



2023-24 Hyundai Elevator ESG Report

MOBILITY TO POSSIBILITY

About This Report

Through this report, Hyundai Elevator aims to inform both internal and external stakeholders of our sustainability management activities and share our ESG initiatives and goals.

Overview

Hyundai Elevator Co. Ltd. (hereinafter referred to as Hyundai Elevator) published the 2023-24 ESG Report in June 2024. This report aims to inform both internal and external stakeholders of Hyundai Elevator's sustainability management activities in the areas of environmental, social, and corporate governance, and to share our sustainability goals. Hyundai Elevator plans to continue engaging with stakeholders by publishing the ESG report annually.

Report Principle

This report was prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021. Detailed information on the application of these standards can be found in the GRI Index section in the Appendices. Additionally, this report partially incorporates the industry standards required by the Sustainability Accounting Standards Board (SASB). We have also adhered to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the UN Global Compact (UNGC) Communication on Progress (COP) principles.

Reporting Period and Scope

This report covers our economic, social and environmental performance and activities from January 1, 2023, to December 31, 2023, with some information included up to the first half of 2024 for certain achievements. To facilitate year-to-year analysis, the report includes quantitative performance data from the most recent three years.

The scope of the financial performance report includes consolidated subsidiaries, while the non-financial performance report primarily covers Hyundai Elevator's domestic operations, such as the Cheongju headquarters, Seoul office and logistics centers. Additionally, some data incorporates the activities and achievements of our overseas subsidiaries, as indicated by footnotes.

Report Assurance

To ensure confidence in the report's preparation process and the information presented, it has been third-party assured by BSI, an independent assurance organization. The assurance procedure was also conducted in accordance with the international assurance standard AA1000AS. The independent assurance statement can be found on page 118.

Additional Information

This report is published and distributed in both Korean and English and can be downloaded as a PDF file from Hyundai Elevator's website. If you have any comments about this report, please contact us using the contact information below.

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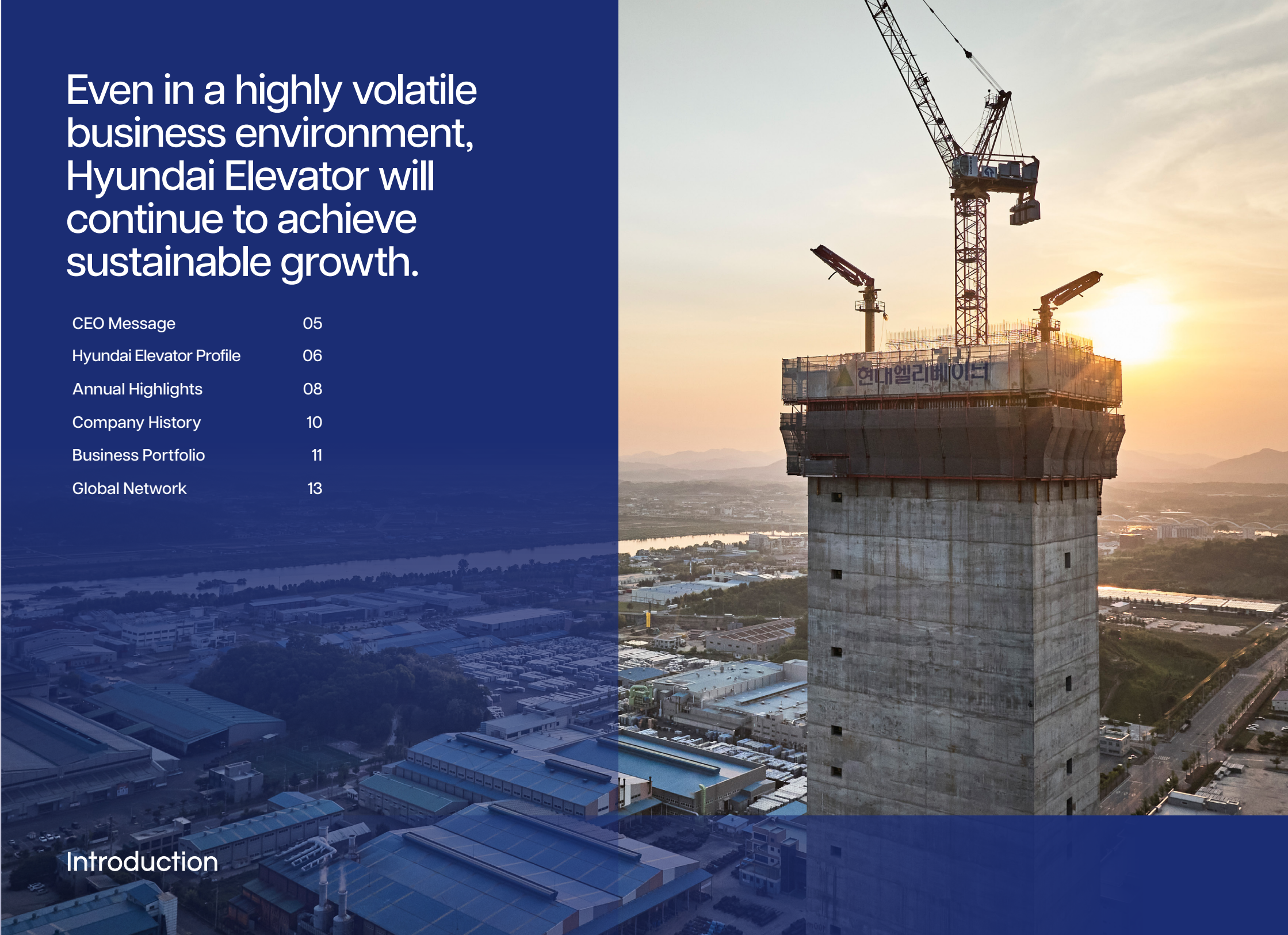
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Even in a highly volatile business environment, Hyundai Elevator will continue to achieve sustainable growth.

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CEO Message

Hyundai Elevator will fulfill our promises to our customers, employees, the environment, and society to create a better future.

Dear Hyundai Elevator Stakeholders,

We deeply appreciate your unwavering support as Hyundai Elevator continues its journey toward a sustainable future.

Through this ESG report, Hyundai Elevator aims to review our environmental, social, and governance activities and achievements over the past year, and to communicate our future direction of sustainable management with valued stakeholders.

Despite the ongoing domestic real estate recession and a slowdown in the global economic recovery, Hyundai Elevator achieved significant financial milestones in 2023, with sales reaching KRW 2.6021 trillion and an operating profit of KRW 82.6 billion. This success was driven by the stabilization of our newly relocated Chungju Smart Campus and the enhancement of customer experiences through our AI maintenance service, MIRI.

Hyundai Elevator dedicated 2023 to preparing a comprehensive foundation for ESG management. We launched internal ESG campaigns to raise employee awareness about the company's environmental and social impact, focusing on energy saving and resource recycling. Additionally, we established a choir for people with disabilities to promote their employment, joined the UN Women's Empowerment Principles (WEPs), and provided leadership training programs for talented women.

Through the effects of solar power facilities installed at the Chungju Smart Campus and company-wide energy-saving campaigns, we reduced our greenhouse gas emissions in 2023 to about half the level of the previous year. Within just over a year of fully implementing ESG management, the efforts of the company and its employees have led to significant results. In the future, we will strive to practice ESG

management by expanding the installation of renewable energy facilities.

With new ESG regulations and disclosure standards coming, Hyundai Elevator has declared the slogan "Elevate Together, Elevate To Better" and established a new ESG management strategy to reinforce the corporate responsibility across its business. We have identified key focus areas and detailed tasks for each division, linking them to the KPIs of executives in each division. This approach aims to generate results through the implementation of practical ESG management.

In 2024, the volatility in the business environment surrounding the company is expected to increase. Hyundai Elevator will incorporate ESG elements into its management strategy and thoroughly monitor and manage the impact of its business on society even in a volatile business environment. Through these efforts, we will fulfill our commitments to our customers, employees, the environment, and society, working towards creating a better future.

Thank you.



June 2024
CEO Cho Jae Cheon

조재천

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Hyundai Elevator Profile

Hyundai Elevator aims to become a 'Green Mobility Company for a Sustainable World' by practicing sustainable management and diversifying our approaches to foster mutual growth with local communities.

Company Information

Hyundai Elevator, founded on May 23, 1984, marks its 40th anniversary this year. Since the establishment, we have achieved continuous growth, achieving notable milestones in 2023 such as sales of KRW 2.6021 trillion, maintenance of 191,628 elevator units, and an annual elevator production capacity of 28,275 units. These achievements have solidified Hyundai Elevator's status as a prominent global company.

In 2022, Hyundai Elevator relocated its headquarters to the Chungju Smart Campus and established a new Vision 2030. To realize this vision, in 2023, Hyundai Elevator expanded its global influence by securing a contract for 314 elevator units at Dunchon Jugong (Olympic Park Foreon), the largest single order in public housing sector of Korea, participating in 'One Team Korea' coalition of the Ministry of Land, Infrastructure and Transport for smart city sector of Indonesia, and signing an MOU with Polish construction company ERBUD for comprehensive cooperation on Ukraine's reconstruction project.

In addition to this external expansion, Hyundai Elevator is focusing on internal growth through sustainable management practices. We are diversifying our approaches to achieve mutual development with local communities through various initiatives: launching an ESG Committee and publishing ESG reports; winning the Grand Prize in the governance category at the '2023 Korea Sustainable Management Awards' organized by the Korean Academic Society of Business Administration; being selected as a 'Great Place to Work' by the Labor-Management-Civilian-Government Council of Chungju City; joining the UN Women's Empowerment Principles (WEPs); and signing an 'ESG Management Practice Agreement for Expanding Employment of People with Disabilities' with the Korea Employment Agency for Persons with Disabilities.

Company Overview

Company Name	Hyundai Elevator
CEO	Cho Jae Cheon
Established	May 23, 1984
Headquarters Address	128 Chungjusandan 1-ro, Chungju-si, Chungcheongbuk-do, South Korea
Number of Employees	2,807 (as of the end of 2023)
Credit Rating	A/Stable (NICE Credit Rating, April 2023) A+/Stable (Korea Ratings, April 2023)
ESG Rating	Overall B+ (Korea Institute of Corporate Governance and Sustainability)

2023 Financial Performance*

Total Assets	Sales	Operating Profit
KRW 3.5354 trillion	KRW 2.6021 trillion	KRW 82.6 billion

* Based on consolidated financial statements as of the end of 2023.

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Management Philosophy - Vision 2030

With safety and ethical consciousness as its core values, Hyundai Elevator has grown into a mobility company leading transportation efficiency services for customers worldwide. In July 2022, we moved our headquarters to the Chungju Smart Campus, established 'Vision 2030,' and declared a challenge for new possibilities with the slogan 'Mobility To Possibility.' The Vision 2030 framework outlines five strategic tasks derived from the values Hyundai Elevator pursues, along with the strategic and vision goals we aim to achieve through these tasks.

The fundamental values that Hyundai Elevator pursues are 'Safety and Ethics', and based on these safety and ethical consciousness, it present its three core values, 'Triple C': 'Cooperation', 'Challenge', and 'Change'. Hyundai Elevator aims to achieve external expansion with a sales target of KRW 5 trillion through five strategic tasks for enhancing 'customer value' through Digital Transformation (DT), leading the market with 'innovative products', aggressively expanding 'overseas business', broadening the 'service business' portfolio, and venturing into new 'Indoor Mobility' business. Hyundai Elevator has also set a vision goal to become one of the 'Global Top 5' elevator companies by increasing its overseas business share to 50%. By 2030, we plan to achieve the 'Triple 5' vision: ranking 5th globally, reaching KRW 5 trillion in sales, and securing 50% of our business internationally. To emerge as a mobility company leading efficient transportation services for customers worldwide, all employees will continue their efforts as 'One Team'.



Management Philosophy - Vision 2030

VISION 2030

HYUNDAI ELEVATOR

Vision 2030	Vision Slogan	Mobility To Possibility						
	Brand Slogan	'Best Moment, Enjoy your Movement'						
Vision Goal/ Strategic Challenges	Vision Goal	Global Top 5						
	Strategic Goal	External Extension*	→	Sales of KRW 5 trillion	→	Global Influence**	→	Global sales up to 50%
	5 Strategic Tasks	Customer Value Improve customer value through digital transformation	Innovative Products Lead the market with innovative products	Global Business Accelerate extension of global businesses	Maintenance Service Expand the portfolio of service businesses	New Business Growth Launch new businesses of indoor mobility.		
Core Values	3 Core Values	Triple C, 2030						
		Cooperation	Challenge	Change				
	Fundamental Values	Safety & Ethics						

* Increase sales and improve profit margins through external expansion (Sales of KRW 5 trillion / Operating profit of KRW 500 billion)
 ** Business revenue ratio (domestic: overseas = 50%: 50%)

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Annual Highlights

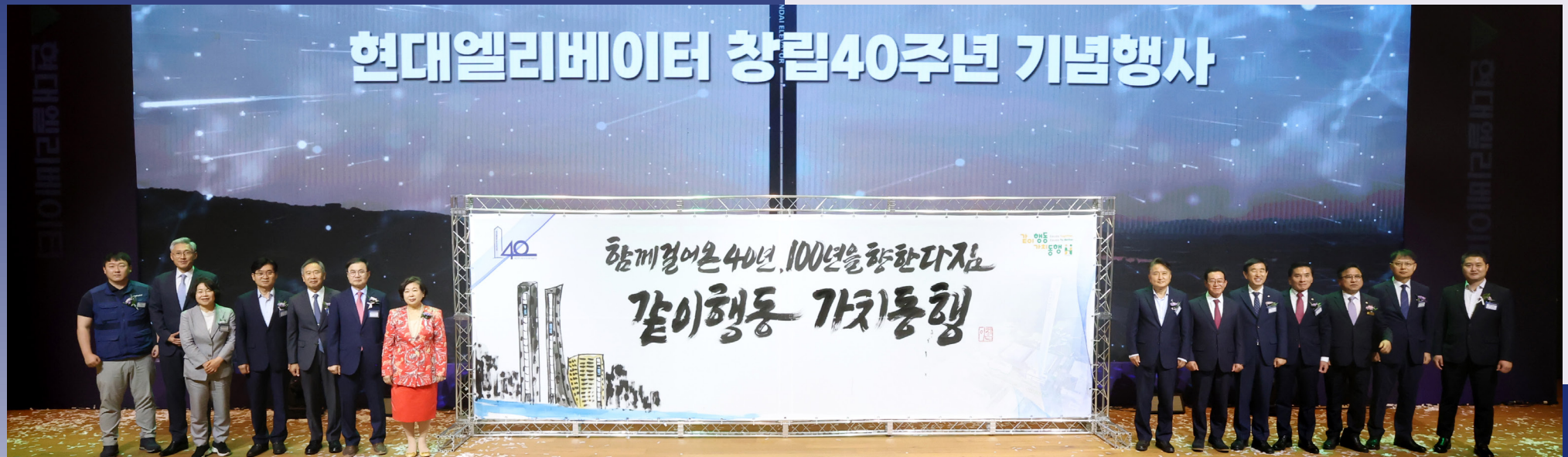
Hyundai Elevator: 40 Years of Challenges and Innovation, Setting the Standard for the Next 60 Years

Hyundai Elevator has achieved significant growth since the appointment of the late Chairman Chung Mong-hun in 1989, five years after the company's founding. Notable milestones include surpassing production of 10,000 elevator units and establishing a joint venture in China. We pioneered South Korea's first machine room-less elevator (MRL) and commercialized technologies such as elevator car-brake systems, double-deck elevators, and jump elevators. Hyundai Elevator also possesses the world's fastest elevator technology, including ultra-high speed elevator with a speed of 1260 m/min and double-deck elevator with a speed of 1080 m/min. Today, we lead the global market by commercializing integrated elevator-robot services, launching the MIRI maintenance service, and introducing 'H-PORT', a vertiport for urban air mobility (UAM).



Founded on May 23, 1984, Hyundai Elevator celebrated its 40th anniversary this year with a commemorative event at its Chungju headquarters. The celebration was attended by over 600 people, including Hyundai Group Chairperson Hyun Jeong Eun, CEO Cho Jae Cheon, employees, and guests. The event featured Hyundai Elevator's ESG Management Slogan Declaration Ceremony, a performance by The Choir of People with Disabilities, a Plogging Campaign for Donation which combines environmental cleanup with donation activities, and BBQ Party activities to bond the organization together.

In her commemorative speech, Hyundai Group Chairperson Hyun Jeong Eun stated, "Hyundai Elevator has grown into a vital pillar of Korea's industry through continuous challenges and innovations, starting from the seeds sown by Honorary Chairman Chung Ju-yung 40 years ago." She emphasized, "Let's achieve the feat of becoming a 100-year company by adding the miracle of technological innovation. Hyundai Elevator CEO Cho Jae Cheon added, "If the past 40 years were about breathlessly catching up with global companies, our journey ahead will be about becoming the standards. Let's advance together towards the future of Hyundai Elevator—a company trusted by customers, growing with local communities, and continuously pushing the boundaries of challenge and innovation."



Hyundai Elevator 40th Anniversary Commemorative Ceremony

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Hyundai Elevator, Growing Together with ESG 'Elevate Together, Elevate To Better'

In celebration of its 40th anniversary, Hyundai Elevator introduced its ESG management slogan, 'Elevate Together, Elevate To Better.' This slogan highlights the importance of growing 'together' with all members of the industrial ecosystem, including shareholders, customers, partners, and local communities. To put this slogan into practice, Hyundai Elevator organized a 'Plogging Campaign for Donation' in Chungju City. During the campaign, participants removed invasive species such as bur-cucumber to preserve biodiversity. This initiative showcases Hyundai Elevator's dedication to establishing ESG management in collaboration with the local community.



Activities for Biodiversity Conservation at Binae Island



Additionally, Hyundai Elevator ran a campaign where funds were donated based on the number of steps taken by employees, reaching a goal of KRW 100 million. The money raised from the 'Plogging Campaign for Donation' will support vulnerable groups in the local community, including the Korea Childhood Leukemia Foundation and scholarships for outstanding students. The choir that performed at the 40th-anniversary celebration was established in accordance with the 'Agreement for ESG Management Practices through the Expanded Employment of People with Disabilities' signed with the Korea Employment Agency for Persons with Disabilities. This initiative exemplifies Hyundai Elevator's commitment to ESG management practices.



Performance by The Choir of People with Disabilities at Hyundai Elevator's 40th Anniversary Event

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Hyundai Elevator's 40-Year Journey

Establishment 1984-1989

Inaugural plaque unveiling ceremony for Hyundai Elevator Co., Ltd. (May 1984)

Established Hyundai Elevator Co., Ltd. in collaboration with Westinghouse Electric Company, USA on May 23, 1984

Completed construction of the Icheon elevator factory (May 1985)

Completed a three-story factory with a total floor area of 13,223m² on May 24, 1985

Momentum 1990s

Established a local production subsidiary in Shanghai, China (August 1993)

Commenced direct production of escalators in China in August 1993
Established joint venture 'Shanghai Hyundai Elevator Co., Ltd.

Ceremony for Hyundai Elevator's listing on the Korea Exchange (July 1996)

Listed on the Korea Stock Exchange on July 3, 1996

Growth 2000s

Installed a Customer Care Center in Icheon headquarters (March 2006)

Launched the industry's first customer center equipped with a Geographic Information System (GIS) on March 2, 2006

Completion ceremony for Hyundai Asan Tower at Icheon headquarters (April 2009)

Completed Hyundai Asan Tower, an ultra-high-speed elevator test tower, on April 15, 2009

Dedication inscribed on the cornerstone of the Chung Mong-hun R&D center (April 2009)

The late Chairman Chung Mong-hun emphasized "Technology is the core. Let's make Tech-driven Hyundai a world-class top-tier company."

Exterior view of Hyundai Asan Tower (April 2009)



Constructed the world's tallest elevator test tower at the time, with a total floor area of 4,351m² and a height of 205m.

Go Global! 2010s

Opening ceremony of Hyundai Customer Care Center (CCC) (March 2013)

Reopening ceremony held on March 15, 2013, following renovation with state-of-the-art facilities and equipment

Installation of Korea's first ultra-high-speed elevator with a speed of 600m/min at the Busan International Finance Center (BIFC) (June 2014)

Supplied a total of 32 elevators to the BIFC, including 2 elevators with a speed of 600m/min, 3 elevators with a speed of 540m/min, and 8 elevators with a speed of 480m/min

Installation of Korea's first double-deck elevators at LG U+ Yongsan Office Building (February 2015)

Installed two double-deck elevators at LG U+ Yongsan Office Building

Opening ceremony of Korea's first elevator specialized Elevator Technology Education Complex (August 2015)

Completed construction of a five-story technical training center with a total floor area of 975.5 square meters

Investment agreement signing ceremony with Chungcheongbuk-do Province and Chungju City (July 2019)

On July 3, 2019, initiated the relocation of the headquarters to the 5th Industrial Complex in Chungju and signing an investment agreement worth of KRW 250 billion to be fulfilled by 2028

Developed the world's first carbon fiber belt-type ultra-high-speed elevator, reaching a speed of 1,260m/min (May 2020)

Implemented carbon fiber belts in elevators with a speed of 1,260m/min, reducing the weight to one-sixth compared to metal ropes, extending maximum travel height to over 1,000 m, and decreasing power consumption by 30%

Ground-breaking ceremony for the new factory in Chungju (July 2020)

Ground-breaking ceremony for new factory in Chungju 5th Industrial Complex held on July 8, 2020

Exceeded 40,000 units utilizing remote maintenance service HRTS (September 2020)

Exceeded 40,000 elevator units utilizing the remote maintenance service HRTS

Completion of Shanghai Smart Campus (March 2021)

Completed the smart campus (105,517m² site area) in Jinshan Industrial Park, Shanghai, China, featuring a smart factory with an annual production capacity of 25,000 units, a test tower for ultra-high-speed and observation elevators, R&D center, customer care center, office building, and welfare facility (site area of 105,517m²)

First ISO 37301 certification for compliance management system in the machinery manufacturing industry (September 2021)

Operated a compliance support system and fair-trade voluntary compliance programs since 2012

Opening of the Chungju Smart Campus era (February 2022)



Declared the future vision 'MOBILITY TO POSSIBILITY' with the goal of entering the global Top 5 by 2030, and launched initiatives such as 'Open API', 'H-Port', and 'Modular Elevator'

Launch of MIRI(Maintenance Innovation & Real-time Information) service (June 2023)

Launched the AI maintenance service MIRI, applied to over 80,000 units nationwide

1984-

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Business Portfolio

Hyundai Elevator is preparing to leap forward as a global company, in line with evolving urban architectural trends, by providing the best mobility solutions with safe, convenient, and swift transportation experiences in the elevator industry, including elevators, escalators, and moving walks.

Major Performance

* Based on the consolidated financial statements for 2023

<p>Domestic New Elevator Installations for 17 Consecutive Years</p> <p>No.1</p>	<p>Corporate Credit rating by Korea Ratings</p> <p>A+</p>	<p>Elevator maintenance in Korea for 9 Consecutive Years</p> <p>No.1</p>	<p>Domestic market share * Based on installation completion inspections (new installation & replacement)</p> <p>38.9%</p>
<p>Revenue (Unit: KRW 100 Mil)</p> <p>26,021</p>	<p>Operating Profit (Unit: KRW 100 Mil)</p> <p>826</p>	<p>Number of elevators under maintenance (Unit: units) * Including units serviced by Hyundai Elevator Service</p> <p>191,628</p>	<p>Annual elevator production capacity (Unit: units)</p> <p>28,275</p>

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Business Products

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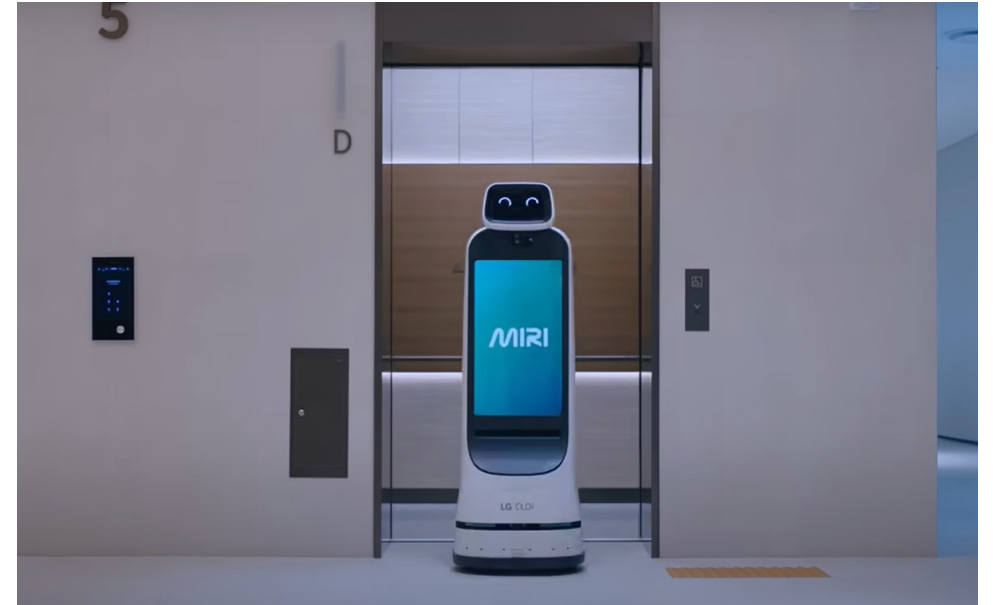
Hyundai Elevator has maintained its market leadership in new elevator installations in Korea for 17 consecutive years since 2007. Leveraging our advanced technology and expertise, we provide products that ensure not only comfortable ride quality and safety but also feature sophisticated designs and various amenities. Furthermore, we enhance building value by developing elevators, escalators, moving walks, and parking systems that maximize architectural space efficiency while minimizing maintenance costs, delivering optimal, customized solutions tailored to each customer.



Main Services

Elevator Maintenance | Renovation

Since 2015, Hyundai Elevator has held the top position in elevator maintenance across South Korea for nine consecutive years. Hyundai Elevator's maintenance services are enhanced by advanced GIS technology, a dedicated 24/7 customer service center, and a team of approximately 4,000 maintenance experts. We boast the largest service network in the country and offer the MIRI (Maintenance Innovation & Real-Time Information) service, which leverages AI, IoT, and big data analysis to proactively detect anomalies and prevent malfunctions. Based on these technologies, we provide accurate responses and real-time information to our customers. Additionally, with our MIRI API and integrated robotic services, we offer elevator call services and CCTV-based safety management, ensuring a secure and convenient mobility experience for our customers. Hyundai Elevator is dedicated to continuous innovation and service development to remain at the forefront of the future service market.



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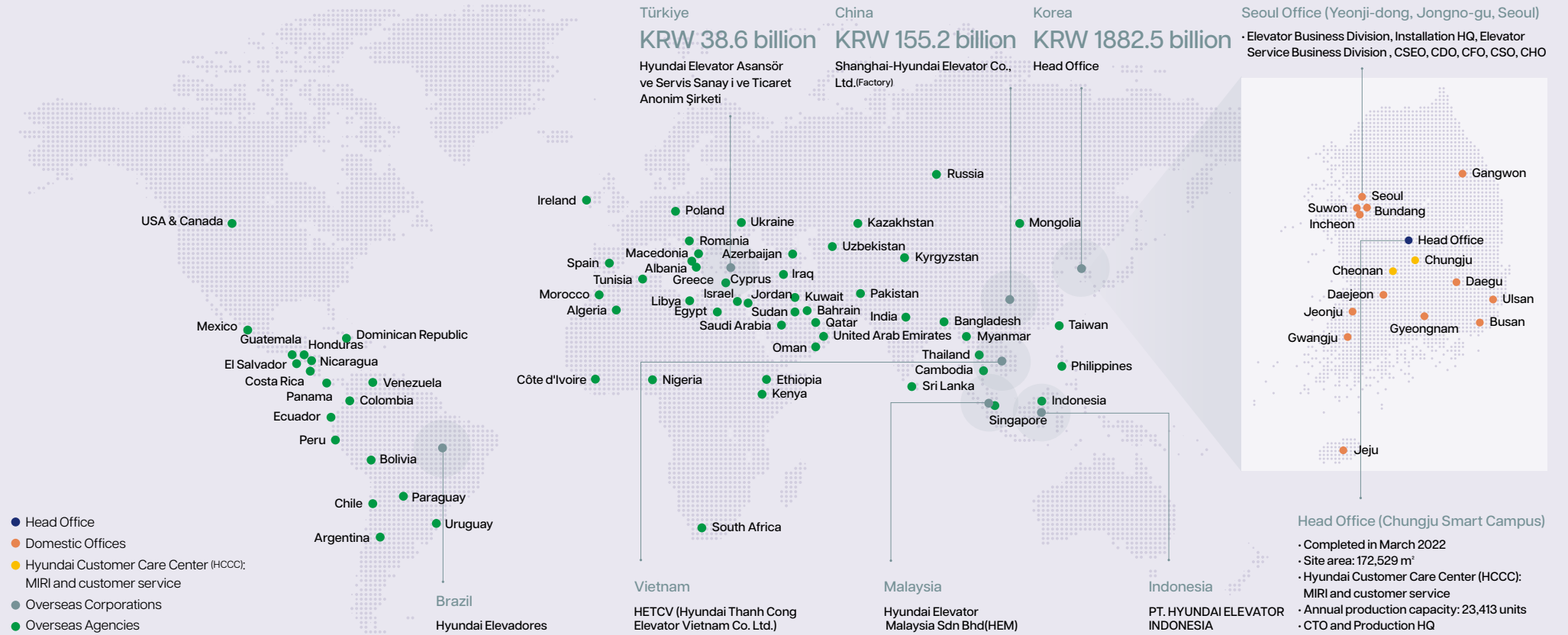
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Global Network

In March 2021, Hyundai Elevator finalized the construction of a smart factory in Shanghai, China, spanning 105,517 square meters. This facility features a 175-meter test tower and production lines for elevators and escalators. With six overseas subsidiaries serving as strategic bases, Hyundai Elevator is intensifying its global expansion efforts. The company aims to achieve a 50% share of its business from international markets by 2030, focusing intensively on overseas market penetration.



Domestic Sites

HQ/Factory (Chungju)	FO1 (sheet metal working zone), FO2 (assembly zone), FO3 (TM zone), Service Parts Center, Test Tower (under construction), Hyundai Customer Care Center (HCCC)
Domestic Offices	Seoul Office, Gyeonggi Branch, Incheon Branch, Jeonju Branch, Jeju Branch, Ulsan Branch, Gangwon Branch, Gyeongnam Branch, Gwangju Branch, Daegu Branch, Daejeon Branch, Busan Branch
Logistics Centers	Chungju Logistics Center, Cheonan Logistics Center

Overseas Sites

Overseas Corporations (6)	China, Vietnam, Türkiye, Malaysia, Indonesia, Brazil
Overseas Agencies (61)	<ul style="list-style-type: none"> • Asia (11) : India, Mongolia, Myanmar, Bangladesh, Sri Lanka, Singapore, Taiwan, Cambodia, Thailand, Pakistan, Philippines • Middle East (9) : Bahrain, Saudi Arabia, Jordan, Iraq, Israel, UAE, Oman, Qatar, Kuwait • Africa (10) : Nigeria, South Africa, Libya, Morocco, Algeria, Ethiopia, Egypt, Kenya, Côte d'Ivoire, Tunisia • Americas (18) : Guatemala, Nicaragua, Dominican Republic, Mexico, Venezuela, Bolivia, Argentina, Ecuador, El Salvador, Honduras, Uruguay, USA & Canada, Chile, Costa Rica, Colombia, Panama, Paraguay, Peru • Europe (13) : Greece, Romania, Cyprus, Spain, Macedonia, Ireland, Azerbaijan, Albania, Uzbekistan, Ukraine, Kazakhstan, Kyrgyzstan, Poland

* We do not disclose sales of Vietnam, Malaysia, Indonesia, and Brazil due to the internal policy.

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Sustainable Management System

ESG Management Strategy

ESG Management Strategy

Hyundai Elevator has set clear objectives to enhance sustainability across the entire value chain and is pursuing various ESG-related initiatives centered around ESG strategic tasks to achieve these goals. We are committed to advancing the sustainability of our stakeholders society and the environment. To support these efforts, we refined our ESG management strategy framework in the second half of 2023.

ESG Strategy Framework

Our ESG strategy is "CREATE Green Mobility for a Sustainable World." We have selected key focus areas for each ESG segment to enhance sustainability across all management aspects. For each focus area, specific tasks have been outlined, linked to the KPIs of relevant departments, and meticulously monitored. The ESG Committee regularly reviews progress on these tasks.

ESG Strategy Framework

Vision

CREATE Green Mobility for a Sustainable World



Focus Area	Challenging Climate Change	Embedding Workplace Management	Transitioning to the Good Governance
	Climate Action Sustainable Resource Circulation & Biodiversity	Human Rights Management Human Resource	Transparent Governance Compliance
	Respond with Low-Carbon Product	Achieving Responsible Business	Enabling Sustainability System
	Eco-Friendly Products Product Liability	Supply Chain Management & Community Impact Information Protection	Stakeholder Communication Advancement of ESG Management

Key Tasks



Challenging Climate Change

- 1 Establishing a comprehensive environmental performance management system
- 2 Developing mid-to-long term carbon emission reduction strategy
- 3 Establishing a Scope 3 emissions management structure
- 4 Reviewing measure for identifying and managing climate risks/opportunities
- 5 Establishing a workplace management system from a resource circulation perspective
- 6 Setting up biodiversity policies and action plans

Embedding Workplace Management

- 9 Strengthening talent management
- 10 Improving human rights risk management structure
- 11 Setting up implementation plans to expand diversity, equity and inclusion (DE&I) of the staff
- 12 Advancing workplace safety management

Transitioning to the Good Governance

- 16 Strengthening integrated compliance management systems

Respond with Low-Carbon Product

- 7 Establishing eco-friendly product portfolio strategies and objectives
- 8 Reviewing and setting up plans to adopt Life Cycle Assessment (LCA)

Achieving Responsible Business

- 13 Enhancing and adjusting the supply chain ESG management structure
- 14 Enhancing opportunities for positive local community impacts
- 15 Reinforcing the information protection management system

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- 17 Developing an integrated ESG data management system
- 18 Creating a global framework for ESG operations
- 19 Reviewing and refining ESG management strategies
- 20 Establishing an ESG investment evaluation process

Sustainable Management System

ESG Decision-making System

ESG Committee under the BOD

To ensure systematic ESG management, Hyundai Elevator established an ESG Committee within the Board of Directors in 2023. Composed of four members—including one executive director, two independent directors, and one non-executive director—the committee meets semi-annually and convenes additionally as required to address ESG issues.

