

OUR TECHNOLOGY ADVANCES,
CONNECTED WITH **NEW WAVE**



About This Report

In 2026, Hanwha Advanced Materials publishes its second Sustainability Report to transparently disclose our environmental, social, and governance (ESG) initiatives and performance, and to engage constructively with a broad range of stakeholders.

Reporting Standards

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

Reporting Period and Cycle

This report covers financial, environmental, and social performance from January 1, 2025, to December 31, 2025. Certain performance data include information up to the first half of 2026. To ensure comparability and support trend analysis, quantitative performance includes figures from the past three years. The report is published annually and is set to be released on June 19, 2026.

Reporting Scope

The reporting boundary covers all domestic and overseas sites operated by Hanwha Advanced Materials. Financial performance is reported on a consolidated basis in accordance with K-IFRS. Non-financial performance primarily covers domestic sites, though certain environmental and social indicators include data from overseas consolidated subsidiaries. For indicators with differing boundaries or data sets, additional explanatory notes are provided.

Report Assurance

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

Inquiries

For inquiries regarding this report, please refer to the contact information provided below.

Hanwha Advanced Materials, Management Innovation Team

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INTERACTIVE USER GUIDE

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

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Introduction

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CEO Message

Dear Stakeholders,

Hanwha Advanced Materials marked the beginning of its commitment to transparent information disclosure through its inaugural Sustainability Report last year. As the company publishes its second report this year, it shares its future direction and steadfast commitment amidst the rapidly changing trends of this era.

Recently, the global business environment has faced unprecedentedly unpredictable variables. Ongoing geopolitical conflicts and the resulting instability in raw material supply present new challenges across the manufacturing industry. However, Hanwha Advanced Materials is turning these crises into drivers for change, focusing its capabilities on building a more robust and sustainable supply chain system. While strengthening supply chain diversification and strategic partnerships, the company is securing its inherent competitiveness—unshaken by external variables—by developing resource-circulation technologies that span from materials to components.

In terms of environmental management, Hanwha Advanced Materials has further solidified its global ESG evaluation response system in this year's report by expanding the disclosure scope to include the activities and ESG data of its overseas subsidiaries. The company continues to drive actionable climate response strategies centered around its Life Cycle Assessment (LCA) system—established primarily across domestic worksites—as well as its Carbon Reduction Committee and Sustainability Management Council. These efforts were recognized externally last year when the company received the CDP Carbon Management Special Award. Furthermore, Hanwha Advanced Materials is preemptively establishing a disclosure infrastructure in line with the finalization of the domestic ESG disclosure framework, while evolving a group-wide ESG management system through close collaboration with the group network.

Sustainability at Hanwha Advanced Materials is not merely a supplementary tool to support financial performance. To solidify its ESG governance, the company is continuously refining its internal policies and global standards of conduct, while systematically developing an enterprise-wide ESG management foundation that encompasses its overseas subsidiaries. Hanwha Advanced Materials believes that creating value for the environment and society is an essential prerequisite for corporate growth, even amidst difficult external conditions. By internalizing climate crisis response, ethical management, and the value of mutual growth throughout overall operations, the company will transform into an entity trusted by global stakeholders.

This report is a record of the actions Hanwha Advanced Materials has taken without losing its direction toward sustainable growth, despite internal and external challenges. Transparently communicating and finding solutions together with stakeholders in challenging environments represents the essence of the sustainability management the company pursues. From materials to components, Hanwha Advanced Materials will continue to pursue balanced and responsible growth by listening to the voices of all stakeholders, including customers, partners, local communities, and employees.

The company invites your unwavering interest and participation in Hanwha Advanced Materials' journey toward a better tomorrow.

June 2026

CEO, Hanwha Advanced Materials

In-hwan Kim

Company Overview

“A Global Leader in Irreplaceable, High-Performance, Lightweight Composite Materials”

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

General Status

Company Name	Hanwha Advanced Materials Co. Ltd.
CEO	In Hwan Kim
Established	December 7, 2022
Head Office	25 th floor, Hanwha Building, 86 Cheonggyecheon-ro, Jung-gu, Seoul Korea
Headcount	2,250 employees(Consolidated)
Revenue Ratio ¹⁾	Domestic 30%, Overseas 70% (Consolidated)
Business Area	Lightweight Composite Materials StrongLite, SuperLite, BuffLite, IntermLite, SMC Solar Materials Encapsulant, Backsheet
Sales ¹⁾	1.1529 trillion KRW
Assets ¹⁾	1.3980 trillion KRW
Website	www.hwam.co.kr

1) 2025 consolidated basis

History

1960's-1970's

Establishment

Entered into petrochemical business, one of the key infrastructure industries, playing a leading role in the industrialization of Korea

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

1980's-1990's

Growth and advancement

Advanced into the materials business as a key growth driver

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

2000's-Present

Change and innovation

Diversified businesses towards global markets

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

Company Overview



AMERICAS

Hanwha Advanced Materials America LLC (HAUS)

- Opelika Plant (HAUS) 4400 Northpark Drive, Opelika, AL 36801, USA
- Monroe Plant (HAUS) 1530 E Front St, Monroe, MI 48161, USA
- Texas Plant (HAUS) 3546 N IH 35, Georgetown, TX 78626, USA

Hanwha AZDEL, Inc. (AZDEL)

2000 Enterprise Drive, Forest, VA 24551, USA

Hanwha Advanced Materials Georgia, Inc. (HAGA)

251 Great Valley Pkwy, White, GA 30184, USA

North America Business Center (NABC)

2200 Centerwood Dr. Warren, MI 48091, USA

Hanwha Advanced Materials Mexico S. De R.L. De C.V. (HAMX)

Prolongación Avenida Tecnológico #1345 Fraccionamiento Monterrey
Technology Park Ciénega de Flores, NL. 65550 Mexico

EUROPE

Hanwha Advanced Materials Europe, s.r.o. (HAEU)

Příborská 280, Chlebovice, 739 42 Frýdek-Místek, Česká republika

EUROPE Business Center (EBC)

Kölner Straße 10, 65760 Eschborn, Germany

KOREA

Head Office

25th flr, Hanwha Building, 86 Cheonggyecheon-ro, Jung-gu, Seoul, Korea

Sejong Office

79-20, Geumhoangol-gil, Bugang-myeon, Sejong-si, Korea

Eumseong Plant

1329, Daegum-ro, Geumwang-eup, Eumseong-gun,
Chungcheongbuk-do, Korea

CHINA

Hanwha Advanced Materials Beijing Co., Ltd. (HABJ)

Zhongguancun Science Park (East Sector), Changping Zone 4 Lixiang
Road, Beijing 102200, China

*In this report, company names will be expressed in abbreviated form.

Business Portfolio

Lightweight Composite Materials

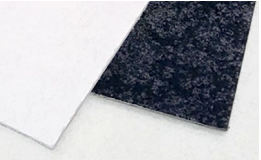
Automotive Lightweight Composite Materials and Molded Parts Business

Since entering the lightweight composite materials business in 1986, Hanwha Advanced Materials has introduced a wide range of products in the automotive interior and exterior sectors. The company possesses specialized technology in high-strength, ultra-lightweight component materials and currently produces various automotive lightweight composite materials—including StrongLite, SuperLite, BuffLite, IntermLite, and SMC—along with components manufactured from these advanced materials.

Solar Materials

High-Efficiency Film Materials Business for Solar Power

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

Category	StrongLite	SuperLite	BuffLite	IntermLite	SMC	Solar Materials	
	GMT (Glass Fiber Mat Reinforced Thermoplastics)	LWRT (Light Weight Reinforced Thermoplastics)	EPP (Expanded PolyPropylene)	TPO (Thermoplastic Polyolefins) TPU (Thermoplastic Polyurethane) PMC (Powder Slush Molding Compound)	Sheet Molding Compound	Encapsulant	Backsheet
Details	A plate-shaped composite material made of general-purpose polypropylene resin and reinforced glass fiber mat.	A sheet-type composite material with a porous structure formed by mixing PP powder and glass fibers, allowing thermoforming under low pressure.	A foamed polypropylene material with high functionality, serving as an eco-friendly alternative to common materials like EPS (Expandable Polystyrene) such as styrofoam.	Used as a skin material for automotive interior parts, producing thin plate-type sheets and powder-type PMC (Powder Slush Molding Compound) products.	A sheet-type thermosetting composite material composed of unsaturated polyester, glass fibers, and various other mixtures. (fillers, catalysts, release agents, etc.)	A sheet attached to the back of a solar cell module that acts as an adhesive, protective layer, and cushioning material, protecting the core component, the cell.	A sheet attached to the back of the solar cell module to protect the cells and module from external factors such as moisture, impact, and UV exposure.
Application	High-strength plastic bumpers, undercovers, seat back panels, copper bobbins and molds, etc. are used as key materials in the automotive parts and construction industries.	Used in automotive parts materials such as the underbody and headliner of sedans and SUVs.	Used in materials like bumper cores, tool cases, digital device packaging, interlayer sound insulation, electromagnetic wave shielding beads, and solar buoyancy agents.	Used as interior parts materials for high-end vehicles, including door trims, armrests, and seat covers.	Used as construction materials such as automobile exterior and chassis parts, ceiling materials, water tanks, and electrical distribution boxes.	Used for bonding the glass, cell, and backsheet of solar modules and for protecting the cells.	For residential solar applications subject to load limitations or located in hail-prone regions, we offer modules incorporating backsheet technology. Compared with conventional glass-type products, these modules provide enhanced lightweight characteristics and greater resistance to external impacts.
							

Business Portfolio

Securing Sustainable Growth Drivers

Hanwha Advanced Materials is driving competitiveness in the global electrification market by focusing its R&D on Battery Pack Cases (BPC), a core component of electric vehicle (EV) battery systems. In the EV sector, the company is moving to preemptively secure technological standards through joint development projects with global automakers, leveraging its electromagnetic shielding and thermal insulation technologies. For hybrid electric vehicles (HEVs), Hanwha Advanced Materials is strengthening its business portfolio's stability by proposing optimized solutions tailored to the performance requirements of each vehicle model. In addition, the company has identified the Energy Storage System (ESS) market—a large-scale infrastructure for storing and supplying energy—as a new growth engine. Based on its composite-material-based lightweighting, insulation, and heat-resistance technologies, along with close cooperation with major domestic and international battery manufacturers, Hanwha Advanced Materials is expanding its commercialization footprint, focusing primarily on the North American market.

Research & Development (R&D)

Hanwha Advanced Materials' R&D center focuses on developing next-generation composite material solutions that simultaneously deliver high performance, lightweighting, and stability in response to the technological trends of the mobility industry. The company aims to achieve carbon emission reductions through lightweighting and process integration, contributing to the acquisition of sustainable product competitiveness while fully satisfying the performance requirements of global OEMs.

	R&D of EMI-Shielding Integrated Upper Cases	R&D of Lightweight and Eco-Friendly LWR Trays
R&D Background	To address the weight increase, process complexity, and design constraints of traditional metal-based EMI shielding methods, there is a growing need to develop lightweight, high-efficiency shielding technologies utilizing polymer composite materials.	To meet the demands for mobility lightweighting and carbon reduction, developing structural components based on high-strength composite materials has become increasingly necessary.
Materials	Based on EMI Polymer Sheet	Based on Epoxy Based on GF-SMC
Key Performance	- Enhanced production efficiency through a one-step molding process (single-process integration) - Transition to eco-friendly materials by applying alternative materials to replace aluminum - Contribution to energy efficiency and carbon reduction through lightweight design	- Achieved approx. 20% weight reduction and 90% reduction in part count - Passed OEM verification tests (Crush / Drop / Vibration) - Secured durability through the application of high-strength composite materials
	 EMI Polymer Sheet Composite Structure (Thermoset/Thermoplastic)	

R&D Center Overview

Hanwha Advanced Materials' R&D vision is "Innovate Composites, Take Challenges, Make Change," focusing on securing innovative technologies that lead the paradigm shift in the future mobility and energy industries beyond simple materials supply.

2025 R&D Highlights

As of 2025, Hanwha Advanced Materials strengthened its internal and external cooperative networks by signing six Non-Disclosure Agreements (NDAs) with clients and partners. Through these agreements, the company aimed to preemptively identify customer needs and pursue joint development projects to secure core emerging technologies. In 2026, the company plans to further enhance its solutions and expand its product portfolio based on these secured technologies.

Category	Major R&D Initiatives	Key Findings and Strategic Impacts
BPC	Electrification Components & BPC Technology Development - Structural Component Design and Development Focused on BPC (Battery Pack Cases) : Upper Cases, Lower Trays, and Protection Covers - Thermal Management Components and Integrated System Design, Including Cooling Plates - Development of Lightweight Design Technologies to Ensure Structural Stability	- Securing an Early Lead in the EV Component Platform Market by enhancing the structural safety and durability of composite battery packs - Strengthening Links to Future Orders through ongoing joint development with domestic OEMs - Contributing to Carbon Reduction through lightweight design and process integration
	Developing proprietary composite technologies to delay thermal runaway and provide EMI shielding - Development of Flame-Retardant Materials Based on Thermoplastic/Thermosetting Composites - Development of Core Technologies, Including Thermal Runaway Delay and EMI Shielding - Internalization of Material Design and Process Technologies	- Internalization of Material Technologies and Securing a Foundation for Business Expansion - Product Differentiation Through Functional Advancements, Including Thermal Runaway Delay and EMI Shielding - Conducting Technical Marketing to Meet the Performance Requirements of Global OEMs and Drive Joint Development Initiatives
BPC 外	Automotive Structural Components & New Business Expansion - Development of automotive structural parts such as truck beds and foundational technology - Development of materials and formulations for ESS - Development of lightweight structural components using pultrusion	- Expanding composite application across automotive and portfolio Diversification - Securing energy business foundation through entry into the ESS market - Expanding composite material-based business and securing mid-to-long-term growth drivers
Core technology	Design/Analysis and Engineering - Advancement of structural design and analysis (collision, vibration, durability) technology - Establishing design optimization process	- Reduction in development lead time and costs - Strengthening advanced development responsiveness and customer competitiveness - Strengthening engineering capabilities through R&D collaboration

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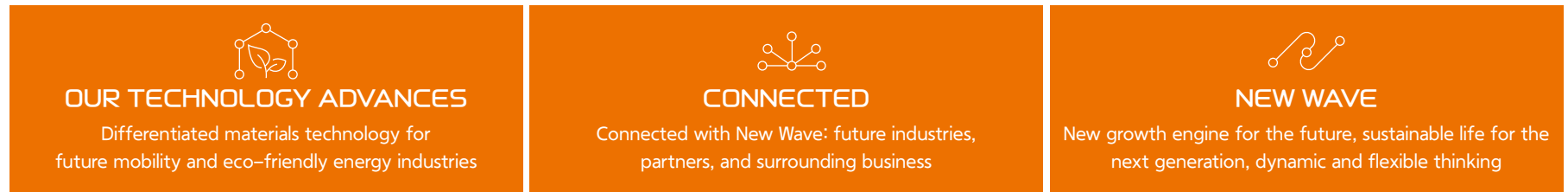
Sustainability Management Framework

Sustainability Management Strategy

Hanwha Advanced Materials ESG Vision

Hanwha Advanced Materials has established its ESG vision as “Our Technology Advances, Connected with New Wave.” Based on the slogan “BE GREENER, BE LIGHTER, BE MORE,” we pursue sustainable growth through eco-conscious technology, lightweighting innovation, and next-generation materials.

VISION



SLOGAN

BE GREENER, BE LIGHTER, BE MORE

Hanwha Advanced Materials slogan

ESG SLOGAN

Key Issue

	BE GREENER	BE LIGHTER	BE MORE
	Eco-conscious technology for a greener future	Lightweighting technology for new mobility value	Next-gen materials technology for a better tomorrow
	Creating a greener future with eco-conscious technology	Creating a lighter society with our stakeholders	Creating more growth based on a solid management foundation
	Climate change response Environmental impact management Sustainable products	Health & safety Talent management Human rights management	Supply chain management Product quality & liability Social contributions
			Governance (Board) Ethics Management Information Security

Sustainability Management Framework

Sustainability Management Governance

Sustainability Management Organizational Structure

Hanwha Advanced Materials is enhancing its ESG management system to strengthen environmental, social, and governance practices and drive sustainable growth. The CEO serves as the highest decision-maker for sustainability management, overseeing the review and approval of key ESG issues, company-wide strategies, policies, and risk supervision. Under the CEO's leadership, the Sustainability Management Council supports the development of ESG strategies and initiatives, monitors implementation status, and assists in decision-making for each subcommittee. The Management Innovation Team, a dedicated ESG department, supports subcommittee operations and manages internal and external ESG communications. The Council consists of three subcommittees focused on Environment, Society, and Governance, with each responsible department establishing key performance indicators (KPIs) and sustainability goals to execute practical operations. Each subcommittee discusses ESG directions and plans, conducts risk mitigation and performance improvement activities, and shares major issues and achievements. In principle, the Sustainability Management Council meets regularly to share the implementation status and achievements of each subcommittee, while convening on an ad-hoc basis for ESG information disclosure, external assessment responses, and business-related issue management. Moving forward, the company plans to enhance ESG management efficiency and, in the long term, advance its sustainability governance by establishing a board-level oversight body.

Organizational Structure

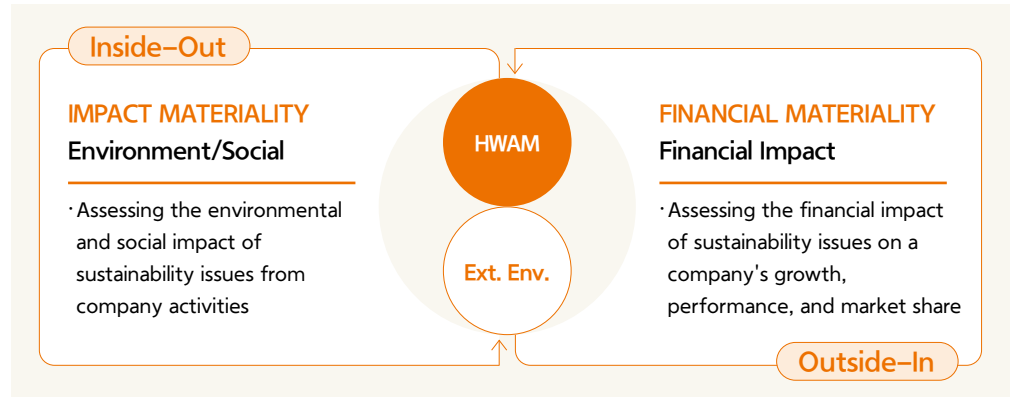
Working Body



Double Materiality Assessment

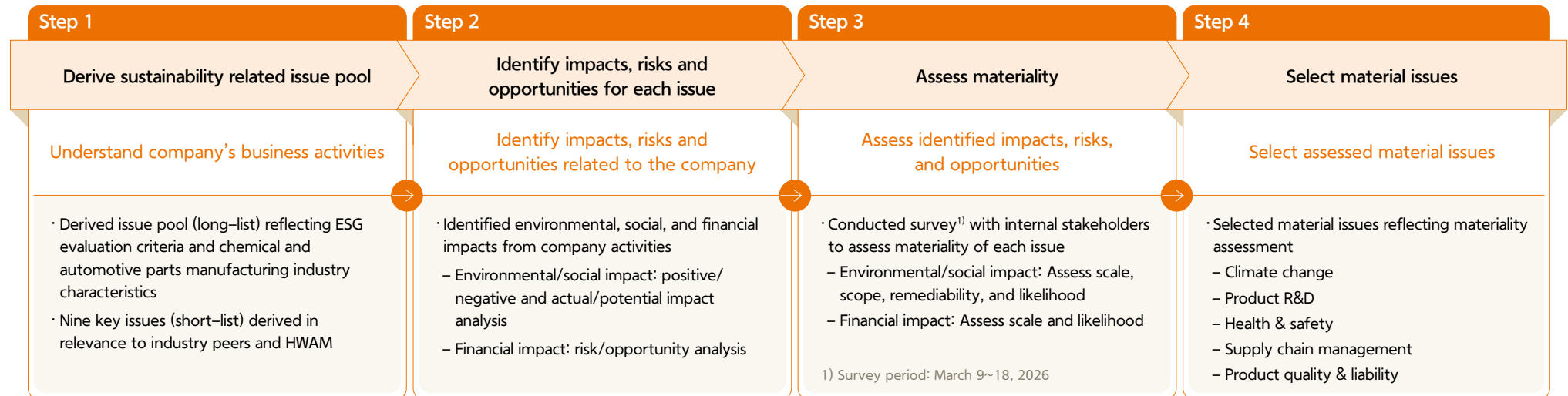
Double Materiality Assessment Overview

Hanwha Advanced Materials applies the concept of Double Materiality Assessment (DMA), introduced in the GRI Standards 2021 and the European Union's Corporate Sustainability Reporting Directive (CSRD), and conducts the assessment annually. To this end, the company has designed a structured DMA process and will conduct it on an annual basis. The DMA is a methodology that selects key issues in corporate sustainability by considering the impact each issue has on the environment and society (Inside-Out) and also the financial impact on the company (Outside-In). Hanwha Advanced Materials transparently discloses the assessment methodology and results, identifies issues with significant impact, and establishes appropriate response strategies. Through this, the company aims to build trust in sustainability management disclosures and social responsibility, while gathering stakeholders' opinions on major risks and opportunities.



Assessment Process

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



Double Materiality Assessment

Double Materiality Assessment Result

Hanwha Advanced Materials has identified five key material issues—climate change mitigation, eco-friendly product R&D, health and safety, sustainable supply chain management, and product quality and liability—by comprehensively assessing environmental, social, and financial impacts through a Double Materiality Assessment (DMA). The company transparently discloses the detailed results, including impact assessments, within this report. Moving forward, Hanwha Advanced Materials will continue to engage with stakeholders by sharing its progress on these material topics and further advancing its DMA methodology.

DMA Results

Material Issue	Impact	Impact Definition	Impact Type	Impact Level	Page	GRI Index	UN SDGs
Climate Change 	Environmental/ Social	Climate change caused by GHG emitted throughout the entire value chain leading to abnormal weather patterns and changes in precipitation.	Negative/Actual	●○○	19–22	302–1, 3, 4 305–1~5	
	Environmental/ Social	Mitigating climate change through continuous increase in renewable energy use and direct/indirect energy consumption reduction	Positive/Potential	●○○			
	Financial	Increased costs from GHG regulations response and energy transition demands to reduce GHG	Risk	●●●			
	Financial	Costs incurred for renewable energy transition to achieve carbon neutrality goals(equipment investment, PPA contracts, REC purchases, etc.)	Risk	●●●			
Product R&D 	Environmental/ Social	Promoting technological innovation and improving resource efficiency through eco-friendly products and technology development	Positive/Actual	●●○	8, 34–36	–	
	Financial	R&D costs incurred transitioning to eco-friendly materials and sustainable products (manufacturing overhead and administrative expenses)	Risk	●●●			
Health & Safety 	Environmental/ Social	Enhanced worker safety through strengthened industrial accident prevention and management systems	Positive/Actual	●●●	38–44	403–1~10	
	Environmental/ Social	Physical and mental harm to workers and deterioration in quality of life from workplace accidents (mishandling of chemicals and hazardous materials) resulting in human capital loss	Negative/Actual	●●○			
	Financial	Production and sales decline due to work stoppages caused by accidents along with worker compensation and litigation costs	Risk	●○○			
Supply Chain Management 	Environmental/ Social	Reputation deterioration due to delivery disruptions, quality degradation, and delayed deadlines caused by inadequate supply chain management	Negative/Potential	●○○	54–56	308–1, 2 414–1, 2	
	Environmental/ Social	Building trust between companies and strengthening the management stability of SMEs through inclusive growth support for partners	Positive/Potential	●●○			
	Financial	Reduced supply chain management operating costs by securing procurement stability through sustainable supply chain management	Opportunity	●●●			
	Financial	Costs incurred from alternative raw materials purchases and procurement management operations (outsourcing fees, loss of delivery contract commissions, emergency procurement costs, etc.)	Risk	●●●			
Product Quality & Liability 	Environmental/ Social	Decline in customer satisfaction and direct/indirect damages caused product quality issues	Negative/Potential	●○○	57–59	–	
	Environmental/ Social	Improved customer satisfaction through strict product quality control and maintenance	Positive/Actual	●●●			
	Financial	Increase in provisions and inventory assets due to recalls caused by product defects and other quality issues	Risk	●●●			
	Financial	Declined sales due to loss of consumer trust from quality management failure along with costs to enhance product quality and safety	Risk	●●○			

Double Materiality Assessment

Material Issue Management

As a result of the 2026 double materiality assessment, the ranking of the top key material issues was found to be the same as that of the previous year.

Material Issue	Implementation System	Strategy/Policy	Risk Management	Indicators
Climate Change 	Hanwha Advanced Materials' Carbon Reduction Committee is composed of team leaders and operational staff from the Management Innovation Team, Environmental Safety Team, Public Affairs Team, Purchasing Team, and each production department. Every six months, they establish carbon reduction plans and review progress, while operational staff identify new tasks and manage task performance monthly.	- Establish carbon reduction plan - Purchase renewable energy - Develop eco-friendly infrastructure	- Reduce carbon emission by transitioning to eco-friendly transportation (electric forklifts, company fleet) - Reduce NOx emissions by installing low-NOx burners - Reduce energy consumption through solar power facilities	2025 Performance: 35% reduction in Scope 1 & 2 emissions vs. 2019 2030 Target: 20% reduction in Scope 1 & 2 emissions compared to 2019
Product R&D 	Hanwha Advanced Materials conducts Life Cycle Assessments (LCA) to objectively manage product carbon emissions and ensure sustainable product development. The company is also actively pursuing eco-friendly product development, including the formulation of products utilizing renewable raw materials.	Pursue investments in eco-friendly technology and material R&D	- Obtain and maintain GRS certification to expand recycled material use in the product manufacturing process - Conduct Life Cycle Assessment (LCA)	- GRS certification (StrongLite, BuffLite) - RCS certification (SuperLite, InternLite, SMC)
Health & Safety 	Hanwha Advanced Materials has a dedicated organization at its headquarters for preventing serious accidents and health and safety teams at each business site. The headquarters oversees and manages safety and health tasks primarily through the Health and Safety Team under the Support Office. The Sejong office operates an Environmental Safety Team under the responsible executive, while the Eumseong plant has designated health and safety personnel within the Eumseong Support Team.	- Record zero incidents at sites - Record zero incidents at suppliers' companies - Expand safety culture through interactive employee events	- Health& safety inspection activities — self-inspections (monthly), thematic inspections (monthly, cross-inspections (quarterly)) - Regular and ad hoc risk assessments - Emergency response training (fire suppression, chemical spills, confined space asphyxiation accidents) - Obtained ISO 45001 Occupational Health and Safety Management System certification - Regular Industrial Health and Safety committee meetings and health and safety risk monitoring	- Number of Major Workplace Accidents: 0 cases - ISO 45001 Certification (Eumseong / Sejong Plants): Aug 26, 2025 — Aug 25, 2028 (Initial Certification: Aug 26, 2013) - Workplace Safety Improvements: 494 cases - Health & Safety Training Completion Rate: 100%¹⁾
Supply Chain Management 	Hanwha Advanced Materials' sustainable supply chain management policy applies to all suppliers, including 1st-tier suppliers. It encompasses principles of sustainable procurement considering environmental and social aspects, a code of conduct for partners, an ESG evaluation system for the supply chain, and grievance handling procedures. Furthermore, the company continuously monitors and manages continuously monitor and manage these factors through structured supply chain ESG risk assessments.	- Establish and enhance supplier chain management policy - Establish conflict materials policy - Advance supplier code of conduct and ensure compliance - Supplier ESG risk assessment and monitoring - Support internal and suppliers capability enhancement	- ESG supply chain risk assessment and supply chain due diligence process enhancements - Support for supply chain risks including supplier training and technical consulting - Operate supply chain communication channels - Conflict minerals management and policy establishment	- ESG Risk Assessment for Suppliers: 24 suppliers - Supplier ESG Assessment Coverage (by Purchase Value): 40.5%
Product Quality & Liability 	Hanwha Advanced Materials' Quality Control Department manages quality indices to enhance product quality and customer satisfaction. Following management guidelines, it gathers feedback and carries out quality improvement activities to prevent similar issues from recurring.	- Company-level and site-level internal quality management policies - RoHS (Restriction of Hazardous Substances) Directive based substance testing and management	- IATF 16949 (management system certification) obtained at Sejong office - Awarded by the Ministry of Trade, Industry and Energy for excellence in quality competitiveness - FMEA (Failure Modes and Effects Analysis) for product-specific failure possibility analysis and IMDS (International Material Data System) hazardous chemical data management - Customer complaint reporting channels operations and conducting regular customer satisfaction surveys - Manage quality indices that meet customer quality requirements such as incoming defect rates and defect occurrence indices	Product Safety Assessments: 186 products

1) Based on regular training participants

Stakeholder Communication

Stakeholder Communication

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

Stakeholders	Employees	Customers	Partners	Shareholder/ Investors	Government	Local Communities
Key Issue	- Respect for human rights and diversity - Health and safety management internalization - Talent acquisition and employee skill enhancement - Healthy labor management culture and welfare	- Eco-friendly product development - Customer satisfaction and product improvement - Information security and privacy protection - Sustainable innovation and R&D	- Health and safety internalization - Sustainable supply chain management and inclusive growth - Information security and privacy protection - Ethical management system enhancement and anti-corruption activities	- Transparent board operations - Company-wide integrated risk management	- Strategic climate change response activities - Health and safety management internalization - Compliance with all environmental/health and safety regulations	- Water and air pollution, waste management - Biodiversity preservation - Social contribution expansion
Response Activities	- Establish human rights management policy and conduct human rights impact assessment - Provide employee training (human rights, job skills, global talent development) - Share talent values and run various recruitment and internship programs including in-house awards and promotion initiatives - Operate diverse welfare programs and benefits	- Customer-centric events and seminars participation - Customer ESG activity participation	Compliance with fair trade and various support activities (finance, training, technical support)	Report on business performance and board of directors' operations through regular disclosure	- Internal control systems and audit office operations - Diligent tax payment - Participation in association activities such as the Korea Automobile Industry Cooperative	- Community contribution activities (flood damage, low-income families, etc.) - Neighborhood assistance fundraising - Regular company clubs' volunteer activities
Communication Channel	- Labor-Management Council - Organizational culture evaluation/satisfaction survey - Grievance handling system - Regular production process meetings	- Website - CRM, email	- Partner consultative body - Partner training and seminar - Support for outstanding partners	- General shareholders' meeting and board of directors - Corporate disclosures - Website announcements - Sustainability report	- Corporate disclosure - Website announcements - Media/press	- Website - Local community complaint collection

Environmental

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Environmental Management

Environmental management implementation framework

Environmental management policy

Hanwha Advanced Materials practices sustainable management based on its environmental management system and continuously improves and strengthens its environmental risk response capabilities. Based on an enterprise-wide integrated environmental management policy, the company has established detailed procedures for each environmental medium—including air and water pollutants, greenhouse gases, and hazardous chemical substances—and has built management frameworks that reflect the characteristics and key environmental issues of each business site, doing its utmost to minimize environmental risks. Additionally, the company has established biodiversity and forest conservation policies and is working to minimize biodiversity risks in the vicinity of its business sites.

Integrated Environmental Management Policy

Environmental management system certification

Hanwha Advanced Materials has adopted an international standards-based management system for the systematic implementation of environmental management. Currently, 60% of its operating sites (6 sites) hold ISO 14001 certification, and the company is strengthening internal management capabilities for minimizing environmental impact and achieving continuous improvement across both domestic and overseas sites. Going forward, the company plans to continue our enterprise-wide efforts in environmental risk management and responsible production activities.

