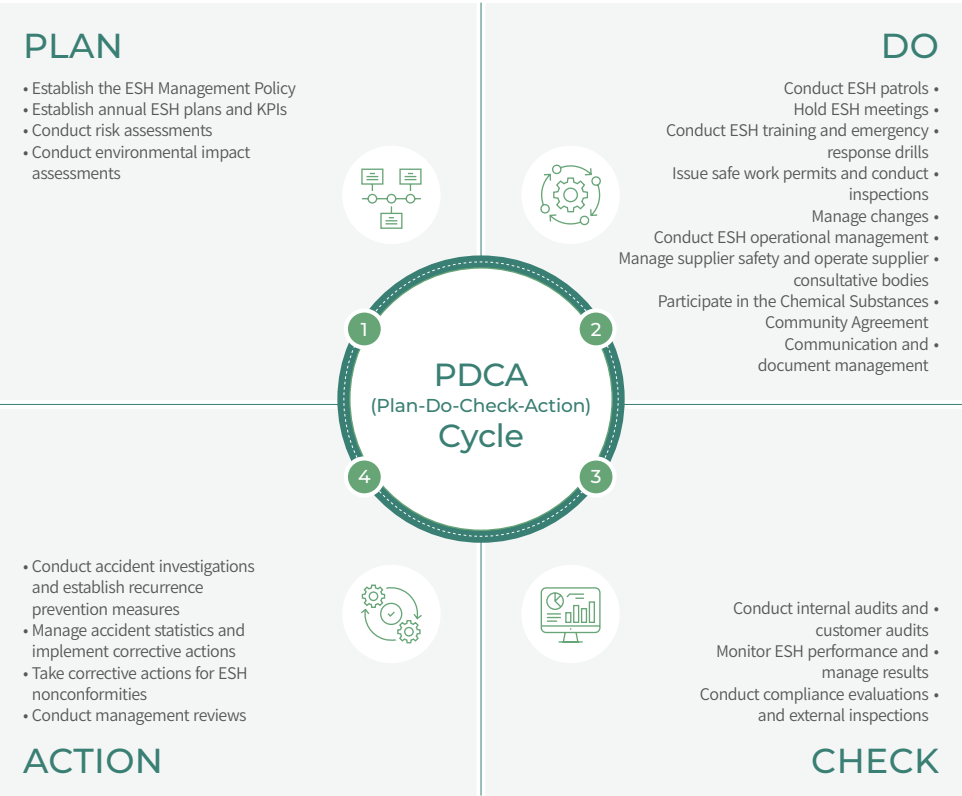


ESH Management

Operation of the ESH Management System

Operating Process

HANA Materials operates its ESH management system based on the PDCA (Plan-Do-Check-Act) cycle to effectively manage environmental impacts arising from its business activities and systematically protect the health and safety of its employees. We establish clear objectives through annual ESH planning, implement various ESH activities across our business sites, including ESH meetings, and closely monitor implementation through regular reviews. When issues arise, we take prompt corrective actions to address the root causes and incorporate preventive measures into the following year's ESH plan to prevent recurrence and drive continuous improvement.



Operational and Management Indicators

To further strengthen the execution of ESH management, HANA Materials establishes annual ESH targets based on the Total Recordable Incident Rate (TRIR)* and department-specific KPI management indicators. Environmental management performance is also linked to the employee compensation system to encourage voluntary participation and strengthen accountability. The KPI management indicators consist of both leading and lagging indicators, enabling balanced evaluation of overall ESH activities. This framework allows us to proactively manage potential risks while also closely evaluating our response following incidents.

* TRIR (Total Recordable Incident Rate): Total recordable incident rate = (Total recordable incidents x 200,000) / Total work hours

ESH KPI Management Indicators

Category		Details	Measurement Frequency
Leading Indicators	ESH Training	ESH training in addition to legally mandated training	Quarterly
	Health and Safety	Proposals (ESH and near-miss incidents)	Quarterly
	Environmental	Risk Assessment (bonus points)	Monthly
	ESH Meetings	Environmental Impact Assessment (bonus points)	Monthly
	Emergency Drills	Attendance at ESH meetings	Monthly
Lagging Indicators		Minimum unit	Monthly
		Business site unit	Semiannual
Lagging Indicators	Incident response and recurrence prevention		Monthly
	Compliance with laws and regulations		Monthly

ESH Goal Management Awards

HANA Materials operates an award program for departments that achieve outstanding performance against ESH-related KPIs. In addition to recognizing the overall best-performing and outstanding departments that directly contribute to KPI achievement, we also reward departments that indirectly contribute to performance, thereby actively encouraging company-wide interest and participation in ESH management.





ESH Management

ESH Management Framework

ESH Management System Certification

ISO 14001 Certification

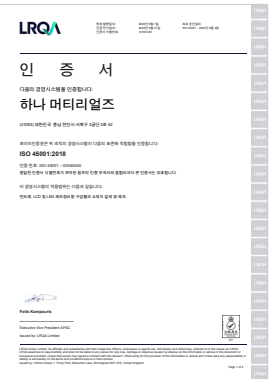
Since first obtaining ISO 14001 certification in 2011, HANA Materials has maintained and managed its certification through annual third-party audits while continuously strengthening its environmentally responsible management system. ISO 14001 is an internationally recognized environmental management system standard that establishes and implements environmental policies and objectives to minimize the environmental impacts of a company's products and services. Based on this standard, HANA Materials has systematically established environmental impact assessment and management processes, ESH regulatory review and compliance procedures, emergency preparedness and response processes, and has continuously enhanced its chemical management system. We will continue our efforts to minimize environmental impacts throughout the entire business lifecycle—from product development and manufacturing to disposal—based on ISO 14001.

ISO 45001 Certification

HANA Materials has obtained and continuously maintains ISO 45001 certification, the international standard for ensuring workers' health and safety, at both the Cheonan Campus and the Asan Campus. ISO 45001 is an internationally recognized standard that certifies the systematic operation of a health and safety management system to establish and achieve health and safety objectives. Both sites undergo rigorous verification of their certification status through annual internal audits and third-party audits. Through this certification, we provide a safe and healthy working environment for all personnel, including our employees and supplier employees, while continuously improving workplace conditions and operating an advanced health and safety management system.

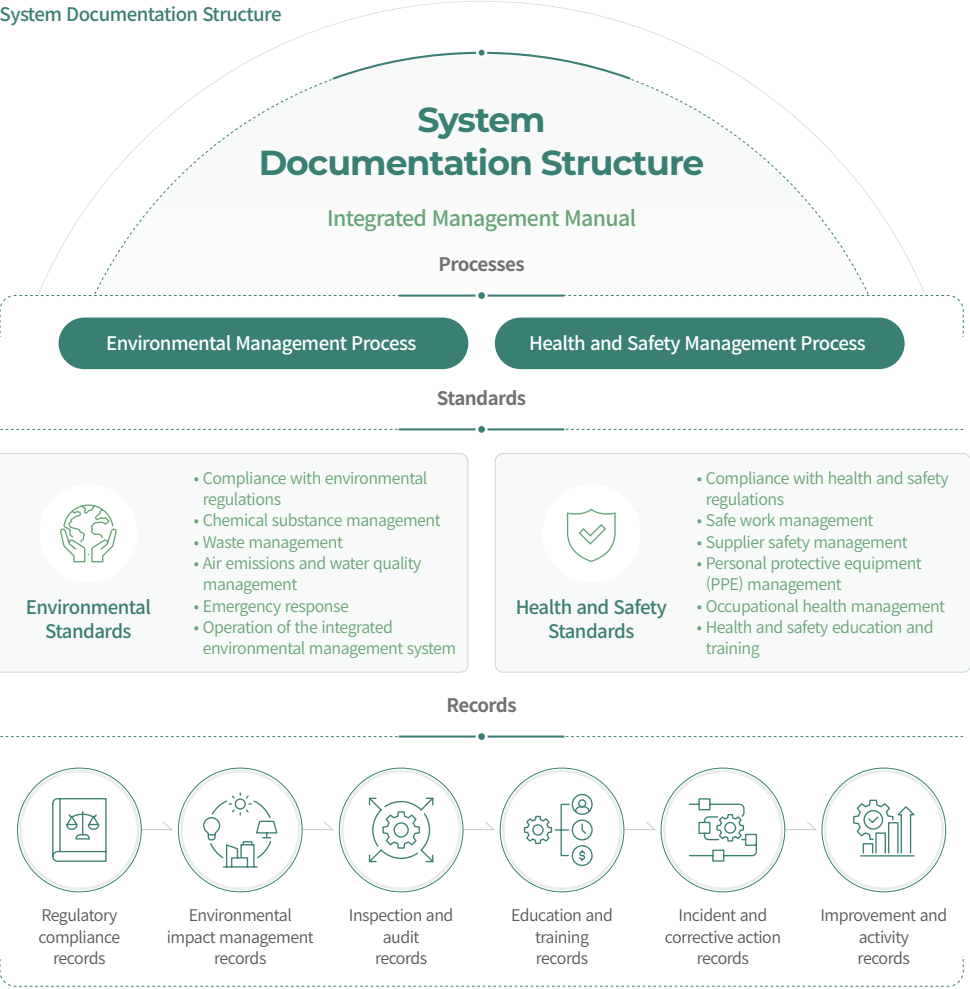


ISO 14001 Certificate



ISO 45001 Certificate

System Documentation Structure



ESH Management

ESH Risk Management

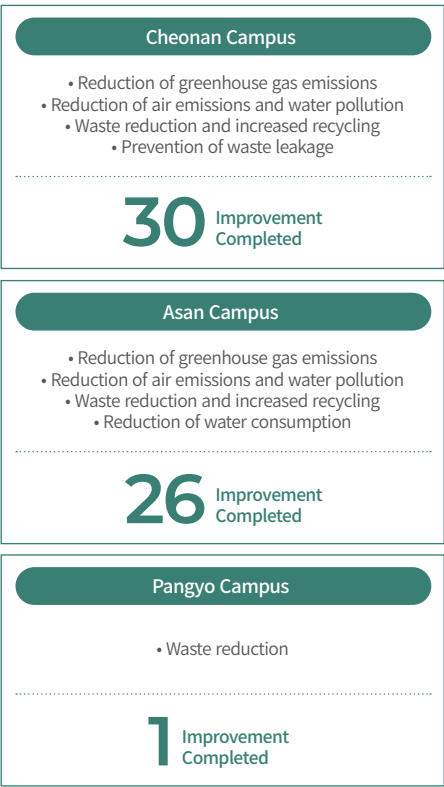
Environmental Impact Assessment

HANA Materials conducts annual environmental impact assessments to comprehensively review internal and external issues and stakeholder requirements while systematically identifying and improving environmental management risks. In 2025, we completed 30 improvements at the Cheonan Campus, 26 at the Asan Campus, and one at the Pangyo Campus. Assessment results and improvement implementation rates are systematically managed by incorporating them into department-level ESH KPI incentive indicators. In addition, we strengthen proactive environmental risk management by operating a process that prioritizes environmental impact assessments before reviewing proposed changes and investment projects.

Assessment Process



Assessment Results



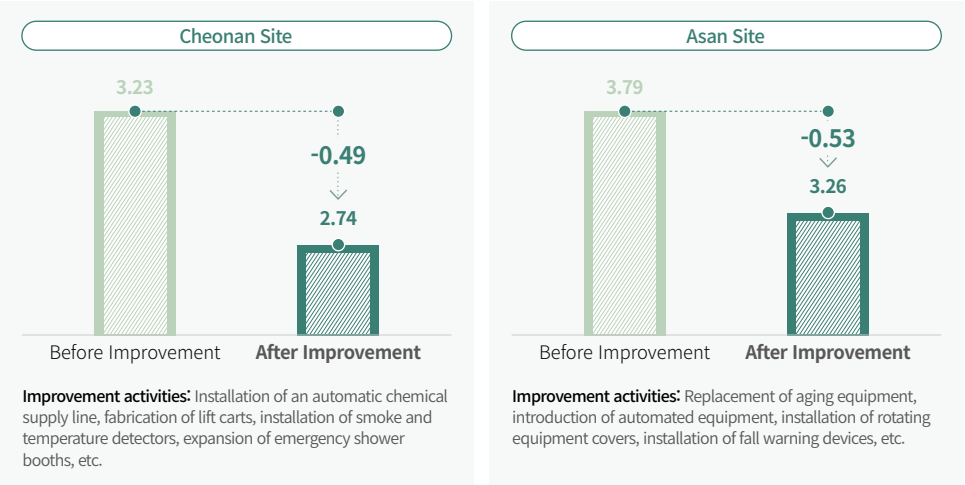
Health and Safety Risk Assessment

HANA Materials systematically conducts quantitative risk assessments to strengthen the safety capabilities of on-site operators and proactively identify workplace hazards. Significant hazards identified through the assessments are immediately eliminated, and improvement results are reflected in health and safety KPIs to ensure effective implementation. In 2025, we identified 53 hazards at the Cheonan Campus and 96 at the Asan Campus, implementing workplace improvement activities such as installing safety facilities and modifying equipment. Following these improvements, we continue to monitor quantitative performance to progressively enhance workplace safety.

Assessment Results



Risk Improvement Results



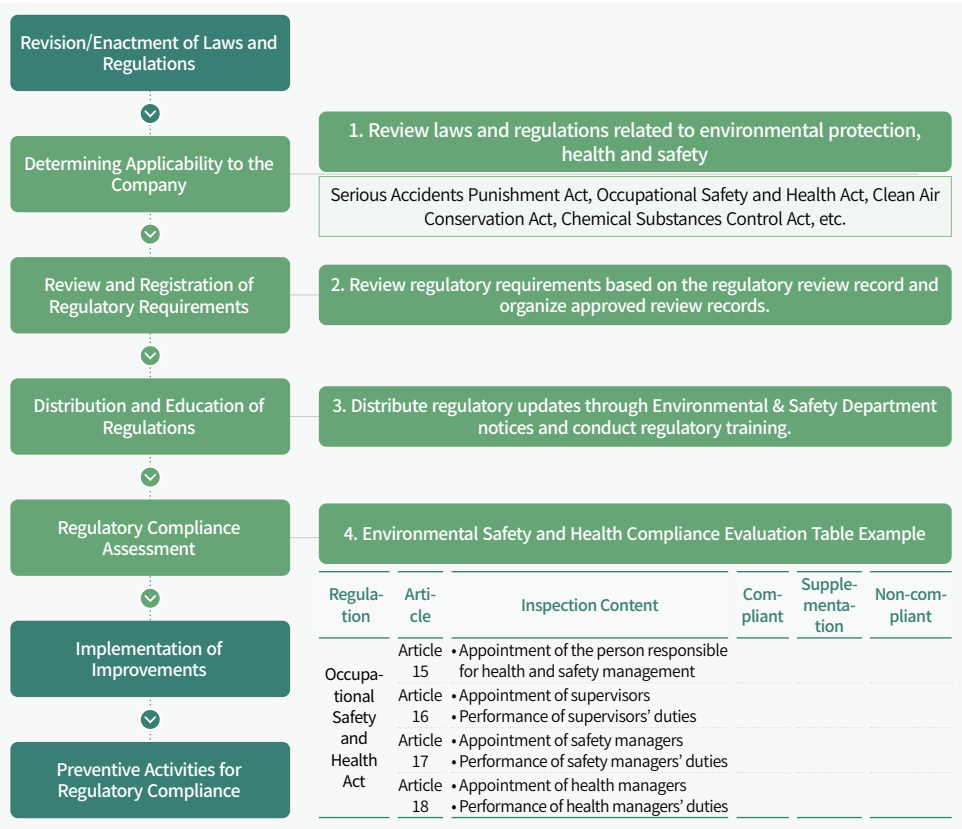


ESH Management

ESH Risk Management

ESH Regulatory Management System

HANA Materials continuously monitors ESH-related laws and regulations that directly affect its operations and proactively responds to regulatory risks. Based on applicable laws and regulations, we have established our own environmental and safety regulatory compliance assessment checklist and closely monitor compliance through a three-tier evaluation system consisting of Compliant, Needs Improvement, and Non-Compliant. As a result of these systematic regulatory compliance activities, HANA Materials has recorded zero environmental regulatory violations since 2020.



ESH Regulatory Response Strategy

To proactively respond to the rapidly changing ESH regulatory environment, HANA Materials continuously monitors relevant laws, regulations, and regulatory trends while systematically conducting pre-compliance assessments to minimize potential risks. Beyond simply complying with regulations, we establish and implement detailed response strategies for individual regulations to continuously improve ESH management across all business sites. HANA Materials will continue to advance its ESH system through systematic ESH management and proactive regulatory response strategies, creating a safe and sustainable business environment trusted by all stakeholders.

Category	Key Response Strategies
Common	• Continuous monitoring of ESH regulations • Monitor regulatory trends through seminars and industry communities • Conduct proactive regulatory risk assessments • Operate related education and awareness campaigns
Chemical Substances Control Act	• Participate as a member of the Chemical Safety Community • Establish and implement a Chemical Accident Prevention and Management Plan • Conduct chemical leak response drills
Clean Air Conservation Act	• Conduct monthly self-monitoring • Operate an IoT-based real-time air monitoring system
Water Environment Conservation Act	• Measure all water pollutant parameters annually • Expand water reuse initiatives
Occupational Safety and Health Act	• Conduct monthly ESH Patrol activities • Implement the HI-FIVE Zero campaign • Operate supplier consultative bodies
Serious Accidents Punishment Act	• Operate a dedicated response organization • Conduct semi-annual regulatory compliance evaluations

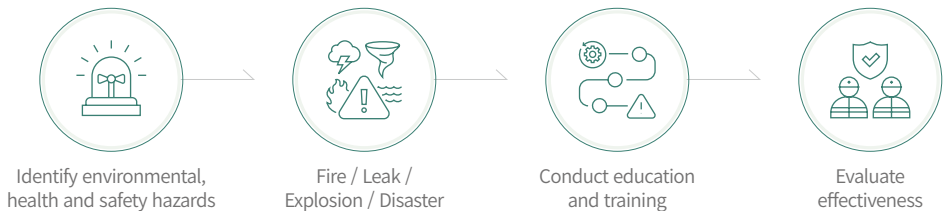


ESH Management

ESH Risk Management

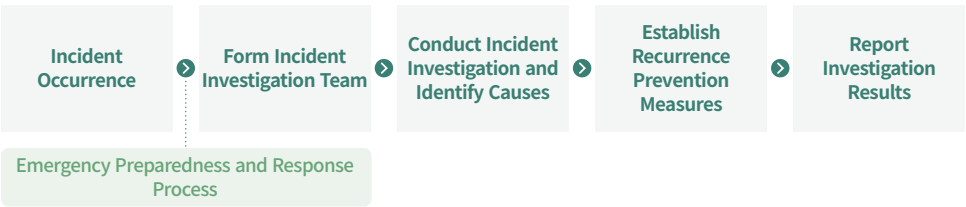
Emergency Preparedness and Response Process

HANA Materials has established a systematic internal process to respond promptly and effectively to unexpected emergencies. We identify and assess potential emergencies and incidents in advance and have established detailed response procedures to ensure prompt reporting and orderly evacuation in the event of an emergency. In addition, we conduct regular emergency evacuation drills and related training to equip employees with the capabilities to respond calmly and promptly in actual emergency situations. Through this systematic emergency response process, we minimize human and property losses resulting from emergencies while maintaining a safe workplace.



Incident Investigation Process

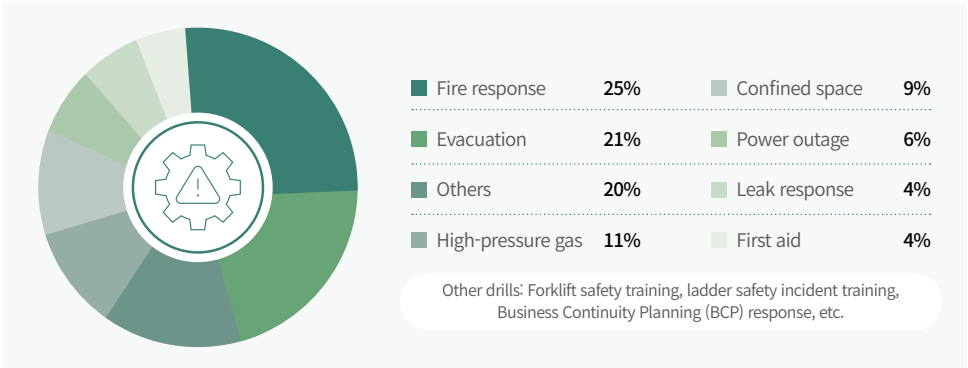
HANA Materials operates a systematic incident investigation process based on the Occupational Safety and Health Act and internal safety management regulations to promptly and accurately identify the causes of safety incidents. Immediately after an incident occurs, a dedicated investigation team is formed to comprehensively analyze the sequence of events and both direct and indirect causes, focusing on identifying root causes beyond the immediate causes. Based on the identified root causes, practical recurrence prevention measures are established, and corrective actions are promptly implemented following review and approval by the head of the ESH department, with the aim of preventing similar incidents from recurring. The entire investigation process is conducted through close collaboration among relevant departments to enhance the objectivity and reliability of the findings. Investigation results and improvement cases are also shared across the Company to promote a strong safety culture and improve workplace conditions.



Emergency Response Drills

HANA Materials has established and operates an Emergency Response Committee to prevent potential incidents at its business sites and ensure prompt and systematic responses in emergency situations. To develop professional emergency response personnel and ensure familiarity with emergency response procedures, we conduct regular emergency response drills. These drills recreate various incident scenarios that may occur at our business sites, including comprehensive leak response drills and fire drills, providing a training environment that closely reflects actual situations. Through these efforts, we continuously strengthen our emergency response capabilities to minimize injuries and promptly contain damage in the event of an emergency. In addition, to prevent workplace incidents, we rigorously conduct regular inspections in accordance with established procedures while operating Environmental & Safety Patrols, periodic risk assessments, and regular environmental impact assessments. Through these multilayered preventive activities, we continue to enhance employees' safety awareness and foster a healthy workplace culture in which safety becomes an integral part of everyday work.

Types of Emergency Response Drills



First Aid



Fire Drill



Fire Drill



ESH Management

Integration of ESG Management

HANA Materials operates systematic training programs to enhance employees’ ESH awareness and create a safe working environment. Training programs are designed by comprehensively reflecting statutory training requirements, risk assessment results, and stakeholder requirements. Qualified professional instructors provide practical training that can be directly applied in the workplace, thereby enhancing training effectiveness.

Environmental Education

HANA Materials’ environmental education focuses on practical workplace topics, including chemical manager training and environmental process training. Through these programs, we enhance employees’ environmental awareness while systematically strengthening the practical capabilities needed to respond effectively in the workplace.

Internal Environmental Training

Category	Training Program	Target Participants	Total Training Hours
Environmental	ESG Training	ESG personnel, department representatives	52
	RE100 Training	Environmental & Safety personnel	2
	Scope 3 Emissions Calculation Training	Executives, Environmental & Safety personnel	16
	Environmental Impact Assessment Training	Department representatives	58
Chemical Substances	Safety Training for Personnel Handling Hazardous Chemicals	Personnel handling hazardous chemicals	88
	Chemical Accident Emergency Response Training	Emergency response personnel	22

Mandatory Training

Category	Training Program	Target Participants	Total Training Hours
Chemical Substances	Employee Training	2 hours/year	1,284
	Training for Personnel Handling Hazardous Chemicals	16 hours/every 2 years	672
	Hazardous Chemical Manager Training	16 hours/every 2 years	16
	Environmental Technician Training	14 hours/every 3 years	28
Environmental	Waste Generator Training	4 hours/every 3 years	4
	Integrated Environmental Manager Training*	24 hours/every 2 years	-

* Integrated environmental manager training was not scheduled for 2025 based on the applicable training cycle.

Health and Safety Awareness Training

HANA Materials systematically provides health and safety training in accordance with applicable laws, including the Occupational Safety and Health Act, with the objective of preventing workplace incidents and protecting employee health. Beyond completing mandatory statutory training, we provide workplace-oriented curricula—including risk assessments and incident case studies—to enhance employees’ practical safety awareness. In addition, we regularly evaluate training effectiveness and continuously improve training content and methods to enhance overall training quality.

Internal Health and Safety Training

Training Program	Target Participants	Total Training Hours
Five-Minute Safety Talks	All employees	20202.5
Risk Assessment Training	Department representatives	34
Occupational Safety and Health Act Training	Environmental & Safety personnel, etc.	16
Safe Work Permit Training	Personnel responsible for issuing work permits	4.5
Confined Space Hazard Prevention Training	Health managers, etc.	4
Hearing Conservation Program Training	Department representatives	27
Other Safety Training	Department representatives	58

Mandatory Training

Training Program	Target Participants	Total Training Hours
Regular Health and Safety Training	6 hours/semiannually	15,338
Special Health and Safety Training	18 hours/before work or within 3 months	1,560
New Employee Orientation	8 hours/upon hiring	320
Training for Job Changes	2 hours/before commencing new work	32
Training for Persons Responsible for Health and Safety Management	Once every two years	6
Managerial Supervisors Training	Once a year	1,024
Safety Manager Training*	Once every two years	-
Health Managers Training	Once every two years	24
Health and Safety Officer Training	Once every two years	16
Nurse Training	Once a year	8
Automated External Defibrillator (AED) Administrator Training	Once every two years	2
Forklift Training	Once every 3 years	90
Fire Safety Manager Training	Once every two years	8
Hazardous Materials Safety Manager Training	Once every two years	16
High-Pressure Gas Safety Manager Training*	Once every 3 years	-

* Safety Manager Training and High-Pressure Gas Safety Manager Training were not scheduled for 2025 based on the applicable training cycle.



ESH Management

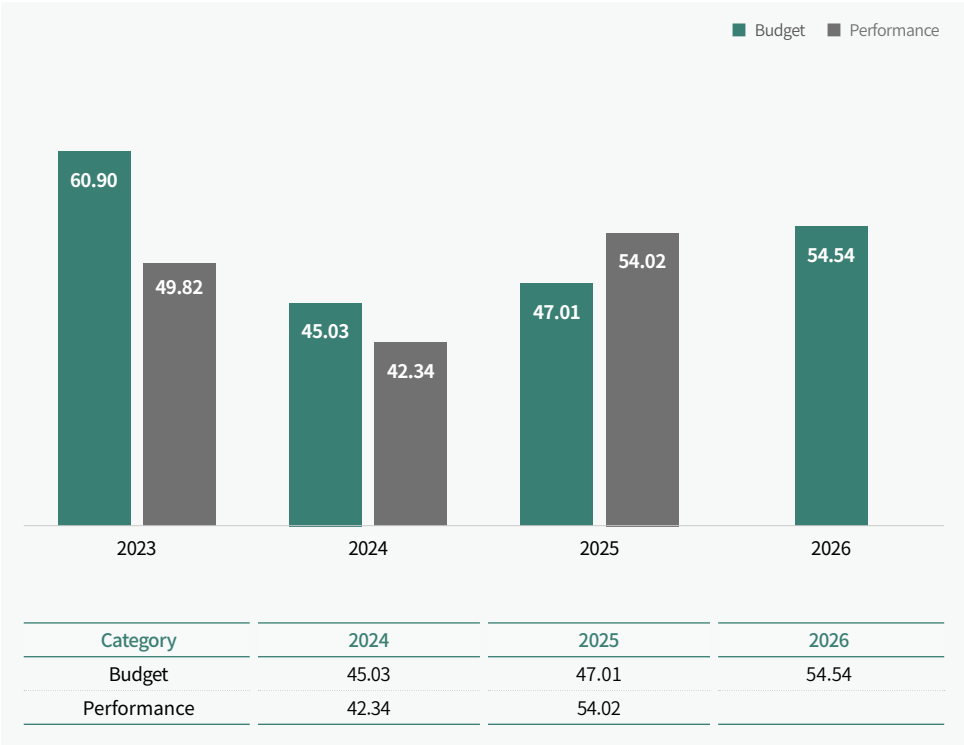
Integration of ESG Management

ESH Investment

HANA Materials is creating a safe and healthy workplace through continuous investment in ESH. We actively invest in on-site facility improvements, including waste reduction activities using filter presses, greenhouse gas reduction through the expansion of solar power generation facilities, and the installation of automatic slideway oil supply systems. We also maintain an appropriate level of dedicated ESH personnel and strengthen their professional capabilities through continuous education and training. In addition, we continue to expand investments that improve employees' quality of life, including medical expense support, to create a healthy working environment for all employees.

ESH Investment Performance

(Unit: KRW 100 million)



ESH System Implementation

To achieve systematic and efficient company-wide ESH management, HANA Materials has established the Integrated Management Information System (IMIS) and is actively pursuing a phased digital transformation. Beyond serving as a simple operational support tool, the system plays a pivotal role as a core infrastructure for sustainability management by proactively identifying potential risks at each business site and strengthening the Company's ability to respond to key regulatory requirements. Since its initial implementation in 2022, the system has been expanded in phases each year. We continue to enhance its functionality by incorporating practical needs identified at our business sites. Furthermore, we plan to integrate AI technologies to enable data-driven predictive ESH management and enhance field usability through mobile applications, thereby establishing a smart ESH management system that enables real-time monitoring and response anytime and anywhere. Through the continuous advancement of this digital ESH system, HANA Materials will create a safer and more sustainable workplace with the aim of setting a new standard for ESH management.