The ESG Committee systematically manages Hyundai Elevator's environmental, social, and governance sectors by reviewing major ESG strategies and regularly managing plans and performance in each area, thereby elevating the company's ESG management standards.

Major Agendas of the ESG Committee

Category	Members	ESG Committee Codes
ESG Committee	1 executive director: - Cho Jae Cheon	Roles & Responsibilities - Discussing and deciding the topics for environment, society, and governance management
	2 independent directors: - Lee Ki Hwa - Kim Jung Ho	- Reporting the contents of the discussion to each of the directors, including its own members
	1 Non-executive director: - Rhim Yu Cheol	Agendas - Establishment of basic policies and strategies for ESG management - Setting long-term goals for ESG management
		Reporting Items - Plans and performances of ESG management activities - Significant ESG-related risks and responses

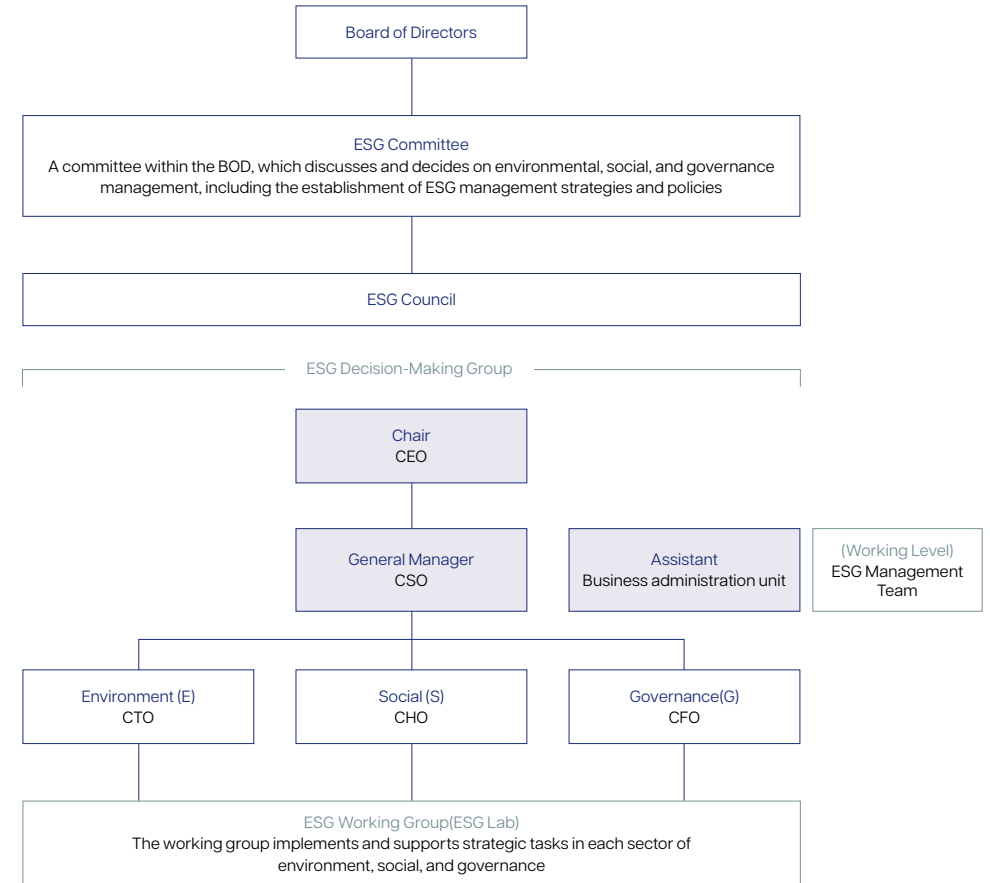
ESG Council

In 2023, Hyundai Elevator established a specialized ESG team and formed an ESG Council, consisting of responsible executives from various departments, to facilitate systematic decision-making. The ESG Committee discusses the direction and execution plans for key issues in each department and monitors the outcomes of these activities.

ESG Lab

Hyundai Elevator supports the ESG Council's decision-making process by operating the ESG Lab, composed of working teams for each ESG sub-division. The ESG Lab convenes as needed, strengthening communication about specific tasks and key issues. It also works on developing a data management system to organize data needed for external evaluations and reporting.

Organizational Chart of the ESG Council and the ESG Working Group



Double Materiality Assessment

Double Materiality Assessment Overview

Since 2022, Hyundai Elevator has been conducting double materiality assessments to identify material issues that are of significant concern to stakeholders and have a substantial impact on the business. This assessment aligns with standards of GRI (Global Reporting Initiative), IFRS (International Financial Reporting Standards), and EU CSRD (EU Corporate Sustainability Reporting Directive). Through this assessment, we aim to refine Hyundai Elevator's sustainability strategy and ensure transparent communication of achievements to stakeholders.

Based on the International Integrated Reporting Council's recommendations, we incorporate the following five aspects into the materiality assessment process: 1) Topics that have continuous impact on Hyundai Elevator's value creation, 2) Topics that are relevant to strategy, governance, and performance, 3) Topics important to key stakeholders, 4) Topics that are grounds for BOD discussions, and 5) Topics that lead to loss of opportunities and the generation of risks if not managed properly.

Materiality Assessment Process

Step 1	Identification	In 2023, Hyundai Elevator conducted an analysis to identify key sustainable management issues, considering factors from previous years, global sustainability standards (GRI, IFRS, SASB, etc.), and domestic and international evaluation indicators (CGS, MSCI, CSA, etc.). The analysis also included issues faced by leading global companies and peers within the same industry. This comprehensive review resulted in the identification of 27 critical issues.
Step 2	Prioritization	We conducted a comprehensive evaluation, to identify the most critical issues, quantifying both the impact and financial significance of each topic. From this analysis, we selected 9 1st Tier issues characterized by high impact or high financial importance.
	Impact Materiality Assessment (Company → Society)	<p>We evaluated the impact of Hyundai Elevator on the environment and society</p> <ul style="list-style-type: none"> Severity Collected feedback from stakeholders Reviewed impact assessments of global leading companies and industry peers Examined requirements from global ESG evaluations like CGS, CSA, MSCI, and disclosure guidelines such as GRI, IFRS, SASB Likelihood Reviewed regulatory violations and sanctions of industry peers Analyzed media exposure
	Financial Materiality Assessment (Society → Company)	<p>We also evaluated the impact of the external environment on Hyundai Elevator's financial value.</p> <ul style="list-style-type: none"> Likelihood × Timing Conducted financial evaluations with ESG experts and related teams Analyzed the financial evaluations of industry peers Scale Reviewed investments and costs for potential issues during the reporting period
Step 3	Validation	Hyundai Elevator's ESG team and top management reviewed the results of the 2023 materiality assessment, confirming the 9 materiality issues. The ESG Committee deliberated on these issues and is managing the performance for each issue.

Double Materiality Assessment

Double Materiality Assessment Matrix and Results

High ●●● Medium ●●○ Low ●○○



Hyundai Elevator identified nine materiality issues this year. The company excluded four issues from last year's assessment—strengthening market strategy and portfolio, establishing sound and transparent governance, producing stable management results, and developing the talent and expertise of employees—based on their severity and likelihood.

Ranking	Material Issue (compared to last year)	Impact Materiality	Financial Materiality	Double Materiality	GRI Index	Page
1	Development of safety & health management system(▲2)	●●●	●●●	●●●	GRI 403-1-7	p.61-69
2	Climate change response & energy control(▲10)	●●●	●●●	●●●	GRI 302-1,3,4, 305-1,2,3,4,5,7	p.24-30
3	Sustainable supply chain management and empowerment of suppliers(▼1)	●●○	●●●	●●●	GRI 308-2, 414-2	p.70-73
4	Enhancement of ethics management & compliance(▲3)	●●●	●●○	●●●	GRI 205-2,3	p.85-94
5	R&D improvement(▼4)	●●○	●●●	●●●	Non-GRI	p.10-11, 40-41
6	Creating a culture for a better place to work(▲4)	●●○	●●●	●●●	GRI 401-1,2,3	p.49-55
7	Advancing human rights management(▲6)	●●●	●●○	●●●	GRI 405-1,2, 407 ~ 409	p.44-45
8	Enhancement of product responsibility through quality management(▼4)	●●●	●●○	●●●	Non-GRI	p.56-57
9	Expansion of green technologies & products(+)	●●○	●●●	●●●	GRI 305-1	p.40-41

Measurement of Environmental and Social Impact Value

After the materiality assessment, Hyundai Elevator assessed the environmental and social value of two of our materiality issues, "climate change response and energy control" and "sustainable supply chain management and empowerment of suppliers". We established measurement indicators by reviewing existing literature to calculate the monetary value of these issues and analyze their economic significance.

The economic impact generated by Hyundai Elevator in 2023 through activities related to climate change response and energy control as well as sustainable supply chain management and empowerment of suppliers, is as follows:

In 2023, Hyundai Elevator significantly reduced its carbon emissions from 9,965.4 tCO₂-eq in the previous year to 4,903.0 tCO₂-eq. This reduction led to a social cost saving of KRW 1.26 billion. Additionally, the company actively supported the sustainable growth of its installation, purchasing, and service partners by allocating approximately KRW 19.2 billion through various support methods including direct, mixed, special, and indirect support. Of this, about KRW 9.2 billion was provided directly to partners, resulting in an economic impact of KRW 8.85 billion, an added value of KRW 7.93 billion, and employment opportunities for 77.3 individuals.

Category	Climate Change Response and Energy Control	Sustainable Supply Chain Management and Empowerment of Suppliers
Impact value	Environmental Value	Socioeconomic Value
Type	Benefit	Benefit
Calculation method	Social cost of carbon 1) 2) 3) 4)	Input-output model ⁵⁾
Results	Reduction in social costs achieved through carbon reduction - KRW 1.26 billion	Economic value generated through providing financial assistance to suppliers - Induced production value : KRW 8.85 billion - Generated added value : KRW 7.93 billion - Employment opportunities generated : 77.3 people

* The economic value of these social and environmental activities has been verified by the Management Consulting Center of Jipyeong.

1) Social Cost of Carbon: The economic damages resulting from emitting one additional ton of carbon dioxide

2) The calculation was based on an average USD/KRW exchange rate of 1,305.93 South Korean won in 2023

3) Asdourian, E., & Wessel, D. (2023). What is the social cost of carbon? Brookings.

4) Environmental Protection Agency. (2023). Report on the social cost of greenhouse gases: Estimates incorporating recent scientific advances.

5) Bank of Korea, 2019 Input-Output Table (Extended)

Double Materiality Assessment

Management of Material Issues

Ranking	9 Material Issues		Impact	Impact Classification		Value Chain	Scope	Stakeholder Impact	Risk	Opportunity	Approach		Performance Management	
	Material Issue	Sub-issue		Positive/Negative	Actual/Potential						Policy & Commitment	Actions	KPI (2023)	2023 Progress
1	Development of Safety & Health Management System	Managing workplace safety and health for employees and partners	Negative effects on employee health, family well-being, and local community due to inadequate safety and health management	Negative	Actual	Operations	>50%	Employees, External Employees	· Production delays and business interruptions caused by workforce loss from safety incidents	· Enhancing work productivity by maintaining a safe working environment	Safety and Health Management Policy	p.64-69	p.62-63	p.62-63
2	Climate Change Response & Energy Control	Energy Efficiency	Reducing environmental impact by adopting renewable energy and enhancing energy efficiency in processes and buildings	Positive	Potential	Operations, Supply Chain, Products and Services	>50%	Environment, Society, Employees, Consumers	· Costs associated with transitioning to renewable energy	· Developing a response system to meet customer demands for renewable energy, thereby strengthening trust with stakeholders, including investors	Climate Change Response Strategy	p.27-30	p.25-26	p.25-26
		Greenhouse Gas Management by Scope	Mitigating climate change by reducing greenhouse gas emissions throughout the entire value chain	Positive	Actual	Operations, Supply Chain, Products and Services	>50%	Environment, Society, Employees, Consumers	· Financial and non-financial losses due to non-compliance with domestic and international greenhouse gas management and reporting regulations	· Building trust with customers, local communities, and governments through transparent reporting of greenhouse gas emissions				
3	Sustainable Supply Chain Management and Empowerment of Suppliers	Conducting Supplier Audits	Enhancing supply chain sustainability through ESG audits and supporting suppliers in ESG management	Positive	Potential	Supply Chain, Products and Services	>50%	External Employees	· Reputational damage due to suppliers' failure to comply with ESG management standards, such as human rights	· Improving company reputation by collaborating with suppliers who adhere to ESG management practices	Supply Chain ESG Policy, Supplier Code of Conduct	p.71-73	p.70	p.70
		Mutual Growth Activities with Suppliers	Supporting suppliers to develop a cooperative framework, thereby enhancing corporate social responsibility	Positive	Actual	Supply Chain, Products and Services	>50%	External Employees	· Operational challenges due to inadequate ESG management by suppliers, leading to issues in parts procurement	· Strengthening corporate social responsibility by boosting supplier capabilities through targeted support				
4	Enhancement of Ethics Management & Compliance	Enhancing Ethics Management Activities	Enhancing ethical management in business operations through preventive and corrective measures	Positive	Actual	Operations, Supply Chain	>50%	Employees, External Employees	· Fines and reputational damage due to breaches in ethical conduct	· Boosting trust and improving reputation among stakeholders, such as investors and customers, through strengthened ethical management practices	Code of Ethics	p.87-88, 90-91	p.86-90	p.86-90
		Integrated Risk Management	Establishing an integrated risk management system by securing certifications that meet international standards	Positive	Actual	Operations	>50%	Society, Employees	· Fines resulting from non-compliance with regulations and standards · Decreased business competitiveness due to incidents related to unmanaged risks	· Minimizing operational risks by actively managing compliance and implementing an integrated risk management system	Compliance Policy	p.94	p.92-93	p.92-93
5	R&D Improvement	Enhancing market competitiveness through R&D	Enhancing market competitiveness and strengthening the business by establishing a robust R&D system	Positive	Actual	Operations, Products and Services	>50%	Environment, Consumers	· Decline in corporate competitiveness due to inadequate R&D	· Enhancing product competitiveness and expanding market dominance through proactive R&D	-	p.12	p.11	p.11
6	Creating a Culture for a Better Place to Work	Building a healthy organizational culture	Strengthening corporate culture by integrating key tasks derived from employee feedback, including efforts to enhance diversity	Positive	Actual	Operations	>50%	Employees	· A decline in employee morale and productivity due to a rigid corporate culture · Loss of corporate competitiveness due to outflow of talent resulting from poor management of culture	· Boosting employee morale and productivity by fostering a healthy corporate culture, leading to increased sales and an enhanced corporate reputation	Diversity and Inclusion Policy	p.51-55	p.50-51	p.50-51

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	Material Issue	Sub-issue		Positive/Negative	Actual/Potential						Policy & Commitment	Actions	KPI (2023)	2023 Progress
7	Advancing Human Rights Management	Conducting human rights impact assessments	Increasing demand to assess human rights impacts during business operations to comply with strict human rights regulations and meet customer expectations	Negative	Potential	Supply Chain, Operations	>50%	Employees, Society	<ul style="list-style-type: none"> Damage to the corporate image from unresolved human rights issues Loss of sales due to insufficient responses to customers' human rights expectations 	<ul style="list-style-type: none"> Enhanced corporate reputation and image through robust protection of stakeholder human rights Improved corporate reputation by proactively identifying and managing human rights risks 	Human Rights Management Policy	p.45	p.44	p.44
8	Enhancement of product responsibility through quality management	Establishing a Product Quality Management Strategy	Continuous improvement of product quality to boost market competitiveness and elevate customer satisfaction	Positive	Actual	Products and Services	>50%	Consumer	<ul style="list-style-type: none"> Losing market competitiveness and experiencing a decline in sales due to inadequate product quality management 	<ul style="list-style-type: none"> Increased customer satisfaction and enhanced corporate image through superior product quality 	Quality Management System	p.56-57	p.57	p.57
9	Expansion of green technologies & products	Enhancing Product Energy Efficiency	Addressing consumer demands for sustainable and eco-friendly solutions by enhancing product energy efficiency	Positive	Actual	Products and Services	>50%	Environment, Consumers	<ul style="list-style-type: none"> Sales decline if product energy efficiency falls short of competitors' offerings. 	<ul style="list-style-type: none"> Boosting market competitiveness by meeting customer demands for higher energy efficiency in products 	Sustainable Product Strategy	p.40-41	p.41	p.41



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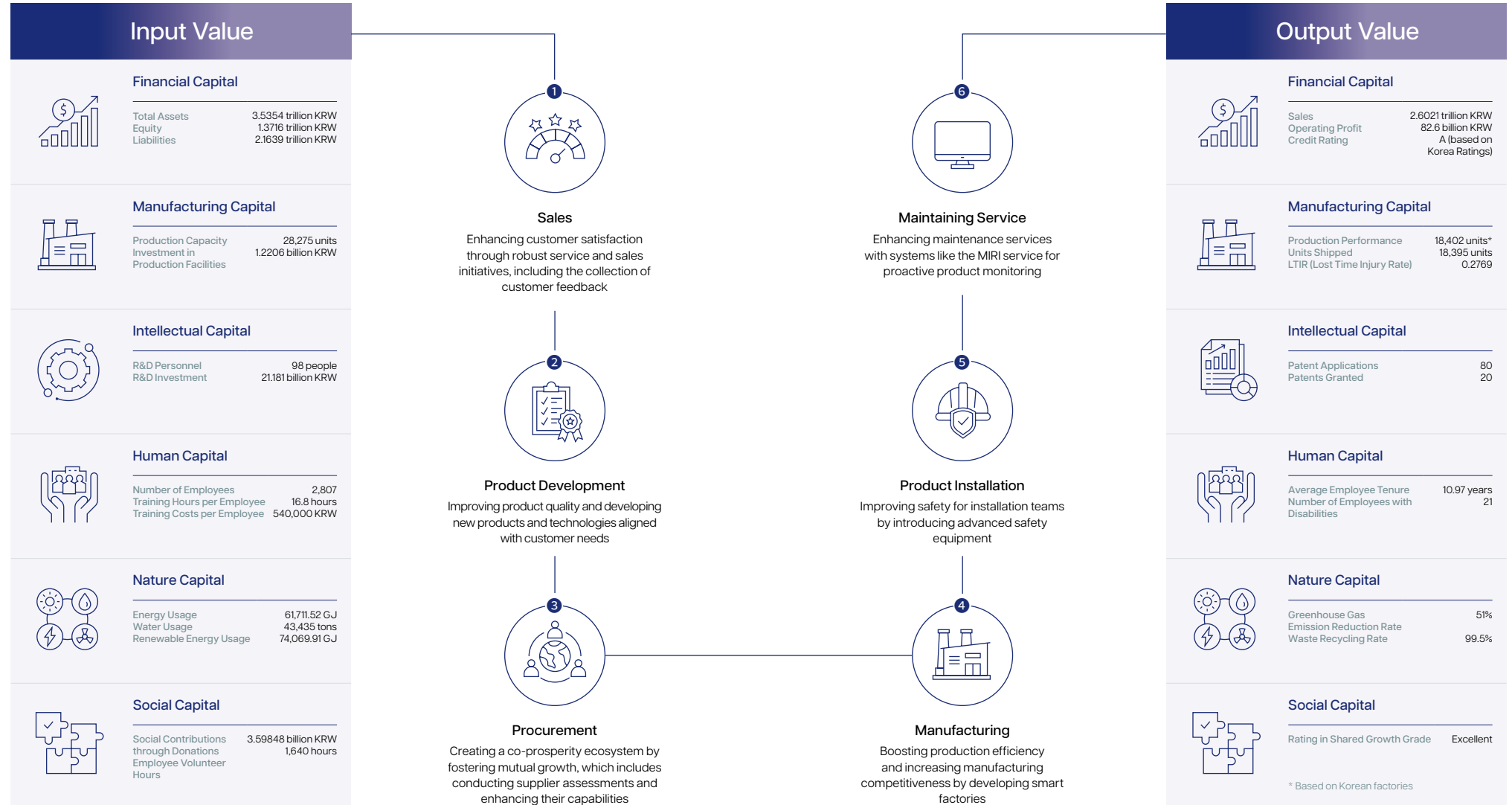
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Sustainable Value Creation

Hyundai Elevator implements ESG management by generating economic, environmental, and social value through investments across its value chain. In line with the International Integrated Reporting Council's framework, we transparently report on the impact of six capitals—financial, manufactured, social and relationship, human, intellectual, and natural—as they influence the environment and society throughout Hyundai Elevator's value chain.



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Hyundai Elevator practices environmental management to operate sustainable business.

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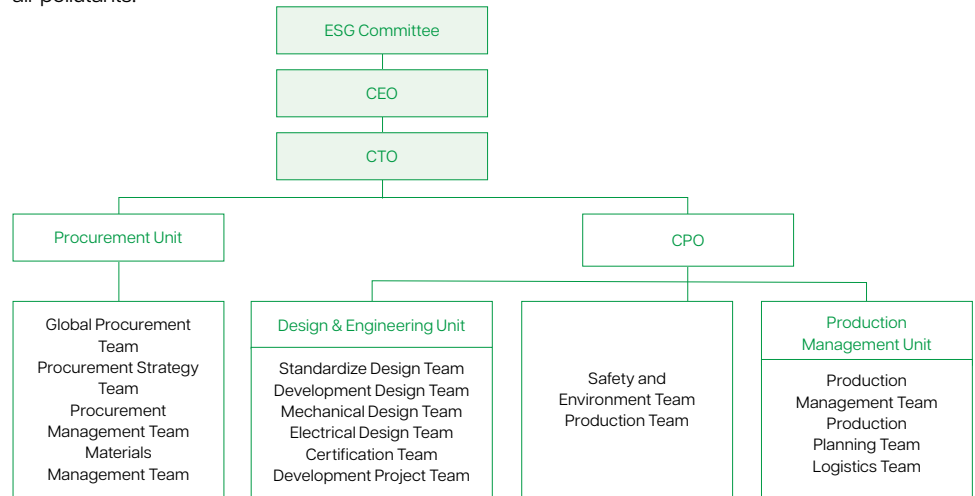
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To tackle climate change, Hyundai Elevator has developed risk management and response strategies along with specific reduction goals and implementation plans. Final decisions on these matters are made by the ESG Committee, which operates within the Board of Directors. This committee meets twice annually, once in the first half and once in the second half of the year, to deliberate and decide on climate change strategies and related issues. This process aims to create sustainable value by analyzing environmental and social impacts and adopting a strategic and systematic approach to non-financial performance.

Operation of Climate Change Council

Hyundai Elevator has established a company-wide council to address climate change and work towards mid-to-long-term carbon neutrality goals. The council focuses on expanding the purchase of eco-friendly materials, designing sustainable products, and improving process and energy management. Key issues from the ESG Committee are shared with management and passed on to the CTO, the Head of Environmental Management. Departments under the CTO then handle these climate change issues. The Safety and Environment Team, responsible for environmental management, sets and monitors performance indicators regularly, such as greenhouse gas emissions, energy usage, waste, water, and air pollutants.



- Reviewing the procurement of sustainable raw materials

- Designing sustainable products

- Overall management of safety and environment
- Management of air, wastewater, waste, and chemicals operations and performance
- Setting and monitoring environmental performance indicators
- Process and energy management
- Maintenance of buildings and facilities

Climate Change Management Process

Hyundai Elevator proactively addresses climate change by identifying, evaluating, and managing opportunities and risks across the entire company. Regional climate issues are reported to the Safety and Environment Team, which specializes in environmental matters. This team assesses the risks and opportunities, evaluates their strategic and financial impacts, and formulates comprehensive response strategies.



Climate Change Incentives

Since 2023, Hyundai Elevator has integrated climate change-related indicators, such as greenhouse gas emission reduction and energy usage reduction targets, into the Key Performance Indicators (KPIs) for the CTO, CPO, and relevant team leaders. The evaluation results of these KPIs are aligned with performance incentives and the salary system. These KPIs focus on establishing a carbon neutrality framework, achieving greenhouse gas and energy reduction targets, and minimizing waste.



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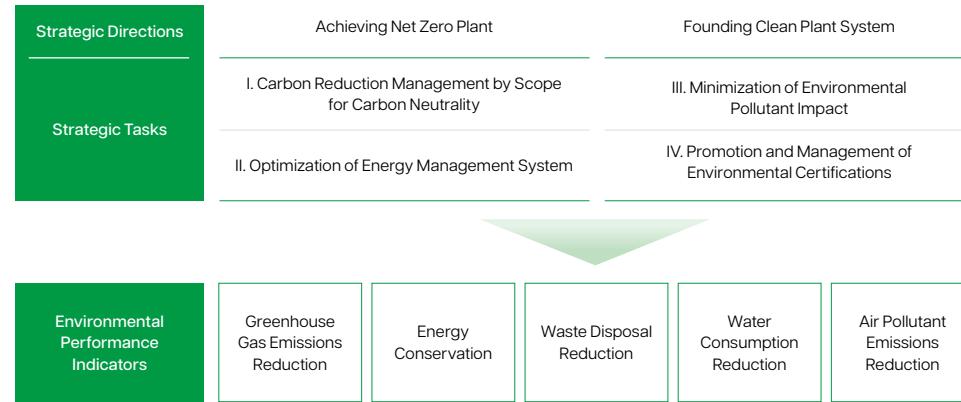
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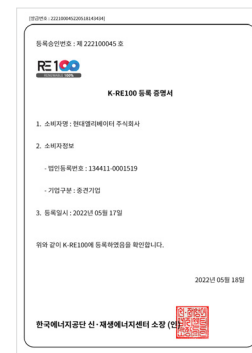
Strategy

Hyundai Elevator has committed to K-RE100 and aims for carbon neutrality by 2050. The company has outlined mid-to-long-term strategies to respond to climate change by implementing a Net Zero Plant and a Clean Plant System. This includes managing reductions according to carbon neutrality goals and optimizing the energy management system.

Climate Action Strategy



Energy Saving Campaign

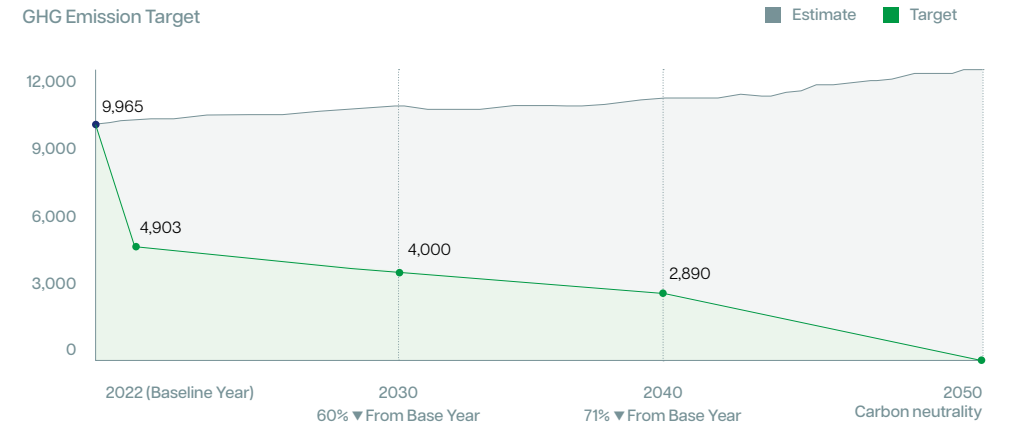


K-RE100 Registration Certificate

Reduction Strategy for Carbon Neutrality

In response to climate change, in 2023, Hyundai Elevator committed to achieve carbon neutrality by 2050. We set a target to reduce carbon emissions by 42% by 2030, based on 2022 levels, in alignment with the SBTi 1.5°C scenario. However, through investments in renewable energy facilities and third-party PPAs at the Chungju Campus, we have already surpassed this target, achieving a 51% reduction in greenhouse gas emissions in 2023. Consequently, Hyundai Elevator has revised our target to reduce GHG emissions by 60% by 2023, using 2022 as the base year.

GHG Emission Target



Greenhouse Gas Reduction and Energy Saving

Category	Unit	2023		2024	
		Target	Performance	Target	Target Reduction Rate Compared to 2023 Emission
Greenhouse Gas Emissions	tCO ₂ -eq	9,467	4,903	4,830	1.5
	Intensity (tCO ₂ e/KRW 100 million)	0.4680	0.1884	0.1856	
Energy Usage	TJ	188.03	161.71	159.29	1.5
	Intensity (TJ/KRW 100 million)	0.0100	0.0062	0.0061	

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Response Strategy and Annual Targets

Hyundai Elevator has set mid-to-long-term strategies and annual targets to reduce greenhouse gas emissions and energy consumption. To achieve these goals, we have implemented several detailed strategies. These include establishing a monthly monitoring system for emissions and energy use, seeking consulting to identify reduction opportunities, and improving emissions and energy efficiency at our business sites. Additionally, we plan to install high-efficiency, low-carbon facilities and introduce environmental certifications such as the Carbon Footprint. Hyundai Elevator is committed to continuously managing and reducing greenhouse gas emissions and energy consumption.

Climate Action Strategies

Strategy	Target(tCO ₂ -eq)	Implementation Plan
Mid-Term (2024-2026)	4,584 or below	Scope 1 Emissions : 1,726
		Scope 2 Emissions : 2,515
		Scope 3 Emissions : 343
Long-Term (2027-2030)	4,000 or below	Scope 1 Emissions : 1,506
		Scope 2 Emissions : 2,195
		Scope 3 Emissions : 299



Traction Machine Production Facility



Renewable Energy Generation Facilities at Chungju Campus

Mid-to-Long-Term Targets for GHG Reduction and Energy Saving

Key Performance Indicators (KPIs)	Measurement Criteria	Unit	Mid-to-Long-Term Targets			
			2024	2025	2026	2030
Greenhouse Gas Reduction	GHG Reduction Rate	tCO ₂ -eq	4,830 ▼51.5%	4,684 ▼53%	4,584 ▼54%	4,000 ▼60%
Energy Savings	Energy Saving Rate	TJ	159.29 ▼19.5%	156.36 ▼21%	153.39 ▼22.5%	138.55 ▼30%

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Risk Management

Key Risks and Opportunities of Climate Change

Hyundai Elevator has established a pool of risks and opportunities through industry analysis, literature review, and expert opinion analysis. We identified major risks and opportunities related to climate change based on their likelihood and impact.

Climate Disclosure Framework		Factors	Financial Impact	Response Status
Transition Risks	Policy and Legal	Strengthened regulations and policies on GHG emissions	· Increased costs to comply with global carbon regulations and climate change policies	Establishment of mid-to-long-term carbon reduction targets and implementation plans
	Technology	Costs of transitioning to low-carbon technologies in production processes and facilities	· Increased investment costs for carbon reduction facilities and energy efficiency · Increased costs for R&D and improvement of manufacturing processes with low-carbon technologies	Review of mid-to-long-term energy reduction targets and implementation methods
	Market	Rising raw material prices due to greenflation	· Increase of component prices and expenditures due to inflation driven by global carbon neutrality and sustainable policies	Monitoring of global carbon neutrality/sustainable policies and supply chain management
	Reputation	Increase of concerns and negative feedback from stakeholders	· Sales decrease due to stakeholder demands/feedback on carbon neutrality and eco-friendly activities	Establishment of a system to collect and monitor environmental management performance, including carbon neutrality and environmentally friendly activities
Physical Risks	Acute	Increased risk of floods and typhoons	· Negative impact on product manufacturing and decreased sales due to production interruptions at key suppliers/infrastructure caused by floods and typhoons	Conducting supply chain management improvements through the establishment of a global supply chain management strategy
		Heat waves	· Cost escalation and reduced productivity due to increased demand for cooling and higher energy consumption	Identifying improvement opportunities through monitoring of energy usage, including electricity
Opportunities	Chronic	Rising average temperatures (changes in climate patterns)	· Higher costs due to increased installation and operation rates of air conditioning in workplaces and offices	Optimization of facility efficiency at business sites and exploration of indoor temperature control measures
	Resource Efficiency	Establishment of low-carbon manufacturing systems	· Cost savings from Scope 1 carbon emissions reductions by transitioning manufacturing facilities to low-carbon technologies	Reduction of emissions by improving and optimizing carbon emissions in manufacturing processes
	Energy Sources	Incentives for eco-friendly and low-carbon policies	· Reduction of investment costs in low-carbon facilities by leveraging policy subsidies	Review of subsidy utilization for investments in renewable energy and high-efficiency facilities
	Products/ Services	Development of high-efficiency products	· Expanding the development of energy-efficient products to reduce carbon emissions	Promoting the development of high-efficiency technology by establishing a task force within the CTO
	Market	Expansion of the eco-friendly product market driven by strengthened environmental regulations in advanced markets	· Increased sales through the expansion into new markets with eco-friendly products	Development of definitions and classification systems for eco-friendly products
	Resilience	Expansion of renewable energy procurement	· Mitigation of risks through renewable energy procurement via power purchase agreements (PPAs)	Establishment of solar and other renewable energy generation facilities

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Risk Management

Climate Change Scenario Analysis and Financial Impact Assessment

Hyundai Elevator conducted a climate change scenario analysis to understand the financial impacts of climate risks and opportunities, aiming to address stakeholders' demands for carbon neutrality. We identified and evaluated the financial impact of one major transition risk and one physical risk: For transition risk, we selected strengthening greenhouse gas emissions regulations and policies, and for physical risk, we selected heat wave risk. In 2023, Hyundai Elevator focused on factors with direct financial impacts on the income statement, excluding indirect impacts. In addition, the financial impact was limited to domestic business sites.

The transition risk scenario analysis is based on the June 2021 Network for Greening the Financial System (NGFS) scenario, which utilizes the 2030 National Greenhouse Gas Reduction Target (NDC) and 2050 Carbon Neutrality Scenario (finalized by the Cabinet in October 2021) as assumptions for variables. The physical risk scenario analysis utilized the Representative Concentration Pathways (RCP) scenario, and the Korea Meteorological Administration's detailed climate change scenario for South Korea, which applied statistical elaboration techniques. Hyundai Elevator will continue to advance climate change scenario analysis to identify financial impacts.

Transition Risk: Strengthened Regulations and Policies on Greenhouse Gas Emissions

In response to climate change, Hyundai Elevator is committed to transitioning to renewable energy. Under a third-party PPA contract, we installed solar panels at our sites and generated renewable energy in 2023. As a result, we successfully reduced approximately 5,000 tCO₂-eq, exceeding our 2030 target of a 42% reduction from the 2022 baseline. Accordingly, we have revised our 2030 target to a 60% reduction from the 2022 baseline. We will continuously strive to achieve this revised target by taking further initiatives, including investing in additional renewable energy facilities.

Hyundai Elevator has financially assessed the investments needed in renewable energy facilities to meet the 2030 target and measured the financial impact of transition risks. Achieving the 2030 target is estimated to impact finances by 0.04% of 2023 sales revenue. Hyundai Elevator will continue to identify and manage the financial impacts of climate change risks, contributing to sustainable management through proactive measures.