ISO 14001 Certification

ISO 14001 Certification Rate



6 sites

60%

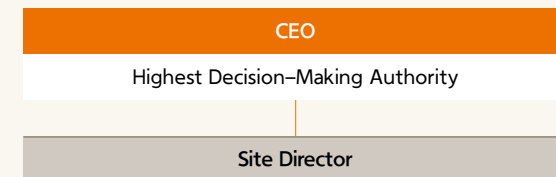
ISO 14001 Certification Status

Plant name	Certificate validity period
Hanwha Advanced Materials Sejong Plant	2028. 12. 19
Hanwha Advanced Materials Eumseong plant	2029. 02. 14
Hanwha Advanced Materials America LLC	2029. 02. 14
Hanwha Advanced Materials Mexico S. De R.L. De C.V.	2029. 01. 14
Hanwha Advanced Materials Europe, s.r.o.	2029. 01. 13
Hanwha Advanced Materials Beijing Co., Ltd.	2026. 09. 03

Environmental management implementation organization

Hanwha Advanced Materials operates a dedicated environmental management organization for the practice of sustainability management, ensuring compliance with its environmental management system and environmental management policies while establishing environmental key performance indicators (KPIs) at each business site for environmental regulatory management and monitoring. Additionally, the company periodically monitors air emissions, water quality, and waste generation sources and discharge volumes arising from business activities, and has established a field-oriented environmental management system to continuously inspect and improve environmental issues.

Environmental Management Organization



Environment & Safety Team Sejong, R&D Center | Eumseong

- Establishment of key ESG performance indicators (KPIs) and sustainability targets
- Consultation and corrective actions on environmental issues through on-site manager meetings
- Plant environmental management (air, water quality, GHG, hazardous chemicals, waste, etc.)
- Environmental management regulatory compliance and monitoring
- Establishment and operational management of Environmental Management System (EMS) procedures



Environmental Management

Environmental management goals

Hanwha Advanced Materials recognizes the importance of environmental management and is making continuous efforts to minimize environmental management-related risks by thoroughly monitoring environmental impact management factors affecting all business activities and establishing mid- to long-term environmental reduction targets and initiatives. The company will continue to pursue policy and facility improvement activities to optimize the use and reduce key environmental impact indicators such as water resources, pollutants, waste, and hazardous substances, thereby striving to minimize its environmental footprint.

Indicators	Key issues	2025 Performance	Mid-to-Long-Term Action Plans
 Water resources	Hanwha Advanced Materials recognizes the importance of water resource management and is making continuous efforts to optimize water usage in manufacturing processes and expand water recycling. The company currently conducts thorough monitoring of water resource management factors such as pollutant concentrations, and plans to pursue mid- to long-term initiatives, including setting water usage reduction targets, conducting campaigns, and establishing systems to achieve these goals.	Reduction in water withdrawal per unit of production (tons)/production (tons)	- Water conservation campaign - Condensate recovery system construction - Water pollutant analysis and monitoring - Establishment of water reduction targets
 Waste	Hanwha Advanced Materials is reviewing the establishment of quantitative targets to increase workplace waste recycling rates, and recognizes the importance of resource circulation within its operations while striving for proper waste classification and treatment. The company minimizes landfill and incineration through the sorting of recyclable resources, and plans to expand the use of sustainable products, including recycled raw materials.	Increased waste recycling rate through conversion to recycling treatment (tons)	- Increased recycling rate through conversion of waste treatment methods (Incineration/Landfill → Recycling) - Expanding Sustainable Products Including the Use of Recycled Raw Materials
 Pollutants	Hanwha Advanced Materials thoroughly implements pollutant management activities that meet legal requirements. Furthermore, quantified targets for air, water, and soil pollution have been established for sustainable environmental management, creating a framework for effectively managing and reducing pollutant emissions.	- Replacement of aging air pollution prevention facilities KRW 190 million - Replacement of 1 wet scrubber KRW 190million	- Setting management targets for air/ water pollutants - Establishment of environmental pollutant reduction targets
 Hazardous substances	Hanwha Advanced Materials systematically manages hazardous substance management goals by incorporating them into internal policies to prevent environmental impacts from hazardous chemicals in advance. Through this, The company continuously inspects the management level of each site and reduces environmental risks while complying with relevant regulations.	Reduction of chemical substance emissions (tons)	- Expansion of Alternative Raw Material Application Review - Improving production efficiency through reduction of raw material usage

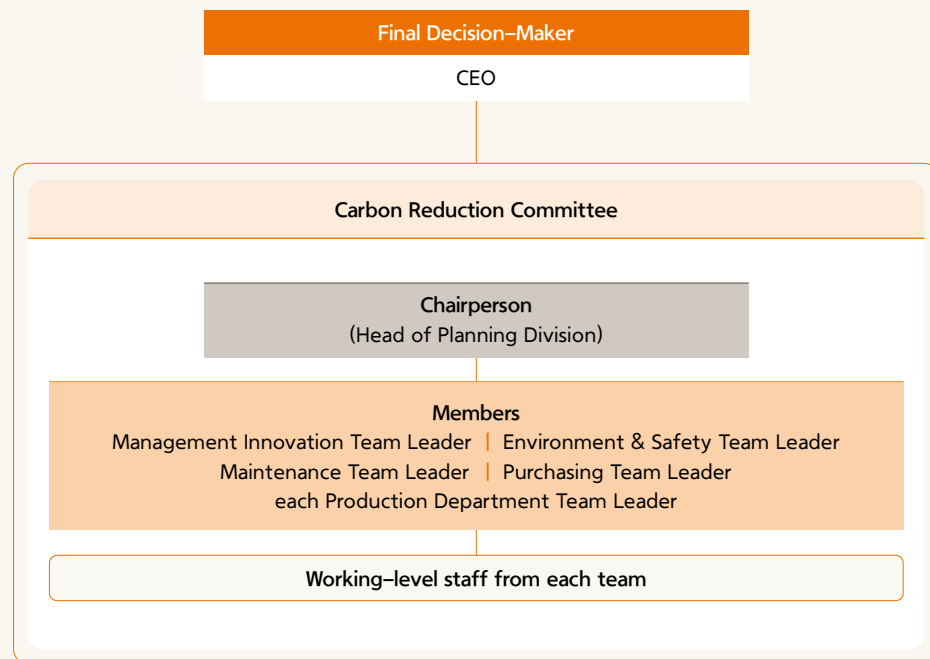
Climate Change Response

Climate change response system

Climate change response organization

Hanwha Advanced Materials operates a Carbon Reduction Committee to address climate change. The committee comprises team leaders and working-level staff from the Management Innovation Team, Environment & Safety Team, Utilities Team, Procurement Team, and each production department. On a semi-annual basis, the committee reviews progress against annually established carbon reduction plans and examines key agenda items, while monthly working-level meetings identify new initiatives and monitor implementation performance. The Utilities and Production Teams at each business site drive greenhouse gas reduction by introducing high-efficiency equipment and developing products with recycled raw materials, while the Environment & Safety Team has built a greenhouse gas inventory to measure emissions.

Climate Change Response Organization Chart



Climate change response investments

Hanwha Advanced Materials systematically executes its company-wide greenhouse gas reduction strategy in line with the plan established by the Carbon Reduction Committee. In 2025, the company invested in upgrading aging facilities and introducing high-efficiency equipment at major business sites—including condensate recovery systems, chiller pump optimization, VSD air compressor installation, and boiler replacement—to reduce greenhouse gas emissions. These measures aim to lower electricity and gas consumption and enhance operational efficiency across core processes, with an additional four to five investment projects also planned. Concurrently, the company continues to expand the use of recycled raw materials to reduce product carbon emissions, monitored through the LCA (Life Cycle Assessment) system introduced in 2024.

Investment Performance Status

	2025			
Investment Items	Condensate Recovery System	Chiller Pump Operation Efficiency Improvement	Introduction of VSD Air Compressors	Boiler replacement
Key Details	Condensate Waste Heat Recovery and Reuse	Improve pump efficiency by modifying the cooling water piping structure	Reduce power consumption during compressor unloading	Replace with parallel-type high-efficiency boilers

CDP Participation

To strengthen climate change response capabilities, Hanwha Advanced Materials voluntarily participates in the CDP (Carbon Disclosure Project) Climate Change program and strives for transparent information disclosure to build trust with global stakeholders. As a result, Hanwha Advanced Materials received the 'Carbon Management Special Award' at the 2025 CDP Korea Award and achieved a B grade for the second consecutive year. The company will continue participating in CDP and responsibly disclosing its climate change response performance.

2024 CDP Korea Award

Special Award for Carbon Management

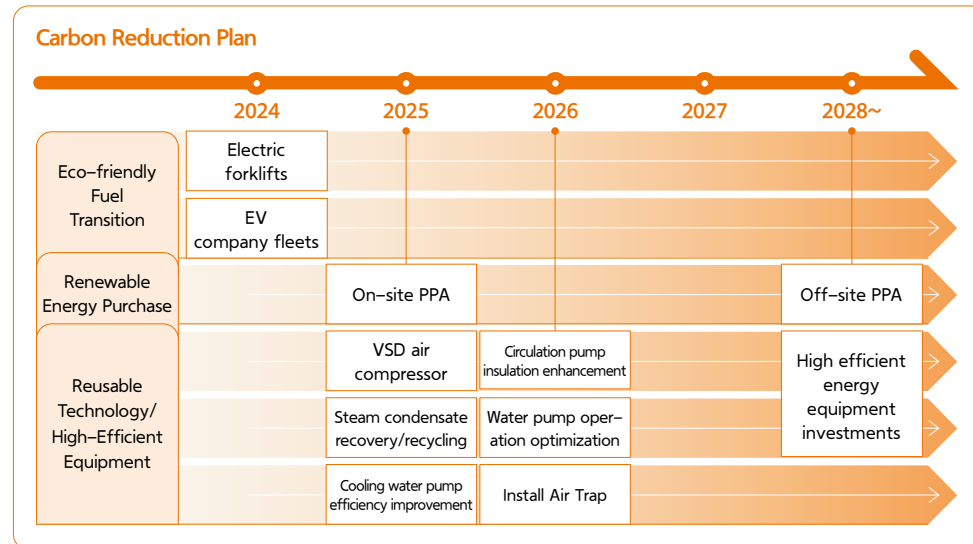
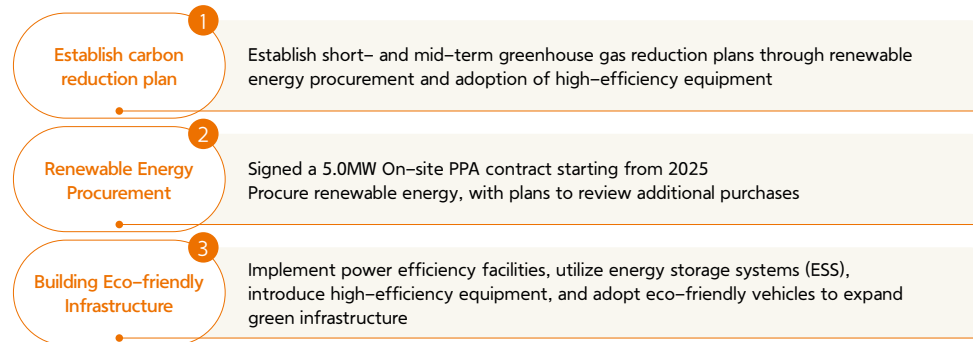


Climate Change Response

Climate change response strategy

Establishment of climate change response strategy

Hanwha Advanced Materials sets a framework for greenhouse gas emission reduction by setting targets and implementing corresponding response and management activities. The company actively promotes site-specific greenhouse gas and energy reduction activities, including carbon reduction planning, renewable energy procurement, and eco-friendly infrastructure development.



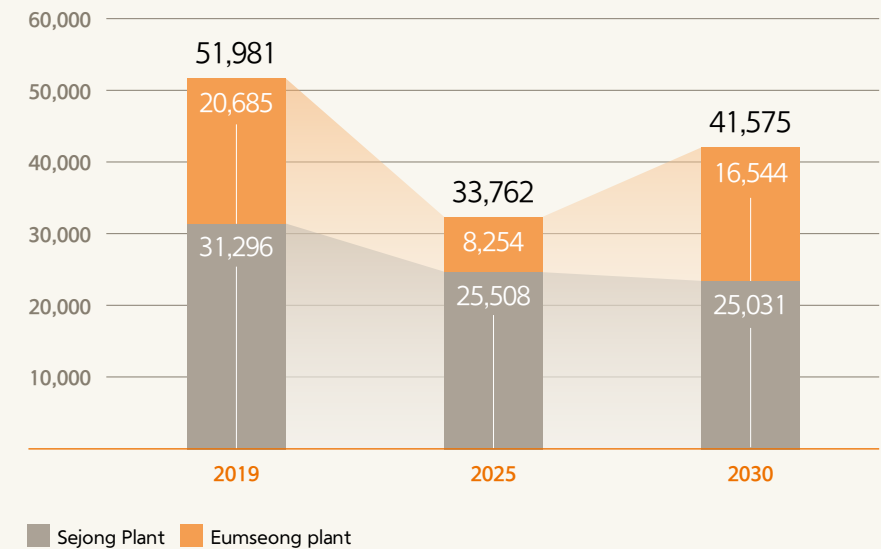
GHG emission reduction targets

Hanwha Advanced Materials set a company-wide target to reduce carbon emissions by 20% by 2030 compared to 2019 levels and launched enterprise-wide reduction initiatives. Through these efforts and the impact of decreased production volumes, Hanwha Advanced Materials achieved this target ahead of schedule. Building on this accomplishment, Hanwha Advanced Materials sets a mid-to-long-term carbon neutrality roadmap for 2035 and plans to continue reducing greenhouse gas emissions. Beyond ongoing reduction activities, the company intends to advance its greenhouse gas inventory—including Scope 3—to build a more sophisticated management system encompassing the supply chain, and to address climate change responsibly by expanding the transition to renewable energy, improving process efficiency, and scaling up emission reduction across the entire production and logistics value chain.

GHG Emission Reduction Targets

Scope 1&2 Emissions

(Unit: tCO₂eq)



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

Climate Change Response

Climate change response activities

Energy management

Hanwha Advanced Materials undertook various energy efficiency improvements in 2025, including installing a condensate recovery system, optimizing chiller pump operations, replacing air compressors with VSD inverter models, replacing dormitory boilers, and switching to LED lighting in vacant rooms. The Carbon Reduction Committee identifies and reviews energy efficiency initiatives, and with the goal of reducing site energy consumption through internal efficiency gains by 2030, the company progressively implements strategies such as process optimization and high-efficiency equipment upgrades. To expand renewable energy use, Hanwha Advanced Materials signed a 5.0 MW on-site PPA contract in 2024, completed solar power facility installation at its business site in March 2025, and achieved electricity cost savings of KRW 400 million by using 5,700,000 kWh of renewable energy.

Climate change response training

Hanwha Advanced Materials regularly conducts climate change response training programs to raise employee awareness of carbon emission reduction and promote behavioral change. In 2025, external instructors delivered company-wide ESG training, enhancing employee understanding of and engagement with climate change response.

ESG Climate Change Response Training

Description	Number of persons who completed training/ target participants	Completion rate	Training date and time
Government climate change policies, domestic and international trends, and response directions	190 persons/369 persons	52%	June 2025



Transportation carbon emission reduction

Hanwha Advanced Materials prioritizes eco-friendly vehicles when replacing its fleet. The company is expanding the transition to electric vehicles based on vehicle age and mileage, with eco-friendly vehicles accounting for 8% of the fleet on a cumulative basis as of 2025, and has strengthened EV charging infrastructure at its sites, currently operating four charging stations. Considering both logistics efficiency and environmental impact, the company has achieved 100% adoption of indoor electric forklifts and continues to pursue fleet decarbonization through further EV conversions.

Energy reduction at overseas subsidiaries

HAUS replaced aging boilers with high-efficiency models to address increased gas consumption caused by declining thermal efficiency. Instead of one large boiler, three smaller boilers were installed in parallel to enable flexible adjustment of operating units based on production conditions. As a result, thermal energy consumption per ton of product decreased significantly, and greenhouse gas emissions were also reduced through natural gas savings.

HAEU reduced electricity consumption by replacing aging compressors with high-efficiency equipment. An online monitoring system was also established to track real-time electricity consumption across the plant and major equipment, and energy and carbon data management guidelines were developed to build a systematic, data-driven energy management framework.

HABJ improved exhaust facilities within the production process to reduce greenhouse gas and pollutant emissions. By replacing aging components, enhancing activated carbon equipment performance, and optimizing exhaust gas temperature and flow rate control, Hanwha Advanced Materials improved treatment efficiency and achieved reductions in both electricity and natural gas consumption.

HAGA promoted energy efficiency by establishing an inverter control system linked to cooling tower coolant discharge temperature. By converting from constant-speed on-off control to variable speed control, Hanwha Advanced Materials reduced electricity consumption by maintaining consistent coolant temperature regardless of outdoor conditions while minimizing unnecessary power waste.

Environmental Impact Management

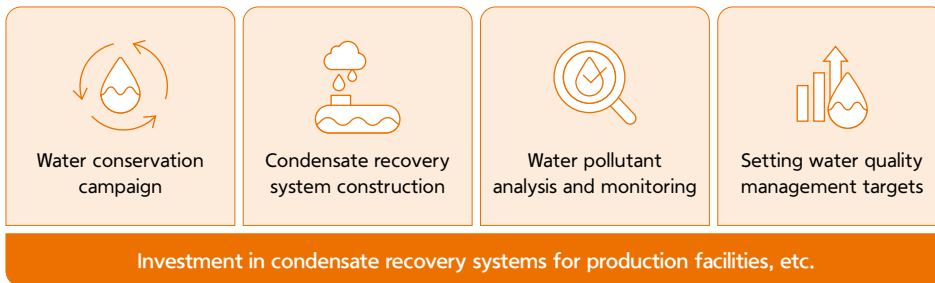
Water Resources and Water Pollution Management Activities

Water resource conservation

Hanwha Advanced Materials sets site-specific targets for efficient water resource management and usage reduction, and systematically manages water intake and discharge through continuous monitoring.

The company promotes participatory activities that extend beyond everyday habit improvement to ESG practice, including a World Water Day water conservation campaign that encourages voluntary participation from all employees. In addition, the company has strengthened water resource circulation and usage efficiency through facility investments such as a condensate recovery system, and aims to minimize environmental impact on surrounding areas by establishing a systematic water pollution prevention framework.

Water Resource Conservation and Water Pollution Management Plan



7% decrease



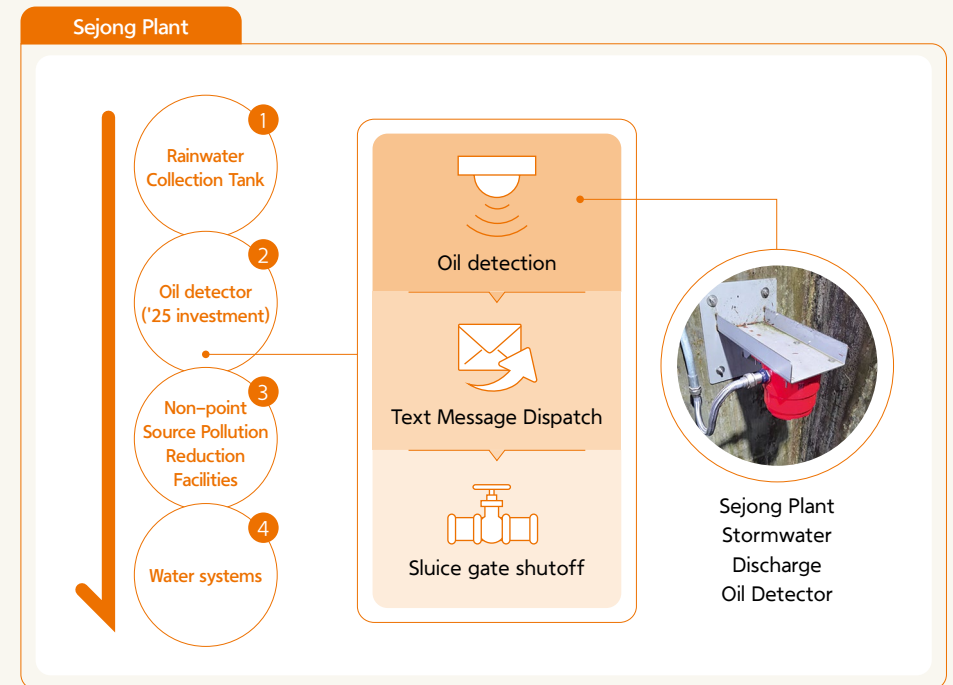
Water pollution prevention and management activities

Hanwha Advanced Materials operates dedicated wastewater treatment facilities at each site, applying physical and chemical treatment technologies to comply with discharge standards for major water pollutants, including Total Organic Carbon (TOC) and Suspended Solids (SS).

In particular, for specific water pollutants, internal management standards as strict as up to 50% below the legal discharge limits are applied to minimize environmental impact from wastewater discharge.

Hanwha Advanced Materials installed oil detectors at the Sejong plant in 2025 to proactively prevent contamination risks during stormwater discharge, establishing a real-time pollutant monitoring system to support local environmental conservation.

Stormwater (Rainwater) Pollutant Real-time Monitoring Process



Environmental Impact Management

Water Resources and Water Pollution Management Activities

Water resource risk management – Water Stress assessment

As the importance of water resources continues to grow, Hanwha Advanced Materials conducted a Water Stress assessment using the WRI's Water Risk Atlas to establish systematic management criteria. Based on site-specific risk assessment results, the company is developing appropriate response measures such as alternative water source procurement for high-risk areas, while also reviewing a systematic water resource due diligence program to enhance management efficiency.

On the occasion of World Water Day, Hanwha Advanced Materials launched a company-wide water conservation campaign to raise employee awareness of water resource conservation, and promotes a water-saving culture through everyday practices such as encouraging tumbler use.

Water Conservation Campaign



1) WRI (World Resources Institute): A global non-profit research organization focused on six core areas directly linked to human survival, including food, forests, water, energy, cities, and climate, providing practical guidelines and policy alternatives for building a sustainable society.

Hanwha Advanced Materials Water Stress Analysis Results by Plant

Water Stress Analysis



10 plants / 3 sales offices

100%

Water Stress Analysis

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

Low Medium High Extremely High

Environmental Impact Management

Air pollutant management activities

Air pollutant management system

Hanwha Advanced Materials applies Best Available Techniques (BAT) in accordance with the Integrated Environmental Pollution Facility Management Act to continuously reduce air pollutant emissions and improve environmental management standards.

The company has established internal management standards stricter than legal emission limits for each air pollutant, and pursues emission source management, pollutant measurement, and reduction activities across all workplaces.

Air pollutant reduction

In 2025, approximately KRW 200 million was invested at the Sejong Plant to improve air pollutant treatment efficiency by replacing aging wet scrubbers. High-efficiency pollution control facilities such as electrostatic precipitators (EP) and adsorption facilities (A/C Tower) have been deployed to reduce air pollutants, including particulate dust, hazardous gases, and odors.

Hanwha Advanced Materials plans to continue investing in environmental operating facilities to minimize air pollutant emissions and comply with legal standards.

Major Air Pollution Control Facility Investment Details

Sejong Plant		
1	2	3
Expansion of 1 adsorption facility (A/C Tower) at Sejong R&D Center	Replacement of 1 SuperLite wet scrubber (WET SCR) unit	New installation of 2 SuperLite wet scrubber (WET SCR) units

Noise and odor management activities

Noise mitigation measures

Hanwha Advanced Materials systematically manages noise and vibrations generated during site operations by conducting measurement and monitoring at site boundaries in accordance with the Integrated Environmental Pollution Facility Management Act and related regulations.

To protect workers' health, the company continuously improves the work environment and prevents occupational health disorders through measures such as noise-related special health examinations and hearing conservation programs.

Sejong Plant Boundary Noise and Vibration Measurement



Noise and vibration measurement

Measurement Points	Legal Standard Values		Measurement Results
Sejong	Noise (daytime)	70 dB(A)	54 dB(A)
	Noise (nighttime)	60 dB(A)	54 dB(A)
	Vibration (Daytime)	75 dB(V)	29 dB(V)
	Vibration (Nighttime)	70 dB(V)	29 dB(V)

Environmental Impact Management

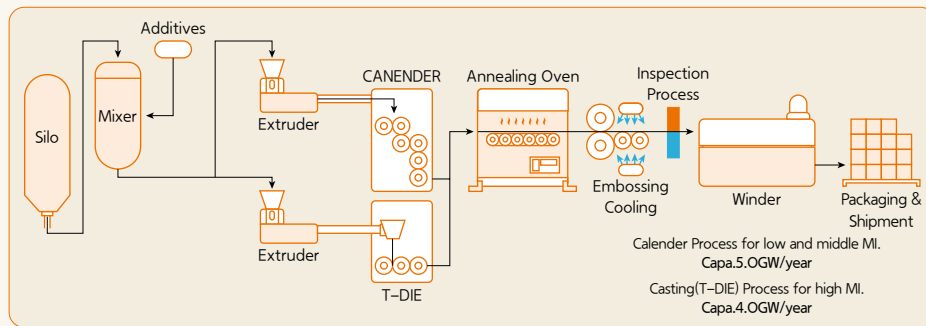
Waste management activities

Expansion of Resource Circulation

Hanwha Advanced Materials manages the entire waste cycle—from collection, transportation, and storage to treatment—to minimize production waste generation and maximize resource efficiency. The company strengthens green management by conducting regular due diligence on waste transportation and treatment companies and identifying new recycling partners to promote proper waste management and the transition to recycling.

As a result, the Eumseong plant obtained resource circulation certification for production waste in 2025, promoting high-quality recycling of waste resources and contributing to a circular economy.

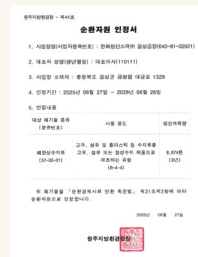
Eumseong plant EVA Production Process



EVA By-products (Waste)



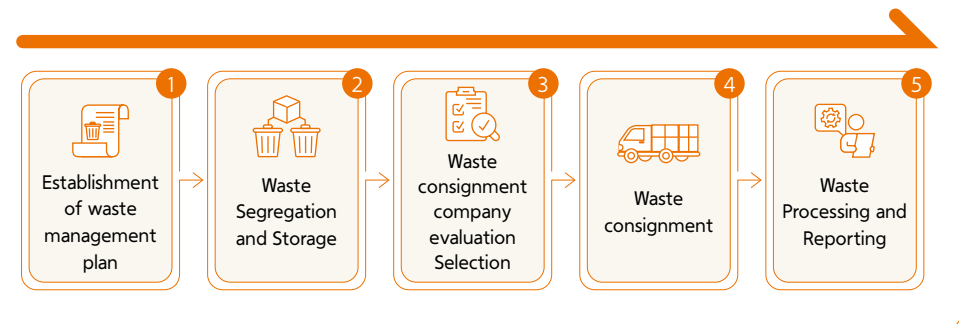
Recycled Resource Certificate



Waste classification and treatment

Hanwha Advanced Materials operates dedicated waste storage facilities, classifying and storing waste by characteristics—such as incineration, landfill, or recycling—and managing it in full compliance with applicable regulations. The company inspects waste treatment contractors at least annually for compliance with waste-related laws, sorts waste generated from each process by type, and implements preventive measures against environmental incidents. The company also strengthens cooperation with specialized recycling firms to increase the proportion of recyclable and reusable resources, and has established designated hazardous waste storage areas to minimize environmental risk.

Waste Treatment Process



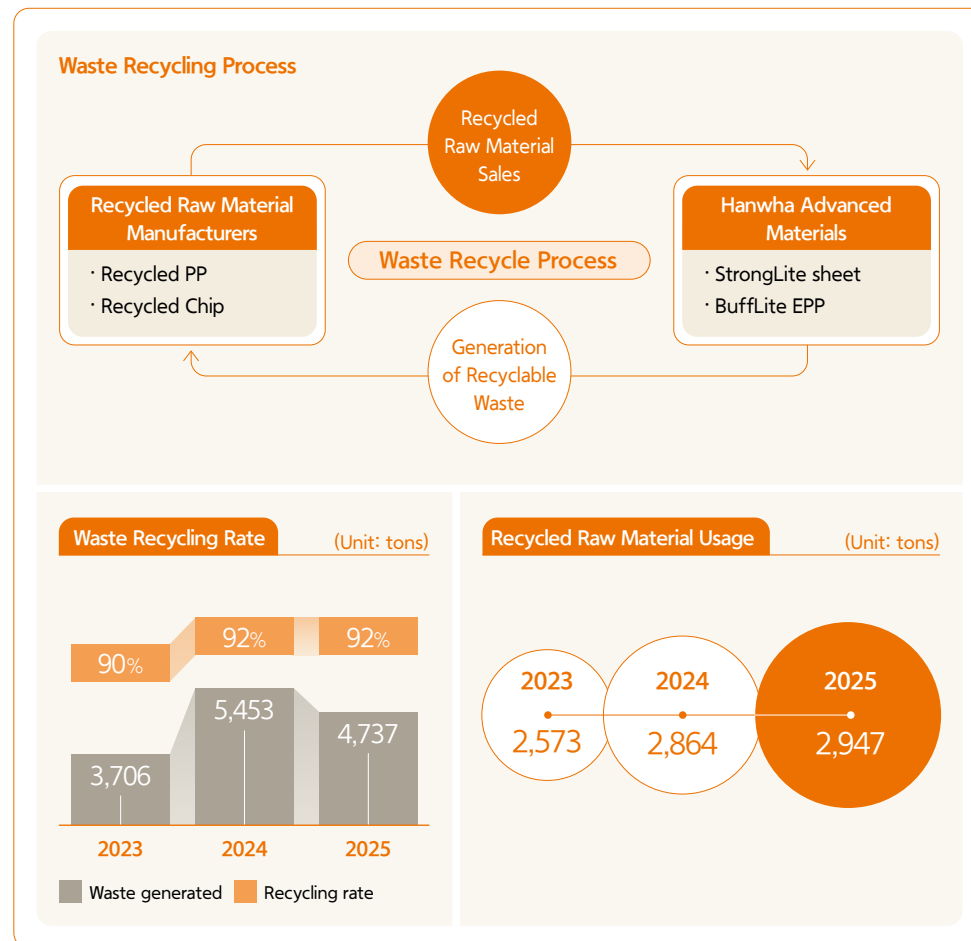
HAMX constructed a dedicated hazardous waste storage facility to comply with local environmental regulations. Given that the facility handles flammable and explosive materials, comprehensive safety equipment was required to prevent fire, explosion, and hazardous material leaks from lightning-induced ignition. Spill containment berms were installed to block external leakage of liquid hazardous materials, a grounding system safely discharges lightning-induced current, and explosion-proof lighting prevents ignition sources during overcurrent situations. A lightning protection system serves as the core of this electrical safety framework, proactively blocking direct lightning strikes and induced currents to establish an integrated preparedness system against complex risk factors in hazardous waste storage environments. The facility meets both safe hazardous waste storage requirements and local legal standards in Mexico.

Environmental Impact Management

Waste management activities

Waste recycling

Hanwha Advanced Materials is accelerating resource circularity by scaling up partnerships with specialized recycling companies, converting operational waste into high-value recycled raw materials and driving measurable reductions in its environmental footprint.



Waste reduction through waste paper recycling

HAUS introduced a system for fully recycling paper boxes from production sites starting May 2025.

Prior to implementation, boxes were mixed with general waste, resulting in increased costs and resource waste. To address this, Hanwha Advanced Materials established a process consisting of on-site collection, volume reduction through compression equipment, accumulation at designated locations, and regular collection and recycling by specialized companies. Cost refunds based on processing volume are also provided.

As a result, approximately USD 2,000 per month was saved, achieving approximately 10% reduction in waste disposal costs, and recyclable resources were converted into circular resources, contributing to environmental protection.



Implementation of waste management training

Hanwha Advanced Materials provides annual waste management procedure and regulatory training to waste-generating departments to raise environmental awareness, strengthen waste management capabilities, and encourage voluntary waste reduction. The company offers guidance on practical measures to reduce waste generation in manufacturing processes and ensures accurate understanding of relevant standards and their application in practice.