Phased ESH System Implementation Plan

Category	2022 Achievements	2023 Achievements	2024 Achievements	2025 Achievements	Planned Enhancements
Common	• Regulatory Register	• Corrective and Preventive Actions • ESH Signage Requests	• ESH Education/ Training Records		• ESH KPI • TRIR • ESG Quantitative Indicators
Environmental	• Hazardous Chemicals	• Environmental Impact Assessment • Chemical Substances		• Integrated Environmental Management • Hazardous Materials • Chemical Accident Prevention Management	• Environmental Indicators • Greenhouse Gas Indicators
Safety	• Safe Work Permit		• Risk Assessment • Patrol • Safety Inspection Equipment Management	• Safe Work Plan	• Health and Safety Information Sheets • Incident Investigation
Health		• My Health Management • Health Consultation • Health Examination	• Job Stress	• Workplace Environment Monitoring	



ESH Management

Integration of ESG Management

Waste Management Targets and Performance

HANA Materials systematically manages waste generated at its business sites and continuously strives to reduce waste generation in phases to create a sustainable environment. To minimize the adverse environmental impacts of waste, we transparently and systematically manage the entire waste management process—including waste generation registration and recordkeeping—through the Allbaro System, the Ministry of Environment’s online waste management system, while ensuring full compliance with applicable legal requirements. Waste generated at our business sites is safely transported and treated by qualified contractors. When selecting waste management contractors, we prioritize recycling over landfill and incineration while comprehensively evaluating legal compliance, treatment capabilities, and response capacity to fulfill our environmental responsibilities. HANA Materials will continue to enhance its waste management system to minimize waste generation and improve recycling rates, thereby advancing resource circulation management.

Waste Management Targets

Category	Unit	2025 Performance	2026 Target
Volume of Waste Generation	Ton	3812	4838
Intensity	Ton/KRW 100 million	1.4	1.37

Waste Management Activities and Plans

	01	02	03
	Optimize Consumables Usage	Improve Operations and Management	Operate Reuse and Recycling Systems
Major Improvement Activities in 2025	- Expand the use of low-recycle consumables - Improve consumables efficiency and reduce waste generation through tool changes	- Reduce waste generation by improving equipment overhaul operating methods - Prevent waste generation by improving cooling water hose protection	- Operate a waste oil recycling program for vacuum pumps - Establish an automatic oil recycling circulation system - Reduce waste cutting fluid generation by expanding filter press facilities - Reduce waste alkaline solution generation by installing an ammonia stripping system
Detailed Action Plans for 2026	- Optimize the use of process and preventive maintenance (PM) consumables - Reduce waste battery generation through integrated UPS operation	- Reduce waste generation through integrated management of auxiliary materials and tools - Reduce paper consumption and waste generation through the digitalization of routine operations - Reduce waste liquid generation by optimizing cleaning process recipes	- Expand ammonia stripping facilities at Asan Campus 2 - Install additional filter presses at the Cheonan Campus and Asan Campus 2

Waste Management Strategy

HANA Materials has established and is implementing mid- to long-term targets to systematically manage waste generation and improve recycling rates in support of a sustainable environment. Although we set a target of achieving an 80% waste recycling rate by 2030, we exceeded this goal ahead of schedule by recording a recycling rate of 84% in 2025. Rather than becoming complacent with this achievement, we continue to implement key initiatives—including achieving zero waste to landfill and reducing the proportions of waste sent for incineration and neutralization—to advance resource circulation. Furthermore, we will continue exploring ways to further increase our recycling rate and actively review raising our targets based on our current performance to further enhance our environmental management.

Waste Recycling Targets

Category	Unit	2025 Performance	2026 Target
Recycling Rate	%	84%	59%
Landfill Rate	%	7%	10%

Mid- to Long-Term Waste Recycling Strategy

To achieve its recycling targets, HANA Materials has established three key initiatives: achieving zero waste to landfill, reducing the incineration rate to 10%, and reducing the neutralization rate to 10%. Detailed implementation plans have been developed and are being systematically executed for each initiative. To achieve zero waste to landfill, we continue to identify ways to convert waste previously sent to landfill into recyclable resources. We also focus on reducing the proportions of waste sent for incineration and neutralization to maximize resource circulation. Through the systematic implementation of these phased initiatives, we will minimize the environmental impacts of waste, strengthen resource circulation management, and realize sustainable business operations.



Mid- to Long-Term
Waste Recycling
Strategy

01 Achieve Zero Waste to Landfill	02 Reduce the Incineration Rate to 10%	03 Reduce the Neutralization Rate to 10%
- Apply alternative waste disposal methods for each process - Operate a process-sludge recycling program	Minimize sludge in cutting fluids by expanding the use of filter presses	- Continuously recycle waste liquids through segregated storage based on waste liquid characteristics - Reduce waste alkaline solution generation by introducing ammonia stripping facilities

ESH Management

Integration of ESG Management

Water Resource Management Targets and Performance

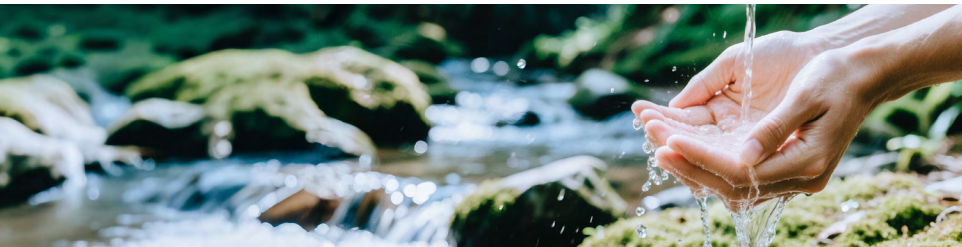
HANA Materials has established mid- to long-term targets to optimize water consumption for sustainable growth and is implementing them in phases. With the goal of reducing water consumption intensity by 5% each year through 2030, we are implementing systematic initiatives to reduce water use by improving water use efficiency throughout all production processes, optimizing facilities, and enhancing management systems. HANA Materials will continue to contribute to the efficient use of water resources and the minimization of environmental impacts.

Water Resource Management Targets

Category	Unit	2025 Performance	2026 Target
Water Consumption	kton	540	685
Intensity	kton/KRW 100 million	0.198	0.194

Water Resource Management Activities and Plans

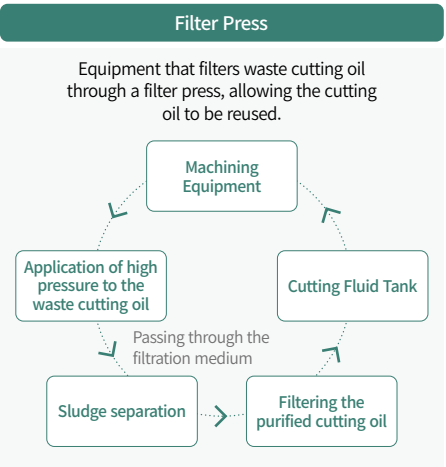
	01	02
	Optimize Water Use and Wastewater Generation	Expand Water Circulation and Reuse
Major Improvement Activities in 2025	- Reduce water consumption by optimizing DI water supply pressure - Reduce wastewater discharge by optimizing ammonia water process time	- Reduce water consumption by reusing RO concentrate generated from the ultrapure water system - Extend cooling water circulation cycles by optimizing cooling tower conductivity management standards
Detailed Action Plans for 2026	Reduce DI water consumption by optimizing cleaning process recipes	Expand the reuse of DI concentrate



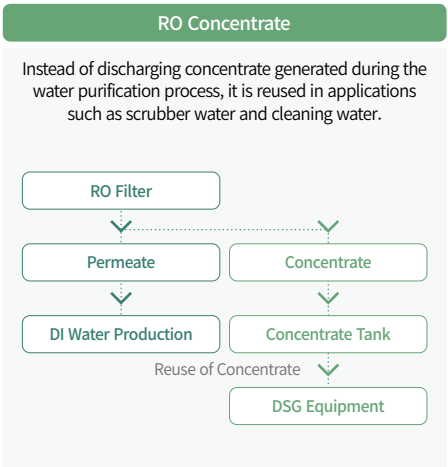
Water Resource Management Strategy

HANA Materials is implementing a variety of practical initiatives to reduce water consumption. At the Cheonan Campus, RO concentrate generated during the ultrapure water production process is stored in a reservoir and reused in scrubbers and other applicable processes, simultaneously reducing both water consumption and operating costs. In addition, we have introduced filter presses into our manufacturing processes to filter and reuse waste cutting fluid generated during machining operations, thereby reducing wastewater discharge and increasing reuse rates.

Water Recycling Process Using a Filter Press



RO Concentrate Reuse Process



Water-Saving Campaign

HANA Materials regularly conducts a Water Conservation Campaign for all employees to foster a culture of water conservation. Water-saving stickers are displayed throughout everyday workspaces, including restrooms, break rooms, and wash areas, creating an environment that naturally encourages employees to conserve water. HANA Materials will continue to raise environmental awareness so that employees themselves can actively practice water conservation in their daily work.



Water-Saving Campaign



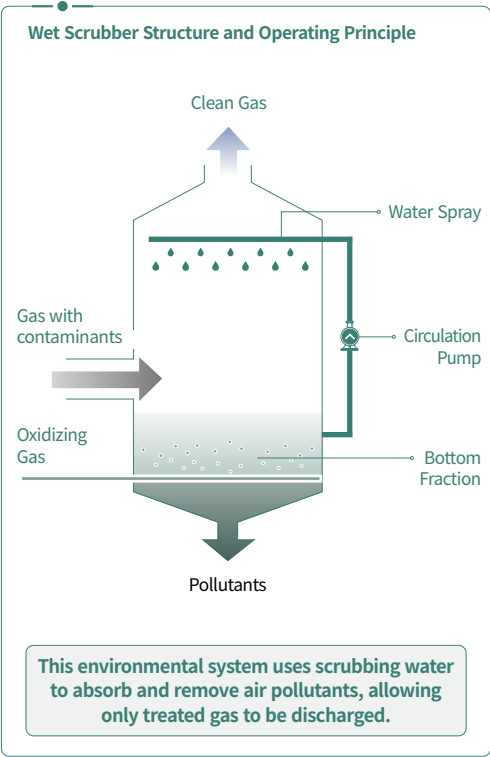
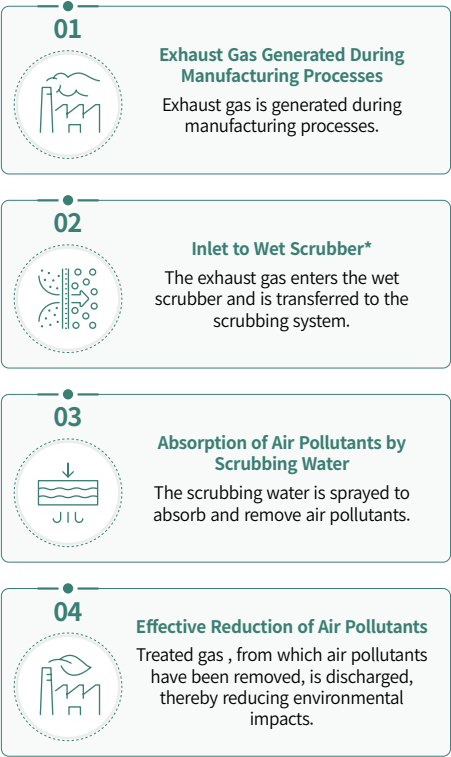
ESH Management

Pollutant Management

Air Pollutant Management System

HANA Materials operates a regular measurement and continuous monitoring system to effectively manage air pollutants generated at its business sites. In particular, Internet of Things (IoT)-based monitoring devices have been installed at major emission sources to enable real-time monitoring of air pollutant emissions and provide a transparent management environment that supports remote inspections by regulatory authorities. In addition, we continuously reduce air pollutant emissions by implementing multiple technical measures, including scrubbers to absorb and remove hazardous gases, filtration and electrostatic precipitators to capture particulate matter, and low-NOx boilers to reduce nitrogen oxide emissions.

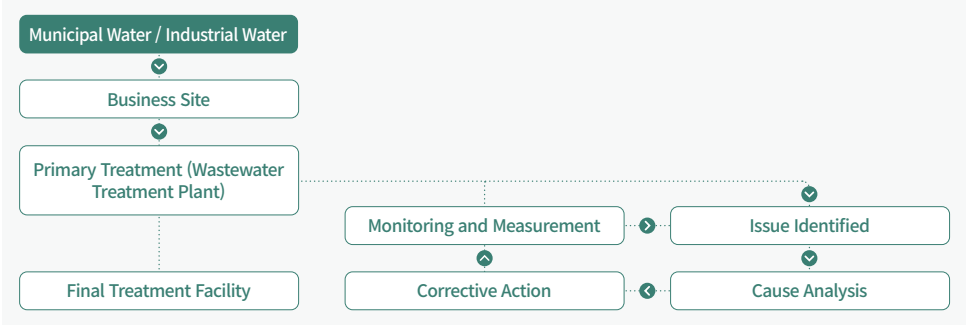
Scrubber Air Pollution Control Process



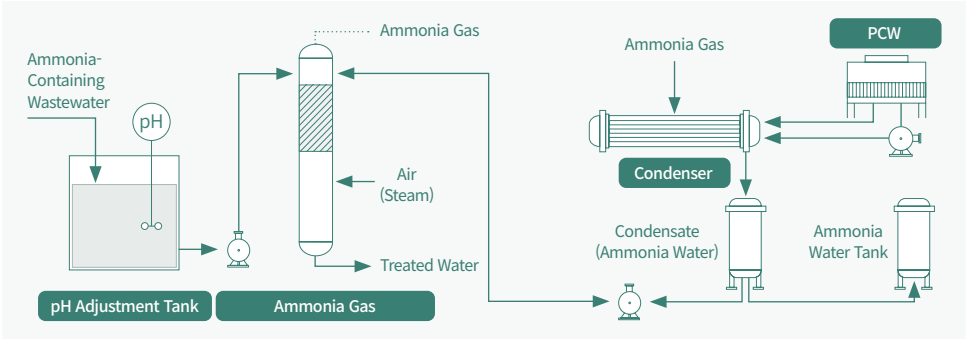
Water Pollutant Management System

HANA Materials conducts systematic periodic self-monitoring to manage water pollutants generated at its business sites. Water pollutants are categorized, measured, and managed by business site, and we continuously strengthen our wastewater monitoring and management system to minimize the environmental impacts of wastewater discharge. Furthermore, we have introduced ammonia stripping facilities to condense and remove ammonia from scrubber wastewater and cleaner wastewater, thereby effectively reducing pollutant concentrations in wastewater. Through these multilayered water quality management activities, we minimize water pollution arising from our operations while fulfilling our environmental responsibilities.

Water Quality Management Process



Ammonia Stripping Facility





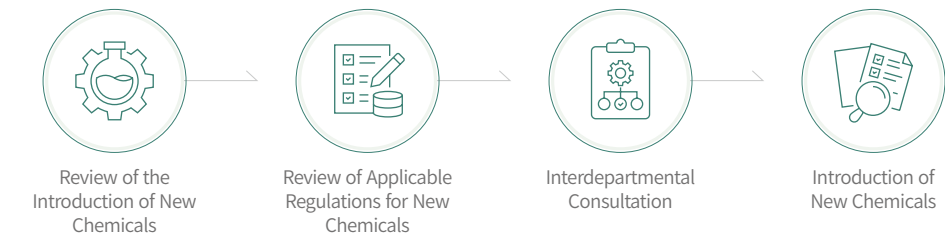
ESH Management

Hazardous Chemical Management

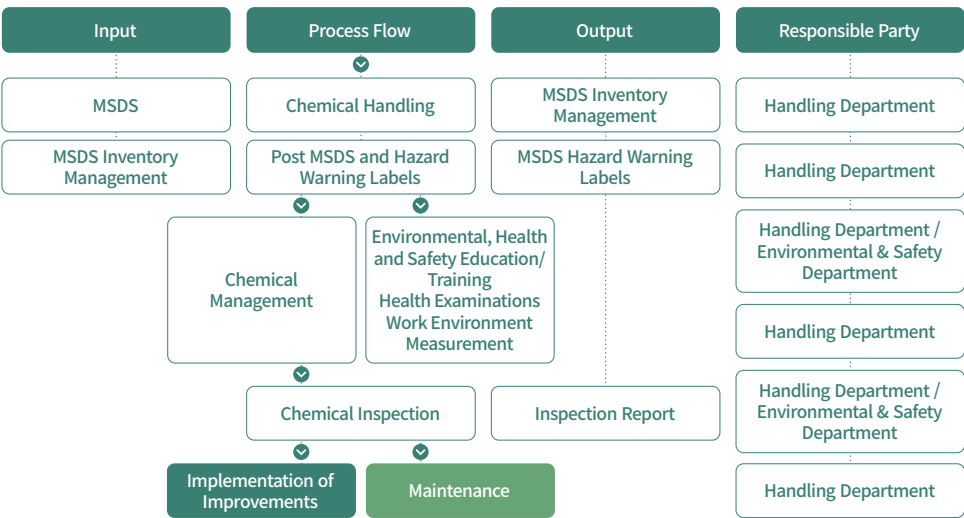
Chemical Substance Management System

HANA Materials systematically operates both internal and external audit systems to ensure the safe management of chemicals at its business sites. Strict management standards based on internal procedures are applied not only to existing chemicals but also to newly introduced chemicals, thereby proactively mitigating chemical-related risks. In addition, we conduct regular inspections and practical emergency response drills to ensure prompt and effective responses in the event of chemical-related emergencies.

Chemical Substance Management Process



Chemical Management Procedures After Introduction



Emergency Response Drills

HANA Materials regularly conducts chemical spill response drills for relevant personnel to ensure prompt and systematic responses in the event of hazardous chemical incidents. Through repeated training, employees develop the capability to respond calmly and effectively in actual emergency situations, thereby minimizing human and environmental damage caused by chemical incidents.



Hazardous Chemical Reduction Activities

HANA Materials operates a systematic management system to proactively respond to changes in domestic and international chemical regulations, with the aim of preventing chemical-related incidents at source. Before introducing new chemicals, we thoroughly review the hazards of each substance and its Material Safety Data Sheet (MSDS), thereby proactively addressing potential risks at the introduction stage. This preventive approach plays a key role in minimizing the likelihood of chemical-related incidents and protecting employee safety. In addition, throughout the entire business lifecycle—from procurement and production to disposal—we continuously identify the environmental impacts of chemicals, gradually reduce the use of hazardous chemicals, and actively seek to replace them with less hazardous alternatives. Going forward, HANA Materials will continue to advance its chemical management system and closely monitor regulatory developments to create a safe and environmentally responsible workplace.

Hazardous Chemical Reduction Performance	Boric	TMAH	Refractory Ceramic Fiber
Reduction/Substitution Implementation Date	2020.11	2023.02	2025.07
Reduction/Substitution Completion Date	2021.06	2024.01	2025.09



ESH Management

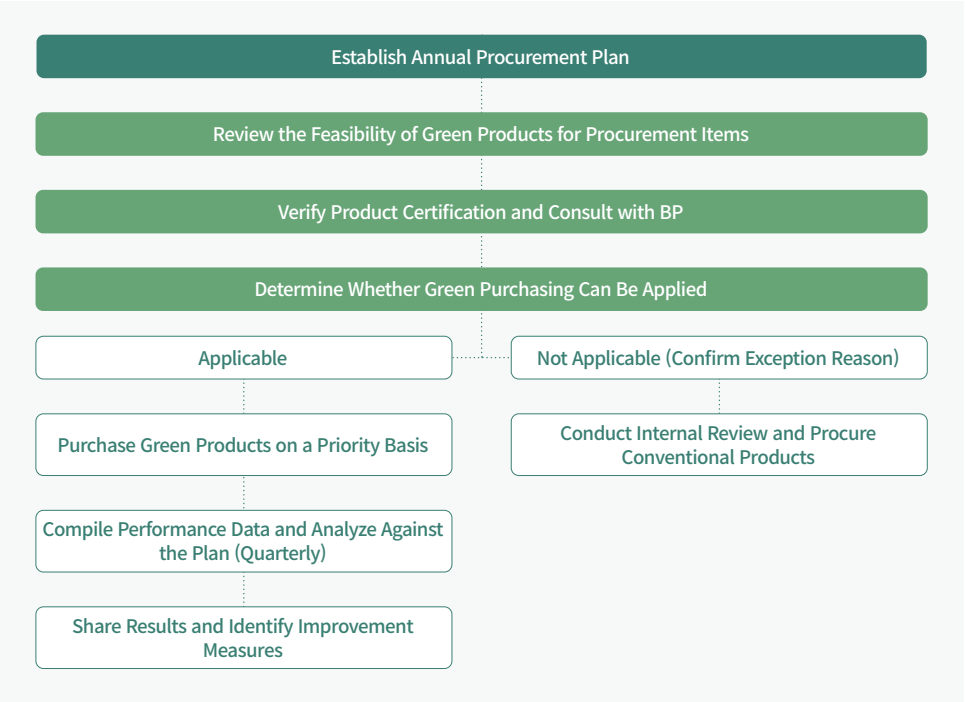
Green Purchasing

HANA Materials has established a Green Purchasing Policy as a key component of its ESG strategy to address the climate crisis and advance resource circulation, and is building a company-wide green purchasing system. Based on applicable laws, including the Framework Act on Carbon Neutrality and Green Growth for Coping with Climate Crisis and the Act on Promotion of Purchase of Green Products, we clearly define certified environmentally labeled products, Environmental Product Declaration (EPD)-certified products, and recycled products as priority purchasing categories. The Purchasing Group systematically manages performance and establishes annual purchasing plans. We continuously monitor the status of environmental certifications held by registered suppliers (BPs) and actively encourage them to obtain new certifications through an incentive program, thereby promoting the transition to environmentally responsible practices throughout the supply chain. Where the purchase of conventional products is unavoidable due to the absence of environmentally preferable alternatives or considerations such as supply stability, quality, or price competitiveness, we maintain the credibility of our policy through exception reviews based on internal criteria and transparent record management. At the same time, because customer specifications in the semiconductor industry are strictly defined, there are certain limitations on expanding green purchasing. Nevertheless, we will continue to actively review phased implementation for applicable product categories and gradually broaden the scope of environmentally responsible purchasing.

Definition of Green Products

- ❶ Products certified for the Environmental Label under Article 17(1) of the Environmental Technology and Industry Support Act, or products that meet the certification criteria announced by the Minister of Environment pursuant to Article 17(3) of the same Act.
- ❷ Products certified for the Environmental Product Declaration (EPD) under Article 18(1) of the Environmental Technology and Industry Support Act that reduce greenhouse gas emissions in accordance with the criteria announced by the Minister of Environment pursuant to Article 2(5) of the Framework Act on Carbon Neutrality and Green Growth for Coping with Climate Crisis.
- ❸ Products certified as quality-assured recycled products, or products meeting the applicable certification criteria, pursuant to Article 33 of the Act on the Promotion of Saving and Recycling of Resources and Article 15 of the Industrial Technology Innovation Promotion Act, as announced by the Minister of Trade, Industry and Energy.
- ❹ Other products designated as green products that satisfy the criteria for each applicable product category announced by the Minister of Environment in consultation with the heads of relevant ministries.

Green Purchasing Process



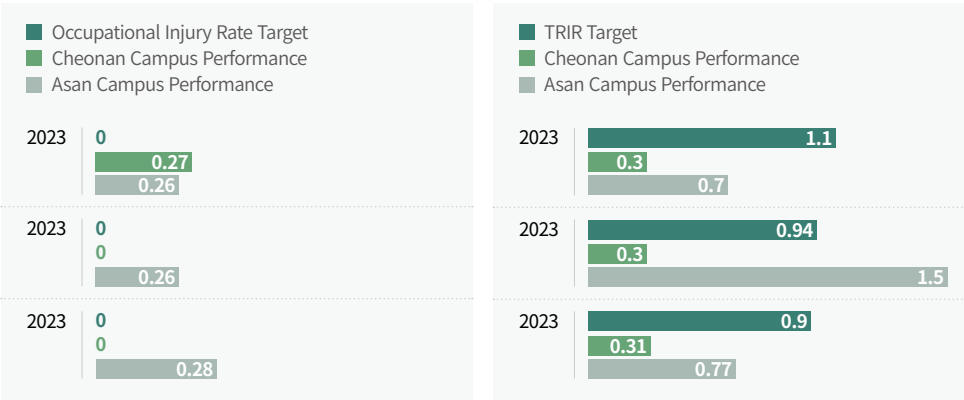
ESH Management

Health and Safety Target Management

Health and Safety Management Targets and Performance

HANA Materials places the highest priority on the lives and health of its employees and systematically pursues mid- to long-term goals to prevent serious accidents and create a safe working environment. With the key objectives of achieving a company-wide occupational injury rate of zero and a TRIR* of 0.5 by 2030, we are implementing phased action plans focused on strengthening accident prevention activities, fostering a strong safety culture, and advancing our continuous monitoring system. Beyond achieving numerical targets, we are committed to embedding a culture in which all employees recognize safety as the highest priority and voluntarily comply with safety rules, while striving to create a workplace free from serious accidents.

* TRIR: Total Recordable Incident Rate = (Total Recordable Cases × 200,000) / Total Hours Worked



Health and Safety Management Strategy

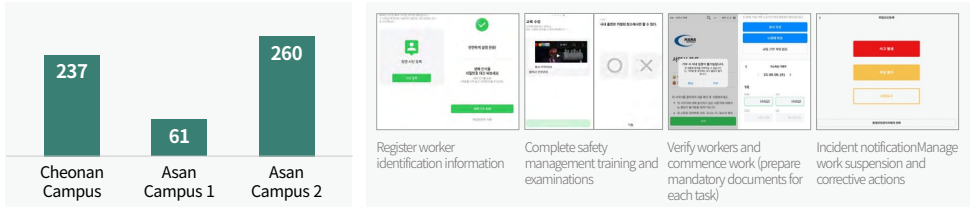
Category	Key Initiatives	Action Plan
Accident Prevention	Advance Risk Assessment	Collect AI/IoT-based data and prioritize improvements to high-risk processes
	Improve Equipment Safety	Replace aging equipment and achieve 100% installation of machine guarding
Safety Culture Establishment	Strengthen Safety Leadership	Conduct management-led safety walkthroughs and strengthen safety leadership training
Monitoring	KPI-Based Management System	Regular Monitoring of Key Indicators, Including TRIR, Accident Rate, and Employee Safety Culture Awareness
	Strengthen the Compliance Assessment System	Conduct health and safety compliance assessments at least twice a year

Achieving Zero Safety Accidents

Safe Work Permit System

HANA Materials operates a Safe Work Permit System to assess risks before work begins. By converting the existing system to a mobile-based platform, we have improved accessibility for employees and suppliers while strengthening our preventive management system by enabling immediate reporting of hazardous situations. Through the mobile ONE System, we efficiently manage safety training, monitor corrective actions, and conduct real-time monitoring of work progress.

Number of Work Permits Registered in the ONE System



ESH Patrol

HANA Materials conducts monthly ESH Patrol activities to verify compliance with ESH laws, regulations, and internal standards while identifying workplace hazards. Identified hazards are immediately addressed through appropriate improvement measures, and the results are shared through the Company's internal information system, enabling all departments to respond promptly to safety issues in real time.

Safety Inspection Day

HANA Materials operates a monthly Safety Inspection Day to foster a safety culture in which on-site employees voluntarily identify and improve workplace hazards. Through this initiative, we enhance safety awareness among all employees and proactively mitigate potential risks.

Supplier Consultative Body

To prevent safety incidents and ensure prompt responses, HANA Materials operates a monthly in-person supplier consultative body where workplace safety issues and improvement measures are regularly shared. In addition, joint inspections are conducted quarterly to proactively identify and address potential hazards across our business sites, thereby minimizing the likelihood of safety incidents.

ESH Management

Promoting a Health and Safety Culture

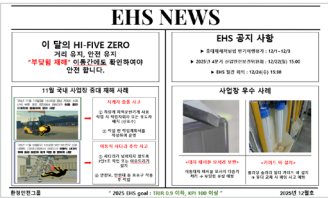
Health and Safety Improvement Suggestions

HANA Materials encourages employees to voluntarily identify potential workplace hazards and propose improvement ideas. Employees identify and share “near misses” involving potential workplace accidents to prevent incidents in advance, and proposed ideas are reviewed through the ESH system and reflected in workplace improvements, thereby creating a safe working environment shaped by the participation of all employees.

Number of Suggestions	2023	2024	2025
ESH	732	408	204
Near Misses	101	54	244
Total	833	462	448

Publication of Monthly ESH News

HANA Materials regularly publishes monthly ESH NEWS to promote a health and safety culture across the organization. We raise awareness by sharing serious accident cases from other companies’ business sites and distribute ESH notices and best practices in safety facility improvements and accident prevention across the Company. We also share the annual health and safety targets with all employees and foster a safety culture in which everyone works together to achieve them.



Designation as a Ma-eum Bom Workplace

Following its designation as a “Ma-eum Bom Workplace,” HANA Materials is working to enhance the psychological well-being of middle-aged and older employees and create a healthy working environment. We provide various programs, including psychological counseling support and mental health promotion programs, to support employees’ emotional well-being, and plan to continue expanding these programs.



Health Promotion Program

HANA Materials actively implements various health promotion activities to support employees’ healthy lives and create a pleasant working environment. In 2025, we conducted a responsible drinking campaign in cooperation with a local public health center to help prevent chronic diseases. We also operated various employee participation programs, including a virtual alcohol impairment experience, alcohol education, a workplace drinking behavior survey, and an alcohol-related genetic test patch, to raise health awareness. HANA Materials will continue expanding programs that support employees’ physical and mental health, creating an environment where all employees can work in good health and with vitality.

Responsible Drinking Campaign

Category	Details
Date	2025.06.19, 2025.06.23
Partner Organization	Asan City Health Center
Campaign Activities	- Virtual alcohol impairment experience - Alcohol education - Workplace drinking behavior survey - Alcohol-related genetic test patch



Stop Excessive Drinking! Start Responsible Drinking! Campaign

Safety Culture Awareness Survey

HANA Materials conducts an annual Safety Culture Awareness Survey for all employees to objectively assess the level of safety culture within the organization and establish a sustainable safety management system. We closely analyze the survey results and actively reflect identified areas for improvement in our safety management plans so that they lead to tangible improvements in workplace safety. We will continue monitoring changes in safety culture through the survey and foster a safety culture in which all employees voluntarily participate as active contributors to workplace safety.