Types of Scenarios for Each Climate Change Risk

Category	Transition Risk		Physical Risk	
	Net Zero 2050	Below 2°C	RCP 2.6	RCP 8.5
Description	Achieving Net Zero by 2050 through proactive and immediate greenhouse gas reduction policies	Climate change policies are implemented but are not proactive	Immediate greenhouse gas emissions leading the Earth to recover on its own	Continued greenhouse gas emissions without any reductions (Business-As-Usual scenario)
Expected Temperature Increase	1.5°C	1.7°C	0.3°C ~ 1.7°C	2.6°C ~ 4.8°C
Source	NGFS	NGFS	IPCC	IPCC

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Risk Management

Physical Risk: Heatwaves

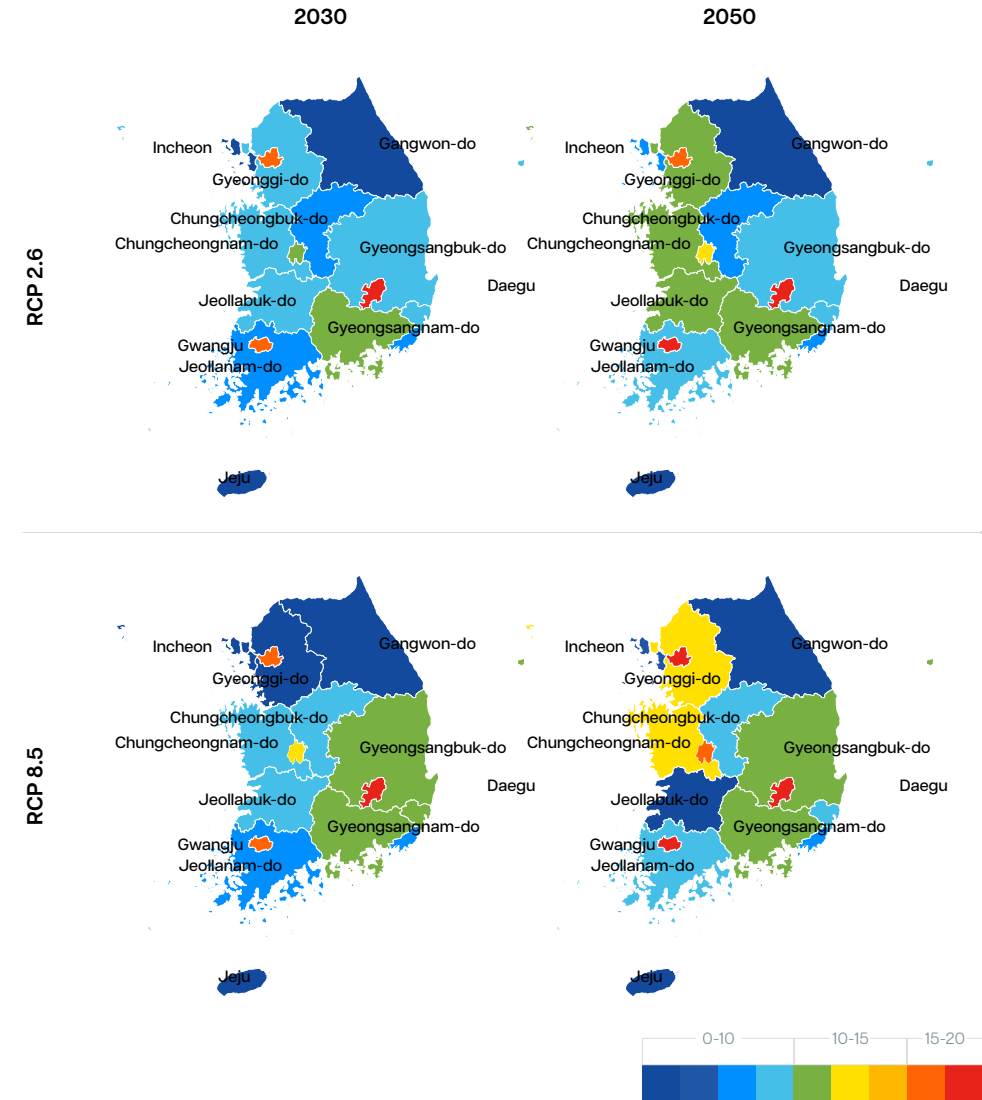
The frequency and intensity of heat waves are rapidly increasing due to climate change, leading to higher cooling demands and increased electricity consumption at our facilities. Hyundai Elevator defines heatwave days as those with a maximum daily temperature of 33°C or higher. Based on the Representative Concentration Pathway (RCP) scenario, we analyzed the heat wave exposure of our domestic site (Chungju).

We compared the number of heatwave days* in the baseline year of 2022 with projections for each site and scenario. The analysis shows a significant increase in heatwave days by 2030 under both the RCP 2.6 and RCP 8.5 scenarios. Specifically, under the RCP 8.5 scenario, the number of heatwave days in 2050 is expected to increase by approximately seven days compared to 2022.

We assessed the financial impact of increased electricity costs for air conditioners and electric heat pumps at our domestic sites due to more frequent heatwave days. We calculated cooling costs based on the additional power consumption per air conditioner during heat waves and the total number of air conditioners at our sites. The increased power costs were determined by the extra electricity used on heatwave days.

Under the RCP 8.5 scenario, the financial impact** of heatwaves in 2050 is estimated to be between 0.05% and 0.07% of the 2023 sales revenue. Hyundai Elevator is committed to minimizing this chronic risk by improving energy efficiency and reducing the impact on our operations.

Heat Wave Exposure Analysis Results



* The number of heatwave days in the baseline year 2022 was 13 days

** Based on the current electricity rates and projected rate increases from the Korea Electric Power Corporation Management Research Institute(KEMRI)'s report on the impact of the power market under the 2050 carbon neutrality scenario.

Climate Action

Indicators and Goals

Greenhouse Gas Reduction Activities

In 2023, Hyundai Elevator invested in renewable energy facilities and expanded its range of eco-friendly vehicles to reduce greenhouse gas emissions. To further cut Scope 2 emissions, we added a 111.9 kW solar power installation at the Chungju Campus, complementing the 6,000 kW setup from 2022. Through third-party PPA agreements, we generated 7,715,616 kWh of renewable energy, reducing greenhouse gases by approximately 3,544 tCO₂-eq. Hyundai Elevator will continue to install high-efficiency, low-carbon equipment and implement a greenhouse gas monitoring system to ensure ongoing emission reductions.

Greenhouse Gas Emissions Status

In 2023, Hyundai Elevator reduced its greenhouse gas emissions to 4,903 tCO₂-eq, marking a 50.8% decrease compared to 2022. This reduction, achieved by subtracting the renewable energy generation from Scope 2, is achieving 193% of our annual reduction target of 9,467 tCO₂-eq.

Greenhouse Gas Emissions

Category	Unit	2021	2022	2023
Scope 1 Emissions	tCO ₂ -eq	2,181.98***	2,309.73	1,846.00
Scope 2 Emissions	Location-based	6,030.61	7,593.41	6,234.84
	Market-based*	-	-	2,690.20
Scope 3 Emissions**	tCO ₂ -eq	4.12	62.23	367.74
Total Greenhouse Gas Emissions	tCO ₂ -eq	8,216.71***	9,965.38	4,903.94

* Emissions reflecting reductions due to third-party PPA (solar power) **Scope 3 only includes Category 6: Business travel
*** Scope 1 emissions for 2021 have been adjusted due to changes in the calorific value coefficients

Energy Saving Campaign

As part of our company-wide energy-saving initiatives, Hyundai Elevator launched an energy conservation campaign on August 22, 2023, in celebration of the 20th Energy Day. Running through December 2023, the campaign highlighted exceptional energy-saving efforts each month to encourage employee participation. We shared 20 best practices company-wide to boost engagement. Following this, we introduced a resource recycling campaign to further enhance our contributions to energy savings and conservation.

Energy Consumption Reduction Activities

Hyundai Elevator is committed to reducing energy consumption through various measures. At our Chungju headquarters, we turn off all lights during lunchtime and use key cards to prevent power wastage in dormitories. Additionally, we are installing sub-metering devices in all plants to identify and address energy waste factors. These efforts aim to lower power consumption and foster more energy-efficient workplaces.

Energy Usage Status

Hyundai Elevator reports its annual energy usage to the Korea Energy Agency to ensure transparency. In 2023, the energy usage target was 188.03 TJ, but actual usage was 161.71 TJ, achieving approximately 116.3% of the target. Total energy consumption in 2023 was 161,711.52 GJ, an 18.3% decrease from the previous year. Additionally, solar power generation at the Chungju Campus produced 9,146.65 MWh of energy, converting 84.35% of the total energy used to renewable sources. We will continue to expand solar power installations and transition to renewable energy.

Energy Usage

Category	Unit	2021	2022	2023	
Total Energy Usage	GJ	167,509.99	197,970.84	161,711.52	
Energy Classification	Electricity (Non-Renewable Energy)	126,017.77	136,687.49	56,215.32	
	Electricity (Renewable Energy)	-	21,987.01	74,069.91	
	Gas	m ³	857,946	515,426	403,692
	Fuel	ℓ	131,521	472,867	399,311

Resource Circulation and Waste Management

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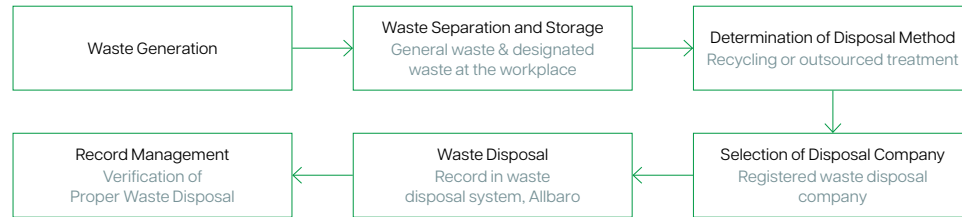
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Waste Management

Hyundai Elevator has implemented a comprehensive waste management process to handle waste generated during production. Waste is categorized by type, such as synthetic resin, wood, and dust. We actively recycle all recyclable materials, while non-recyclable waste is legally outsourced to registered disposal companies for proper management.

We also recognize that some hazardous waste materials, such as residues and discarded parts from auxiliary production materials (adhesives, paints, degreasers, film formers, wooden pallets, etc.), are ultimately incinerated and could negatively impact the environment. To address this, Hyundai Elevator is committed to refining its waste management processes to minimize these environmental impacts.

Waste Management Process



Strategy

Waste Emission Strategy

Hyundai Elevator sets waste reduction targets as key performance indicators (KPIs) to effectively manage and reduce waste emissions. In 2023, we observed an increase in Main Belt residues from product installation and food waste from the company cafeteria. To address this, we launched a Food Waste Reduction Campaign and continuously developed waste reduction plans to support resource circulation.

Waste Emissions and Reduction Targets

Category	Unit	2023 Target	2023 Performance	2024 Target
Waste Emissions	kg	394,373	448,803	444,315
General Waste	kg	374,801	424,070	419,829
Designated Waste	kg	19,572	24,733	24,486



Resource Circulation and Waste Management

Management Activities and Performance

Byproduct Recycling Management Activities

Hyundai Elevator works to recycle byproducts, such as scrap metal and chips, generated during production. We partner with licensed recycling companies to ensure these materials are properly re-utilized as resources.

Byproduct Recycling Status

Category		Unit	2021	2022	2023
Byproducts	Total Byproducts	ton	857	667	772
	Scrap Metal	ton	387	313*	409
	Chip	ton	465	354	363
	Stainless Steel (sus)	ton	5	0	0

* Data corrected due to manual entry errors

Waste Resource Circulation System

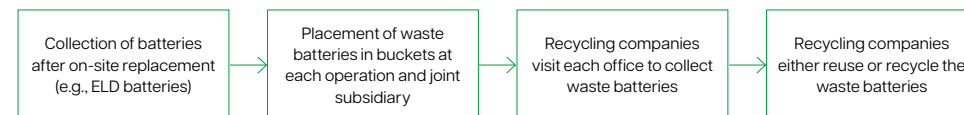
Hyundai Elevator is dedicated to resource circulation and achieving carbon neutrality by 2050 through our ESG management practices, which include collecting and recycling waste materials like elevator batteries. In November 2023, we signed a business agreement with the Korea Elevator Safety Agency and the Korea Environment Corporation to support this initiative. This program involves voluntary participation from all our branches nationwide. By April 2024, we successfully collected approximately 6,400 kg of waste batteries from branches across the country.

Waste Battery Collection by Participating Branches (as of April 2024)

(Unit: kg)

Category	Suwon Branch	Busan Branch	Daegu Branch	Gwangju Branch	Daejeon Branch	Chungcheong Branch	Total
Amount Collected	450	1,060	993	3,303	300	300	6,406

Waste Resource Circulation System Process



Waste Recycling

Hyundai Elevator is dedicated to enhancing waste management by improving waste separation at the final stage and assessing its recyclability to maximize recycling efforts. Additionally, we aim to gradually reduce the amount of waste that is incinerated or sent to landfills, thereby increasing our overall recycling rate.

Waste Disposal Performance by Type

Waste Item	Unit	2022 Performance	2023 Performance
General Waste	kg	377,500	424,070
Recycled (Outsourced)	kg	372,660	424,070
Non-recycled (Incineration, Landfill)	kg	4,840	-
Recycling Rate	%	98.72	100.00
Designated Hazardous Waste	kg	19,710	24,733
Recycled (Outsourced)	kg	16,100	22,483
Non-recycled (Incineration, Landfill)	kg	3,610	2,250
Recycling Rate	%	81.68	90.90
Total Waste (General + Designated)	kg	397,210	448,803

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Biodiversity Protection and No Deforestation Management

Governance

Establishment of Biodiversity Protection and No Deforestation Policies

Ecosystems, made up of diverse species, have significant direct and indirect impacts. Damage to these ecosystems often leads to species extinction and biodiversity loss. Recognizing this, Hyundai Elevator has established the "Biodiversity Protection Policy" and "No Deforestation Policy" to actively protect biodiversity and prevent forest destruction. These policies aim to integrate biodiversity and forest conservation into our existing environmental management practices to prevent ecosystem and forest damage from business operations and mitigate related risks.

We adhere to international biodiversity and land protection conventions, such as the Convention on Biological Diversity, the Ramsar Convention, and the Convention Concerning the Protection of the World Cultural and Natural Heritage. Following the guidelines of the International Union for Conservation of Nature (IUCN), including the IUCN Protected Area Category Guidelines and the IUCN Corporate Biodiversity Performance and Monitoring Guidelines, we also comply with national and local legal requirements applicable within our value chain.

The scope of Hyundai Elevator's biodiversity and forest destruction prevention policies includes all employees at our domestic and international business sites, subsidiaries, and affiliates, as well as partners and suppliers. We will strive to ensure that all partners, cooperative firms, and suppliers adhere to these policies.

Biodiversity Protection and No Deforestation Policy

Strategy

Hyundai Elevator is committed to biodiversity conservation and achieving Net Zero deforestation through our dedicated policies. To protect biodiversity, we will conduct environmental impact assessments to identify and safeguard species around our business sites, implement necessary measures, and collaborate with stakeholders. Additionally, we aim to achieve Net Zero deforestation by 2050 through proactive afforestation and reforestation efforts. We will strive to avoid deforestation and restore green areas, including forests, after completing existing operations.



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Management Activities and Performance

Hyundai Elevator's Biodiversity Protection Activities

Headquartered in Chungju, Hyundai Elevator actively engages in biodiversity conservation at Binaeseom, a renowned local site and popular filming location. Designated as the 28th 'National Inland Wetland Protection Area' in 2021, Binaeseom is home to 865 species of wildlife, including 18 endangered species like the Scaly-sided Merganser, Gobiobotia brevibarba, and Danyang aster. We regularly remove invasive species such as bur cucumber and Japanese hops to preserve biodiversity. Additionally, employees voluntarily participate in environmental cleanups to address pollution from summer floods or tourist littering. These activities are key to our conservation and social responsibility efforts.

As part of Hyundai Elevator's 40th anniversary celebration, employees engaged in social contribution activities, including removing invasive species in Binaeseom. On May 22, approximately 400 employees participated in the 'Plogging Campaign for Donation,' which focused on removing invasive species to conserve biodiversity in Binaeseom.

The invasive species removal activities were conducted under the guidance of forest interpreters at the Binaeseom Forest Interpretation Center. Employees received training on identifying invasive species such as bur cucumber and Japanese hops and focused on removing only these to protect endangered species like Danyang aster.

In addition to eradicating invasive species, our employees participate in multiple annual environmental clean-up efforts. These initiatives address waste issues caused by summer floods and tourist litter, collecting trash from reed beds and willow trees to ensure safe habitats for wildlife and protect local ecosystems. Beyond the "Plogging Campaign for Donation," employees regularly volunteer through the programs of the "Hyundai NooriBodeum Volunteer" group, a volunteering group formed within the company and social contribution programs during new employee training, focusing on cleaning Chungju and preserving biodiversity. Hyundai Elevator is committed to social responsibility and sustainable management through continuous environmental conservation efforts.



Hyundai Elevator's first activity related to biodiversity conservation

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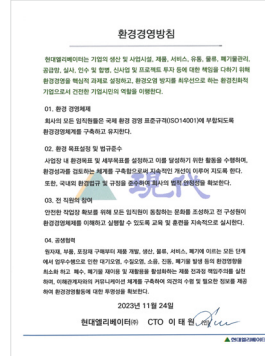
Eco-Efficiency Management

Environmental Policy and Organizational Operation

Environmental Management Policy

Hyundai Elevator prioritizes environmental management by implementing a dedicated policy aimed at preventing pollution and setting clear environmental goals. This commitment underpins all our activities, fostering an environmentally friendly workplace. Through consistent environmental management performance, Hyundai Elevator is dedicated to achieving sustainability and minimizing our environmental impact.

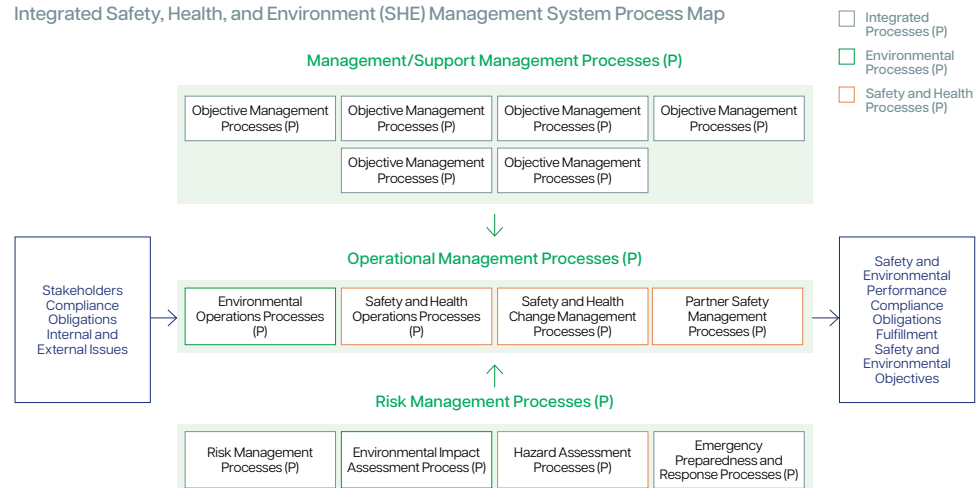
Environmental Management Policy



Operations of Integrated Safety, Health, and Environment (SHE) Management System

Hyundai Elevator operates an integrated environment, safety, and health management system, integrating ISO 14001 and ISO 45001 certifications to ensure systematic operations. We have established a detailed process MAP to methodically implement requirements for sustainable management. Regular internal and external audits verify the system's adequacy and reliability. Committed to continuous improvement, Hyundai Elevator aims to enhance this integrated SHE system, contributing to our overarching goal of sustainable management and demonstrating our commitment to environmental protection and employee safety.

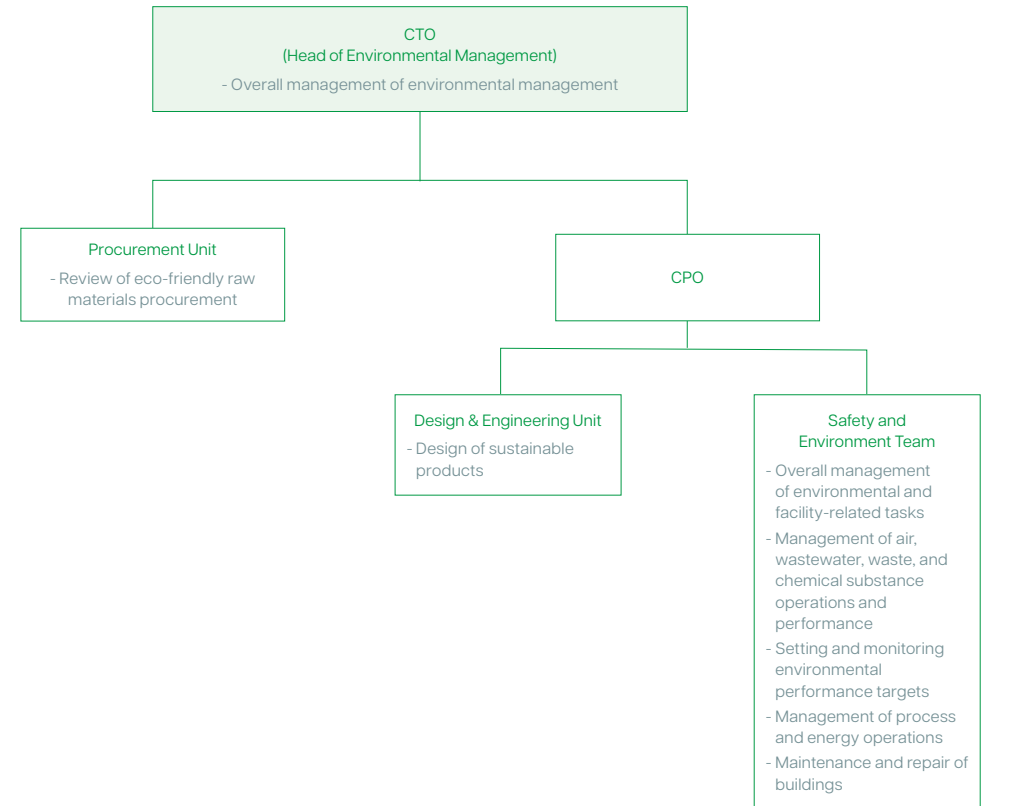
Integrated Safety, Health, and Environment (SHE) Management System Process Map



Environmental Management Organizational Structure

Hyundai Elevator sets and monitors environmental management goals and outcomes based on ISO 14001 standards and an established environmental management organizational structure. The Environmental Team, comprising six Safety and Environment Team members, performs environmental improvement activities to minimize pollution and damage during production.

Environmental Management Organizational Structure



Eco-Efficiency Management

Environmental Policy and Organization

Environmental Management Performance Indicators and Management

Hyundai Elevator has established performance indicators for environmental management, including greenhouse gas, energy, waste, water, and air pollution, to manage and achieve continuous environmental management goals, and checks the achievement of performance every year. We review our progress on these indicators annually to monitor our implementation rate. For areas that fall short, we analyze the causes, identify areas for improvement, and implement measures to minimize our environmental impact.

Environmental Management Performance and Goals

Category	Unit	2023		2024	
		Target	Performance	Target	Reduction Rate Compared to 2023 Target
Waste Treatment Amount	kg	394,373	448,803	444,315	1.0
	Per Unit (kg/KRW 100 million)	18.6545	17.2477	17.0752	
Water Usage	Ton	43,507	43,435	43,194	0.6
	Per Unit (ton/KRW 100 million)	2.0435	1.6692	1.6592	
Air Pollutant Emissions	kg	511.29	538.98	503.50	6.6
	Per Unit (kg/KRW 100 million)	0.0088	0.0207	0.0206	

Mid-to-Long-Term Environmental Management Goals

Key Performance Indicator (KPI)	Unit	Mid-to-Long-term Goal*				
		2024	2025	2026	2030	
Waste Emission Reduction Rate	kg	444,315 ▼1.0%	442,071 ▼1.5%	439,827 ▼2%	426,363 ▼5%	
Water Usage Reduction Rate	Ton	43,194 ▼1.4%	42,900 ▼2.1%	42,549 ▼2.9%	41,629 ▼5%	
Air Pollutant (3 types) Emission Reduction Rate	kg	503.50 ▼6.6%	498.02 ▼7.6%	495.86 ▼8%	485.08 ▼10%	

* Reduction rates are compared to 2022 levels.

Water Management

Hyundai Elevator uses water as follows: 55% for domestic purposes (restrooms, landscaping, etc.), 30% for the cafeteria, and 15% for production processes. Wastewater is categorized as either sewage or industrial wastewater. Sewage is sent to a treatment plant, while industrial wastewater is outsourced to external companies for treatment.

Recognizing the importance of managing domestic water use, we promote various strategies for sustainable water management. We conduct voluntary water-saving campaigns to address increasing demand and shortages due to climate change. For example, we have installed water-saving faucets in the restrooms at our Chungju headquarters. Moving forward, we plan to explore improvements such as installing rainwater reuse facilities and expanding water-saving campaigns to foster a culture of conservation and contribute to environmental protection.



Water-Saving Campaign

Wastewater Management

Hyundai Elevator outsources the treatment of 100% of the wastewater generated during the production process to specialized companies. Wastewater is safely stored in process-specific collection tanks and then treated by outsourced companies, which handle water pollutants and ensure compliance with legal standards through water pollutant transfer certificates. Additionally, we conduct voluntary inspections to prevent potential leaks during the storage and transfer.

Water Resource Usage

Category	Unit	2021	2022	2023
Groundwater Withdrawal	Ton	24,795	5,620	285
Industrial Water Withdrawal	Ton	7,990	1,087	-
Municipal Water Withdrawal	Ton	-	37,113	43,150
Total Water Withdrawal	Ton	32,785	43,820	43,435
Wastewater Generation	Ton	970	1,776	1,063

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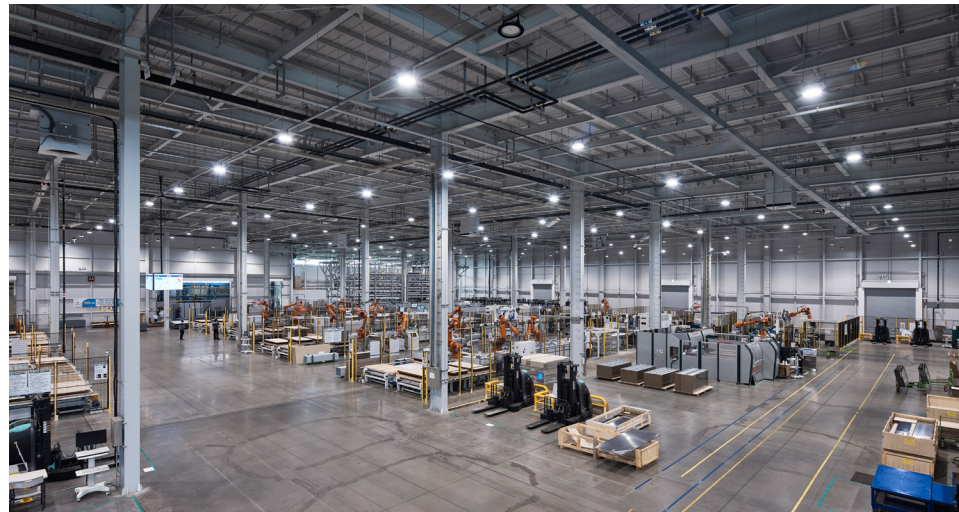
Eco-Efficiency Management

Pollutant Management

At Hyundai Elevator's Chungju Campus, air pollutants are emitted from heating, cooling, and production facilities. To manage these emissions, we conduct regular inspections of our environmental and control facilities and perform self-measurements of air pollutants through certified agencies. We maintain operations to prevent abnormal emissions, ensuring they consistently remain below legal limits. Regular maintenance and timely replacement of consumables help us minimize emissions. However, due to increased production activity and reduced efficiency of low NOx burners, emissions have risen compared to 2022. We are committed to reducing these emissions by improving our control facilities.

Status of Air Pollutants

Category	Unit	2021	2022	2023
Particulate Matter (PM/Dust)	kg	211.9	25.0	174.0
Sulfur Oxides (SOx)	kg	-	24.8	5.3
Nitrogen Oxides (NOx)	kg	624.1	118.8	359.7



Chemical Management

Hyundai Elevator strictly adheres to both domestic and international chemical regulations. We conduct weekly self-inspections of our chemical handling and storage facilities to ensure proper usage and storage, continually making improvements. Before introducing new chemicals, we review their safety, potential hazards, and legal compliance, promoting the use of eco-friendly options to enhance product safety.

To reduce the emission of hazardous chemicals, we regularly review the chemicals used in our processes to lower the content of toxic substances or replace them with safer alternatives.

We conduct annual emission reviews and twice-yearly statistical surveys of all received chemicals, reporting the results to the appropriate authorities. Imported chemicals are managed through proper import declarations. Our trained environmental technicians perform regular site inspections and continuous monitoring to prevent any leaks or malfunctions in control facilities. Any issues identified during these inspections are immediately addressed by the site management team.

Hazardous Chemical Reduction Plan

Hyundai Elevator applies powder coating to primary materials, such as elevator cab walls, landing doors, and ceiling structures. Recognizing the hazardous chemicals generated during this process, we have implemented a chemical improvement plan by changing the degreasing agent used during the pre-treatment process. Additionally, we have established a plan to reduce waste generation and to consider changing packaging materials to reusable ones through separate waste discharge education. We also aim to minimize air pollutant generation by optimizing and improving the operation of environmental facilities and conducting self-inspections.

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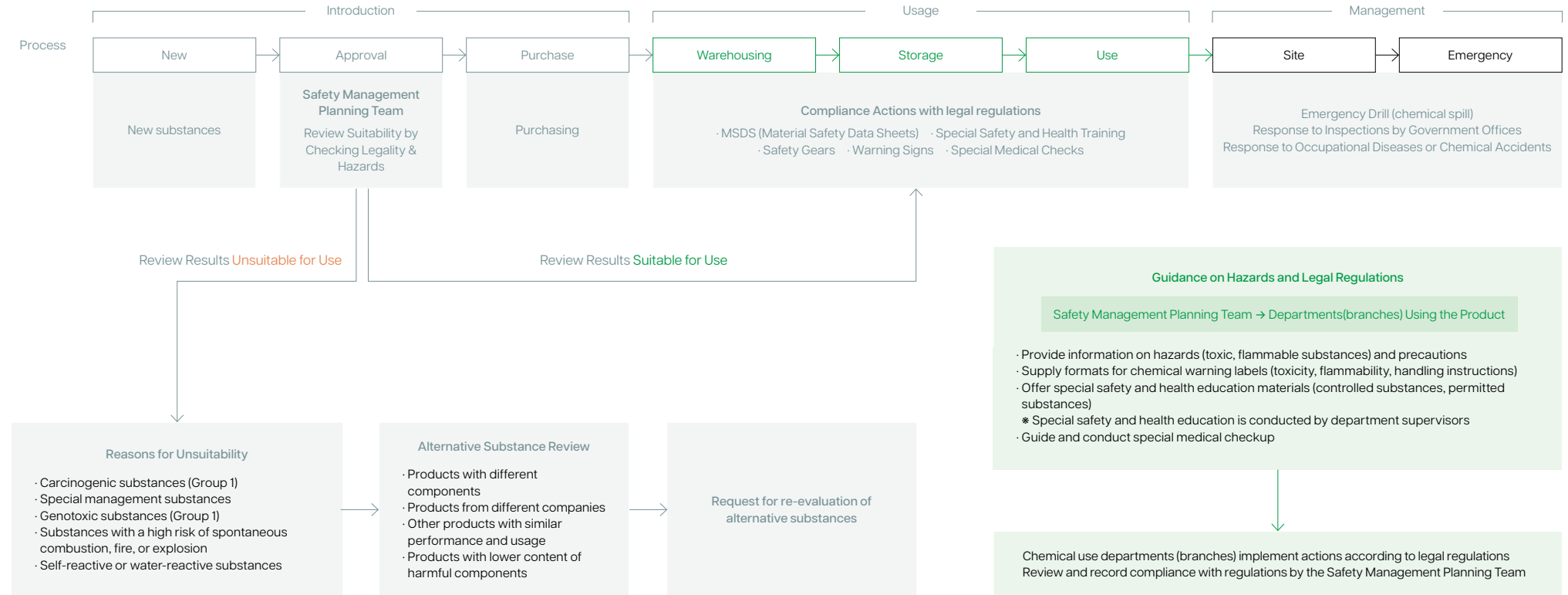
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Eco-Efficiency Management

Chemical Management

Chemical Appropriateness Review Process



Eco-Efficiency Management

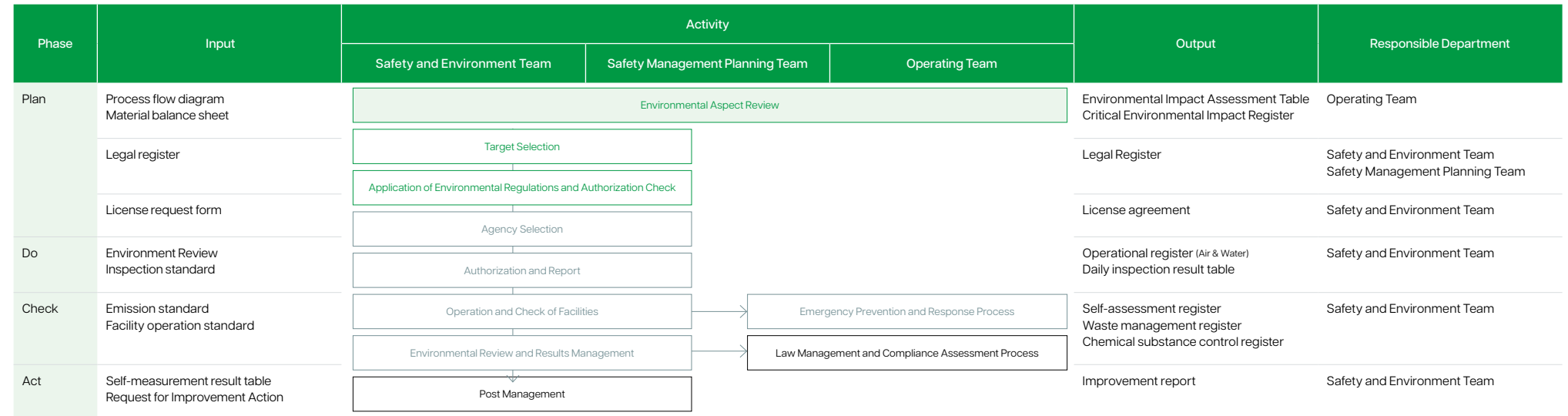
Environmental Regulations

Hyundai Elevator evaluates and manages environmental factors in line with domestic and international regulations and our environmental management system. We perform monthly self-assessments using an environmental emissions facility checklist and conduct regular inspections to ensure compliance and drive continuous improvement, thereby minimizing environmental impact. Additionally, we carry out daily patrol inspections of all factory emission and prevention facilities to proactively identify and address operational issues, preventing potential environmental incidents.