Environmental Impact Management

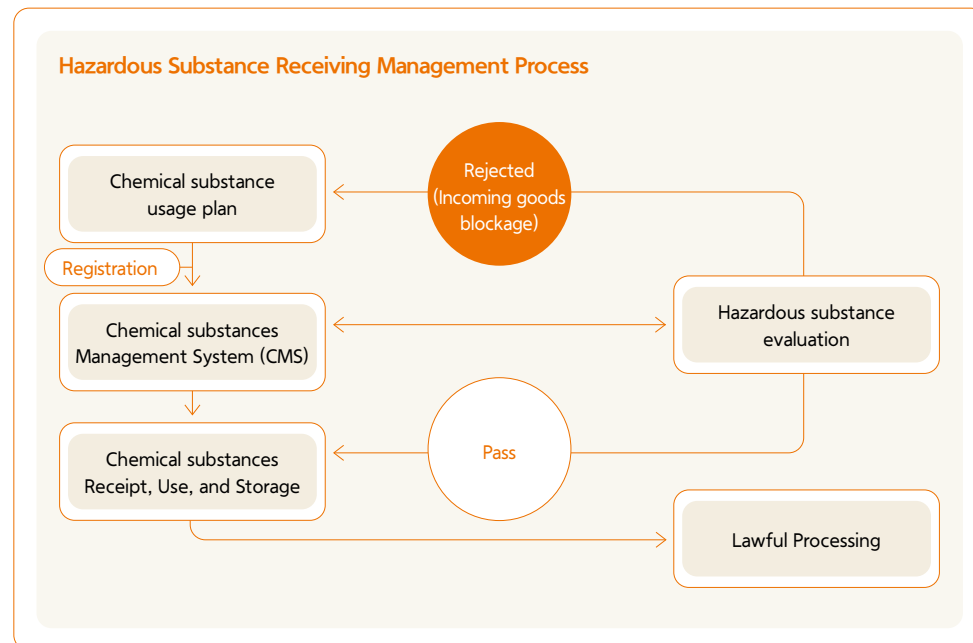
Hazardous substance management framework

Hazardous substance management organization

Hanwha Advanced Materials designates dedicated management personnel within departments handling hazardous substances (production, R&D) for oversight. The company conducts pre-purchase assessments of chemical substances to ensure legal compliance and periodically monitors data. The company also reviews its management systems based on regular inspections of hazardous chemical handling facilities, maintaining compliance and a safe working environment.

Hazardous substance management system

Hanwha Advanced Materials thoroughly inspects for hazardous substances during the product manufacturing process and systematically manages them through its chemical substance management system. The company clearly labels hazardous substance identification information, stores them safely in appropriate locations, and complies with safety protocols during handling. By applying procedures that reflect legal standards during transportation, the company proactively prevents hazardous substance risks and continues to strengthen enterprise-wide safety management standards.



Hazardous Substance Management Activities

Hazardous substance management and use of alternative substances

Hanwha Advanced Materials reviews substance hazard-ousness through preliminary assessments to minimize environmental and human health impacts, recommends substitution with less hazardous substances where possible, and has already incorporated such changes into certain processes. To meet environmental and safety standards while maintaining product performance, the company evaluates substitute material stability and suitability from the raw material stage onward, reducing hazardous substance use throughout the product manufacturing process and establishing a safer, more sustainable production system.

Chemical Substance Hazard Assessment and Registration (Production Raw Materials)

순환자원 현황서

1. 사업장명(사업장등록번호) : 한화첨단소재(충청남도당진시) 000001
2. 대표자 성명(영문) : 대표이사(100111)
3. 사업장 소재지 : 충청남도 당진시 공평동 대공로 1309
4. 신청기간 : 2024년 04월 27일 ~ 2024년 04월 28일
5. 신청내용

대상 재질명	수량	위험성	평가결과
화학물질명	고구, 염산 등 불연성, 중 유해물질	중대위험	중대위험
화학물질명	고구, 염산 등 불연성, 중 유해물질	중대위험	중대위험

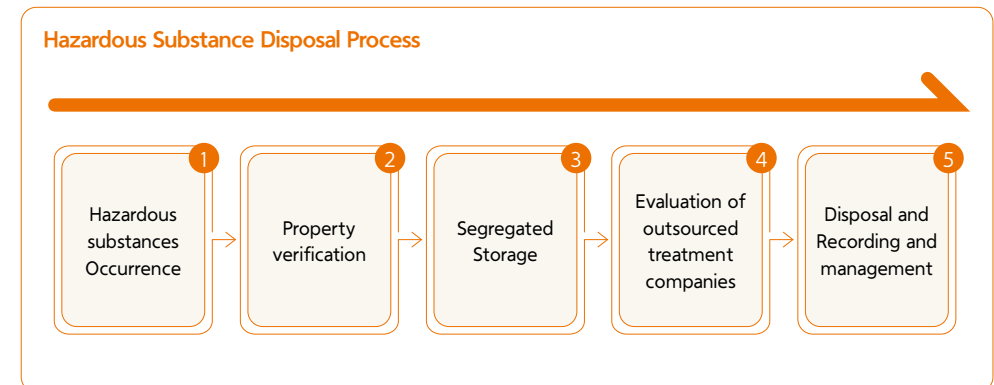
위 재질을 본 '순환자원 현황서'에 기재된 '폐기물' 제21조제2항에 따라 순환자원으로 인정합니다.

2024년 04월 27일

한화첨단소재(충청남도당진시)

Compliance with hazardous substance disposal procedures

Hanwha Advanced Materials strictly complies with handling and disposal procedures based on Material Safety Data Sheets (MSDS) for safe hazardous substance management. For newly identified hazardous substances, classification and treatment methods are verified through accredited testing agencies prior to disposal, and substances are separately segregated and stored before processing through legally authorized contracted disposal companies.



Environmental Impact Management

Hazardous Substance Management Activities

Hazardous substance management training

Hanwha Advanced Materials conducts annual internal training on chemical substance handling operations and import procedures to prevent safety accidents and strengthen on-site response capabilities. By providing regular chemical safety training across all business sites, we ensure employee health and workplace safety, and minimizes hazardous substance risks to the local community.

Chemical Substance Import Procedure Training



Chemical Substance Unloading Operation Inspection Training



Establishment of environmental emergency response procedures

Hanwha Advanced Materials sets emergency response procedures to prevent environmental accidents caused by chemical substances and respond swiftly in emergencies. At business sites, environmental risks are minimized through MSDS-based compositional analysis for each substance, development of emergency action scenarios by accident type, regular training and drills, and on-site evacuation plans. In an emergency, a situation room is immediately established and an Emergency Response Committee coordinates with the emergency control organization to oversee accident remediation, prevent external spread, administer first aid, and cooperate with relevant authorities. Pre-inspections and evacuation measures follow the emergency response manual, and after incident resolution, accident investigations establish recurrence prevention measures and the entire response system is reorganized.

Hazardous Substance Accident Emergency Response Procedure

Phase 1 Hazardous substance property investigation	· Investigate hazardous chemical properties based on MSDS and reflect in risk assessments
Phase 2 Emergency Action Plan Establishment and Training	· Establish plans by accident scenario, including evacuation procedures, rescue plans, communication systems, and contaminant removal · Conduct training at least once per year, supplement deficiencies, and update scenarios
Phase 3 Incident Occurrence and Emergency Alert Issuance	· First discoverer disseminates information through emergency broadcast and internal communication network; issue fire, gas leak, or evacuation alarms as appropriate
Phase 4 Initial Response and Evacuation	· All employees immediately move to designated shelters; emergency personnel promptly perform entry control, don protective equipment, and administer first aid
Phase 5 Prevention of external spread and emergency response	· Prevent contamination spread through sluice gate and pipe shutoff, electrical and equipment control · The Emergency Controller (Head of Environment and Safety Department) communicates incident details externally · Use checklists during natural disaster alerts and broadcast evacuations for local residents when necessary
Phase 6 Incident Situation Closure	· The Emergency Response Committee Chairperson (Site Director) decides on situation termination; personnel return to their departments and resume normal operations
Phase 7 Accident Investigation and Follow-up Actions	· Analyze accident causes and establish recurrence prevention measures in accordance with process and accident investigation procedures

Environmental Impact Management

Hazardous chemical substance management system

Hazardous chemical substance management status

Hanwha Advanced Materials verifies chemical hazards and risks through pre-assessment before receipt, and conducts in-house emergency response drills semi-annually to prepare for chemical leaks and accidents, strengthening response capabilities and minimizing potential damage.

To comply with the Chemical Substances Control Act and the Act on Registration and Evaluation of Chemical Substances, The company conducts regular training twice a year and continuously establishes and revises chemical substance management procedures, minimizing hazardous chemical risks and environmental impact through lifecycle management from introduction, use, and storage to disposal.

Chemical substances Safety management

Chemical substance spill emergency drill

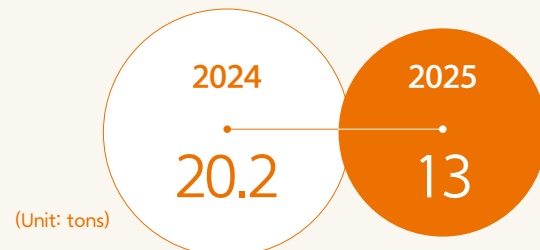


Chemical Substance Management Procedure Internal Training

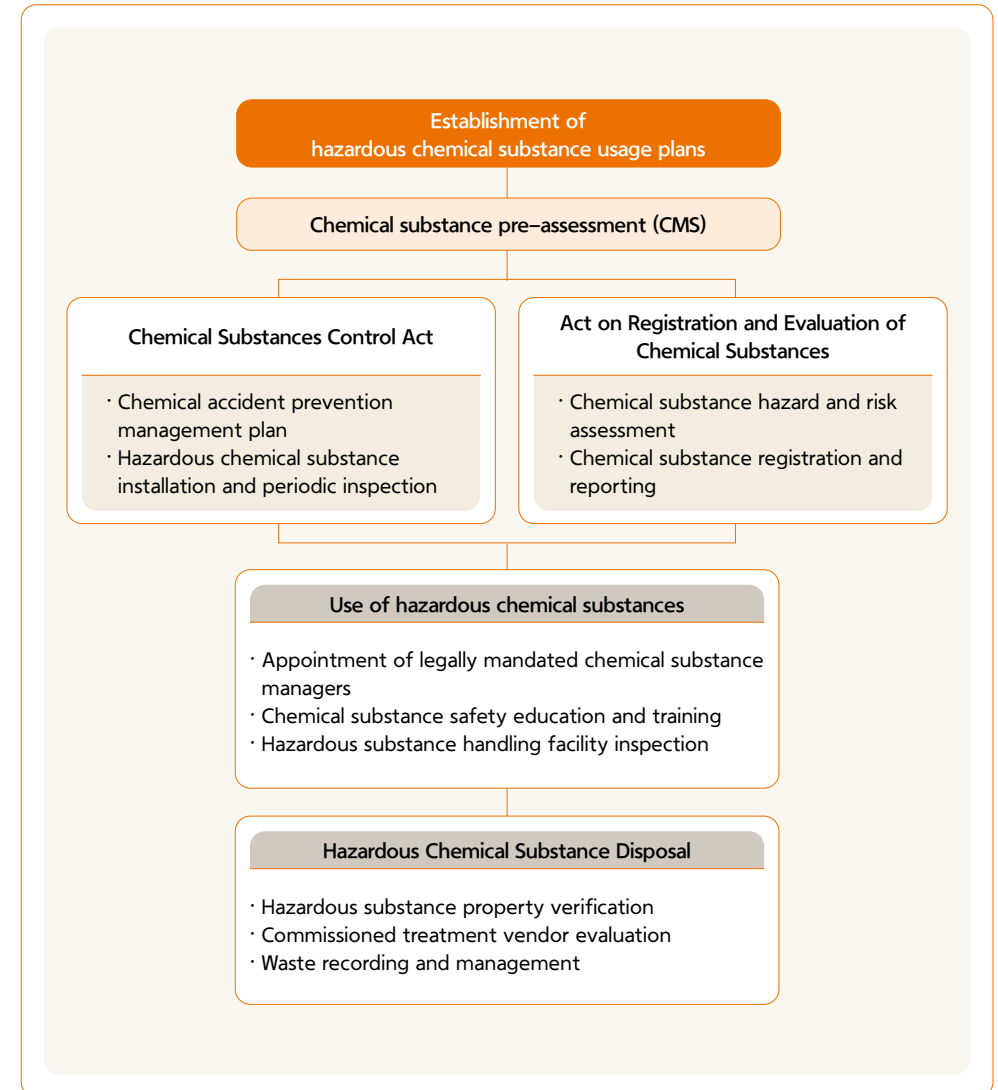


Chemical substances Emissions

Volume of chemical substances discharged into the atmosphere, water bodies, and waste during production



Hazardous chemical substance lifecycle process



Environmental Impact Management

Biodiversity Protection

Biodiversity policy

Hanwha Advanced Materials recognizes that dependence on and impact on natural capital are critical factors in industrial sustainability, and strives to protect biodiversity and minimize degradation.

Hanwha Advanced Materials sets biodiversity conservation goals and detailed action plans for each site, building a systematic foundation for natural capital management and biodiversity protection through continuous improvement.

The company thoroughly complies with domestic and international laws and regulations for biodiversity conservation and wildlife protection, and adheres to global guidelines such as IUCN Protected Area Categories (Category I–V). Biodiversity risk is recognized as an important factor throughout all business processes and has been codified into policy.

[Biodiversity Policy](#)



Biodiversity management system

Hanwha Advanced Materials utilizes the TNFD–recommended LEAP (Locate, Evaluate, Assess, Prepare) approach to identify and evaluate impacts on and dependencies on natural capital across all business processes, quantitatively assessing biodiversity risks.

Building on this, Hanwha Advanced Materials plans to continue sustainable ecosystem conservation through biodiversity protection activities in cooperation with local nature conservation associations.

LEAP Approach Process

	Locate	Evaluate	Assess	Prepare
Analysis	- Assessing Proximity to Nature at Major Business Sites - Identification of Endangered Species and Protected Areas Near Workplaces	Dependency and impact assessment for applicable industries based on ISIC major industrial activities	Location–based Physical/Reputational Risk Identification	Establish goals and strategies based on analysis results and promote biodiversity conservation activities
Analysis Tools	- Environmental Spatial Information Service – National Land Environmental Assessment Map System - IUCN Red List	ENCORE	WWF — Biodiversity Risk Analysis	—
Outputs	- National land environmental assessment results - IUCN Red List Endangered Species Analysis	14 Dependency–related Indicators 7 impact–related indicators	4 Physical Risk Indicators 3 Reputation Risk Indicators	- Collaborative Environmental Cleanup Activities with Resource Conservation Council - Hiking trail environmental maintenance activities in Sejong City

Environmental Impact Management

Biodiversity Impact Identification Results

STEP1 Locate | Interface with Nature

IUCN Red List Endangered Species Analysis Results (within 25km of plants)

An analysis of IUCN Red List (CR, EN, VU) threatened species distribution was conducted for all domestic and overseas sites (100%), and geographic information analysis based on WDPA (World Database on Protected Areas) confirmed no applicable impacts related to Ramsar wetlands or World Natural/Cultural Heritage sites near our business sites.

Category	Sejong	Eum-seong	HAEU (Ostrava)	HABJ (Beijing)	HAUS (Opelika)	HAUS (Austin)	HAUS (Monroe)	AZDEL (Lynch-burg)	HAGA (Carters-ville)	HAMX (Monterrey)
Critically Endangered	0	0	4	2	3	1	5	2	3	1
Endangered	10	11	14	12	9	9	9	5	14	5
Vulnerable	19	18	63	16	20	18	25	20	26	13

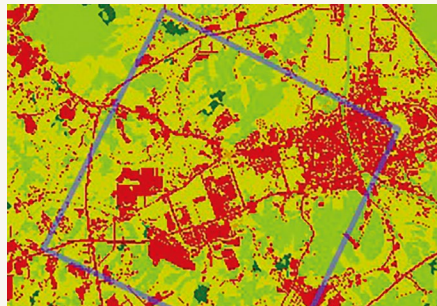
Ecological Analysis Results Within 2km of Major Business Sites¹⁾ (National Land Environmental Assessment)

To assess proximity to nature near major business sites (Sejong, Eumseong), a natural asset value assessment was conducted on a scale of 1–5 using the Environmental Spatial Information System's National Land Environmental Assessment map system.

Sejong Plant



Eumseong Plant



STEP2 Evaluate | Dependencies and Impacts

Natural capital dependency and impact assessment based on ENCORE Tool

ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) was utilized to quantitatively analyze the impact and dependency of our business on natural capital, based on Hanwha Advanced Materials' industry classification (plastic manufacturing).

The analysis indicated that dependency on natural capital ranges from low to moderate levels, while the impact of soil and water pollutant generation was assessed as very high.

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

Environmental Impact Management

Biodiversity Impact Identification Results

STEP3 Assess | Risk and Opportunity Identification

Using WWF's biodiversity risk assessment tool, nature-related risks were identified for all Hanwha Advanced Materials plants from physical and reputational perspectives. Physical factors refer to risks that directly impact business operations, such as raw material supply disruptions or increased operating costs due to loss of ecosystem services, while reputational risks involve corporate value decline and credibility loss from failing to respond to environmental protection demands from local communities and stakeholders. Based on these integrated analysis results, the company closely monitor the ecological sensitivity of its major plants.

※Scope: All domestic and overseas sites of Hanwha Advanced Materials (100%)

Category		Description	Sejong	Eumseong	HAUS (Ostrava)	HABJ (Beijing)	HAUS (Opelika)	HAUS (Austin)	HAUS (Monroe)	AZDEL (Lynchburg)	HAGA (Cartersville)	HAMX (Mexico)
Physical Factors	Supply services	· Resource shortages of raw materials due to biodiversity loss	●	●	●	●	●	●	●	●	●	●
	Regulating and Supporting Services	· Weakening of ecosystem functions for environmental maintenance, leading to degradation of the production base	●	●	●	●	●	●	●	●	●	●
	Regulating Services (Mitigation)	· Expansion of environmental risks such as climate and disasters due to deterioration of ecosystem stabilization	●	●	●	●	●	●	●	●	●	●
	Biodiversity Pressure	· Ecosystem functional degradation caused by damage to ecosystems and biodiversity	●	●	●	●	●	●	●	●	●	●
Reputation	Environmental Factors	· Environmental damage forming negative corporate assessments	●	●	●	●	●	●	●	●	●	●
	Socioeconomic Factors	· Erosion of corporate trust and economic value due to changes in stakeholder perception	●	●	●	●	●	●	●	●	●	●
	Additional Reputation Factors	· Escalation of reputational risk due to external pressures such as legal regulations and media	●	●	●	●	●	●	●	●	●	●

WWF Biodiversity Risk Filter Levels
 ● Very low(1.0~1.8) ● Low(1.8~2.6) ● Medium(2.6~3.4) ● High(3.4~4.2) ● Very high(2.6~3.4)

1) Comprehensive nature-related risk assessment tool provided by the World Wide Fund for Nature (WWF)

Environmental Impact Management

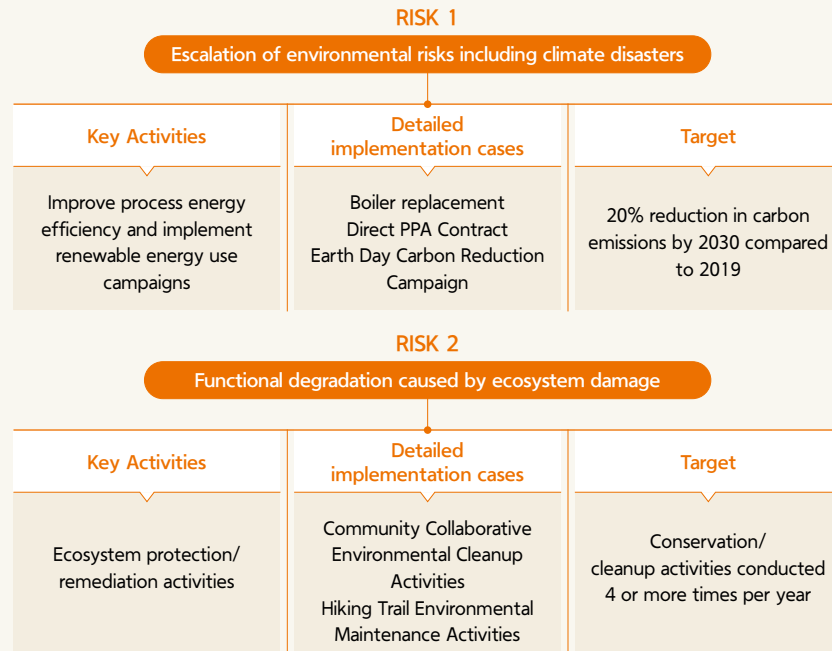
Biodiversity Impact Identification Results

STEP4 Prepare | Response and Disclosure

Setting Key Indicators and Targets

Hanwha Advanced Materials sets key management indicators and targets related to natural capital based on identified risks. The company incorporates natural capital risks and opportunities into its sustainable growth strategy, and continues to pursue carbon emission reduction, pollutant discharge reduction, and ecosystem protection around business sites, while building implementation capabilities for natural capital protection.

Hanwha Advanced Materials biodiversity risk and targets



Biodiversity conservation activities

Hanwha Advanced Materials builds collaboration frameworks with local communities near its sites to conserve local ecosystems and enhance biodiversity value. Through close partnerships with local communities, Hanwha Advanced Materials has regularized ecological cleanup activities to help maintain ecosystem health around its sites.

As part of this effort, joint environmental cleanup activities were conducted with the Sejong Special Autonomous City Nature Conservation Council, and hiking trail environmental maintenance in the Nogobong area of Bugang-myeon, Sejong City helped restore the natural environment and provide a pleasant space for local residents.

Environmental cleanup activities in collaboration with the Nature Conservation Council



Circular Economy and Recycled Resources

Sustainable Product Development System

Hanwha Advanced Materials pursues product development that minimizes environmental impact across all stages—from design, production, and use to disposal. The company continuously strengthens eco-friendly technology development and materials research, setting environmental impact reduction goals across the entire product lifecycle.

As part of efforts to expand recycled raw material use, GRS (Global Recycled Standard) certification was first obtained for StrongLite and Buf-lite products, and RCS (Recycled Claim Standard) certification for SuperLite and IntermLite products in 2021. In 2025, RCS certification was additionally obtained for SMC products, continuously expanding the certification scope.

Recycled Materials Development and Application Cases

The StrongLite Division has commenced developing new GMT materials utilizing post-consumer recycled (PCR) raw materials in anticipation of mandatory recycled material requirements under the revised EU End-of-Life Vehicle Regulation (ELVR). Going beyond simple recycled material blending, the division proactively applied PCR PP and ELV-recovered raw materials required by regulations, and overcame property degradation through proprietary technology to achieve mechanical performance equivalent to virgin materials. Property verification for major grades and customer approval processes are currently underway, and the division plans to actively support global OEMs in meeting eco-friendly regulations.

The SuperLite Division established a recycled PP (Polypropylene) raw material supply system to develop materials meeting eco-friendly demands of the domestic automotive OEM industry. High-quality recycled raw materials are secured at a scale of 300 MT per month, and headliner and undercover products with 25% and 50% recycled material ratios are under development. Mass production feasibility was verified through a domestic customer application event in 2025, and the division plans to expand into the European OEM market in 2026.

To maximize post-use recycling efficiency, Hanwha Advanced Materials developed a mono-material product that overcomes the limitations of conventional mixed structures using dissimilar materials (PET, PP, Glass Fiber, etc.). This product can be fully ground and recycled into raw materials without separate sorting after disposal, achieving a virtuous cycle of materials. It meets the stringent load specifications of European OEMs, demonstrating global-level technical capabilities, and the company is currently collaborating with domestic and international customers to optimize specifications.

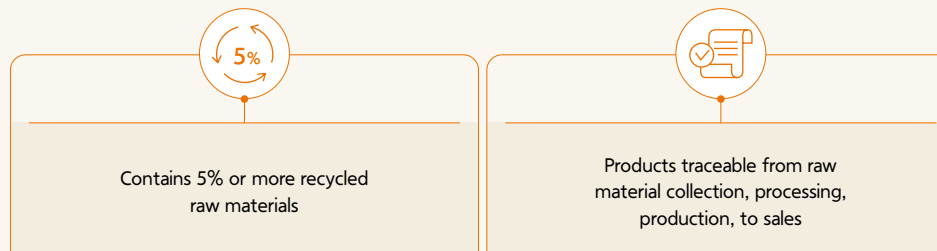
GRS /RCS Certification



GRS(Global Recycled Standard) Certification



RCS(Recycled Claim Standard) Certification



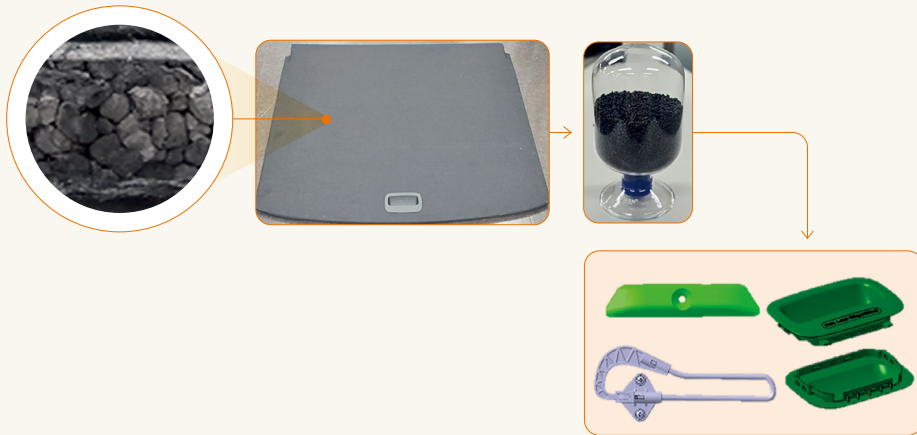
Circular Economy and Recycled Resources

Sustainable Product Development System

Recycled Materials Development and Application Cases

The IntermLite Division developed PCR PA6 (Post-Consumer Recycled Polyamide 6) materials by recycling hazardous waste such as discarded fishing nets. This material has completed material specification (MS Spec) registration with major domestic OEMs, and application to injection-molded parts such as intake and exhaust manifolds is under review. ELV PA66 materials recycled from automotive airbags, cylinder head covers, and other waste are also under development. The division enhances European regulatory compliance for injection-molded parts including resonators and cylinder head covers, and proactively responds to eco-friendly parts demand from domestic and international OEMs.

Development of PCR PA6 (Post-Consumer Recycled Polyamide 6) material through recycling of waste such as discarded fishing nets



The BuffLite Division showcases advanced recycling technologies by developing EPP materials recycled from waste sources such as display packaging, achieving excellent foaming and moldability at recycled content ratios of 30–70% and confirming the feasibility of customer material registration.

The SMC Business Team solidifies its position as an eco-friendly mobility solutions provider by applying 5–7% recycled PET-based resin in EV battery pack component materials and obtaining global environmental certification RCS (Recycled Claim Standard).

Bio-material Application Cases

The IntermLite Division developed bio PE-based eco-friendly interior materials by replacing 20% of conventional petroleum-based raw materials with plant-derived materials. This material was applied to the TPO sheet manufacturing process to reduce carbon emissions at the raw material production stage, and a domestic patent for 'bio sheet for automotive interiors' was registered. Currently, this material is mass-produced and supplied for crash pad (C/PAD) and door trim (D/Trim) parts of major electric vehicle (EV) models.

Reuse Solution Application Cases

The BuffLite Division reduces environmental impact at the logistics stage through reusable solutions that replace single-use packaging materials. By developing fresh food logistics boxes using highly durable EPP materials, a multi-use logistics system has been established. The division secured a fresh food logistics box project from a major domestic e-commerce company and is applying mass production at actual logistics sites.

Fresh food logistics box using durable EPP material



Sustainable Products

Sustainable Product Management Activities

Life Cycle Assessment (LCA) Implementation

Hanwha Advanced Materials utilizes Life Cycle Assessment (LCA) to systematically analyze the environmental impact of its products for sustainable development, pursuing initiatives such as developing products with recycled PP, recovering steel pallets, and improving equipment energy efficiency. The company has established a 100% LCA calculation framework for internally produced materials and is expanding LCA-covered items for supplier-manufactured products from 8 to 13 items. By extending coverage to overseas subsidiaries, the company plans to secure carbon transparency across the entire product lifecycle.

LCA Scope

5 Disposal Stage

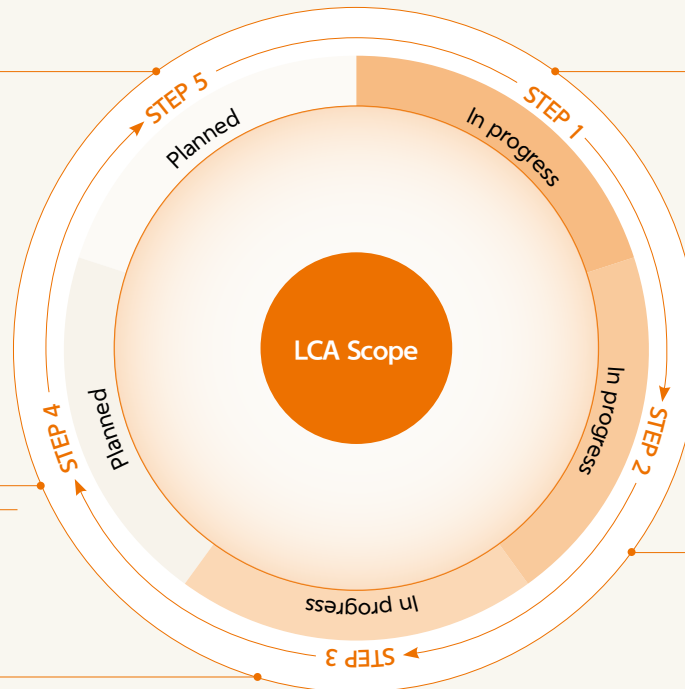
The company is reviewing measures to promote resource recycling during product disposal, including developing products with ELV-derived materials, with plans to actively implement these measures to minimize environmental impact.

4 Usage Phase

Discussions are underway with suppliers on introducing product collection and reuse procedures, and cooperative measures for product recovery are being actively reviewed. We plan to expand cooperation with external stakeholders to enhance resource circulation efficiency.

3 Distribution stage

Carbon emissions at the distribution stage are monitored through the LCA system.



Raw material acquisition stage 1

The company pursues continuous improvement to increase packaging material and raw material usage efficiency. Steel pallets used for product transportation are collected and reused to minimize resource waste, promoting resource circulation.

Manufacturing Stage 2

The company actively pursues product design that considers the circular economy, developing products with recycled PP in line with customer requirements for near-term application to finished vehicles. An LCA system has been established to systematically evaluate and monitor product environmental impact, strengthening strategies for sustainable product development.

Social

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Health & Safety

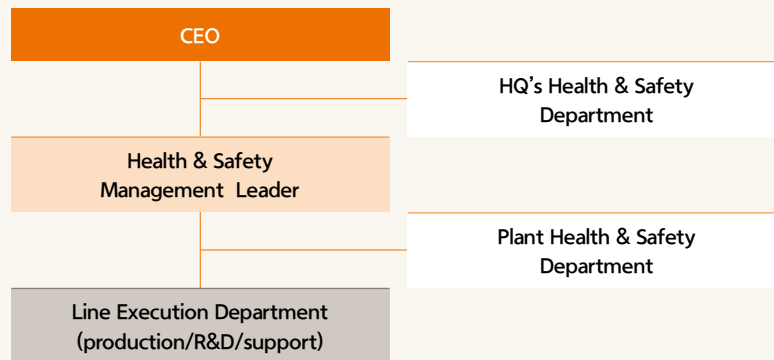
Health & Safety System

Health and Safety Management Policy

Hanwha Advanced Materials complies with the requirements of health and safety laws, regulations, and management standards and guidelines, minimizing negative impacts by mitigating health and safety risks. The company's health and safety policies, established to prevent industrial accidents and maintain a healthy work environment, apply to its headquarters and all domestic and international business sites. Furthermore, stakeholders involved in the company's operations, including partner companies, are also encouraged to comply with these policies.