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설문 기간 2025.10.27. 오전 08:00 ~ 2025.11.18. 오전 12:00



Climate Change Response

Climate Change Response

Climate Change Governance

HANA Materials has established a systematic management structure to support company-wide climate change response. The ESG Committee under the Board of Directors is responsible for key decisions related to climate change response, while the CEO reviews the implementation status of response strategies and policies and monitors performance to support the ESG Committee's decision-making. The Chief Safety Officer (CSO) establishes implementation tasks and manages the performance of working-level organizations. The ESG Working-Level TFT appoints the CSO representative as its lead manager and identifies and implements environmental management tasks by department while discussing key environmental risks and opportunities.

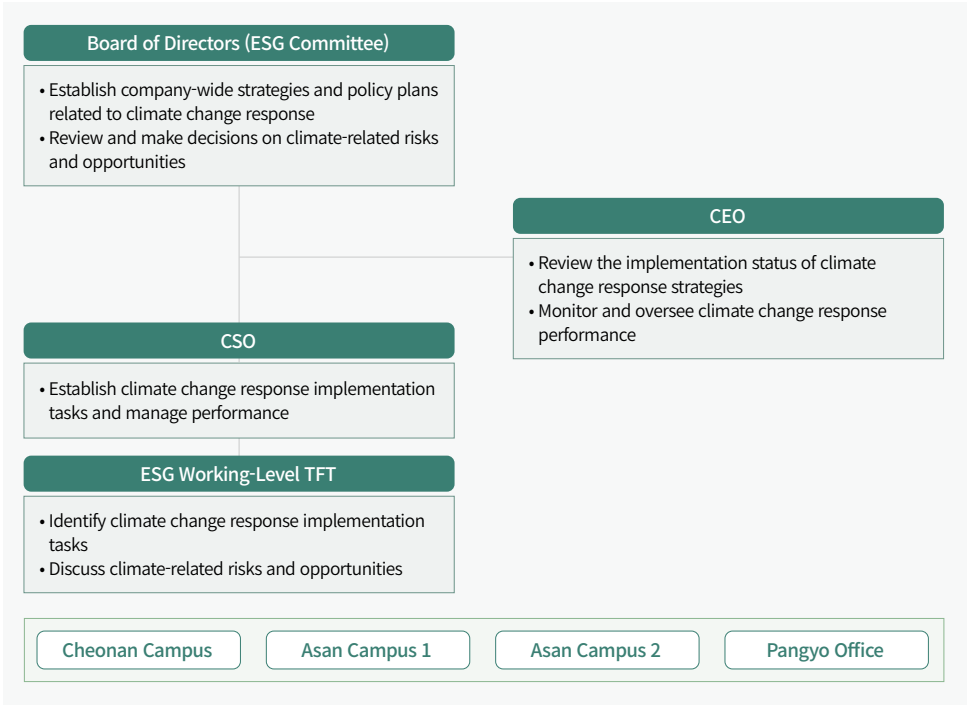
Roles and Responsibilities of the ESG Committee

HANA Materials established the ESG Committee under the Board of Directors to respond effectively to climate-related risks and opportunities and systematically discuss key ESG matters, including climate change. The ESG Committee consists of two executive directors and one independent director, with an executive director serving as Chair. The Committee plays a key role as the highest decision-making body that establishes mid- to long-term climate strategies and annual management plans and reviews and resolves key ESG matters, including climate change response. In 2025, the Committee convened twice and carried out substantive decision-making functions by reviewing and resolving agenda items related to the ESG materiality assessment results, sustainability management strategy, mid- to long-term environmental targets, and climate change response KPIs. HANA Materials will continue to advance its climate change response strategy and strengthen the execution of environmental management under the leadership of the ESG Committee.

Roles and Responsibilities of Management

The CEO supports the ESG Committee in making appropriate decisions and manages and oversees climate change response initiatives. The CSO oversees the ESG Working-Level TFT for climate change response, establishes implementation tasks, manages performance, and monitors the activities of working-level organizations.

Climate Change Management Structure and Roles





Climate Change Response

Climate Change Response

Climate Change Response Strategy

Energy Reduction Activities and Targets

HANA Materials is actively pursuing energy efficiency improvements as a key component of its climate change response strategy. Based on risks identified through environmental impact assessments, we discuss improvement measures, and each working-level department independently identifies climate change response tasks and implements energy efficiency improvements. Absolute electricity consumption is expected to increase in 2026 due to higher production volume. However, we have set a target to improve electricity consumption intensity compared with 2025 performance and are focusing on optimizing energy use through improved production efficiency. Even where an increase in absolute energy consumption is unavoidable due to higher production volume, HANA Materials uses efficiency improvement on an intensity basis as a key indicator and is establishing and implementing specific measures to reduce carbon emissions in phases.

Energy Management Targets and Performance

Category	Unit	2025 Performance	2026 Target
Electricity Consumption	Mwh	97,582	130,735
Intensity	Mwh/KRW 100 million	0.530	0.520

Energy Management Strategy

As more than 90% of HANA Materials' greenhouse gas emissions result from Scope 2 electricity consumption due to the nature of its processes, we plan to focus on reducing energy use in manufacturing processes by expanding on-site renewable energy facilities, installing inverters, and operating high-efficiency equipment.

	01	02	03
	Expanding Renewable Energy	Optimization of Facility and Process Operations	Operation of High-Efficiency Equipment
Key Improvement Activities in 2025	Installation of solar power generation facilities at the Cheonan Campus	- Optimization of utility equipment control and operation, including pumps and inverters - Minimization of standby power consumption in production processes and auxiliary facilities - Reduction of equipment operating power through shorter process stabilization times - Installation of corridor sensor lighting and optimization of lighting operations	Improvement of heater power efficiency
Detailed Action Plan for 2026	Install additional solar power generation facilities at Asan Campus 2	- Optimize lighting operations during lunch breaks and after working hours - Improve utility equipment control conditions and optimize operations	Apply cooling energy recovery by installing heat exchangers connected to cooling towers

Greenhouse Gas Emissions Reduction Targets and Performance

The Cheonan Campus is subject to Korea's Greenhouse Gas and Energy Target Management System and establishes and reports annual reduction targets to the government. In 2025, the Campus set an ambitious target of reducing emissions by 3.1% compared with projected emissions; however, actual emissions slightly exceeded the target. Accordingly, HANA Materials will continue its efforts to reduce greenhouse gas emissions to the target level and respond to climate change.

Greenhouse Gas Emissions	tCO ₂ eq
2025 Target	25,403
2025 Performance	26,349
2026 Target	24,388

* Targets and performance for the Cheonan Campus

Energy Saving Activities

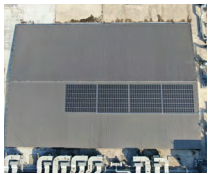
Activity	Energy Savings (kWh)	Greenhouse Gas Emissions Reductions (tCO ₂ eq)
Installation of Solar Power Generation Facilities at the Cheonan Campus	94,354	43
Optimization of utility equipment control and operation, including pumps and inverters	841,615	387
Minimization of Standby Power Consumption in Production Processes and Auxiliary Facilities	561,800	258
Reduction of equipment operating power through shorter process stabilization times	53,457	25
Installation of corridor sensor lighting and optimization of lighting operations	29,151	13
Improvement of heater power efficiency	559,494	257

Expansion of Renewable Energy Use

HANA Materials installed new solar power generation facilities at the Cheonan Campus to accelerate the transition to renewable energy and generated 226,843 kWh annually at the Asan Campus 1 and Cheonan Campus. In 2026, we plan to install additional solar power generation facilities at Asan Campus 2 to expand renewable energy generation capacity and continue reducing energy consumption and carbon emissions.



Solar Power Generation Facilities at the Cheonan Campus



Solar Power Generation Facilities at Asan Campus 1



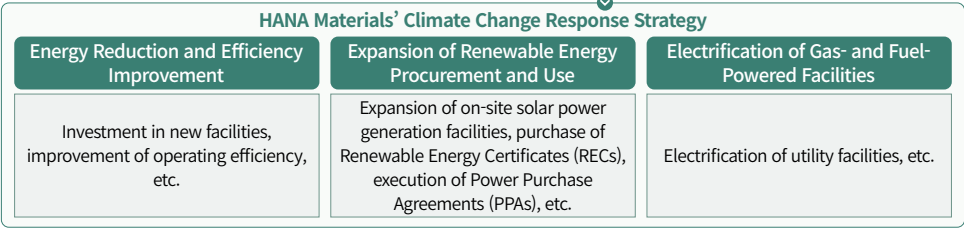
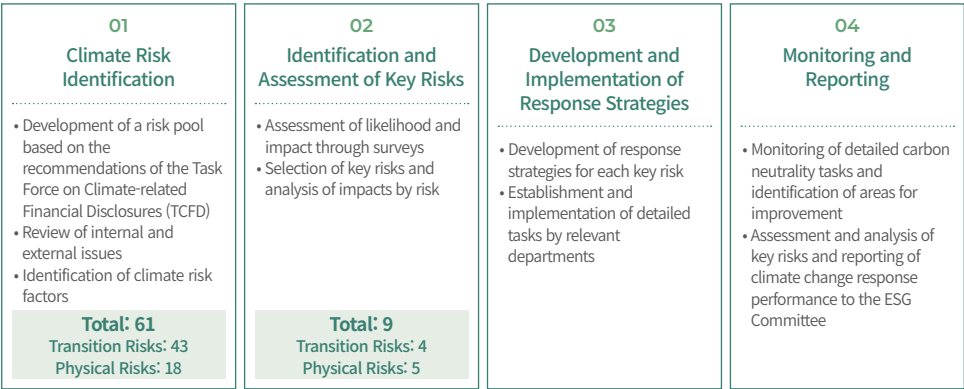
Climate Change Response

Climate Change Response

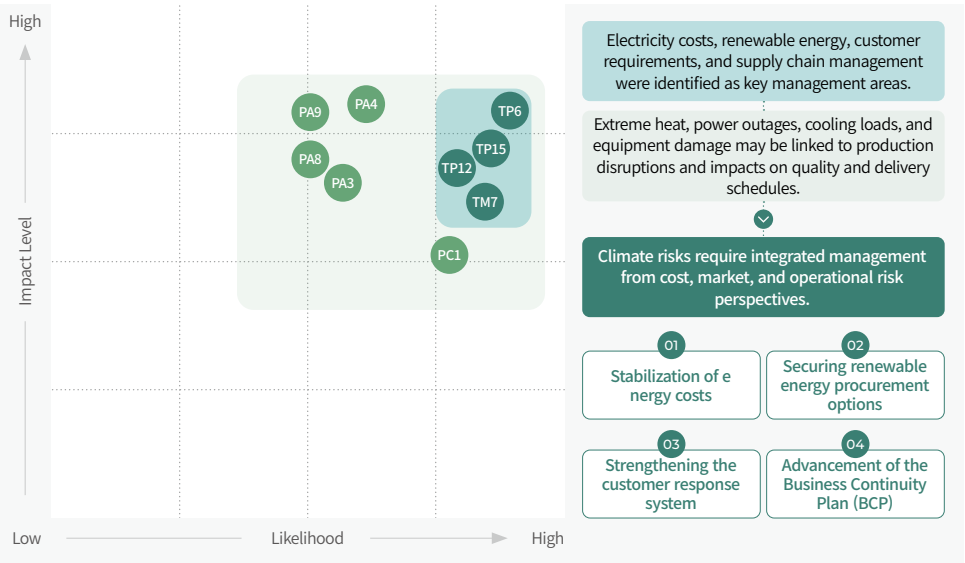
Identification of Climate Change Risks

Climate Change Risk Management Process

HANA Materials recognizes climate change as a key management issue and has established a company-wide integrated climate risk management system to respond systematically. The climate risk management process consists of four stages: risk identification, identification and assessment of key risks, development and implementation of response strategies, and monitoring and reporting. Close linkage among these stages enhances the effectiveness of our climate change response. At the risk identification stage, we review internal and external issues to identify climate risk factors and develop a risk pool. At the key risk identification and assessment stage, we comprehensively assess the likelihood and impact of each risk and select key risks requiring priority management. At the response strategy development and implementation stage, we establish tailored response strategies and detailed tasks for each key risk and implement them through relevant departments. We also continuously review and advance detailed tasks to achieve carbon neutrality. At the monitoring and reporting stage, we regularly monitor task implementation and identify areas for improvement. We also review performance against key tasks in the carbon neutrality roadmap and report the status of climate risk responses to the ESG Committee, thereby strengthening responsible management. HANA Materials will continue to advance its climate risk management system and strengthen its climate change response capabilities to achieve its company-wide carbon neutrality target.



Climate Risk Assessment Results



				Impact Level	High	Medium	Low
Rank	Category		Climate Risk	Impact Level			Likelihood
1	Transition	Policy & Regulation	[TP6] Increased need for PPAs, RECs, and renewable energy procurement		High		High
2	Transition	Policy & Regulation	[TP15] Need for carbon reduction cooperation with upstream supply chain partners		High		High
3	Transition	Market	[TM7] Risk of reduced profitability due to rising electricity prices		High		Medium
4	Transition	Policy & Regulation	[TP12] Increasing greenhouse gas reduction requirements from major customers		High		Medium
5	Physical	Acute	[PA4] Risk of production line disruptions and reduced yield		Medium		High
6	Physical	Chronic	[PC1] Increased cooling loads due to rising temperatures		High		Medium
7	Physical	Acute	[PA9] Potential immediate revenue loss in the event of a disaster		Medium		High
8	Physical	Acute	[PA3] Risk of plant shutdowns and equipment damage		Medium		High
9	Physical	Acute	[PA8] Risk of impaired production equipment and utility infrastructure		Medium		High

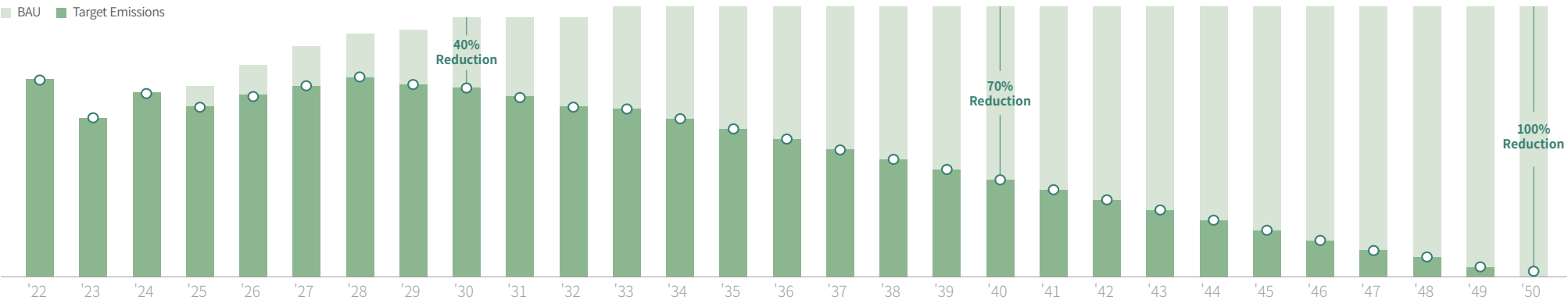


Climate Change Response

Climate Change Response

Metrics and Targets

HANA Materials has established a mid- to long-term roadmap and phased strategies to achieve carbon neutrality by 2050 and is implementing them systematically. Because more than 90% of our total greenhouse gas emissions arise from Scope 2 electricity consumption due to the nature of our processes, we recognize that reducing electricity consumption is a key task in achieving carbon neutrality. Accordingly, we are focusing on energy efficiency initiatives, including inverter installation and the introduction of high-efficiency equipment. As part of our phased strategy, we began actively optimizing energy consumption in 2025 through operational efficiency improvements and the replacement of equipment with high-efficiency alternatives. Beginning in 2028, we plan to gradually reduce carbon emissions by accelerating the transition to renewable energy and expanding related investments. Through this phased and systematic approach, HANA Materials aims to achieve its ultimate goal of carbon neutrality by 2050.



Scope 1

- '25 Energy efficiency initiatives, including waste heat recovery and adjustments to equipment operating hours
- '28 Transition of company vehicles to electric vehicles (K-EV00)
- '29 Electrification of cafeteria equipment
- '34 Replacement of absorption chillers and heaters with electric alternatives
- '35 Replacement of one boiler with an electric alternative
- '40 Replacement of two boilers with electric alternatives

Scope 2

- '25 Installation of rooftop on-site solar power generation facilities
- '25 Energy efficiency initiatives, including high-efficiency equipment operation and facility/process optimization
- '28 Purchase of Renewable Energy Certificates (RECs)
- '30 Execution of Power Purchase Agreements (PPAs)



Company Overview

ESG Foundation

ESG Performance

Environmental

Social

- Human Rights Management
- Employee-Centered Management
- Sustainable Supply Chain Management
- Quality Innovation
- Information Security and Privacy Protection
- Community Engagement
- Governance

ESG Fact Book

Appendix

SOCIAL

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Quality Innovation	51
Information Security and Privacy Protection	56
Community Engagement	59





Human Rights Management

Advancement of Human Rights Management

Human Rights Policy

HANA Materials recognizes respect for human rights not merely as a principle but as a foundation of its management activities, and actively works to create an environment in which all stakeholders—including employees, customers, suppliers, and local communities—are treated with dignity and can lead fulfilling lives. Using the Human Rights Management Declaration as a code of conduct, we apply strict standards across all management activities, including recruitment and promotion, to prevent discrimination based on gender, race, nationality, religion, age, disability, pregnancy, marital status, or social status. Furthermore, to proactively identify and prevent various human rights risks that may arise across our business activities, we have established human rights management policies covering 10 areas and systematically operate effective processes to prevent human rights violations and provide remediation. HANA Materials will continue to faithfully implement international norms and standards related to human rights and labor and build a corporate ecosystem in which all stakeholders are respected without discrimination or infringement.

Human Rights Management Regulations

Human Rights Management Declaration

We make human dignity and value our highest priority in our management activities.

We do not discriminate against any stakeholder, including employees, based on gender, race, nationality, religion, age, disability, place of birth, political opinion, or any other status.

We guarantee freedom of association and collective bargaining and foster a culture of trust between labor and management.

We do not permit any form of forced labor or child labor.

We create a safe and healthy working environment and safeguard occupational safety and the right to health.

We conduct transparent and fair transactions with all stakeholders and support and cooperate with them to implement human rights management.

We respect and protect the human rights of local residents in the regions where we conduct business activities.

We comply with domestic and international environmental laws and regulations and strive to protect the environment and prevent pollution.

We strive to prevent our business activities from endangering public safety, protect personal data collected in the course of business, and ensure consumers' right of access to information.

We provide prompt and appropriate remediation for human rights violations arising from our business activities.

March 25, 2024

Hyun Joo Kim, President of HANA Materials Inc.

Human Rights Management Principles

HANA Materials' Human Rights Management Principles were established around 10 key human rights elements that require priority management across all business activities. Our core principles include non-discrimination, prohibition of forced labor and child labor, prevention of workplace harassment, fair wages and benefits, protection of freedom of association, creation of a safe working environment, protection of personal data, and management of suppliers' human rights practices. By faithfully implementing these principles, we proactively prevent human rights violations and foster a rights-respecting management environment in which all stakeholders are respected.

Ten Principles of Human Rights Management



Mid- to Long-Term Human Rights Management Goals

HANA Materials has established management policies aligned with the human rights protection principles of major domestic and international human rights organizations and continues to maintain consistency with global human rights standards. Based on these policies, we have established mid- to long-term human rights management goals and are systematically implementing phased action plans, thereby embedding respect for human rights as a core value in business expansion and management activities.





Human Rights Management

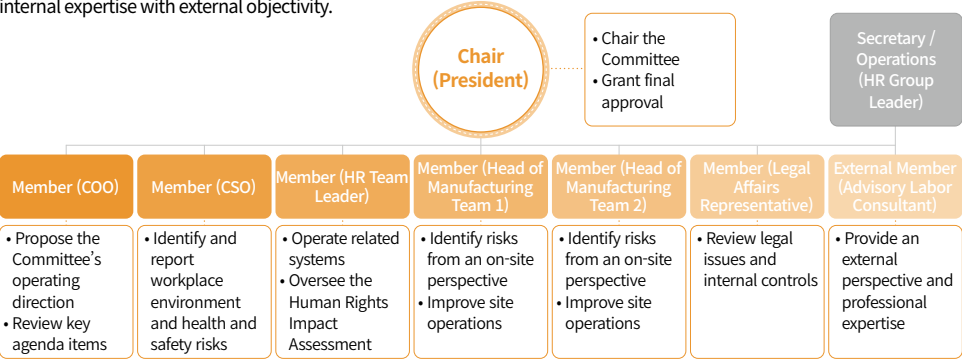
- Employee-Centered Management
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Human Rights Management

Human Rights Impact Assessment Committee: Organization and Responsibilities

Purpose of Establishing the Human Rights Impact Assessment Committee

HANA Materials established the Human Rights Impact Assessment Committee in May 2025 to systematically identify human rights risks embedded across its management activities and determine areas for improvement. The Committee is responsible for conducting human rights impact assessments, reviewing and approving assessment results, and strengthening the sustainability of human rights management activities. Chaired by the President, it consists of six internal members and one external expert member, a certified labor consultant, creating an operating structure that balances internal expertise with external objectivity.



Human Rights Impact Assessment Operating Regulations

To establish an institutional foundation for the systematic operation of the Human Rights Impact Assessment Committee, HANA Materials enacted the Human Rights Impact Assessment Operating Regulations when the Committee was launched in May 2025. The Regulations stipulate that a human rights impact assessment must be conducted at least once a year and that a regular meeting must be held once a year, thereby establishing an institutional foundation for continuous and systematic implementation of human rights management activities rather than one-time initiatives.

- Article 1 (Purpose)**
The purpose of these Regulations is to establish operating standards to ensure the fairness, consistency, and effectiveness of the Company's human rights impact assessment activities.

Article 2 (Scope)
These Regulations apply to all personnel at all HANA Materials business sites, including overseas offices.

Article 3 (Functions of the Committee)
Human rights risk identification and assessment, review of human rights impact assessment results and identification of improvement measures, collection and reporting of stakeholder feedback, and review of improvements to education and policies.
- Article 4 (Operating Method)**
1) One regular meeting each year, with ad hoc meetings held as necessary
2) Special meetings may be held when human rights issues arise
3) Preparation of meeting minutes and follow-up management of implementation items

Article 5 (Assessment Cycle and Method)
1) Self-assessments conducted at least once a year, together with on-site interviews, surveys, and other methods
2) Identification of all applicable groups, including external supplier employees and dispatched workers

Selection of Human Rights Impact Assessment Participants and Assessment Method

HANA Materials' Human Rights Impact Assessment covers all employees as the primary assessment group, while vulnerable groups—including employees in high-risk positions, employees at or below senior staff level, female employees, persons with disabilities, and foreign workers—are separately identified for more in-depth assessment. The assessment will use multiple methods, including surveys, reviews of grievance consultation and reporting documents, and on-site inspections, to closely identify human rights risks that may arise in practice and develop effective improvement measures.

Detailed Human Rights Impact Assessment Process Detailed Human Rights Impact Assessment Checklist Items (Pop-Up)





Human Rights Management

- Employee-Centered Management
- Sustainable Supply Chain Management
- Quality Innovation
- Information Security and Privacy Protection
- Community Engagement
- Governance

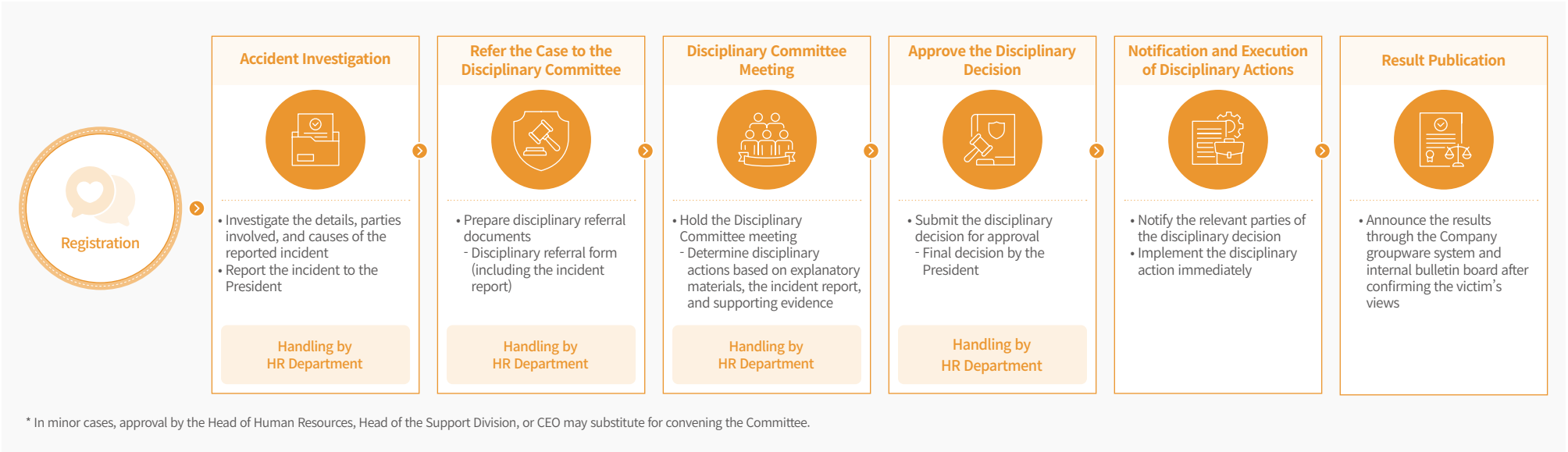
Human Rights Management

Mitigation of Human Rights Risks

Grievance Reporting and Resolution Process

HANA Materials operates both offline grievance boxes and a hotline managed by the HR Team Leader to provide all employees with a convenient and secure environment for reporting various grievances, including human rights violations, workplace harassment, and discrimination. Through grievance boxes permanently installed in employee break rooms, employees may freely choose to submit reports either anonymously or under their own names. When a report is submitted under the employee's name, the investigation results are communicated directly to the reporting employee to ensure transparency throughout the process. In addition, the names and contact information of grievance officers are publicly displayed at each business site to improve accessibility. Grievance officers are also required to regularly review submitted reports, ensuring both timely and accountable grievance handling. In particular, immediate resolution is the guiding principle depending on the severity of the issue, enabling proactive action to prevent prolonged harm or secondary victimization. HANA Materials will continue to protect victims through prompt and fair handling of human rights issues while analyzing root causes and establishing thorough recurrence prevention measures to foster a rights-respecting organizational culture where all employees can work with confidence.

Grievance Reporting and Resolution Process



Human Rights Education

HANA Materials provides annual human rights education for all employees to continuously strengthen awareness of human rights protection. In 2025, all employees completed one-hour training sessions on sexual harassment prevention, disability awareness, and workplace harassment prevention, achieving a 100% completion rate. Furthermore, we continue to improve training content and actively incorporate the latest trends in human rights management, creating a learning environment that encourages greater employee participation and strengthens human rights awareness.

Human Rights Education Status

Category	Unit	2023	2024	2025
Sexual Harassment Prevention Education	Hours	1	1	1
Disability awareness education	Hours	1	1	1
Workplace Harassment Prevention	Hours	1	1	1
Number of Participants	Persons(%)	713(100)	752(100)	697(100)



- Human Rights Management
- Employee-Centered Management
- Sustainable Supply Chain Management
- Quality Innovation
- Information Security and Privacy Protection
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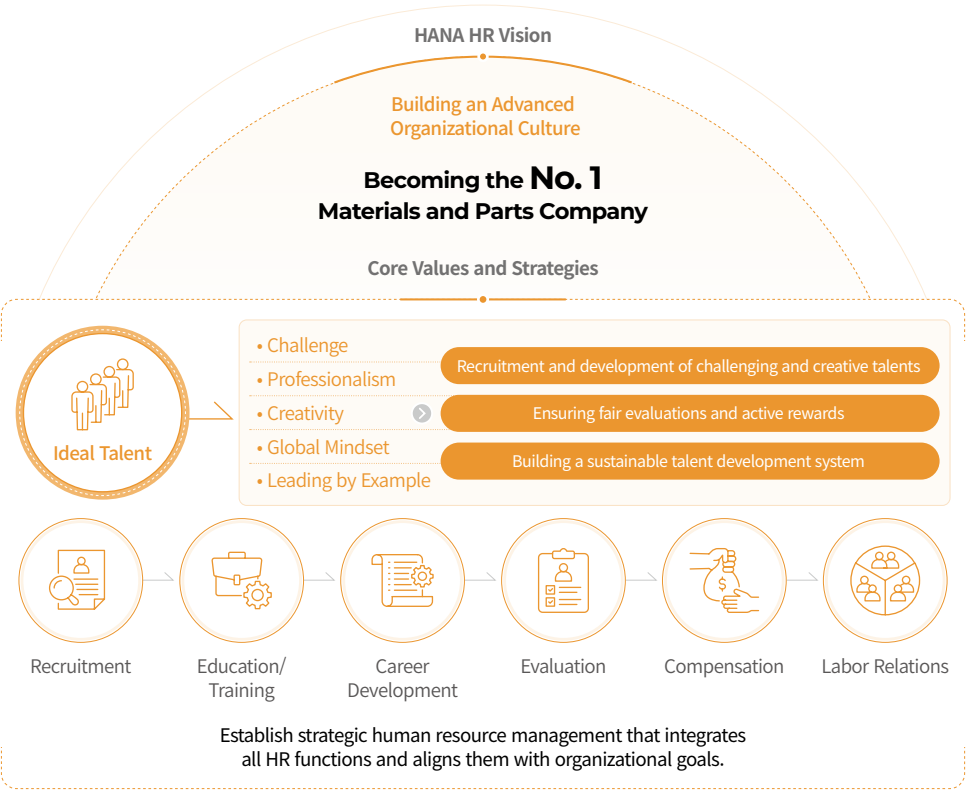
Employee-Centered Management

Human Resource Management

Establishment of Talent Management System

HANA Materials recognizes that attracting and developing outstanding talent is fundamental to corporate competitiveness. Accordingly, we have established an integrated human resource management system that organically links recruitment, education, performance evaluation, and compensation to maximize the capabilities and growth potential of every employee. Guided by our HR vision—“Building an Advanced Organizational Culture and Becoming the No. 1 Materials and Parts Company Through Our Core Values”—we recruit and develop talented individuals with a spirit of challenge and creativity while fostering a culture of fair performance evaluation and competitive rewards. Furthermore, we operate a talent development system that enables continuous employee growth, creating a virtuous cycle in which individual development and organizational goals are achieved together.