Violation of Environmental Laws

Category	Unit	2021	2022	2023
Environmental Accident	Case	0	0	0
Environmental Regulation Fine	KRW	0	0	0

Environment Management Process



Environmental Training Program

Hyundai Elevator provides external training for environmental department employees on handling environmental equipment and the severe impact of pollution from leaks. Additionally, we offer in-house environmental training for production site workers, including proper waste disposal practices, to enhance their understanding and appreciation of environmental stewardship.

Environmental Training Programs

Category	Target	Contents	Dates
Air quality environmental technician	One Safety and Environment Team member	Proper operation and maintenance of environmental regulations & facilities	23.03.07-20
Building Manager Training	One Safety and Environment Team member		23.03.07-13
Waste Disposal Manager Training	One Safety and Environment Team member		23.03.28-04.03
Mechanical Facility Maintenance Manager Training	One Safety and Environment Team member	Maintenance and inspection of process machinery	23.04.07
Toxic Chemical Manager Training	One Safety and Environment Team member	Guidelines on toxic chemical storing and management	23.08.22-23

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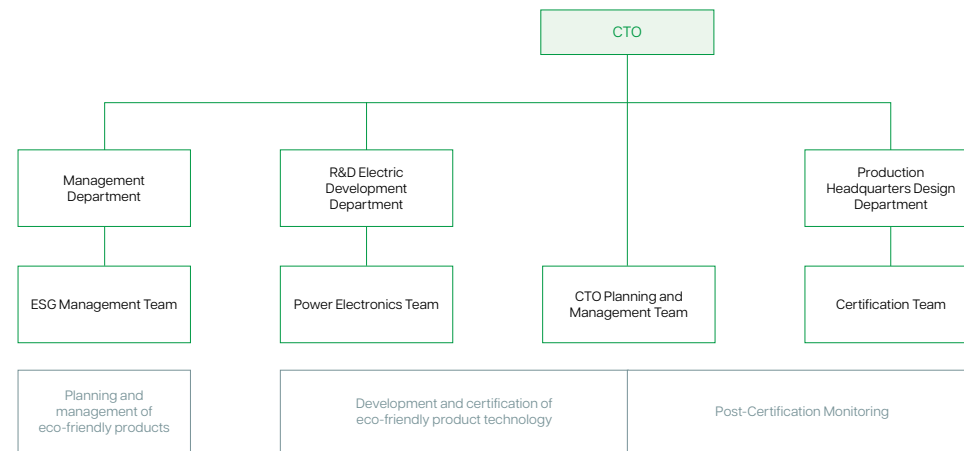
Development and Expansion of Eco-friendly Products

Respond with Low-Carbon Product

Governance

Hyundai Elevator has established an eco-friendly product development organization under the CTO to ensure sustainable business practices. This organization comprises the ESG Management Team from the Business Administration Unit, the Power Electronics Team from R&D Electric Development, the CTO Planning and Management Team, and the Certification Team from the Production Headquarters. The ESG Management Team leads the planning and management of eco-friendly products, while the R&D Electric Development Team and CTO Planning Team focus on technology development and certification. The Certification Team oversees the post-certification management of these products. Through this organization, Hyundai Elevator aims to develop eco-friendly products with lower carbon emissions, contributing to carbon neutrality.

Eco-Friendly Product Development Team (TFT)

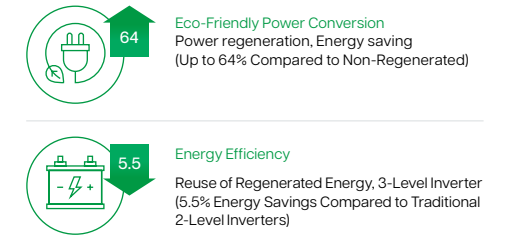


Strategy

Hyundai Elevator is committed to developing eco-friendly products with a goal of achieving over 15% energy savings by using regenerative inverters. We are focused on expanding our range of green products and services by setting clear targets and outlining specific tasks to meet this goal.

Internal Eco-Friendly Product Classification System

Hyundai Elevator has implemented an internal classification system for eco-friendly products, aligned with EU Taxonomy and K-Taxonomy standards. This system enables us to systematically manage the development and sales of eco-friendly products. Also, we are measuring and analyzing the revenue generated from these initiatives.



Development and Expansion of Eco-friendly Products

Management Activities and Performance

Eco-Friendly Products/Services Development and Patents

Hyundai Elevator is dedicated to developing eco-friendly products and services using various classification systems. We actively secure essential patents for these developments. Moving forward, we will continue refining our eco-friendly classification system, focusing on sustainable product development and the acquisition of related patents.

Product Development Examples

Examples	Details
Product Lightweighting	- Development of Products with Belt-type Suspension System * Achieved 55% weight reduction compared to the previous traction machine (235kg → 105kg)
Predictive Maintenance Service (MRI)	- Utilizing AI, IoT, cloud, and big data technologies for early prediction of failure symptoms to minimize downtime. - In case of failure, AI analyzes the cause and provides engineers with diagnostic results to minimize operational stoppage time - Analyzing elevator data to provide information on part usage and replacement
3-Level Inverter	- Improved Energy Efficiency through Inverter Topology Design Change * Increased system efficiency and regenerated power: Reduced power consumption by more than 5% compared to the previous system

Patent Examples

Patent Purpose	Patent	Details	Registration Date
Energy Savings	SiC Inverter Device	Speeds up switching and minimizes switching losses, simplifying inverter circuits and reducing power consumption	2020.05.19
Energy Savings	Regenerated Power Device	The regenerative power device efficiently manages the energy produced during the electric motor's regenerative operation	2020.12.21
Energy Savings	Elevator Control Device to Limit Stops	Minimizes full or near-full situations, enhancing elevator operational efficiency and saving energy	2021.10.06
Operational Efficiency Improvement	Image Recognition Interlinked Elevator Control System	Analyzes waiting passengers to predict the number of passengers at each platform, improving operational efficiency	2022.03.27
Fault and Disaster Prevention	Electric Power Converter for Elevator	Features a 3-level inverter that diagnoses switch failures in real time to prevent converter malfunctions	2023.12.08

Eco-Friendly Product Sales Performance

Hyundai Elevator manages eco-friendly products sales based on our classification system. This system defines regenerative inverters and 3-Level inverters as eco-friendly products. 3-Level inverter usage is measured based on 2023 data. Also, eco-friendly product sales are measured separately for new installations and maintenance services, as well as parts sales. Hyundai Elevator aims to continuously enhance our eco-friendly product classification system and sales strategy to improve performance in this area.

Eco-Friendly Product Sales Performance

Category	2022	2023
Products	Regenerative Inverter	Regenerative and 3-Level Inverter
New Installations	KRW 38.7 billion (2.91% of total new installation sales)	KRW 83.6 billion (5.56% of total new installation sales)
Service and Parts Sales	KRW 0.345 billion (0.1% of total service sales)	KRW 3.3 billion (0.9% of total service sales)

Regenerative Inverter

A system that regenerates power when the elevator car ascends lighter than the counterweight or descends heavier than the counterweight. This momentarily generated power is captured through an inverter and reused as electricity, enhancing energy efficiency.



Environmental Highlights

Transition to Renewable Energy: Solar Panel Installation and Operation

In 2022, Hyundai Elevator relocated from the Icheon campus to the Chungju campus, where it installed and began operating a solar power generation facility. This initiative supports the campus' self-sufficiency in renewable energy production and usage.

In 2023, we installed an additional 111.9 kW (self-generation) solar power facility to expand the total capacity to 7,600 kW through a third-party PPA contract and self-generation. This led to the generation of 9,200 MWh of renewable energy, which is expected to reduce greenhouse gas emissions by approximately 42%.

Renewable Energy(Solar Panel) Generation Status (Unit: kWh)

Category	Description	Capacity	Generation in '23
Third-Party PPA	System allowing direct sale of produced electricity to consumers via KEPCO	5,959	7,715,616
Self-Generation	Direct consumption of produced electricity on-site	1,575	1,431,036

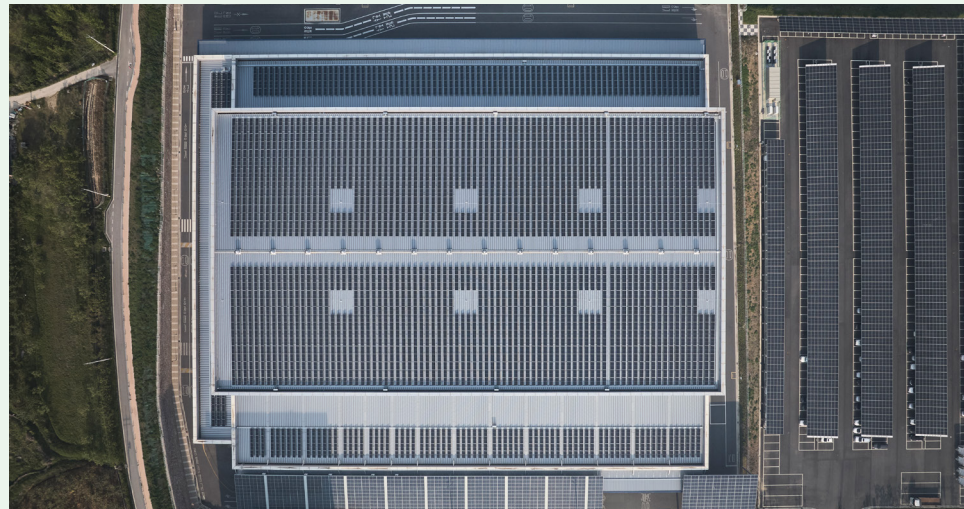


Photo of Hyundai Elevator Chungju Headquarters

MOU for Waste Battery Disposal

Batteries used in elevators for ELDs and emergency communication devices become hazardous waste after their usage, containing 69% lead and 19–22% sulfuric acid. Improper management of these waste batteries poses significant environmental and health risks, especially fire or explosion. Timely collection and careful handling are essential to prevent severe environmental contamination and safeguard human health.

Recognizing the importance of recycling waste batteries, Hyundai Elevator signed a collaboration agreement with the Korea Elevator Safety Agency and the Korea Environment Corporation in November 2023. This initiative aims to recover and recycle batteries from elevators, contributing to a circular economy and achieving carbon neutrality by 2050. The cooperation system plans to carry out systematic and continuous projects aimed at the expansion period in '24~'25 (60% recovery of generation) and the stabilization period in '26~'27 (full recovery).

Under this agreement, we are actively collecting and recycling elevator waste batteries to reduce environmental pollution and promote resource circulation. All branches are participating in this initiative voluntarily. In the past five months, we have collected approximately 2,543 kg of waste batteries from two branches and transferred them to recycling companies.

Hyundai Elevator plans to expand the waste battery collection initiative to six branches in the first quarter of 2024, aiming to increase the collection volume and gradually extend it to all branches.



The signing ceremony for the MOU to practice ESG management through resource circulation of elevator waste

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Hyundai Elevator is committed to fulfilling our corporate social responsibilities.

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Human Rights Management

Governance

Hyundai Elevator, as a global elevator company, respects the human rights of all stakeholders, including employees, across all aspects of its production and business activities, and strives to practice human rights management. Our human rights governance structure comprises the ESG Committee, CEO, CHO, Human Rights Management department, and related teams such as HR, Ethical Management, Safety Management Planning, IT Planning (Information Security), and ESG Management. The CEO holds the ultimate decision-making authority on human rights matters, while the CHO reviews reports and evaluates significant human rights issues and performance. The human rights management department, under the CHO, is responsible for labor relations. Other relevant teams are responsible for identifying, monitoring, and addressing human rights risks and monitoring issue-specific tasks.

Human Rights Management Policy

Hyundai Elevator upholds the human rights of all stakeholders, including employees, across all production and management activities. We rigorously adhere to international human rights principles and norms, including the UDHR(Universal Declaration of Human Rights), UNGPs(UN Guiding Principles on Business and Human Rights), OECD Guidelines for Multinational Enterprises, the UN Convention on the Rights of the Child, and ILO Core Conventions. Accordingly, we have established and publicly disclosed our "Human Rights Management Policy," which enshrines principles such as the prohibition of forced and child labor and the assurance of freedom of association.



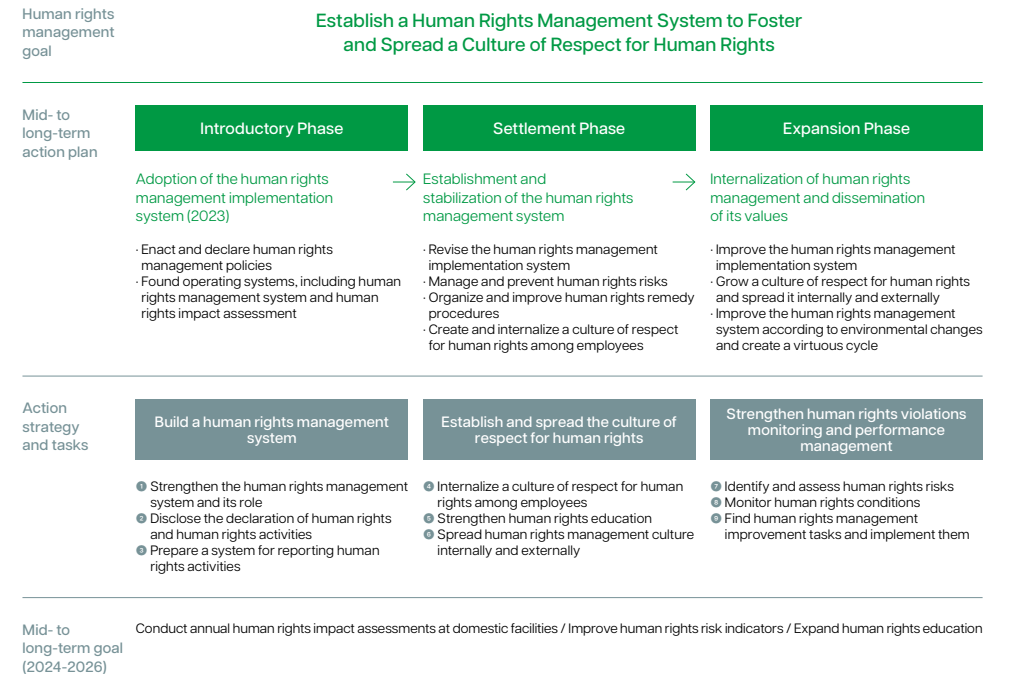
Human Rights Management Policy

Strategy

Hyundai Elevator actively promotes human rights management through a coordinated effort involving HR, Ethical Management, Safety Management Planning, IT Planning, and ESG Management departments, all led by the Labor Relations team under the CHO. In 2023, the Labor Relations team conducted the company's first human rights impact assessment. Based on the results of the assessment, it established key management indicators and identified areas for improvement. The team also revised human rights policies, developed a comprehensive human rights management system, and specified critical items for managing human rights risks.

Hyundai Elevator has established a KPI and performance management system for its human rights management activities, integrating these responsibilities into the roles of the CHO and the Labor Relations team. This initiative is designed to ensure continuous improvement in the management of human rights risks, reflecting our commitment to upholding the highest standards of ethical and responsible business conduct.

Hyundai Elevator's Mid- to Long-Term Goals for Human Rights Management



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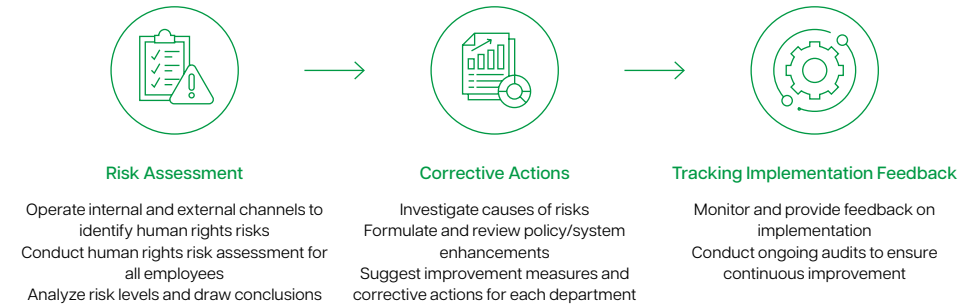
Human Rights Management

Management Activities and Performance

Human Rights Impact Assessment and Mitigation Process

In 2023, Hyundai Elevator conducted a thorough human rights impact assessment aligned with various domestic and international standards, including our human rights management policies. This initiative aims to identify human rights risks among stakeholders, actively pinpoint potential impacts, and establish effective mitigation processes.

Identification and Mitigation of Human Rights Risks



Educational Activities for Improving Workplace Human Rights

Hyundai Elevator offers a variety of educational opportunities to its employees to foster an ethical corporate culture. In 2023, we expanded these efforts by conducting training on preventing sexual harassment and workplace bullying, and improving disability awareness within the workplace.

Education for Human Rights Improvement

Category	Unit	Workplace Sexual Harassment Prevention	Workplace Bullying Prevention	Disability Awareness Improvement
Employees eligible for training	persons	2,722	2,686	2,733
Number of employees participated	persons	2,722	2,479	2,368
Training hours	hours	2	2	2
Completion rate	%	100	92	87

Grievance Center Operation

In 2017, Hyundai Elevator established the Grievance Center to receive reports and handle cases of sexual harassment in the workplace. Since 2019, following the enactment of the Workplace Harassment Prevention Act, we have been operating an integrated Grievance Center that deals with not only cases of sexual harassment but also other types of harassment in the workplace. The center receives complaints via reporting channels and handles the entire process, including consultation on the issue, case filing, investigation, and monitoring. The information reported cannot be viewed by anyone other than the authorized persons. Both handling persons and those involved in the case must sign a confidentiality agreement. We strictly adhere to the principle of protecting informants so that they do not suffer any disadvantages for reporting their grievances.

The Grievance Center has established the "Workplace Bullying and Sexual Harassment Prevention Case Handling Guideline," which includes comprehensive documents for case handling, such as guidelines for the entire process, confidentiality agreements, and pledges to prevent recurrence. All the cases are handled fairly and in accordance with these guidelines. The Grievance Center strives to foster a sound organizational culture by not only lodging and investigating cases but also conducting preventive activities, including relevant trainings, surveys, and employee interviews.

Operation of the Grievance Center

(Unit: cases)

Category	Details	Number of Cases
Reported	Requests for grievance counseling and case handling related to workplace harassment	3
Handled	Recommended Closure	2
	Referred to the Personnel Committee	1

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Talent Management

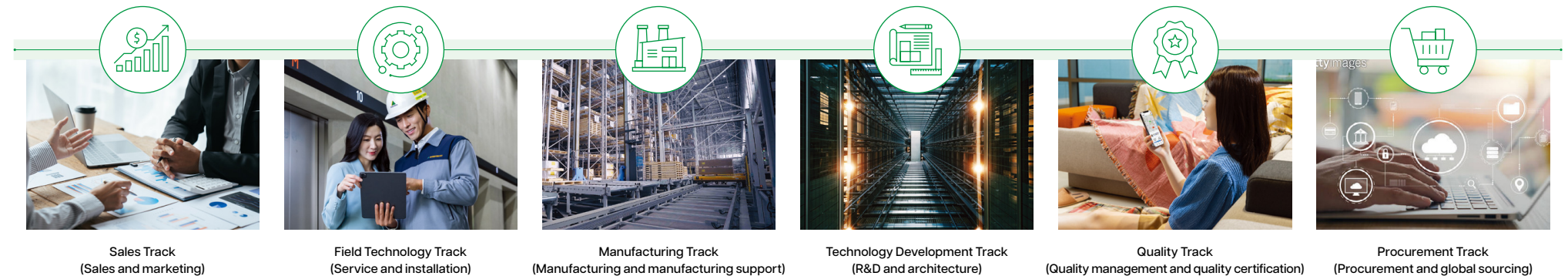
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Talent Development System

Hyundai Elevator operates a range of talent development programs to maintain technical superiority and a competitive edge in the elevator market. We aim to enhance global competencies and cultivate field experts through targeted strategies. Our initiatives include Global Communities of Practice (CoP), overseas MBA programs, language support systems, and Smart Work practices implemented post-COVID-19 to boost efficiency. Committed to a horizontal and healthy organizational culture, Hyundai Elevator supports employees in realizing their full potential and advancing their capabilities in line with the evolving industry demands.

Hyundai Elevator has established a specialized talent development system (Functional School System) to cultivate experts in elevator operations. The system is divided into six tracks: Sales, Field Technology, Procurement, Quality, Manufacturing, and Technology Development. Additionally, to foster a culture of voluntary learning, employees form and manage Communities of Practice (CoP) for long-term research and learning. We also support employees in acquiring job-specific certifications to enhance their professional competence. To maintain our edge as a technology-focused elevator company, we appoint frontline technical experts as in-house instructors, develop field-specific education programs, and actively share job expertise.

Functional School System



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Talent Management

Strategy

HRD Strategy

For sustainable talent development, Hyundai Elevator is implementing an HRD strategy based on a self-directed learning culture. To adapt to evolving educational environments, we focus on two main areas. First, we have established six Functional School tracks tailored to specific job roles: Sales, Field Technology, Manufacturing, Procurement, Quality, and Technology Development. These tracks offer technology-centered, job-centered, and trend-centered curricula, forming a training system that emphasizes practical technical skills.

Second, Hyundai Elevator is striving to cultivate a culture of self-directed learning through operating Communities of Practice (CoP). These CoPs provide employees with opportunities to explore and research innovative and creative topics related to their roles. By engaging in these initiatives, we aim to enhance our employees' competencies.

With the comprehensive overhaul of our personnel system, we have eliminated the promotion hurdles tied to the CDP (Career Development Plan) points system. Instead, we now offer tailored training programs based on Individual Development Plans (IDPs) that employees create themselves. We actively incorporate these training records into the evaluations for Career Level (CL) promotions.

We also operate an external education support system to meet additional training needs. We provide unlimited support for employees to attend courses offered by external professional institutions to enhance expertise in their current or desired job roles. Additionally, we operate a system to support employees in obtaining nationally recognized certifications to enhance their professional competence, such as certifications in elevator, mechanical, electrical, and construction fields, depending on their current job responsibilities within the elevator industry. Starting in 2023, we have implemented a post-training effectiveness analysis process to enhance the engagement and effectiveness of our educational programs. For instance, in sales, after completing contract skills enhancement training, we conducted proposal presentation competitions to validate the effectiveness of the training. We also use a 3-Step Sequence-Based Training in sales, culminating in role-playing exercises, to validate training effectiveness. Hyundai Elevator remains committed to continuously improving employee education.

Number of employees participating in CoPs

Category	Unit	2021	2022	2023
Teams	Team	7	23	43
Persons	Persons	32	118	230



Talent Management

Management Activities and Performance

Strengthening Technical Competency Through Job Expertise Certification System

Hyundai Elevator aims to enhance employees' expertise and systematically cultivate talents by establishing and operating a comprehensive internal education system. We prioritize certification systems focused on developing specialized technical skills for technical positions.

Professional Development Support System

System	Details
Technical worker training (strengthening technical competency)	Our technical training programs are designed to strengthen core competencies in technical skills. We have established a system that allows field engineers to gain recognition for their expertise through internal certifications.
Office worker training (strengthening common competencies and fostering specialists)	Our Office worker training programs offer customized courses tailored to meet operational needs, enhancing employee engagement and fostering voluntary learning. These programs go beyond simple knowledge transfer, focusing on practical application and developing professional-level job performance skills.
Strategic future talent development (nurturing high-potential employees)	The Strategic Future Talent Development Program supports overseas MBA programs to cultivate high-potential global employees for pivotal roles in the future global market.
Strengthening field leader's capabilities	We provide leadership training for supervisors, team leaders, and managers. This training ensures they effectively communicate the organization's vision and goals to employees, enabling everyone to efficiently work towards common objectives.
Self-directed growth support	We operate a Job Community of Practice (CoP) system to create a self-directed learning environment and boost individual capabilities. This system supports in-depth learning of relevant job functions, thereby expanding individual job competencies. Additionally, our in-house instructor system develops experienced employees into key trainers, enabling them to share their expertise and enhance the organization's overall capabilities.
Strengthening female leadership	Hyundai Elevator has implemented the "Women's Leadership Program" since 2023 to enhance female leadership. We remain committed to increasing the proportion of female leaders and expanding diversity in the future.

Knowledge H

Knowledge H sessions, lasting approximately 15 minutes each, are sessions where employees share their job expertise, experiences, and personal interests. These sessions are recorded and uploaded to our internal education platform, C-TV, and our official YouTube channel, allowing the knowledge content to be widely shared.

Onboarding Program

We operate an onboarding program to accelerate the integration of new hires, including both fresh graduates and experienced employees. For new employees, we provide a step-by-step onboarding program to help them adapt to the organization. We also operate a mentoring program to assist new members in adjusting to the organization and their roles and to enhance their engagement. After their first year with the company, we provide retention training to help them grow into core employees. For experienced hires, we provide online learning and a separate onboarding program to help them understand business processes, organizational functions, and corporate systems.

In-House Instructor System

Every year, we systematically select and develop around 20 in-house instructors across two phases. To support this initiative, we offer various support systems for in-house instructors, including external training, seminar attendance, and book purchase support. As key knowledge assets of the company, they share their expertise and specialized knowledge with colleagues, enhancing the organization's overall knowledge capacity.

Retirement Planning

To help employees live a healthy and stable life after retirement, we offer retirement planning education programs. We support employees to prepare for their second life by sharing relevant information on assets, healthcare, finances, employment, and start-ups. In the future, we plan to incorporate employees' feedback to make our programs to be more experiential and activity-oriented, including showcasing retirement success stories and organizing activities for couples to participate in together. We are also planning to organize special lectures that reflect the latest trends in the economy and IT.

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Organizational Culture Innovation

Hyundai Elevator has established a Labor-Management Cooperation Team within the CHO department to drive cultural innovation and change management. This team focuses on removing barriers to performance and promotes initiatives based on three core values: challenge, collaboration, and innovation. Through Change Agents, the team continuously identifies and addresses areas for improvement within the organization. These efforts aim to create a diverse and inclusive culture that enables all employees to reach their full potential.

Labor-Management Team

Category	Role	Lead	Check	Networking
Labor-Management Cooperation Team	Internalization of corporate culture and identification of improvement opportunities	<ul style="list-style-type: none"> - Leading various activities to embed the core values of challenge, collaboration, and innovation - Planning and executing projects to improve organizational culture 	<ul style="list-style-type: none"> - Evaluating the effectiveness of culture improvement projects and programs - Surveying and assessing employees' awareness of core values 	<ul style="list-style-type: none"> - Collaborating with various departments and teams within the organization to strengthen corporate culture - Networking with external experts and organizations to incorporate the latest organizational culture trends
C.A (Change Agent)	Driving change for improvements in organizational culture	<ul style="list-style-type: none"> - Identifying and leading projects and improvement initiatives that drive change - Providing a strategic approach to align organizational culture with individual values 	<ul style="list-style-type: none"> - Conducting checks on change management and cultural transformation within the organization - Monitoring the progress and outcomes of organizational culture improvement initiatives 	<ul style="list-style-type: none"> - Conducting internal networking activities to promote diversity and collaboration among employees - Exploring innovative cases and ideas from outside the organization
Front Line	Supporting organizational culture execution and innovation	<ul style="list-style-type: none"> - Executing initiatives for embedding and improving organizational culture in the field - Providing ideas for organizational culture improvement that reflect the characteristics of the field 	<ul style="list-style-type: none"> - Reviewing the status of activities and projects related to organizational culture within the field - Offering feedback on improvement initiatives and evaluating results 	<ul style="list-style-type: none"> - Strengthening collaboration and communication with other departments and teams - Sharing knowledge and resources through collaborative networks

Performance-Driven Position Process System

We have simplified our career ladder from a seven-level system to a three-level system, which reflects on actual job roles and fosters a performance-oriented culture. This change moves away from excessive promotion competition and tenure-based practices. Promotion criteria are now based on performance outcomes, allowing team members to focus on achieving results and improving their expertise without the stress of promotions. Managers can now concentrate on performance management and coaching, reducing the administrative burden of promotion decisions. Hyundai Elevator is dedicated to cultivating a culture centered on performance and achievement.



Evaluation System

We have revamped our evaluation system to move beyond conventional goal-setting and evaluation processes, aiming for practical performance management. Goals now account for both organizational objectives and individual contributions. We have introduced a concept of regular Check-Ins for the set goals, enabling real-time communication between team leaders and members, thereby providing fair data for year-end evaluations. To alleviate the burden of relative assessment, we have lowered the distribution ratio of lower-tier evaluations. Additionally, we have enhanced organizational management through a refined evaluation system that includes bidirectional feedback, allowing team members to periodically assess team leaders through leadership diagnostics.

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Office Worker Remuneration System

We have transitioned from a promotion-centered reward system to one that reflects annual performance. Promotion funds have been converted to merit pay, which is awarded differentially based on performance. The merit pay increases proportionally to the evaluation grade received for the year and is accumulated and paid annually, independent of promotion status. Additionally, we have established a compensation structure where the performance-based differential increases with salary level, thereby, supporting employee challenge and growth. This ensures that employees are rewarded in line their work performance, creating an environment where they can feel a sense of accomplishment.

Diversity and Inclusion Policy

In January 2024, Hyundai Elevator introduced a diversity and inclusion policy to create an inclusive organizational culture that encourages innovative thinking. Based on this policy, Hyundai Elevator prohibits discrimination based on gender, race, ethnicity, nationality, country of origin, cultural background, disability, age, personal gender identity, political or religious beliefs, and social status. This policy applies to all employees across headquarters, domestic and international production and sales subsidiaries, affiliates, and joint ventures.

Diversity and Inclusion Policy

Furthermore, we have set a goal to increase our hiring rate of people with disabilities, which stood at 1.01% in 2023. To support this objective, we established a choir for employees with disabilities in 2023, demonstrating our ongoing commitment to enhancing workforce diversity.

Hyundai Elevator's Workforce Diversity Goal: Employment of People With Disabilities (Unit: %)

Year	2024	2027	2030
Target	1.8	2.3	3.1



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Healthy Organizational Culture

Strategy

Conducting Organizational Culture Diagnosis

Hyundai Elevator conducted an organizational culture assessment for technical roles in January 2024 to foster a corporate culture of mutual growth. The assessment aimed to address changes among technical staff, generational and occupational harmonization in response to the increasing MZ generation, and the formation of a performance-oriented culture within the organization. The survey included around 66 questions covering organizational direction, HR policies, and operational practices, with 77% (1,151 employees) of the technical staff participating in the survey. Additionally, in-depth interviews were conducted with around 100 employees to gather insights for improving organizational culture. The results of these interviews and subsequent workshops by job level confirmed the coexistence of diverse cultures across departments, roles, and generations. Based on these findings, Hyundai Elevator is developing a roadmap for organizational culture improvement and plans to undertake gradual improvement activities by selecting key tasks.

Technical Organizational Culture Survey

* Survey structure: The survey was structured into 5 major categories, 17 subcategories, and 66 specific items.

Category	Sub-Category	Details
Organizational Direction	<ul style="list-style-type: none"> • Vision and Mission • Management Strategy • Core Values 	<ul style="list-style-type: none"> • Clarity of Vision/Mission, Competitiveness in Achieving Vision/Mission • Alignment with Management Strategy and Strategic Goals • Awareness/Practice of Core Values
HR System	<ul style="list-style-type: none"> • System Awareness Level • Wage/Compensation • Promotion/Evaluation • Welfare 	<ul style="list-style-type: none"> • Understanding of Systems, Recruitment, Overtime Work, Satisfaction with Education System, Job Skills Development • Rationality of Wage System, Satisfaction with Wage System, Rationality of Compensation System, Satisfaction with Salary Level • Fairness of Promotion System, Satisfaction with Promotion System, Fairness of Evaluation System • Satisfaction with Evaluation System: Performance Evaluation Feedback • Welfare, Vacation Usage, Grievance Handling Support
Organizational Operation	<ul style="list-style-type: none"> • Organizational Management System • Leadership 	<ul style="list-style-type: none"> • Organizational Structure, Performance Management System, Compliance with Regulations and Principles, Roles and Responsibilities of Units/Organizations • Goal Setting, Role Model, Delegation of Authority, Work Feedback
Organizational Atmosphere	<ul style="list-style-type: none"> • Working Atmosphere • Work Characteristics • Teamwork • Work Style 	<ul style="list-style-type: none"> • Open Opinion Sharing, Efficiency in Task Execution, Information Sharing, Working Environment • Autonomy in Work, Importance of Tasks, Diversity of Tasks • Inter-departmental Collaboration, Communication Across Hierarchies, Communication Across Generations, Conflict Management Within Departments • Meeting Culture, Reporting Culture, Work Mindset, Standardization of Work Processes, Agile Task Execution
Organizational Commitment	<ul style="list-style-type: none"> • Change Management • e-NPS/Intention to Leave • Organizational Attachment • Burnout 	<ul style="list-style-type: none"> • Change-oriented, Participation in Change, Priority of Change Targets, Respect for Diversity • Job Offer Acceptance, (Passive) Intention to Leave, (Active) Intention to Leave, Reasons for Leaving • Sense of Belonging, Organizational Solidarity, Alignment of Values, Company Loyalty • Work Fatigue, Work Stress, Attitude toward Work Contribution, Sense of Achievement in Work
Free Opinion	<ul style="list-style-type: none"> • Employee Free Opinion 	<ul style="list-style-type: none"> • Opinions on problems, causes, and solutions regarding organizational culture

Management Activities and Performance

Various Communication Activities with Employees

Hyundai Elevator recognizes human rights management as a crucial aspect of ESG management and has created various communication platforms with employees to support this. Since 2022, our CEO has been conducting "CEO Talk Concert" 2-3 times a year to enhance on-site management and increase direct communication with labor unions and employees, considering the nationwide distribution of our operations. We also conduct biannual "Town Hall Meetings" in each division, where division heads discuss major issues and strategic directions with their teams. This adds up to 20 company-wide meetings each year. Furthermore, our CHO regularly visits local branches to directly engage with field employees, offering support and addressing their concerns. Between January and April 2024, the CHO visited 7 branches, ensuring a strong two-way communication channel between the company and its employees. To internalize and strengthen our commitment to Vision 2030, Hyundai Elevator's executives, including the CEO, personally draft and share "Vision Messages" that outline the vision for each division and the necessary elements to achieve that vision. Since 2022, we have hosted an annual "Movie Day" at the Chungju Auditorium, featuring film screenings and a chicken and beer party to encourage communication among employees. In September 2023, we launched the Chungman (Chungju Satisfaction) program to enhance employee welfare. This program offers activities such as golf, yoga, psychological therapy, and financial planning, supporting our staff's overall well-being.