[Health & Safety Management Policy](#)

Health & Safety Management Organizational Structure



Dissemination of the CEO's Health and Safety Message

Hanwha Advanced Materials regularly communicates the CEO's health and safety messages to all executives and employees, reinforcing the company's steadfast commitment to safety management. Guided by the core principle that "safety is a non-negotiable top priority," the CEO consistently emphasizes the development of an autonomous prevention system, proactive risk assessments, and enhanced cooperation with suppliers. Through these initiatives, the company actively fosters a safety-first workplace culture.

Health & Safety Management Goal

Hanwha Advanced Materials prioritizes 'zero accidents and zero injuries' as its core safety and health principle, establishing clear company-wide objectives. Based on these goals, each business site develops and executes its own customized action plans. These targets are phased from short-term to long-term, and the company enhances practical safety management through structured planning cycles and robust management reporting systems. Furthermore, operational execution is strengthened by focusing on key initiatives, including accident prevention, training, emergency response, and regular performance reviews of the safety and health management systems.

2026 Key Health & Safety Implementation Plan

1	Zero Major Workplace Accidents 	- Dissemination of Health & Safety Messages & Action Plan Establishment - Special Workplace Safety Inspections [Thawing Season, Summer, Chuseok (Harvest Festival) Holiday, Winter]
2	Implementation & Establishment of Health & Safety Management System 	- Implementation Reviews of the Occupational Health & Safety Management System - Advancement of the Performance Evaluation System for Supervisors
3	Compliance with Health & Safety Laws and Regulations 	Compliance Audits for Health & Safety Laws and Regulations
4	Deepening a Safety Culture 	- Safety Leadership Training - Sharing Latest Health & Safety Trends (e.g., Major Accident Case Studies)

Health & Safety

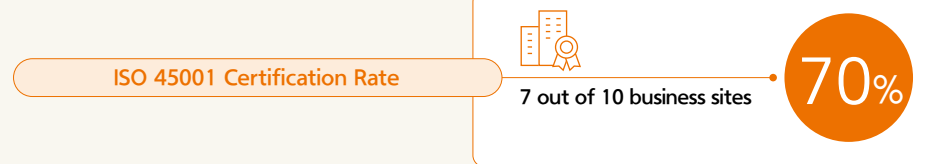
Health and Safety Management Activities



Health and Safety Management System Certification

Hanwha Advanced Materials places the safety of its executives, employees, and stakeholders as its top priority. To build a structured management framework, the company has acquired and operates the ISO 45001 Health and Safety Management System certification. In addition, the company deploys dedicated health and safety personnel at each business site to carry out key activities, including establishing and operating health and safety management systems, proactively complying with legal requirements, identifying and improving safety risks, and promoting cooperation with stakeholders.

Global ISO 45001 Certification Status



Business Site	Certificate validity period
Hanwha Advanced Materials Sejong Plant	2028. 08. 25
Hanwha Advanced Materials Eumseong plant	2028. 08. 25
Hanwha Advanced Materials America LLC(HAUS) Opelika Plant	2027. 04. 27
Hanwha Advanced Materials America LLC(HAUS) Texas Plant	2029. 04. 30
Hanwha Advanced Materials Beijing Co., Ltd.	2026. 09. 02
Hanwha Advanced Materials Europe, s.r.o.	2029. 01. 13
Hanwha Advanced Materials Mexico S. De R.L. De C.V.	2029. 01. 14

Fire Prevention Activities at Global Subsidiaries

AZDEL entered into a capital investment of approximately USD 200,000 in safety infrastructure to proactively prevent fire and explosion hazards caused by combustible dust within its production processes. The facility installed explosion venting systems on major process equipment to immediately discharge flame and pressure outdoors during pressure spikes, thereby preventing structural damage and secondary accidents inside the plant. Additionally, an ultra-high-speed explosion suppression system was deployed for precision equipment, which injects chemical suppressants at the nascent stage of ignition to eliminate flame propagation. Through this dual-defense framework, AZDEL is strengthening employee safety and enhancing operational continuity.

HAMX systematically upgraded its workplace fire prevention framework in 2025. By partnering with a specialized fire protection maintenance firm, the facility conducts monthly routine inspections of fire pumps, motors, piping networks, and hoses, with all findings systematically documented in monthly compliance reports. Furthermore, HAMX expanded its fire suppression equipment across critical production assets, acquiring new cylinder fire extinguishers for manufacturing lines and dedicated extinguishers for ovens, while upgrading initial response capabilities with specialized fire suits and emergency supply lockers.

To complement these hardware upgrades, the facility provided practical emergency response training for employees, covering fire response, first aid, evacuation protocols, and search and rescue operations, thereby establishing a balanced fire prevention system that integrates engineering controls with work-force readiness.

ISO 45001 Certification



Health & Safety

Health and Safety Management Activities

Employee Health and Wellness Management

Hanwha Advanced Materials places the health of its executives and employees as its top priority. To protect and promote employee health, the company strives for the early detection and prevention of diseases through comprehensive health activities, including health examinations, management of individuals with diagnosed symptoms, management of cardiovascular risk groups, and preventive management of musculoskeletal diseases. Additionally, dedicated health managers reside at each business site to operate health management rooms, supporting employee health through personalized health counseling, and medical referrals through an on-site resident nurse. In 2025, the Eumseong plant launched a smartphone app-based, four-week wellness program that delivered metabolic syndrome prevention content, including management of hypertension, diabetes, weight, and lifestyle habits. In a subsequent satisfaction survey, 81.3% of participants responded that the program provided practical assistance, and 93.8% expressed their intent to participate again.

HABJ facility supports personal health monitoring, early detection, and disease prevention by conducting routine health screenings at least once a year for all employees. For production floor workers, specialized occupational health examinations tailored to specific job characteristics are operated separately to monitor potential exposure to hazardous factors. Based on the screening results, the facility implements follow-up measures, including workplace environment improvements and enhanced protective controls. If abnormalities are detected, continuous health monitoring is provided through re-examinations and referrals to specialized medical institutions.



Employee Health Management Scheme

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

I CPR Training and Hands-on Practice



I Musculoskeletal Disorder (MSD) Prevention Training



I Health Promotion Programs



12 Absolute Safety Rules

Hanwha Advanced Materials establishes and enforces the '12 Absolute Safety Rules'—mandatory field guidelines designed to prevent accidents and elevate safety awareness among all employees and business partners. Through this initiative, the company strives to cultivate a robust safety culture where every worker proactively understands and adheres to safety standards.

12대 절대안전수칙	
구분	수칙 항목
작업안전 일반	1. 위험한 안전작업 허가없이 준수
추락사고 예방	2. 지면의 안전배호구 착용(바닥물, 안전화 포함)
합작사고 예방	3. 고소작업 시, 안전벨트 착용 및 안전리프 부착
절삭사고 예방	4. 움직이는 장비에 동력전달 및 Red-Tag 부착
절삭사고 예방	5. Red Tag 부착하기 임의적 금지
절삭사고 예방	6. 동력장비에 설치된 보호장치 해제 금지
절삭사고 예방	7. 밀폐공간 출입(작업) 시, 주기에 산소/가스농도 측정
절삭사고 예방	8. 허가받지 않은 작업은 해지 및 주변 인화성물질 제거
절삭사고 예방	9. 차량정차 후, 출근금지, 금지지역내 불꽃등기 발원 금지
절삭사고 예방	10. 차량의 차선변경, 앞뒤좌회전, 좌회전, 우회전, 우회전
절삭사고 예방	11. 전동/기동차 작업시 안전벨트 착용 및 동승자 탑승 금지
절삭사고 예방	12. 작업장내 이동시 보행통로 이용 및 이동 시 주변(전반) 확인

Health & Safety Campaign

Hanwha Advanced Materials is committed to strengthening safety awareness by conducting joint labor-management safety campaigns involving all employees and suppliers. In 2025, the company actively enhanced safety consciousness across its sites by driving monthly campaigns focused on compliance with the '12 Absolute Safety Rules.' Furthermore, the company continuously instills a safety-first culture through targeted initiatives, such as heat-related illness prevention programs and dedicated safety campaigns during maintenance overhaul periods.

I Campaigns for the '12 Absolute Safety Rules' and Heat-Related Illness Prevention



Health & Safety

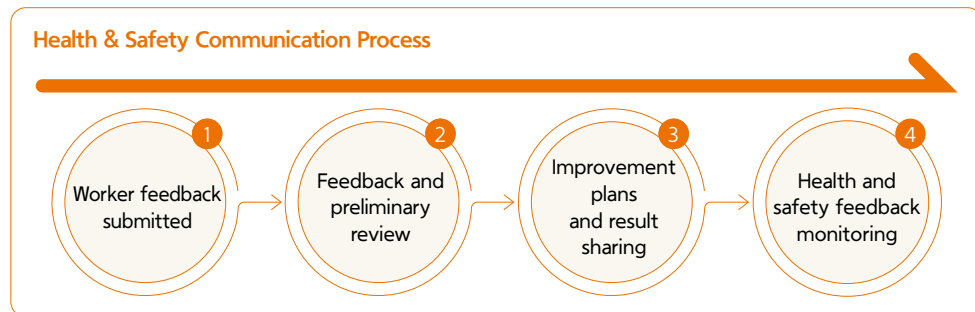
Health and Safety Management Activities

Health and Safety Management for Suppliers

To ensure the safety of subcontracted workers, Hanwha Advanced Materials conducts routine safety patrols across business partners' sites two to three times a week in collaboration with external specialized agencies. Furthermore, the company participates in the Symbiotic Cooperation Program spearheaded by the Ministry of Employment and Labor, providing comprehensive health and safety consulting alongside financial subsidies for facility improvements to its suppliers.

Health and Safety Communication Channels

Hanwha Advanced Materials operates dedicated communication channels to respond systematically to health and safety issues. Since 2024, the company has run a QR code-based safety suggestion platform, allowing employees to freely propose hazardous risk improvements. This channel is accessible to external stakeholders as well, ensuring comprehensive transparency. The collected feedback is formally discussed during quarterly Occupational Safety and Health Committee meetings. To ensure thorough resolution, any carried-over agenda items are continuously tracked and monitored in subsequent meetings until fully resolved.



Cafeteria and Dormitory Safety Management

Hanwha Advanced Materials conducts quarterly inspections and routine maintenance of dormitory facilities to ensure a safe and comfortable living environment for its workforce. Led by the Management Support teams at the Sejong and Eumseong plants, the company systematically implements a wide range of health and safety initiatives, including installing emergency evacuation infrastructure, testing fire detection and alarm systems, maintaining sanitary facilities, and enforcing strict access controls. By securing the hygiene and safety of these residential spaces, the company directly enhances employee well-being. Furthermore, cafeteria facilities undergo regular inspections alongside rigorous ingredient quality management to guarantee that safe, nutritious, and sanitary meals are consistently served to all personnel.

Health and Safety Management Activities at Global Subsidiaries

AZDEL operates the Safety Enhancement Program, recognizing that 80% to 90% of industrial accidents stem from unsafe behaviors. At the heart of this initiative is the Behavior-Based Safety (BBS) program, which defines high-risk behaviors in advance and runs through a structured process comprising on-site observation, feedback, and data analysis. Operating under a strict non-punitive principle, AZDEL fosters a safety culture where all members collaboratively identify root causes and implement improvements. In tandem, executive management conducts "Gemba Walks" to directly visit worksites, observe workflows, and gather feedback from front-line employees. Through these walks in 2025, AZDEL identified a total of 48 field improvement tasks, achieving a 100% completion rate by successfully resolving every single issue. The company continuously shares these improvements and their real-time progress with employees, thereby strengthening workplace trust. By driving these dual programs, AZDEL aims to move beyond simply achieving zero accidents, striving instead to anchor an autonomous safety culture where every member actively looks out for one another.

HAUS has established a centralized data management system by transitioning its conventional paper-based environmental and safety reporting into a QR code-based digital platform. This transition enables real-time reporting of near-misses, hazards, and 5S audit results across all departments. Through this digital shift, the subsidiary has enhanced the consistency and visibility of risk identification and corrective action tracking, while maintaining continuous monitoring for EHS compliance. Since the platform's introduction, HAUS has conducted more than 200 5S audits (approximately four times a week) and over 150 safety training sessions. Furthermore, 13 near-misses and 6 improvement proposals were voluntarily reported, laying the groundwork for a proactive reporting culture. The system has also significantly boosted field-response efficiency, slashing reporting times from 20–30 minutes to under 5 minutes, thereby anchoring a participation-based safety culture among all employees.

HAGA has implemented multi-faceted measures to enhance worker safety and mitigate accident risks by improving the production environment. The subsidiary successfully blocked potential accidents at the source by deploying laser-sensor-based error-proofing systems in high-risk zones, such as pinch rolls. To alleviate the musculoskeletal strain on workers caused by repetitive tasks, automated wrapping equipment was introduced. Furthermore, the facility upgraded the fire suppression infrastructure within its additive storage room by implementing a dual system that combines dry chemical powder and gas fire extinguishers. This enhancement has significantly strengthened HAGA's capabilities for early containment and mitigation in the event of a fire.

Health & Safety

Health and Safety Management Activities

Employee Health & Safety Training

Hanwha Advanced Materials runs a dual educational framework that combines statutory and in-house training to strengthen the occupational health and safety capabilities of its executives and employees. Hanwha Advanced Materials conducts statutory training regularly at the headquarters and all manufacturing sites in strict compliance with relevant laws and regulations. To provide advanced and in-depth health and safety courses, Hanwha Advanced Materials invites external expert lecturers and collaborates with specialized institutions for its in-house training. Furthermore, Hanwha Advanced Materials actively raises employees' safety awareness through participatory activities, such as safety rule compliance campaigns and the practice of writing and publicly displaying personal health and safety goals.

HABJ regularly operates safety, hygiene, and fire safety training sessions on a bimonthly basis, consistently maintaining a training completion rate of over 95%. The safety training is conducted for all employees, focusing on job-specific hazards, safety regulations, and the proper use of personal protective equipment (PPE). For hygiene training, the curriculum incorporates precautions for handling hazardous substances and workplace cleanliness management. Fire safety training combines theoretical instruction with practical exercises—covering everything from fire prevention to early extinguishment and evacuation procedures—while verifying emergency response capabilities through regular mock drills. Furthermore, post-training testing confirms employees' understanding of on-site safety rules, with all results systematically managed to drive continuous improvement.

Health & Safety Training Status

Category	Details		Duration	Participants	Completion Rate	Total Hours
Regular Training	· Matters concerning industrial safety and prevention of industrial accidents · Matters concerning industrial health and prevention of health hazards · Mid- to long-term plans/goals for workplace safety and health · Theories of industrial safety and health management · Industrial Health and Safety Act and Serious Accident Punishment Act	· Department emergency drills (scenario training) · Regular/process hazard assessment training, etc. · Hazardous and High-Risk Operations · Other health and safety matters stipulated by law	12hr/ semiannually	571 persons	100%	12,660hrs
Work Change Training	· Matters concerning pre-work inspections · Hazards of machinery and equipment, work sequence, etc.	· Other training on changes to work content as stipulated by law	2hr/always	23 persons	100%	22hrs
Specialized Training	· Operation and Management of Safety Devices · Safe Work Practices & PPE Use	· Emergency Response for Abnormal Situations · Other matters for specific tasks stipulated by law	16hr/ annually	86 persons	100%	624hrs
Skill Advancement Training	· Safety Experience Training · PSM Training · Safety Coach Training · First Aid Specialist Training, MSDS Prevention & Management	· Other health & safety training besides legally required training · Employees with under one year of employment undergo special safety training	Depends on training type	434 persons	95%	1,221hrs

Occupational Health Training and Expertise Enhancement for Site Managers

To elevate occupational health standards and foster a safe working environment, HABJ regularly conducts specialized occupational health training for key supervisors and managers. Administered by external professional institutions, the curriculum systematically covers industrial hygiene management, hazard identification and control, regulatory compliance, and occupational disease prevention and response. Following the courses, managers are required to obtain formal certifications upon passing subsequent assessments, ensuring they possess the necessary expertise for field health management. Through these initiatives, HABJ strengthens managers' hazard responsiveness and preventative awareness, continuously improving regulatory compliance and its employee health protection framework.

Health and Safety Training for Business Partners

Hanwha Advanced Materials proactively shares its proprietary training resources and the latest health and safety regulatory updates to reinforce the safety capabilities of its business partners as part of its commitment to symbiotic cooperation. The company actively encourages partner managers to participate in external professional safety training programs and drives mutual growth through diverse support initiatives, including subsidizing a portion of their training expenses.

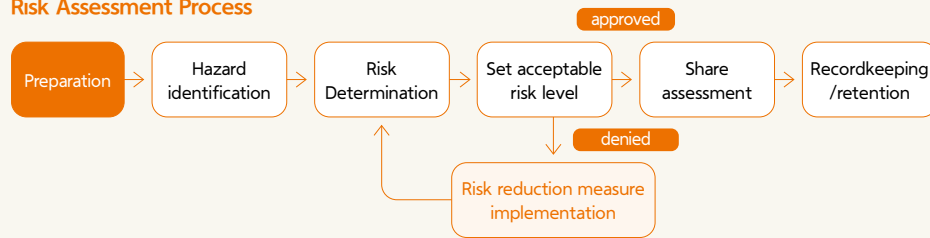
Health & Safety

Health & Safety Risk Management

Health & Safety Risk Minimization

Hanwha Advanced Materials conducts comprehensive risk assessments to systematically prevent safety hazards across all operational areas. Driven by the full participation of all personnel in hazard identification, the company executes annual risk assessments alongside continuous on-site safety audits within every department to proactively discover and address workplace vulnerabilities. Furthermore, the company leverages its dedicated Safety, Health, and Environment (SHE) system to track risk mitigation progress and monitor improvement actions in real time, thereby minimizing safety risks at the source.

Risk Assessment Process



Risk Assessment Completion

Completion Rate Across All Sites **100%**

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

2025 Risk Assessment Results

Number of Hazards Identified	No. of Improvements	Improvement Rate
125	125	100%

Hazard Identification and Remediation

Hanwha Advanced Materials prioritizes preventing workplace accidents and improving the working environment as core corporate objectives. Through periodic, company-wide safety inspections, all executives and employees actively strive to proactively prevent incidents that could impact not only internal workers but also the local community. The company continuously identifies risk factors through monthly facility safety patrols and department-level self-inspections. Targeted, theme-specific safety audits are also conducted to pinpoint vulnerable areas prone to recurring accidents, such as caught-in-between hazards, equipment collisions, and chemical leaks. Furthermore, systematic preventive measures are implemented, including seasonal special safety inspections during the thawing season, summer, holidays, and winter. In particular, the company has strengthened its fatal accident prevention initiatives by focusing inspections on key risk factors associated with severe workplace disasters.

In addition, Hanwha Advanced Materials regularly conducts safety inspections at its global subsidiaries to preemptively eliminate potential hazards and foster a secure working environment. In 2025, the company identified and remediated 122 hazards through these international on-site inspections. To enhance autonomous safety management capabilities across its global network, the company supports the establishment of standardized safety regulations, procedures, and preventive inspection checklists, thereby practicing global symbiotic safety management.

Health & Safety Inspection Status

Category	Description	Cycle	No. of Improvements	Improvement Rate
Patrol Inspection	· Site-led On-site Safety Patrol Inspection	Monthly	60	100%
Theme-specific Inspection	· Focused safety inspection by theme (Hazardous machinery/equipment, Risk Prediction Training, etc.)	Monthly	214	100%
Joint Inspection	· Joint Safety and Health Inspection with Subcontractors	Quarterly	40	100%
Special Safety Inspection	· Headquarters-led cross-inspection of sites for seasonal risk factors	Quarterly	88	100%
Fire/Hazardous Materials Inspection	· Safety inspection of fire/hazardous material facilities (Hazardous materials: 26, Fire safety: 66)	Semi-annually	92	100%
Total			494	

Health & Safety

Health & Safety Risk Management

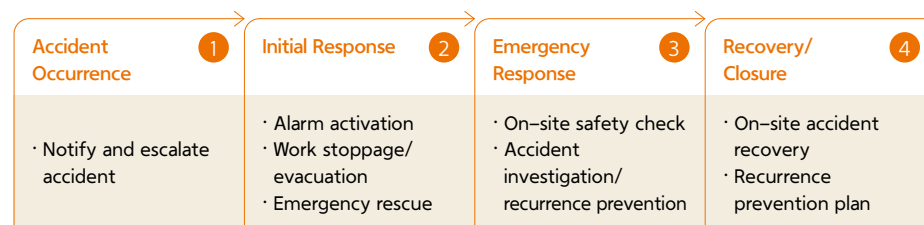
Emergency Response System

Hanwha Advanced Materials maintains an emergency response system to ensure swift and systematic action in the event of an unexpected accident. The company thoroughly prepares for real-world scenarios by establishing tailored response protocols for various types of potential incidents. Furthermore, by rigorously investigating accident root causes and implementing definitive measures to prevent recurrence, Hanwha Advanced Materials consistently mitigates occupational safety and health risks while maintaining a secure working environment.

Organizational Structure



Emergency Response Process



Emergency Response Drill

Hanwha Advanced Materials develops well-defined emergency scenarios and conducts regular drills and training to ensure operational readiness. The company performs routine consequence analyses to forecast accident impacts and seamlessly integrates these findings into its emergency plans. Based on risk assessments that evaluate the likelihood and severity of each scenario, Hanwha Advanced Materials establishes graded training cycles, providing intensified training for high-risk events such as fires, explosions, chemical spills, and asphyxiation hazards. Additionally, to strengthen its emergency response capabilities, the company has updated each department's response plans to comprehensively cover the invocation of work stoppage rights, expedited evacuation protocols, immediate hazard removal, victim rescue, and measures to prevent secondary damage.

Emergency Response Training Status

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

Fire suppression response training



Chemical leakage response training



Asphyxiation response training



2025 Emergency Response Training & Education Performance

No. of Training Sessions	No. of Sessions	Implementation Rate
67	67	100%

Talent Management

Work Environment Management System

Work Environment Policy

Hanwha Advanced Materials systematically operates policies and systems across its entire work environment to ensure the safety of employees and guarantee fair working conditions. All worksites maintain a stable employment environment rooted in strict compliance with employment rules, compensation regulations, and employee welfare policies, while continuously promoting humane treatment and a corporate culture of mutual respect aligned with the Human Rights Management Policy, Ethics Charter, and Ethical Guidelines.

Wage and Compensation System

Hanwha Advanced Materials strictly complies with statutory working hours in each country and regularly provides compensation that meets legal standards to guarantee a stable livelihood and improve working conditions for its employees. To support a decent living standard for employees and their families, the company guarantees wages above the legal minimum and reviews as well as reflects wage adjustment plans when necessary based on regular wage-level analyses. Furthermore, an annual compensation framework is established and shared via the company bulletin board, while the annual salary contracting process promotes fair and transparent operations through the mutual verification of terms and a formal signing procedure. Additionally, periodic analyses of living-wage levels are conducted to establish appropriate wage standards, which serve as foundational data for continuously improving the wage system and employee welfare policies.

Work Hour Management and Overtime

Hanwha Advanced Materials operates a standard 40-hour workweek, managing the working hours of all employees through an integrated HR system. When additional work is required, overtime is performed strictly within the limits established under relevant labor laws and through consultations with labor unions or employee representatives. In executing overtime, the company strictly adheres to prior approval and employee consent procedures, while ensuring that appropriate compensation and rest are provided in compliance with applicable laws and internal regulations.

Work Environment Goal

Hanwha Advanced Materials aims to establish a sustainable working environment where employees can achieve a healthy work-life balance alongside a safe and reliable workplace. To this end, the company operates a flexible working hour system that reflects diverse operational conditions, minimizes overtime, and systematically manages labor hours to cultivate a balance-oriented corporate culture. Additionally, a casual dress code has been implemented to foster an autonomous and comfortable organizational atmosphere.

To gather employee feedback and facilitate open communication, Hanwha Advanced Materials runs quarterly labor-management councils at all worksites. During these sessions, representatives exchange opinions on various topics, including internal systems, employee welfare, and corporate culture; any received proposals are thoroughly reviewed by relevant departments to formulate actionable resolutions, with the final outcomes shared transparently.

Meanwhile, the company's compensation framework operates under the strict principle of 'fair reward based on performance.' Hanwha Advanced Materials determines annual compensation resources by reflecting organizational achievement toward strategic goals, which are then linked to individual performance evaluations. Furthermore, the company maintains standards well above the statutory minimum wage while continuously striving to enhance the compensation structure to guarantee the basic livelihood of its workforce, benchmarking the living-wage levels of each respective site.

2025 Work Environment Improvement Targets

Targets1. Sustaining a Work Environment with an Established Work-Life Balance	Performance
· Expand flexible working hours utilization	82 persons (15% increase compared to 2025) ¹⁾
· Monitor performance and promote improvement activities to minimize overtime	Always
Targets2. Providing Timely Updates on Compensation and Benefits	Performance
· Provide regular updates on compensation-related information (minimum wage, wage rates, etc.) · Update welfare benefit system materials · Analyze living wage levels for reference	At least once a year
Targets3. Regular Operation of Employee Communication Channels	Performance
· Operate labor-management councils at all sites · Share result of collected pinions and tighten feedback system	At least once quarterly

1) Due to a data aggregation error, the number of employees using the flexible work system disclosed in the 2025 report has been revised from 79 to 73. The growth rate indicator has also been recalculated and updated based on the corrected figures



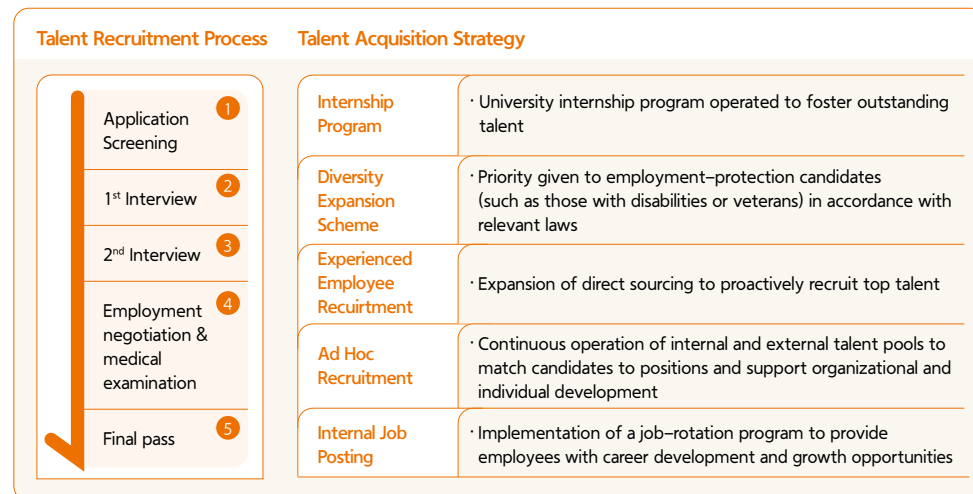
Talent Management

Talent Recruitment and Skill Development

Talent Recruitment

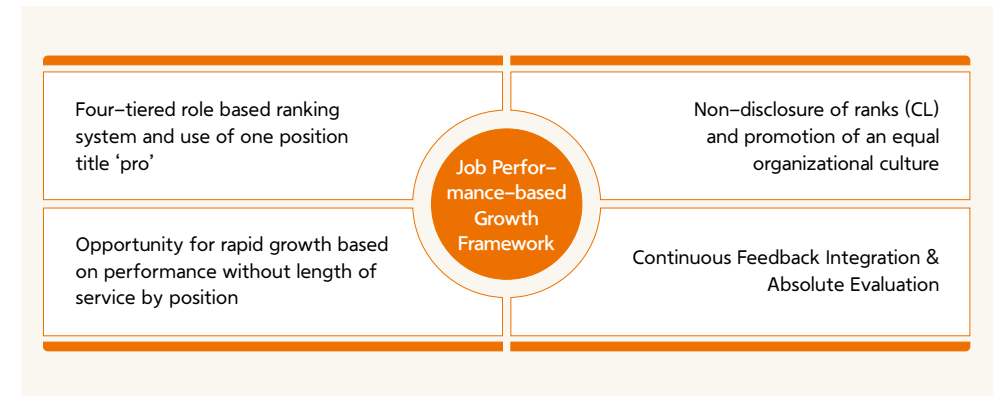
Hanwha Advanced Materials evaluates all applicants based strictly on their job competencies to ensure fair and transparent hiring. In alignment with its Human Rights Management Policy and employment rules, the company strictly adheres to non-discrimination principles, ensuring no bias based on gender, nationality, disability, age, pregnancy, or childbirth. The hiring process consists of document screening, interviews, and medical checks before final acceptance, securing objective and reliable evaluations through structured interviews and multi-dimensional assessments. Rather than simply focusing on filling vacancies, Hanwha Advanced Materials proactively defines core positions required for strategic businesses by analyzing internal workforce composition and competency levels to build organizational capabilities aligned with long-term business strategies. Hiring decisions are made after comprehensively reviewing roles, required competencies, organizational fit, and business contributions for each position, while maintaining a continuous internal and external talent pool and operating a data-driven talent discovery system. Furthermore, through its job rotation system, the company provides opportunities for diverse job experiences, pursuing both individual career development and sustainable organizational competitiveness.

Concurrently, HAEU signed a 'Supporter Program' agreement with VŠB – Technical University of Ostrava, investing approximately KRW 15 million to support corporate promotion and student competency development projects on the university platform. Through this academic partnership, the subsidiary enhanced its local brand awareness and established a practical foundation for linking academic talent with direct hiring opportunities.

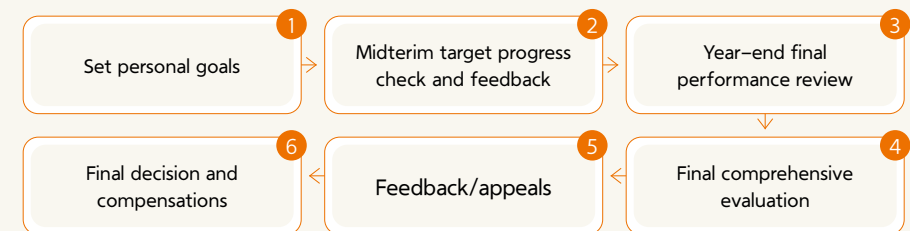


Regular Performance Evaluation and Compensation

Hanwha Advanced Materials operates its performance evaluation framework based on the MBO (Management by Objectives) methodology, centering on individual goal setting. Evaluators manage goal implementation through continuous, year-round feedback and mid-year reviews, while delivering a definitive individual performance rating through comprehensive year-end evaluations. To enhance the fairness and acceptance of evaluations, the company implements an absolute evaluation system, and its performance management platform enables employees to freely request and receive feedback from both leaders and peers. Furthermore, Hanwha Advanced Materials aligns individual goals with organizational objectives, ensuring that members clearly understand the company's strategic direction and actively contribute to achieving targets. Evaluation results based on employees' work performance serve as core criteria, seamlessly integrated into career development pathways and performance-driven compensation structures.



Employee Performance Evaluation Process



Talent Management

Talent Recruitment and Skill Development

Employee Skill Development Goal

Hanwha Advanced Materials actively develops employees' skills in alignment with its strategic direction, enabling them to systematically deepen their job expertise and achieve self-directed growth. In 2026, in particular, the company established 'Focusing on Core Essentials' as its primary educational value; moving away from rigid, conventional training modalities, it focuses entirely on internalizing key capabilities to generate practical business performance. By prioritizing the cultivation of prepared leaders as a core strategy, Hanwha Advanced Materials instills a performance-driven mindset and a goal-oriented work approach, reshaping the organizational culture to be highly engaged and high-performing. To support long-term career growth and enhance talent retention, the company offers role-specific competency development opportunities, ensuring these advancements translate into tangible outcomes driven by the latest technical insights. Building on this framework, Hanwha Advanced Materials plans to continuously upgrade its enterprise-wide competency-development system, leading ongoing innovations in how the entire organization works.