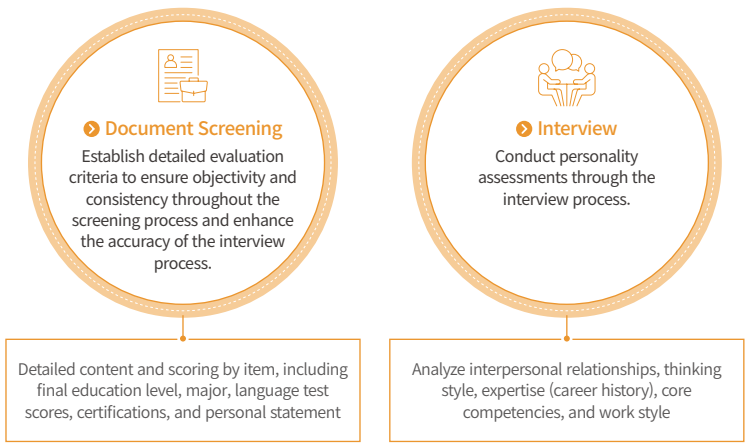
Talent Management Framework



Fair Talent Acquisition

To proactively respond to the rapidly changing business environment and the advancement of its business portfolio, HANA Materials completely redesigned its recruitment system and established a new recruitment branding strategy in 2024. Recognizing that attracting individuals with exceptional capabilities and strong growth potential is essential to maintaining a sustainable competitive advantage in a changing market, we have transformed our overall recruitment system and developed more effective talent acquisition strategies. To secure professionals with both expertise and leadership in semiconductor materials and parts, we operate multiple recruitment channels, including experienced-hire recruitment and executive search firms. We also actively identify promising talent through university career fairs, shared recruitment events with suppliers, employee referral programs, and internal recruitment opportunities. In particular, we continue to expand our recruitment channels so that talented individuals with diverse backgrounds and capabilities have greater opportunities to join HANA Materials. Every stage of the recruitment process strictly complies with the Fair Hiring Procedure Act, with the protection of applicants' rights and procedural transparency as our highest priorities. Candidates are evaluated solely on their capabilities, without influence from any external factors. During the document screening stage, detailed evaluation criteria are established for each assessment item to ensure consistent and objective evaluations regardless of the reviewer. During interviews, we assess not only job-related expertise but also interpersonal skills, mindset, work style, and other personal attributes to select individuals who fit our organizational culture and can grow together with the Company. HANA Materials will continue to strengthen its fair and transparent recruitment culture while creating an environment where talented individuals can fully realize their potential, thereby laying the foundation for sustainable growth.

Strategies for Ensuring Fairness and Validity



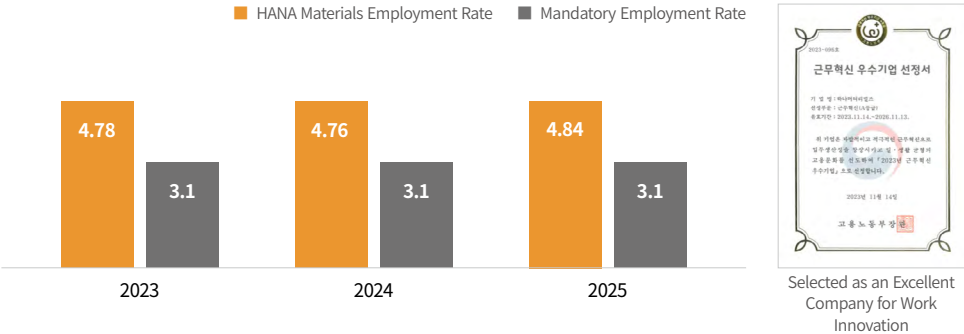
Employee-Centered Management

Human Resource Management

Expansion of Employment of People with Disabilities

To put its management value of respect for people into practice, HANA Materials maintains an employment rate for persons with disabilities that exceeds the statutory mandatory employment rate and promotes meaningful inclusive management. We have designed a working environment within production operations where employees with disabilities can perform their duties without difficulty and support their rapid integration into the organization by assigning employees from the same school to work together as a team. Through a memorandum of understanding (MOU) with Chungju Seongsim School, we continue to recruit persons with disabilities, invite sign language interpreters to interviews to ensure fair employment opportunities, and operate a dedicated grievance counseling program that enables employees with disabilities to express their views comfortably. In recognition of these efforts, HANA Materials received an award as an outstanding employer of persons with disabilities, and we will continue to create a workplace where everyone can grow together without discrimination.

Employment Rate of People with Disabilities



Mid- to Long-Term Targets for the Ratios of Female Employees, Female Managers, and Persons with Disabilities

HANA Materials has established mid- to long-term targets to strengthen diversity within the organization and continues to implement them in phases. By 2030, we aim to achieve a female employee ratio of 16%, a female manager ratio of 1%, and a ratio of persons with disabilities of 5.5%, and are implementing systematic measures to create a more inclusive and balanced workforce.

Category	2026 (as of the end of April)	2026~2027	2028~2030
Female employee ratio	11%	14%	16%
Female manager ratio	0%	0.3%	0.5%
Percentage of employees with disabilities	4.6%	5.0%	5.5%

Turnover Management

HANA Materials is implementing a range of initiatives to prevent talent loss and manage turnover proactively in response to intensifying competition for talent in the semiconductor industry. We enhance job satisfaction and organizational commitment among existing employees through various welfare programs, while regularly holding separate meetings with employees from vulnerable groups to hear their views directly and actively reflect them in management. In particular, in 2025, we newly established and held meetings for female employees at the Cheonan and Asan sites. Suggestions collected through these meetings were reflected in actual workplace improvements so that the voices of female employees could lead to meaningful change.

Turnover Management Activities

Category	Details
Collecting Feedback from Female Employees	- Selection of female representatives in the labor-management council to actively gather feedback from female employees, considering the lower ratio of female employees in the manufacturing industry - Actively gather feedback on workplace concerns from senior female employees and female department leaders, including team and group leaders - Hold meetings with female employees at the Cheonan and Asan business sites and act on their suggestions
Expansion of Recruitment Channels	- Internal Recruitment - Conduct internal recruitment in parallel to strengthen employees' career development - Provide opportunities to participate in the Career Development Program (CDP) - Employee Referrals - Use employee networks to enable candidates to understand the internal organizational environment before joining - Minimize recruitment mismatches and improve retention after joining - Headhunting - Use headhunting for experienced hires to verify the reliability of candidates' experience and capabilities - Add new search firms each year when selecting recruitment partners
Turnover Improvement Activities	- Changed from a two-team, two-shift system to a three-team, two-shift system in 2018 to reduce fatigue among on-site employees - Encouraged long-term service by providing the Youth Tomorrow Deduction in the form of a savings plan - Provided long-service awards for three, five, 10, and 15 years of service, among other milestones - Paid incentives twice a year in the form of performance incentives (PI) and profit sharing (PS) to promote performance and encourage retention - Implemented various work-life balance initiatives to help employees focus on their work - Operate staggered working hours (7:00 a.m.–4:00 p.m., 8:00 a.m.–5:00 p.m., and 9:00 a.m.–6:00 p.m.) - Allow remote work for organizations whose duties can be performed remotely - Operate response systems for emergencies, including childcare needs and COVID-19



Employee-Centered Management

Human Resource Management

Enhancing Competence

HANA Materials operates systematic mid- to long-term development programs to support the continuous growth of all employees. Based on training designed to strengthen foundational competencies by level and improve job capabilities, we also provide selective training to develop key talent, thereby offering a tailored learning environment aligned with each employee's stage of growth. We provide introductory, promotion, and leadership training by job level to strengthen foundational work capabilities, while job competency development training helps employees enhance professional knowledge and practical skills that can be applied immediately in their roles. In 2025, a total of 502 employees completed training, contributing to company-wide capability development.

Training Satisfaction Management

To continuously improve the effectiveness of its training programs, HANA Materials conducts satisfaction surveys among employees after they complete training. All employees who complete a program may freely provide feedback on the training content, delivery methods, and areas for improvement, enabling us to collect direct input on the training actually needed in the workplace. The feedback collected is not used merely as reference material but is directly reflected in the planning and curriculum design of future programs, allowing us to continuously develop customized training that meets employee needs. HANA Materials will continue to improve training quality and foster a learning culture in which all employees can grow continuously through a virtuous cycle of listening to and actively reflecting employee feedback.

Training Satisfaction Survey and Utilization

1

Complete Training

2

Complete the Training Satisfaction Survey

3

Analyze Survey Responses and Prepare the Course Evaluation Sheet

Category	Unit	2023	2024	2025
Training Satisfaction	points (out of 10)	8	8	8
Career Development Training Performance	-	Reestablishment of training for on-site employees within the training framework and comprehensive revision of the training enrollment system	Improvement in training satisfaction through higher training quality based on analysis of training satisfaction surveys	Identification of required capabilities through departmental job descriptions and improved operational efficiency through optimized training resources

Capability Development Training

Foundational Training		Selective Training
Foundational Competency Development by Job Level	Job Skills Improvement Training	Key Talent Development Training
• Entry-level training • Promotion training • Leadership training	• Job qualification certification	• Foreign language development

Employee Training Framework

HANA Materials operates a systematic training program consisting of common training and job training to develop employee capabilities. Common training is divided into HES training, statutory training, introductory training by job level, and advanced training by job level, providing tailored programs by position and grade. Job training and internal training are offered in various formats so that all employees can participate regardless of job level. In particular, we introduced AI training as a new curriculum to help employees build the capabilities needed in the era of digital transformation and respond to the rapidly changing technological environment.

Category	Common Training				Job Training	Internal Training										
	HES Training	Statutory Training	Introductory Training by Job Level	Advanced Training by Job Level												
Executives			Executive Leadership		Job Skill Development Program	Office Automation Skill Development Program	Semiconductor Process Fundamentals	Internal Instructor Development	Quality Mind Growth	Internal Drawings						
Principal	Customer Requirement Training	Occupational Health and Safety (OH&S)	Leadership for New Group Leaders	Coaching Leadership / Performance Management												
Manager	ESG	Workplace Sexual Harassment Prevention	Promotion Training for Managers	Workplace Leadership for Middle Managers												
Senior Staff	Information Security	Disability Awareness Improvement	Leadership for Senior Staff													
Staff	Code of Ethics	Retirement Pension	Frontline Leadership													
New Employee Orientation (Entry-Level and Experienced Hires)	New Employee Orientation / Health and Safety / Process Training / On-the-Job Training															
										Business Etiquette						
										Intellectual Property						
										AI Seminar						

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- Human Rights Management
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- Community Engagement
- Governance

Employee-Centered Management

Human Resource Management

Career Development Process

HANA Materials operates a career development process that goes beyond education support, enabling employees to design their own futures. Employees with at least one year of service may independently establish career development goals and action plans and further refine them through career counseling with their immediate department heads. In addition, we operate career development support programs that promote both individual growth and organizational development, including external training, overseas training, mentoring, degree support, and stretch assignments.

Career Development Process



Career Development Programs

Our career development programs encompass activities in three areas: education, skills, and job functions. In the education sector, we run a degree acquisition support program for employees who have been with the company for over three years, selected through a fair process. In the job sector, we support job transfers based on employees' preferences, abilities, and characteristics. As of 2025, a total of 10 employees have successfully transitioned to new roles. HANA Materials continuously improves and enhances career development activities to increase individual career satisfaction and job performance.

Educational Training Support

Beneficiaries	Employees recommended by the relevant executive or team leader based on a letter of recommendation and approved following review and consent by the HR Team Leader and the Support Team Leader
HR Review Criteria	Minimum of 3 years of service Performance evaluation results from the past three years
Support Details	Full admission fee + 50% of tuition (up to KRW 3 million per semester)



Job Transition Outcomes

Production Shift Worker	⇒ Processing Improvement Engineer	Apply practical on-site experience to theory and contribute to establishing internal processing, quality, and equipment standards
R&D Researcher	⇒ Quality Engineer	
Production Management	⇒ Purchasing Management	Job transfer based on personal aptitude and preferences
Process Improvement Engineer	⇒ IP management	

Fair Evaluation and Compensation

HANA Materials establishes company-wide goals and implementation directions and links them to team- and group-level business plans and strategic initiatives to provide all employees with fair opportunities for performance management. Through individual goal-setting based on the SMART* principles and goal alignment through discussions with department heads, we support the development of each employee's job capabilities. Performance evaluations balance achievements and competencies by assessing key activities related to business strategy execution while comprehensively reviewing capabilities and attitudes. The results are directly reflected in compensation, including salary increases and promotions. Furthermore, we have established "fair evaluation and active compensation" as a key strategic initiative and operate a system in which performance is rewarded based on objective and transparent evaluations, thereby strengthening employee engagement and job satisfaction.

*SMART (Specific, Measurable, Action-oriented, Realistic, Timely)

Performance Management Process



Performance-Based Compensation System

Award Title	Eligible Recipients	Reward Amount (Unit: KRW 1,000)
Proud Hana People Award	Employees Who Have Achieved Outstanding Results and Contributed to the Company's Growth	500
Labor Day Merit Award		300
Exemplary Employee Award	On-site employees with exemplary work attitudes	400
Best Practice Award	Field employees who have made efforts in monthly production activities and work guidance	450~4,000



Proud Hana People Award



Labor Day Merit Award



Best Practice Award

Employee-Centered Management

Great Workplace Culture

Employee Benefits

HANA Materials operates a wide range of employee benefit programs to provide practical support for work-life balance and encourage long-term service. Through leisure support programs, we provide employees with opportunities for sufficient rest and recovery outside working hours, while regular health examinations and medical expense support actively assist employees in managing their health. In addition, we provide benefits covering various aspects of employees' lives, including family event support, dormitory accommodations, and educational support for children. We also operate commuter buses and provide group accident insurance support so that employees can focus on their work in a safe and comfortable environment.

Key Employee Benefit Programs

Category	Details
Dormitory	Off-site dormitories to ensure housing stability for employees
Cafeteria	Provide balanced meals in a comfortable dining environment with a professional dietitian on-site
Health Promotion Facilities	Provide access to a range of health promotion facilities—including fitness centers, spas, yoga studios, bowling alleys, and group exercise facilities—as a member company of Well-being Club, which has affiliated facilities nationwide, including in Cheonan and Asan
School Entrance Congratulatory Grants and College Tuition Support for Children	Provide KRW 500,000 upon elementary school admission, KRW 1 million upon middle school admission, and KRW 1.5 million upon high school admission
Medical Expense Support	Provide up to KRW 3 million per semester for college tuition
Employee Loan Program	Provide up to KRW 1 million per year in medical expense support, including for spouses and children
Club Activity Support Awards	Provide interest-free loans of up to KRW 30 million per employee
Health Examinations	Support the development of employee clubs and related activity expenses
Recreational Facilities	Present awards, including Exemplary Employee and Merit Awards
Commuter Buses	Provide annual general health examinations for employees and comprehensive health examinations for selected employees
Discounted Partner Stores	Provide opportunities to use recreational facilities
	Operate commuter buses for employees
	Provide employees with access to discounted products and services through agreements with vendors in areas including movies, hair salons, eyewear, and electronics

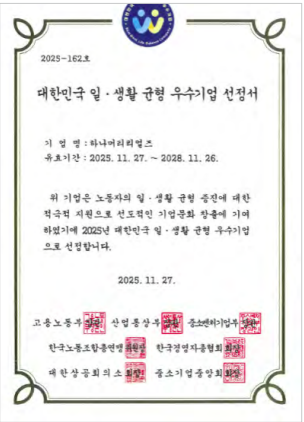
Family Welfare			Other	
Family event support	Educational support for children	Medical expense support	Long-term service rewards	Flexible work arrangement

Work-Life Balance

HANA Materials operates a staggered working hours system to provide practical support for employees' work-life balance. This system enables employees to adjust their commuting times voluntarily, creating a flexible working environment aligned with individual lifestyles and helping improve concentration and work efficiency. Based on compliance with the Labor Standards Act, HANA Materials will continue to improve working conditions so that employees can work in a healthier and more satisfying environment.

Excellent Work-Life Balance Company

As a result of its proactive introduction and operation of flexible working arrangements and reduced working hours, HANA Materials was selected as a 2025 Excellent Work-Life Balance Company in Korea by the Ministry of Employment and Labor. This recognition reflects external acknowledgment of HANA Materials' continued efforts and commitment to creating an environment where employees can balance their work and personal lives. Going forward, we will continue to develop an advanced workplace culture in which all employees can work with satisfaction.



Selected as a 2025 Excellent Work-Life Balance Company in Korea



Employee-Centered Management

Enhancement of Employee Communication

Labor-Management Culture Vision and Strategy

HANA Materials has established a labor-management culture vision of “Zero Confrontation and Conflict” to create an organizational culture in which all employees grow together based on trust and respect. This vision reflects HANA Materials’ strong commitment to minimizing unnecessary conflict and confrontation between labor and management and building a healthy organizational ecosystem based on mutual understanding and cooperation. To realize this vision, we have established four detailed strategies—fulfilling social responsibility, increasing profits, improving quality of life, and expanding communication—and are systematically implementing action tasks under each strategy. By improving employees’ quality of life and facilitating internal communication while balancing profit generation with the fulfillment of social responsibility, we are fostering a mutually beneficial organizational culture in which labor and management develop together.

Labor-Management Culture Vision and Strategy



Labor-Management Council

HANA Materials holds regular quarterly Labor-Management Council meetings to facilitate communication between labor and management and encourage active employee participation. The Council consists of six employer representatives and six employee representatives. All 12 members attend regular meetings to discuss matters directly related to employees’ working conditions, including wages, benefits, and the work environment, and agreed measures are implemented immediately. HANA Materials holds regular quarterly Labor-Management Council meetings to facilitate communication between labor and management and encourage active employee participation. The results of the discussions are transparently disclosed to all employees through the internal bulletin board, and agreed-upon measures are applied consistently across the Company, further strengthening the foundation of trust and cooperation between labor and management.



7th Labor-Management Council in 2026

Ceremony for the 7th Labor-Management Council

Special training for employee representatives, etc.

Labor-Management Council

Quarterly Labor-Management Council meetings

Labor-Management Council Workshops

Company tours and team-building activities

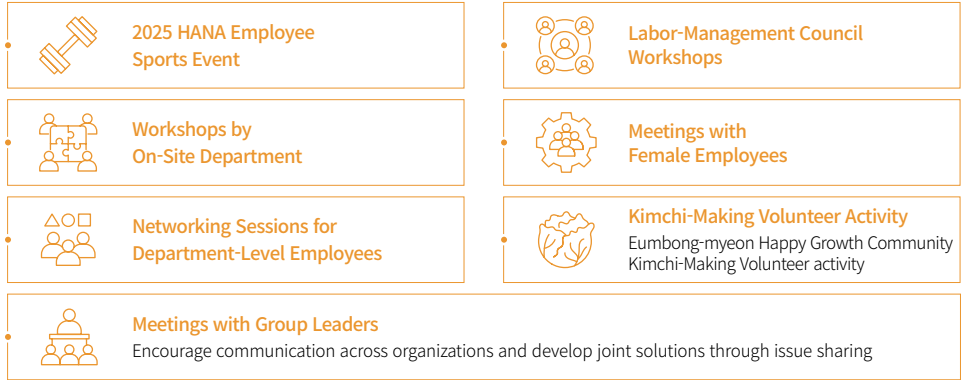
External Volunteer Activities by the Labor-Management Council

Kimchi-making volunteer activity in Eumbong-myeon

Promotion of Organizational Culture

HANA Materials continuously operates a variety of internal activities to realize its vision for a healthy organizational culture. We operate multilayered communication channels, including regular Labor-Management Council meetings, ad hoc meetings, and group chat rooms, to maintain ongoing dialogue on labor-management issues and identify areas for improvement. In addition, we plan and operate a variety of annual programs—including sports events, interdepartmental team-building activities, and movie days—to strengthen relationships and camaraderie between labor and management and provide employees with opportunities to interact naturally outside the workplace. HANA Materials will continue to enrich a culture of working together, socializing together, and communicating together, creating a vibrant organizational culture in which all employees can work with pride and enjoyment.

Labor-Management Culture Vision and Strategy



HANA Employee Sports Event



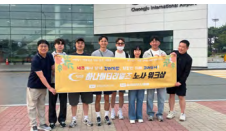
Networking Session for Team Leaders



Networking Session for Senior Staff



Networking Session for Group Leaders



Labor-Management Council Workshops



Company Anniversary Event



Meetings with Female Employees



Labor-Management Council Kimchi-Making Volunteer Activity

Sustainable Supply Chain Management

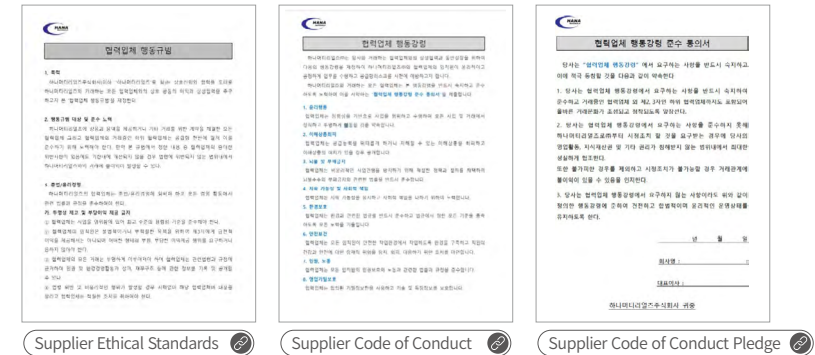
Supply Chain Management System

Supplier Ethical Standards and Code of Conduct

HANA Materials has established Supplier Ethical Standards to achieve shared benefits with all suppliers and build genuine partnerships for mutual growth based on trust and cooperation. The Ethical Standards provide guidelines necessary for suppliers to conduct business fairly and responsibly across five key areas: compliance and business ethics, respect for human rights, environmental management, safety management, and management systems. All suppliers entering into contracts with HANA Materials are required to sign the “Supplier Code of Conduct Pledge,” thereby strengthening the effective implementation of the Ethical Standards and promoting an ethical and transparent business culture throughout the supply chain. HANA Materials will continue to expand the value of mutual growth across the entire supply chain through ongoing communication and cooperation with suppliers and strengthen sustainable partnerships that enable shared growth.

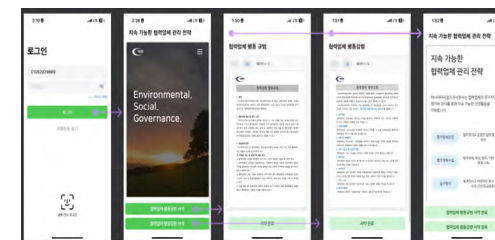
Supplier Ethical Standards and Code of Conduct

HANA Materials Inc. establishes the following Supplier Code of Conduct to promote mutual cooperation and shared growth with its suppliers. Through these guidelines, we seek to ensure that supplier employees conduct business fairly and to prevent supply chain risks in advance.



Mandatory Supplier Code of Conduct Pledge

To enhance the effectiveness of the Supplier Ethical Standards and strengthen business ethics throughout the supply chain, HANA Materials introduced a new process in the second half of 2025 that requires suppliers to sign the Supplier Code of Conduct Pledge as a condition of registration. By integrating supplier registration and management of the Supplier Code of Conduct Pledge through the ONE System, we have established a more systematic and efficient supplier management system. As a result, in 2025, all 294 suppliers registered in the system and conducting business with HANA Materials completed the pledge, achieving a 100% pledge rate. This result indicates suppliers' formal acknowledgment of and stated commitment to HANA Materials' sustainable supply chain management. Going forward, we will continue to build a trusted and sustainable supply chain ecosystem based on close communication and cooperation with suppliers.



* The 294 suppliers include only suppliers with registered business contact email addresses.



- Human Rights Management
- Employee-Centered Management
- Sustainable Supply Chain Management**
- Quality Innovation
- Information Security and Privacy Protection
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- Governance



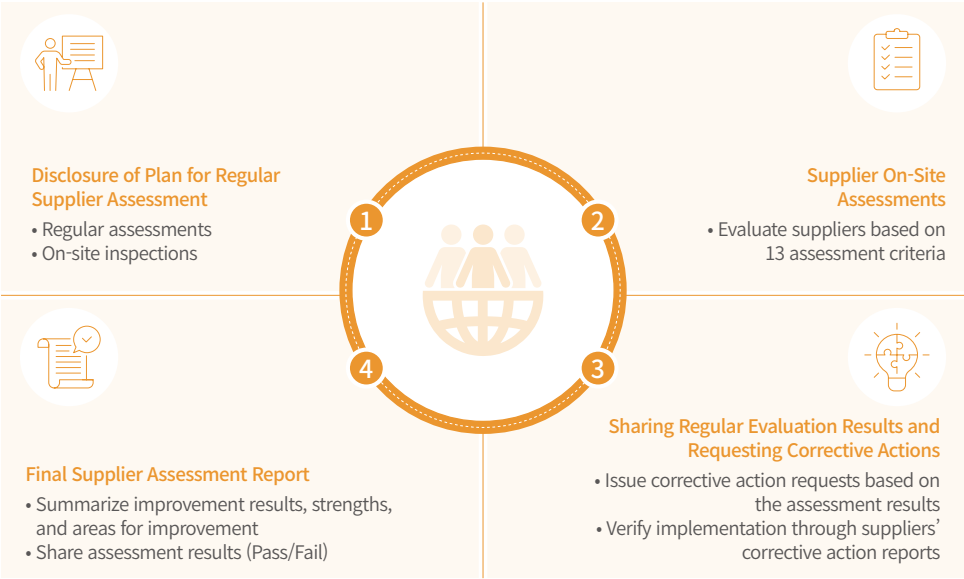
Sustainable Supply Chain Management

Supply Chain Management System

Supply Chain Sustainability Evaluation

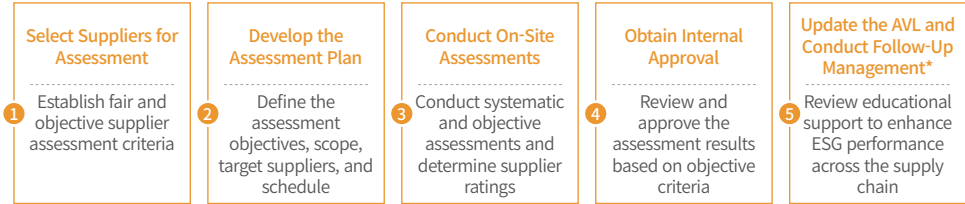
Supplier Management Process

To objectively verify suppliers’ overall capabilities and management practices, HANA Materials conducts regular supplier assessments based on 13 evaluation areas: (1) Quality Management, (2) Inspection Management, (3) Nonconformity Management, (4) Materials Management, (5) Site Management, (6) Equipment Management, (7) Change Management, (8) R&D Infrastructure, (9) Drawing and Warranty Management, (10) Environmental Management, (11) Health and Safety Management, (12) Procurement Performance Management, and (13) Supplier Management. Through this comprehensive assessment framework, which covers key areas of supply chain operations ranging from quality management to health and safety and environmental management, we carefully identify suppliers’ strengths as well as areas requiring improvement. Assessment results are classified into categories such as Minor Nonconformity, Recommendation for Improvement, and Request for Additional Information. For identified deficiencies, corrective action requests are issued to support suppliers in understanding and implementing specific improvement measures. Furthermore, we operate a follow-up management system that tracks and verifies the completion of corrective actions, ensuring that the assessment process leads to tangible improvements in supply chain quality rather than serving as a one-time evaluation. HANA Materials will continue to strengthen the competitiveness of its supply chain by continuously enhancing its supplier assessment framework through close collaboration with suppliers.



Supplier Assessment Process

HANA Materials establishes systematic supplier management objectives and comprehensively evaluates suppliers using documented internal assessment criteria while actively supporting their sustainable management activities. Supplier assessment results are monitored in real time through the Company’s information system. A scoring system enables immediate identification and management of deficiencies and compliance with assessment criteria. For suppliers exceeding a specified contract value threshold, separate health and safety assessments are conducted in addition to the standard assessment criteria to further strengthen health and safety performance throughout the supply chain. Suppliers that fail to meet the required standards in either on-site assessments or health and safety ratings are excluded from contracts or have their assessment results reflected in future contract decisions. Suppliers requiring improvement based on assessment results are requested to implement corrective actions, and a follow-up management system is operated to verify implementation thoroughly. As a result of these systematic supplier management activities, no suppliers received an unsatisfactory rating in the 2025 regular assessment, and all suppliers fully addressed the requested actions.



* AVL (Approved Vendor List)

Health and Safety Assessment Process



Supplier Assessment Criteria

When evaluating suppliers, HANA Materials comprehensively reviews both overall management data—including financial stability—and sustainability-related data covering environmental and health and safety performance to closely manage supply chain risks. To objectively assess suppliers’ environmental management systems, we operate an incentive program that awards additional points to suppliers holding ISO 14001 certification. We also require suppliers to sign a pledge confirming compliance with health and safety management requirements to strengthen their commitment to health and safety. We will further enhance our supplier assessment criteria by comprehensively reflecting changes in both the internal and external business environment, thereby establishing a more robust and effective assessment framework and realizing a sustainable supply chain that fulfills environmental and social responsibilities.