CEO Talk Concert



Rational Labor-Management Culture Operations

Hyundai Elevator aims for a future-oriented and reasonable labor-management culture based on the management philosophy that "labor-management harmony and coexistence are the competitiveness of a company." We transparently share our management status and vision with the labor union and employees. We strive to create a sustainable company by improving corporate competitiveness and performance through a win-win partnership between labor and management. To support this, we conduct annual collective agreements. In the 2023 negotiations, agreements were reached on increasing and integrating welfare points, improving the picnic system and funeral supplies, and raising qualification allowances, thereby maintaining the industry's highest labor-management competitiveness.

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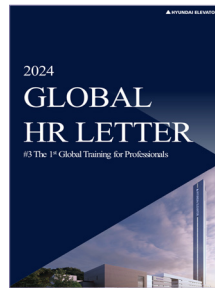
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Management Activities and Performance

Global Letter to Enhance Communication Channels with Overseas Subsidiaries

To strengthen global communication among Hyundai Elevator's employees worldwide, we have established communication channels between overseas subsidiaries and the headquarters. We regularly plan and operate content to facilitate this communication. By sharing the headquarters' global talent development and motivational activities with all employees through the Global Letter, we foster a corporate culture that enhances Hyundai Elevator's global influence and employee loyalty. The Global Letter, featuring various Global HR content, includes monthly reports and research findings of the Global CoPs, updates on the Global Knowledge Conference, training sessions, and on-site activities. Through regular overseas communication, we hope to discover collaborative opportunities between the headquarters and subsidiaries to build a global corporate culture.



Global HR Letter



Training Program for Outstanding Employees of Overseas Subsidiaries

Operation of Global Internship

To strengthen competitiveness in overseas markets, Hyundai Elevator operates a global internship program targeting international students from prestigious domestic universities. The global internship includes activities such as orientation, onboarding training, a tour of the Chungju headquarters factory, and team-based mentoring programs. In 2023, the program was conducted twice, during the winter and summer, recruiting interns from various countries including Taiwan, Russia, Vietnam, Thailand, and Uzbekistan.

Through these activities, Hyundai Elevator not only seeks opportunities to identify outstanding global talent in advance but also strives to create a more inclusive and diversified organizational culture by enhancing existing employees' ability to collaborate in multicultural environments and improving their cultural understanding. By offering a structured program, we increase internship satisfaction and provide a strong foundation for foreign interns to potentially become future employees. Moving forward, Hyundai Elevator plans to enhance the efficiency of its global internship program by diversifying promotional channels and expanding employee exchange opportunities, thereby supporting our global market expansion.



Global Internship



Overseas Subsidiary Staff Overview

(Unit: persons)

Category	China	Türkiye	Vietnam	Indonesia	Malaysia	Brazil
Total	524	221	206	187	175	4
Dispatched Employees	11	2	2	1	2	1
Local Employees	513	219	204	186	173	3
Local Managers	43	89	37	67	72	0

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Women's Leadership Program

Hyundai Elevator is committed to enhancing diversity and inclusivity by increasing the number of women leaders within the organization, thereby boosting overall performance. In 2023, we launched a three-year development plan for 17 selected female employees. The first year focuses on "Emotional Intelligence and Strengths Identification," the second on "Leadership Development and Field Professionals," and the third on "Leadership Manifestation." We remain dedicated to meeting the diverse needs of our customers while fostering a culture of mutual respect that values the varied experiences and backgrounds of our team members.



Beyond the Limit Female Leadership Training



Family-Friendly Management

Hyundai Elevator strictly complies with the systems stipulated by law, such as parental leave and family care leave. We also operate various welfare programs as part of our family-friendly culture. For example, when employees or their spouses are pregnant, we provide financial vouchers that can be used within two years to purchase necessary childbirth and childcare items. Additionally, under the Infant Care Act, we also operate a childcare fee support system for employees in Chungju that provides up to KRW 0.26 million per month to employees whose child is under the age of 5.

Supporting Children's Education and Childbirth Incentives

We operate a tuition support program to improve the welfare of our employees and reduce the burden on their families. This program includes support for tuition fees, entrance fees, and other educational expenses for their pre-K (preschool) and K-12 (primary and secondary education) students. To foster employee pride, we also offer welfare benefits such as gifts to children on their first day of pre, elementary, and middle school. We have revised our preschool support policy, changing the monthly allowance of KRW 0.1 million to start two years before school entry, instead of one year prior. Additionally, to encourage childbirth in response to declining birth rates, we have enhanced our support for employees with multiple children, offering childbirth congratulatory allowances of KRW 3 million for the third child and KRW 4 million for the fourth child.

Long-Term Service Rewards

To honor the contributions of long-serving employees, we offer a comprehensive long-term service reward program. Employees with 5 to 35 years of service receive rewards such as gold badges, gift certificates, gold medals, reward vacations, and paid vacations twice a year, depending on their tenure. Despite rising gold prices, we have consistently provided gold medals ranging from 5 don to a maximum of 17 don (where 1 don equals 3.75 grams) since the program's inception. This recognition has significantly boosted employee morale and satisfaction, reflecting our deep appreciation for their dedicated service.



Commemorative Photo for 2023 Retirees

Healthy Organizational Culture

Management Activities and Performance

Employee Welfare Fund

Hyundai Elevator supports employees through the Welfare Fund, offering loans twice a year (May and November) for home purchases or rentals to promote stable residential living. Additionally, the company provides monthly financial assistance to enhance livelihood stability. Loans for home purchasing and living stability are offered at low interest rates, minimizing the financial burden on employees and supporting their stability in various ways.

Chungju Settlement Support Fund

Hyundai Elevator, in collaboration with Chungju City Hall, offers relocation and settlement support funds for employees moving to Chungju. Chungju City Hall provided KRW 3.6 million over three years, and the company added an additional KRW 1.5 million. Hyundai Elevator remains committed to developing various systems in partnership with local governments to ensure housing stability for employees.

Retirement Pension System and Support for Personal Pension

Hyundai Elevator offers a Defined Benefit (DB) retirement plan for all employees with over one year of service, with the option to switch to a Defined Contribution (DC) plan if preferred. Each year, we responsibly manage and deposit retirement pension contributions with a financial institution to ensure secure retirement funds. Additionally, employees can enroll in a company-linked personal pension plan, with Hyundai Elevator covering 50% of the contribution. This initiative further enhances welfare benefits and supports employees' financial stability post-retirement.

Providing Opportunities to Recharge

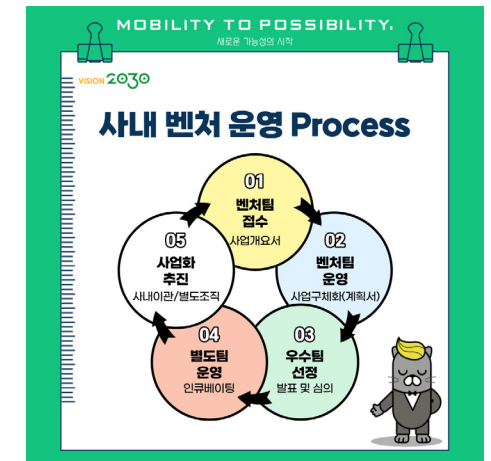
To enhance productivity and work efficiency through employee rejuvenation, Hyundai Elevator implements a biannual refresh leave, previously lasting 3 to 5 days. Starting in 2024, this leave will be extended to up to 7 days, fostering a "Work while you work, play while you play" culture by providing more resting opportunities. Additionally, since May 2023, a two-hour leave system has been available for office staff, allowing for flexible and planned time off. From May 2024, this system will also be extended to technical staff, enabling all employees to use their leaves more freely and systematically.

Internal Venture System

In 2023, Hyundai Elevator launched its first internal venture program under the Vision 2030 initiative to explore new business opportunities. A total of 10 ideas were submitted, and after internal evaluation, six teams were selected to proceed. Following six months of refining their business concepts, the first phase concluded with a final presentation. Outstanding teams will receive further support for development, and the second phase of the internal venture program is set to begin in the second half of 2024. Hyundai Elevator is committed to providing continuous support for discovering new business ventures, ensuring that the in-house venture system becomes an integral part of achieving the company's Vision 2030.



Internal Venture Idea Submission



Quality Management

Governance

Quality Management System

Hyundai Elevator prioritizes product safety and quality through a comprehensive, company-wide quality management system based on ISO 9001. This system encompasses all aspects of our business processes, including sales, development, design, procurement, production, installation, and service, to ensure the highest standards of product safety. To maintain an effective system operation, all employees adhere strictly to relevant regulations and standards.

The Quality Department conducts Review Boards to evaluate and verify the quality of new and redesigned products. This process plays a crucial role in minimizing defects and ensuring flawless products before shipment. Additionally, we regularly test the reliability of newly developed and mass-produced products to maintain high standards. Through these preventive measures and rigorous reliability testing, Hyundai Elevator is committed to developing safe, high-quality products, thereby earning and maintaining customer trust.

These efforts not only ensure the safety and quality of our products but also reflect Hyundai Elevator's philosophy of prioritizing customer satisfaction. Through continuous quality improvements and innovations, Hyundai Elevator aims to maintain its industry-leading position, establishing itself as a company that contributes to both customers and society.



Quality Certification

Hyundai Elevator has established and implemented a quality management system in accordance with KS Q ISO9001 standards throughout the company. This is a part of our effort to ensure customer satisfaction by prioritizing product safety and quality.

Maintaining KC and CE certifications for all elevator and escalator components ensures our products meet both domestic and international safety and quality standards. This commitment enhances global competitiveness, product reliability, and customer trust. Hyundai Elevator's ISO management system certifications include ISO 9001 (Quality Management), ISO 14001 (Environmental Management), ISO 45001 (Occupational Health and Safety), and ISO 37301 (Compliance Management). These certifications demonstrate our dedication to continuous improvement, environmental sustainability, workplace safety, and ethical operations.

Additionally, we have obtained 274 KC certifications and 80 CE certifications related to EN81-50 for elevator parts and models. This emphasizes our commitment to providing excellent products that meet both domestic and international safety and quality standards.



ISO 9001 Certificate

Quality Certifications and Achievements

(Unit: Certificates)

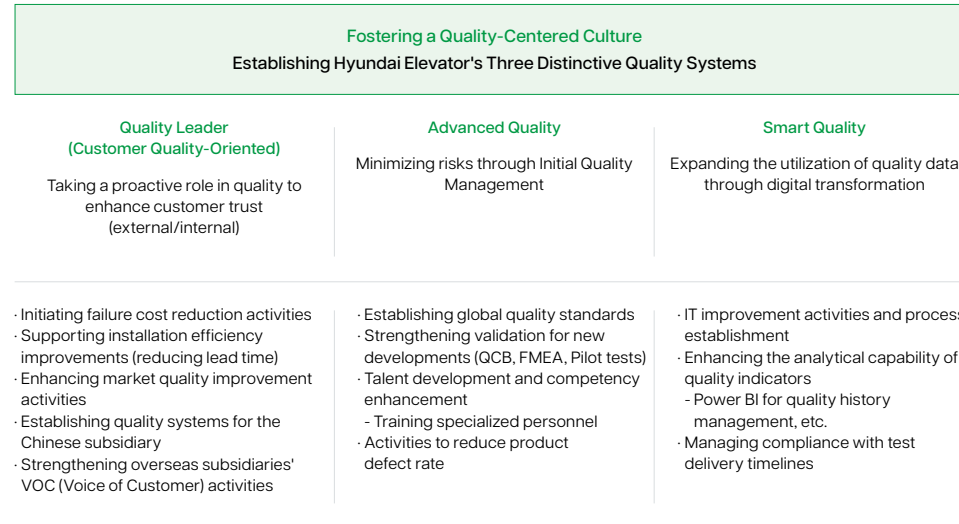
Certification Body	Certification Type	Number of certifications earned
ISO	9001, 14001, 45001, 37301	4
KC	Elevator components and models	274
CE	EN81-50 related	80

Quality Management

Strategy

To foster a quality-centric culture, Hyundai Elevator has established three key quality systems that are being implemented company-wide. We also conduct various quality improvement activities to provide customers with the highest quality products and focus on advanced quality management to preemptively eliminate the risk of product defects. Hyundai Elevator is committed to consistently maintaining excellent quality in the future.

Quality Management Strategy



Management Activities and Performance

Quality Improvement Activities

To reduce quality failure costs, Hyundai Elevator has focused on improving key components that frequently cause service failures. We conducted failure cause analyses for each component and, based on the findings, improved the products and verified their effectiveness in the field. This initiative has successfully improved major components, resulting in a continuous reduction in failure costs. Moreover, to enhance the handling of customer complaints, Hyundai Elevator established a structured complaint management system and strengthened on-site response efforts, reducing the rate of unresolved complaints by approximately 50%. Additionally, to raise awareness of internal quality activities and external quality trends, we published a quality magazine to promote the importance of quality and communicating the future directions of our quality efforts across the entire company. Hyundai Elevator's commitment to quality improvement has been recognized by prestigious institutions. The company has been selected as an Excellent Quality Competitiveness Enterprise by the Korean Standards Association (KSA) and an Excellent Quality Management Enterprise by Chungcheongbuk-do.



Selected as an Excellent Quality Competitiveness Enterprise



Selected as an Excellent Quality Management Enterprise by Chungcheongbuk-do

Information Security

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 - Safety and Health
 - Supply Chain Management
 - Community Impact
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- SUSTAINABILITY FACTS & FIGURES
- APPENDICES

Governance

Information Security Management Trajectory

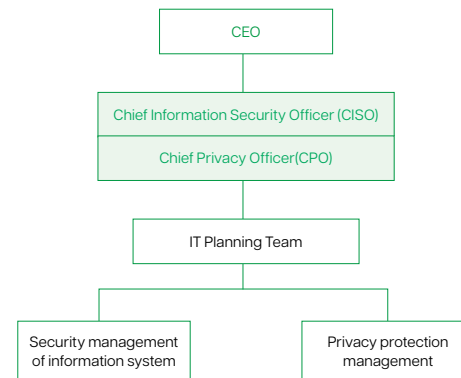
Hyundai Elevator is dedicated to establishing an information security management system that aligns with its business objectives. We proactively identify risks from external cyber attacks and develop appropriate countermeasures. By adhering to legal and regulatory requirements, we strive to prevent legal issues and maintain high-security standards. Additionally, we enhance employee security awareness through comprehensive internal education and training, clearly defining responsibilities and roles. These efforts aim to continually improve customer trust and ensure robust information security management.

Category	Details
Alignment with Business Goals	Establishing an information security management system that supports and aligns with business objectives
Risk Assessment and Management	Identifying and addressing risks from external cyber attacks that could impact the business
Compliance with Laws and Regulatory Requirements	Adhering to legal and regulatory requirements to prevent legal issues and maintain security standards
Fostering a Security Culture within the Organization	Enhancing employee security awareness through education and training, clearly outlining responsibilities and roles

Information Security Organization

Hyundai Elevator has appointed a Chief Information Security Officer (CISO) responsible for overseeing information security. The IT Planning Team, operating under the CISO, manages information security across the company. With the growing importance of information security, the IT Planning Team conducts comprehensive security planning and information system audits. This team has strengthened the management system through close collaboration with each department, ensuring robust and effective information security measures company-wide.

Information Security Organizational Chart



Data Protection Guidelines

Hyundai Elevator, driven by a commitment to protect information assets and personal data, has established internal information security regulations along with four additional guidelines. These efforts aim to ensure that all employees recognize information security as a crucial element of corporate management. These policies and guidelines provide principles, standards, and behavioral guidelines tailored to the roles of internal and external employees to ensure safe work practices. Additionally, we enhance system competitiveness by continuously monitoring security vulnerabilities and operating a security control system to prevent information leakage. By disclosing our information protection measures, we also bolster external credibility and competitiveness in information security.

Data Protection Guidelines

- 1 Data security regulation
- 2 PC Security regulation
- 3 Response guideline for data security breach
- 4 Personnel security guideline
- 5 IT security guideline for visitors

Privacy Protection Policy

Hyundai Elevator diligently complies with the Korean Personal Information Protection Act, the Act on Promotion of Information and Communications Network Utilization and Information Protection, and other relevant regulations. By establishing privacy protection policies and internal management guidelines, we adhere to the standards throughout the entire personal information lifecycle, from collection to destruction. We clearly communicate our privacy policy to information subjects by publishing it on our website. This ensures transparency and demonstrates our commitment to protecting personal data in accordance with legal requirements.

Additionally, to ensure that privacy protection activities are appropriately carried out, we continuously monitor the personal information processing system and the current handling status of personal information and handlers. We strive to strengthen technical protection measures, including encryption and access control, to secure personal information effectively.

Privacy Protection Policy

- 1 Privacy protection regulation
- 2 Personal information internal management guideline
- 3 Personal information processing guideline

Information Security

Strategy

Information Security Management System

Hyundai Elevator has established a robust information security management system centered on five strategic directions: understanding business requirements, risk assessment, continuous development and improvement of security policies and procedures, implementation of technical security measures, and regular audits and reviews. This comprehensive approach ensures the protection of the company's intellectual assets.

Category	Details
Understanding Business Requirements	Establishing measures that support business goals and meet requirements
Risk Assessment	Analyzing risks that could threaten data assets and evaluating their likelihood and impact
Continuous Development and Improvement of Security Policies and Procedures	Developing and continuously improving information security policies to meet evolving business needs
Implementation of Technical Security Measures	Introducing appropriate technical security measures to mitigate external risks
Regular Audits and Reviews	Conducting regular audits to maintain appropriate security levels

Security Management System of Hyundai Elevator

Information security regulation	PC security guidelines, personnel security guidelines, Response guidelines for information security breaches, IT security guidelines for visitors
Privacy protection regulation	Internal management guidelines for privacy

Information Security Goals

Hyundai Elevator has set up information security goals of 0% cyber-breach, 99% information security education completion, and 100% participation in information security self-diagnosis in 2023 and 2024.

Information Security Goals

(Unit: %)

Category	Target KPI in 2023	Target KPI in 2024
Cyber-breaches	0	0
Information security education completion	99	99
Participation in information security self-diagnosis	100	100

Management Activities and Performance

Measures to Prevent and Respond to Data Breaches

Hyundai Elevator implements various protective measures to safeguard data and prevent security breaches. This includes the operation of intrusion detection/prevention systems, firewalls, and web firewalls to prevent incidents.

We have a dedicated department that handles malicious emails to protect employees from cyber attacks. In the event of a security breach, the CISO and related departments execute emergency responses and collaborate closely with government agencies to minimize damage through established processes. Subsequently, we develop and promptly implement preventive measures to eliminate any residual risk. Hyundai Elevator recognizes the seriousness of information breaches and has established a comprehensive response system to ensure operational stability.

Operation of Data Asset Protection System

Hyundai Elevator operates a data asset protection system. This system is divided into network and terminal areas and is managed as follows.

Data Asset Protection System

Category	Security Equipment	Role
Network	Firewall	Controls network communication based on rules
	IPS	Blocks abnormal traffic based on patterns
	Wireless Access Control	Blocks hotspots and unauthorized routers
	NAC	Ensures network authentication and installation of essential software
	Malicious Site Blocking	Restricts access to non-work-related sites
Terminal	Antivirus/Media Control	Manages antivirus software and controls devices like USBs
	Print Security	Uses watermarks for authenticated printing
	Document Security	Applies encryption to documents
	Design Security	Encrypts designs and research documents

Information Security

Management Activities and Performance

Identifying Tasks for ESG Management

As part of advancing ESG management, Hyundai Elevator has identified "strengthening investment in technical measures for information security systems" as a critical task. These tasks include implementing network separation to protect OT systems, establishing firewalls at branches nationwide, and building a DB access control system. Hyundai Elevator is committed to transparently disclosing the progress of these tasks and engaging with stakeholders.

Information Security Tasks from an ESG Management Perspective

Information Security Tasks	Detailed Tasks
Strengthening investment in information security system	Implementing network separation to protect industrial equipment control (OT: Operational Technology) systems for production/facilities
	Establishing firewalls at all 36 branches nationwide
	Building a DB (Database) access control system

Data Protection Management Activities

To respond to emerging cyber threats, Hyundai Elevator conducts regular security risk assessments to identify vulnerabilities. When vulnerabilities are discovered, we allocate budgets to address them. We also receive the latest security vulnerability information and update our internal security systems to protect against new threats. Additionally, we carry out information protection activities such as classifying information assets, defining confidentiality levels, and enforcing regular password change policies. In the event of a security issue, Hyundai Elevator supports its members and promptly implements security policies to respond swiftly.

Activities Promoting Security Awareness of Employees

Hyundai Elevator conducts information security training for new employees and performs simulated malicious email drills for all employees. Additionally, we hold company-wide briefings on changes to document security policies and announce the results of document leakage monitoring violations on the portal. These activities aim to enhance employees' security awareness.

Company-Wide Data Protection

Hyundai Elevator implements various company-wide data protection activities to ensure information security. We monitor the history of documents exported externally on a weekly basis and operate a encryption classification system for general, external, and confidential documents. Additionally, we encrypt key information and personal data stored in our information systems. Through the operation of a Data Loss Protection (eDLP) solution, we have established countermeasures against various attacks. Hyundai Elevator will continue to make efforts to protect company-wide data.

Achievements of Information Protection Management Activities

(Unit: %)

Category	2021	2022	2023
Cyber-breaches	0	0	0
Data protection education completion	97	80	93
Participation in data protection self-diagnosis	100	100	100

Achievements in Relation to Privacy Protection

Category	Unit	2021	2022	2023
Number of customer data leakage incidents	cases	0	0	0
Number of customers affected by data leakage	persons	0	0	0
Monetary damages caused by data leakage	KRW	0	0	0

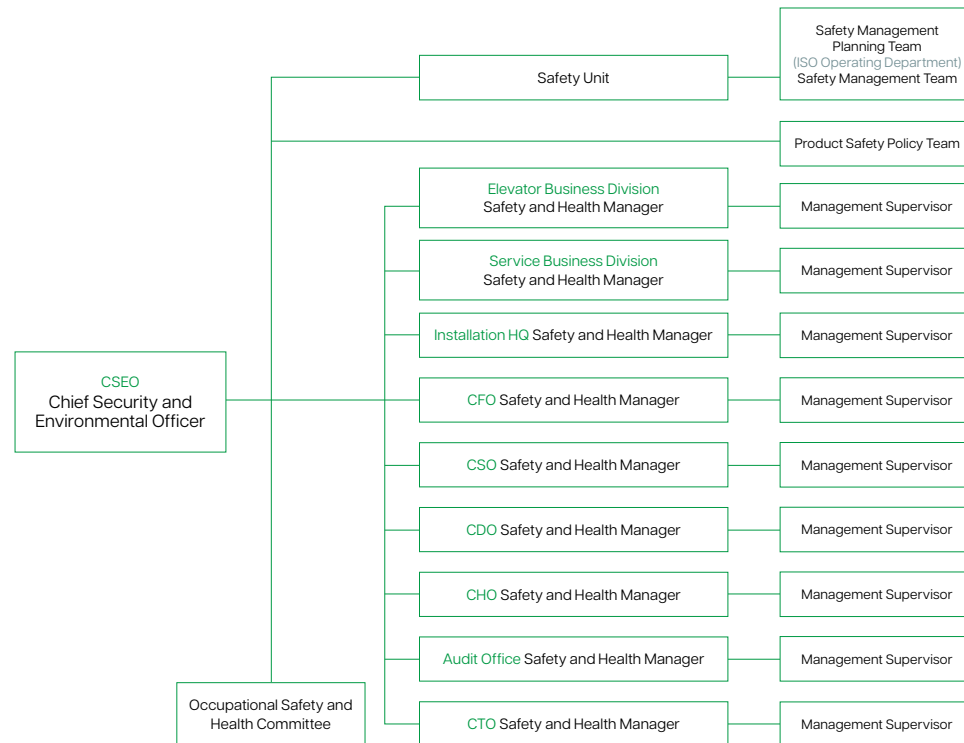
Safety and Health

Governance

Safety and Health Organization

Hyundai Elevator practices safety responsibility management by appointing division heads under the CSEO (Chief Security and Environmental Officer) as responsible managers. The company's ISO safety management organization includes safety and health managers for nine divisions under the CSEO, with the Safety Management Planning Team, Safety Management Team, and Product Safety Policy Team reporting to the CSEO. The Occupational Safety and Health Committee, including representatives from management and labor, meets quarterly to discuss and decide on critical employee safety and health matters. Improvements in the work environment and health management are regularly reviewed, with significant achievements and goals reported to the board of directors semi-annually.

Integrated Safety, Health, and Environment (SHE) Management System



Safety and Health/ Environmental Management System

Hyundai Elevator operates a safety, health, and environment management system throughout its business, including sales management, design development, procurement management, manufacturing and installation. We fulfill our responsibilities to stakeholders by managing risks, achieving safety, health, and environmental performance, and complying with laws and regulations.

Operation of Safety and Health/Environmental Management System

Prioritizing the safety and health of employees, Hyundai Elevator has strengthened the safety and health management system and conducts site-centered safety and health activities. We strive to create a safer working environment by establishing a three-year mid to long-term safety, health, and environment plan and a strategic system with strategic tasks for each phase. Along with this, we are strengthening our SHE system and voluntary accident prevention activities for each team, thereby establishing a culture focused on safety, health, and environment.

Safety and Health Policy

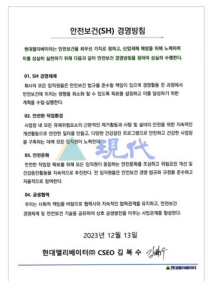
Hyundai Elevator prioritizes safety and health as core values and operates a safety and health management system to prevent industrial accidents. All employees adhere to safety and health regulations and set objectives to minimize the impact on safety and health throughout all management activities. The company plans and executes actions to achieve these goals, striving to eliminate workplace hazards and ensure a safe and healthy environment for employees. Additionally, Hyundai Elevator fosters a safety culture that encourages compliance with safety and health regulations and voluntary participation. The company continuously identifies and mitigates hazardous risk factors based on a global safety and health management system, focusing on serious accident prevention. Hyundai Elevator also works to enhance safety and health management capabilities and safety culture and awareness across the entire corporate value chain, including collaboration with headquarters, various business sites, and partners.



ISO 45001 Certificate



ISO 14001 Certificate



Safety and Health
Management Policy

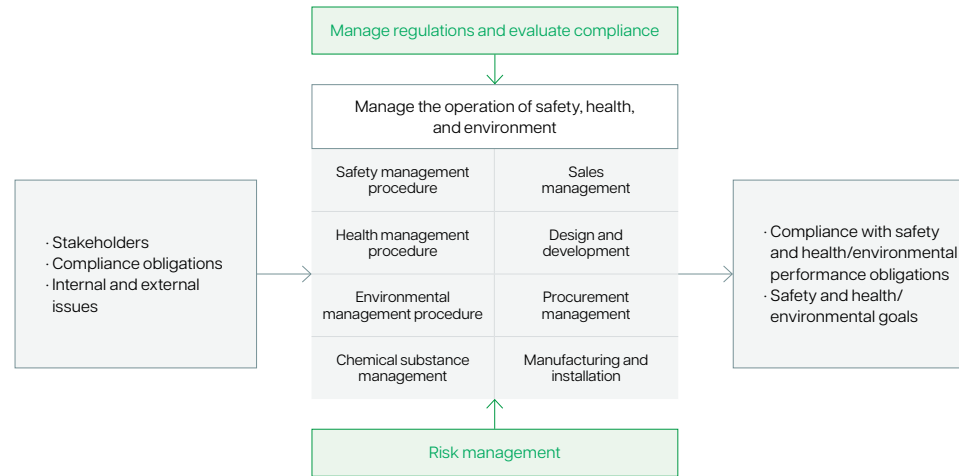
Safety and Health

Governance

Management of Safety and Health Manual and Laws and Regulations Register

Hyundai Elevator's safety, health, and environmental management operates based on individual manuals (procedures, guidelines) in accordance with safety, health, and environmental regulations, as well as ISO 45001 and ISO 14001 standards. We also manage and check if we are in compliance with the Laws and Regulations Register, which manages relevant laws and regulations.

Management of Safety and Health Manual and Laws and Regulations Register



Strategy

Safety and Health Strategy and Goals

To prevent major accidents, Hyundai Elevator has established business goals to strengthen safety responsibility management, enhance safety risk management, and raise employee safety awareness. Based on these goals, the company is executing a detailed action plan aimed at achieving zero serious accidents and meeting injury rate targets.

Strategy

Serious Accidents Risk Management Strategy

Target	Achieve ZERO serious accidents		
Strategic missions	Fortify responsible safety management	Strengthen safety risk management	Enhance employee safety awareness
Action Plan	<ul style="list-style-type: none"> Strengthen executive safety leadership Enhance the safety diagnosis system Improve the capabilities of patrol personnel in the business division Strengthen safety indicators operation 	<ul style="list-style-type: none"> Closely manage vulnerable sites and high-risk processes Enhance risk assessment Strengthen activities to prevent major accidents among citizens Promote the operation of smart safety management Advance safety management of overseas subsidiaries 	<ul style="list-style-type: none"> Improve the safety awareness of partners Conduct site-specific safety training Strengthen safety meetings and joint safety inspections Spread a culture of safety awareness through participation and collaboration

Roadmap for Safety Management Practice

Year	Business Operations / Growth Drivers	
2024	<ul style="list-style-type: none"> Strengthen safety leadership for responsible safety management <ul style="list-style-type: none"> Enhance executive/manager safety leadership Bolster activities to raise the safety level and awareness of partners Reinforce capabilities of CSEO and business unit safety organization Strengthen safety risk management <ul style="list-style-type: none"> Enhance the safety management system through internal safety inspections Reinforce risk assessments to identify and improve hazardous risks Strengthen safety management for overseas subsidiaries through the rollout of the headquarter's safety management system 	<ul style="list-style-type: none"> Activate SMART safety management <ul style="list-style-type: none"> Improve convenience of SMART safety protective equipment based on AI, IoT, etc. Supplement and operate safety and health management system utilizing AI VISION Prevent accidents among citizens by addressing malfunctioning issues like being trapped through big data Key Driver <ul style="list-style-type: none"> Safety Management Competency and Leadership of Managers/ Partners Establishment of a Preemptive Prevention System Based on Risk Assessment SMART Safety Management System
2025	<ul style="list-style-type: none"> Facilitate an autonomous safety culture <ul style="list-style-type: none"> Strengthen responsible safety management at the business unit level Strengthen members' responsibility and participation in safety (promoting safety culture campaigns, activating safety competitions and similar initiatives) Support partners in operating safety and health management system Standardize the global safety management system <ul style="list-style-type: none"> Establish and run global-leading safety rules and procedures Establish foundations of safety systems for overseas business sites 	<ul style="list-style-type: none"> Set up SMART safety management operations <ul style="list-style-type: none"> Increase efficiency of SMART safety protective gears and AI VISION Analyze and improve big data-based statistics Key Driver <ul style="list-style-type: none"> Global Standard Safety Management System Win-Win Partnership SMART Safety Management System
2026	<ul style="list-style-type: none"> Internalize an autonomous safety culture <ul style="list-style-type: none"> Strengthen compliance by establishing an audit system Increase win-win partnership in safety management with partners Enhance systems and frameworks for Safety-First Management Standardize the global safety management system <ul style="list-style-type: none"> Enhancement of global safety rules and procedures Operation of safety management systems in overseas subsidiaries 	<ul style="list-style-type: none"> Advance SMART safety management operation <ul style="list-style-type: none"> Operate SMART safety management system at the global level of advanced companies Expand and operate the SMART safety management system in overseas business sites Key Driver <ul style="list-style-type: none"> Global Standard Safety Management System Establish a Voluntary Safety Culture Among Employees (including partner companies) SMART Safety Management System

Safety and Health

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Strengthening Safety Responsibility Management

Hyundai Elevator has recognized the increased importance of safety management due to the expanded implementation of the Serious Accidents Punishment Act, the strengthening of safety-related policies, and the expansion of ESG management. Accordingly, we have established four Action Plans to promote a safety-first corporate culture and create a safe workplace by strengthening activities to prevent severe accidents and enhancing safety responsibility management.

Action Plan of Safety Responsibility Management



Enhancing Safety Risk Management

Hyundai Elevator has identified strengthening safety risk management as a critical strategic task in response to the Ministry of Employment and Labor's policy on reducing major accidents and ensuring worker safety. We implement fundamental measures and enforce safety-first principles in accordance with the Serious Accidents Punishment Act. Additionally, we proactively enhance on-site safety management to prevent accidents and promote SMART safety management, thereby creating a safer working environment.

Strategy for Strengthening Safety Risk Management



Safety and Health

Management Activities and Performance

Strengthening Executive Safety Leadership

To realize safety responsibility management, Hyundai Elevator has set safety goals for each business division. To achieve these goals, the company conducted a signing ceremony for safety goal agreements and provided safety leadership training for management. Additionally, monthly safety leadership meetings are held to discuss safety and health issues and accident prevention activities for each division.



Signing Ceremony for Safety Goal Agreements



Executive Safety Leadership Enhancement Training

Close Safety Management of Vulnerable Sites and High-Risk Processes

By strengthening safety inspections of vulnerable sites and high-risk processes, such as installation remodeling/STO sites and regular service inspections/repair sites, Hyundai Elevator identifies practical hazardous risk factors occurring in the field. This approach helps in revising and developing manuals and construction methods, thereby minimizing technical and administrative risks and enhancing accident prevention activities.

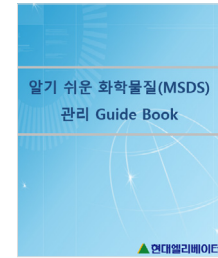


TBM on Strengthening Safety Management



Strengthening the Improvement System for Chungju Campus Sites

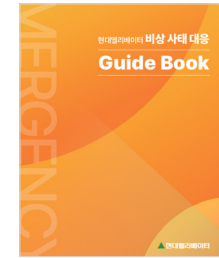
Hyundai Elevator has developed safety guidebooks tailored to various work types at the Chungju Campus. These guidebooks cover topics such as outsourcing, emergency response, and chemical substance (MSDS) management, providing clear, on-site safety management instructions that are easy to understand.



MSDS Management Guidebook



Outsourced Construction Safety Guidebook



Emergency Response Guidebook

On-Site VOC Interview

Hyundai Elevator actively incorporates the opinions of on-site workers. To identify practical safety issues, the company listens to feedback from workers at the Chungju Campus and uses their insights to enhance on-site safety.