2025 Employee Skill Development Target

Targets1. Securing Execution Based on Goals & Competencies	Remarks
- Strengthening leaders' performance capabilities & running leadership courses - Enhancing goal-focused execution workshops	- Leadership courses: 4times/year - Workshops: 2times/year
Targets2. Enhancing Expertise & Workplace Innovation	Remarks
- Strategic competency development by role - Advancing job skills for AI Transformation (AX) - Securing insights for an innovative mindset	- Global position language support - Generative AI job training: 4times/year - Company-wide tech trend lectures
Targets3. Fostering Sustainable Growth via Competency Synergy	Remarks
- Offering career paths & boosting retention - Upgrading onboarding for new/experienced hires	1:1 mentoring for new hires - Onboarding training: 4times/year

Employee Training Program

Hanwha Advanced Materials operates a systematic educational roadmap to boost employee performance and practical expertise. From onboarding programs that help new hires quickly adapt, to customized training tailored to specific job functions, the company supports individual career growth from various angles. In particular, as a result of strengthening its practical-skills upskilling system to respond to the rapidly changing market environment, Hanwha Advanced Materials achieved a 100% completion rate for legally mandated training, solidifying the foundation for responsible management. Additionally, 83% of the workforce completed job-specific training designed to secure operational competitiveness, while key talent poised to steer future growth recorded a 17% completion rate for specialized leadership training. Moving forward, the company plans to maximize training effectiveness by leveraging the latest technological trends and action-oriented learning, continuously strengthening its human resource foundation to ensure global competitiveness.

Employee Skill Development Program

category	Leader Development			Job Profession Development			Global Profession Development	Common Value					
Leader	New/ experienced Exec.	Leader Performance Management	Leadership evaluation/feedback	EEA ¹⁾	Internal MBA	Job Skill development training	Seminar	External Training Support	Language Learning Support	Intro training for new/experienced employees	New joiner mentoring	Goal Achievement Workshops	Legal obligations/ESG
		Team Leadership											
		Leader Candidates											
CL 4													
CL 3													
CL 2													
CL 1								Junior Overseas Training					

1) Execution Excellence Academy

Talent Management

Organizational Structure Improvement

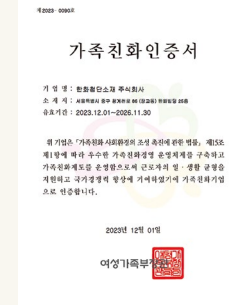
Fostering an Environment of Work-Life Balance

Hanwha Advanced Materials fosters a flexible, autonomous work environment to help employees balance work and family life, promoting a healthy culture of communication and collaboration. By implementing autonomy-based flexible work arrangements such as staggered hours, flexible schedules, and designated working hours tailored to diverse job roles and personal circumstances, the company pursues both operational efficiency and work-life balance.

Additionally, Hanwha Advanced Materials implements a range of family-friendly measures to boost employees' quality of life, including 'Dad's Leave' for prospective fathers—which exceeds statutory requirements—and a 'Mom's Package' for pregnant employees, alongside various childcare and family-support programs. Comprehensive leaves, including sick leave, maternity leave, sabbatical leave, etc., strictly align with national laws across all sites, earning these programs the official Family-Friendly Certification in 2023.

Furthermore, Hanwha Advanced Materials regards employee health as a vital asset, utilizing a company-wide health management system to practice a culture of care. Notably, the company offers comprehensive benefits such as group accident insurance and health check-ups covering both employees and their spouses, while ensuring continuous communication to constantly monitor and enhance welfare standards.

Family-Friendly Certification



Employee Welfare/Benefit Programs

Welfare Program

In-house Activities



- Commuter bus operation
- Company housing and dormitories
- On-site cafeteria
- Specialized summer meals
- Work uniforms and safety gear
- Presentation of anniversary souvenirs
- In-house health promotion facilities
- Company club activity support
- Handure (team-building) event support

Living Environment



- Housing loan
- Housing stability funds
- Relocation leave and moving expenses support
- Congratulatory gifts and tuition support for children's school admission
- Gifts for children taking the college entrance exam

Maternal Protection



- Reduced working hours during childcare period
- Guaranteed time for prenatal checkups and maternity/paternity leave
- Workplace daycare center
- Mom's Package gifts and childbirth congratulatory financial support
- Mom's Room and guaranteed nursing time

Vacation/Personal Development



- Flexible working hours system
- Sabbatical leave system
- Paternity leave
- Special paid leave
- Awards and vacation for long-term service (10/20/30 years)
- Overseas training system
- In-house language courses
- Foreign language learning expenses
- Certification acquisition support

Leisure and Health



- Provision of welfare/refresh points
- Transportation/communication expenses
- Regular health checkups
- Enrollment in group accident insurance
- Health management office
- Congratulatory money/leave/flower wreaths, etc.
- Holiday ancestral rites expenses
- Discounted use of group company leisure programs (resorts, horseback riding, etc.)

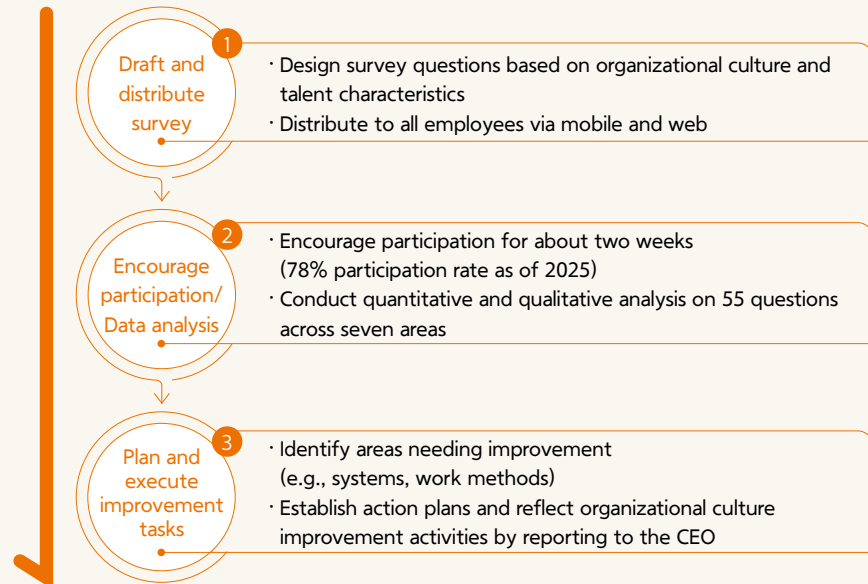
Talent Management

Organizational Structure Improvement

Employee Satisfaction Survey

Hanwha Advanced Materials conducts annual organizational culture surveys to actively listen to the voices of its members and build a healthy work environment. By operating a mobile and web-based anonymous survey channel designed for participant convenience, the company enables employees to freely express their opinions. This user-friendly approach resulted in a high participation rate of 78% during the two-week survey conducted in September 2025. Centering on the working methodologies and mindsets pursued by Hanwha Advanced Materials, the diagnostic tool comprised 57 questions across seven core categories, including leadership, internal systems, and operational competencies. Notably, in 2025, the company introduced new questions regarding positive organizational transformations and specific proposals for performance enhancement, moving beyond mere quantitative metrics to collect authentic, qualitative insights directly from the field. To drive continuous improvements in organizational systems and ways of working, Hanwha Advanced Materials is closely analyzing these ground-level requirements and utilizing the outcomes as foundational data to foster open communication with all employees.

Employee Satisfaction Survey Process



Employee Communication Channel Operation

Hanwha Advanced Materials maintains two-way communication with employees through structured town halls and workshops, enabling open dialogue about the current work environment, collecting feedback, and identifying improvement actions to continuously enhance the workplace. Each operating site runs a dedicated grievance committee to promptly address personal and professional concerns, while accessible digital communication channels for general staff give frontline voices a direct line to management, reinforcing a corporate culture centered on transparent communication.

Employee Workshop



Labor Union Workshop



Women's Career Workshop



Talent Management

Labor Management System

Labor Relations Policy

Hanwha Advanced Materials is committed to building stable labor-management relations based on mutual trust and cooperation. Labor unions and labor-management councils operate at all business sites, actively reflecting employees' opinions in management practices. All major operating sites are situated in regions where the right to freedom of association is fully guaranteed, ensuring zero restrictions under local laws and regulations.

Legally mandated labor-management councils, with equal representation from both sides, hold quarterly meetings to discuss a wide range of agenda items, including employment, welfare, safety, health, and working conditions. The outcomes of these consultations are transparently disclosed and thoroughly implemented. Notably, the Seoul headquarters introduced the 'Advanced Materials Open-Up' (Communication Committee) in March 2024—an autonomous communication body for general administrative and office staff designed to enhance corporate culture and mutual growth. Representatives of this body are elected through direct, secret, and confidential voting, and meeting minutes are posted on the company intranet.

Furthermore, working conditions are systematically governed by collective bargaining agreements and employment rules, while regular workshops between labor unions and on-site workers reinforce a culture of open, field-centric communication and cooperation. Hanwha Advanced Materials formalizes communication with employee representative bodies under its human rights and labor policies, guaranteeing freedom of association to respect employees' rights and foster a healthy labor-management relationship for a sustainable management environment.

Labor Relations Goal

Hanwha Advanced Materials is committed to improving and strengthening labor-management relations through clear goal setting. Currently, the company rigorously manages the execution rate of labor-management agreements against prior-period baselines. Furthermore, during wage negotiations, Hanwha Advanced Materials strives to maintain smooth consultations based on mutual trust, working closely with the labor union to build a shared consensus on establishing reasonable and equitable wage levels.



Labor Management Activities

Labor Union

In line with the Act on the Promotion of Workers' Participation and Cooperation, Hanwha Advanced Materials operates a labor-management council that meets quarterly to discuss a wide range of operational matters, promoting sustained mutual understanding and a collaborative labor-management environment.

2025~2026 Labor Management Council Status

Date	Key Discussion Points
2025 Q1	· Sauna room wood and equipment replacement · Air purifier installation in rest areas · Gym bicycle machine replacement (Air conditioner installation in change rooms)
2025 Q2	· Summer coupon price increase · Air conditioner and bidet maintenance at worksites · Late-night snack provision for night-shift workers - Funeral support expansion for grandparents and maternal grandparents
2025 Q3	· Quarterly disinfection of bathhouses · Gym treadmill replacement · Window frame replacement in vacant spaces (BuffLite) · Additional pest control/disinfection cycles at worksites
2025 Q4	· Gym training shorts replacement · Paper towel installation in vacant space restrooms · Hand dryer installation in vacant space restrooms · Bathroom exhaust fan replacement
2026 Q1	· Work bicycle repair · Air freshener installation in restrooms · Road paving in front of the hazardous materials warehouse

Labor-Management Council Registration Status (2025)

Subject for registration ¹⁾	Registered persons	Registration Rate
211 persons	211 persons	100%

1) Eligibility: Full-time professional staff (Operators), excluding contract-based employees

Human Rights Management

Human Rights Management System

Human Rights Policy and Governance

Hanwha Advanced Materials regards respect for human rights as a core corporate value and actively supports international human rights standards, including the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights (UNGPs), and the Ten Principles of the UN Global Compact (UNGC). Human rights initiatives are spearheaded by the HR department, which has formalized human rights management responsibilities within its official division of duties to strengthen governance execution.

The company’s human rights policy prohibits child and forced labor, bans discrimination, and upholds the principles of humane treatment, strictly applying a zero-tolerance policy across all global business sites. From the recruitment stage, Hanwha Advanced Materials rigorously verifies ages through official documents, such as government-issued IDs, to ensure legal working eligibility. When employing minors, protective measures are implemented with top priority in accordance with local regulations. Furthermore, the company completely eliminates the risk of forced labor by ensuring that no financial burdens are imposed during hiring and by guaranteeing employees’ freedom of resignation. To establish reasonable wage standards that secure a basic quality of life for its workforce, the company has been regularly analyzing regional living wages every year since 2025. The findings confirm that all operating sites maintain compensation levels that exceed the respective local living wage benchmarks.

Furthermore, Hanwha Advanced Materials fosters an inclusive organizational culture that provides equal growth opportunities to all members, free from discrimination based on gender, race, nationality, religion, disability, or pregnancy and childbirth. Inhumane treatment, including workplace bullying, sexual harassment, and verbal abuse, is strictly prohibited. In the event of a violation, the company ensures policy efficacy through neutral investigations and disciplinary procedures governed by relevant laws and internal regulations. To support accessibility and compliance, this human rights policy is permanently disclosed on the company website for all stakeholders to review at any time.

Human Rights Management Policy

Human Rights Management Goal

Hanwha Advanced Materials sets a core human rights objective of zero cases of child and forced labor, strictly complying with and maintaining this standard in accordance with domestic and international regulations. While implementing continuous monitoring to prevent potential risks, the company drives the internalization of human rights awareness across all members, targeting a 100% completion rate for employee human rights training. In 2026, in particular, to solidify the foundation for sustainable management, Hanwha Advanced Materials established a Human Rights Impact Assessment (HRIA) framework and conducted practical assessments targeting key relevant departments. Moving forward, the company will conduct the HRIA regularly once a year, continuously upgrading its human rights due diligence system based on mutual respect with stakeholders. Through these efforts, Hanwha Advanced Materials will realize sustainable growth where the value of respecting human rights is seamlessly integrated throughout all its management activities.

Human Rights Management Roadmap

	2025	2026	2027
Goal	Establishing Human Rights Governance	Executing Human Rights Initiatives	Promoting Human Rights Awareness
Action Plan	- Enact and publicize human rights management policies within the company - Operate human rights management system through dedicated team - Design human rights impact assessments - Conduct human rights training once a year for all employees	- Conduct human rights impact assessments for key departments - Identify core risks and develop corrective action plans - Deliver enterprise-wide human rights training	- Expand human rights impact assessments company-wide and systematize regular diagnostics - Monitor the implementation of prior-year improvement tasks and optimize evaluation indicators - Operate a continuous, prevention-focused management process - Deliver enterprise-wide human rights training

Human Rights Management

Human Rights Promotion Activities

Cultivating a Culture of Human Rights & Training Delivery

Hanwha Advanced Materials conducts regular training and awareness-raising campaigns every year to build a foundational awareness of human rights among its members. By rigorously implementing legally mandated training—including workplace harassment and sexual harassment prevention, disability awareness and inclusion, and personal information protection—the company has established respect for human rights as a fundamental value within the organization. In 2025, in particular, Hanwha Advanced Materials focused on spreading human rights sensitivity that employees can truly relate to in their daily lives by distributing in-house produced digital news-cards under the theme of "A Healthy Organizational Culture Based on Mutual Respect." Rooted in the message that "a healthy organization begins with small attitudes of mutual respect," the company continues daily communication to foster an inclusive organizational culture characterized by mutual respect and zero discrimination.

Employee Human Rights Training Status

Topic	Participants	Completion Rate	Period
Realizing a Fair and Human Rights-Oriented Society	642 persons	100%	August, December 2025
Prevention of Workplace Bullying	642 persons	100%	August, December 2025
Prevention of Sexual Harassment in the Workplace	643 persons	100%	August, December 2025
Improving Awareness of Individuals with Disabilities	593 persons	100%	November 2025

Provide equal opportunities and fair rewards

Hanwha Advanced Materials guarantees equal opportunities across the entire lifecycle of employment—including recruitment, promotion, and compensation—ensuring that everyone can fully unlock their capabilities regardless of background such as gender, age, or educational attainment. In particular, the company operates a non-discriminatory compensation system for equal roles and responsibilities, while conducting regular monitoring regarding wage gaps and reward fairness. Through continuous institutional reviews, Hanwha Advanced Materials enhances equity in its HR operations and actively practices a fair organizational culture where all employees are treated equitably according to their contributions.

Protect human rights and operate grievance channels

Hanwha Advanced Materials explicitly states the principle of 'prohibiting workplace harassment' within our human rights policy to prevent any inhumane treatment of employees, strictly applying a zero-tolerance policy to any violations. To ensure a rapid response when incidents occur, the company operates continuous anonymous and real-name reporting channels, handling all received cases through fair procedures in strict accordance with regulations. In particular, during the investigation process, we prioritize victim protection as our utmost concern while concurrently implementing technical and administrative measures to safeguard the privacy of all parties involved. Through the operation of this robust prevention and response system, the company fosters a secure and supportive work environment where all employees can perform their duties with peace of mind.

Grievance Handling Channel

Diversity Promotion Activities

Empowering Female Talent

Hanwha Advanced Materials is establishing an institutional foundation to support the continuous growth of female talent and realize organizational diversity. By operating flexible working arrangements—such as staggered hours and flexible schedules—the company supports work-life balance, thereby preventing career disruptions due to childcare and providing a stable working environment. In December 2025, Hanwha Advanced Materials conducted a 'Female Talent Career Growth Workshop' targeting female managers, providing them with opportunities to design their own career visions and expand their influence within the organization. Through this step-by-step capacity development support, the company is continuously strengthening a culture of DE&I (Diversity, Equity, and Inclusion) across the workplace.

Employment and Support for Individuals with Disabilities

Hanwha Advanced Materials pays continuous attention to the employment stability of employees with disabilities to cultivate a workplace that respects differences. Currently, seven employees with disabilities are performing their duties across various departments, and the company closely monitors and addresses difficulties in the workplace through tight-knit communication with their respective teams. Moving forward, Hanwha Advanced Materials plans to steadily review field-centric support initiatives to maintain a stable working environment where employees with disabilities can fully demonstrate their capabilities.



Human Rights Management

Human Rights Risk Management

Human Rights Impact Assessment

Hanwha Advanced Materials has established a Human Rights Impact Assessment (HRIA) framework and conducted assessments across its major domestic sites to enhance the effectiveness of its human rights management. In 2026, the company laid the operational foundation by prioritizing assessments at two domestic operating sites. This assessment faithfully incorporated global human rights guidelines and the recommendations of the National Human Rights Commission of Korea, consisting of 50 core indicators across nine key areas. Based on the analysis of these results, Hanwha Advanced Materials plans to derive and implement improvement tasks for core risks within the year. Leveraging this year's operational experience, the company intends to optimize its proprietary evaluation indicators and accumulate management capabilities to expand this initiative into a company-wide regular diagnostic system by 2027. Furthermore, over the medium-to-long term, it will progressively extend the scope of assessments to overseas subsidiaries, thereby consolidating its human rights risk management foundation across all domestic and international operations.

Human Rights Impact Assessment Process

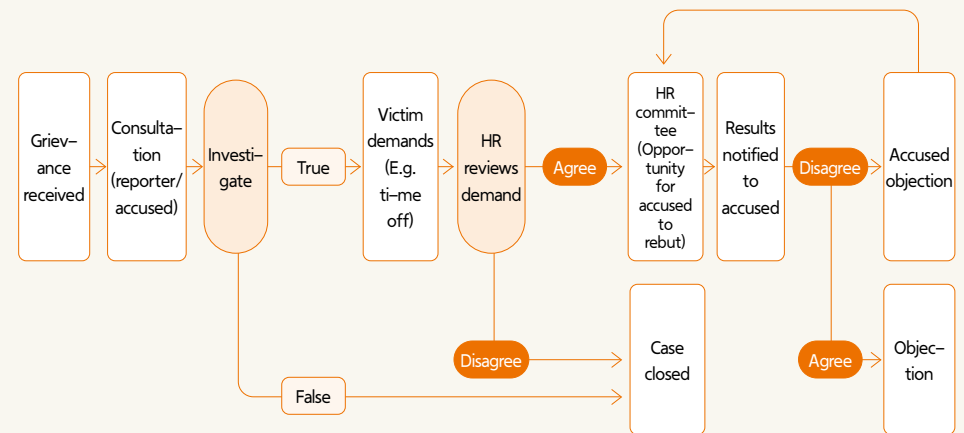


Human Rights Grievance Redress System

Hanwha Advanced Materials operates multifaceted reporting and counseling systems to prevent and remedy employee grievances and human rights violation issues. Whistleblowers can submit their grievances either anonymously or under their real names through the reporting center on the company website, via phone, or in person. Furthermore, the company has established a fair and appropriate counseling and handling system by appointing both male and female grievance counselors at each production site in accordance with internal regulations. All received cases are processed expeditiously, prioritizing victim protection above all else, with dedicated efforts to preventing secondary victimization based on the strict principles of confidentiality and non-retaliation. In 2025, Hanwha Advanced Materials achieved a 100% resolution rate by fully resolving all six grievance cases—comprising one case at headquarters and five at overseas subsidiaries—received through its official channels. Moreover, these grievance reporting channels are not limited to internal employees; they also serve as a vital mechanism for responding to external stakeholder human rights risks, including child labor and forced labor. Following the receipt of a report, the company operates a follow-up management system linked with internal controls and monitoring. Moving forward, Hanwha Advanced Materials plans to build a digitalized recording and management system for grievance resolution performance to enhance the systematic tracking of historical data. Concurrently, it aims to continuously strengthen the overall effectiveness of the system by establishing a management framework that allows for regular reviews of the grievance process's operational efficacy.

Grievance Handling Channel

Grievance Handling Process



Supply Chain Management

Sustainable Supply Chain Management System

Sustainable Supply Chain Management Policy

Hanwha Advanced Materials operates a supply chain management system that incorporates ESG factors to strengthen its suppliers' sustainable management capabilities. The Sustainable Supply Chain Management Policy applies to all suppliers, including Tier 1 suppliers, clearly stating the implementation of activities related to sustainable procurement principles considering environmental and social aspects, the supplier code of conduct, the supply chain ESG risk evaluation system, and grievance handling.

Supply Chain Management Policy

Supplier Code of Conduct

Hanwha Advanced Materials explicitly mandates compliance with its 'Supplier Code of Conduct' when entering into contracts with all suppliers, aiming to practice global-standard operational benchmarks across all sectors, including human rights and labor, safety and health, environment, business ethics, and management systems. Notably, since 2025, the company has systematically integrated the verification and signing stages of the Code of Conduct directly into its new supplier registration process. Through this initiative, Hanwha Advanced Materials has established a solid foundation where all suppliers can clearly recognize and participate in its sustainability principles from the very inception of the contract, actively encouraging the adoption of this code throughout the entire supply chain.

Supplier Code of Conduct

Supplier Management Guidelines

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

Supplier Management Guidelines

Sustainable Supply Chain Management Goal

Hanwha Advanced Materials has established sustainable supply chain management goals that reflect environmental and social issues and is implementing systematic and proactive strategies to achieve them. Under its roadmap, the company built the foundational supply chain management system in 2025, is strengthening it in 2026, and aims to fully establish it by 2027. Through this process, Hanwha Advanced Materials continuously strives to cultivate a sustainable supply chain through multi-dimensional mechanisms, including compliance contracts with suppliers, codes of conduct, evaluation procedures, reporting channels, and ESG training.

	2025	2026	2027
Goal	Develop supply chain management system	Strengthen supply chain management system	Finalize supply chain management system
Key Activities	Set supply chain management policies	Enhance supply chain management policy	Perform supplier ESG evaluation and monitoring
	- Draft supply chain code of conduct and policy - Collect supplier compliance pledges	- Monitor supply chain ESG policies and improve manuals - Notify suppliers of improvement status	- Conduct cyclical evaluation - Perform annual supplier ESG evaluations - Operate improvement requests and support programs based on results
	Enhance and enforce supplier code of conduct	Evaluate and monitor supplier ESG performance	Review and reorganize evaluation effectiveness based on 2026 results
	Develop supply chain ESG evaluation and conduct due diligence	- Expand desktop assessments from 24 to 40; increase on-site audits from 7 to 20 suppliers - Conduct regular supplier ESG evaluations annually	Support suppliers' skill development
	Strengthen internal capabilities	Support suppliers' skill development	Review implementation of the excellent supplier incentive program and its effectiveness
	Provide ESG training for relevant personnel and departments	Provide ESG training and consulting to suppliers	
	Develop reporting channel	Operate and monitor reporting channel	

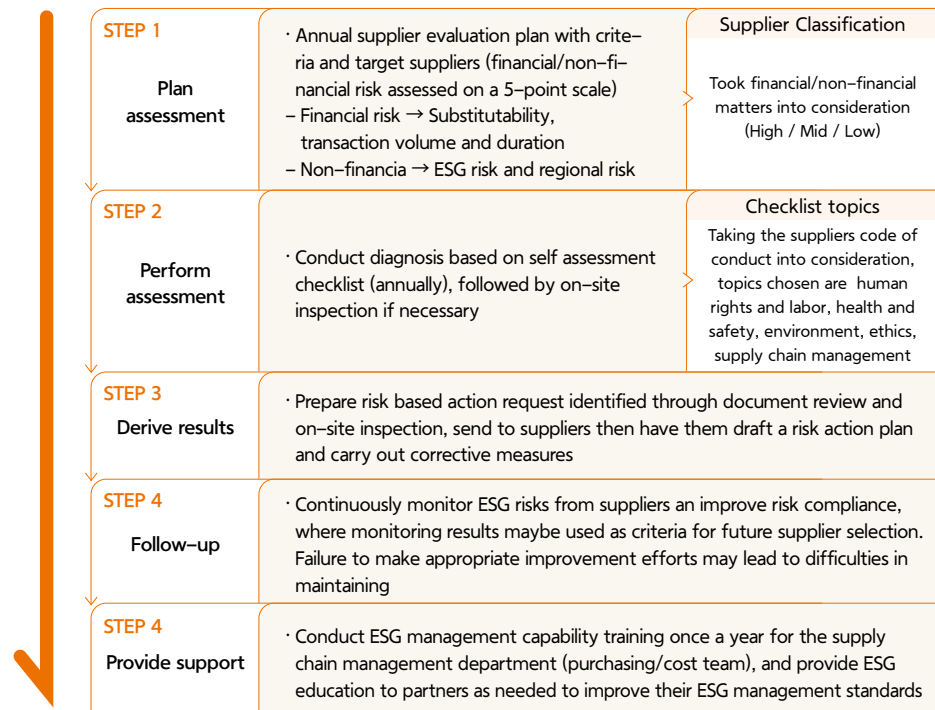
Supply Chain Management

Supply Chain Risk Management

Supply Chain Risk Assessment

Hanwha Advanced Materials has implemented a five-step supply chain ESG risk assessment process to strengthen the environmental and social practices of its suppliers. This process consists of establishing an evaluation plan, conducting diagnostics, deriving results and improvements, follow-up management, and supply chain support. Starting with an assessment briefing in August 2025, desktop assessments were conducted for 24 out of 37 key suppliers, covering 118 items across five core areas over a two-week period, followed by intensive on-site audits of seven high-risk suppliers. In October of the same year, the final assessment results were shared with individual suppliers to communicate findings and action items, thereby advancing the company's supply chain ESG management framework.

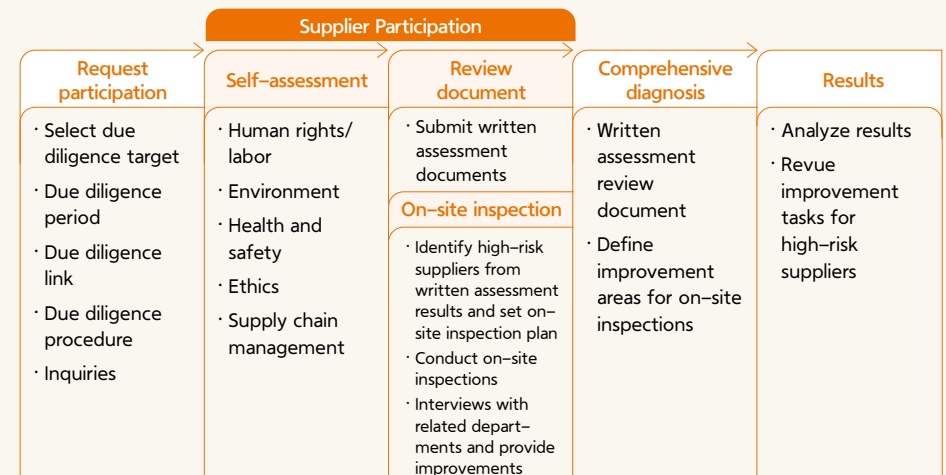
Supply Chain ESG Risk Assessment Process



Supply Chain ESG Due Diligence

Starting with an assessment briefing in August 2025, Hanwha Advanced Materials conducted a two-week desktop assessment for 24 out of 37 key suppliers selected through financial and non-financial risk reviews, excluding those that had already submitted EcoVadis scorecards. The evaluation covered 118 items across five core areas, including human rights, safety, and the environment. To ensure the reliability of the evaluation data, the company selected seven suppliers evenly from high, medium, and low-tier groups based on the desktop scores to undergo intensive on-site audits. As it was the initial year of supply chain due diligence, domestic suppliers were prioritized. During the on-site audits, the company focused on driving tangible changes by not only checking practical risks but also listening to on-site grievances and collaboratively establishing concrete improvement roadmaps for deficient areas. Subsequently, in October, final assessment results were shared with individual suppliers to communicate findings and action items, thereby laying the foundation for mutual growth and advancing the supply chain ESG management framework.

Supply Chain ESG Due Diligence Process



Supplier ESG Evaluation Results		UNIT	2025
Key Suppliers		Entity	37
Suppliers Undergoing Desktop Assessments		Entity	24
Desktop Assessment Rate		%	65
Suppliers Subject to On-site Audits ¹⁾		Entity	7
Suppliers Undergoing On-site Audits		Entity	7
On-site Audit Rate		%	100
Percentage of Suppliers with Corrective Actions for Negative Impacts		%	100

Supply Chain Management

Supply Chain Management Activities

Training for Procurement Professionals

Hanwha Advanced Materials is strengthening sustainable supply chain management training for its purchasing professionals to ensure responsible purchasing operations. The company conducted comprehensive training covering not only global supply chain regulatory trends but also domestic frameworks, such as fair subcontracting practices and the Delivery Price Indexation System. Notably, 53 out of 57 purchasing professionals participated, achieving a 93% completion rate, which allowed the company to share the necessity of sustainable, mutually beneficial cooperation and actionable practices across the team.

In 2026, Hanwha Advanced Materials is executing advanced training that incorporates improvement areas identified from its subcontracting audit results. Concurrently, the company is driving forward capability-building training to expand dedicated personnel capable of participating in supply chain desktop assessments and on-site audits, thereby further elevating the execution capabilities of its supply chain management.

Securing Supply Chain Diversity

Hanwha Advanced Materials is committed to enhancing supplier diversity and plans to improve related policies in the future. Through this, it aims to actively implement preferential policies for companies owned by women, minorities, and vulnerable groups. By collaborating with companies from diverse backgrounds, the company seeks to promote healthy competition, develop sustainable and innovative solutions within the supply chain, and improve the quality of products and services.

Additionally, the company plans to introduce various systems and programs to promote workforce diversity, equity, and inclusion within the supply chain. It will also support suppliers in obtaining diversity certifications and link supplier diversity goals with performance incentives to drive tangible change and results.

Conflict Minerals Management

Hanwha Advanced Materials' conflict minerals management is a key initiative for responsible supply chain management. Based on the OECD Due Diligence Guidance, the company operates a conflict minerals policy and strives to ensure that the supply of key minerals—such as tin, tantalum, tungsten, and gold (3TG)—is not linked to human rights abuses or environmental destruction. In particular, Hanwha Advanced Materials conducts thorough monitoring to ensure that minerals from conflict-affected and high-risk areas are not included in its products. The company works closely with its suppliers to strengthen ethical standards and conducts regular reviews to maintain a supply chain that respects human rights and the environment.