- Human Rights Management
- Employee-Centered Management
- Sustainable Supply Chain Management
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- Governance

Sustainable Supply Chain Management

Supply Chain Management System

Shared Growth

Regular Outsourcing Contracts

HANA Materials operates a long-term outsourcing agreement program to support suppliers’ stable cash flow and sustainable growth. Before entering into an agreement, we carefully evaluate the operational capabilities and production capacity of outsourced processing suppliers to determine regular order volumes, thereby enabling suppliers to operate in a stable and predictable business environment. Through this program, HANA Materials secures a stable supply chain while suppliers establish a sustainable revenue base and stronger financial stability, creating tangible benefits for both parties through a mutually beneficial partnership. HANA Materials will continue to strengthen long-term, trust-based partnerships with suppliers, enhance supply chain stability, and further develop a shared growth relationship.

Supplier Communication Channels

HANA Materials operates regular communication channels to strengthen trust-based partnerships with suppliers and actively listens to their concerns and requests. Communication sessions are held at least once each quarter with suppliers that have experienced incidents or require supply status reviews, enabling prompt responses to various issues arising in the field. We also actively collect suppliers’ concerns and grievances throughout their business operations and work together to identify practical solutions. As the importance of shared growth with suppliers continues to increase, so does the need for effective communication. To respond proactively to these changes and manage supplier feedback more quickly and systematically, HANA Materials plans to introduce an electronic VOC Portal. The system will allow suppliers to submit VOCs directly and monitor processing status in real time. It will also include functions such as file uploads, assignment of responsible personnel, and notifications of processing deadlines, creating a digital communication environment in which supplier concerns can be addressed more promptly and transparently. HANA Materials will continue to build a sustainable supply chain ecosystem founded on shared growth through ongoing communication and trust with its suppliers.

Supplier VOC Collection

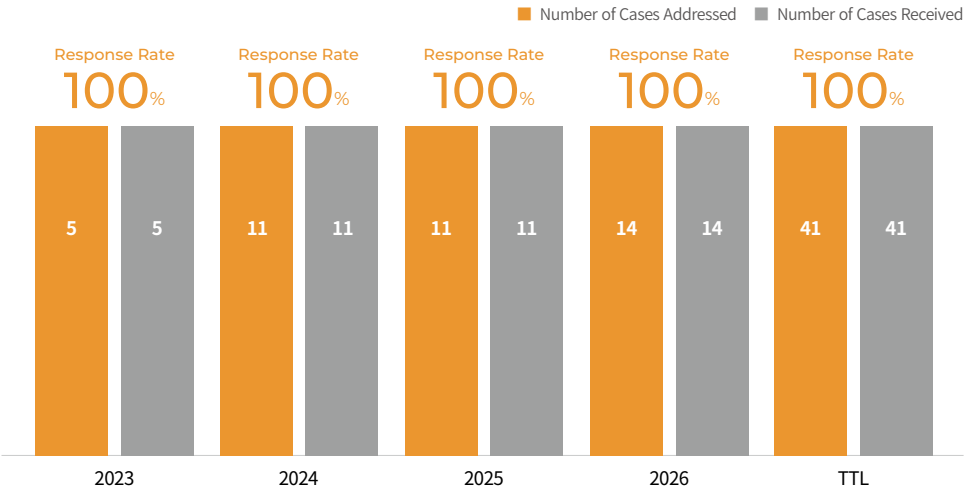
Category	내용
Background	• Improvement of the existing issue of incident/cause identification only after occurrence due to irregular and one-off consultations with each partner
Target Partners	• Suppliers with previous incidents or accidents • Raw and auxiliary material suppliers requiring supply status reviews • Suppliers with an understanding of competitors and market conditions
Frequency	• At least once each quarter
Method	• Business consultations, meals, informal meetings, etc.
Participants	• Supplier representatives, Purchasing Group personnel, Head of the Purchasing Group, etc.

Status of Supplier VOC Responses

HANA Materials promptly and proactively addresses concerns and complaints received through the supplier VOC process. All 11 VOC cases received in 2025 were fully addressed, achieving a 100% response rate. As of April 2026, eight of the 14 VOC cases received had been resolved, while corrective actions for the remaining six cases were in progress. We will continue listening carefully to our suppliers’ voices and make every effort to resolve their concerns promptly, thereby further strengthening our trusted relationships with suppliers.

Category	Group Member 1		Group Member 2		Group Member 3		Group Member 4	
	Number of Cases Received	Number of Cases Addressed	Number of Cases Received	Number of Cases Addressed	Number of Cases Received	Number of Cases Addressed	Number of Cases Received	Number of Cases Addressed
2023	1	1	3	3	1	1	-	-
2024	2	2	3	3	2	2	4	4
2025	2	2	1	1	2	2	6	6
2026*	3	3	4	4	3	3	4	4
TTL	8	8	11	11	8	8	14	14

* Based on the number of VOC cases received and addressed through April 2026.





Quality Innovation

Quality Management System

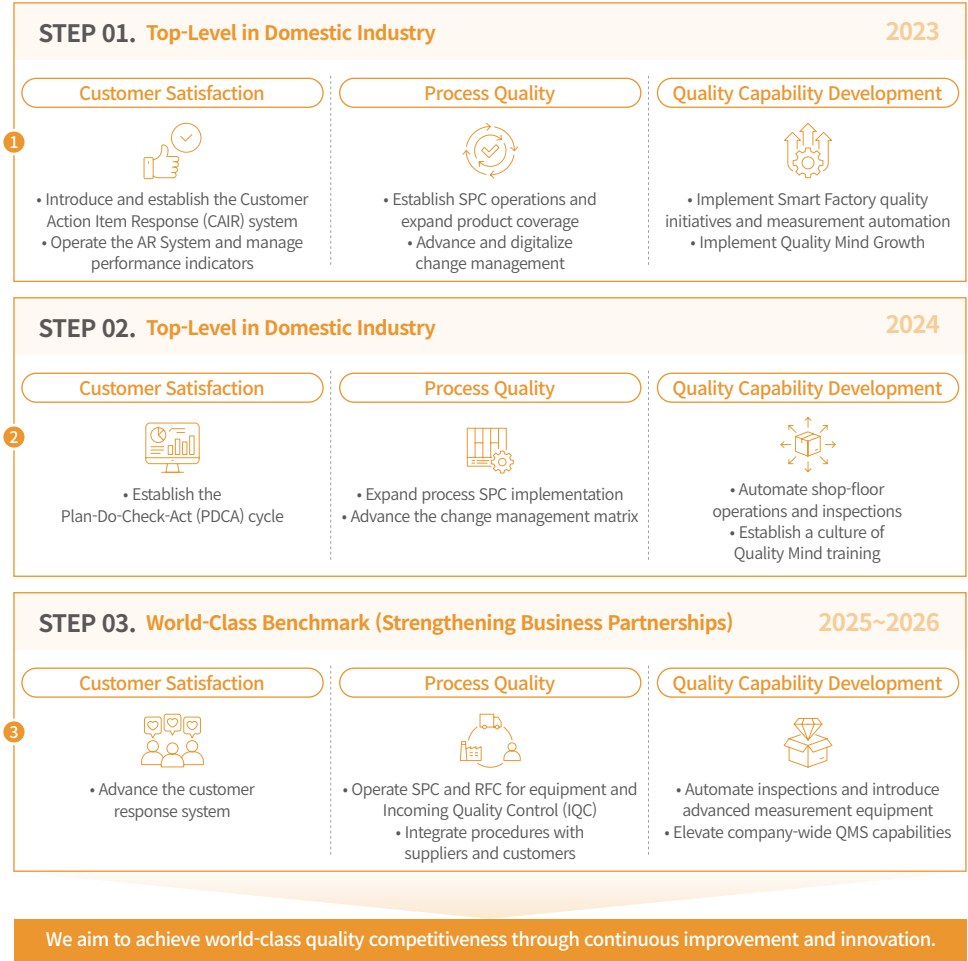
Quality Control Strategy

The quality of products and services is a key factor that forms the foundation of customer trust and corporate competitiveness. HANA Materials has established “Achieving Superior Quality” as its core objective and continuously pursues innovation and improvement activities to produce high-quality products and deliver differentiated customer service. In particular, we have established a Digital Quality Management System (Digital QMS) based on Digital Transformation, enabling integrated management of quality data and real-time monitoring while simultaneously enhancing operational efficiency and quality responsiveness. Furthermore, we have established a mid- to long-term quality management strategy that places the highest priority on the voice of the customer and are implementing it across the Company to embed a customer-centric quality culture throughout the organization. HANA Materials will continue to advance its quality management system and reliably supply products that meet global quality standards, thereby establishing itself as a trusted partner for superior quality.

Key Strategic Initiatives

Customer Quality Advantage			Process Quality Advancement	
Customer survey activities	Customer Response System Enhancement	Expansion of Internal Audit Scope	Apply SPC to equipment and Incoming Quality Control (IQC)	Change Management Advancement
Reflect VOCs in improvement activities	Improve response turnaround time (TAT)	Strengthen the effectiveness of corrective actions and product assurance	Strengthen preventive quality management and product assurance	Advance internal variation detection and change impact management
Response to Business Site and Business Diversification			Company-Wide Quality Competence Enhancement	
Smart Factory	Inspection Capability Enhancement	Business Site Diversification	Quality Mind Training	Expand the internal instructor pool
Improve productivity through measurement automation	Improve flexibility through multi-skilling and standardized development pathways	Standardize quality management across business sites	Expand internal QMS training programs	Provide advanced training based on practical workplace cases

Mid- to Long-Term Quality Management Strategy



* CAIR: Customer Action Item Response * SF: Smart Factory * RFC: Reaction Flow Chart



- Human Rights Management
- Employee-Centered Management
- Sustainable Supply Chain Management
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- Information Security and Privacy Protection
- Community Engagement
- Governance

Quality Innovation

Quality Management System

Quality Management Policy

HANA Materials continues to advance its Quality Management System based on its three quality management policies and concentrates company-wide capabilities on providing the highest-quality products and services that meet diverse customer requirements. Recognizing that quality is not merely a management indicator but a core value that builds trust with customers, we continuously strive to achieve uncompromising quality throughout every stage of the product lifecycle, from development to production and delivery. HANA Materials will continue to advance its quality management system and grow into the quality partner most trusted by customers. Recognizing that quality is not merely a management indicator but a core value that builds trust with customers, we continuously strive to achieve uncompromising quality throughout every stage of the product lifecycle, from development to production and delivery.

Advancement of the Quality Management System

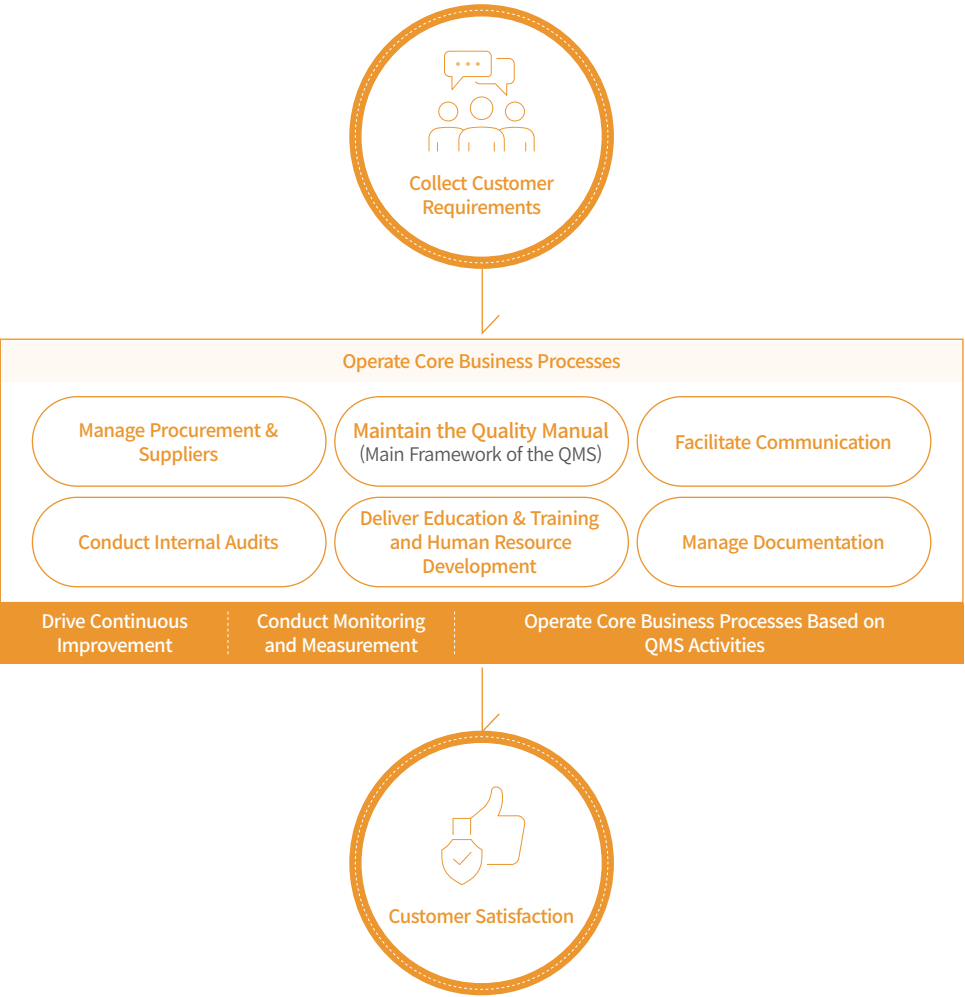
Based on its Quality Management Policy, HANA Materials has refined its audit criteria through internal risk analysis and comprehensively reorganized its internal audit framework. Although the frequency of product and process audits was adjusted from monthly to quarterly, this change represents a shift toward in-depth audits focused on high-risk areas rather than simply reducing audit frequency, thereby further enhancing audit effectiveness and the precision of quality verification. Audit results are immediately fed back to operational sites, enabling prompt corrective actions whenever issues arise and continuously improving the overall effectiveness of the Quality Management System. HANA Materials will continue to innovate its quality management framework in response to changing market conditions and customer requirements, growing as a trusted company that consistently delivers the highest level of quality under all circumstances.



Internal Audit Performance

	2023	2024	2025
	15 sessions	17 sessions	9 sessions
System Audits	1	1	1
Process Audits	4	4	4
Product Audits	10	12	4

System-Based Information Management Activities





- Human Rights Management
- Employee-Centered Management
- Sustainable Supply Chain Management
- Quality Innovation
- Information Security and Privacy Protection
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- Governance

Quality Innovation

Quality Management System

Quality Management Organization

HANA Materials operates three specialized groups under the Quality Team to ensure systematic quality management. The Quality Planning (QP) Group, responsible for external affairs and quality innovation, and the Quality Assurance (QA) Group, dedicated to product assurance, serve as the core pillars of quality competitiveness. The Quality Control (QC) Group closely analyzes customer needs, reflects them throughout product manufacturing, and continuously implements activities to prevent defects at the source. Based on this specialized division of responsibilities and close collaboration, HANA Materials consistently delivers the highest level of quality required by customers.

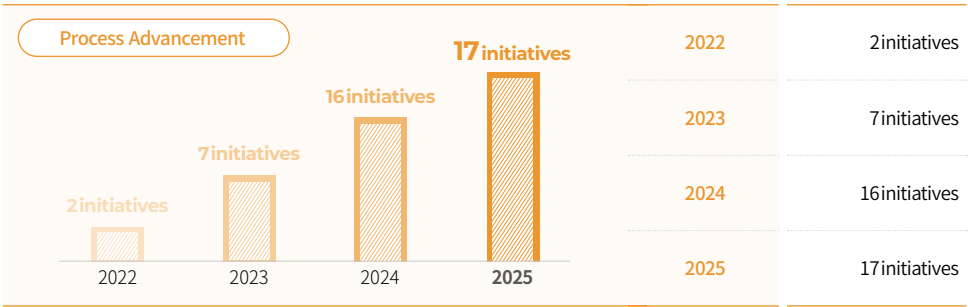
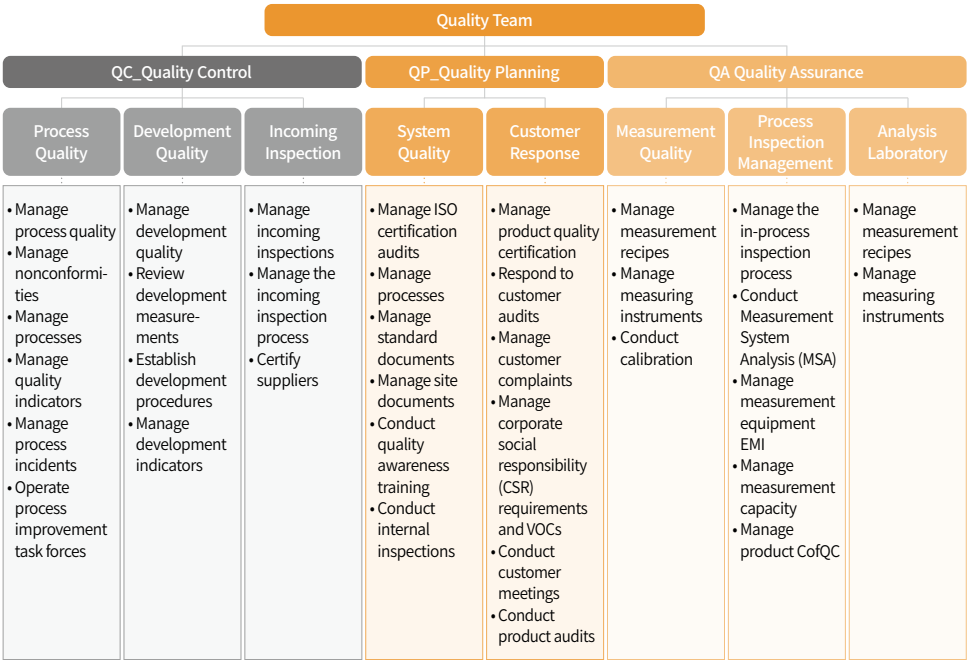
Organizational Restructuring

HANA Materials reorganized the overall structure and operating methods of its quality organization to enhance the effectiveness of the Quality Management System and strengthen sustainability management. To respond proactively to rapidly changing market conditions and increasingly diverse customer requirements, we redefined the core roles of each group to improve focus and efficiency and clarified accountability across organizations, establishing a systematic foundation for faster and more precise responses to quality risks. The QA Group focuses on product measurement, assurance, and analysis and strengthens its data-driven statistical quality verification system to ensure product reliability. The QC Group concentrates on closely managing process and product quality at operational sites to minimize defects and deliver tangible improvements in quality. In addition, we maintain a consistent level of quality management across all business sites by strengthening collaboration among organizations and continuously improving work processes. Building on this organizational innovation, the HANA Materials Quality Team will continue to enhance the reliability of its products and services, actively contribute to ESG value creation in the Social and Governance areas through customer satisfaction and stronger collaboration with partners, and pursue sustainable growth.

Advancing Quality Processes

The HANA Materials Quality Team has established “Customer Satisfaction,” “Quality Cost Improvement,” and “Quality Advancement” as its key strategic themes and continues to systematically innovate and advance company-wide quality processes around these themes. Beyond simply managing defects, we focus company-wide capabilities on strengthening the fundamental quality competitiveness of products and services while simultaneously improving resource efficiency and securing customer trust. To translate these objectives into tangible performance, we have established annual targets and implemented phased advancement initiatives since 2022. The number of initiatives has increased steadily from two in 2022 to seven in 2023, 16 in 2024, and 17 in 2025, building a growing cumulative record of quality process advancement. These results demonstrate that HANA Materials’ continued investment in quality innovation and the active participation of all employees are delivering visible outcomes. Going forward, we will continue to expand the scope and depth of quality advancement initiatives and grow into a company with global-level quality competitiveness.

Quality Management Organization





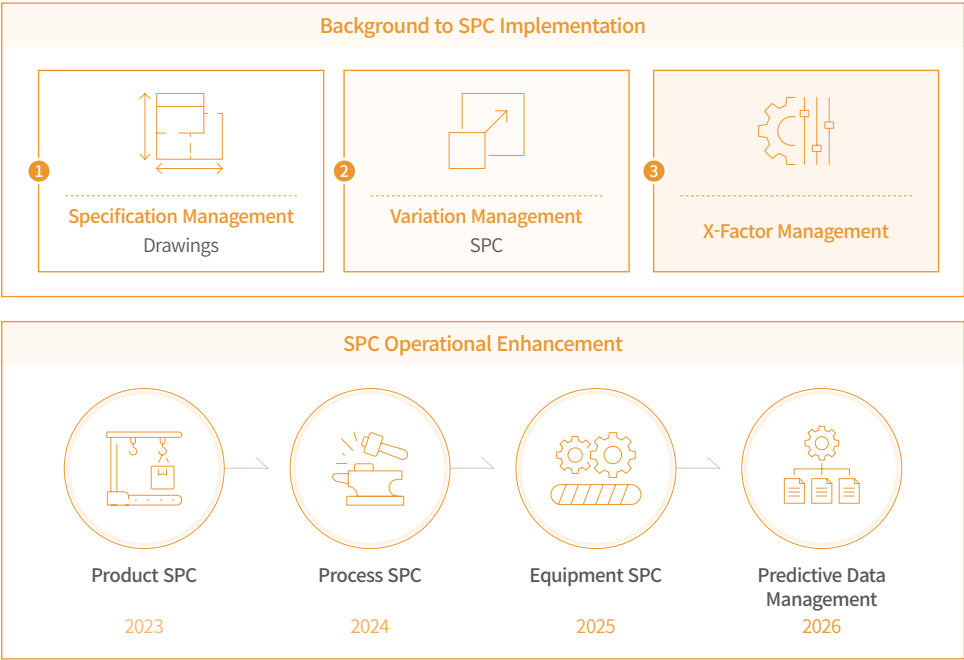
Quality Innovation

Quality Innovation Activities

Statistical Process Control (SPC)

To advance its quality management framework, HANA Materials integrates Statistical Process Control (SPC) into its Continuous Improvement Process (CIP) and Plan-Do-Check-Act (PDCA) cycle, establishing a more precise and statistically driven foundation for quality management. We use SPC charts for key parameters to detect process variations in real time and apply a Reaction Flow Chart (RFC) for each parameter to ensure immediate and systematic action when abnormalities occur. Furthermore, in 2025, we established a new online equipment system that connects equipment data with quality information in real time, laying the foundation for equipment SPC and accelerating the transition from experience-based management to a data-driven, proactive quality management approach. Through these innovative process management activities, HANA Materials will continue to ensure consistent and stable product quality and steadily strengthen its quality competitiveness to meet customer trust and expectations.

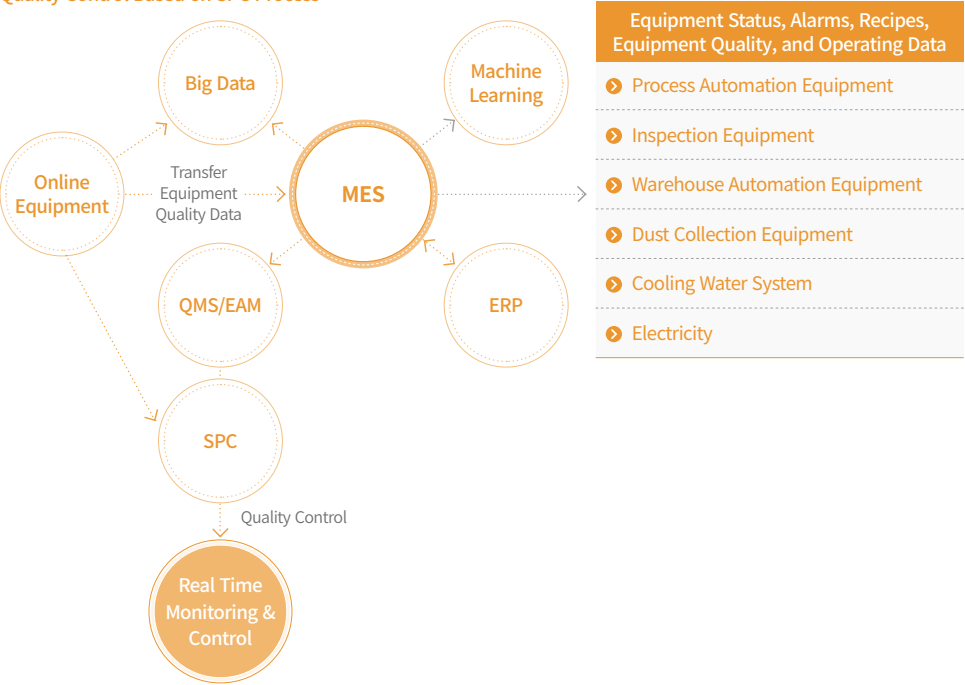
SPC Operational Management Roadmap



Digital QMS

HANA Materials has established the SPC process as a core operating framework for systematic quality trend management and has created a data-driven quality management environment that enables the rapid identification of defect factors and immediate corrective action through real-time process data monitoring. In 2025, we established a new online equipment system and directly connected real-time equipment data to SPC operations, creating a foundation for more precise detection of and response to process abnormalities. Furthermore, we are introducing a predictive data management system that combines big data analytics and machine learning to anticipate quality issues and respond proactively, thereby building an intelligent quality management system. Based on this system, we are accelerating the advancement of the Digital QMS. Through these efforts, we will continue to enhance product quality stability and reliability and achieve quality competitiveness that exceeds customer expectations.

Quality Control Based on SPC Process





Quality Innovation

Quality Innovation Activities

Quality Mind Growth Activities

HANA Materials operates Quality Mind Growth, a quality mindset development program for all employees, based on the belief that quality innovation begins with employees’ awareness and capabilities. In 2025, we delivered a total of seven courses through company-wide in-person training, and post-training achievement assessments showed a notable 140% improvement in understanding for each course. This demonstrates that, beyond simply delivering knowledge, a foundation is being established for employees to participate proactively as key drivers of quality innovation. In 2026, we plan to expand the program with additional courses, enabling more employees to understand the importance of quality innovation and participate in practical improvement activities. HANA Materials will continue to develop its Quality Mind Growth activities, strengthen company-wide quality capabilities, and grow into a truly quality-focused company in which quality is embedded at the center of the organizational culture.

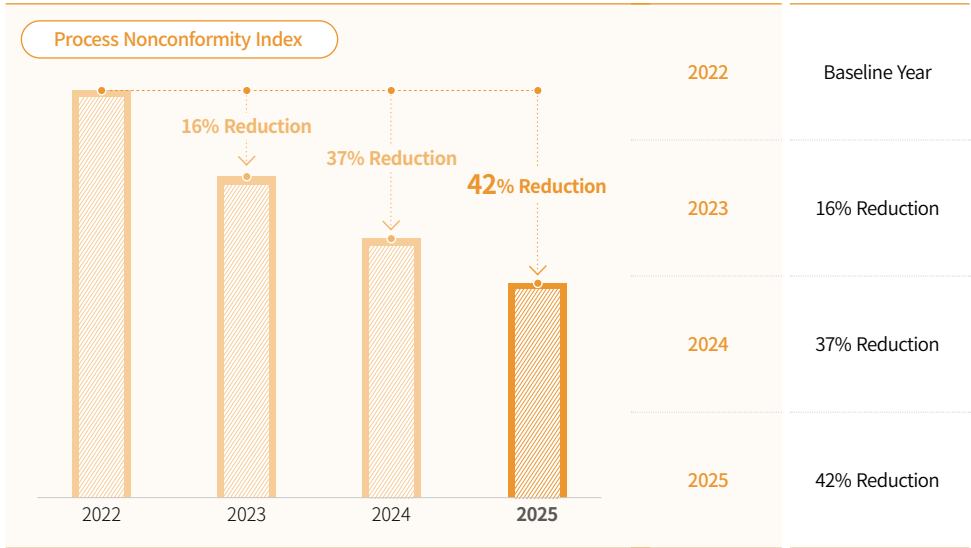
“Quality Mind Growth” Training Courses



2024 Performance (6 Courses)	2025 Performance (7 Courses)	Planned for 2026 (7 Courses)
Copy Exactly! (CE!)	Copy Exactly! (CE!)	Copy Exactly! (CE!)
Change Management	Change Management	Change Management
Human Error	Human Error	Human Error
SPC	SPC	SPC
Internal Auditor Development	ISO 9001	ISO 9001
Standard Document Guide	Digital CofQC	Cleanliness Risk Prevention
	Six Sigma Quality Management	Problem-Solving Tools

Quality Management Performance

HANA Materials places the highest priority on achieving “Absolute Quality” and continuously implements systematic improvement activities by closely analyzing factors that may reduce quality throughout its processes. Beyond simply reducing defects, we actively apply statistical methods to fundamentally improve process capability and ensure consistent product quality. The results of these efforts are clearly demonstrated by quantitative performance. Following a gradual reduction in the process defect rate over the past three years, we achieved a 42% improvement in 2025 compared with 2022. This result demonstrates that the continuous efforts of all employees as key drivers of quality innovation have produced tangible outcomes and that HANA Materials’ quality competitiveness has advanced to the next level. HANA Materials will not become complacent with its current performance. We will continue challenging ourselves to achieve higher quality standards and pursue quality innovation activities to reliably supply products that customers can trust completely.





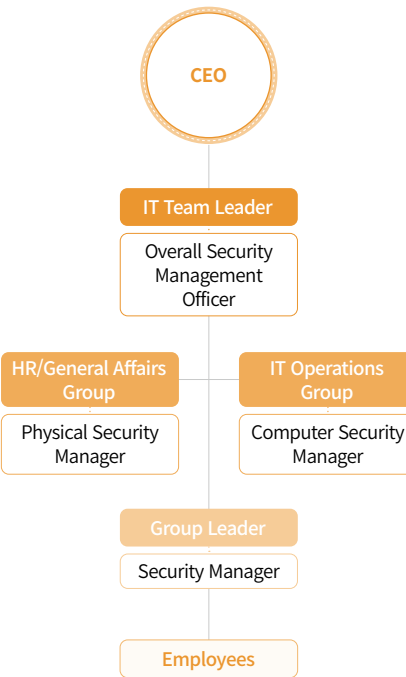
Information Security and Privacy Protection

Information Security System

Information Security Organization

HANA Materials has established and operates a systematic information security management organization to proactively respond to the rapidly changing cybersecurity environment and securely protect the Company's information assets. The Head of the Information Technology (IT) Team holds overall responsibility for information security. Through a clear division of responsibilities, the HR/General Affairs Group oversees physical security, the IT Operations Group oversees IT security, and group leaders oversee security management, enabling coordinated responses to internal and external security issues. In addition, we support all employees in strictly complying with security regulations and regularly completing related training, thereby continuously improving company-wide security standards with every employee serving as an active participant in information security.