On-Site Worker Feedback Interviews



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Enhancing Safety Awareness Among Members

Hyundai Elevator collaborates with partners to enhance safety awareness and foster a safety-first corporate culture. We conduct various initiatives to strengthen accident prevention activities and increase employee responsibility and participation. These include providing safety training to partners and rewarding outstanding partners, which significantly contributes to improved safety awareness among collaborators.

Activities to Enhance Safety Awareness Among Members



Conducting Customized Safety Training

By conducting tailored, tier-specific safety training for partner sites, Hyundai Elevator enhances awareness of practical on-site risk factors and issues. Additionally, we are expanding specialized patrol training to strengthen the capabilities of our team members.

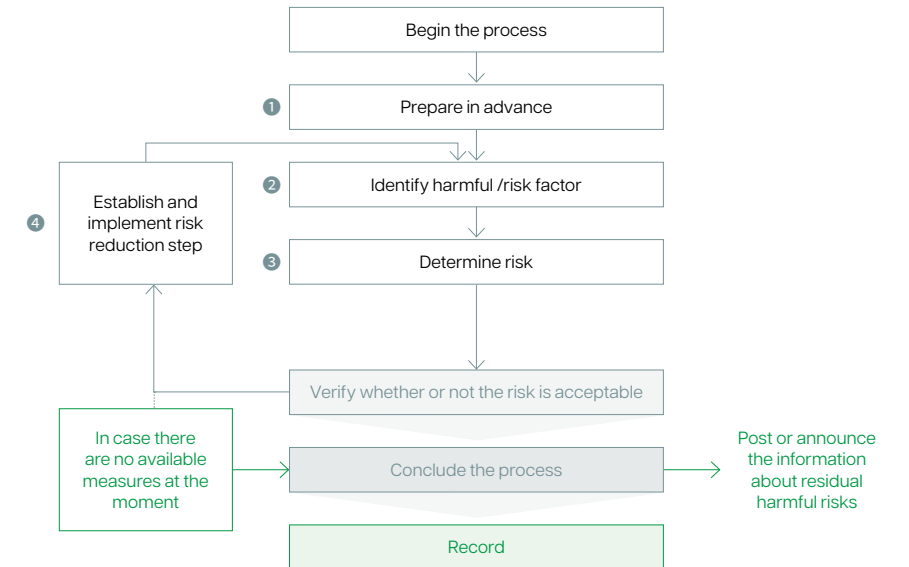
Strengthening Responsibility and Participation of Suppliers

Hyundai Elevator rewards outstanding safety management suppliers biannually and recognizes excellent safety personnel monthly based on evaluations of on-site safety inspections. Additionally, we conduct "CSEO Talk" sessions to communicate and share safety and health policies and issues with the representatives of supplier companies.

Field Risk Assessment Improvement Activities

Hyundai Elevator is continuously performing risk assessment for the Chungju Campus, installation, service, and parking operations to address workplace safety and health accidents that may occur inevitably. We are also conducting accident prevention activities to discover and improve potential risk factors. Specifically, we strive to create a safe and comfortable working environment by identifying, evaluating, and improving the actual situation of harmful/risk factors, and conducting scientific evaluation of potential risks on sites (by establishing and utilizing a risk assessment system).

Field Risk Assessment Process



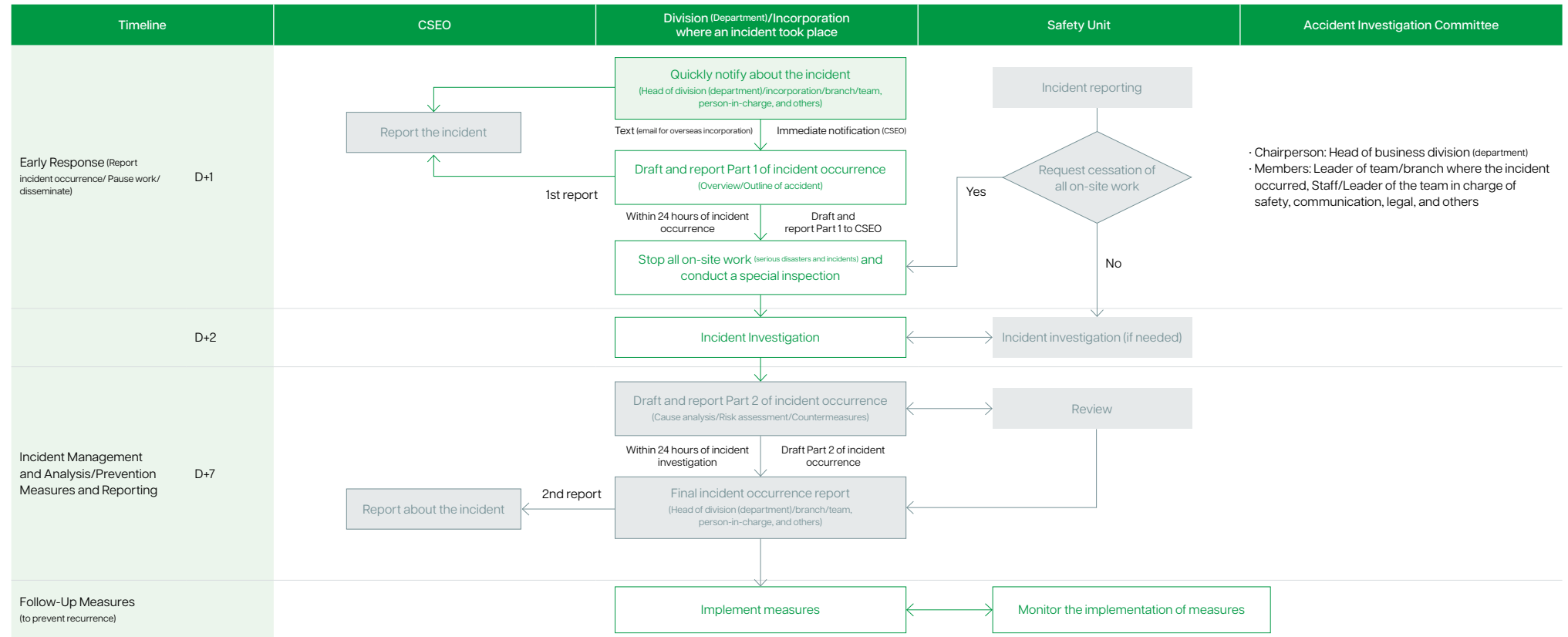
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Management Activities and Performance

Safety Incident Reporting/Response Process

Hyundai Elevator has established robust incident reporting standards and response processes for safety incidents, utilizing the PDCA (Plan-Do-Check-Act) cycle for rapid action and compliance. Our approach not only prevents the recurrence of accidents but also includes thorough inspections to identify and eliminate root causes.

Process Safety Incident Reporting/Response Process



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Emergency Preparedness and Response Process

We have established response manuals and processes to prepare for emergencies such as fires, explosions, toxic material spills, natural disasters, and serious accidents. Also, we annually conduct fire drills and confined space asphyxiation response training in cooperation with fire stations.



Emergency Drills at Chungju Campus



Serious Accident Prevention TF Activities

Hyundai Elevator operates a permanent task force across all business divisions (Installation, Service, Parking, CTO) to prevent major accidents. This task force continuously improves on-site safety by establishing safety management plans, conducting risk assessments, providing training, and performing safety inspections and diagnostics. It also analyzes accident causes and develops measures to prevent recurrence. Additionally, the company operates a safety management system that includes standardizing new construction methods and strengthening process safety management.



Serious Accident Prevention TF



SMART Safety Management Operation

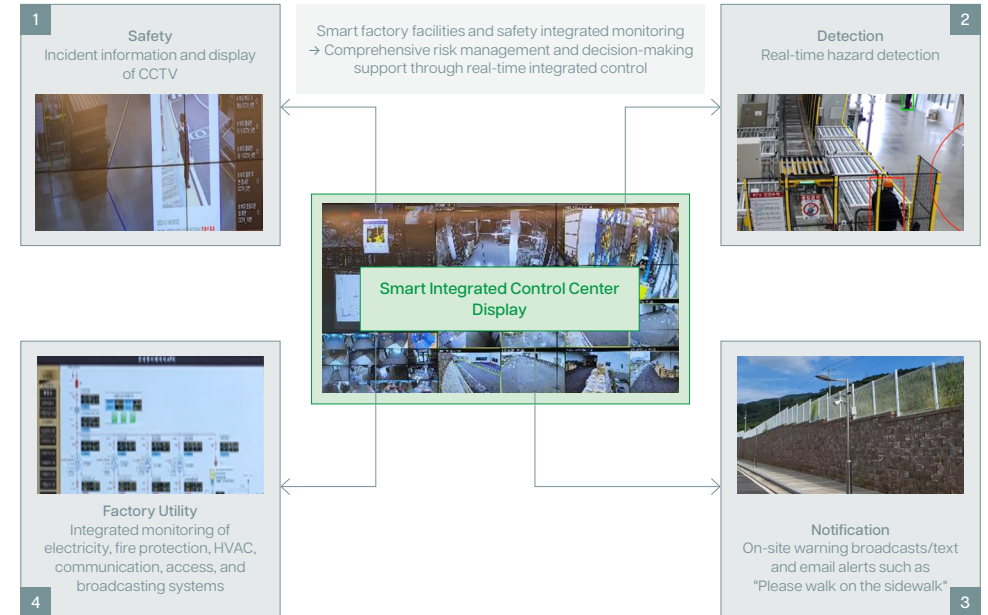
SMART Safety Protective Gear

We provide smart safety protective equipment to field workers that utilize IoT technology to check whether workers are wearing safety protective equipment and whether safety hooks are properly connected. To encourage the use of safety gears, we operate a points system, rewarding outstanding users and continuously improving smart safety gear devices and apps. These efforts aim to enhance worker safety and prevent major accidents.

AI VISION Integrated Control System Operation

We operate an AI-based integrated control system that recognizes various dangerous situations in real-time and responds in a timely manner, such as emergency situations, intrusion detection in dangerous areas, fires, and leakage of dangerous substances. The integrated monitoring system enables managers to identify the site in real-time in case of an emergency.

AI VISION Integrated Control System



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Management Activities and Performance

Expanding VR Education Program

We provide virtual safety training to improve the efficiency and interest of training and to strengthen workers' safety awareness. We continuously develop content for high-risk processes and provide training to ensure comprehensive safety education.

MRL Expansion Type 3+1 (Wearing Safety Gear/Lifeline Installation/Governor Operation/Car Suspension)



Worker Safety and Health Training

Hyundai Elevator provides quarterly safety and health training and customized sessions for all employees, including managers, partner employees, and new and experienced members. Special safety training is offered for workers handling mobile elevated platforms, cranes, and forklifts. Additionally, training is offered on identifying potential hazards, emergency response, and chemical management. We operate the best safety and health training curriculum in the industry, utilizing online and offline methods to increase accessibility and maximize effectiveness through various learning approaches such as experiential and theater education. We maximize the effectiveness of our training by using educational materials focused on on-site risks and accident case studies.

Outcomes of Safety and Health Training in 2023

Category	Number of participants	Subject
Direct Employees	Managers' training	5 Head of field business department
	Supervisors' training	First Half: 302 Second Half: 335 Leader of team/Leader of branch/PM
	New employees training/ special training	166 / 58 Employees
	Regular safety and health training	Q1: 2,291 Q2: 2,311 Q3: 2,330 Q4: 2,333
Partner Companies	Regular safety training	2,291 Site managers/workers
	Ad-hoc safety training	191
	New employees safety training	1,112 Employees

Safety and Health

Management Activities and Performance

Implementation of Safety Resolution Meeting and Safety Encouraging Ceremony

Hyundai Elevator is committed to achieving zero serious accidents by conducting safety resolution meetings across various business divisions, including the CTO (Chungju Campus), Installation Division, and Service Business Division.



Safety Resolution Meeting



충주 캠퍼스 안전결의대회
Mobility To Possibility

Operating Employee Health Promotion Programs

Hyundai Elevator, in collaboration with Chungju Health Center, operates various proactive health promotion programs for employees, including smoking and alcohol cessation clinics, lung capacity and blood pressure measurements, and job stress tests. We also support annual vaccinations for flu, tetanus, and other diseases through partner hospitals nationwide. Regular and special health check-ups are provided at designated hospitals, including Seoul Asan Hospital and 11 others. On-site, a company nurse offers first aid, post-health check-up care, and consultations. Additionally, periodic evaluations of work environments and ergonomic assessments are conducted to prevent musculoskeletal disorders and maintain health standards above legal requirements.

Musculoskeletal Disorders and Working Environment Assessment

Hyundai Elevator continuously analyzes and manages factors such as heavy lifting, vibrations, and repetitive tasks to prevent musculoskeletal disorders. The company measures and controls harmful agents like chemicals, dust, and noise in the workplace through regular work environment assessments, ensuring they remain below threshold levels.

Operation of Win-Win Cooperation Programs

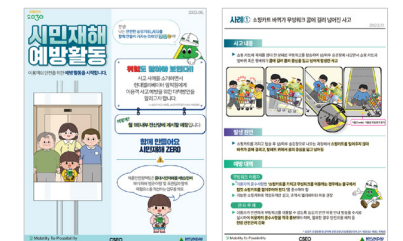
Hyundai Elevator aims to prevent industrial accidents among its partner companies through technical and economic support. Through win-win cooperation programs, we assist partners with regulatory compliance, risk assessment consulting, addressing suggestions, and selecting and providing appropriate protective equipment. Additionally, we are actively working to establish robust safety and health management systems for our partners, enhance compliance with the Occupational Safety and Health Act, and improve hazardous risk factors.



Safety and Health Management for Internal Partners

Enhancing Consumer Safety Protection

Hyundai Elevator works to prevent and manage major public safety incidents by complying with regulations and collaborating with relevant organizations to improve risk factors. We enhance customer safety by posting safety guidelines inside elevators and escalators and informing users of precautions. Additionally, we produce and distribute illustrated safety guidelines to ensure the instructions are easy for users to understand, thereby reinforcing our social responsibility.



Citizen Disaster Prevention Activities

Supply Chain Management

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Supply Chain Management Policy

Hyundai Elevator has implemented a supply chain management system to practice ESG (Environmental, Social, and Governance) management. We are revamping our supply chain management and evaluation policies to enhance our supply chain and partners' competitiveness. Through these supply chain ESG policies, Hyundai Elevator aims to build a sustainable business model and maximize social, environmental, and economic value.

Supply Chain ESG Policy

Supplier Code of Conduct

In accordance with the Supplier Code of Conduct established in 2023, Hyundai Elevator encourages our partners to adopt sustainable business models and align their actions with our expectations in environmental, social, and governance (ESG). We anticipate that this Code will build trust by preventing potential conflicts, maintaining business sustainably, enhancing information sharing, and promoting ethical business practices. Complying with the Supplier Code of Conduct fosters cooperation and innovation, improves brand image, and ensures the responsible management of the supply chain. We will keep managing our partners to build a responsible supply chain.

Supplier Code of Conduct



Procurement System

Strategy

With increasing global attention on supply chain risks, Hyundai Elevator is dedicated to building a sustainable supply chain to ensure business continuity. We support our partners to enhance their sustainability capabilities. Hyundai Elevator conducts ESG assessments and on-site audits for significant suppliers and provides relevant ESG consulting to improve their ESG management.

Supply chain management goals

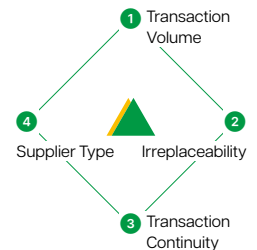
Goals	2023 Achievements	2024 Targets
ESG Risk Assessment	Achieved 100% on Assessment for significant suppliers in Tier-1*	Achieving 100% on Assessment for significant suppliers
Suppliers Sustainability Diagnosis and Consulting Support	Completion of two significant suppliers in Tier-1 (20%)	Completing three significant suppliers in Tier-1 (30%)
ESG Education for Suppliers	-	Conducting ESG seminars for mutual growth suppliers (at least once a year)

* Includes some achievements from the first half of 2024.

To gradually increase the importance and scope of sustainable supply chain, Hyundai Elevator incorporates sustainable supply chain management indicator into the KPIs of procurement unit executives and team leaders. In 2023, we selected two significant suppliers in Tier-1 for ESG diagnosis and consulting. This process helped identify the sustainability level and potential risks within the supply chain. In 2024, Hyundai Elevator is systematizing supply chain sustainability management and risk assessment based on these results. Additionally, we are pursuing various initiatives such as providing ESG diagnosis and consulting support and expanding supply chain education to strengthen the sustainability capabilities of significant suppliers.

Supply Chain Scope and Classification

In the second half of 2023, Hyundai Elevator established new criteria for classifying key suppliers and reclassified our major partners. The criteria included transaction volume, irreplaceability, transaction continuity, and supplier type. Based on strategic importance and the urgency of management in these areas, Hyundai Elevator selected a total of 10 significant suppliers in Tier-1 from subcontractors with transaction records over the past three years.



Supply Chain Management

Management Activity and Performance

Supply Chain Risk Assessment and Management

Hyundai Elevator ensures responsible supply chain management by establishing ESG assessment criteria, improving policies and processes, and continuously monitoring suppliers' activities to manage ESG risks. We take necessary corrective actions to support sustainable management if needed. We also enhanced existing supplier assessment criteria by expanding ESG standards for procurement suppliers with monthly sales exceeding KRW 50 million and quality-designated partners. Hyundai Elevator is committed to continuous improvement in these areas.

Supply Chain ESG Level Diagnostic Process



Assessment Target

The supply chain risk assessment is conducted for all Tier-1 suppliers to identify key risk factors from an ESG perspective. Key suppliers undergo additional in-depth evaluations and audits for ESG diagnosis.

ESG Assessment Standards and Factors

The assessment categorizes potential environmental, social, and governance issues by segment and quantifies the supplier's level in each area. This allows Hyundai Elevator to manage diagnostic results effectively and support improvements where necessary.

ESG Assessment Standards and Factors

Area	Assessment factors
Environmental	Environmental management systems, Short-term and long-term plans and goals for environmental performance, Performance indicators, Resource utilization, Emission Management: greenhouse gases, hazardous substances, etc, Waste disposal management, Policies for eco-friendly products
Social	Human rights management systems and goals, Employment stability, Human resources investment, Labor environment, Diversity, Local community engagement, Safety and health
Governance	Board independence, Sustainability review within the board, Shareholder rights, Ethical management, Fairtrade, Internal audits, etc.

Assessment Results and Corrective Actions

To ensure robust supply chain management, Hyundai Elevator conducts an annual Supply Chain ESG Assessment. In 2023, the first year of this assessment, we assessed two significant suppliers in Tier-1 across four areas: environment, labor and human rights, society and ethics, and safety and health, covering a total of 147 items. This assessment identified potential supply chain risks. To enhance the ESG performance of our suppliers, Hyundai Elevator conducts assessments through third-party consulting. Participating suppliers receive ESG diagnosis reports with recommendations for improvements and corrective actions based on these assessments.

Significant suppliers in Tier-1 Status

Classification	Unit	2023
Significant Suppliers in Tier-1	companies	10
Procurement Rate of Significant suppliers in Tier-1	%	24
Total Tier-1 Suppliers	companies	172



ESG Diagnosis and Consulting Support for Key Suppliers

Supply Chain Management

Management Activity and Performance

Supplier Support Activities

Financial Support

Hyundai Elevator contributes to the enhancement of the financial solvency of suppliers in four different methods: direct, mixed, special, and indirect.

Financial support for domestic suppliers in 2023 (Unit: KRW million)

Classification	Program	Details	Amount
Direct Support	Non-interest loans	Emergency fund for operating and R&D fund for suppliers	1,100
Mixed Support	Mutual growth fund	Providing financial support for production activities	5,000
Special Support	Mutual growth investment fund	Contributing to the SMEs Cooperation Fund through a cooperative foundation	3,103
Indirect Support	Mutual growth loans	For transaction suppliers only, a total loan of up to KRW 10 billion at lower interest rates than the regular interest rates	10,000

Technology Protection Support

Hyundai Elevator operates programs such as development fee support, free technology transfer, and accreditation process support to protect and assist suppliers' technology.

Support to create a healthy corporate ecosystem

In 2022, Hyundai Elevator signed an agreement to resolve polarization with the Korea Commission for Corporate Partnership to spread a culture of growth with suppliers and eliminate the wage gap. We also conducted welfare and recruitment support projects for small suppliers. To prevent early turnover of new employees of small-sized companies, Hyundai Elevator supported KRW 1 million for three months monthly for the employees of small and medium-sized suppliers who had worked for more than three months at the same company. We strengthen partnerships with suppliers and enhance their employees' motivation to work by improving small-sized companies' welfare benefits by providing condolence grants, medical check-up support, funeral supplies, and tuition. To improve safety at installation sites, if a supplier hires a safety manager directly, we support employment costs for a year. This activity promotes hiring safety managers and enhances on-site safety.

Expanding participation in the mutual benefit-sharing system

The mutual benefit-sharing system is a representative practice model to create a healthy corporate ecosystem where large and small business partners work together to improve productivity and generate profits shared among them. Through this program, Hyundai Elevator receives opinions from partners on human resources management and safety activities to improve productivity. And when opinions actually help to improve productivity, we share financial profits with suppliers. In 2023, Hyundai Elevator registered 60 cases of this system and completed four. By doing this, Hyundai Elevator aims to improve the fundamental competitiveness of suppliers, realize synergies, and establish a culture of mutual growth.

Technological protection business support program (Unit: cases)

Classification	Details	Number of Cases
Sample products and technology development support to suppliers	Support with basic funds needed for development	441
Free technological transfer	Providing free technology transfers to suppliers to enhance development efficiency using Hyundai Elevator's technology	4
Korea Testing & Research Institute's test fee support	Supporting new technology adoption and trial fund and strengthening capabilities	20

Partner Supervision Activities

Through partner Supervision activity, Hyundai Elevator provides quality guidelines and shares improvement measures with partners who are concerned about product quality. We explained product processes, provided training on product inspection methods and quality maintenance measures, and conducted a total of 93 visits for quality guidance.



Partner Supervision activities

Supply Chain Management

Management Activity and Performance

Partner Capacity Enhancing Activities

Hyundai Elevator conducts activities to strengthen suppliers' capabilities. For small-sized suppliers, we provided training on safety roles during installation and maintenance. In 2023, 2,713 employees from 132 small-sized suppliers received safety competency training.



First Half of the Year Regular Safety Training (Suwon)



First Half of the Year Regular Safety Training (Bucheon)

Conducting ESG Training for Partners

As part of efforts to enhance the ESG capabilities of our partners, Hyundai Elevator conducts ESG training twice a year for procurement, installation, and service partners*. The previous training sessions introduced global supply chain policies and provided education on implementing ESG management and strengthening competitiveness. Hyundai Elevator will continue to commit to supporting the ESG management enhancement of its partners.



ESG Training for Partners

Smart Safety Protective Equipment Support

Hyundai Elevator supports suppliers with smart safety protective equipment as a mutual growth activity. We provided suppliers with 2,500 safety equipment sensors and another 1,250 sets of beacons. The protective equipment directly alerts the workers of suppliers and contributes to creating a safer workplace.



Smart Safety protective equipment



Smart Safety Gear Module Sensor

* Due to the nature of the elevator industry, Hyundai Elevator maintains joint supply relationships with installation and service partners to comply with Article 29 of the Framework Act on the Construction Industry (Restrictions on Subcontracting of Construction Works).

Community Impact

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Social Contribution Incentive System

Hyundai Elevator prioritizes social responsibility by fostering a culture of voluntary community contribution among our employees. Through an incentive system, employees are encouraged to set personal volunteer goals and are rewarded based on their hours of service. These rewards promote sustainable social value as they are products of local specialty or social enterprises. Furthermore, Hyundai Elevator supports employees engaged in community service by partnering with local entities such as Chungju City Hall, Chungju Volunteer Center, and Korea National University of Transportation. Employees are granted paid leave for volunteering twice annually, along with financial backing for their volunteer initiatives.

Strategy

Social Contribution System and Strategy

Hyundai Elevator places significant efforts on social responsibility and endeavors to foster harmonious coexistence with local communities. Therefore, we have implemented four key social contribution systems: participatory volunteer activities, voluntary volunteer activities, purchasing and sharing of social products, and individual and corporate social responsibility initiatives.

These systems collectively form the "Social Responsibility Cycle," which aims to cultivate a healthy and thriving society. Hyundai Elevator is committed to enhancing community development and public welfare through ongoing initiatives. These include upgrading outdated housing, promoting elevator safety education, organizing employee volunteer programs, and supporting a community choir composed of local residents with disabilities.

Social contribution framework and strategy

Participatory volunteer activities

- Expand and strengthen employee volunteer programs, such as facility visits, home repair, cultural volunteering, and talent donations
- Change employees' perceptions of the meaning and value of volunteering

Purchasing social products and sharing

- Abolish merit points based on volunteer hours
- Establish a compensation system for volunteer hours
- Purchase and reward local specialty products for community coexistence
- Purchase and reward products produced by social enterprises

Voluntary activities

- Help the national blood supply crisis through employees' voluntary blood donations
- Actively encourage and support blood donations



Individual and corporate social responsibility

- Individuals who care about the people they live with
- Socially and ethically responsible company

Social Contribution Targets

Hyundai Elevator champions social responsibility under the banner of "Growing through Sharing," fostering a culture of community engagement and mutual support. In line with this commitment, Hyundai Elevator has established a choir comprising local citizens with disabilities. This choir is dedicated to performing at community events, thereby enriching local interactions, promoting diversity and inclusion, and fulfilling the company's role as an integral part of the community's growth.

Social contribution targets

Category	Unit	2024	2025	2026
Volunteer Target per Employee	Hours	1.2	1.7	2.1
Social Value (SV) Creation Target	KRW	3,749,000,000	3,834,000,000	3,893,000,000

* Social Value (SV) consists of monetary equivalents of donations, employee volunteer activities, and more.

* Monetary equivalent of volunteer activities: Total annual employee volunteer hours x minimum hourly wage of the respective year.

Identifying and Managing Community Impact Activities

To identify and manage the impact of our business activities in the local community, Hyundai Elevator conducted detailed environmental impact assessments for air, water, and soil pollution, as well as waste, noise, and vibrations. These assessments evaluate the potential and severity of negative impacts on the community. By identifying risks and opportunities in terms of severity and management capability, Hyundai Elevator established action plans for each activity and is processing to mitigate negative impacts on the community.

Community Impact

Management Activities and Performance

Major Social Contribution Activities

Hyundai Elevator upholds our commitment to social responsibility through proactive engagement with the local community and a diverse range of sustainable development initiatives. These efforts include the Safe Elevator Riding Campaign, emergency rescue training for elevator entrapment situations, support for underprivileged groups, volunteering at welfare facilities, and organizing blood donation campaigns. By actively participating in these activities, Hyundai Elevator fosters a harmonious relationship with the community while contributing to its overall development.

Social Contribution Performance

Hyundai Elevator transparently shares our annual social contribution activities and achievements. In 2023, we made significant contributions through various initiatives, demonstrating our dedication to societal well-being. We donated 50 boxes of ramen valued at KRW 1.2 million to vulnerable groups in Mokhaeng-Yongtandong, Chungju, and supported the Korea Childhood Leukemia Foundation with 60 blood donation certificates and a donation of KRW 10 million. Furthermore, Hyundai Elevator sponsored the National Deaf Baseball Tournament with contributions of KRW 10 million, actively engaging its baseball club to raise awareness and promote inclusion.

Hyundai Elevator's Social Contribution Activities in 2023

Activity	Details
Donations to the Underprivileged	Nuribodem, 50 boxes of ramen
Spare Change Donation + Matching Grant Scholarships	21 recipients, KRW 21 million
Donations to the Leukemia Foundation	60 blood donation certificates, KRW 10 million
Sponsorship of the National Deaf Baseball Championship	KRW 10 million, internal club participation
Elevator Donation to Korea Lift College	One elevator for practical training
Binaeseom Island Cleanup for Biodiversity	-
Hyundai: Re ESG Campaign	Donation of 1,721 items to Goodwill Store / KRW 3 million
Flood Relief Donation in Daesowon-myeon, Chungju	Spare change donation, KRW 50 million, employee volunteer
Scholarships to Korea National University of Transportation	KRW 20 million

Contributing to Community Development

Scholarship Donations for Nurturing Local Talent

Hyundai Elevator actively supports the development of local talent to foster mutual growth within the community. The Spare Change Donation program involves employees voluntarily donating amounts less than a thousand South Korean won from their salaries. The funds collected in a dedicated account are combined with Hyundai Elevator's Matching Grant funds and used to support scholarships for students in Chungju, where the headquarters is. In 2023, a total of KRW 21 million was donated to 21 students. Additionally, Hyundai Elevator donated a practical training elevator to the Korea Lift College to cultivate industrial talent through industry-academia cooperation. It provided KRW 20 million in scholarships to Korea National University of Transportation.

Binaeseom Island Cleanup Activities for Biodiversity

During the heavy rainfall in the summer of 2023, due to the discharge from Chungju Dam, waste and debris covered Binaeseom Island, Chungcheongbuk-do's only wetland. Recognizing the importance of sustainable environmental preservation, we mobilized 70 employees to conduct a cleanup operation on Binaeseom Island. This effort played a crucial role in preserving the habitat of 18 endangered species and 865 species of wildlife. Hyundai Elevator remains committed to contributing to the preservation of local ecosystems and the natural environment.

Flood Relief Donation

To aid in recovery efforts from flood damage in Chungju, Hyundai Elevator donated KRW 50 million, raised through employee spare change donations. Additionally, Hyun Jeong-eun, Chairperson of Hyundai Group, visited the Chungcheongbuk-do Provincial Office and donated KRW 200 million in flood relief funds. Hyundai Elevator is committed to empathizing with and supporting the local community in times of need, actively striving to help the community's development and safety.



Matching Grant scholarship



Conducting the 'Hyundai: RE' campaign in collaboration with Goodwill Store

Social Highlights

Founding of the Choir for People with Disabilities

To expand employment for people with disabilities and enhance employee diversity, Hyundai Elevator is actively pursuing various activities in collaboration with the local community. Despite the challenges of employing individuals with disabilities in highly skilled and high-intensity fields such as manufacturing, installation, and sales, Hyundai Elevator has made continuous efforts to fulfill our obligations and expand job opportunities for individuals with disabilities.

In August 2023, Hyundai Elevator, along with the Korea Employment Agency for Persons with Disabilities (KEAD), conducted a consultation to promote the employment of people with disabilities and established a roadmap for sustainable employment. In January 2024, Hyundai Elevator signed a "Business Agreement for ESG Management through the Employment of Persons with Disabilities" with KEAD. Following recruitment and interviews, Hyundai Elevator officially founded a choir for people with disabilities in March 2024 by directly hiring 20 choir members and 3 support staff.

Hyundai Elevator will continue to actively support the choir and pursue various social contribution activities to support the independence and growth of people with disabilities in the local community.



Commemorative Photo of the Choir for People with Disabilities Inauguration

Social Highlights

Opening of the Future Talent Academy - Regional Cooperation, Supplier, and University Talent Development

To secure a competitive advantage in the future elevator market, in 2015, Hyundai Elevator founded the 'Future Talent Academy,' a new specialized training institution, following the establishment of the Technical Training Center in Icheon, Gyeonggi-do. The academy aims to recruit and nurture top talent and build a leading organizational culture. At the town hall meeting held to commemorate the opening of the academy on July 21, 2023, Hyundai Group Chair Hyun Jeong Eun, Hyundai Elevator CEO Cho Jae Cheon, affiliates, suppliers, and representatives from Korea National University of Transportation and Korea Lift College attended. The discussions centered around the academy's responsibilities, talent development across seven specialized tracks including sales, recruitment, and development of partner talent, and plans for corporate-university cooperation aimed at cultivating talent.

Chair Hyun emphasized that Hyundai Elevator places "people" at the center of all values and stated that the Future Talent Academy will serve as the foundation for "talent management," not just talent acquisition. CEO Cho Jae Cheon highlighted the company's commitment to expanding cooperation with universities and the local community to nurture K-elevator talent, stressing win-win cooperation with employees, customers, and shareholders. The town hall meeting concluded with a donation ceremony. Hyundai Elevator pledged scholarships and training elevators to Korea National University of Transportation and Korea Lift College, promising close and proactive support for talent development.



Future Talent Academy Opening Ceremony Photo

Talent Management at the Future Talent Academy - From People to People, a Virtuous Cycle of Innovation

The Hyundai Elevator Future Talent Academy features, operating 365 days a year, three training rooms, two parts practice rooms, and four installation practice elevators. It offers specialized technical training and professional programs across sales, manufacturing, procurement, quality, and R&D. The academy's key roles include developing specialists among the employees, enhancing the skills of subsidiary and partner employees, and fostering talent through corporate-university collaboration.

As the leading company in Korea, Hyundai Elevator collaborates with universities and the local community on recruitment and curriculum development to fulfill its social responsibility. Through the academy, we establish systematic training in six job tracks—sales, manufacturing, procurement, quality, field technology, and R&D—to offer new customer experiences.

Additionally, training courses are developed for subsidiary and partner employees to enhance their technical skills, covering the latest installation methods, mechanical and electrical theories, and manufacturing quality improvement. Finally, Hyundai Elevator promotes corporate-university cooperation through educational content, in-house instructor dispatch, and mentoring initiatives.



Future Talent Academy Opening Commemorative Town Hall Meeting



Governance

Hyundai Elevator practices sustainable management by establishing a robust corporate governance structure.

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Advanced Governance with Transparency

Board of Directors Operations

Composition of the BOD

The Board of Directors (BOD) at Hyundai Elevator stands as the highest decision-making body, driving corporate value through transparent management that accounts for the interests of all stakeholders. On November 17, 2023, Hyundai Elevator introduced a corporate governance policy aimed at enhancing the board's independence and expertise. As of March 2024, the board consists of seven members: one executive director, four independent directors, and two non-executive directors, with an independent director serving as the chair to ensure independence.

To enhance expertise, the board established the Internal Transaction Committee and the Risk Management Committee, and restructured the Compensation Committee into the Evaluation and Compensation Committee. Board committees include the Audit Committee, the Independent Director Nomination Committee, the Evaluation and Compensation Committee, the ESG Committee, the Internal Transaction Committee, and the Risk Management Committee.