[Conflict Mineral Policy](#)

Selection and Support for Shared Growth Partners

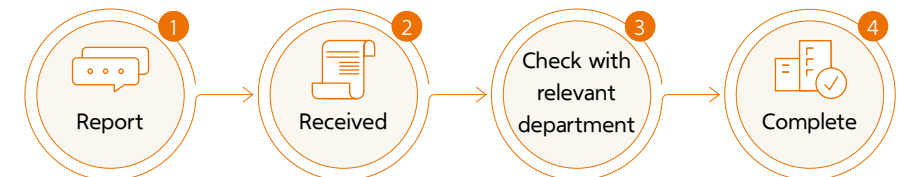
Hanwha Advanced Materials operates a Shared Growth Partner Support Program to promote mutual growth, provide targeted assistance, and encourage the adoption of ESG policies among its suppliers. Every year, the company evaluates suppliers across various transaction sectors to select top-performing partners, offering a diverse range of support programs that span management, R&D, technology, quality, environment, safety, and ESG fields. Notably, Hanwha Advanced Materials provided a total of KRW 11.6 billion in early payments for traditional lunar holidays (Seollal and Chuseok) to improve supplier liquidity, enhanced payment terms by shortening the payment period by 30 days, and extended financial expense support through a KRW 10 billion Shared Growth Fund to assist with its partners' operational financing.

Supply Chain Communication Channel

Hanwha Advanced Materials operates a 'Reporting Channel' to facilitate smooth communication with suppliers, actively gathering feedback from external stakeholders through this platform. Reports can be submitted either anonymously or under real names, with guaranteed confidentiality, identity protection, and accountability. The company also plans to strengthen its mutually beneficial partnerships by continuously communicating with its suppliers.

[Grievance Handling Channel](#)

Grievance Reporting and Handling Process

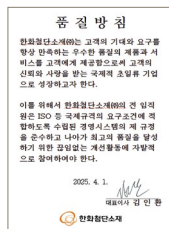


Product Quality & Liability

Product Quality Management System

Product Quality Policy

Hanwha Advanced Materials prioritizes customer safety and is committed to ensuring product quality. The company maintains and adheres to strict product safety and reliability standards through internal quality management policies implemented across all business units and operating sites. Hanwha Advanced Materials also strictly complies with these quality benchmarks throughout the entire product lifecycle.



Product Quality Management Goal

Hanwha Advanced Materials prioritizes customer safety and quality above all else, establishing a systematic management framework to consistently enhance product quality and customer satisfaction. To achieve this, the company meticulously tracks key quality indices that align with its customers' rigorous requirements—such as incoming defect rates and defect occurrence indices—while setting clear mid- to long-term quality targets. Furthermore, Hanwha Advanced Materials implements annual improvement initiatives driven by the specific quality metrics presented by its clients, aiming to strengthen its quality management responsiveness, elevate its global brand image, and robustly support its new order acquisition efforts. To solidify its commitment to these objectives, the company has established distinct, quantifiable goals, including a 10% improvement in the customer quality index and the maintenance of zero defects in customer incoming quality.

ISO 9001 Certification

ISO 9001 Certification Rate



5 Sites

50%

Business Site	Certificate Validity Period
Hanwha Advanced Materials Sejong	2026. 07. 17
Hanwha Advanced Materials Eumseong	2026. 07. 03
Hanwha AZDEL, Inc.	2028. 01. 04
Hanwha Advanced Materials Georgia, Inc.	2028. 10. 28
Hanwha Advanced Materials Europe, s.r.o.	2027. 08. 18

Product Quality Risk Management

Product Quality Management

Hanwha Advanced Materials operates a monthly quality management process based on the IATF 16949 standard. By leveraging PPM (Parts Per Million) metric analysis for proactive customer responses alongside an executive-led real-time quality reporting system, the company achieves early detection of enterprise-wide risks and rapid problem resolution. At the supply chain level, when major events such as new model launches or specification changes occur, Hanwha Advanced Materials conducts on-demand special inspections targeting suppliers with high-risk processes to preemptively block potential recall risks. Furthermore, the company systematically manages quality risks across the entire supply chain by implementing an incentive and penalty system based on the results of regular quality evaluations. To ensure flawless quality assurance across the entire lifecycle—from raw material receiving to final mass production—Hanwha Advanced Materials conducts annual regular quality evaluations that comprehensively measure its suppliers' quality systems, process capabilities, and on-time delivery rates. Internally, the company systematically secures specialized expertise through a structured roadmap for nurturing quality personnel. Simultaneously, it provides tailored, hierarchical training to its suppliers' executives and employees, ranging from executive seminars to close on-site guidance for practitioners, thereby driving the upward standardization of quality standards across the entire supply chain.

Quality Management System

Hanwha Advanced Materials operates a systematic quality management system built upon the foundations of IATF 16949 and ISO 9001 certifications. As a result of these dedicated efforts, the company achieved the prestigious distinction of being selected as a "Quality Competitiveness Excellent Company" by the Korean Standards Association (KSA) for three consecutive years. Notably, in 2025, Hanwha Advanced Materials scored 917 points, marking a significant 11-point improvement compared to the previous year. Building on this momentum, the company is actively concentrating its capabilities in 2026 with the clear objective of elevating its quality tier by one level.

IATF16949 Certification

IATF16949 Certification Rate

5 Sites

50%

Business Site	Certificate Validity Period
Hanwha Advanced Materials Sejong	2026. 07. 17
Hanwha Advanced Materials America LLC	2026. 07. 10
Hanwha Advanced Materials Mexico S. De R.L. De C.V.	2027. 10. 29
Hanwha Advanced Materials Europe, s.r.o.	2027. 05. 21
Hanwha Advanced Materials Beijing Co.,Ltd.	2027. 02. 05

Product Quality & Liability

Customer Value Enhancement Activities

Customer Safety Issue Inspection

Hanwha Advanced Materials is strengthening its management system for customer health and safety by thoroughly managing and inspecting hazardous substances—such as heavy metals and Volatile Organic Compounds (VOCs)—that may affect customer safety, based on RoHS directives. The company verifies product safety through authoritative test reports that confirm the presence or absence of these chemical substances in its products.

Assessment Report



Claim Response Process

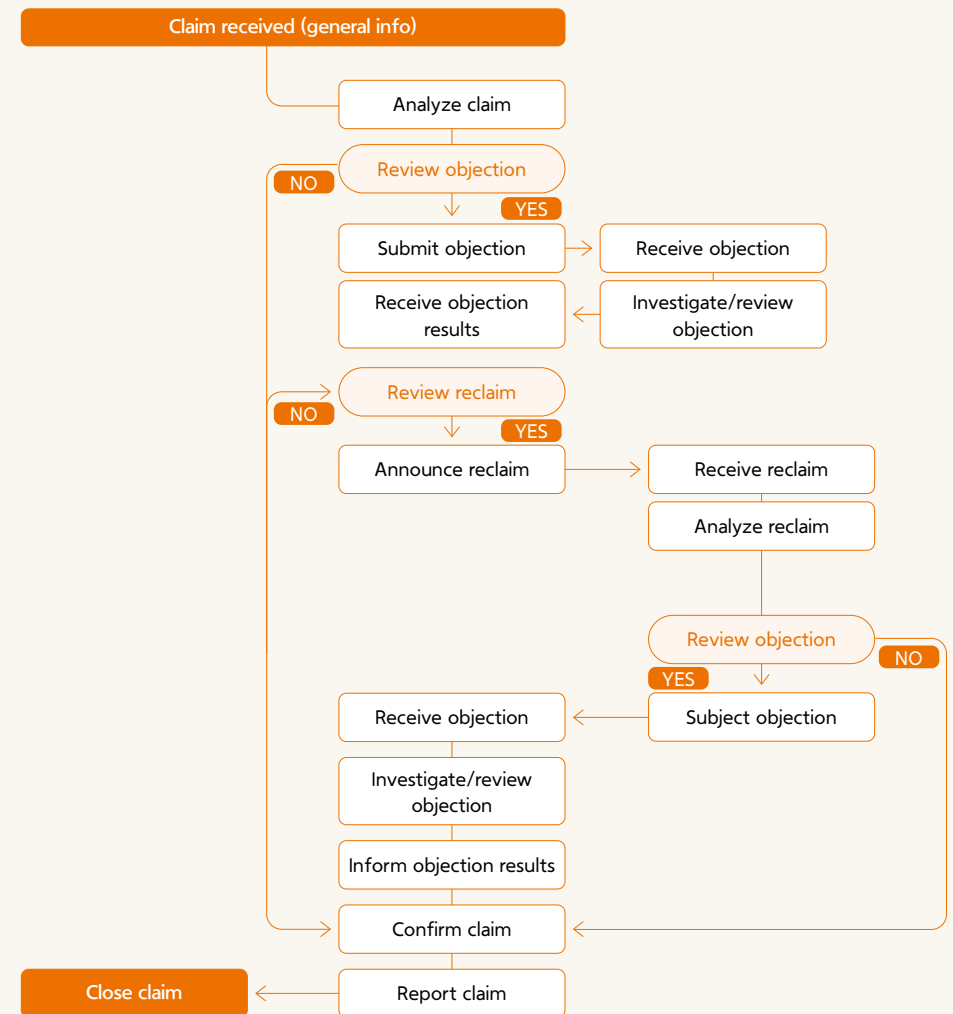
When product quality issues arise, Hanwha Advanced Materials works closely with its customers based on its claims management guidelines, tailored to the claim type, to promptly identify the problem and implement appropriate measures. These procedures are executed monthly across all business divisions and sales teams, and a monthly claims status report is prepared to strengthen the company's management system. Through this systematic management process, Hanwha Advanced Materials aims to achieve a 100% field claims resolution rate. Furthermore, the company continuously pursues improvement initiatives to enhance customer trust and strengthen its quality competitiveness.

Customer Grievance Channel

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

Customer Grievance Channel

Customer Grievance Channel Process



Product Quality & Liability

Customer Value Enhancement Activities

Customer Interaction Activities

Hanwha Advanced Materials strategically participates in major international exhibitions to expand its customer touchpoints in the global market and promote its technological competitiveness. Notably, the company has participated in 'JEC World (Paris, France),' the world's largest composite materials exhibition, consecutively showcasing its innovative products and advanced lightweight composite technology capabilities on the global stage. At the exhibition venue, Hanwha Advanced Materials holds substantive technical meetings with global automakers and related industry partners to identify market trends and strengthen its customer responsiveness. Capitalizing on these engagements, the company plans to solidify its partnerships while actively integrating the collected customer requirements into its product development process to continuously deliver market-optimized, tailored solutions.

Press Article

2025 JEC WORLD Press Article

한화첨단소재, 세계 최대 복합소재 전시회 'JEC 월드' 참가

출고 2025-03-05 10:03



한화첨단소재 JEC 월드 2025 부스
[한화첨단소재 제공, 재판매 및 DB 금지]

(서울=연합뉴스) 임성호 기자 = 한화첨단소재는 오는 6월(현지시간)까지 프랑스 파리에서 열린다는 'JEC 월드 2025' 국제 복합소재 전시회에 참가한다고 5일 밝혔다.

JEC 월드에는 세계 50개국의 1천350여개 업체에서 약 4만6천명이 참가하는 세계 최대 규모의 복합소재 전시회다.

한화첨단소재는 이번 전시회에서 미래 모빌리티의 핵심 과제인 경량화와 안전성을 동시에 충족하는 다양한 소재와 부품을 전시한다.

전기차 배터리와 냉각 시스템을 보호하는 카바와 픽업트릭 적지 공간에 최적화된 트럭베드 등이다. 이들 제품들은 내구성과 경량성이 뛰어난 유리섬유 강화복합소재(GMT)로 제작했다.

한화첨단소재 관계자는 "JEC 월드는 한화첨단소재의 기술력과 글로벌 시장을 향한 비전을 알릴 중요한 기회"라며 "지속가능한 모빌리티 솔루션으로 복합소재 시장에서 선도적 역할을 이어가겠다"고 밝혔다.

sh@yna.co.kr

2026 JEC WORLD Press Article

한화첨단소재, 글로벌 복합소재 전시회서 EV 경량복합소재 전시

출고 2026-03-11 10:21



한화첨단소재 JEC 월드 2026 부스
[한화첨단소재 제공, 재판매 및 DB 금지]

(서울=연합뉴스) 임성호 기자 = 한화첨단소재는 오는 12월(현지시간)까지 프랑스 파리에서 열리는 세계 최대 규모 복합소재 전시회 'JEC 월드 2026'에 참가해 전기차(EV)용 경량복합소재 통합 솔루션을 선보인다고 11일 밝혔다.

JEC 월드 2026에는 세계 50개국의 1천350여개업체에서 약 4만6천명이 참가한다.

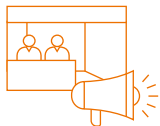
한화첨단소재는 이번 전시회에서 주요 전시품으로 경량 시트 쿠션 프레임용 복합소재 설계 및 공정 기술을 바탕으로 기존 금속 소재 대비 무게를 줄이면서도 요구 강도와 강성은 유지해 글로벌 양산 모델의 연비 및 주행거리 효율 향상에 기여한다는 방침이다.

또 전기차 전용 프랭크(차량 앞쪽 트렁크)와 전기 트럭용 복합소재 베드 등 실제 양산 차량에 적용 중인 다양한 부품을 선보인다.

전기차 배터리 보호를 위한 차세대 복합소재로 개발 중인 배터리의 하부 구조와 상부 케이스도 함께 공개한다. 일제형 설계로 무게 수를 최적화하고 약 20%의 경량화를 이룬 데다 배터리의 화재 시 열폭주 확산을 늦출 수 있는 소재 기술과 차체 성능을 적용해 전기차 안전성을 보완하는 데 집중했다.

한화첨단소재 관계자는 "변화하는 모빌리티 시장 환경에 맞춰 복합소재를 활용한 실질적인 솔루션을 지속 제안하며 글로벌 시장과의 협력을 강화해 나가겠다"고 밝혔다.

sh@yna.co.kr



Social Contributions

Social Contribution Activities

Local Community Rights Protection

Based on Hanwha Group's corporate social responsibility (CSR) philosophy of "Going Further Together," Hanwha Advanced Materials practices sharing through a variety of sincere and substantial community involvement activities. Each operating site organizes a "Hanwha Social Volunteer Corps," through which all executives and employees voluntarily participate in volunteer activities at least once a year. Furthermore, since 2002, employees have voluntarily contributed a certain portion of their monthly salaries, which the company supports through a matching grant system to create the "Making a Bright World Fund." Through this initiative, both employees and the company jointly participate in various community investment and development activities.

Protection of Indigenous Peoples' Rights

While the management of indigenous rights is not applicable to its domestic operations due to regional characteristics, Hanwha Advanced Materials thoroughly considers the community and land rights of indigenous peoples across all business operations at its US manufacturing sites. Accordingly, Hanwha Advanced Materials strictly complies with all state and federal laws and regulations regarding indigenous peoples.

Hanwha Advanced Materials

MATCHING GRANT

Employee Grants
Company Grants

Bright World Fund

Based on voluntary employee payroll deductions and the company's matching contributions, Hanwha Advanced Materials sincerely supports marginalized groups in society, environmental protection initiatives, and the social contribution activities of non-profit organizations.

Clean and Welcoming Community

- Environmental cleanups for residents and holiday visitors during traditional holidays



supporting National Veterans

- Supplying daily necessities for vulnerable veterans in Sejong



Local Mountain Trail Care

- Collaborative mountain trail maintenance with the Nature Protection Council in Sejong



annual Kimchi Sharing Festival

- Kimchi sharing for vulnerable groups in the Chungcheong region



Patriot Memorials & Cemetery Care

- Conducting memorial services and cemetery maintenance for patriotic martyrs in collaboration with Chungcheong affiliates



Governance

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Board of Directors

Board Composition

Board Status

As of March 2026, Hanwha Advanced Materials' Board of Directors consists of three executive directors, two non-standing directors, and one auditor. The Board serves as the highest decision-making body of the company, responsible for approving matters mandated by law or the Articles of Incorporation, establishing fundamental management policies, determining key business operations, and overseeing the performance of individual directors.

Board Composition Status

(As of March, 2026)

Category	Name	Gender	Career	Tenure
Executive Directors	In-hwan Kim ¹⁾	M	Current CEO at Hanwha Advanced Materials Former Head of Polymer Department at Hanwha Total Energies	March 30, 2026 ~ March, 2029 general shareholders' meeting
	Hyun-seok Kim	M	Current Planning Director at Hanwha Advanced Materials Former Head of SuperLite Department at Hanwha Advanced Materials	March 30, 2026 ~ March, 2029 general shareholders' meeting
	Si-young Kong	M	Current Support Director at Hanwha Advanced Materials Former Head of Q Cell Division HR at Hanwha Advanced Materials	March 30, 2026 ~ March, 2029 general shareholders' meeting
Non-standing Directors	Chan-woo Lee	M	Current CEO at Glenwood Credit Former Senior Executive Vice President at Dominos Investment	March 30, 2026 ~ March, 2029 general shareholders' meeting
	Young-wook Lee	M	Current Operating Partner at Bain Capital Special Situations Former Global Sales Managing Director at Kolma Holdings	March 30, 2026 ~ March, 2029 general shareholders' meeting

1) Board chairperson

Board Operations

Board Activities

In 2025, Hanwha Advanced Materials held eight board meetings with an attendance rate of 100%, approving 27 agenda items. These governance and oversight activities are strengthening the company's sustainability management system and refining its decision-making processes.

2025 Board Activity Status

2025 Board Activities			
Board meeting held	Approved items	Number of resolutions	Board attendance rate
8	27	27	100%

2025 ESG-related Board Activity Status

Date	Details
March 13, 2025	· Board reporting and approval for health and safety related plans for 2025
March 13, 2025	· Approval of the Appointment of an Auditor
December 25, 2025	· Approval of transactions between key shareholders

Ethics Management

Ethics Management System

Declaration of Ethical Management

Hanwha Advanced Materials promotes stakeholder value through its Ethical Charter and Code of Conduct, which are deeply rooted in the corporate philosophy of "Trust, Respect, and Innovation" and the core values of "Credit and Loyalty." This governance framework emphasizes respect for customer feedback, fair competition and transactions, protection of employee rights, environmental and safety management, and social responsibility. It also includes strict anti-corruption provisions that explicitly prohibit unfair practices and the acceptance of monetary gifts or entertainment. Furthermore, practical implementation is reinforced by institutional systems, including the Delivery Price Indexation System and compliance guidelines designed to protect trade secrets and proprietary technical data.

[Ethics Management Declaration](#) 

Ethics Management Policy

Hanwha Advanced Materials has established a comprehensive ethics management policy to fulfill its social responsibilities as a global company and ensure sustainable growth. This policy framework is structured across three core strategic areas: Employee Ethics: Covers bribery, improper solicitation, conflicts of interest, insider trading, workplace conduct, abuse of authority, data integrity, and reporting mechanisms. Fair Competition and Transactions: Addresses antitrust and collusion, unfair competition, anti-money laundering, intellectual property rights, tax compliance, mutual growth, anti-fraud protocols, and export controls. Customer Value Realization: Focuses on customer safety and quality, prevention of counterfeit parts, transparent information disclosure, and personal data protection.

[Ethics Management Policy](#) 

Code of Ethics

In accordance with its ethical management policy, Hanwha Advanced Materials has enacted its Code of Ethics with the ultimate goal of growing into a world-class enterprise and sharing achievements and values with its customers, executives, employees, partners, and shareholders. To fulfill this vision, the Code is comprehensively structured across five core pillars, which include creating customer value, creating partner value, protecting employee rights, maintaining desirable employee conduct, and creating value for the nation and society.

[Ethics Charter](#) 

Ethical Behavior Guidelines

To ensure the Code of Ethics is put into practice, Hanwha Advanced Materials has established Ethical Behavior Guidelines that provide all employees with explicit behavioral standards to follow in their work. These guidelines strictly prohibit the acceptance of any economic benefits, mandate that duties be performed with the utmost integrity, and uphold fair trade practices across all business operations.

[Ethical Behavior Guidelines](#) 

Integrated Ethics and Compliance Practical Guidelines

Hanwha Advanced Materials has enacted and implemented the Integrated Practical Guidelines for Ethics and Compliance to maximize the practical execution and effective compliance of its Code of Conduct. These guidelines strengthen the credibility of the internal whistleblowing system by clarifying the operational structures of the Ethical Management Committee and the Secretariat, while outlining explicit processes for report handling and whistleblower protection. Additionally, the company has built a robust practical framework for proactively identifying and continuously monitoring potential corruption risks across all business activities, which was achieved by introducing systematic, company-wide ethics training and establishing detailed anti-corruption risk assessments and due diligence standards for its business partners.

[Integrated Ethics and Compliance Practical Guidelines](#) 

Ethics Management Organization

Hanwha Advanced Materials has established a systematic operational framework centered on a dedicated Compliance Team and the Ethical Management Committee to strengthen its ethics management. In particular, the organizational structure, which directly includes the CEO, is transparently disclosed through official channels. Moving forward, the company plans to further enhance its ethics management standards by linking these initiatives with strengthened governance disclosures within its Sustainability Report. To ensure that all executives and employees strictly adhere to the Code of Conduct and to promote ethical business activities, Hanwha Advanced Materials actively operates the Ethical Management Committee. In principle, the Committee meets semi-annually, but extraordinary meetings can be convened at any time if deemed necessary by the Chairperson, Committee members, or the Practice Secretariat. The Committee is chaired by the CEO, with the heads of each division serving as active members, while the Director of the Ethical Management Practice Secretariat serves as the Committee's Secretary.

Organizational Structure



Ethics Management

Ethics Management System

Ethics Management Goal

Hanwha Advanced Materials has established ethical principles within its ethics management policy to foster a transparent and ethical corporate culture. To proactively address ethical risks such as corruption, conflicts of interest, fraud, and money laundering, the company is strengthening internal controls with the core goals of fair trade and anti-corruption, while internalizing compliance functions. A proactive response process has been created for operational units with high corruption risks, and the risk-prevention system is being enhanced through active internal reporting to cultivate a prevention-oriented culture. Furthermore, to build fair and transparent relationships with suppliers, the company has executed compliance and anti-corruption pledges and advanced supply chain ethics management by introducing a regular risk assessment system based on comprehensive surveys. All employees undergo annual ethics management training and case-study sharing to internalize compliance and apply ethical standards in business decisions. Continuous monitoring is also conducted through routine activities, including corporate seal audits and the timely distribution of integrity letters.

Ethics Management Target

Anti-corruption and Fair Trade			Compliance Functions Internalization	
Fraud Risk Assessment and Internal Control	Activating Reporting Channels and Whistleblowing	Establishing Supply Chain Transparency	Ethics Training and Compliance Pledge	Monitor/due diligence
- Regular Enterprise-wide Fraud and Organizational Risk Assessments - Financial Fraud Controls Built on the ICFR System - Corporate Seal Management Reviews and Risk Mitigation Initiatives	- Operating the whistleblowing center and maintaining a 100% report resolution rate - Regularly reporting reported cases to the Ethics Management Committee and strengthening implementation monitoring - Maintaining zero cases of material corruption and conflicts of interest	- Obtaining a 100% submission rate for the Supplier Code of Conduct Compliance Pledge - Conducting anti-corruption risk assessments for all active suppliers and vendors - Continuing integrity campaigns, including sending integrity letters during corruption-vulnerable periods	- All-Employee Code of Ethics Compliance Pledges and Awareness Programs 100% Completion Rate for Ethics and Compliance Training 100% Ethics Training Coverage for New Hires	- Committee Reporting on Ethics Management Performance and Follow-up Management - Maintaining 95% or Higher Implementation Rate for Post-Audit Process Improvements - Continuous Effectiveness Reviews and Updates of Ethics Guidelines

Ethics Management Activities

Ethics Management Training and Awareness Spreading

Hanwha Advanced Materials regularly conducts ethics compliance training to spread a culture of integrity throughout the organization. Every year, all executives and employees are required to sign the Code of Conduct pledge, and tailored ethics training is provided for both new hires and existing employees. In particular, the company has enhanced practical understanding of relevant laws and corporate compliance requirements through commissioned fair-trade training designed to establish an equitable market order. It also conducts employee training to raise awareness of unfair trade practices and systematizes regulatory compliance and corruption risk management by maintaining internal fair-trade rulebooks and standard subcontract agreements. During high-risk periods such as traditional holiday seasons, Hanwha Advanced Materials sends integrity letters to its suppliers to communicate its strong commitment to anti-corruption, including a strict ban on bribery and monetary gifts.

Employee Ethics Training Status

Subject	Details	Number of sessions	Participants	Completion Rate
All Employees	Learning Ethical Management Through Keywords	1	340	100%
All Employees	Ethics and Compliance Key Compliance Requirements	1	382	100%
Leadership Personnel	Ethics Training for Leaders	1	65	90%
Transaction Users	Key Fair Trade Risks	1	51	86%
Transaction Users	Subcontracting Outsourcing Transactions	2	53	93%
Experienced Hires/Interns	Advanced Materials Ethical Management	1	13	100%

Supplier Ethics Training Status

Subject	Target	Submitted	Unsubmitted	Agreement Rate
Suppliers	506	503	3	99%

Ethics Management

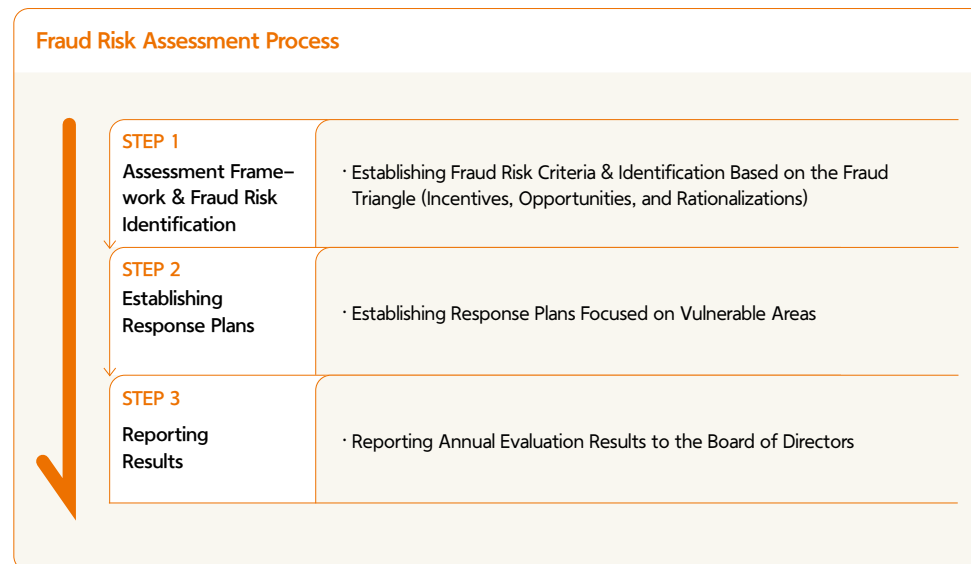
Ethics Risk Management

Advancing Internal Control over Financial Reporting (ICFR)

To secure the absolute credibility of its financial reporting and solidify enterprise-wide accounting transparency, Hanwha Advanced Materials maintains a rigorous Internal Control over Financial Reporting (ICFR) framework, continuously auditing internal regulatory adherence and procedural execution across its workforce. Crucially, to proactively mitigate the risk of financial misstatements driven by corporate fraud, the company has integrated targeted anti-fraud control metrics starting in 2025, in strict alignment with updated financial disclosure guidelines. These specialized metrics are strategically structured and administered within the company's Process Level Control (PLC) architecture to ensure granular operational oversight. Additionally, to guarantee uncompromised institutional efficacy and objective validation, Hanwha Advanced Materials subjects its entire ICFR ecosystem to systematic, periodic audits conducted by an independent external auditor.

Operation of Fraud Risk Assessment Process

Hanwha Advanced Materials operates a fraud risk assessment process to proactively prevent fraudulent activities and foster a transparent organizational culture. The company systematically identifies and evaluates enterprise-wide fraud risk factors on an annual basis, strengthening its foundation for sustainable ethical management by raising employees' awareness of potential compliance risks based on these outcomes.



Bribery Due Diligence and Internal Controls

Hanwha Advanced Materials is strengthening its internal control procedures. The company regularly collects anti-corruption pledges from all executives and employees and mandates the signing of ethics and compliance pledges when registering new suppliers. In particular, during the first half of 2026, it completed anti-corruption risk assessments for 549 suppliers to thoroughly examine supply chain risks, while consistently ensuring transparency in procurement processes through an electronic bidding system. Based on the risk levels identified from these assessments, Hanwha Advanced Materials will systematically manage potential corruption by establishing a risk-based regular evaluation framework, such as conducting routine re-assessments every three years for low-risk groups. Furthermore, to proactively respond to corruption risks that may arise during transactions with third parties, plans are being developed to link anti-corruption criteria with supply chain due diligence, while progressively introducing this evaluation framework with a primary focus on project-specific due diligence.

Anti-Corruption Risk Assessment Rate

100%

Sensitive Transaction Approval Process

Hanwha Advanced Materials operates an internal process to report or obtain approval for sensitive transactions to ensure transparency and fairness. Accordingly, related-party transactions between the company and its affiliates undergo a rigorous review process in strict adherence to the Internal Transaction Review Committee's operating regulations. Furthermore, in accordance with Article 5, Chapter 2 of the Code of Ethics, if any gifts or benefits are inadvertently received, a comprehensive report detailing the receipt of such gifts, entertainment, or hospitality must be promptly submitted to the responsible executive authority.



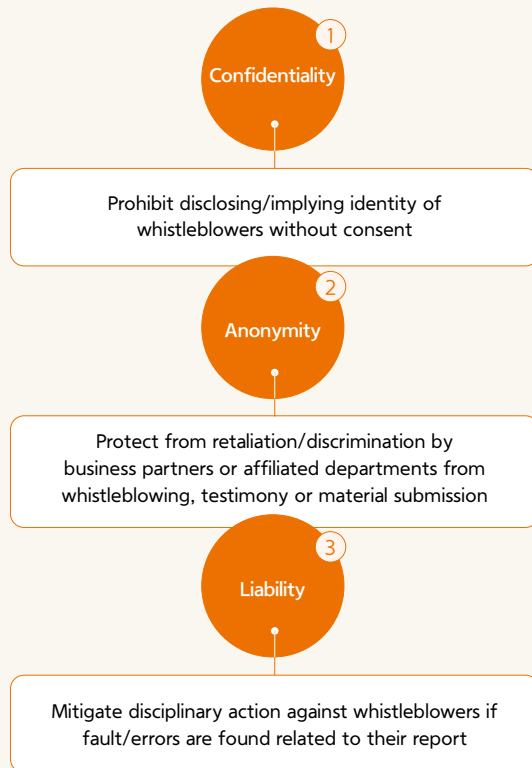
Ethics Management

Ethics Risk Management

Ethics Whistleblowing Process

Hanwha Advanced Materials operates reporting and counseling channels to establish ethical management. The company clearly identifies reportable violations—such as improper solicitation, bribery, unjust directives, and internal policy infractions—while ensuring procedural transparency and whistleblower protection.

3 Whistleblower Protection Principles



All reports submitted through the compliance center undergo thorough internal verification and investigation, with outcomes and key insights regularly reported to the Ethics Management Committee to strengthen internal controls. To foster a healthy reporting culture, the channels strictly guarantee confidentiality, anti-retaliation (protection from disadvantageous treatment), and culpability mitigation.

Reporting Procedure and Whistleblower Protection Process



Key Reporting Channels

Mail Hanwha Advanced Materials, Compliance Team 25th flr, Hanwha Building, 86 Cheonggyecheon-ro, Jung-gu, Seoul, Korea	Email cleanhamc@hanwha.com
Phone 02.729.2100	Fax 02.729.3227

Ethical Management System

Hanwha Advanced Materials is pursuing international-standard certifications as part of its medium- to long-term strategy to enhance ethical management. The company has established internal initiatives to achieve ISO 37001 (Anti-Bribery Management Systems) and ISO 37301 (Compliance Management Systems). Through meticulous preparation, Hanwha Advanced Materials plans to obtain these certifications to reinforce its credibility with external stakeholders.