Information Security Management Organization

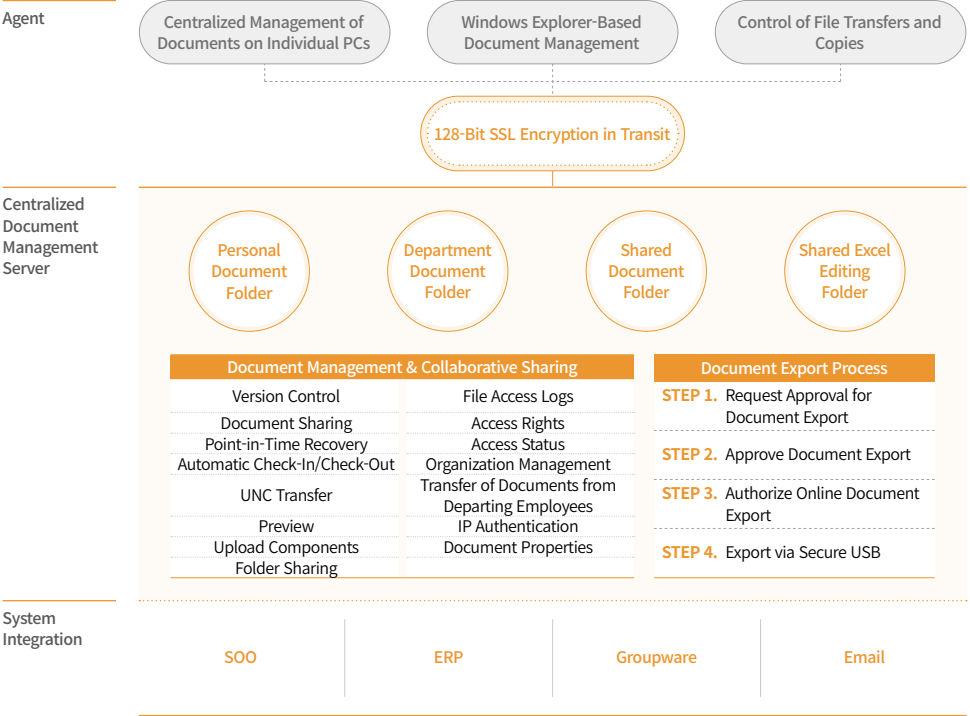


Category	Roles and Activities
IT Team Leader	• Oversee overall security management
HR/General Affairs Group	• Review the enactment and revision of physical security regulations • Manage personnel, document, and asset security • Manage facility security, including CCTV and card readers • Conduct security training and inspections
IT Operations Group	• Review the enactment and revision of IT security regulations • Manage security related to PCs, the internet, telephones, and IT systems • Manage personal and corporate IT system security • Conduct IT security inspections
Group Leaders	• Manage employees within their respective departments • Provide security training and guidance to department employees
Employees	• Comply with security regulations • Complete security training

Security System

HANA Materials has established a multilayered security management system designed to prevent information leakage at the source and protect customers' and the Company's key information assets. We have configured a virtual private network (VPN) firewall for the Company's internal network to strictly restrict unauthorized external access and operate a system that detects and blocks unauthorized access attempts in real time. In addition, we have introduced a centralized document management system under which all business documents are stored and managed centrally on a server rather than on individual PCs, thereby proactively preventing information leakage by insiders. HANA Materials continues to advance an integrated information security system that combines technical and administrative security measures, creating a secure information environment trusted by both customers and employees.

Centralized Document Management System



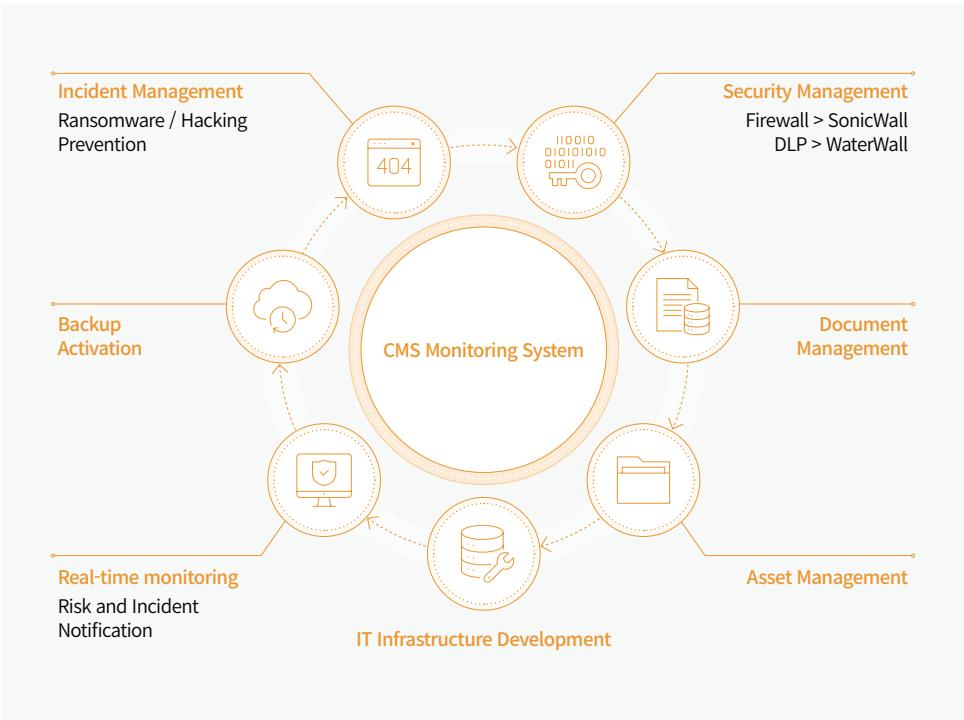


- Human Rights Management
- Employee-Centered Management
- Sustainable Supply Chain Management
- Quality Innovation
- Information Security and Privacy Protection
- Community Engagement
- Governance

Information Security and Privacy Protection

CMS Monitoring System

HANA Materials has established and operates an integrated monitoring system covering both hardware and software to ensure the stable operation of information assets and enable prompt responses to security threats. Through integrated monitoring, we review the status of personal data protection and the operating condition of security solutions in real time, while detecting potential security threats in advance and responding proactively. In particular, when a system failure occurs, real-time monitoring enables us to immediately identify the exact location and scope of impact, implement prompt recovery measures, maintain business continuity, and minimize damage. HANA Materials will continue to advance its integrated monitoring system to create a stable and reliable information security environment.



System-Based Information Management Activities

HANA Materials implements multilayered, system-based information management activities to systematically protect corporate information assets. Through real-time interfaces between the Enterprise Resource Planning (ERP) and Manufacturing Execution System (MES), we provide integrated Executive Information System (EIS) data and create an environment that supports smooth information sharing and collaboration with internal and external stakeholders. We also use Data Loss Prevention (DLP) technology and storage device control policies to prevent data theft or leakage caused intentionally or accidentally by insiders. In addition, we strictly restrict external access to the internal network through a Virtual Private Network (VPN) firewall and strengthen document and physical security by requiring department head approval for document transmission and export and by applying watermarks. We also use a Mobile Device Management (MDM) solution to control camera use at business sites and proactively prevent information leakage through smartphones, thereby continuously strengthening our information security system. In 2025, we additionally implemented a backup solution to enable prompt service recovery in the event of server failure, provide secondary storage for critical documents, and strengthen Business Continuity Planning (BCP) infrastructure. We will continue to advance our information security systems while improving employee security awareness to create a trusted information security environment.

System	Management Activities
ERP, MES	- Provide integrated Executive Information System (EIS) data through real-time interfaces between ERP and MES - Support information sharing and collaboration with internal users, customers, and suppliers through internal and external information support systems
DLP (Data Loss Prevention)	- Protect documents stored on corporate PCs using DLP* technology - Prevent data theft, loss, or leakage caused intentionally or accidentally by insiders
Storage Devices: USB Blocking and Read-Only CD/DVD Access	- Prevent unauthorized removal of information storage media, including PCs, external hard disk drives, USB drives, and CDs/DVDs - Block USB access on PCs - Allow read-only access to CDs/DVDs and permit only approved information storage media
Internal Network VPN Firewall	- Configure a firewall for the internal Virtual Private Network (VPN) and block external access to the internal network - Configure a server demilitarized zone (DMZ) and allow access only to authorized users
Document Security & Physical Security: Watermarks, Print Information, and Storage	- Require approval from the responsible department head before transmitting or exporting internal documents - Avoid copying sensitive documents whenever possible and require shredding or incineration - Apply watermarks to printed materials to prevent duplication and trace duplication routes
Mobile Device Management (MDM) Camera Security Solution	- Prevent information leakage through smartphone cameras by transmitting image capture records to the server - Control camera use at business sites, protect corporate information assets, and prevent information leakage incidents
Backup Solution	- Resume services using backup servers in the event of a single-server hardware failure - Establish secondary storage for critical documents and BCP infrastructure

* DLP (Data Loss Prevention): PC security control + personal data breach prevention + secure USB area for loss prevention + software management + hardware management



Information Security and Privacy Protection

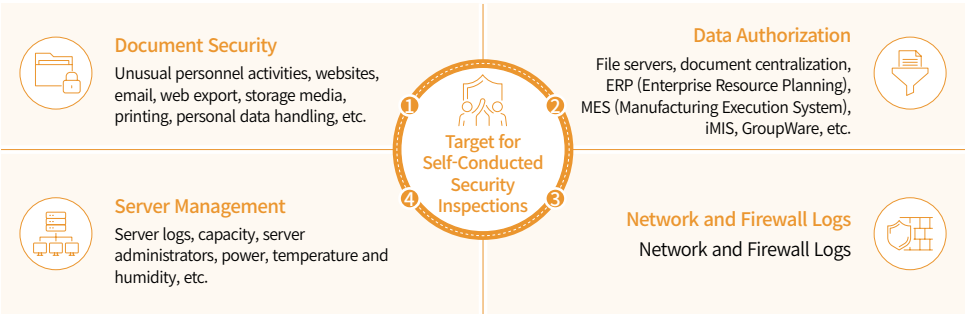
Security Enhancement

Integration of Information Security

Internal Security Inspection Day

HANA Materials designates every Thursday as “Internal Security Inspection Day” to raise employee awareness of information security and embed security into everyday work culture. We conduct regular weekly security inspections across business sites, including document security, facility security, server management, and network security, to identify potential vulnerabilities in advance and implement immediate corrective actions. Rather than treating security inspections as one-time activities, we continuously encourage employees to take ownership of security and naturally embed security awareness into their daily work. HANA Materials will further strengthen its regular security inspection culture and continue to improve company-wide information security through employees’ voluntary security practices.

Targets of Internal Security Inspection



Information Security Education

In addition to physical security management activities, HANA Materials conducts information security education once a year to raise employee awareness. The training focuses on practical security threats that may arise in the workplace, including malware infection prevention and the prevention of internal information leakage through email, helping employees understand the importance of information security and strengthen their practical response capabilities. As a result of systematically operating regular security education, a real-time integrated monitoring system, and periodic security inspections, no personal data breach incidents occurred in 2025, and no improvement cases or complaints were reported following internal information security reviews. HANA Materials views these results as evidence that its information security controls are operating as intended. We will further enhance information security by continuously improving training content and strengthening the security management system.

Information Security Investment

In 2025, HANA Materials invested approximately KRW 260 million in maintaining and repairing existing information security systems—including firewalls, DLP, centralized document management, and mobile and printed material security facilities—as well as introducing new systems such as a replacement backup solution. This represented 26.07% of the total IT budget. This strategic investment goes beyond simple system maintenance and reflects HANA Materials’ firm commitment to continuously strengthening its information security infrastructure in proactive response to increasingly sophisticated cyber threats and hacking techniques. HANA Materials regards information security investment not as a short-term cost but as a core investment in the Company’s sustainable growth and continues to expand the scale and scope of investment each year. We will closely monitor advances in security technology and changes in the external threat environment and continue to expand investment in information security systems.

Information Security Investment Status

(Unit: KRW million)



2025 Information Security Investment Items

Category	Investment Items
Maintenance	Firewall, SpamSniper, DLP, ESET, centralized document management, printed material security, mobile security, etc.
New Implementation	Backup solution
Initial Training	Backup solution

Response to Information Security Incidents

Based on its information security regulations, HANA Materials operates a prompt and systematic response process when security incidents occur. Immediately upon confirming a security incident—such as the disclosure of confidential information or the leakage, loss, or theft of information assets—we prepare an incident report covering the cause, time, scale, and severity, report it to management, promptly notify relevant customers, and establish and implement fundamental recurrence prevention measures. Employees who violate information security obligations are subject to progressive disciplinary action—including reprimand, salary reduction, suspension from duty, or dismissal—depending on the type and severity of the violation. These standards are stipulated in the Disciplinary Committee Operating Regulations and applied consistently without exception, thereby strengthening accountability for information security across the organization.



- Human Rights Management
- Employee-Centered Management
- Sustainable Supply Chain Management
- Quality Innovation
- Information Security and Privacy Protection



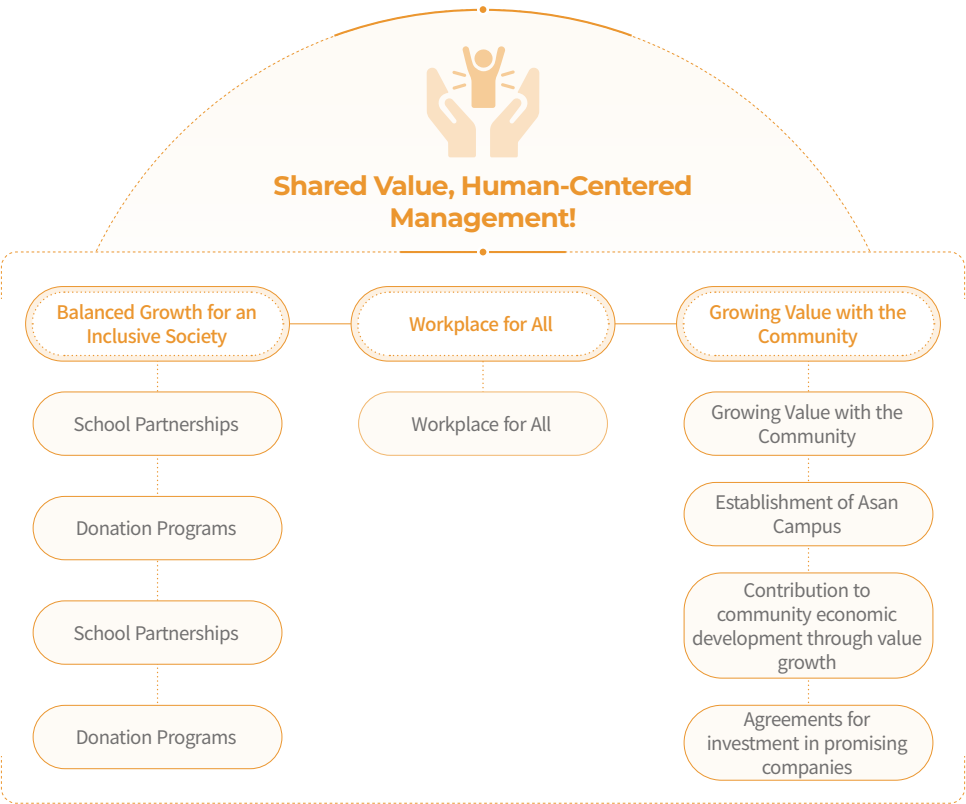
Community Engagement

Social Contribution Activities

Social Contribution Strategy

HANA Materials has established the social contribution vision of “Shared Value, Human-Centered Management” to translate its people-centered management philosophy into concrete social contribution activities and systematically operates programs that support local community development. Our social contribution activities are designed around three key directions—Balanced Growth with Society, A Workplace for Everyone, and Value Creation with Local Communities—and are implemented consistently under the systematic management of the HR Team. Through these activities, we focus on realizing mutual growth in which the Company and local communities develop together.

HANA Materials Social Contribution Strategy



Activation of local workforce development

Agreement



- Industry-Academia Cooperation Agreement with Cheonan Girls' Commercial High School
- Pre-Employment Post-Study Agreement with Hoseo University
- Long-Term Corporate Internship Program with Korea University of Technology and Education
- MOU with Chungju Seongsim School to Promote Employment of Persons with Disabilities

Donations



- Scholarship Fund Donation to the Cheonan Love Scholarship Foundation
- Sponsorship of the Chungcheongnam-do Provincial Sports Festival
- Sponsorship of the Taejeon International Expo
- Development Fund Donation to Chungju Seongsim School

Local Job Creation Initiatives

Establishment of Asan Campus 2 and Development of the Eumbong Industrial Complex

Construction Start Date	• August 8, 2022
Completion Date	• March 22, 2024
Investment Amount	• KRW 147 billion



Awards Related to Job Creation and Employment

Award Title	Awarding Institution
Certification as a 2020 Best Company for Job Creation in Korea	President of the Republic of Korea
Youth-friendly Small Giants	Ministry of Employment and Labor
Commendation for Contributions to Job Creation	Minister of Employment and Labor Award

Improvement of Working Conditions for Vulnerable Employees

- Meetings between employees with disabilities and department heads at least once per quarter, with a sign language interpreter present
- HR personnel performing the duties of disability employment counselors
- Continuous support services for disabled employees in cooperation with the Korea Employment Agency for Persons with Disabilities (KEAD)
- Expansion of facilities for disabled employees (e.g., in the cafeteria)



- Human Rights Management
- Employee-Centered Management
- Sustainable Supply Chain Management
- Quality Innovation
- Information Security and Privacy Protection

Community Engagement

Key Activities in 2025

A Job Fair in Chungnam

HANA Materials regularly holds recruitment information sessions each year for major universities in the Chungcheongnam-do region and vocational training institutions for high school students in the Gyeongsangbuk-do region to identify and expand the recruitment of local talent. Through these sessions, we introduce the characteristics and outlook of the semiconductor materials and parts manufacturing industry and actively communicate HANA Materials' employment opportunities and growth potential, providing outstanding local talent with opportunities to learn more about the Company. Beyond simply promoting recruitment, we support local talent in taking their first steps into the semiconductor industry through close cooperation with local educational institutions and contribute to building a mutually beneficial employment ecosystem that grows together with local communities.

Status of A Job Fair in Chungnam

Year	Number of Events	Participating Institutions	Activities
2023	2	Korea University of Technology and Education, Daejeon University	Company information sessions, job fairs
2024	1	Korea University of Technology and Education	Company information sessions, job fairs
2025	4	Inha Technical College, Chungbuk National University, Yeungnam University College, National Institute for Nanomaterials Technology (NINT)	Company information sessions, job fairs

KRW 3 Million Donation to Cheonan Love Scholarship Foundation

We donated KRW 3 million to the Cheonan Love Scholarship Foundation to support the development of local talented individuals and assist students in need.



Job Support for Vulnerable Groups

Regular Support for Chungju Seongsim School

HANA Materials provides annual support to Chungju Seongsim School, a private special education school for students with hearing impairments. Beyond financial support, we actively assist employment activities linked to the Company to provide practical support for people with hearing impairments who face significant barriers in the job-seeking process. Through these efforts, we support employees with disabilities in securing stable employment and achieving independence as active members of society while contributing to the expansion of an inclusive employment culture.



Social Contribution Performance

Period	Activity	Donation Amount (Unit: KRW 1,000)
2023	Support for Hansun Foundation	50,000
	Donation to Semiconductor Display Jeju Forum	3,000
	Development Fund for Chungju Seongsim School	2,000
	Cheonan Love Scholarship Foundation	3,000
2024	Development Fund for Chungju Seongsim School	2,000
	Cheonan Love Foundation	3,000
	Industry-Academia Cooperation with Jeju National University	3,000
	Peak Time Festival in Asan City	3,000
	One Heart Sports Festival in Eumbong-myeon	1,000
2025	Chungcheongnam-do Provincial Sports Festival	2,000
	Taeon International Expo	10,000
	Cheonan Love Scholarship Foundation	3,000
	Chungju Seongsim School	2,000



Environmental

Social

Human Rights Management

Employee-Centered Management

Sustainable Supply Chain Management

Quality Innovation

Information Security and Privacy Protection

Community Engagement

Governance

Community Engagement

Mid- to Long-Term Goals for Community Coexistence

HANA Materials has established and is systematically implementing mid- to long-term goals for community coexistence to carry out practical and sustainable social contribution activities that reflect the characteristics and circumstances of the Chungcheongnam-do region where its business sites are located.

Mid- to Long-Term Community Coexistence Plan (2025–2030)

Vision: “HANA Materials,” a Sustainable Partner Growing Together with the Local Community

Category	Short-Term Goal (2026)	Mid-Term Goal (2028)	Long-Term Goal (2030)
Building Social Trust	Consultation or MOU with local institutions	Achieve a local community trust level of at least 80%	Be selected as a leading ESG company in Chungcheongnam-do
Operation of Sustainable Programs	Expand participation in local events	Establish three core programs	Expand public-private partnerships with local communities
Expanding Employee Participation	Achieve a participation rate of 30%	Achieve a participation rate of 50%	Secure at least 500 volunteer hours annually

Detailed Mid- to Long-Term Community Coexistence Plan

Category	Details
Support for Education and Talent Development	• Provide job mentoring, career experience programs, and internships in partnership with local specialized high schools and universities • Provide scholarships and operate school-industry partnership tour programs - Support contract-based academic programs: 10 participants in 2025 and five planned for 2026
Community Welfare-Linked Donations and Volunteer Activities	• Establish a consultative body with volunteer organizations in Cheonan and Asan for regular and ad hoc volunteer activities • Sponsor the Taeon International Horticultural Healing Expo • Conduct kimchi-sharing volunteer activities in Eumbong-myeon, Asan, through the Labor-Management Council • Donate to the Chungju Seongsim School Development Fund • Donate to the Cheonan Love Scholarship Foundation
Environmental Safety Campaigns	• Conduct the Walk Chungnam campaign through a health and environmental application for employees • Conduct maintenance activities at the Asan public community garden through the Labor-Management Council • Conduct energy conservation and water conservation campaigns
Support for Local Cultural Festivals	• Sponsor and participate in local events, including the Cheonan Heungtaryeong Festival and the Asan Gingko Tree Road Festival • Participate in marathons
Mutual Growth with the Local Economy	• Expand partnerships with local businesses and provide information through the internal “Partner Businesses” bulletin board • Expand the use of employee welfare points at local businesses

Operation and Evaluation Framework for the Mid- to Long-Term Community Coexistence Plan

Category	Details
Operating Organization	Establish a Social Contribution TFT under the ESG Committee and review strategies at least twice a year
Indicators	Establish KPIs for each program, including participation rates, satisfaction levels, and number of partners
Feedback	Conduct an annual survey and meeting with local residents and institutions
Performance Disclosure	Regularly disclose performance through the ESG Report and website

Investment and Partnership Framework for Social Contribution Activities

Category	Details
Budget	• Annual social contribution budget: 0.03%–0.05% of revenue
Partnerships	• Chungnam Provincial Government • Cheonan City Hall • Asan City Hall • Baekseok Industrial Complex Corporation • Eumbong-myeon Office • Establish cooperative frameworks with universities in each region

Future Roadmap

Period	Key Action Plans
2026	Achieve a participation rate of 30% and expand participation in local events
2027	Secure 500 volunteer hours annually and introduce a social contribution satisfaction survey
2028–2030	Pursue certification as a leading regional ESG partner and expand the impact of sustainability assessment outcomes



Growing The Future With
HANA Materials
Sustainability Report 2025

Company Overview

ESG Foundation

ESG Performance

Environmental

Social

Governance

- Corporate Governance
- Ethical and Compliance Management
- Risk Management

ESG Fact Book

Appendix

GOVERNANCE



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Corporate Governance

Board of Directors

HANA Materials considers the establishment of fair and transparent governance to be a foundation of management and seeks to achieve sustainable growth by sharing corporate value with diverse stakeholders. To provide an institutional basis for this philosophy, we first enacted the Board of Directors Regulations in February 2012, setting out the core principles and standards for Board operations. We continue to revise the Regulations to promptly reflect changes in the rapidly evolving social and economic environment and governance-related norms, thereby enhancing their effectiveness. In accordance with the Regulations, the Board faithfully performs its checks and oversight functions over management, realizes the Company’s core values through responsible management processes, and actively protects the rights and interests of shareholders and stakeholders. Furthermore, we disclose the Board of Directors Regulations on our official website so that all stakeholders can review them at any time, thereby ensuring transparency. HANA Materials will continue to strengthen sound governance centered on the Board of Directors and grow as a trusted company.

Board Composition

(● Chair ○ Member / As of December 31, 2025)

Category	Name (Gender, Date of Birth)	Position	Board Member			Committee Activities		
			Key Experience	Term Expiration Date	2025 Board Attendance	ESG Committee	Compensation Committee	Internal Transaction Committee
Executive Director	Hyun Joo Kim* (Male, June 1965)	President / Chair	• B.S. in Electrical Engineering, Kwangwoon University • Former Head of Samsung Electronics Japan • Former VP of Sales at Samsung Display	2027.3.25	100%		●	●
	Choi Wang-ki (Male, March 1969)	Vice President	• Ph.D. in Materials Science, Korea University of Technology and Education • Former Senior Researcher at MEMC	2026.3.24	100%	○		○
	Kim Soon-young (Male, April 1970)	Senior Executive	• Ph.D. in Accounting Science, UNISINOS University, Brazil • Former CFO at Hana Micron Brazil	2027.3.25	100%	●	○	○
Independent Director	Jung Yong-Joo (Male, May 1968)	Independent Director	• Ph.D. in Chemistry, KAIST • Professor at Korea University of Technology and Education	2026.3.24	100%	○	○	

As of March 2026, Independent Director Jung Yong-Joo retired, Executive Director Kim Soon-young retired for personal reasons, Executive Director Dong-ho Kang was newly appointed, and Independent Director Sun-jip Choi was newly appointed.

Board of Directors Regulations

Board Composition

As the Company's highest decision-making body, the Board of Directors is responsible for major decisions concerning overall management activities and oversight of their execution. Based on its comprehensive authority over Company management, the Board plays a key role in creating sustainable corporate value. As of December 2025, the Board consisted of three executive directors and one independent director. This composition satisfies the 25% independent director ratio required under Korea’s Commercial Act, thereby institutionally ensuring independent checks and oversight of management. The Chair of the Board may be the President or another director appointed by the Board. The current President, who has extensive knowledge and experience in the semiconductor materials and parts industry, concurrently serves as Chair. This structure enables prompt and consistent decision-making while establishing a stable management foundation under the principle of responsible management. When appointing directors, we comprehensively consider professional expertise, independence from management, and diversity of Board composition as key criteria to maintain a balanced Board. Based on its mid- to long-term business strategy, HANA Materials has established core competency criteria required of the Board and systematically reviews each director’s capabilities against these criteria. To provide an at-a-glance view of these capabilities, we comprehensively visualize and manage them through a Board Skills Matrix. With stronger business competitiveness as a key growth direction, HANA Materials will continue to advance Board capabilities by maintaining alignment with management strategy as a core principle when appointing or replacing directors.

Board Skills Matrix

Member	Management and HR Expertise	Accounting and Finance Expertise	Procurement and Sales Expertise	Industry and Technology Expertise
Hyun Joo Kim	✓		✓	
Choi Wang-ki				✓
Kim Soon-young	✓	✓		
Jung Yong-Joo				✓

Board Skills Matrix (Popup)





Corporate Governance

Board of Directors

Board Independence

Directors of HANA Materials must satisfy the qualification requirements set forth in applicable laws and the Articles of Incorporation, possess integrity, sound ethical standards, and a strong sense of professional responsibility, and be capable of representing the long-term and balanced interests of shareholders and stakeholders. Based on these principles, HANA Materials established the Independent Director Candidate Recommendation Committee in 2023 to strengthen its process for thoroughly reviewing director candidates with respect to potential impairment of corporate value, infringement of shareholder rights, and independence. The Board of Directors subsequently selects new executive director candidates and submits them to the General Meeting of Shareholders for final appointment, thereby ensuring transparency and fairness in the director nomination process.

Board Expertise

To support the effective performance of independent directors, the Finance Group serves as the dedicated support function. Before each Board meeting, relevant materials are provided in advance to allow sufficient review of agenda items. When necessary, separate briefing sessions are also held to enhance directors’ understanding of the agenda. In addition, information on key internal management issues is shared on an ongoing basis so that independent directors can gain a broad understanding of overall management and participate in decision-making from an independent and professional perspective. Our independent director is an expert in the semiconductor industry and performs his duties professionally based on extensive knowledge and experience in the field, contributing substantive expertise to the Board’s decision-making process.

Prevention of Board Conflicts of Interest

HANA Materials strictly complies with Article 397(2) of the Korean Commercial Act and prohibits all directors and employees from pursuing personal interests or engaging in any activity that could create a conflict of interest in the course of performing their duties. As a core principle for ensuring transparent and fair corporate management and protecting the trust of shareholders and stakeholders, the Company operates procedures requiring directors with conflicts of interest to abstain from voting on the relevant agenda. Related policies are clearly communicated to employees to foster a culture of business ethics throughout the organization. Furthermore, to strengthen directors’ roles and responsibilities, HANA Materials has introduced a directors’ liability compensation system and maintains Directors and Officers (D&O) liability insurance, thereby minimizing potential losses arising from unforeseen issues during the performance of directors’ duties and enabling directors to carry out their responsibilities with confidence.