Board of Directors Composition (as of March 2024)

Category	Name	Title	Gender	Month of Birth	Expertise	Career	Initial Appointment Date	Expiration Date
Executive Director	Cho Jae Cheon	CEO	Male	1964.02	Management/Leadership/Risk Management/ESG	- Former Head of Elevator Business at Hyundai Elevator - Current CEO of Hyundai Elevator	2022.03.29	2027.03
Independent Director	Jeong Young Gi	Chairperson of the Board of Directors Chairperson of the Audit Committee Chairperson of the Internal Transaction Committee	Male	1958.11	Finance/Accounting/Investment/Legal/Policy	- Former President of the Korean Academic Society of Taxation, Former Professor (Vice President) at Hongik University School of Business - Current Visiting Professor (Certified Public Accountant) at Hongik University School of Business	2019.03.25	2025.03
Independent Director	Kim Jung Ho	Chairperson of the Independent Director Nomination Committee Chairperson of the Evaluation and Compensation Committee	Male	1970.10	Finance/Accounting/Investment/Risk Management/ESG	- Former Managing Director of Woori Private Equity - Current CEO of Opus Private Equity (Certified Public Accountant)	2023.03.29	2025.03
Independent Director	Lee Ki Hwa	Chairperson of the ESG Committee	Female	1959.07	Finance/Accounting/Investment/Risk Management/ESG	- Former Vice President of the Korean Institute of Certified Public Accountants - Currently a Partner at Dasan Accounting Corporation, Independent Director at Hanse Yes 24 Holdings	2023.12.29	2026.12
Independent Director	Han Hee Won	Chairperson of the Risk Management Committee	Male	1958.05	Legal/Policy/Risk Management/ESG	- Former Prosecutor (Daegu District Prosecutor's Office, Seoul High Prosecutors' Office, etc.) - Current Honorary Professor at Dongguk University School of Law, Director of the Gyeongsangbuk-do Independence Movement Memorial Hall	2024.03.28	2027.03
Non-Executive Director	Kim Ho Jin	Vice President, Strategy Planning Division, Hyundai Group	Male	1962.05	Management/Leadership/Finance/Accounting/Investment	- Former Head of IB Business at Daewoo Securities - Current Vice President, Strategy Planning Division, Hyundai Group	2014.03.28	2027.03
Non-Executive Director	Rhim Yu Chul	Co-CEO of H&Q Korea Partners	Male	1965.06	Management/Leadership/Finance/Accounting/Investment/Risk Management/ESG	- Former Director/Vice President at H&Q Korea Partners - Current Co-CEO of H&Q Korea Partners	2023.12.29	2026.12

Advanced Governance with Transparency

Board of Directors Operations

Operation Principles of the BOD

To maintain fairness in board operations, Hyundai Elevator restricts directors with special interests from voting on board resolutions. Furthermore, restricted votes are excluded from the voting rights of the attending directors. Board resolutions require the presence of a majority of the directors and the approval of a majority of the attending directors.

Ensuring Independence of the BOD

Hyundai Elevator ensures the Board of Directors' independence by mandating that a majority of board members be independent directors. Additionally, the Chairman of the Board is selected from among the independent directors to enhance the board's independence and transparency.

All committee chairs within the board are independent directors. The Audit Committee, the Independent Director Nomination Committee, and the Evaluation and Compensation Committee are composed entirely of independent directors, providing effective oversight of management. Each committee includes at least half of the independent directors, strengthening their role in decision-making processes.

The Audit Committee, in particular, can request reports related to operations, investigate the company's financial status, and invite employees or external auditors to meetings. It is also allowed to consult external experts at the company's expense.

Transparency and Expertise in Director Appointments

For executive directors and non-executive directors, Hyundai Elevator nominates candidates through the Board of Directors, and appointments are made at the general shareholders' meeting. For independent directors, the company engages an independent external expert agency to transparently and fairly verify the qualifications of candidates. The Independent Director Nomination Committee selects candidates with specialized knowledge or extensive experience in fields such as academia, law, and finance. These candidates are then approved at the general shareholders' meeting based on the committee's recommendations.

Board Skills Matrix

Name	Title	Gender	Professional Fields				
			Management/ Leadership	Finance/ Accounting/ Investment	Legal/Policy	Risk Management	ESG
Cho Jae Cheon	Executive Director	Male	○			○	○
Jeong Young Gi	Independent Director	Male		○	○		
Kim Jung Ho	Independent Director	Male		○		○	○
Lee Ki Hwa	Independent Director	Female		○		○	○
Han Hee Won	Independent Director	Male			○	○	○
Kim Ho Jin	Non- Executive Director	Male	○	○			
Rhim Yu Chul	Non- Executive Director	Male	○	○		○	○

**SUSTAINABILITY
PERFORMANCE**

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- **Transitioning to
the Good Governance
Advanced Governance
with Transparency**
- Strengthening Ethical
Management and
Compliance
- Risk Management
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Advanced Governance with Transparency

Board of Directors Operations

Evaluation and Compensation of the BOD

Hyundai Elevator regularly evaluates the performance and responsibilities of its Board of Directors. The activities of independent directors are assessed based on attendance, contributions, and independence. The activities of the management team are evaluated using quantitative indicators like operating profit and qualitative indicators such as leadership, expertise, ethical management, and overall contribution to the company. In early 2024, Hyundai Elevator conducted external professional consulting to enhance its board evaluation process, aiming to operationalize the board's core roles and responsibilities through objectivity and quantification, thereby advancing its ESG management practices.

Additionally, in accordance with Article 388 of the Commercial Act and the company's articles of incorporation, director compensation limits are determined by shareholder resolutions. The Evaluation and Compensation Committee reviews matters related to director compensation and performance evaluation and deliberates on significant changes to related systems.

Director Remuneration Criteria

Hyundai Elevator determines the director compensation limit by shareholder resolution, as stipulated by Article 388 of the Commercial Act. Article 32 of the Articles of Incorporation states that within this limit, the Board decides the compensation amount and its disbursement. Based on these regulations, the committee's rules and the Evaluation and Compensation Committee's review, the Board finalizes compensation for directors. The compensation status of all registered directors is transparently disclosed in periodic reports.

Remuneration of top management in 2023

Category	Number (person)	Total (KRW million)	Average (KRW million)
Registered Directors	3	3,344	1,115
Independent Directors	4	238	60
Employees(excluding registered directors)	2,807	255,586	91
Subtotal	2,814	259,168	92

Performance Evaluation and Compensation of Management

The evaluation and compensation of Hyundai Elevator's management are determined by the CEO according to Article 14 of the Board Regulations. The evaluation of executives includes both quantitative indicators, such as sales and operating profit, and qualitative indicators, such as leadership, expertise, and ethical management. Management compensation is based on the Executive Compensation Regulations and Management Compensation Payment Standards, and is divided into basic salary, performance bonuses, incentives, long-term performance bonuses, severance pay, and other compensation, with each item paid according to a specific rate table.

Management Evaluation and Compensation

Compensation Category	Details
Basic Salary	Paid based on the Basic Salary Table
Performance Bonus	Determined according to the Performance Bonus Table, which considers the achievement rate and growth rate of sales and operating profit
Incentives	Calculated based on the Incentive Payment Table, considering improvements in management indicators, productivity enhancement, and the responsibility associated with executive roles and performance evaluations
Long-term Performance Bonus	Paid according to the Long-term Performance Bonus Table to encourage long-term performance improvement
Severance Pay	Determined based on the Severance Pay Table

Advanced Governance with Transparency

Committee Operations

Committees Within the BOD

Following the announcement of our corporate governance policy on November 17, 2023, Hyundai Elevator increased the number of board committees from three to six to enhance the independence and expertise of the board. The committees now include the Audit Committee, Independent Director Nomination Committee, Evaluation and Compensation Committee, ESG Committee, Internal Transaction Committee, and Risk Management Committee. Each committee is provided with sufficient personnel and budget for effective operation, governed by formal regulations approved by the board. The decisions and votes of each committee are disclosed in periodic business reports.

Committees within the BOD

Category	Name	Audit Committee	Independent Director Nomination Committee	Evaluation and Compensation Committee	ESG Committee	Internal Transaction Committee	Risk Management Committee
Executive Director	Cho Jae Cheon				○	○	○
Independent Director	Jeong Young Gi	●	○	○		●	
Independent Director	Kim Jung Ho	○	●	●	○	○	
Independent Director	Lee Ki Hwa	○	○		●		○
Independent Director	Han Hee Won	○	○	○			●
Non-Executive Director	Kim Ho Jin		○			○	
Non-Executive Director	Rhim Yu Chul		○		○		○

* ○: Member, ●: Chairperson

Audit Committee

Hyundai Elevator has established an Audit Committee based on Article 542-11 of the Commercial Act and Article 41-4 of its Articles of Incorporation. The committee's operation, authority, and responsibilities are outlined in the Audit Committee Regulations, and an independent internal audit department supports the committee.

Composed entirely of independent directors, including legal and financial experts, the Audit Committee guarantees both expertise and independence. It continuously monitors management's transparency and soundness through accounting and operational audits. Committee members can request reports on business operations and investigate the financial status of the company and its subsidiaries as needed.

Audit Committee

Category	Name	Attendance rate in 2023 (%)	
Audit Committee	Chairperson (Independent Director)	Jeong Young Gi	100%
	Independent Director	Kim Jung Ho	100%
	Independent Director	Lee Ki Hwa	Appointed in December 2023
	Independent Director	Han Hee Won	Appointed in March 2024

Independent Director Nomination Committee

Hyundai Elevator has established and operates an Independent Director Nomination Committee within its board, consisting of six members. The committee ensures the transparency and soundness of the nomination process by screening, reviewing, and selecting candidates through an independent external qualification verification process. Composed entirely of independent directors or non-executive directors, the committee guarantees independence.

Independent Director Nomination Committee

Category	Name	Attendance rate in 2023 (%)	
Independent Director Nomination Committee	Chairperson (Independent Director)	Kim Jung Ho	75% (Appointed in March 2023)
	Independent Director	Jeong Young Gi	100%
	Independent Director	Lee Ki Hwa	Appointed in December 2023
	Independent Director	Han Hee Won	Appointed in March 2024
	Non-Executive Director	Kim Ho Jin	100%
	Non-Executive Director	Rhim Yu Chul	Appointed in December 2023

Advanced Governance with Transparency

Committees Operations

Evaluation and Compensation Committee

The Evaluation and Compensation Committee within Hyundai Elevator's board consists of three members, all independent directors, ensuring independence from management. This structure institutionalizes the objective and transparent review of matters related to board performance evaluations and compensation.

Evaluation and Compensation Committee

Category		Name	Attendance rate in 2023(%)
Evaluation and Compensation Committee	Chairperson (Independent Director)	Kim Jung Ho	Appointed in March 2023
	Independent Director	Jeong Young Gi	100%
	Independent Director	Han Hee Won	Appointed in March 2024

ESG Committee

On June 2, 2023, Hyundai Elevator established an ESG Committee within its board, composed of three members. This committee is responsible for formulating basic policies and strategies for ESG management, overseeing implementation performance, and strengthening ESG activities. Hyundai Elevator aims to build investor trust, maximize shareholder value, and ensure sustainable corporate management through the advancement of ESG practices.

ESG Committee

Category		Name	Attendance rate in 2023(%)
ESG Committee	Chairperson (Independent Director)	Lee Ki Hwa	Appointed in February 2024
	Executive Director	Cho Jae Cheon	100%
	Independent Director	Kim Jung Ho	100%
	Non-Executive Director	Rhim Yu Chul	100%

Internal Transaction Committee

As part of its enhanced corporate governance policy announced on November 17, 2023, Hyundai Elevator established the Internal Transaction Committee with board approval on December 13, 2023. The committee, comprising four members, includes a majority of independent or non-executive directors to strengthen the board's control over internal transactions, thereby ensuring fairness and transparency in company operations.

Internal Transaction Committee

Category		Name	Attendance rate in 2023(%)
Internal Transaction Committee	Chairperson (Independent Director)	Jeong Young Gi	100%
	Executive Director	Cho Jae Cheon	100%
	Independent Director	Kim Jung Ho	100%
	Non-Executive Director	Kim Ho Jin	100%

Risk Management Committee

In line with the enhanced corporate governance policy announced on November 17, 2023, Hyundai Elevator established a Risk Management Committee with board approval on December 13, 2023. This committee, composed of four members, is dedicated to effectively managing risks arising from business activities. Through robust oversight, the committee aims to maintain the soundness and stability of the company's management.

Risk Management Committee

Category		Name	Attendance rate in 2023(%)
Risk Management Committee	Chairperson (Independent Director)	Han Hee Won	Appointed in March 2024
	Executive Director	Cho Jae Cheon	100%
	Independent Director	Lee Ki Hwa	100%
	Non-Executive Director	Rhim Yu Chul	100%

Advanced Governance with Transparency

Corporate Ownership and Operation

Shareholder and Investor Communication

Hyundai Elevator continuously communicates with stakeholders, including shareholders and investors, through various channels such as disclosures and IR activities. We provide timely management information via the Financial Supervisory Service's electronic disclosure system (DART), our website (<https://www.hyundaelevator.co.kr>), and press releases. This ensures the rapid disclosure of major management matters and the provision of up-to-date information through multiple media outlets.

Minority Shareholder Protection

To facilitate the exercise of voting rights by minority shareholders during regular and extraordinary general meetings, Hyundai Elevator conducts proxy solicitation activities. We post proxy forms on the Financial Supervisory Service's electronic disclosure system (DART) and on the electronic notice section of its website, allowing minority shareholders to download the forms directly and exercise their voting rights smoothly.

Dividend

Hyundai Elevator aims to enhance shareholder value through shareholder returns. We determine the level of dividends within the profit distribution limits stipulated by the Commercial Act and the company's articles of incorporation, considering the management environment and securing resources for sustainable growth investments. To enhance shareholder value through returns, we announced our shareholder return policy for the next five fiscal years (FY 2023 - FY 2027) on November 17, 2023. (Note: This policy is subject to change depending on the management environment and market conditions.)

Dividend Policy

Policy	Details
Mid- to Long-Term Dividend Policy	Cash dividends or the acquisition/retirement of treasury shares amounting to at least 50% of the net income (excluding one-time gains)
Dividend from One-Time Gains	A certain percentage of one-time gains will be distributed as cash dividends or the acquisition/retirement of treasury shares, apart from regular income
Minimum Dividend Amount	Set at KRW 500 per share (based on the 2022 fiscal year-end dividend)

The final details of the dividends for each fiscal year will be determined and approved at the annual general meeting of shareholders. Hyundai Elevator is committed to enhancing corporate and shareholder value through a predictable shareholder return policy.

Dividend Scale

Fiscal Year	Unit	2017	2018	2019	2020	2021	2022	2023
Total dividends (Dividend per share)	KRW billion	12.3 (@500)	24.4 (@900)	24.5 (@900)	32.7 (@800)	32.7 (@800)	19.9 (@500)	144.4 (@4,000)
Dividend Payout Ratio	%	13.2	307.8	50.5	34.3	28.9	25.4	45.3
Dividend yield	%	0.9	0.9	1.3	2.0	1.9	1.7	8.8

Shareholder Composition

As of December 31, 2023, Hyundai Elevator has a total of 39,092,385 issued shares. The largest shareholder and related parties own 27.8% of the shares. The shareholding ratios for shareholders holding 5% or more, as well as for the employee stock ownership association, are disclosed in the regular report.

Shareholder Composition

Name of shareholder	As of December 2023	
	Number of shares	Portion(%)
Major shareholders and related parties	10,853,089	27.76
Schindler Holding AG	4,501,309	11.51
Orbis Investment Management Limited	2,774,262	7.10
National Pension Service of Korea	2,544,048	6.51
Employee Stock Ownership Association	1,163,598	2.98
Other shareholders	17,256,079	44.14

**SUSTAINABILITY
PERFORMANCE**

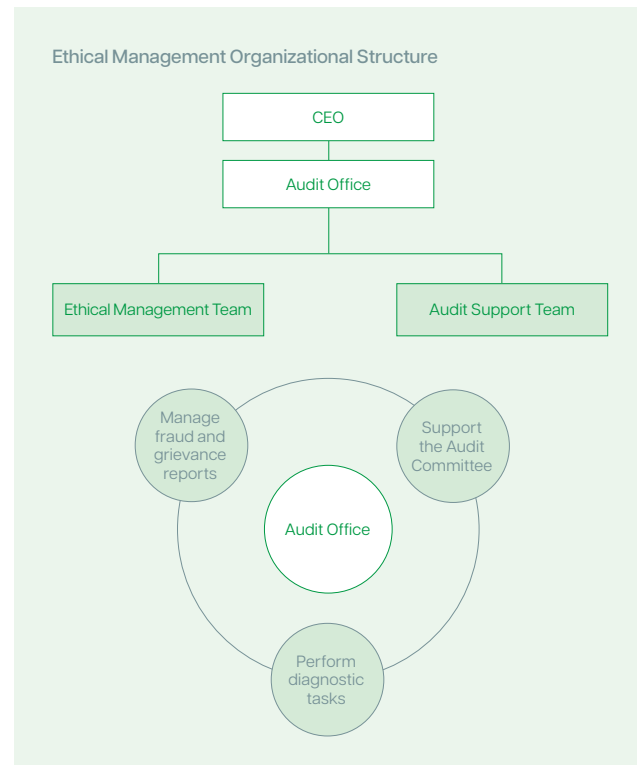
- Environmental
- Social
- Governance

- Transitioning to the Good Governance
- Advanced Governance with Transparency
- Strengthening Ethical Management and Compliance**
- Risk Management
- Enabling Sustainability System
- Governance Highlights

Ethical Management Governance

Ethical Management System

In 2023, Hyundai Elevator established an Audit Office to enhance ethical management and support the Audit Committee. This office not only performs post-event audits but also evaluates company processes to proactively prevent ethical risks. It leads the implementation and promotion of ethical management policies, providing related training and awareness programs. Hyundai Elevator also operates external (Ethics Helpline) and internal (Grievance Reception Center) reporting systems to handle misconduct reports, ensuring robust oversight and control. Through these efforts, Hyundai Elevator aims to fulfill its responsibilities to all stakeholders and achieve sustainable growth.

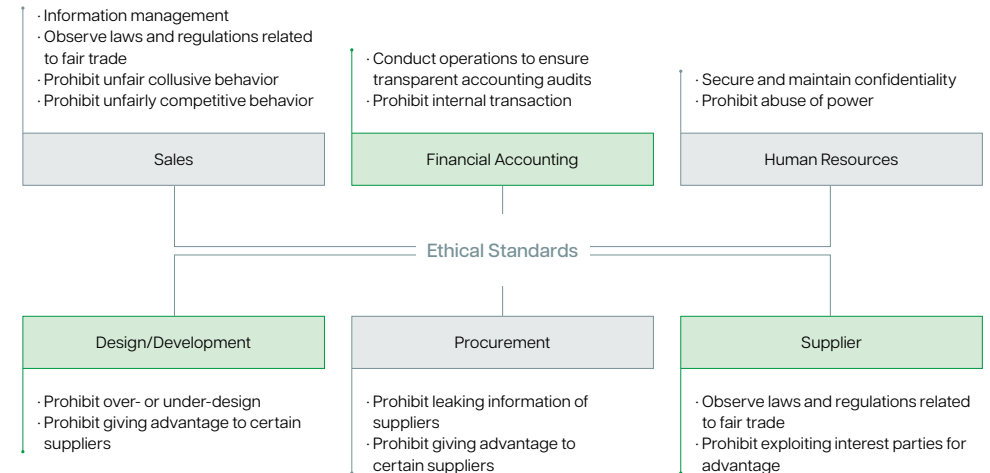


Code of Ethics

Hyundai Elevator strives to embed ethical management as an organizational culture, specifying standards for ethical behavior and judgment that both the company and employees must observe during business activities. The Code of Ethics, initially based on the Hyundai Group's Fair Trade Regulations established in 1997, was formulated in 2006 and was comprehensively revised in 2023 to reflect Hyundai Elevator's new vision on the occasion of its 39th anniversary. Hyundai Elevator's Code of Ethics include ethical guidelines for the company and its employees to follow in order to achieve customer satisfaction, protect shareholder rights and interests, establish a healthy corporate culture that respects human dignity, pursue co-growth with stakeholders, and fulfill responsibilities and obligations for the sound development of the nation and society.

The Code of Ethics also provide job-specific ethical guidelines that reflect the industry's characteristics, offering practical advice for employees. All Hyundai Elevator employees participated in the Pledge of Ethical Management Compliance on May 23, 2023, our 39th anniversary, and will continue to do so annually, reinforcing our commitment to ethical management both internally and externally.

Ethical Standards by Job



**SUSTAINABILITY
PERFORMANCE**

Environmental
Social
Governance

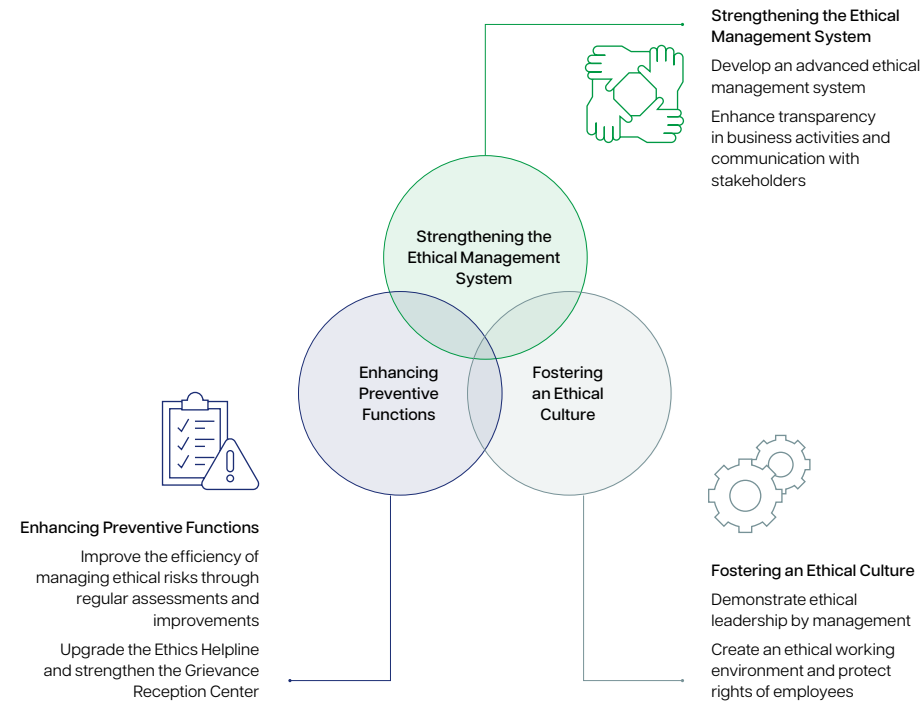
- Transitioning to the Good Governance
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- Governance Highlights

Strengthening Ethical Management and Compliance

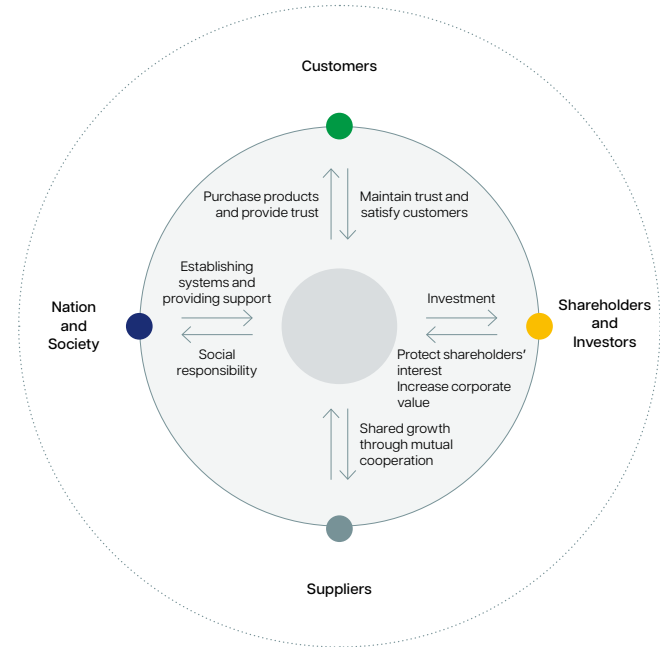
Ethical Management Strategy

In corporate management, ethics go beyond merely eliminating fraud and complying with the law. It embodies the management philosophy of prioritizing corporate ethics and pursuing transparent, fair, and rational business practices. Hyundai Elevator's ethical management aims to build an advanced ethical management system that aligns with global standards. This includes enhancing preventive measures to promote transparency, building customer trust, and increasing corporate value for sustainable growth. Profits generated through these practices are reinvested into society. By adhering to ethical management, Hyundai Elevator strives to fulfill its responsibilities to customers, shareholders, employees, external stakeholders, and society, while pursuing mutual benefits and sustainable growth.

Establishing an Ethical Corporate Culture for Sustainable Growth as a Global Company



Ethical Standards That Consider Stakeholders



Strengthening Ethical Management and Compliance

Ethical Management Activities and Performance

Ethical Management Prevention Activities

Hyundai Elevator goes beyond detecting fraud through post-event audits alone. By implementing management diagnostics, regular branch inspections, and operating reporting systems, we proactively detect and prevent ethical risks. This approach helps reduce tangible and intangible losses due to ethical risks and fosters a healthy organizational culture. We are committed to minimizing ethical risks and ensuring a sound organizational environment.

Management Diagnostics

Management diagnostics are categorized into regular diagnostics, special diagnostics, and confirmation diagnostics. Regular diagnostics are conducted periodically according to the diagnostic plan. Special diagnostics are initiated by the CEO's directive or upon approval if deemed necessary. Confirmation diagnostics are performed to verify the resolution of issues identified during regular and special diagnostics.

In 2024, Hyundai Elevator plans to strengthen the management diagnostic function by conducting regular and confirmation diagnostics for domestic business divisions and overseas subsidiaries. These activities aim to improve processes, enhance operational efficiency, prevent potential risks, and increase corporate transparency.

Regular Branch Inspections

Regular branch inspections are conducted to inspect local branches across the country that may become ethical blind spots due to their remoteness. These inspections also check major issues, educate staff members, and survey and listen to employees' opinions. In 2023, Hyundai Elevator visited 29 branches in ten regions to investigate office environments, provided training for 75 branch managers and section heads, and collected opinions from 325 employees through surveys and interviews. Based on the opinions collected, potential risk groups are monitored continuously, and task improvement suggestions are reported to relevant departments for action.

Regular Branch Inspection Status

Branches visited	29 branches in 10 regions
Leaders trained	75 branch managers and section heads
Voices heard	325 employees

Operation of Ethics Helpline

Hyundai Elevator operates an Ethics Helpline to receive fraud, corruption, and customer complaints. Complaints and corruption reports can be filed anonymously or with identification. The Ethics Helpline categorizes these reports into simple complaints or valid reports. Valid reports that involve violations of ethical management, such as fraud, unfair transactions, or corruption, are investigated by the Ethical Management Team after being reported to the CEO. A special diagnostic is then conducted into the incident. On-site complaints and minor after-sales service issues are handled by the company-wide complaint management organization (CXM team) in conjunction with the customer service team. The CXM Team informs the results of the process and responds rapidly. Since 2021, the Ethical Management Team has conducted an integrated monitoring of company-wide complaints as part of risk management. In August 2022, the complaint report management function of the Ethics Helpline was merged with the company-wide complaints integrated monitoring function, supporting the creation of a new complaint management organization (CXM team). The management of these tasks was then transferred to the CXM Team, thus creating a comprehensive risk management system for customer complaints.

Details of Ethics Helpline

(Unit: cases)

Status	Details	Number of Cases
Filed	Inconveniences related to products and work sites (258 cases)	275
	Issues related to suppliers and subsidiaries (2 cases)	
	Issues related to employees (15 cases)	
Processed	Issue confirmation and resolution (275 cases)	275

Conducting an Autonomous Ethical Diagnosis

Hyundai Elevator has been conducting self-ethical diagnoses quarterly since 2022. Teams and branches autonomously check the ethical risks of their organization by filling out a self-check sheet distributed via groupware surveys. The self-check sheet is divided into general ethics and suppliers/agencies management sections according to the tasks of each organization. Through these activities, teams and branches can prevent ethical risks independently, laying the foundation for creating an ethical culture.

Strengthening Ethical Management and Compliance

Ethical Management Activities and Performance

Activities to Strengthen Ethical Management

Hyundai Elevator conducts various activities to solidify ethical management, ensuring it becomes ingrained in the corporate culture beyond a formal declaration. In 2020, we established our own diagnosis system to spread ethical corporate culture and strengthen responsible ethical management centered on organizational leaders. In 2022, we revised and distributed our ethical management casebook. Furthermore, in 2023, we comprehensively revised our Code of Ethics to reflect Hyundai Elevator's new vision. We also conduct annual self-diagnoses of ethical management practices for all employees, provide various trainings to responsible personnel, and publish newsletters to raise employees' awareness of ethical management.

Production and Distribution of Ethical Management Casebook

The ethical management casebook is a collection of ethical violation issues reported through diagnostics and the Ethics Helpline. It aims to provide all employees with information on behavior and judgment standards for practicing ethical management. By including actual violation cases in the workplace, such as those from sales, installation, service, and procurement the casebook serves as an educational tool that reflects industry characteristics. Hyundai Elevator first produced and released the Ethical Management Casebook in 2016, summarizing 36 ethical violation issues. In 2022, the casebook was updated to include 60 issues across five areas: general ethics, sales, installation, service, and procurement. This revised casebook was posted on the groupware system, and relevant training sessions were conducted.

Self-Diagnosis of Ethical Management Practices

Since 2015, Hyundai Elevator has conducted a "Self-Diagnosis of Ethical Management Practice" to gauge employees' awareness of ethical management and continuously advance organizational culture. This self-diagnosis is administered to all employees and includes individual evaluations (answered with Yes or No) and organizational evaluations (rated on a 5-point scale). It assesses their perceptions on various topics, including bribery, entertainment and hospitality, and the content of internal reports.

Education for Spreading Ethical Corporate Culture

Hyundai Elevator's Ethical Management Team conducts various educational programs to enhance employees' ethical awareness. Each year, all employees participate in online ethical management training in addition to the legally mandated sexual harassment prevention training. After the training, employees are surveyed on their level of understanding, efficiency, and satisfaction to enhance practicality. Additionally, ethical leadership training is provided to responsible staff during regular branch rounds. A one-hour session on general ethical management and our company's activities is included in the orientation for new and experienced employees. Moreover, a quarterly newsletter is published to share ethical management activities with all employees and provide information on ethical management.

Ethical Management Self-Diagnosis Results

(Unit: %)

Year	Response rate	Incorrect answer rate
2023	72	9
2022	94	10
2021	79	5

Completion Status of Training on the Dissemination of Ethical Corporate Culture

(Unit: %)

Year	Mandatory sexual harassment prevention training	Other ethical management-related trainings
2023	100	92
2022	95	94
2021	95	96

Strengthening Ethical Management and Compliance

Fair Trade Compliance Program (CP) Governance

Fair Trade Compliance Program

Hyundai Elevator has designated a CP staff for each team and established a CP monitoring process within each team. In March 2023, we conducted risk assessments to identify high-risk organizations for CP operations. Additionally, a regular CP committee meeting is held quarterly, and CP activities are reported to the Board of Directors semi-annually. An internal reporting channel is continuously operational to receive reports on fair trade violations.

Establishment of Compliance Manual

To ensure compliance with fair trade practices, Hyundai Elevator published a compliance manual covering fair subcontract transactions, general unfair practices, and common unfair actions. This manual provides employees with a clear understanding of fair trade compliance requirements.

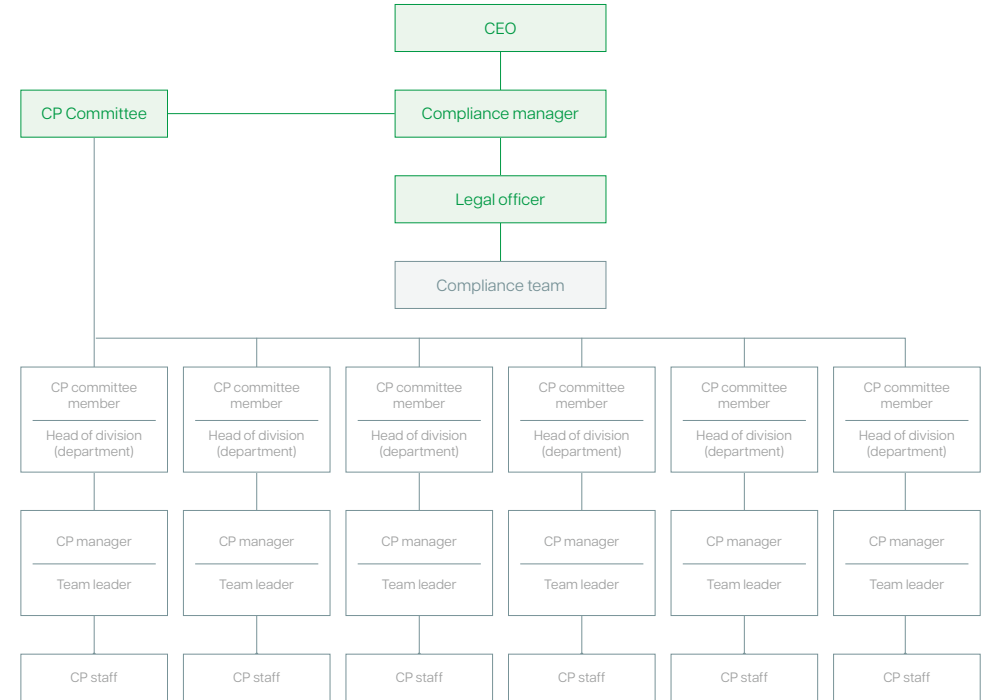
Establishment of 4 Actions for Fair Trade Compliance

Hyundai Elevator has stipulated four guidelines and policies for subcontracting in accordance with the Fair Trade Commission's action plans to establish fair trade with suppliers. These internal policies are disclosed on our website for stakeholder access.



Hyundai Elevator CP Website

Fair Trade Compliance Organization Chart and 4 Subcontracting Action Plans



4 Action Plans for Subcontracting

- 1 Practices for signing contracts for win-win cooperation
- 2 Practices for selecting and managing suppliers
- 3 Regulations for the operation of the shared growth review committee
- 4 Practices for issuing and keeping documents related to subcontracting transactions

* Detailed regulations can be found on our website (HOME > ESG > Sustainability > Compliance Management)

Strengthening Ethical Management and Compliance

Fair Trade Compliance Program (CP) Strategy

8 Elements of Hyundai Elevator's Compliance Program (CP)

In 2012, Hyundai Elevator adopted the eight elements of the Compliance Program (CP) recommended by the Fair Trade Commission. To foster a culture of fair trade and promote compliance activities, we communicate Fair Trade Act compliance requirements to employees, partners, and external stakeholders through CEO messages and newsletters. Regular CP training is conducted to proactively prevent legal violations and build compliance awareness. Since 2013, all employees have been required to sign a compliance pledge annually, reinforcing their commitment to lawful conduct. We also appoint compliance officers, assigning them specific roles and responsibilities, and establish operational regulations and detailed guidelines to ensure systematic and effective CP operations.