Information Security

Information Security System

Information Security Policy

Hanwha Advanced Materials has established internal regulations, guidelines, and policies related to information security to protect information assets and manage personal data. Through these internal security rules, employees are guided to consistently comply with corporate security policies. Additionally, personal data collection and usage policies are regularly updated to reflect changes in relevant laws and security threat trends, establishing a systematic information security management system. Furthermore, the company seeks to bolster information security by attaining internationally recognized certifications and improving its overall security management standards. To proactively address information security risks, Hanwha Advanced Materials conducts regular internal audits and risk management, while strengthening its system through activities such as vulnerability assessments and penetration testing to prevent security threats in advance. To prepare for potential system failures, a continuous data-backup plan is maintained to support rapid restart and recovery, with backups stored securely on a regular basis. In the event of an information security incident, the company retains access and operation logs in accordance with its internal logging standards; these logs are categorized and stored for periods ranging from one year to more than five years, depending on the information asset type, to facilitate thorough root-cause analysis and clear accountability.

Information Security Policy

Information Security Goal

Hanwha Advanced Materials has established and evaluates its own information security self-assessment standards based on ISO and ISMS frameworks to strengthen its information security posture. For 2026, the company has set a target score of 4.5 points for this assessment. To achieve this goal, Hanwha Advanced Materials has formulated diverse improvement plans, including optimizing information security inspections and management, enhancing malware response capabilities, and strengthening network security, thereby continuously advancing its overall information security management system.

Information Targets and Performance



1) Based on max score

2025 Information Security Performance

Hanwha Advanced Materials has revised its guidelines for using generative AI, established standards for identifying and managing information assets, and reinforced its security risk assessment framework. To enhance development security, the company blocked internet access from development servers, differentiated access permissions based on specific job duties, and strengthened security review procedures for new servers. Furthermore, Hanwha Advanced Materials conducted on-site security inspections across all global affiliates to systematically establish an information security management framework, implementing vulnerability remediation activities such as enhancing data leakage prevention (DLP) systems and investing in firewall infrastructure.

2026 Security Roadmap

1	Inspections		Improvement Plan · Optimizing security inspections (Advanced checklist) Schedule Year-end
2	Management		Improvement Plan · Self-inspection framework for global subsidiaries · Generative AI utilization & control guidelines Schedule Year-end
3	Firewalls		Improvement Plan · Firewall installation between HQ and global subsidiaries Schedule 1H
4	Malware Response		Improvement Plan · Linux server anti-virus & PC EDR monitoring · Cross-affiliate malware prevention controls · External dark web monitoring framework Schedule 2H
5	Network Security		Improvement Plan · Network Access Control (NAC) for endpoints · Enhanced server farm network management Schedule 2H

Information Security

Information Security Activities

Information Security Training

Hanwha Advanced Materials runs a structured information security training program to raise employee awareness, with all workforce members signing an Information Security Pledge to ensure policy compliance. The company's biannual training includes simulated phishing exercises designed to prevent security breaches, while new hires receive a dedicated security guide outlining core protocols, including document security and USB controls. Additionally, Hanwha Advanced Materials regularly shares recent security trends and incident-response measures, while keeping staff informed of policy updates to foster a culture of active understanding and compliance.

2025 Information Security Training Status

Category	Subject	Details	Number of sessions	Participants	Completion Rate
HQ	All employees	Personal information protection training	Once	594 Persons	100%
HQ	New hires	Security guidance provision	Once	24 Persons	100%
HQ/ Overseas	All employees	International/overseas hacking mail training	Twice	912 Persons	100%
HQ/ Overseas	Subject employees	Training subject for violators	Twice	62 Persons	100%
HQ	Subject employees	Data breach and leakage training	Ad Hoc	13 Persons	100%

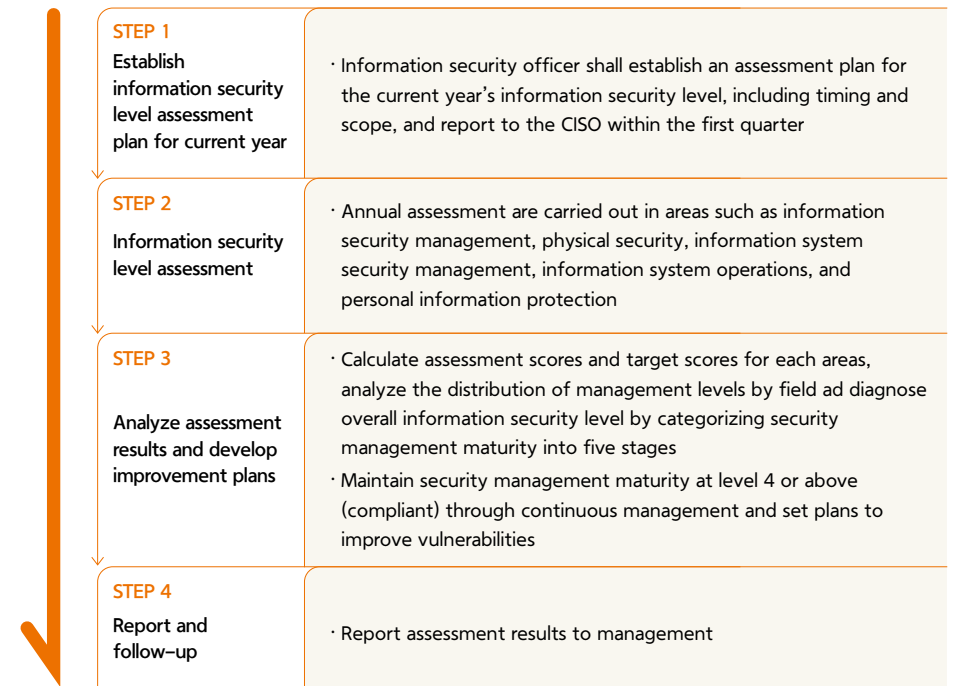


Information Security Risk Management

Information Security Risk Assessment

Hanwha Advanced Materials conducts an annual information security level assessment to evaluate compliance with legal requirements, internal guidelines, and other regulations, as well as the operational status of its information security management system. The 2025 assessment covered the headquarters, all domestic business sites, and overseas subsidiaries, encompassing key areas such as information security management, physical security, information system security operations, and personal data protection. Based on the evaluation outcomes, a comprehensive improvement plan for identified vulnerabilities was established and formally reported to the Chief Information Security Officer (CISO) and senior management.

Information Security Level Assessment Process



Information Security

Information Security Risk Management

Confidential Information Management and Third-Party Data Protection

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

Based on internal assessment criteria in compliance with ISO and ISMS standards, Hanwha Advanced Materials conducts structured security management by annually reviewing 57 control items across all business sites in administrative, physical, and technical areas. For personal data protection, it applies multi-level standards (three or more levels) covering each stage—collection, use, provision, retention, and destruction. Evaluation findings drive targeted improvement tasks and action plans, including related technical investments to continually raise security levels. Additionally, administrators of critical systems regularly review server and database management, while an ongoing inspection and reporting system is maintained through continuous server access monitoring. Through these dedicated efforts, Hanwha Advanced Materials proactively prevents unauthorized access and mitigates data leakage risks, thereby protecting the rights and interests of data subjects and enhancing stakeholder trust.

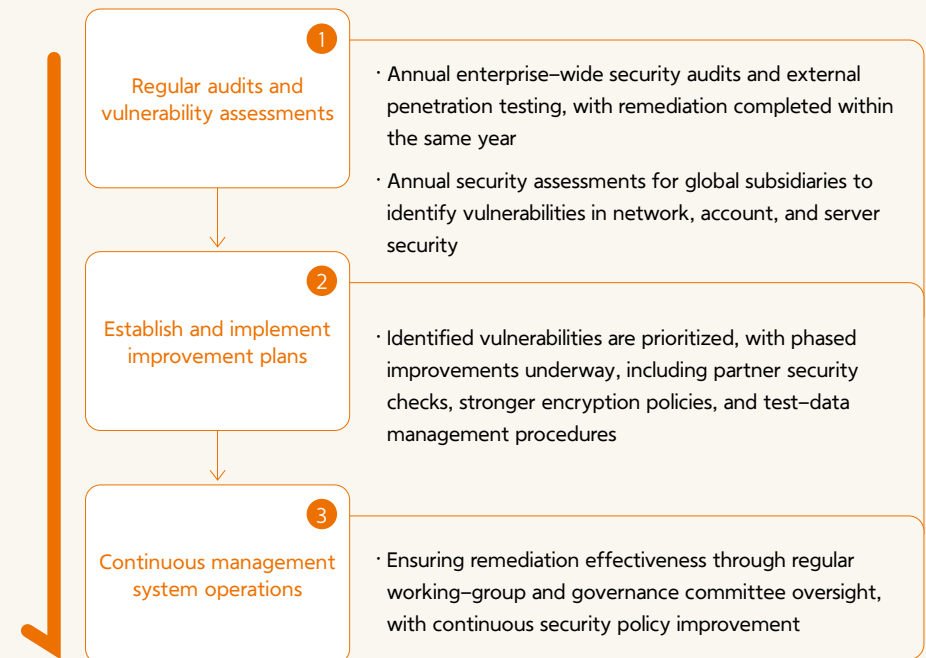
Privacy policy



Information Security Incident Prevention Process

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

Incident Prevention Process



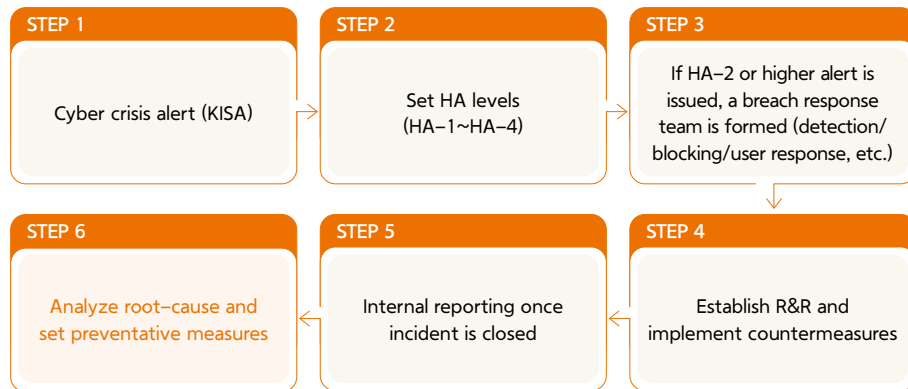
Information Security

Information Security Risk Management

Information Security Incident Response

Hanwha Advanced Materials has established a formal information security incident response process to ensure swift and systematic action in the event of a confidential information breach. The process aligns with the Korea Internet & Security Agency (KISA) cyber crisis alerts to determine Hanwha Alert (HA) levels and trigger the incident response system accordingly. Upon the issuance of HA-2 or higher, the Information Security Center and the Information Security Department immediately activate a dedicated incident response team with clearly defined roles in detection, containment, and user mitigation. Following the completion of response measures, a thorough root-cause analysis is conducted, and the results are reported internally to prevent recurrence, thereby strengthening the company's overall incident response capabilities and safeguarding its critical information assets.

Information Security Incident Response Process

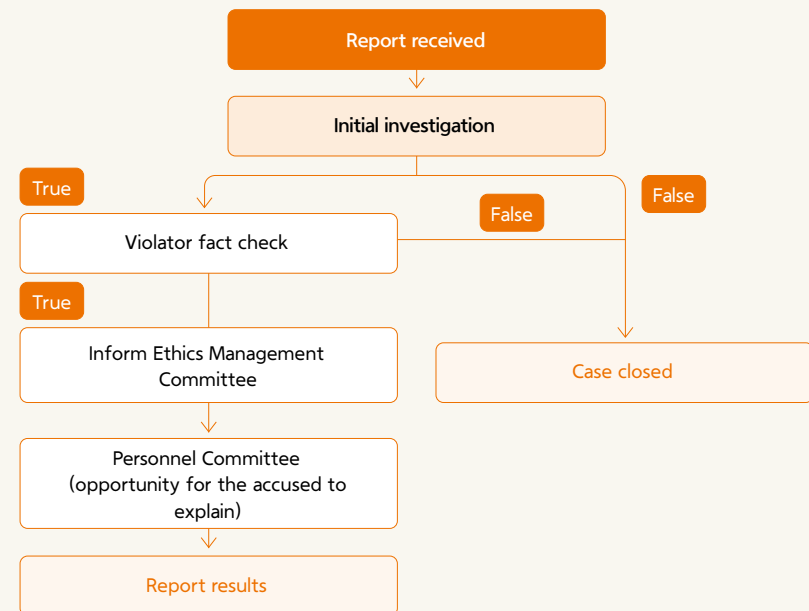


Information Security Whistleblowing Process

Hanwha Advanced Materials operates a whistleblowing system that allows both internal employees and external stakeholders to report information security breaches and related concerns. Employees are strictly prohibited from concealing security incidents or attempting to resolve them independently; instead, they are required to immediately report any occurrence to their department head or the dedicated information security department. To facilitate prompt reporting and a systematic response, the company provides an online reporting channel that enables external stakeholders, including suppliers and customers, to log information security incidents or suspicious activities. Upon receiving a report, the company conducts a thorough factual investigation in accordance with internal protocols. If a violation is confirmed, necessary disciplinary or corrective actions are executed pursuant to relevant regulations. Hanwha Advanced Materials remains committed to enhancing transparency and responsiveness in its information security governance.

Whistleblowing Channel

Information Security Whistleblowing Process



Tax Obligations

Tax Strategy

Tax Policy

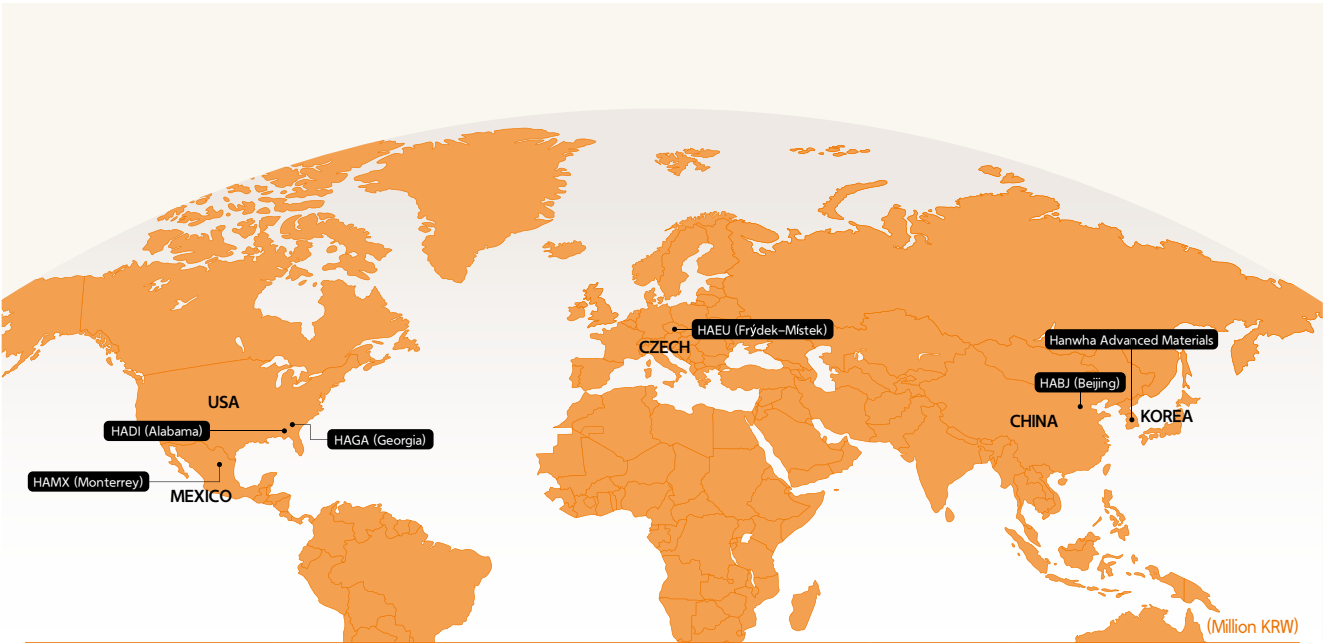
Hanwha Advanced Materials aligns its tax policy with its sustainability management goals, contributing to enhanced corporate value and the fulfillment of its social responsibilities through responsible and ethical tax practices. The company strictly complies with the tax laws and treaties of all countries where it operates, while faithfully fulfilling its tax obligations based on transparent and cooperative relationships with local tax authorities. To ensure expertise and transparency, Hanwha Advanced Materials maintains dedicated tax organizations and specialized personnel to establish and oversee country-specific tax management principles, utilizing external experts when necessary. Furthermore, the company does not engage in any transactions or contracts aimed at international tax avoidance, and it manages its taxable income in full alignment with local tax laws and the actual value created within each operating country.

Tax Policy

Tax Risk Management

Hanwha Advanced Materials strengthens corporate transparency by systematically managing tax risks throughout its global operations. We seek to prevent tax risks by ensuring compliance with the intent of local tax laws and proactively assessing potential areas of dispute. We maintain transparent communication with tax authorities and provide timely and accurate information when requested. The Company strictly prohibits tax avoidance arrangements lacking commercial substance and does not engage in the transfer of value to low-tax jurisdictions. Furthermore, we apply the arm's length principle to all cross-border transactions to mitigate double taxation risks and manage associated legal and economic risks in a responsible manner.

Country-by-Country Reporting (CbCR)



Entity Name	HQ	HADI*	HAGA	HAMX	HAEU	HABJ	HACQ
Revenue	440,382	572,048	87,933	77,865	84,699	20,474	0
Income before income taxes	(11,085)	15,794	(28,186)	6,439	(238)	(592)	(571)
Income Tax Payable	0	0	0	0	0	0	0
Income Tax Expense	(4,710)	(14,371)	(8,751)	5,204	339	0	0
Net Income	(6,374)	30,164	(19,435)	1,235	(578)	(592)	(571)

1) Based on separate financial statements for all entities except HADI.

*HADI: A consolidated entity with HAUS and AZDEL as its subsidiaries

2) Exchange Rate: Applied 2025 Average Exchange Rate

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ESG Data

Consolidated Financial Information

Summary Consolidated Statement of Financial Position

Category	Unit	2023	2024	2025
Current assets	KRW million	621,936	552,044	548,007
Non-current assets	KRW million	580,649	863,059	850,016
Total assets	KRW million	1,202,585	1,415,103	1,398,023
Current liabilities	KRW million	305,523	435,547	507,909
Non-current liabilities	KRW million	123,660	157,926	90,634
Total liabilities	KRW million	429,183	593,473	598,542
Capital stock	KRW million	41,129	41,129	41,129
Capital surplus	KRW million	652,688	652,688	652,688
Other equities	KRW million	(31,611)	(6,798)	(6,798)
Accumulated other comprehensive income	KRW million	23,126	61,749	68,228
Retained earnings	KRW million	88,070	72,861	44,234
Non-controlling interests	KRW million	–	–	–
Total equity	KRW million	773,402	821,630	799,481
Total liabilities and equity	KRW million	1,202,585	1,415,103	1,398,023

Summary Consolidated Income Statement

Category	Unit	2023	2024	2025
Revenue	KRW million	558,240	1,082,121	1,152,901
Cost of sales	KRW million	460,238	918,568	1,004,446
Gross profit	KRW million	98,002	163,553	148,455
Selling, general and administrative expenses	KRW million	65,394	142,279	142,024
Operating profit (loss)	KRW million	32,608	21,275	6,431
Other income	KRW million	14,026	49,581	22,514
Other expenses	KRW million	(14,478)	(49,030)	(29,497)
Finance income	KRW million	6,727	6,397	2,244
Finance costs	KRW million	(1,409)	(11,250)	(17,504)
Profit (before income tax)	KRW million	37,473	16,973	(15,811)
Income tax expense	KRW million	7,431	(492)	(9,819)
Net profit (loss)	KRW million	30,042	17,465	(5,992)

ESG Data

Environment¹⁾

GHG Emissions

Category			Unit	Hanwha Advanced Materials			Subsidiaries
				2023	2024	2025	2025
GHG emissions ²⁾ (Scope 1, 2)	Total		tCO ₂ eq	42,977	41,860	33,762	47,366
	Scope 1	Subtotal	tCO ₂ eq	9,850	10,169	10,254	24,340
		Subtotal	tCO ₂ eq	9,850	10,169	10,254	24,340
	Scope 2	Electricity	tCO ₂ eq	33,127	31,691	23,508	23,026
		Steam	tCO ₂ eq	0	0	0	0
GHG emissions intensity ³⁾	Scope 1		tCO ₂ eq/ KRW 100 million	1.9	3.0	3.1	3.0
	Scope 2		tCO ₂ eq/ KRW 100 million	6.5	9.3	7.0	2.8
GHG reductions	Total reductions		tCO ₂ eq	19	122	2,709	0.0
	Scope 1 reductions		tCO ₂ eq	0	122	27	0.0
	Scope 2 reductions		tCO ₂ eq	19	0	2,682	0.0
Scope 3 emissions	Total		tCO ₂ eq	247,660	252,845	219,544	–
	Category 1. Purchased goods and services		tCO ₂ eq	204,960	209,483	177,704	–
	Category 2. Capital goods		tCO ₂ eq	7	69	9	–
	Category 3. Fuel- and energy-related activities		tCO ₂ eq	20,004	20,174	21,895 ⁴⁾	–
	Category 4. Upstream transportation and distribution		tCO ₂ eq	2,048	1,986	1,386	–
	Category 5. Waste generated in operations		tCO ₂ eq	955	753	1,267	–
	Category 6. Business travel		tCO ₂ eq	943	1,393	1,468	–
	Category 7. Employee commuting		tCO ₂ eq	262	295	342	–
	Category 9. Downstream transportation and distribution		tCO ₂ eq	8,785	9,296	7,091	–
	Category 12. End-of-life treatment of sold products		tCO ₂ eq	9,696	9,396	8,382	–

1) Based on the Sejong and Eumseong sites, excluding the headquarters

2) Using truncated decimal values as the standard

3) Based on domestic separate revenue

4) Including Hanwha Advanced Materials and its subsidiaries

Energy Use

Category			Unit	Hanwha Advanced Materials			Subsidiaries
				2023	2024	2025	2025
Total energy consumption			GJ	950,887	928,796	778,020	669,993
Energy intensity ¹⁾			GJ/KRW 100 million	186	273	231	479
Energy reductions			GJ	404	2,399	928	0
Direct energy	Non-renewable energy consumption	Total	GJ	193,090	199,377	201,143	427,710
		Gasoline	GJ	1,203	1,192	1,267	4,342
		Diesel	GJ	2,206	2,099	1,767	255
		Kerosene	GJ	0	0	0	0
		LNG	GJ	189,463	195,533	197,494	413,681
		LPG	GJ	218	553	615	9,431
		Other	GJ	0	0	0	0
	Renewable energy consumption	Total	GJ	0	0	20,577	0
	Total ²⁾		GJ	757,797	729,419	556,300	242,282
Indirect energy	Consumption	Subtotal	GJ	692,246	662,242	491,248	242,282
		Electricity	GJ	692,243	662,242	491,248	242,282
		Steam	GJ	3	0	0	0
	Self-Generated	Subtotal	GJ	109,358	111,628	110,539	0
		Electricity	GJ	N/A	N/A	N/A	0
		Steam	GJ	109,358	111,628	110,539	0
	Sold	Subtotal	GJ	43,807	44,451	45,487	0
		Electricity	GJ	0	0	0	0
		Steam	GJ	43,807	44,451	45,487	0
Renewable energy share	Total	%		0.0	0.0	2.64	0.0
	Electricity	%		0.0	0.0	2.64	0.0
	Fuel	%		0.0	0.0	0.0	0.0
	Steam	%		0.0	0.0	0.0	0.0

1) Revenue is calculated separately for Hanwha Advanced Materials and its subsidiaries based on consolidated revenue.

2) Consumption = consumed + in-house generation – sales volume

ESG Data

Environment

Water

Category		Unit	Hanwha Advanced Materials			Subsidiaries
			2023	2024	2025	2025
With-drawal	Total	ton	455,771	442,987	516,631	430,235
	Freshwater	ton	455,771	442,987	516,631	430,235
	Surface water	ton	0	0	0	0
	Groundwater	ton	0	0	0	0
	Seawater	ton	0	0	0	0
	Other	ton	0	0	0	0
	By water source Third-party	ton	455,771	442,987	516,631	430,235
	Withdrawal from high water stress areas	ton	N/A	N/A	N/A	N/A
Discharge (waste-water) ¹⁾	Total	ton	162,436	196,943	418,962	43,146
	By type Freshwater	ton	162,436	196,943	418,962	33,636
	Other	ton	N/A	N/A	N/A	9,510
	By discharge destination Third-party	ton	162,436	196,943	418,962	16,358
	Discharge from high water stress areas	ton	N/A	N/A	N/A	N/A
Water consumption		ton	240,665	255,117	97,669	392,450
Water reuse	Reused water volume	ton	0	0	0	0
	Reuse rate	%	0.0	0.0	0.0	0.0

1) Based on the Sejong and Eumseong sites

Pollutants

Category		Unit	Hanwha Advanced Materials			Subsidiaries
			2023	2024	2025	2025
Water	Total organic carbon (TOC)	ton	6.6	10.4	14.0	0.4
	Biochemical oxygen demand (BOD)	ton	8.8	11.4	21.8	0.0
	Suspended solids (SS)	ton	2.3	3.0	5.9	0.0
Air	Ozone-depleting substances (ODS)	ton	N/A	N/A	N/A	N/A
	Nitrogen oxides (NOx)	ton	4.4	5.3	5.0	0.3
	Sulfur oxides (SOx)	ton	0.2	0.5	0.3	1.6
	Particulate matter (PM)	ton	2.0	3.3	2.1	2.9
	Persistent organic pollutants (POP)	ton	N/A	N/A	N/A	N/A
	Volatile organic compounds (VOC)	ton	N/A	N/A	N/A	0.2
	Hazardous air pollutants (HAP)	ton	1.3	1.3	0.7	N/A
	Other air pollutants	ton	13.8	18.9	7.6	N/A
Hazardous chemicals	Consumption	ton	40.8	33.2	68.9	5.9
	Chemical discharge	ton	0.0	0.0	12.9	31.0

Eco-friendly Business

Category		Unit	Hanwha Advanced Materials			Subsidiaries
			2023	2024	2025	2025
Green investment	Environmental investment	KRW million	481	394	981	216
	Eco-friendly investment ratio compared to sales	%	0.09	0.12	0.29	0.03
Eco-friendly vehicles	Eco-friendly fleet ownership ratio	%	8.0	8.0	8.0	0.0

ESG Data

Environment

Waste and Raw Materials

Category			Unit	Hanwha Advanced Materials			Subsidiaries
				2023	2024	2025	2025
Waste generated ¹⁾	Total		ton	3,705	5,452	4,738	8,392
	By type	Designated	ton	27	74	58	3,105
		General	ton	3,678	5,378	4,680	5,287
Waste disposed	Total		ton	3,706	5,453	4,737	6,380
Designated waste	By type	Subtotal	ton	27	73	58	3,096
		Landfill	ton	0	0	0	3,033
		Incineration	ton	10	13	16	63
		Other	ton	17	60	42	0
	By method	Subtotal	ton	27	74	58	3,096
		Internal	ton	0	0	0	0
		External	ton	27	74	58	3,096
General waste	By type	Subtotal	ton	3,677	5,377	4,680	3,283
		Landfill	ton	269	384	395	3,262
		Incineration	ton	89	55	203	21
		Other	ton	3,319	4,938	4,082	0
	By method	Subtotal	ton	3,678	5,378	4,680	3,283
		Internal	ton	0	0	0	0
		External	ton	3,678	5,378	4,680	3,283

1) Due to truncation of decimal places in waste volume data, a discrepancy of less than ±1 ton may occur between the total and the actual figures

Category			Unit	Hanwha Advanced Materials			Subsidiaries
				2023	2024	2025	2025
Recycled Waste	Total		ton	3,336	4,998	4,124	1,266
	Waste-to-resource ratio		%	90	91	87	15
Designated waste	By type	Total	ton	17	60	42	143
		Proceed for reuse	ton	0	0	0	6
		Recycled	ton	17	60	42	137
	By method	Other	ton	0	0	0	0
		Internal	ton	0	0	0	0
		External	ton	17	60	42	192
General waste	By type	Total	ton	3,319	4,938	4,082	1,122
		Proceed for reuse	ton	0	0	0	10
		Recycled	ton	3,319	4,938	4,082	1,111
	By method	Other	ton	0	0	0	0
		Internal	ton	0	0	0	0
		External	ton	3,319	4,938	4,082	663
Raw materials usage	Total		ton	76,574	75,630	62,188	63,608
Recycled materials	Recycled raw materials		ton	2,573	2,864	2,947	661
	Recycled materials ratio		%	3.4	3.8	4.7	1.0

ESG Data

Social

Employee Profile

Category		Unit	Hanwha Advanced Materials			Subsidiaries
			2023	2024	2025	2025
Total no. of employees		Persons	638	686	618	1,632
Execu- tives	Total	Persons	17	18	18	0
	Gender	Male	17	18	18	0
		Female	0	0	0	0
	Age	Under 30	0	0	0	0
		30 to under 50	3	1	1	0
		50 and over	14	17	17	0
Employ- ees	Total	Persons	621	668	600	1,632
	Total	Persons	580	618	575	1,416
		Subtotal	580	618	575	1,416
	Gender	Male	517	551	504	950
		Female	63	67	71	466
	Age	Under 30	64	67	61	323
		30 to under 50	332	371	358	731
		50 and over	184	180	156	362
	Total	Persons	41	50	25	216
		Subtotal	41	50	25	216
	Gender	Male	37	48	23	216
		Female	4	2	2	0

Category		Unit	2023	2024	2025
Total number of employees	Subtotal	Persons	2,097	2,369	2,251
	Korea	Persons	638	686	618
	Asia	Persons	67	66	65
	Americas	Persons	1,119	1,341	1,334
	Europe	Persons	273	276	234

Category			Unit	Hanwha Advanced Materials			Subsidiaries	
				2023	2024	2025	2025	
Employ- ees	Share of female employees		%	11	10	12	29	
	Total		Persons	635	683	615	1,416	
	Team leader level and above	Total		Persons	43	45	43	134
		Gender	Subtotal	Persons	43	45	43	134
			Male	Persons	43	45	43	99
			Female	Persons	0	0	0	35
		Age	Subtotal	Persons	43	45	43	134
			Under 30	Persons	0	0	0	9
			30 to under 50	Persons	27	25	20	88
		50 and over	Persons	16	20	23	37	
	By position	Share of women at team leader level and above		%	0	0	0	26
	Staff	Total		Persons	592	638	572	1,282
		Gender	Subtotal	Persons	592	638	572	1,282
			Male	Persons	525	569	499	851
			Female	Persons	67	69	73	431
		Age	Subtotal	Persons	592	638	572	1,282
			Under 30	Persons	95	102	71	316
			30 to under 50	Persons	310	341	346	642
		50 and over	Persons	187	195	155	324	
	Non-affiliated workers			Persons	0	0	0	18
	Vul- nerable groups	Employment rate of persons with disabilities		%	1.4	1.3	1.1	0.5
National veteran		%	1.9	1.7	1.6	0.8		
Number of child laborers		Persons	0	0	0	0		

ESG Data

Social

Recruitment and Turnover

Category			Unit	Hanwha Advanced Materials			Subsidiaries
				2023	2024	2025	2025
New hires	Total		Persons	46	61	43	528
	New hire rate		%	7.2	8.9	7.0	37.3
	Gender	Male	Persons	40	53	35	349
		Female	Persons	6	8	8	179
	Age	Under 30	Persons	14	12	20	269
		30 to under 50	Persons	31	49	22	229
		50 and over	Persons	1	0	1	30
Turnover	Total		Persons	65	53	123	524
	Gender	Male	Persons	56	44	118	369
		Female	Persons	9	9	5	155
	Age	Under 30	Persons	34	27	36	214
		30 to under 50	Persons	22	19	30	266
		50 and over	Persons	9	7	57	44
	Turnover rate		%	10.2	7.8	20.0	37.0
	Voluntary turnover rate		%	9.1	7.0	9.1	17.1

Non-discrimination

Category		Unit	Hanwha Advanced Materials			Subsidiaries
			2023	2024	2025	2025
Number of discrimination incidents		Cases	0	0	0	0
Status of actions on discrimination incidents	Under investigation	Cases	0	0	0	0
	Remediation/mitigation plan established	Cases	0	0	0	0
	Completed	Cases	0	0	0	0
Action completed		Cases	0	0	0	0

Parental leave

Category		Unit	Hanwha Advanced Materials			Subsidiaries
			2023	2024	2025	2025
Subject employees	Total	Persons	142	118	121	52
	Male	Persons	121	99	101	25
	Female	Persons	21	19	20	27
Used employees ¹⁾	Total	Persons	6	5	16	43
	Male	Persons	0	3	5	17
	Female	Persons	6	2	11	26
Returned employees ¹⁾	Total	Persons	4	6	8	28
	Male	Persons	1	1	4	17
	Female	Persons	3	5	4	11
Employees with over one year of service since returning	Total	Persons	2	4	5	19
	Male	Persons	1	1	1	13
	Female	Persons	1	3	4	6
Return rate from leave	Total	%	50	67	63	68
	Male	%	100	100	25	76
	Female	%	33	60	100	55

1) The number of employees who took/returned from parental leave counts only those who took/returned from leave while employed at the company; those who left the company are excluded.