Independent Director Training Performance

HANA Materials operates systematic training programs, as needed, to continuously strengthen the expertise of its Board members. To proactively respond to the rapidly changing business environment and evolving governance regulations, we support Board members in keeping abreast of the latest developments and professional knowledge. In 2025, one specialized training program was provided for the independent director to further strengthen the capabilities required to perform Board responsibilities. Going forward, we will continue to expand training opportunities to enhance the expertise of Board members.

Training Date	Training Institution	Participants	Content
2025.6.2	KOSDAQ Association	Jung Yong-Joo, Independent Director	Advanced training on key capital market issues for independent directors and auditors - Key disclosure cases for listed companies - Important considerations regarding unfair trading under the Financial Investment Services and Capital Markets Act - Court precedents related to directors’ liability at listed companies

Auditor Independence

In accordance with the Articles of Incorporation, HANA Materials appoints an auditor with expertise in accounting and auditing through a resolution of the General Meeting of Shareholders. The appointed auditor performs audit duties independently and objectively in accordance with the “Duties and Responsibilities of the Auditor” set forth in the Articles of Incorporation and regularly participates in training provided by external professional institutions to maintain and strengthen professional competence. Through these efforts, we enhance the effectiveness of the audit function while ensuring transparency and reliability in corporate management.

Ensuring Auditor Independence

Category	Details
Articles of Incorporation Article 50 (Duties and Obligations of the Auditor)	1. The auditor audits the company’s accounts and business operations. 2. The auditor may request the Board of Directors to convene an extraordinary General Meeting of Shareholders by submitting a written request stating the purpose of the meeting and the reasons for convening it. 3. The auditor may request business reports from subsidiaries as needed to perform their duties. If a subsidiary fails to provide such a report without delay or where verification of the report is necessary, the auditor may investigate the subsidiary’s business operations and financial condition. 4. Articles 39(3) and 40-2 of the articles of incorporation apply to the auditor’s duties.



Corporate Governance

Board of Directors

Board Activities

The Board of Directors of HANA Materials consists of regular Board meetings, held at least once each quarter, and special Board meetings convened as necessary. As the Company’s principal decision-making body, the Board reviews and approves major management matters prescribed by applicable laws, the Articles of Incorporation, and the Board of Directors Regulations. Board meetings are convened by the Chair or another director designated by the Board. Notice of each meeting is provided seven days in advance to allow directors sufficient time to review the agenda. When directors are unable to attend in person, participation through remote communication methods is permitted to ensure operational flexibility. Resolutions are adopted in accordance with applicable laws by a majority of directors present, with the affirmative vote of a majority of those attending. Directors with a special interest in a particular agenda item are prohibited from exercising voting rights on that matter, thereby ensuring the fairness of the Board’s decision-making process. Information regarding the Company’s governance structure, including the composition of the Board and its committees, is transparently disclosed on the official website. Matters subject to statutory disclosure requirements and those that may materially affect shareholders and stakeholders are also disclosed promptly and accurately through the annual business report and other public disclosures. In 2025, the Board of Directors convened a total of 15 meetings, reviewing and discussing 17 agenda items. Both executive and independent directors achieved an average attendance rate of 100%, indicating full participation in scheduled Board activities.

Key Resolutions of the 2025 Board Meetings

Agenda Items	Approval Status	Agenda Items	Approval Status
• Approval of the Annual ESH Plan	Approved	• Review of First-Half ESH Performance and Second-Half Plan	Approved
• Approval of the 18th Fiscal Year Financial Statements and Cash Dividend	Approved	• Extension of KRW 20 billion Guarantee for an Affiliate	Approved
• Establishment of the Japan Branch	Approved	• Approval of Second-Quarter Financial Statements	Approved
• Report on the ESG Materiality Assessment	Approved	• Approval of Third-Quarter Financial Statements	Approved
• Approval of First-Quarter Financial Statements	Approved	• Extension of the Treasury Stock Trust Agreement	Approved
• Extension of KRW 20 billion Guarantee for an Affiliate	Approved		

Board Compensation

The aggregate limit for director compensation is determined with the approval of the General Meeting of Shareholders. Compensation for executive directors, independent directors, and non-registered executives is determined and paid within the approved limit after considering the scope and complexity of responsibilities, the Company’s business environment, and ESG management performance. To ensure objectivity and transparency in the compensation determination process, the Company operates a Compensation Committee. The annual compensation of individual registered directors and independent directors, as well as the criteria used to determine compensation, are transparently disclosed to stakeholders through the annual business report. Furthermore, to directly align the Company’s long-term sustainability with executive compensation, stock options are granted to executive directors and above. Through this approach, HANA Materials has established an incentive system that encourages management to focus not only on short-term performance but also on long-term corporate value creation and sustainable growth.

Compensation Payment Status

(Unit: KRW million)

Category	Number of Members	Total Remuneration	Average Compensation per Director
Registered Directors (excluding Independent Directors and Audit Committee Members)	3	1,488	496
Independent Directors (excluding Audit Committee Members)	1	36	36
Auditor	1	45	45

Shareholder Return Policy

To protect shareholder rights and promote transparent communication, HANA Materials provides shareholders with advance notice of key information—including the meeting venue, agenda items, and date—at least three weeks before the General Meeting of Shareholders by written notice or electronic document, allowing shareholders sufficient time to review the agenda. The Company’s dividend policy and historical dividend information are transparently disclosed through the corporate website and annual business report, enabling shareholders to make informed investment decisions. Furthermore, through a Board resolution adopted on March 6, 2026, HANA Materials further strengthened its shareholder return policy. Provided that free cash flow exceeds KRW 10 billion, the Company has established a policy of maintaining a dividend payout ratio of at least 10% within the limits of distributable earnings during the fiscal years from 2026 through 2028, thereby enhancing shareholder value in a stable and predictable manner.



Corporate Governance

Board of Directors

Board Committees

Through a Board resolution in May 2023, HANA Materials established four committees under the Board of Directors, appointed members suited to the purpose of each committee, and has operated them systematically in accordance with separate committee regulations. In particular, the ESG Committee serves as a key body that closely reviews areas for improvement across environmental, social, and governance matters based on the Korea Institute of Corporate Governance and Sustainability (KCGS) assessment and discusses implementation measures. In 2025, the Committee received a report on the results of the materiality assessment for sustainability management and conducted an in-depth review of the ESG management strategy. It also exercised its decision-making function by placing mid- to long-term environmental management targets and proposed climate change response KPIs on the agenda. Furthermore, in 2026, the Committee plans to systematically identify internal risks associated with climate-related transition and physical risks and establish response strategies to create a more resilient and sustainable management environment.

ESG Committee

Composition	At least three members, including at least one independent director
Purpose	Strengthening responsible ESG (Environmental, Social, Governance) management and creating sustainable value
Authority	Reviewing and deciding on ESG strategies, investments, issues, and initiatives
Regulations	ESG Committee Regulations
Key Agenda Items in 2025	- Double Materiality Assessment Report - ESG Promotion Strategy- Mid - to Long-Term Environmental Targets - Climate Change Response

Internal Transaction Committee

Composition	At least three members, including at least one independent director
Purpose	Objectively review whether transactions with related parties involve improper transfers of wealth or support
Authority	Strengthen management transparency and independence and conduct prior reviews of related-party transactions
Regulations	Internal Transaction Committee Regulations
Key Agenda Items in 2025	-

Compensation Committee

Composition	At least three members, including at least one independent director
Purpose	Determine reasonable compensation to enhance transparency in executive remuneration
Authority	Review and resolve the compensation limit for registered directors and the compensation framework for registered directors
Regulations	Compensation Committee Regulations
Key Agenda Items in 2025	-

Independent Director Candidate Recommendation Committee

Composition	At least two members, including at least one independent director
Purpose	Recommend independent director candidates who meet applicable legal requirements
Authority	Verify the suitability and qualifications of independent director candidates and exercise the authority to recommend candidates
Regulations	Independent Director Candidate Recommendation Committee Regulations
Key Agenda Items in 2025	-



Ethical and Compliance Management

Ethical and Compliance Management Principles

Code of Ethics and Policies

HANA Materials regards business ethics as a fundamental principle of corporate activities and has established a Code of Ethics to faithfully fulfill its responsibilities to customers, employees, and society. Beyond simply establishing rules, we have developed a Business Ethics Policy that sets out appropriate standards of conduct and value-based decision-making that all employees must follow in their daily work to create sustainable profits based on trust and cooperation. We are also working to embed this policy throughout the organization. The Code of Ethics and Business Ethics Policy are publicly disclosed on the official website so that all stakeholders, including customers, suppliers, and investors, can review HANA Materials’ business ethics principles. We will continue to recognize business ethics as a core element of corporate competitiveness and support all employees in conducting responsible management activities based on strong ethical awareness.

Code of Ethics

01



Value Creation for Customer Satisfaction as Our First Principle

We respect customer feedback and continuously create future value to provide the value customers need.

02



Build a Corporate Culture Trusted by Customers

We take pride in being members of HANA Materials and strive to become an outstanding company trusted for fair competition and the highest quality.

03



Practice Business Ethics That Contribute to Society

We contribute to national and social development by creating employment and preserving a clean environment.

Business Ethics Policy

1

Responsibilities and Obligations to Customers

We place customer value first and make every effort to earn their trust and satisfaction.

2

Fair Competition and Business Transactions

We create legitimate value through fair and transparent competition.

3

Basic Ethics of Executives and Staff Members

Employees practice sound judgment and proper conduct based on honesty and integrity.

4

Responsibilities to Employees

We respect the dignity and value of employees and create a safe and fair working environment.

5

Responsibility for Nation and Society

As a corporate citizen, we fulfill our social responsibilities and contribute to sustainable social development.

Guidelines for Fair Business Transactions

HANA Materials actively works to create an environment in which all transaction participants have equal opportunities and can conduct business fairly under the principles of free competition. The “Fair Competition and Business Transactions” section of the Code of Ethics sets out specific guidelines on free competition and fair trade and systematically defines the standards and procedures that employees must follow in performing their duties. Through these guidelines, we encourage employees to recognize the importance of fair competition and put it into practice in their daily work. Furthermore, in relationships with business partners, we continue to foster a sound business culture based on mutual trust and cooperation rather than the unilateral pursuit of profit, and to build a fair and transparent business ecosystem. HANA Materials will continue to regard fair trade principles as a core value of its management activities and maintain trust-based relationships for mutual growth with all stakeholders.

Fair Competition and Business Transactions

01. Pursuit of Free Competition

We respect the market economy under the principle of free competition and earn customer trust by providing the highest-quality products and services. We compete fairly and in good faith based on genuine capabilities and do not infringe upon competitors’ interests or unfairly exploit their weaknesses.

02. Compliance with Laws and Regulations

All domestic and overseas business activities are conducted in compliance with the applicable laws and regulations of each country and with respect for customary business practices.

03. Equal Opportunities and Fair Transaction Procedures

HANA Materials provides all companies that meet our qualification requirements with equal opportunities to participate in business transactions and fair competition for such transactions. The registration and selection of business partners are conducted through reasonable methods based on objective and fair assessment criteria and on an equal footing. We engage in sufficient consultation regarding transaction terms and procedures and do not engage in any unfair conduct by abusing a superior bargaining position.

04. Pursuit of Mutual Benefit

We actively support business partners in strengthening their competitiveness and achieving growth through technical support and management guidance and share the benefits created through innovation.

Ethical and Compliance Management

Advanced Ethical and Compliance Management

Business Ethics Consultation and Reporting Channel

HANA Materials operates an Online Business Ethics Reporting channel to promptly receive and address unethical conduct and violations of laws and regulations. Anyone may freely submit concerns regarding various matters, including human rights violations and fair competition violations. The identity of the reporting person is strictly protected, and anonymous reporting is permitted to ensure that no disadvantage arises from submitting a report. In addition, since September 2018, we have established the Criteria for Judgment of Misconduct and Behavioral Guidelines, posted them on the company-wide notice board, and clearly defined reporting obligations, reporting person protection principles, and reward and disciplinary standards, thereby enhancing the effectiveness and reliability of the reporting system. In 2025, no reports were received through the business ethics reporting channel, which HANA Materials views as a positive indication that its business ethics culture is becoming established within the organization. HANA Materials will continue to advance its reporting channel and further strengthen its business ethics culture.

Online Reporting Submission and Handling

Online Reporting for Ethical Management

Matters Subject to Reporting

- Moral hazard and violations of legal procedures, including violations of the Code of Ethics
- Lack of respect for personal dignity among members
- Conflicts of interest in job duties
- Inappropriate handling of tasks
- Damage to social values

Protection and Reward of Reporting Persons

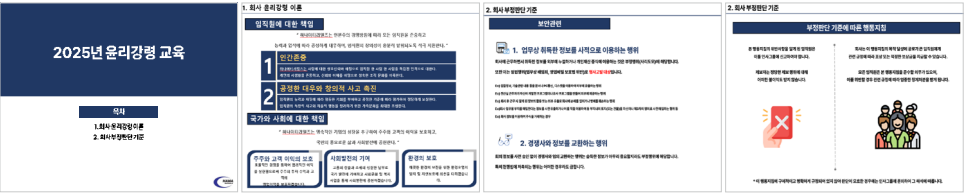
Article 2: Reporting Obligation and Whistleblower Protection
Employees who become aware of violations of these Guidelines for Conduct must report them to the HR Group. Reporting persons shall not be subject to any disadvantage for submitting a legitimate report.

Article 3: Rewards and Disciplinary Actions
The Company may grant awards or appropriate monetary compensation in accordance with applicable regulations to employees who make significant contributions to achieving the purpose of these Guidelines for Conduct. All employees are obligated to comply with these Guidelines for Conduct and may be subject to strict disciplinary action under applicable regulations in the event of a violation.



Ethics Education

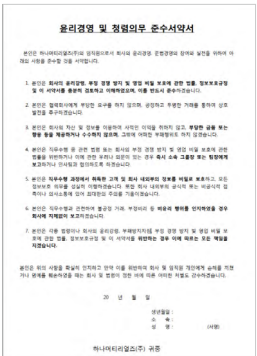
HANA Materials operates systematic ethics education programs for all employees to embed a culture of business ethics throughout the organization. We provide annual Code of Ethics education to help each employee embed ethical awareness as a standard for daily work. In addition, we actively use the HANA Education System to provide ethics education content on various topics, including fair competition and criteria for determining misconduct, creating an environment where employees can access the training they need at any time. Furthermore, to strengthen compliance awareness among all employees, we require annual anti-corruption and fair competition education, thereby proactively reducing the risk of legal and regulatory violations and promoting a transparent and fair management culture. HANA Materials will continue to advance its education content and enhance the effectiveness of business ethics education through diverse channels.



Code of Ethics Training for Employees

Compliance with the Integrity Pledge

HANA Materials uses an Integrity Pledge system to strengthen employees' awareness of ethical responsibility and promote an anti-corruption culture throughout the organization. As of 2025, 693 of 698 employees, representing 99% of all employees excluding those on leave or scheduled to retire, had signed the Pledge to Comply with Integrity Obligations. This result demonstrates that the majority of HANA Materials employees share a strong commitment to business ethics. Furthermore, to embed a transparent business culture throughout the value chain, we plan to add anti-corruption items to supplier management and introduce a corruption impact assessment to further advance our anti-corruption activities. As a result of these systematic and continuous efforts, no fair competition violations occurred during the past three years. HANA Materials will continue to strengthen its culture of integrity and transparent management.



Employee Business Ethics and Integrity Compliance Pledge



Risk Management

Risk Management Framework

Risk Management by Type

HANA Materials has established an enterprise-wide risk management framework to minimize the impacts of various risks that may arise across its business activities. We systematically classify risks into six categories and 14 types and designate a dedicated department for each risk type to enable prompt and professional responses. In addition, when an emergency occurs, we classify the severity of 12 incident types based on the severity and likelihood of the relevant risk factors and operate separate response procedures tailored to each level, thereby minimizing damage and ensuring business continuity.

Risk Types and Dedicated Departments

Category	Risk	Dedicated Department
Financial Stability	- Foreign exchange fluctuation risk - Interest rate fluctuation risk - Liquidity and credit risk	Finance Group
Supply Chain Management	- Raw and auxiliary material supply risk - Raw material price increase risk - Raw material and equipment logistics risk - Country-of-origin sanctions risk	Purchasing Group
Environment and Safety	- Risk of violations of environmental and safety laws and regulations - Environmental and safety incident risk	Environmental Safety Group
Information Management	Information management and information leakage risk	IT Team
Human Resource Management	- Workforce supply risk - Human rights management risk	HR Team
Regulatory Compliance	- Compliance risk - Intellectual property (IP) risk	Legal Team

Emergency Levels and Incident Types





Risk Management

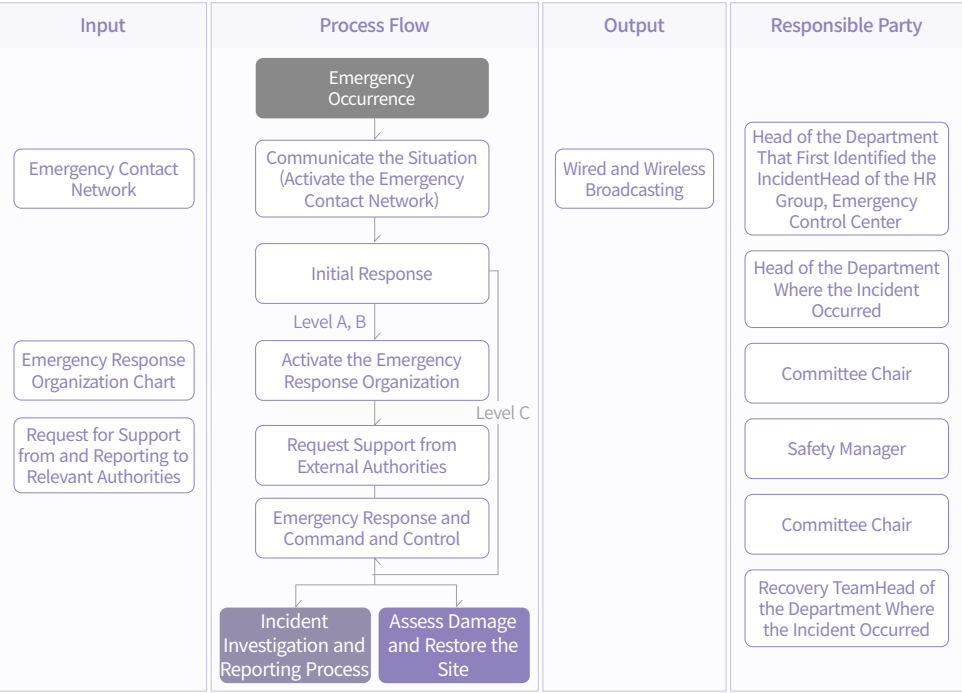
Risk Management Framework

Advancement of Internal Control

Emergency Response Process

HANA Materials has established and operates a systematic emergency response process to prevent incidents and issues from escalating into company-wide crises and to enable prompt recovery. When an emergency occurs, responsible personnel are designated in advance for each stage of the process, enabling a prompt and coordinated response without confusion. In addition, emergencies are classified by type based on factors such as severity and the expected recovery period, and differentiated response procedures are applied by level to ensure efficient and effective responses tailored to each situation.

Emergency Response Process



Advancement of Internal Control System

HANA Materials has implemented and operated an Internal Accounting Control System since 2022 to continuously improve the accuracy and reliability of accounting information. We systematically verify the objectivity of financial data through audits by an independent external auditor and, in accordance with the design and operating effectiveness criteria established by the Internal Accounting Control System Operating Committee, conduct annual effectiveness assessments, audits of operating status, and reports to the Board of Directors and the General Meeting of Shareholders. Through these activities, we regularly assess and verify key business processes, proactively identify potential risk factors, and take prompt corrective action, thereby further strengthening the transparency and reliability of financial reporting. As amendments to the Internal Accounting Control System raised the level of external auditor assurance from a “review” to an “audit,” HANA Materials actively engaged external accounting professionals to respond proactively to the changing regulatory environment. We completed the design of the Internal Accounting Control System in line with the revised best practice guidelines and comprehensively advanced the operation of our internal control system, establishing a framework that meets the enhanced audit requirements. Furthermore, in 2025, we implemented additional improvement activities for “additional controls over fraud risks related to embezzlement and other fund-related misconduct,” further enhancing financial transparency, internal control standards, and preventive controls against fraud risks. HANA Materials will continue to develop its Internal Accounting Control System and enhance the completeness of its financial reporting framework, growing as a transparent company trusted by shareholders and stakeholders.



Growing The Future With
HANA Materials
Sustainability Report 2025

Company Overview

ESG Foundation

ESG Performance

ESG Fact Book

Financial Performance
Non-Financial Performance

Appendix

ESG FACTBOOK

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Financial Performance

Summary of Separate Financial Information

(Unit: KRW million)

Category	2023	2024	2025
Current Assets	131,946	132,318	136,211
Cash and Cash Equivalents	27,556	31,122	34,964
Trade Receivables	14,362	28,351	32,974
Other Receivables and Financial Assets	10,350	7,082	2,028
Inventories	75,729	63,600	63,725
Other Current Assets	3,949	2,163	2,073
Non-Current Assets Held for Sale	5,677	-	-
Non-Current Assets	534,754	441,298	549,007
Property, Plant, and Equipment	353,001	347,913	350,509
Intangible Assets	6,086	6,545	5,843
Right-of-Use Assets	2,446	2,292	1,445
Financial Assets at Fair Value Through Profit or Loss	4,893	4,145	4,174
Financial Assets at Fair Value Through Other Comprehensive Income	138,290	59,897	166,921
Investments in Associates and Joint Ventures	9,943	17,864	18,249
Other Non-Current Assets	20,095	2,641	1,866
Total Assets	672,377	573,616	685,218
Current Liabilities	135,763	120,824	118,080
Non-Current Liabilities	136,920	99,010	103,458
Total Liabilities	272,683	219,834	221,538
Capital Stock	9,876	9,889	9,889
Capital Surplus	35,953	36,496	36,496
Other Components of Equity	-1,009	-3,201	-10,489
Other Comprehensive Income	65,740	-4,969	76,295
Retained Earnings	289,134	315,567	351,489
Total Equity	399,694	353,782	463,680
Total Liabilities and Equity	672,377	573,616	685,218

(Unit: KRW million)

Category	2023	2024	2025
Revenue	233,214	250,371	272,871
Operating Profit	41,828	43,261	50,629
Income (Loss) Before Income Tax Expense	40,466	40,870	50,676
Net Income (Loss)	34,194	31,757	38,376
Other Comprehensive Income (Loss)	72,914	-72,128	83,680
Total Comprehensive Income	107,108	-40,372	122,056
Basic Earnings per Share (KRW)	1,752	1,627	1,984
Diluted Earnings per Share (KRW)	1,741	1,617	1,984

Share and Dividend Information

(Unit: KRW million)

Category	Unit	2023	2024	2025
Total Cash Dividends	KRW million	3,904	4,870	5,787
Dividend Type	-	Cash Dividend Payout Ratio	Cash Dividend Payout Ratio	Cash Dividend Payout Ratio
Cash Dividend per Common Share	%	11.4	15.3	11.4
Cash Dividend per Share (Common Stock)	KRW	200	250	300
Cash Dividend Payout Ratio (Common Stock)	%	0.4	1.1	0.7





Non-Financial Performance

Environmental

Category		Unit	2023	2024	2025
Environmental Management System					
ISO 14001	Certified Business Sites ¹⁾	sites	2	2	3
Environmental Management Education					
Training for Employees Handling Hazardous Chemicals		hours	1,316	1,350	1284
Hazardous Chemical Manager Training		hours	16	80	16
Training for Hazardous Chemical Handlers		hours	736	720	672
Environmental Technician Training		hours	64	28	32
Training Other Than Statutory Training		hours	385	163	238
Compliance with Environmental, Health and Safety Regulations ²⁾					
Regulatory Compliance Results	Number of Environmental Regulatory Violations	cases	-	-	-
	Total Fines	KRW	-	-	-
Environmental Regulatory Compliance Assessment		Number of Improvements	3	1	-
Health and Safety Regulatory Compliance Assessment		Number of Improvements	8	14	14

Category		Unit	2023	2024	2025
Greenhouse Gas Emissions ³⁾					
Cheonan Greenhouse Gas Emissions	LNG	tCO ₂ eq	395.297	392.012	377.596
	Diesel	tCO ₂ eq	20.605	12.737	15.99
	Gasoline	tCO ₂ eq	159.178	137.964	157.393
	Other ⁴⁾	tCO ₂ eq	-	-	0.144
	Subtotal	tCO ₂ eq	575.08	542.713	551.123
	Scope 2 Electricity	tCO ₂ eq	19,853.75	25,365.49	25,798.78
Total		tCO ₂ eq	20,428.83	25,908.21	26,349.90
Asan 1 Greenhouse Gas Emissions	LNG	tCO ₂ eq	753.553	610.913	134.527
	Diesel	tCO ₂ eq	0.769	0.523	0.785
	Subtotal	tCO ₂ eq	754.322	611.436	135.313
	Scope 2 Electricity	tCO ₂ eq	13,587.29	12,890.98	5,687.38
Total		tCO ₂ eq	14,341.61	13,502.42	5,822.69
Asan 2 Greenhouse Gas Emissions	LNG	tCO ₂ eq	-	81.872	1,485.16
	Diesel	tCO ₂ eq	-	0	0
	Subtotal	tCO ₂ eq	-	81.872	1,485.16
	Scope 2 Electricity	tCO ₂ eq	-	1,605.12	13,344.15
Total		tCO ₂ eq	-	1,686.99	14,829.31
Total Greenhouse Gas Emissions (Scope 1 + 2)		tCO ₂ eq	34,770.44	41,097.62	47,001.90
Emissions Intensity (Based on Separate Revenue)		tCO ₂ eq/100 million KRW	14.91	16.413	17.223

1) The certified business sites are the Cheonan and Asan Campuses. Asan Campus 2 additionally obtained certification in 2025.
2) Internal compliance assessments for environmental regulations and health and safety regulations have been conducted since 2022.
3) The Cheonan Campus is subject to Korea's Greenhouse Gas and Energy Target Management System, and emissions are calculated in accordance with the Guidelines for the Operation of the Greenhouse Gas and Energy Target Management System announced by the Ministry of Environment. Emissions for Asan Campuses 1 and 2 were calculated based on energy use reporting standards established by the Korea Energy Agency.
4) Figures for the use of substitutes for ozone-depleting substances have been added since 2025.

Category		Unit	2023	2024	2025
Energy Consumption ⁵⁾					
Cheonan Energy	Diesel	TJ	0.3	0.2	0.2
	Gasoline	TJ	2.4	2.1	2.3
	City Gas (LNG)	TJ	7.8	7.7	7.5
	Electricity	TJ	414.9	530	539.1
Total		TJ	425.3	540	549.1
Asan 1 Energy	Diesel	TJ	0	0	0
	City Gas (LNG)	TJ	14.9	12.1	2.7
	Electricity	TJ	283.9	269.4	118.8
Total		TJ	298.8	281.4	121.5
Asan 2 Energy	Diesel	TJ	-	0	0
	City Gas (LNG)	TJ	-	1.6	29.3
	Electricity	TJ	-	33.5	278.8
	Total	TJ	-	35.2	308.1
Total Energy Consumption		TJ	724.1	856.6	978.8
Energy Intensity (Based on Separate Revenue)			0.31	0.34	
Renewable Energy Solar Power		TJ	2	1.9	1.9
Cost Savings from Energy Reduction Activities		KRW	172,872,460	149,618,000	702,510,530

5) The Cheonan Campus is subject to Korea's Greenhouse Gas and Energy Target Management System, and energy consumption is calculated in accordance with the Guidelines for the Operation of the Greenhouse Gas and Energy Target Management System announced by the Ministry of Environment. For Asan Campuses 1 and 2, diesel, gasoline, city gas (LNG), and total non-renewable energy consumption were calculated based on energy use reporting standards established by the Korea Energy Agency. The figures for 2023 and 2024 previously reported in the electricity report have been converted to terajoules (TJ) for disclosure.



Non-Financial Performance

Category		Unit	2023	2024	2025
Waste Management ¹⁾					
Cheonan Campus	Total Waste Generated	ton	1,825	1,420	1,240
	General Waste	ton	373	423	421
	General Waste Sent to Landfill	ton	262	307	205
	General Waste Incinerated	ton	3	-	-
	General Waste Recycled	ton	109	116	216
	General Waste Treated by Other Methods	ton	-	-	-
	Designated Waste	ton	1,452	997	820
	Designated Waste Sent to Landfill	ton	-	-	-
	Designated Waste Incinerated	ton	49	199	57
	Designated Waste Recycled	ton	250	275	622
	Designated Waste Treated by Other Methods	ton	1,153	523	141
	Waste Recycling Rate (General + Designated)	%	20	28	68
	Total Waste Generated	ton	1,552 ³⁾	1,438 ³⁾	242
	General Waste	ton	396	320 ³⁾	88
	General Waste Sent to Landfill	ton	132	134	5
	General Waste Incinerated	ton	-	-	-
Asan Campus 1	General Waste Recycled	ton	264	186 ³⁾	83
	General Waste Treated by Other Methods	ton	-	-	-
	Designated Waste	ton	1,156	1,118	154
	Designated Waste Sent to Landfill	ton	-	-	-
	Designated Waste Incinerated	ton	86	296	23
	Designated Waste Recycled	ton	550	401	131
	Designated Waste Treated by Other Methods	ton	521	421	-
	Waste Recycling Rate (General + Designated)	%	52	41	88
	Total Waste Generated	ton	-	3.12	2,344
	General Waste	ton	-	-	289
	General Waste Sent to Landfill	ton	-	-	77
	General Waste Incinerated	ton	-	-	10
	General Waste Recycled	ton	-	3.12	203
	General Waste Treated by Other Methods	ton	-	-	-
	Designated Waste	ton	-	-	2,054
	Designated Waste Sent to Landfill	ton	-	-	-
Asan Campus 2 ²⁾	Designated Waste Incinerated	ton	-	-	104
	Designated Waste Recycled	ton	-	-	1,951
	Designated Waste Treated by Other Methods	ton	-	-	-
	Waste Recycling Rate (General + Designated)	%	-	100	93

1) The waste recycling rate figures were recalculated due to a change in the calculation method based on the recycling treatment method in 2025.
2) Performance data have been collected and calculated since 2024.
3) In the previous disclosure, combined figures for Asan Campus 1 and Asan Campus 2 were reported. The figures have been revised to present each campus separately.

Category		Unit	2023	2024	2025
Water Resources Management					
Cheonan Campus	Total Water Withdrawal	km ³	169	169	176
	Municipal Water	km ³	169	169	176
	Industrial Water	km ³	-	-	-
	Wastewater Discharge Volume	km ³	129	122	126
	Total Water Consumption	km ³	40	47	50
	Water Recycling Rate	%	16	17	20
	Water Recycling Volume	km ³	32	34	44
	Total Water Withdrawal	km ³	298	268 ⁴⁾	106
Asan Campus 1	Municipal Water	km ³	134	138 ⁴⁾	48
	Industrial Water	km ³	164	130	58
	Wastewater Discharge Volume	km ³	262	218 ⁴⁾	79
	Total Water Consumption	km ³	36	50 ⁴⁾	27
	Water Recycling Rate	%	7	10	5
	Water Recycling Volume	km ³	23	30	5
Asan Campus 2 ⁵⁾	Total Water Withdrawal	km ³	-	19	255
	Municipal Water	km ³	-	19	231
	Industrial Water	km ³	-	-	24
	Wastewater Discharge Volume	km ³	-	11	211
	Total Water Consumption	km ³	-	8	44
	Water Recycling Rate	%	-	-	10
	Water Recycling Volume	km ³	-	-	29
	Total Water Withdrawal	km ³	-	19	255
All Business Sites	Water Intensity	km ³ /KRW 100 million	0.20	0.18	0.20

4) In the previous disclosure, combined figures for Asan Campus 1 and Asan Campus 2 were reported. The figures have been revised to present each campus separately.
5) Performance data have been collected and calculated since 2024.



Non-Financial Performance

Category			Unit	2023	2024	2025
Pollutant Management						
Water Pollutants	Cheonan Campus ¹⁾	BOD	kg	1,804	4,806	3,123
		TOC	kg	883	936	1,060
		SS	kg	421	515	606
		T-N	kg	2,541	1,138	3,787
		T-P	kg	8	20	29
	Asan Campus 1	BOD	kg	1,164	3,835	26
		TOC	kg	2,393	1,101	242
		SS	kg	13,183	7,780	2,671
		T-N	kg	6,703	3,598	130
		T-P	kg	83	129	8
	Asan Campus 2 ²⁾	BOD	kg	-	9	1,242
		TOC	kg	-	11	568
		SS	kg	-	50	6,011
		T-N	kg	-	9	926
T-P		kg	-	-	108	
Air Pollutants	Cheonan Campus	Nox	kg	116	89 ⁵⁾	120
		Sox	kg	-	-	-
		Dust	kg	165 ³⁾	177	506
	Asan Campus 1 ²⁾	Nox	kg	1,011	770	72
		Sox	kg	248	8	6
		Dust	kg	289	373	207
	Asan Campus 2 ²⁾	Nox	kg	-	7,667	1,493
		SOx	kg	-	407	69
		Dust	kg	-	30	87
Chemical Substances ³⁾		Emissions	kg	197	957	2,467
Hazardous Chemical Substances ³⁾⁴⁾		Consumption	ton	2,372	1,842	2,467

1) Figures for the past three years were revised by converting emissions based on weekly measurements instead of the previous semiannual measurements.

2) In last year’s disclosure, combined figures for Asan Campus 1 and Asan Campus 2 were reported. The figures have been revised this year to present each campus separately.

3) Figures for 2023 and 2024 represent the combined totals for the Cheonan Campus and Asan Campus 1. The 2025 figure represents the combined total for the Cheonan Campus, Asan Campus 1, and Asan Campus 2.

4) Due to an error in data calculation, the 2024 performance reported in the previous report has been revised.

5) Due to an error in data calculation, the performance reported in the previous report has been revised.

Category		Unit	2023	2024	2025
Environmentally Friendly Vehicles ⁶⁾					
Total Number of Vehicles Owned		vehicles	-	32	34
Number of Environmentally Friendly Vehicles Owned		vehicles	-	6	8
Ratio of Environmentally Friendly Vehicles		%	-	19%	24%

Category		Unit	2023	2024	2025
Raw Materials					
Total Raw Materials Used	Total	kg	402,170	600,980	742,147
Recycled Raw Materials Used	Total	kg	83,177	184,843	159,376
Percentage of Recycled Raw Materials Used ⁷⁾		%	21	31	34

Category		Unit	2023	2024	2025
Environmental Regulatory Violations					
Number of Environmental Regulatory Violations		cases	-	-	-
Total Fines for Environmental Regulatory Violations		KRW million			
Number of Non-Monetary Sanctions for Environmental Regulatory Violations		cases	-	-	-

6) Environmentally friendly vehicles include hybrid vehicles.

7) The percentages of recycled raw materials used in 2023 and 2024 were revised due to a change in the calculation method.



Non-Financial Performance

Social

Category			Unit	2023	2024	2025
Employee Status ¹⁾						
Total Number of Employees			persons	710	742	717
By Employment Type	Permanent employees		persons	705	732	697
	Male		persons	616	645	617
	Female		persons	89	83	80
	Ratio of Regular Employees		%	99.3	98.9	97.2%
	Non-Regular Employees ²⁾		persons	5	10	20
	Male		persons	3	7	17
	Female		persons	2	3	3
	Percentage of Non-Regular Employees		%	0.7	1.3	2.8
By Age Group	20s	Male	persons	231.0	229.0	175.0
		Female	persons	36.0	26.0	19.0
	30s	Male	persons	263.0	293.0	324.0
		Female	persons	32.0	39.0	41.0
	40s	Male	persons	98.0	95.0	102.0
		Female	persons	20.0	15.0	14.0
	50s	Male	persons	24.0	36.0	30.0
		Female	persons	3.0	6.0	9.0
	60s	Male	persons	3.0	3.0	3.0
		Female	persons	0.0	0.0	0.0
By Gender	Male		persons	619	652	634
	Female		persons	91	86	83
Female Managers ³⁾			persons	1	1	1
			%	0.1	0.1	0.1
Length of Service	Average Length of Service for Male Employees		years	4.7	5.1	5.8
	Average Length of Service for Female Employees		years	5.5	6.1	6.9
Category			Unit	2023	2024	2025
Turnover and Retirement						
Total Number of Employees Who Left or Retired			persons	112	106	51
Voluntary Turnover Rate ⁴⁾			%	15.8	14.3	7.1
By Gender	Male		persons	101	92	46
	Female		persons	11	13	5
By Age Group	20s		persons	59	43	25
	30s		persons	45	45	18
	40s		persons	8	14	6
	50s		persons	0	2	1
	60s		persons	0	1	1

1) The number of employees has been revised and disclosed based on the annual business report. The figures in the previous report excluded registered directors.

2) Includes non-regular employees responsible for logistics and materials management and administrative support.

3) Based on female employees with authority to conduct performance evaluations.

4) The turnover rate was calculated based on the total number of employees and includes employees who left the Company, excluding forced dismissals.

Category		Unit	2023	2024	2025
New Hires					
Number of Newly Hired Employees		persons	65	124	42
By Gender	Male	persons	61	117	39
	Female	persons	4	7	3
By Age Group	20s	persons	41	93	30
	30s	persons	19	25	8
	40s	persons	5	5	1
	50s	persons	0	1	2
	60s	persons	0	0	1

Category		Unit	2023	2024	2025
Workers Not Employed by the Company					
By Gender	Male	persons	23	20	28
	Female	persons	16	16	17

Category		Unit	2023	2024	2025
Human Rights					
Human Rights Education	Sexual Harassment Prevention Education	hours	1	1	1
	Disability awareness education	hours	1	1	1
	Workplace Harassment Prevention	hours	1	1	1
	Participants (Percentage)	persons (%)	710(100)	738(100)	697(100)
Employee Grievance Handling	Grievances Received	cases	10	5	3
	Grievances Resolved	cases	7	4	3
Employee Diversity					
Human Rights Education	Persons with Disabilities	persons	19	19	19
	Compliance with Mandatory Employment Requirements	persons	4.7	4.7	4.8
	Persons of National Merit	persons	2	2	2
	Foreign Employees	persons	17	15	14
Ratio of Basic Salary and Compensation by Gender	Male	KRW million	54	71	79
	Average Salary per Employee ⁵⁾ Female	KRW million	46	60	60

5) Excludes registered directors.



Non-Financial Performance

Category			Unit	2023	2024	2025
Talent Development						
Employee Education	Total Number of Employees Participating in Training		persons	422	608	712
	By Gender	Male	persons	378	534	623
		Female	persons	44	74	81
	Total Training Costs		KRW	36,408	45,017	51,282
	Total Training Hours		hours	11,428	12,426	12,687
	Training Cost per Employee		KRW 1,000	86	74	72
	Training Hours per Employee		hours	27	20	18
	Number of Training Programs Attended		programs	962	686	712
	Training Completion Rate		%	100	100	100

Category				Unit	2023	2024	2025
Working Environment							
Employee Benefits	Cost	Total Employee Benefit Costs		KRW million	6,874	6,121	7,573
		Employee Benefit Costs per Employee ¹⁾		KRW million	9.68	8.25	10.56
Leave of Absence	Maternity Leave	Employees Taking Leave	Male	persons	17	17	12
			Female	persons	2	2	5
		Employees Returning to Work	Male	persons	17	17	12
			Female	persons	2	2	5
	Parental Leave	Eligible Employees ²⁾	Male	persons	151	146	135
			Female	persons	11	15	15
		Employees Taking Leave	Male	persons	4	4	13
			Female	persons	7	7	6
		Employees Returning to Work	Male	persons	1	1	9
			Female	persons	3	3	5
Continued Employment After Return	12-Month Retention Rate ³⁾		%	0	0	0	

1) The 2023 and 2024 figures reported in the previous report were recalculated due to a change in the method used to determine the number of employees.
2) Employees with children aged eight or younger were considered eligible for parental leave.
3) Employees with less than 12 months of continued service were excluded.

Category			Unit	2023	2024	2025
Performance Management						
Performance Evaluation	Employees Subject to Performance Management		persons	671	709	684
	Employees Who Received Performance Management		persons	671	709	684
	Percentage of Employees Who Received Performance Management		%	100	100	100
	By Gender	Male	persons	585	623	602
		Female	persons	86	86	82
	By Position	Team Leaders	persons	2	2	4
		Group Leaders	persons	31	30	30
		Supervisors	persons	37	35	37
		Line Leaders	persons	56	56	57

Category			Unit	2023	2024	2025
Organizational Culture						
Number of Activities to Promote Organizational Culture			times	1	1	1
Employee Organizational Culture Satisfaction Survey Results ⁴⁾			points	-	-	-
Labor-Management Council ⁵⁾	Management Representatives on the Labor-Management Council		persons	6	6	6
	Employee Representatives on the Labor-Management Council		persons	6	6	6
	Labor-Management Council Participation Rate		%	100	100	100
	Number of Labor-Management Council Meetings		cases	4	4	4
	Number of Agenda Items Resolved by the Labor-Management Council		cases	20	13	12

4) The organizational culture satisfaction survey was first conducted in 2022 and was not conducted in 2023, 2024, or 2025.
5) Non-regular employees responsible for materials management and administrative support also participate as members of the Labor-Management Council, and the Council's outcomes apply to all employees.



Non-Financial Performance

Category			Unit	2023	2024	2025
Health and Safety						
Health and Safety Management System	Occupational Safety and Health Committee	Agenda Items Received	cases	23	8	4
		Agenda Items Reviewed and Resolved	cases	16	8	35
	Number of ISO 45001-Certified Business Sites		sites	2	2	3
	Number of Employees Covered by the Occupational Health and Safety Management System		persons	674	704	674
	Percentage of Employees Covered by the Occupational Health and Safety Management System		%	95	95	94
Risk Identification	ESH Patrol Improvements	Identified	cases	147	169	156
		Improved	cases	146	165	156
	Environmental Impact Assessment	Identified	cases	34	41	57
		Improved	cases	29	37	57
	Risk Assessment	Risk Level Before Improvement	Risk Level	5.91	3.67	3.51
		Risk Level After Improvement	Risk Level	2.41	3.18	3
Health and Safety Communication Channels	ESH Suggestions	Number of Suggestions Submitted	cases	833	462	448
		Participation Rate	%	35	34	53
	Safety Culture Awareness Survey	Awareness Score	points	4.7	4.1	4.6
Employee Health and Safety Education	Education	Statutory Health and Safety Training	Training Hours	19,156	19,754	18,444
		Non-Statutory Health and Safety Training	Training Hours	13,579	20,633	20,346
	Training	Emergency Response Drills	Number of Drills Conducted	44	56	56
Employee Health Promotion	Number of Health Promotion Programs		cases	2	3	2
	Health Examinations	Special Health Examinations	persons	673	619	524
		General Health Examinations	persons	708	723	688

Category			Unit	2023	2024	2025
Health and Safety						
Work-Related Injuries and Illnesses	Injuries	Occupational Injury Rate	Cheonan Campus %	0.27	0	0
			Asan Campus %	0.26	0.26	0.28
	Illnesses ²⁾	Total Recordable Incident Rate (TRIR) ¹⁾	Employees	1.06	0.94	0.53
		Occupational Illness Frequency Rate (OIFR) ³⁾	Employees	0	0	0
			Suppliers	0	0	0
Health and Safety	Contractor Qualification Assessment Performance	Preliminary Assessment	cases	9	12	24
		Compliant	cases	9	12	24
		Non-Compliant	cases	0	0	0
		Follow-Up Assessment	cases	36	22	24
		Compliant	cases	36	22	24
		Non-Compliant	cases	0	0	0

Category			Unit	2023	2024	2025
Supplier Management						
Supplier Assessment	Approved Vendor List (AVL) Assessment	Number of Suppliers Subject to Assessment	suppliers	26	22	24
		Number of Suppliers Assessed	suppliers	26	22	24
Supplier Environmental Assessment	Number of New Suppliers		suppliers	3	2	7
	Number of New Suppliers Screened Using Environmental Criteria		suppliers	3	2	7
	Environmental Impacts in the Supply Chain	Number of Impacts Identified	cases	-	-	-
		Number of Actions Taken	cases	-	-	-
Key Supplier Audits ⁴⁾	Number of Suppliers Subject to Audit		suppliers	-	-	70
	Number of Suppliers Audited		suppliers	-	-	24

1) Suppliers are not included.
2) Based on cases requiring hospital treatment.
3) There were no work-related illnesses; the figures are based on cases officially recognized as occupational diseases.
4) Audits are conducted for existing suppliers, excluding new suppliers, and have been implemented since 2025. Key suppliers are selected in accordance with Section 6.6 of the Supplier Selection and Management Process [HMP-B001].



Non-Financial Performance

Category			Unit	2023	2024	2025
Social Contribution						
Donations	Total Donations		KRW million	165	68	67
	Total Volunteer Hours		hours			40
Social Contribution Activities ¹⁾	Volunteer Hours per Employee		hours			4
	Volunteer Participation Rate		%			1.4
Political Contributions						
Political Contribution Amount ¹⁾			KRW million			0
Quality Control						
Quality and Safety	Product Safety	Number of Product Recalls	cases	0	0	0
		Total Volume of Products Recalled	Units/sets	0	0	0
		Number of Counterfeit Parts Detected	Units/sets	0	0	0
	Quality Performance	Process Nonconformity Index	%	1.6	1.2 ²⁾	1.1
	Customer VOCs	Customer Complaint Resolution Rate	%	100	100	100
	Customer Satisfaction	Customer Satisfaction Management	points	92.2	95	95.2

1) Performance data have been collected since 2025.
2) The 2024 performance reported in the previous report was revised due to a change in decimal-place calculation.

Category			Unit	2023	2024	2025
Information Security						
Information Security Violations	Number of Personal Data Breach Incidents		cases	0	0	0
	Number of Improvements Identified Through Internal Information Security Reviews		cases	0	0	0
Number of Complaints	Number of Substantiated Complaints Concerning Information Security Violations or Losses		cases	0	0	0
Information Security Training ³⁾	Training Hours		minutes	30	20	20
	Participants		persons	712	742	708
Information Security Investment ³⁾	Investment Amount		KRW million	143	257	258

3) The 2024 performance reported in the previous report was revised due to an error in data calculation.



Non-Financial Performance

Governance

Category		Unit	2023	2024	2025	
Board of Directors						
Board Composition	Executive Directors	persons	3	3	3	
	Independent Directors	persons	1	1	1	
	Percentage of Independent Directors	%	33.3	33.3	33.3	
	Percentage of Female Directors	%	0	0	0	
Number of Board Meetings Held		times	26	22	15	
Board Attendance Rate	Average Attendance Rate	%	93	99	100	
	Attendance Rate of Independent Directors	%	73	95	100	
	Attendance Rate of Executive Directors	%	100	100	100	
Board Agenda Items		cases	30	24	17	
Number of Agenda Items Opposed by Independent Directors		cases	0	0	0	
Category		Unit	2023	2024	2025	
Shareholder Composition						
Stock Ownership Status	Shareholding Ratio of the President	%	-	-		
	Shareholding Ratio of Public Institutions: National Pension Service	%	7.24	4.55	4.92	
	Shareholders Owning 5% or More	Hana Micron	%	32.55	32.5	32.5
		Tokyo Electron	%	13.9	13.78	13.78
		Hansu Choi	%	11.64	11.63	11.63
		National Pension Service	%	7.24	4.55	4.92
Shareholder-Friendly Management	Implementation Status	Electronic Voting System	-	Adoption	Adoption	Adoption

Category		Unit	2023	2024	2025
Board Compensation					
Registered Directors	Number of Directors	persons	3	3	3
	Total Remuneration	KRW million	1,071	1,352	1,488
	Average Remuneration Per Person	KRW million	357	451	496
Independent Director	Number of Directors	persons	1	1	1
	Total Remuneration	KRW million	37	36	36
	Average Remuneration Per Person	KRW million	37	36	36
Auditor (Audit Committee Members)	Number of Directors	persons	1	1	1
	Total Remuneration	KRW million	45	45	45
	Average Remuneration Per Person	KRW million	45	45	45

Category		Unit	2023	2024	2025	
Business Ethics and Compliance						
Ethics	Number of Internal Business Ethics and Compliance Reviews	cases	0	0	0	
	Number of Internal Business Ethics and Compliance Violations	cases	0	0	0	
	Compliance Reports by Type	Sexual Harassment	cases	1	0	0
		Anti-Corruption	cases	0	0	0
		Unfair Trade Practices	cases	0	0	0
Business Ethics and Compliance Education Status	Business Ethics and Compliance Training	Training Hours	hours	1	1	1
		Participants	persons	712	742	708
	Anti-Corruption Education	Training Hours	hours	1	1	1
		Participants	persons	712	742	708
	Fair Competition Education	Training Hours	hours	1	1	1
		Participants	persons	712	742	708



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Appendix

GRI Standards Index
Independent Assurance Statement

APPENDIX

GRI Standards Index	82
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GRI Standards Index

Statement of Use	HANA Materials has reported in accordance with the GRI Standards for the period from January 1, 2025, to December 31, 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	No applicable GRI Sector Standard has been issued for the industry.

GRI 2 General Disclosures

Topic	No.	Disclosure	Reporting Location	Note
The organization and its reporting practices	2-1	Organizational details	6, 7	
	2-2	Entities included in the organization's sustainability reporting	2, 7	
	2-3	Reporting period, frequency and contact point	2	
	2-4	Restatements of information	73-80	Data changes resulting from the expansion of the reporting scope and enhancement of reporting criteria are separately indicated in footnotes.
	2-5	External assurance	84, 85	
Activities and workers	2-6	Activities, value chain and other business relationships	9, 10	
	2-7	Employees	76	
	2-8	Workers who are not employees	76	
Governance	2-9	Governance structure and composition	63, 66	
	2-10	Nomination and selection of the highest governance body	64	
	2-11	Chair of the highest governance body	63	
	2-12	Role of the highest governance body in overseeing the management of impacts	63, 66	
	2-13	Delegation of responsibility for managing impacts	12, 66	
	2-14	Role of the highest governance body in sustainability reporting	12, 63	
	2-15	Conflicts of interest	64	
	2-16	Communication of critical concerns	12	
	2-17	Collective knowledge of the highest governance body	64	

Topic	No.	Disclosure	Reporting Location	Note
Governance	2-18	Evaluation of the performance of the highest governance body	-	Information unavailable / incomplete
	2-19	Remuneration policies	65, 80	
	2-20	Process to determine remuneration	65	
	2-21	Annual total compensation ratio	-	Index Confidential
	2-22	Statement on sustainable development strategy	5	
Strategy, policies and practices	2-23	Policy commitments	18, 39, 48, 52, 67	
	2-24	Embedding policy commitments	20, 25, 39-41, 51, 54, 68	
	2-25	Processes to remediate negative impacts	41, 50, 68	
	2-26	Mechanisms for seeking advice and raising concerns	43, 47, 59	
	2-27	Compliance with laws and regulations	73	
	2-28	Membership associations	15	
Stakeholder engagement	2-29	Approach to stakeholder engagement	15	
	2-30	Collective bargaining agreements	77	
GRI 3: Material Topics 2021				
Disclosures on material topics	3-1	Process to determine material topics	13	
	3-2	List of material topics	13, 14	





GRI Standards Index

No.	Disclosure	Reporting Location	Note
Climate Change Response			
3-3	Management of material topics	34-37	
201-2	Financial implications and other risks and opportunities due to climate change	36	
302-1	Energy consumption within the organization	73	
302-3	Energy intensity	73	
302-4	Reduction of energy consumption	35	
305-1	Direct (Scope 1) GHG emissions	73	
305-2	Energy indirect (Scope 2) GHG emissions	73	
305-4	GHG emissions intensity	73	
305-5	Reduction of GHG emissions	35	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	75	
Employee Health and Safety			
3-3	Management of material topics	18-26, 32-33	
403-1	Occupational health and safety management system	21	
403-2	Hazard identification, risk assessment, and incident investigation	22, 24	
403-3	Occupational health services	32, 33	
403-4	Worker participation, consultation, and communication on occupational health and safety	22, 24, 78	
403-5	Worker training on occupational health and safety	25, 78	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	32, 33	
403-8	Workers covered by an occupational health and safety management system	78	
403-9	Work-related injuries	78	
403-10	Work-related ill health	78	

No.	Disclosure	Reporting Location	Note
Organizational Culture			
3-3	Management of material topics	39-47	
401-1	New employee hires and employee turnover	43, 76	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	46	
401-3	Parental leave	77	
403-6	Promotion of worker health	46	
404-1	Average hours of training per year per employee	77	
404-2	Programs for upgrading employee skills and transition assistance programs	44-45	
404-3	Percentage of employees receiving regular performance and career development reviews	77	
406-1	Incidents of discrimination and corrective actions taken	76	
Supply Chain Management			
3-3	Management of material topics	48-50	
308-1	New suppliers that were screened using environmental criteria	78	
308-2	Significant actual and potential negative environmental impacts in the supply chain and actions taken	78	



Independent Assurance Statement

To: The Stakeholders of HANA MATERIALS Inc.

Overview

The British Standards Institution (hereinafter referred to as the “Assurer”) was requested to verify the 2025 HANA MATERIALS Sustainability Report (hereinafter referred to as the “Report”). The Assurer is independent to HANA MATERIALS and has no major operational financial interest other than the assurance of the Report. This assurance opinion statement is intended to provide information related to the assurance of the HANA MATERIALS’s report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any other purpose. This assurance opinion statement is prepared based on the information presented by the HANA MATERIALS. The verification does not extend beyond such information and is solely based on it. In performing such verification, the Assurer has assumed that all such information is complete and accurate.

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

The Assurer is responsible for providing HANA MATERIALS’s management team with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and to provide the information to all stakeholders of HANA MATERIALS. The Assurer will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person or party by whom the independent assurance opinion statement may be read.

Scope

The scope of engagement agreed upon with HANA MATERIALS includes the following:

- Report contents during the period from January 1st to December 31st 2025 included in the Report, some data of 2026 are included.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review.
- Confirmation of the Report’s compliance with the AA1000 AccountAbility Four Principles and, where applicable, the reliability of the sustainability performance information contained within the Report, based on the type of sustainability assurance performed in accordance with AA1000 AS v3.

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

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

Assurance Level and Type

The assurance level and type are as follows;

- Moderate level based on AA1000 AS and Type 1 (confirmation to the four principles as described in the AA1000 Accountability Principle 2018)

Description and sources of Disclosures Covered

Based on the scope and methodology of assurance applied, the Assurer reviewed the following disclosures based on the sampling of information and data provided by HANA MATERIALS.

[Universal Standards]

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

[Topic Standards]

201-2, 302-1,3&4, 305-1-5&7, 308-1&2, 401-1~3, 403-1~10, 404-1~3, 406-1

Methodology

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

- Validation of the materiality assessment and internal analytical process for determining assurance priorities, and a top-level review of issues that may be raised by external stakeholders in the context of sustainability.
- Discussion with managers and representatives on stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible departments.
- Verification of the sustainability strategy implementation process and supporting systems, including the generation, collection, and reporting of data across performance areas, as well as confirmation of the evidence supporting claims presented in the report
- Assessment of HANA MATERIALS’s reporting and management processes against the four principles of Inclusivity, Materiality, Responsiveness, and Impact as defined in the AA1000 Accountability Principles Standard (2018)
- On-site visit to HANA MATERIALS’s asan plant to confirm the effectiveness of data collection processes, internal control procedures, and management practices

Limitations and Approach used to Mitigate Limitations

The Assurer performed limited verification for a limited period based on the data provided by HANA MATERIALS. It implies that the Assurer is therefore subject to limitations relating to inherent risks that may exist without the identification of material errors. The Assurer does not provide assurance on possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

Competency and Independence

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





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Independent Assurance Statement

Opinion Statement

The assurance was conducted by a team of sustainability report assurers in accordance with the AA1000 Assurance Standard v3. The Assurer planned and performed the verification and collected sufficient evidence to explain HANA MATERIALS’s approach to the AA1000 Assurance Standard and to provide confidence in its self-declaration of compliance with the GRI Standards.

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

Conclusions

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

Inclusivity: Stakeholder Engagement and Opinion

HANA MATERIALS has identified employees, customers, shareholders and investors, academia, and local communities as its key stakeholders. The company operates diverse communication channels for each stakeholder group and, through stakeholder engagement processes, gathers expectations and various opinions from these core groups. The major issues derived from this process are then incorporated into sustainability-related decision-making.

Materiality: Identification and reporting of material sustainability topics

Hana Materials has conducted a Double Materiality Assessment to identify sustainability management issues and to derive key topics that reflect both stakeholder interests and significant impacts on business activities. Through an analysis of global disclosure standards (EU ESRS, GRI, SASB, etc.), the company established a long list of sustainability issues and, by comprehensively analyzing external evaluation requirements, industry trends, and internal data, derived a short list of ten key issues. During the identification and evaluation of impacts, risks, and opportunities (IRO), Hana Materials performed a Double Materiality Assessment covering both social and environmental impacts (Impact Materiality) and financial impacts (Financial Materiality). As a result, four core material issues were selected, and the outcomes have been disclosed in the report.

Responsiveness: Responding to material sustainability topics and related impacts

Hana Materials discloses the performance of its core material issues determined through the Double Materiality Assessment in the report. Under the “Results of the Double Materiality Assessment,” the company identifies and analyzes the factors and impacts of each core material issue from the perspectives of Impact, Risk, and Opportunity. It also classifies these issues by value chain, positive and potential impacts, and time horizon, thereby providing a structured overview of the company’s performance related to each core material issue.

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

HANA MATERIALS has established a process to identify and assess the impacts of core material issues on the organization and its stakeholders. The analysis of impacts, risks, and opportunities related to these core material issues is utilized in decision-making for developing response strategies for each issue. This process is disclosed through the report.

Recommendations and Opportunity for Improvement

The Assurer provides the following observations to the extent that they do not affect the assurance opinion;

- Hana Materials can strengthen the transparency and accountability of its governance operations by establishing and regularly monitoring a process that prevents professional or financial interests within the governance structure from exerting undue influence on sustainability-related decision-making. This process should include the identification of conflicts of interest, deliberation and review procedures, exclusion from voting, and post-monitoring and reporting.
- To enhance the effectiveness of the Board of Directors’ sustainability responsibilities, Hana Materials should establish a performance evaluation system for the Board and disclose the results of its oversight of sustainability strategies and goals, management of key ESG risks, performance review, and board competencies. By reflecting the evaluation results in the following year’s board operation plan, improvements to committee functions, and linkage with compensation policies, the company can further strengthen accountability for sustainability management.
- Through its materiality assessment, Hana Materials has identified climate change response as a key issue and presented a mid- to long-term roadmap and phased implementation strategies and achievements toward carbon neutrality by 2050. This demonstrates the company’s commitment to managing climate-related risks and opportunities. As global disclosure standards such as ISSB S2 and CDP increasingly emphasize the importance of reporting on other indirect emissions across the value chain (Scope 3), establishing a comprehensive Scope 3 emissions calculation system, setting mid- to long-term reduction targets, and specifying reduction initiatives through collaboration with suppliers would further enhance the effectiveness and completeness of the company’s climate change response.

GRI-Reporting

HANA MATERIALS has self-declared compliance with GRI Standards. Based on the data and information provided by HANA MATERIALS, the Assurer confirmed that the Report is prepared in accordance with the GRI Standards, and confirmed there are no errors in the disclosures related to the Universal Standards and Topic Standards Indicators. No sector standard is applied.

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