Employee satisfaction survey

Category		Unit	Hanwha Advanced Materials			Subsidiaries
			2023	2024	2025	2025
Employees participated		Persons	450	484	488	258
Employee participation rate		%	70.5	70.6	79.0	15.8

Employee grievance handling

Category		Unit	Hanwha Advanced Materials			Subsidiaries
			2023	2024	2025	2025
Received grievance cases		Cases	0	0	1	5
Resolved grievance cases		Cases	0	0	1	5

ESG Data

Social

Compensation System

Category		Unit	Hanwha Advanced Materials			Subsidiaries
			2023	2024	2025	2025
Salary rate	Male to female salary rate	%	58	68	64	86
	Minimum wage ratio compared to the statutory minimum wage	%	153	154	155	234
Average salary pay	Total	KRW million	83	85	86	57
	Male	KRW million	87	88	89	60
	Female	KRW million	52	55	57	52

Employee Training and Career Management

Category				Unit	Hanwha Advanced Materials			Subsidiaries
					2023	2024	2025	2025
Training completion status	Employees		Persons	642	679	707	1,007	
	Completion rate		%	101.1	99.4	115.0	61.7	
	Total completed training hours		Hours	6,081	7,988	9,504	7,338	
	Average training completed		Hours/person	10	12	15	4	
Total training hours	Gender	Male	Hours	5,437	7,002	7,989	7,413	
		Female	Hours	644	986	1,502	2011.60	
	By contract type	Permanent	Hours	5,437	7,687	9,145	7,131	
		Contract	Hours	218	301	347	2,826	
Average training hours per person	Gender	Male	Hours/person	10.5	12.7	15.9	7.8	
		Female	Hours/person	10.2	14.7	21.2	4.3	
	By contract type	Permanent	Hours/person	9.4	12.4	15.9	5.0	
		Contract	Hours/person	4.0	4.6	8.7	13.1	
Average training cost per person			KRW	864,120	962,715	508,962	29,713	
Percentage of employees that received performance evaluations	Gender	Male	%	100.0	100.0	102.6	67.3	
		Female	%	100.0	100.0	93.0	67.0	
	By position ¹⁾	Managers	%	100.0	100.0	107.0	88.8	
		Staff	%	100.0	100.0	93.9	64.9	

1) Excluding those who left the company

Supply Chain Assessment

Category		Unit	Hanwha Advanced Materials		
			2023	2024	2025
Number of suppliers	Total number of suppliers	Companies	566	551	594
	Number of suppliers with contracts including environmental, labor, and human rights clauses	Companies	106	87	83
	Number of newly contracted suppliers	Companies	78	67	86
Supply chain ESG Assessment	Suppliers undergoing desk assessment	Companies	0	13	24
	Desk assessment rate	%	0	18	4
	Suppliers subject to on-site audit	Companies	–	–	7
	Suppliers undergoing on-site audit	Companies	–	–	7
	On-site audit rate	%	–	–	100
	Share of purchases from suppliers assessed for supply chain ESG	%	0	44.1	40.5
	Number of suppliers assessed as high-risk	Companies	0	0	0
	Share of suppliers for which negative impacts were addressed	%	0	0	100
	Number of suppliers that agreed to implement corrective actions	Companies	0	0	7
	Share of suppliers that agreed to implement corrective actions	%	0	0	29
Follow-up actions	Number of suppliers terminated due to identified significant negative impacts	Companies	0	0	0
	Share of suppliers terminated due to identified significant negative impacts	%	0	0	0

ESG Data

Social

Health and safety

Category	Unit	Hanwha Advanced Materials			Subsidiaries	
		2023	2024	2025	2025	2025
Health and safety management system applicability	Number of employees	Persons	462	504	444	1,559
	Employee rate	%	72.4	73.5	71.8	95.5
Health and safety training ¹⁾	Training completion rate	%	92.9	92.6	92.4	95.5
Employee health check-ups	Employees who got check-up	Persons	546	628	559	680
	Rate of employees who got check-ups	%	85.6	91.5	90.5	41.6

1) Based on employees subject to regular training

Occupational illness

Category	Unit	Hanwha Advanced Materials			Subsidiaries	
		2023	2024	2025	2025	2025
Employees	No. of deaths caused by occupational disease	Case	0	0	0	0
	No. of occupational diseases	Case	0	0	0	0
Suppliers	No. of deaths caused by occupational disease	Case	0	0	0	0
	No. of occupational diseases	Case	0	0	0	0

Labor-management relations

Category	Unit	Hanwha Advanced Materials			Subsidiaries	
		2023	2024	2025	2025	2025
No. of members subject to labor union	Persons	247	258	211	342	
No. of members registered to labor union	Persons	247	258	211	342	
Employee labor union registration rate	%	100	100	100	100	
Labor-management council meetings held	Count	8	8	8	0	

Work-related injuries

Category	Unit	Hanwha Advanced Materials			Subsidiaries	
		2023	2024	2025	2025	2025
Occupational incidents	Employees Case	1	2	0	34	
Occupational incident rate	Employees %	0.16	0.29	0.00	2.08	
Lost time injuries (LTI)	Employees Case	1	3	0	11	
Lost time injury rate (LTIR) ¹⁾	Employees –	0.74	2.06	0	5.70	
Recordable injuries (RI)	Employees Case	2	3	2	34	
Total recordable injury rate (TRIR) ¹⁾	Employees –	1.48	2.06	1.21	17.61	
Work-related severe injury	Employees Case	0	0	0	0	
Work-related severe injury rate	Employees %	0.00	0.00	0.00	0.00	
Fatalities (FAT)	Employees Case	0	0	0	0	
Fatality rate	Employees %	0.00	0.00	0.00	0.00	
Total working hours	Employees Hour	1,355,153	1,455,517	1,647,668	1,930,849	

1) Per million man-hours

ESG Data

Governance

Board of Directors

Category		Unit	Hanwha Advanced Materials			Subsidiaries
			2023	2024	2025	2025
Composition	Total	Persons	5	5	5	8
	Executive directors	Persons	3	3	3	5
	Outside directors	Persons	0	0	0	0
	Non-executive directors	Persons	2	2	2	3
	Gender					
	Male	Persons	5	5	5	8
	Female	Persons	0	0	0	0
Meetings	Number of meetings	Time	5	7	8	2
	Number of agenda items					
	Resolved	Cases	23	31	27	2
	Reported	Cases	0	2	6	1

Remuneration

Category		Unit	Hanwha Advanced Materials			Subsidiaries
			2023	2024	2025	2025
CEO compensation		KRW million	859	539	487	268
Average annual pay per employee (excluding the highest-paid employee)		KRW million	83	85	86	59
Median annual pay per person		KRW million	88	83	82	55
Ratio of median employee pay to CEO		%	10	15	17	20

Information Security and Privacy

Category		Unit	Hanwha Advanced Materials			Subsidiaries
			2023	2024	2025	2025
Information security status	Employee information security training completion rate	%	100	100	100	96
	Share of sites with information security audits	%	100	100	100	63
	Number of information security risk assessments conducted	Cases	1	1	1	11
	Number of incidents	Cases	0	0	0	0
Information security incidents	Fines	KRW million	0	0	0	0
	Complaints from external parties	Cases	0	0	0	0
Privacy violations	Complaints from regulatory authorities	Cases	0	0	0	0
	Personal data leaks/theft/loss	Cases	0	0	0	0

Ethics and Fair Trade

Category		Unit	Hanwha Advanced Materials			Subsidiaries
			2023	2024	2025	2025
Ethics training	Ethics training completion rate	%	100	100	100	45
Anti-corruption risk	Number of sites assessed	Companies	0	0	2	1
	Total number of sites	Companies	2	2	2	8
Assessment	Ratio of sites assessed	%	0	0	100	13
Fair trade training	Number of employees completed	Persons	0	50	51	184
	Number of employees training	Times	0	2	2	1
	Number of supplier training	Times	0	0	0	0
	Training hours	Hours	0	50	157	184
Anti-corruption training	Number of executives who completed training	Persons	0	0	2	1
	Ratio of executives who completed training	%	0	0	67	13
	Number of employees who completed training	Persons	0	0	380	225
	Ratio of employees who completed training	%	0	0	61	14
Integrity pledge / Supplier code of conduct pledge	Number of employees who signed	Persons	0	317	386	438
	Number of suppliers/partners who signed	Companies	0	0	502	–
	Ratio of suppliers/partners who signed	%	0	0	99	–
Corruption incidents	Corruption incidents	Cases	0	0	1	0
	Disciplinary actions for corruption	Cases	0	0	0	0
	Dismissals for corruption	Cases	0	0	1	0
	Partner contract terminations due to corruption	Cases	0	0	0	0
	Legal actions related to corruption	Cases	0	0	0	0
	Total	Cases	0	0	0	0
Legal and regulatory violations	Monetary sanctions imposed	Cases	0	0	0	0
	Non-monetary sanctions imposed	Cases	0	0	0	0

GRI Standards Index

Hanwha Advanced Materials has reported its ESG performance for the period from January 1, 2025 to December 31, 2025 in accordance with the GRI (Global Reporting Initiative) Standards 2021. GRI 1 used: GRI 1: Foundation 2021. Applicable GRI Sector Standards: N/A

Category	Disclosure	Page	Remarks
GRI 2 General Disclosures			
The organization and its reporting practices	2-1 Organizational details	6-7	-
	2-2 Entities included in the organization's sustainability reporting	2	-
	2-3 Reporting period, frequency and contact point	2	-
	2-4 Restatements of information	46	-
	2-5 External assurance	89-90	-
Activities and workers	2-6 Activities, value chain and other business relationships	6-7	-
	2-7 Employees	71	-
	2-8 Workers who are not employees	71	-
Governance	2-9 Governance structure and composition	12, 63	-
	2-10 Nomination and selection of the highest governance body	12, 63	-
	2-11 Chair of the highest governance body	12, 63	-
	2-12 Role of the highest governance body in overseeing the management of impacts	12, 63	-
	2-13 Delegation of responsibility for managing impacts	12, 63	-
	2-14 Role of the highest governance body in sustainability reporting	12	-
	2-15 Conflicts of interest	-	No conflicts of interest
	2-16 Communication of critical concerns	16, 63	-
	2-17 Collective knowledge of the highest governance body	12	-
	2-18 Evaluation of the performance of the highest governance body	-	Not evaluated
	2-19 Remuneration policies	-	Confidentiality constraints
	2-20 Process to determine remuneration	-	Confidentiality constraints
	2-21 Annual total compensation ratio	-	Confidentiality constraints
	2-22 Statement on sustainable development strategy	5	-
	2-23 Policy commitments	18, 31, 39, 46, 51, 52, 55, 57, 58, 64, 68	-
Strategy, policies and practices	2-24 Embedding policy commitments	18, 31, 39, 46, 51, 52, 55, 57, 58, 64, 68	-
	2-25 Processes to remediate negative impacts	15, 23, 45, 54, 57, 59, 67	-
	2-26 Mechanisms for seeking advice and raising concerns	16, 54, 57, 59, 67	-
	2-27 Compliance with laws and regulations	19, 23, 25, 26, 28, 41, 51, 52, 64	-
	2-28 Membership associations	87	-

Category	Disclosure	Page	Remarks
GRI 2 General Disclosures			
Stakeholder engagement	2-31 Approach to stakeholder engagement	12	-
	2-30 Collective bargaining agreements	12, 51	-
GRI 3 Material Topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	13	-
	3-2 List of material topics	14-15	-
Climate Change Response			
GRI 3: Material Topics 2021	3-3 Management of material topics	20-22	-
	302-1 Energy consumption within the organization	75	-
	302-2 Energy consumption outside of the organization	75	Scope 3, incomplete information
	302-3 Energy intensity	75	-
	302-4 Reduction of energy consumption	22	-
	302-5 Reductions in energy requirements of products and services	22	-
	305-1 Direct (Scope 1) GHG emissions	75	-
	305-2 Energy indirect (Scope 2) GHG emissions	75	-
	305-3 Other indirect (Scope 3) GHG emissions	75	-
	305-4 GHG emissions intensity	75	-
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	21	-
	305-6 Emissions of ozone-depleting substances (ODS)	75	-
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	75	-
Health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	39-45	-
	403-1 Occupational health and safety management system	44-45	-
	403-2 Hazard identification, risk assessment, and incident investigation	44	-
	403-3 Occupational health services	40-43, 45	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	41-43	-
	403-5 Worker training on occupational health and safety	43, 45	-
	403-6 Promotion of worker health	41	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	41, 43	-
	403-8 Workers covered by an occupational health and safety management system	40	-
	403-9 Work-related injuries	81	-
GRI 403: Occupational Health and Safety 2018	403-10 Work-related ill health	81	-

GRI Standards Index

Category	Disclosure	Page	Remarks
Supply Chain Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	15, 55-57	-
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	56, 80	-
	308-2 Negative environmental impacts in the supply chain and actions taken	56	-
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	56, 80	-
	414-2 Significant negative social impacts in the supply chain and actions taken	56	-
Product Quality and Responsibility			
GRI 3: Material Topics 2021	3-3 Management of material topics	15, 37, 58-60	-
Product R&D			
GRI 3: Material Topics 2021	3-3 Management of material topics	9, 15, 35-36	-
Non-material topics			
GRI 101: Biodiversity 2024	101-1 Biodiversity policy and goals	31, 34	-
	101-2 Implementation and management system	31	-
	101-4 Key impact locations	32-34	-
	101-5 Key product/service impacts	32-34	-
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	-	-
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	66	-
	205-2 Communication and training about anti-corruption policies and procedures	64-67	-
	205-3 Confirmed incidents of corruption and actions taken	64-67	-
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	65	-
	207-1 Approach to tax	72	-
GRI 207: Tax 2019	207-2 Tax governance, control, and risk management	72	-
	207-4 Country-by-country reporting	72	-

Category	Disclosure	Page	Remarks
Non-material topics			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	77	-
	301-2 Recycled input materials used	77	-
	301-3 Reclaimed products and their packaging materials	77	-
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	23-24	-
	303-2 Management of water discharge-related impacts	23	-
	303-3 Water withdrawal	76	-
	303-4 Water discharge	23, 76	-
	303-5 Water consumption	76	-
GRI 306: Effluents and Waste 2016	306-1 Waste generation and significant waste-related impacts	26, 35	-
	306-2 Management of significant waste-related impacts	26	-
	306-3 Waste generated	26, 77	-
	306-4 Waste diverted from disposal	77	-
	306-5 Waste directed to disposal	77	-
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using additional environmental criteria	55, 80	-
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	79	-
	401-2 Benefits provided to full-time employees only	49	-
	401-3 Parental leave	79	-
	404-1 Average hours of training per employee	80	-
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	48, 73	-
	404-3 Percentage of employees receiving regular performance and career development reviews	48, 80	-
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees (by gender, age, minority group, and other indicators of diversity)	78	-
	405-2 Ratio of basic salary and remuneration of women to men (by employee category and significant location of operation)	80	-
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	-	No discrimination incidents
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	31-34, 61	-
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of products and services	44	-
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	-	No incidents
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	-	-
	417-2 Incidents of non-compliance concerning product and service information and labeling (outcomes)	-	-
	417-3 Results of customer satisfaction surveys	-	-
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	82	-

SASB Index

Hanwha Advanced Materials has prepared this index in accordance with the industry-specific disclosure standards of the Sustainability Accounting Standards Board (SASB), in order to provide information that meets the needs of global investors and stakeholders. SASB is a global standard that presents sustainability issues suited to the characteristics of each industry based on financial materiality. Taking into account the characteristics of the industry to which it belongs, Hanwha Advanced Materials transparently discloses the implementation status of relevant key metrics, thereby further advancing its sustainability management system.

Chemicals

Sustainability Disclosure Topics & Accounting Metrics				
Topic	Code	Accounting Metric	Type	Page
GHG Emissions	RT-CH-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	75
	RT-CH-110a.2	Scope 1 emissions and emissions reduction targets, and the long-term and short-term strategy or plan associated with the analysis of performance against targets	Qualitative	21
Air Quality	RT-CH-120a.1	Air emissions of the following pollutants:	Quantitative	76
		(1) NOx (excluding N ₂ O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)		
Energy Management	RT-CH-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	Quantitative	75
Water Management	RT-CH-140a.1	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with high or extremely high baseline water stress	Quantitative	76
	RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Quantitative	No applicable cases
	RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Qualitative	23
Hazardous Waste Management	RT-CH-150a.1	Amount of hazardous waste generated, percentage recycled	Quantitative	76
Community Relations	RT-CH-210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	Qualitative	61
Workforce Health & Safety	RT-CH-320a.1	(1) Total recordable incident rate (TRIR)	Quantitative	76
		(2) fatality rate for direct employees and contract employees		
	RT-CH-320a.2	Description of efforts to assess, monitor, and reduce exposure to long-term (chronic) health risks	Qualitative	44
Product Design for Use-phase Efficiency	RT-CH-410a.1	Revenue from products designed for use-phase resource efficiency	Quantitative	N/A
Safety & Environmental Stewardship of Chemicals	RT-CH-410b.1	(1) Percentage of products that contain Globally Harmonized System (GHS) Category 1 and 2 health and environmental hazardous substances	Quantitative	N/A
		(2) percentage of such products that have undergone a hazard assessment		
	RT-CH-410b.2	(1) Discussion of strategy to manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	Qualitative	28-30
Genetically Modified Organisms	RT-CH-410c.1	Percentage of products by revenue that contain genetically modified organisms (GMOs)	Quantitative	N/A
Management of the Legal & Regulatory Environment	RT-CH-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Qualitative	18-19
Operational Safety, Emergency Preparedness & Response	RT-CH-540a.1	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	Quantitative	No incidents
	RT-CH-540a.2	Number of transport incidents	Quantitative	

UN SDGs Initiatives

UN SDGs	Related Activities	Page
	Daily necessities support program for the livelihood of persons of national merit	61
	Brighter World fundraising campaign	61
	- Employee health management - Employee benefits programs	41, 49
	- Employee training programs - Employee competency development and career planning	48
	- Establishment of human rights policies and provision of human rights training - Activities to promote gender diversity	52–53
	- Wastewater quality assessment and water conservation activities - Water recycling and reuse activities	23
	- Use of renewable energy - Reduction of carbon emissions from transportation	21–22
	Investment in attracting talent	47–48

UN SDGs	Related Activities	Page
	- Development of lightweight composite materials and solar materials - Sustainable product R&D	8– 9, 35–36
	- Establishment of a fair recruitment process - Human rights management policies and activities	47–48, 52–54
	- Community contribution activities - Protection of indigenous peoples' rights	61
	- Life cycle assessment (LCA) implementation - Sustainable product R&D	35–37
	- Establishment of GHG reduction policies and implementation of climate change response activities - Environmental impact management activities and target setting (water resources, waste, pollutants, biodiversity)	20–30
	Biodiversity impact assessment and conservation activities	31–34
	Ethical management activities and operation of a whistleblowing channel	64–67
	- Establishment of a sustainable supply chain management system - Establishment of an ethical management system and fair trade management	55–57, 64, 66

Membership in Associations

Association name	Purpose of membership
Korea Industrial Safety Association	· Information exchange in the field of industrial safety, etc.
Korea Fire Safety Institute	· Registration and training of fire safety managers and hazardous materials safety managers, etc.
Chungbuk Association of Environmental Technicians	· Information exchange among environmental technicians, etc.
Sejong Occupational Safety and Health Council	· Sharing of occupational safety and health information among companies in Sejong, etc.
Daejeon-Sejong PSM Council	· Sharing of PSM-related information, etc.
Daejeon, Sejong, and Chungnam Association of Environmental Technicians	· Sharing of information among environmental technicians
Sejong City Association of Environmental Technicians	· Environmental information and training support
Bugang-myeon Nature Conservation Council	· Community-linked nature conservation activities
Seoul Chamber of Commerce and Industry	· Member company exchange and international business support

Association name	Purpose of membership
AKI membership fee	· Adient Korea Suppliers Council
The Korean Society for Composite Materials	· Networking with composite material experts and monitoring of technology trends
Korea Carbon Nanotechnology Association	· Networking with automotive carbon composite experts and monitoring of technology trends
Sejong Chamber of Commerce and Industry	· Exchange of key information in Sejong City and regional development (Based on Articles 10(3) and 14(2) of the Chamber of Commerce and Industry Act, etc.)
Hyundai-Kia Suppliers Association	· Hyundai-Kia business environment and supplier exchange
GM Korea Suppliers Association	· GM Korea business environment and supplier exchange
NIC (Non-Metallic Innovation Center)	· Monitoring of Oil & Gas market trends
The Korea Electric Engineers Association	· Electrical safety manager membership fee
Korea Mechanical Construction Contractors Association	· Mechanical facility maintenance manager career management fee

GHG Verification Statement

GC-26-E391-01-00

Verification Opinion Statement

GHG Report Verification

Hanwha Advanced Materials

Verification Target

Korean Foundation for Quality (hereinafter 'KFQ') has conducted a verification of GHG Report of Hanwha Advanced Materials¹⁾ (hereinafter 'Company') for 2025.

1) Organization address (based on headquarters): 25F, 86 Cheonggyecheon-ro, Jung-gu, Seoul, Korea

Verification Purpose

The purpose is to ensure the reliability of the company's GHG Report in relation to the operation of the Target Management System

Verification Scope

KFQ's verification covered all facilities and emission sources under the operational control and organizational boundary of Company during 2025.

Verification Criteria

The verification process was based on [Rule for emission reporting and certification of GHG emission trading Scheme²⁾, [Rules for verification of operating the GHG emission trading scheme³⁾] and [ISO14064-3] for every applicable part.

2) Notification No. 2025-64 of Ministry of Environment 3) Notification No. 2025-165 of Ministry of Environment

Level of Assurance

The Verification has been planned and conducted as the 'Rules for verification of operating the GHG emission trading scheme', and the level of assurance for verification shall be satisfied as reasonable level of assurance. And it was confirmed through an internal review whether the entire process of verification was conducted effectively.

Verification Limitation

The verification shall contain the potential inherent limitation in the process of application of the verification criteria and methodology.

Verification Opinions

KFQ present the following conclusions regarding the GHG emissions data included in the GHG Report.

- 1) GHG emissions have been appropriately calculated according to the 'Rule for emission reporting and certification of GHG emission trading Scheme' and 'ISO14064-1' methodologies.
- 2) The materiality assessment result of GHG emissions has satisfied the criteria for an organization that emits less than 500,000 tCO₂-eq by meeting less than 5% of the total emissions.
- 3) Thus, KFQ concludes that GHG Emissions of Company in 2025 is correctly calculated and reported in accordance with 'Rule for emission reporting and certification of GHG emission trading Scheme'.

Unit: tCO₂-eq

Site Name	Scope 1	Scope 2	Total
SEJONG	10,198.444	15,309.963	25,508
EUMSEONG	55.954	8,198.856	8,254

* The totals in this verification statement do not match the totals in emission trading scheme because the total emissions of each facility are calculated by truncating to integer units

March 24, 2026

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QA1500-05-GV11

GI-26-E391-01-01

Verification Opinion Statement

GHG Emissions Verification

Hanwha Advanced Materials Corporation

Verification Target

Korean Foundation for Quality (hereinafter 'KFQ') has conducted a verification of Scope 1, 2 Greenhouse Gas Emissions (hereinafter 'GHG emissions') of Hanwha Advanced Materials Corporation¹⁾ (hereinafter 'Company') for 2025. KFQ is responsible for providing an assurance statement on the GHG emissions based on the verification scope and criteria described below, while the responsibility for the claims made regarding the GHG emissions rests with the company.

1) Address (based on headquarters): 86, Cheonggyecheon-ro, Jung-gu, Seoul, Korea

Verification Purpose

The purpose is to provide an independent verification opinion on the company's voluntary GHG emissions inventories.

Verification Scope

The scope of verification covers all facilities and emission sources at eight overseas sites²⁾ under the operational control and organizational boundary of company during 2025.

2) AZDEL, HAGA, HAUS(MO), HAUS(OP), HAUS(TX), HAMV, HAEU, HABI

Verification Criteria

The verification was carried out at the request of the company using:

- ISO 14064-1:2018, ISO14064-3:2019
- 2006 IPCC Guidelines for National Greenhouse Gas Inventories
- Rule for emission reporting and certification of greenhouse gas emission trading Scheme (Notification No. 2025-64 of Ministry of Environment)

Verification Approach

The verification has been conducted in accordance with the verification principles and standards of the 'ISO14064-3:2019' under the limited verification level. The verification shall contain the potential inherent limitation in the process of application of the verification criteria and methodology.

Conclusion

Based on the criteria and guidelines stated above, KFQ's verification opinion is as follows.

- 1) GHG emissions Company were properly calculated according to the verification standards.
- 2) The data and information used in calculating the GHG emissions were appropriate, reasonable, and no significant errors or omissions could affect verification statement were not found. The materiality assessment result of GHG emissions has met the agreed-upon criterion of less than 5%.
- 3) Accordingly, KFQ provides a verification opinion that is "Unmodified".

Unit: tCO₂-eq

Scope 1	Scope 2	Total
24,340.204	23,029.288	47,369

* Because total emissions from each site are truncated, the company's total emissions may differ from the actual values by ±1 tCO₂-eq.

Appendix. 2025 Emissions Calculation Results

2026-05-20

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QA1500-05-GV11

GI-26-E391-02-00

Verification Opinion Statement

GHG Emissions Verification

Hanwha Advanced Materials Corporation

Verification Target

Korean Foundation for Quality (hereinafter 'KFQ') has conducted a verification of Scope 3 Greenhouse Gas Emissions (hereinafter 'GHG emissions') of Hanwha Advanced Materials Corporation¹⁾ (hereinafter 'Company') for 2025. KFQ is responsible for providing an assurance statement on the GHG emissions based on the verification scope and criteria described below, while the responsibility for the claims made regarding the GHG emissions rests with the company.

1) Address (based on headquarters): 86, Cheonggyecheon-ro, Jung-gu, Seoul, Korea

Verification Purpose

The purpose is to provide an independent verification opinion on the company's Scope3 emissions.

Verification Scope

The verification covered nine emission categories²⁾ selected by the company during 2025.

2) Category 1, 2, 3, 4, 5, 6, 7, 9, 12

Verification Criteria

The following criteria and coefficients used by the company were applied.

- Criteria
 - WBCSD/WRI, Corporate Value Chain (Scope 3) Accounting and Reporting Standard
 - WBCSD/WRI, Technical Guidance for Calculating Scope3 Emissions
 - ISO14064-1:2018
 - GHG Protocol Corporate Standard
 - Rule for emission reporting and certification of greenhouse gas emission trading Scheme
 - ISO 14064-3:2019

Level of Assurance

The verification has been conducted in accordance with the verification principles and standards of the 'ISO14064-3:2019' under the limited verification level.

Verification Limitation

GHG emissions verification involves inherent limitations that may arise depending on the organization's data characteristics, calculations and estimates, sampling method, and limited assurance level. Additionally, this verification does not include responsibility for the accuracy of the original data provided by the company.

Conclusion

Based on the criteria and guidelines stated above, KFQ's verification opinion is as follows.

- 1) GHG emissions of the company for 2024 were properly calculated based on the materials provided, and no material errors or omissions that could affect the verification opinion were identified.
- 2) The criteria and process established by the company for calculating GHG emissions were transparently documented in the internal calculation process to prevent potential misunderstandings.
- 3) Accordingly, KFQ provides a verification opinion that is "Unmodified".

Appendix. 2025 Scope 3 Emissions Calculation Results

2026-05-20

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QA1500-05-GV11

Independent Assurance Statement

To readers of Hanwha Advanced Materials Sustainability Report 2026

Introduction

Korea Management Registrar (KMR) was engaged to conduct an independent assurance of Hanwha Advanced Materials Sustainability Report 2026 for the year ending December 31, 2025. The preparation, information and internal control of the report are the sole responsibility of Hanwha Advanced Materials's the management. KMR's responsibility is to comply with the agreed engagement and express an opinion to Hanwha Advanced Materials's management.

Subject Matter

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

- Hanwha Advanced Materials Sustainability Report 2026

Reference Standard

- GRI Standards 2021

Assurance criteria

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

- ISO 17029 : 2019, ISO 14065 : 2020, AA1000AS v3 : 2020 (AccountAbility), AA1000AP : 2018 (AccountAbility), SRV 1000 : 2022 (KMR), KMR EDV 01 : 2024 (KMR)
- Levels of assurance/materiality: AA1000AS v3 — Type 2/moderate, limited/ not set

Scope of assurance

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

- ISO 17029 : 2019, ISO 14065 : 2020, AA1000AS v3 : 2020 (AccountAbility), AA1000AP : 2018 (AccountAbility), SRV 1000 : 2022 (KMR), KMR EDV 01 : 2024 (KMR)
- GRI Standards 2021 reporting principles
- Universal Standards
 - GRI 2 General Disclosures 2021
 - GRI 3 Material Topics 2021

- Topic Specific Standards

- GRI 101: Biodiversity(101–1, 101–2, 101–4, 101–5),
- GRI 201: Economic Performance(201–1, 201–2), GRI 205: Anti-corruption, GRI 206: Anti-competitive Behavior, GRI 207: Tax(207–1, 207–2, 207–4),
- GRI 301: Materials, GRI 302: Energy, GRI 303: Water and Effluents, GRI 305: Emissions, GRI 306: Waste, GRI 308: Supplier Environmental Assessment,
- GRI 401: Employment, GRI 403: Occupational Health and Safety, GRI 404: Training and Education, GRI 405: Diversity and Equal Opportunity, GRI 406: Non-discrimination, GRI 413: Local Communities(413–1), GRI 414: Supplier Social Assessment, GRI 416: Customer Health and Safety, GRI 418: Customer Privacy

As for the reporting boundary, the engagement excludes the data and information of Hanwha Advanced Materials's partners, suppliers and any third parties.

KMR's Approach

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

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

Independent Assurance Statement

Limitations and Recommendations

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

Conclusion and Opinion

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

Inclusivity

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

Materiality

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

Responsiveness

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

Impact

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

Reliability of Specific Sustainability Performance Information

In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of sustainability performance data, including economic, environmental, and social performance data. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

KMR's Competence, Independence, and Quality Control

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

Limitations of Use

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

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Homepage www.ikmr.co.kr

June 18, 2026
CEO E. J Hwang



Hanwha Advanced Materials