Status of Hyundai Elevator's Compliance Program (CP)

Category	Details
1. Establish and Implement CP Standards and Procedures	Enact fair trade Compliance Program (CP) operational regulations (November 2012) Establish fair trade Compliance Program operational guidelines (June 2015) Launch and operate CP website (June 2015)
2. Announce the CEO's Commitment and Willingness to Compliance	Announce commitment to autonomous CP (May 2016)
3. Appoint a Compliance Manager for CP Operation	Appoint a legal affairs officer (December 2023)
4. Publish and Distribute a Compliance Manual	Create and revise the compliance manual (June, 2015) Produce and disseminate the manual for subcontracting (June, 2014) Produce and disseminate the manual for sales (June, 2017)
5. Conduct Continuous and Systemic Compliance Training	Conduct regular training (twice a year) and occasional training Compliance-targeted training (on-site training) Publish compliance newsletter (once every quarter)
6. Establish an Internal Supervision (monitoring) System	Conduct regular checks (twice a year) and occasional checks
7. Penalize Executives and Employees Found in Violation of Fair Trade Laws and Regulations	Draft guidelines for rewards and penalties (May 2015) Heavily penalize and disclose violators
8. Operate CP Committee	Appoint fair-trade-related executives Set up basic guidelines for CP, deliberate and get advice on critical issues
9. Evaluate Operation Performance	Conduct a performance evaluations at the beginning of every year Report state of the BOD operation (twice a year) Acquire AA grade for the 2015 CP grade evaluation

Fair Trade Compliance Program (CP) Activities and Performance

Fair Trade Training

Hyundai Elevator conducts activities to raise awareness of fair trade through various training programs for all employees.

Customized Training on Subcontracting Act

Hyundai Elevator provided customized training on the Subcontracting Act to departments closely related to subcontracting transactions, such as the elevator, parking, production, and CTO departments. The training covers critical areas such as the obligation to issue written documents, procedures for requesting technical data, methods for concluding confidentiality agreements, and the prohibition of determining unfair subcontracting payments. By presenting case studies, check points, and recommended solutions, the training aims to enhance employees' compliance capabilities.

Cartel Prevention Training

Hyundai Elevator conducted cartel prevention training for sales representatives to raise awareness of collusion risks and prevent legal violations. We provided face-to-face training on the definition of bid-rigging, the latest trends and case studies, the legal and corporate standards, and precautions for each action. Additionally, the training focused intensively on actions that could be suspected of collusion despite their intent, emphasizing the precautions for each activity to enhance the effectiveness of the training.

Issuance of Compliance Letters and Updates on Competition Policy Trends

Hyundai Elevator issues compliance letters to ensure that all employees can easily understand and practice compliance. The letters include the latest news on compliance, laws, regulations, and policy trends from Fair Trade Commission press releases and committee decisions. They are accessible to all employees through CP noticeboards and groupware.

**SUSTAINABILITY
PERFORMANCE**

Environmental

Social

Governance

- **Transitioning to the Good Governance**
- Advanced Governance with Transparency
- Strengthening Ethical Management and Compliance**
- Risk Management
- Enabling Sustainability System
- Governance Highlights

SUSTAINABILITY
FACTS & FIGURES

APPENDICES

Strengthening Ethical Management and Compliance

Fair Trade Compliance Program (CP) Activities and Performance

Performance of CP Training in 2023

In 2023, Hyundai Elevator provided 14 CP training sessions to 2,807 employees covering the Framework Act on the Construction Industry, the Subcontracting Act, contract practices, and the prohibition of misusing technical data.

2023 CP Training Performance

Training course	Participant	Number of sessions	Number of people
Framework Act On The Construction Industry	Installation HQ	2	102
	Elevator Business Division	2	273
	EL Service Business Division	2	169
Subcontracting Act	CTO(Chief Technology Officer)	2	48
	EL Service Business Division	2	6
	Installation HQ	2	19
	CDO(Chief Digital Officer)	2	13
Contract Practices	Elevator Sales	2	248
	Installation HQ	2	52
	EL Service Business Division	1	111
Prohibition of Unauthorized Use of Technical Data	CTO	2	302
	Elevator Business Division	2	41
	EL Service Business Division	2	5
Cartel Prevention	Elevator Business Division	1	129
	EL Service Business Division	1	100
Anticorruption	All executives and employees	1	2,807

Strengthening Compliance Processes

Hyundai Elevator enforces a shipment control process for non-compliance with the Framework Act on the Construction Industry. Monitoring and reviewing practices encourage all employees to adhere to the law. To prevent risks, such as failing to execute written compliance agreements, the Compliance Team has added review and approval stages before product shipment. This allows the identification of potential issues that might be missed during on-site self-diagnosis. Additionally, the company plans to analyze and address problems that may arise from contract changes with partners, developing improvement measures based on the type of issue.

Regular Monitoring to Prevent Legal Violations

Hyundai Elevator performs regular monitoring to prevent legal violations, conducting a subcontract check (May-June), a cartel prevention check (September), and a compliance check with the Framework Act on the Construction Industry (September). This monitoring helps reinforce employee awareness and prevent risks in transaction processes by identifying and diagnosing risk factors and implementing preventive measures.

CP Training Details

Training course	Details	Training hours
Framework Act On The Construction Industry	Guidance on the general and preventive process of the Framework Act on the Construction Industry	1 hour
Subcontracting Act	Guidance on prohibiting unfair payment determination, requirement for written documents, etc.	1 hour
Contract Practices	Guidance on contract execution and process	1 hour
Prohibition of Unauthorized Use of Technical Data	Guidance on requesting technical data provision and obligation to sign confidentiality agreements	1 hour
Cartel Prevention	Updates on the latest trends and cases related to cartels	1 hour
Anticorruption	Introduction to the Improper Solicitation and Graft Act and guidance on the company's anti-corruption regulations	1 hour

Risk Management

Governance

To adapt to the dynamic management environment in the construction and manufacturing industries, it is crucial to identify and manage potential risks. Hyundai Elevator has developed a systematic risk management strategy to proactively address these risks.

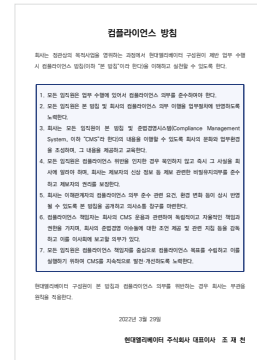
We have established a comprehensive risk response framework to manage risks across all business activities. This framework includes regular management meetings to discuss and devise response strategies as well as continuous monitoring to ensure effective risk management.

Risk Response Framework

Category	Key Activities	Output
Risk Assessment and Plan Development	Evaluate selected risks and report their current status	Develop a risk response plan
Risk Response	Implement risk response tasks	Monitor the status of risk responses
Post-Risk Management	Share and disseminate risk response strategies	Report key achievements, performances, and issues

Risk Management Policy

With external risks becoming increasingly diverse, Hyundai Elevator takes a proactive approach to identifying and managing risks. Our goal is to minimize risks through effective control measures. We established a compliance policy that employees understand and adhere to when performing their duties. We maintain a zero-tolerance policy for compliance violations. Hyundai Elevator has been certified to ISO 37301 (Compliance Management Systems) for three consecutive years, establishing an internal process for voluntary compliance with related laws and regulations. We apply effective control measures based on unique risks faced by the organization and we continuously evaluate and manage the adequacy of the remaining risks.



Compliance Policy

Transitioning to the Good Governance

ISO 37301 Certification

In September 2021, Hyundai Elevator became the first company in the domestic machinery manufacturing sector to obtain the ISO 37301 certification, an international standard for compliance management systems. We successfully renewed this certification in 2023. Established by the International Organization for Standardization (ISO) in April 2021, ISO 37301 outlines the requirements and guidelines for developing, implementing, evaluating, maintaining, and improving an effective compliance management system. Hyundai Elevator is committed to strengthening its compliance management as part of its ESG strategy to become a global leader by 2030.

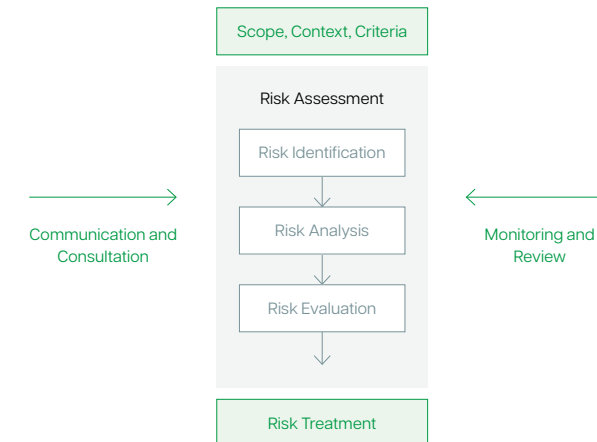


ISO 37301 Certificate

ISO 37301-Based Risk Management Process

Hyundai Elevator has established a risk management process based on ISO 37301. For risk management, risks are identified, analyzed, and confirmed. During risk identification and assessment, communication and consultation with relevant departments are conducted, along with continuous monitoring and review. After risks are addressed, they are managed through documentation and reporting. This comprehensive approach ensures effective risk management and compliance with international standards.

ISO 37301-Based Risk Management Process



Risk Management

Strategy

Integrated Risk Management

Hyundai Elevator has established an “Integrated Risk Management System” based on ISO 37301 guidelines to manage all types of risks arising from business activities. In March 2023, we secured the certification of the adequacy of our risk management system, standard principles, and overall risk management processes based on ISO 37301. This certification demonstrates the company's excellent capabilities in achieving long-term organizational goals and managing ESG and business risks.

Integrated Risk Management Plan

Establishing Risk Management Objectives	Develop focused risk management goals that incorporate internal/external issues and stakeholder needs
Risk Identification/Analysis	Efforts to minimize fluctuations in corporate value by preventing risk factors that could negatively impact business management
Risk Prevention and Mitigation	Classify potential risks as [High/Medium/Low] and proactively identify/manage significant risks, even those that could arise despite preventive measures
Evaluation/Improvement	Implement immediate reporting and analysis of actual risks & establish countermeasures through feedback to prevent recurrence

Integrated Risk Management Policy

Hyundai Elevator recognizes risk management as a crucial element of corporate governance and strives to foster a proactive risk management culture. To maintain sound and stable corporate management, we continuously enhance our risk management processes and conduct internal audits annually.

In the current business environment, Hyundai Elevator does not simply avoid risks but actively addresses and scrutinizes them to overcome management crises and maximize performance. We implement an integrated management system to handle both financial and non-financial risks effectively. For major issues, the Risk Management Committee within the Board of Directors reviews and reports on proposed responses and future actions. In June 2024, three financial risks and five non-financial risks were reported to the Risk Management Committee.

Key Risk Details

Non-Financial Risks	Construction Company Insolvency	Due to concerns over PF (Project Financing) defaults and a slump in the real estate market, construction company bankruptcies are increasing, directly affecting the elevator sales market. This has led to heightened demands for sales, collections, and receivables management. Hyundai Elevator regularly monitors trends and key management sites of construction companies, identifying issues and preparing emergency responses to manage disruptions from sales to installation processes.
	Material Supply	Rapid changes in international affairs are causing instability in the supply of imported materials, potentially affecting the entire production-to-completion process. To proactively address this, Hyundai Elevator is considering and executing pre-purchases of materials to minimize production and shipment risks. We are also formulating strategies to mitigate the impact of raw material price fluctuations on profits.
Financial Risks	Long-Term and Non-Performing Receivables	The instability of the economic situation is causing financial difficulties for clients, which may impact receivables management. To manage this, prompt monitoring after securing orders is necessary. We effectively manage the collection period of receivables and prepare countermeasures to ensure timely debt recovery.
	Interest Rate Hikes	Hyundai Elevator is managing the risk of increased losses due to interest rate hikes, which affect the real estate market and raise borrowing costs. Continuous monitoring of market conditions and interest rate fluctuations, along with plans to mitigate the impact of market downturns, are being implemented.

Risk Management

Management Activities and Performance

Hyundai Elevator is committed to managing residual risks through continuous monitoring and communication between management and staff. This proactive approach aims to prevent recurring issues and develop effective strategies. The company strives to achieve its performance goals by enhancing its risk management system. The company defines and categorizes various types of risks, establishing detailed management procedures to ensure swift responses. Setting and managing individual risk indicators allows for proactive measures to minimize volatility and improve company-wide risk awareness and management capabilities.

Major Risks

	Category	Type of Risk	Definition	Management and Response	
Financial Risk	Market risk	Interest rate	• Interest rate fluctuations	• Loss management based on interest rate fluctuations	• Check increased loss risk due to the average interest rate management of 3-month treasury yields
		Foreign exchange rate	• Currency value disparity	• Risk depending on exchange rate fluctuations	• Monitor business performance fluctuations caused by changes in exchange rate
		Liquidity	• Debt and other liabilities	• Available cash management	• Manage potential costs and reputation risks due to changes in available cash
	Cost fluctuation	• Fluctuation by cost item	• Profitability risk depending on changes in cost	• Identify profit and loss risks due to cost variation rates	
	Receivables	• Long-term/non-performing receivables	• Receivables management	• Monitor the receivables ratio by business unit and develop recovery strategies	
Non-financial Risk	Insolvent transaction partner risk	• Monitor partner trends	• Identify risks of partners due to rapidly changing business environment	• Identify risks of partners due to rapidly changing business environment and monitor and manage partner trends and risks due to changing business environment	
	Material supply risk	• Check material supply status	• Supply instability due to international geopolitical changes	• Check production risks due to material delays • Continuously manage and monitor imported materials	
	Production and shipment risk	• Production/shipment delay	• Monitor and manage factory and logistics status	• Identify process risks after production delays • Identify and address potential issues from long-term inventory	
	Installation risk	• Manage installation commencement	• Check risks at installation sites	• Manage and respond to customer complaints due to installation and delivery delays	
	Safety and health risk	• Safety related incident • Safety equipment management	• Potential for serious incidents and industrial disasters at work sites	• Confirm legal requirements and conduct regular assessments for workplace accidents	

Stakeholder Engagement

Stakeholder Engagement

Hyundai Elevator recognizes the importance of communication with diverse internal and external stakeholders for sustainable development. We identify customers, partners, shareholders, investors, and employees as our key stakeholders, gathering their opinions and reflecting their main concerns in our management activities. Through publishing our ESG report, we try to share the results of communication and engagement with our stakeholders and transparently disclose the key expectations of each stakeholder group.

Stakeholder Communication and Capability Enhancement

Stakeholder Group	Expectation		Communication Channels	
 Shareholders/Investors	- Enhance Corporate Value - Sound Governance Structure	- Transparent Information Disclosure	- General Meeting of Shareholders - Financial Information Disclosure	- Domestic and International IR activities
 Customers	- Strengthened Communication - Customer Satisfaction Enhancement	- Customer Complaint Resolution	- Cyber Reporting Center - HCCC(Hyundai Customer Care Center)	- Customer Satisfaction Survey - Company Website
 Employees	- Enhancing Individual and Organizational Capabilities - Welfare and Human Rights Protection	- Fair Performance Evaluation and Rational Compensation	- Webzine(webzinehdel.co.kr) - Labor-Management Meeting and Council	- Human Rights Impact Assessment - Wage & Collective Agreement
 Suppliers	- Mutual Growth	- Transparent and Fair Transactions	- Fair Trade Compliance Program - Suppliers Meeting	- Supplier ESG Support
 Local Communities	- Social Contribution Activities	- Corporate Social Responsibility	- Social Contribution Programs - Employee Volunteer Activities	- Local Community Meetings
 Industry Associations	- Response to New Regulations	- Safety Awareness Enhancement within the Industry	- Korea Lift Association	
 Government Authorities	- Compliance with Legal Requirements - Fair Trade	- Mutual Growth	- Agreements with Government & Public Institutions	

Governance Highlights

Win-win Growth Convention

Hyundai Elevator acknowledges the importance of a cooperative relationship with our partners for sustainable growth and will regularly host the Win-Win Growth Convention as a communication platform.

In April 2024, Hyundai Elevator held the 2024 Win-win Growth Convention with key partners at the Banyan Tree Hotel in Seoul. Under the slogan "Future Together, Greater Possibility," at this event, the CEO of Hyundai Elevator, representatives from 151 partner companies, the chairman of Korea Commission for Corporate Partnership, a National Assembly member, the mayor of Chungju, and about 200 other participants attended.

During the convention, key partner companies' representatives shared successful win-win growth cases, participated in special lectures on the importance of ESG management and recent trends, and discussed partners' challenges and opinions.

Hyundai Elevator also signed agreements with partners to provide incentives for safety management excellence, technical support for productivity improvement, quality enhancement, price competitiveness, and improvement of working conditions for partner employees. Hyundai Elevator aims to create a virtuous cycle where the competitiveness of its partners enhances the company's competitiveness and will continue to strengthen sustainable capabilities across the elevator industry.



Team Building Activities for Enhanced Mutual Communication



Win-Win Ceremony on "Future Together, Greater Possibility"



"A Time to Open a New Future" Presentation

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Economic

Title	Category	Sub-category	Unit	2021	2022	2023
Financial Status ¹⁾	Sales	-	KRW million	1,973,426	2,129,301	2,602,099
	Equity	-	KRW million	1,136,202	1,166,752	1,371,566
	Liabilities	-	KRW million	1,851,192	1,847,719	2,163,866
	Income	-	KRW million	129,002	43,016	82,620
	Assets	-	KRW million	2,987,394	3,014,471	3,535,433
	Cost of Goods Sold	-	KRW million	1,602,433	1,813,875	2,163,206
	Gross Profit	-	KRW million	370,994	315,426	438,893
	Earnings Before Tax	-	KRW million	160,509	110,106	401,618
	Net Income	-	KRW million	112,347	78,232	309,851
Economic Value Distribution	Operating costs	-	KRW million	137,996	149,691	203,611
	Employee wage	-	KRW million	290,297	331,129	372,749
	Dividend ²⁾	-	KRW million	32,652	19,891	144,420
	Corporate tax	-	KRW million	48,162	31,873	91,766
Pension System	Pension system liabilities	-	KRW million	189,010	172,810	230,301
Government Support	Amount of government's financial support	Tax relief and tax credits	KRW million	2,060.40	520.3	850
		Subsidies	KRW million	304	4,983	174
		Award money	KRW million	151	118	51
		Subtotal ³⁾	KRW million	455	5,101	225
Market Position	Entry wage compared to minimum wage by gender ⁴⁾	Male	KRW million	3.77	3.91	4.07
		Percentage	%	207	204	202.3
		Female	KRW million	3.77	3.91	4.07
		Percentage	%	207	204	202.3
Protection of Shareholders' Rights	Management status	Senior Management	Persons	38	37	43
	Government's ownership	Ownership ratio of the government	%	7.3	5.5	6.5
Corporate Tax Payment	Internal transactions	-	KRW million	45,014	53,588	64,943
	Profit before tax	-	KRW million	137,302	155,414	339,254
	Estimates of tangible asset value	-	KRW million	1,211,433	1,403,314	1,521,684
	Cash payments	-	KRW million	5,102	21,936	54,225
	Profit or loss	-	KRW million	16,006	41,989	93,534

Title	Category	Sub-category	Unit	2021	2022	2023
Contributions and Other Spending	Trade Association/ Tax-exempt groups	-	KRW million	3,924	495.4	1,441
R&D Investment Amount	R&D Expenses	-	KRW million	16,425	18,377	21,181
	R&D Expenses as a Percentage of Sales	-	%	0.83%	0.86%	0.81%
Customer Satisfaction Measurement	Korea Brand Power Index (K-BPI) Score	Total score	Points	705.8	711.8	693.3
		Overall Satisfaction	%	69	73.3	73
		Ranking	-	1	1	1

1) Based on consolidated financial statements.

2) Based on separate financial statements.

3) Disclosure on separate financial statements (total amount of subsidies and awards).

4) Entry-level criteria for college graduates.

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Title	Category	Sub-category	Unit	2021	2022	2023	
Greenhouse Gas Emissions	Greenhouse gas emissions	Scope 1 ¹⁾	tCO ₂ -eq	2,181.98 ²⁾	2,309.73	1,846.00	
		Scope 2 ³⁾	Regional-based	tCO ₂ -eq	6,030.61	7,593.41	6,234.84
			Market-based ⁴⁾	tCO ₂ -eq	-	-	2,690.20
			Subtotal (Scope 1+2)	tCO ₂ -eq	8,212.60	9,903.15	4,536.20
		Scope 3 - business travel ⁵⁾	tCO ₂ -eq	4.12	62.23	367.74	
		Total (Scope 1+2+3)	tCO ₂ -eq	8,216.71	9,965.38	4,903.94	
Greenhouse Gas Emission Reduction	Greenhouse Gas Reduction Amount ⁶⁾	Scope 1	tCO ₂ -eq	-336.79	-127.75	463.73	
		Scope 2	tCO ₂ -eq	-754.73	-1,562.80	4,903.21	
		Subtotal (Scope 1+2)	tCO ₂ -eq	-1,091.53	-1,690.55	5,366.95	
		Scope 3 - business travel	tCO ₂ -eq	54.25	-58.12	-305.51	
		Total (Scope 1+2+3)	tCO ₂ -eq	-1,037.27	-1,748.67	5,061.41	
		Environmentally Friendly Vehicles Ownership	Ratio	%	-	-	3.76
Greenhouse Gas Emission Intensity	Greenhouse Gas Emission Intensity ⁷⁾	-	tCO ₂ -eq /KRW 100 million	0.416	0.468	0.188	
Energy Usage	Total energy usage	-	GJ	167,509.99	197,970.84	161,711.52	
		Energy usage by fuel	Mobile combustion (gasoline, diesel)	GJ	4,250.17	16,930.28	13,875.96
	Electricity usage	Stationary combustion (LNG, kerosene, boiler diesel, LPG)	GJ	37,242.06	22,366.06	17,550.33	
		Non-renewable energy	GJ	126,017.77	136,687.49	56,215.32	
	Energy intensity ⁹⁾	Renewable energy ⁸⁾	GJ	-	21,987.01	74,069.91	
		Amount of energy reduction ¹⁰⁾	GJ	-22,614.01	-30,460.85	36,259.32	
Waste Management	Waste generation	Total	Ton	313.88	397.21 ¹¹⁾	448.80	
		General waste	Ton	274.65	377.5	424.07	
		Designated waste	Ton	39.23	19.71	24.73	
	Waste recycling	Total	Ton	309.46	388.76	446.55	
		General waste	Ton	274.65	372.66	424.07	
		Designated waste	Ton	34.81	16.10	22.48	
Waste recycling rate	%	98.59	97.87 ¹¹⁾	99.5			
Waste Management	Waste disposal	General waste	Total	Ton	274.65	377.5	424.07
			Landfill	Ton	-	4.84	-
			Other methods ¹²⁾	Ton	274.65	372.66	424.07
		Designated waste	Total	Ton	39.23	19.71	24.73
			Incineration (without energy recovery)	Ton	4.42	3.61	2.25

Title	Category	Sub-category	Unit	2021	2022	2023
Waste Management	Waste disposal	Designated waste	Ton	34.81	16.10	22.48
Water Management	Water withdrawal	Total	Ton	32,785	43,820	43,435
		Underground water	Ton	22,003	3,757	85
	Industrial water	Icheon Factory	Ton	2,792	1,863	200
		Subtotal	Ton	24,795	5,620	285
	Tap water	Icheon Factory	Ton	7,990	1,087	-
		Chungju HQ	Ton	-	37,113	41,830
	Subtotal	Cheonan Logistics Center	Ton	-	-	1,320
		Subtotal	Ton	-	37,113	43,150
	Wastewater discharge	Total	Ton	970	1,752	1,063
		Underground water	Ton	970	403	-
Others ¹⁴⁾		Ton	-	1,349	1,063	
Total Net Freshwater Consumption ¹⁵⁾	-	Ton	31,815	42,068	42,372	
Water Reuse Rate	-	%	0	0	0	

- 1) Measured based on fixed combustion (LNG, diesel) and mobile combustion (gasoline, diesel) standards.
- 2) 2021 Scope 1 emissions data adjusted due to a change in the heat value coefficient.
- 3) Since 2023, market-based emissions have been measured.
- 4) Emissions reflect reductions from third-party PPAs (solar)
- 5) Measurements include domestic sites (headquarters, Seoul office, Cheonan logistics center, and branches) using guidelines from the Ministry of Environment's Low Carbon Green Event Guide (2008.09).
- 6) The previous year's emissions - the current year's emissions
- 7) Emissions intensity calculated based on total GHG emissions and consolidated annual sales (billion KRW).
- 8) Solar power generation started in 2022.
- 9) Energy intensity calculated based on total internal energy use and consolidated annual sales (KRW).
- 10) Reduction in total energy use (previous year's usage - current year's usage).
- 11) Data correction due to a simple clerical error.
- 12) General waste recycling by disposal companies.
- 13) Designated waste recycling by disposal companies.
- 14) Outsourced wastewater treatment.
- 15) Subtract total wastewater discharge from total water withdrawal

* The scope of environmental performance includes usage from the Chungju headquarters, Icheon factory (former headquarters), Seoul office, Cheonan logistics center, and nationwide branches.

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Title	Category	Sub-category	Unit	2021	2022	2023
Pollution Management	Air pollutant emissions	Nitrogen Oxides (NOx)	- kg	624.1	118.8	359.7
		Sulfur Oxides (SOx) ¹⁾	- kg	-	24.8	5.3
		Particulate matter (PM/Dust)	- kg	211.9	25.0	174.0
		Total	- kg	836.0	168.6	539.0
	Direct Volatile Organic Compounds (VOC) Emissions ²⁾	-	- Ton	0	0	0
Climate-related Targets (Absolute Targets)	Emission ratio in scope	-	%	100	100	100
	Base Year Emissions	-	Year	-	2022	2022
	Absolute CO ₂ emissions of base year	-	tCO ₂ -eq	-	9,965	9,965
	Year of Target Setting	-	Year	-	2023	2023
	Reduction Rate from Base Year	-	%	-	0%	50.70%
	Target Year	-	Year	-	2030	2030
	Emission reduction achievement rate	-	%	-	-	84.5%
Climate Change Impact	Annual expected total CO ₂ reduction	-	tCO ₂ -eq	-	-	5,016
	Total annual investment amount	-	KRW billion	-	-	0.3
Eco-friendly Products/ Services	Eco-friendly sales	Performance	- KRW billion	-	390	869
		Proportion ³⁾	- %	-	2.4	4.6
EMS (Environmental Management System)	EMS certification and third-party verification	Ratio	%	100	100	100
	International Standard Verification (ISO 14001, etc.)	Ratio	%	100	100	100

1) No Sulfur Oxides (SOx) emissions in 2021.

2) According to Korean laws, Hyundai Elevator is prohibited to have VOC emission facilities or occurrences; therefore, there is no VOC emissions.

3) Proportion of the sum of sales from new and service/parts sales sites in the reporting year.

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Title	Category	Sub-category	Unit	2021	2022	2023		
Employees	Number of employees ¹⁾	Total	-	Persons	2,685	2,735	2,807	
		By gender	Male	-	Persons	2,496	2,535	2,592
			Female	-	Persons	189	200	215
	By age	Under 30	-	Persons	660	548	470	
		30-50	-	Persons	1,550	1,665	1,736	
		Over 50	-	Persons	475	522	601	
	By Minority Group	Disabled persons	-	Persons	19	22	21	
		National veterans	-	Persons	19	20	18	
	By position ²⁾	Executives ³⁾	Male	Persons	37	36	41	
			Female	Persons	1	1	2	
		Responsibilities	Male	Persons	16	12	15	
			Female	Persons	-	-	-	
		Team Leaders	Male	Persons	80	127	137	
			Female	Persons	-	-	-	
		CL3 Employees (excluding team leaders and responsibilities)	Male	Persons	826	786	781	
			Female	Persons	21	28	30	
		Managers	Male	Persons	1,543	1,580	1,624	
Female			Persons	168	172	184		
By department	Sales Department CL3 Employees	Male	Persons	413	427	424		
		Female	Persons	12	14	13		
	Research Department CL3 Employees	Male	Persons	87	68	131		
		Female	Persons	1	3	4		
By job ⁴⁾	Office	-	Persons	909	994	1,057		
	Technical	-	Persons	1,466	1,483	1,496		
	Research	-	Persons	136	81	98		
	Others (Contract worker, etc.)	-	Persons	129	127	108		
Employee Status	Number of non-affiliated workers ⁵⁾	Male	-	Persons	106	145	142	
		Female	-	Persons	146	173	170	
Recruitment Status	New employees	Total		Persons	204	237	234	
		Overseas		Persons	-	-	293	

1) Based on the Annual Report employee standards (excluding seven registered executives).

2) Data has been changed due to internal regulation updates.

3) Including seven registered executives.

4) Excluding persons in charge, such as executives and responsibility.

5) Based on the Annual Report.

Title	Category	Sub-category	Unit	2021	2022	2023		
Recruitment Status	By gender	Male	Under 30	Persons	136	91	82	
			30-50	Persons	53	88	72	
			Over 50	Persons	10	34	37	
		Female	Under 30	Persons	3	20	33	
			30-50	Persons	2	3	9	
			Over 50	Persons	-	1	1	
	By position	Responsibility (excluding executives)	-	Persons	0	0	1	
			Team leader	-	Persons	4	2	2
			CL3 (excluding Team Leaders and Responsibility)	-	Persons	10	33	22
	Average Tenure	-	-	Year	10.20	10.30	10.97	
Diversity	Male	Under 30	-	Persons	581	470	394	
		30-50	-	Persons	1,443	1,547	1,603	
		Over 50	-	Persons	472	518	595	
	Female	Under 30	-	Persons	79	78	76	
		30-50	-	Persons	107	118	133	
		Over 50	-	Persons	3	4	6	
	Female managers	Number ⁶⁾	-	Persons	21	28	30	
		Percentage	-	%	11	14	14	
	Employment Type	Permanent position	Total	-	Persons	2,556	2,608	2,699
			By gender	Male	Persons	2,375	2,429	2,510
Female				Persons	181	179	189	
Temporary position		Total	-	Persons	129	127	108	
		By gender	Male	Persons	121	106	82	
			Female	Persons	8	21	26	
Turnover (Retirement)	Turnover rate	Total turnover	-	%	11	7	5	
		Voluntary turnover	-	%	7.15	4.06	2.96	
	Number of turnovers	Total	-	Persons	284	196	142	
		Gender	Male	Persons	269	183	128	
Female	Persons		15	13	14			

6) Female managers are at the level of section chief (or equivalent) or above in other companies.

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Title	Category	Sub-category	Unit	2021	2022	2023		
Turnover (Retirement)	Number of turnovers by age	Under 30	-	Persons	129	47	25	
		30-50	-	Persons	101	86	57	
		Over 50	-	Persons	54	63	60	
	Number of turnovers by position	Resigned Responsibility (excluding executives)	-	Persons	0	0	0	
		Resigned Team Leaders	-	Persons	3	3	2	
		Resigned CL3 (excluding team leaders and Responsibility)	-	Persons	44	45	38	
	Gender turnover rate	Male	-	%	94.72	93.37	90.14	
		Female	-	%	5.28	6.63	9.86	
	Age turnover rate	Under 30	-	%	45.42	23.98	17.61	
		30-50	-	%	35.56	43.88	40.14	
		Over 50	-	%	19.01	32.14	42.25	
	Voluntary turnover rate ¹⁾	By gender	Male	%	6.74%	3.66%	2.57%	
			Female	%	0.41%	0.40%	0.39%	
By age		Under 30	%	3.58%	1.39%	0.71%		
		30-50	%	3.02%	2.34%	1.85%		
		Over 50	%	0.56%	0.33%	0.39%		
Employee Training Status	Total training hours	-	-	Hours	50,757	46,157	47,279	
	Total cumulative number of participating employees	-	-	Persons	3,922	2,877	5,779	
	Training hours for each position	Executives	-	-	Hours	1,976	1,963	1,664
		Unit leader	-	-	Hours	-	-	-
		Team leaders	-	-	Hours	3,247	4,622	3,697
		Managers and etc.	-	-	Hours	44,994	35,646	41,918
	Number of participants by job grade	Executives	-	-	Persons	60	87	73
		Unit leader	-	-	Persons	-	-	-
		Team leaders	-	-	Persons	211	263	365
		Managers and etc.	-	-	Persons	3,651	2,527	5,341
	By age	20s	-	-	Hours	6,758	14,133	12,241
		30s	-	-	Hours	23,716	16,854	17,913
		40s	-	-	Hours	13,447	9,835	8,831
50 and above		-	-	Hours	6,836	5,335	8,294	

Title	Category	Sub-category	Unit	2021	2022	2023	
Employee Training Status	By training program	CDP	-	Hours	40,981	22,160	-
		Group	-	Hours	4,684	11,000	11,982
		Other (contract employees, etc.)	-	Hours	2,922	6,033	20,946
		In-house open courses ²⁾	-	Hours	0	3,970	10,511
		Introductory	-	Hours	2,170	2,994	3,840
	By nationality	Korea	-	Hours	50,713	46,106	47,272
		China	-	Hours	20	44	0
		India	-	Hours	24	7	7
	Annual average training hours per employee	Per employee	-	Hours	19	15	17
		By gender	Male	Hours	17	15	17
			Female	Hours	47	36	17
		By position	Executives	Hours	52	53	33
			Unit leader	Hours	-	-	-
Team leaders	Hours		13	12	10		
Employee training programs	Job Expertise Certification Training Program ³⁾	-	%	80.75	48.08	30.28	
	Onboarding program	-	%	4.20	9.09	17.19	
Total training and development investment	-	-	KRW	871,500,959	1,102,277,935	1,530,815,487	
Average training expenditure per employee	-	-	KRW/Persons	317,140	392,689	531,718	
Evaluation and Compensation	Employees who received performance evaluation	By gender	Male	%	87	91	91
			Female	%	94	80	77
		By position	Executives	%	100	100	100
	Unit leader		%	100	100	100	
	Team leaders		%	96	99	98	
	Managers	%	88	91	91		
Median value of annual employee compensation ⁴⁾	-	-	KRW million	77	85	91	
Employee to the CEO compensation ratio	-	-	Multiple	8.5	4.3	4.8	

1) Data changes due to internal standards and formula adjustments.

2) We offer online and offline courses, with open lectures that employees can voluntarily enroll in to expand learning opportunities and enhance both common and job-specific skills.

3) Operated as the CDP (Career Development Program) until 2022; from 2023, job enhancement training is provided within each educational program.

4) Median value excluding the highest-paid individual

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Title	Category	Sub-category	Unit	2021	2022	2023		
Evaluation and Compensation	Basic salary and compensation of female to male ¹⁾	Basic salary of male	-	KRW	3,768,100	3,911,300	4,067,800	
		Basic salary of female	-	KRW	3,768,100	3,911,300	4,067,800	
		Female to male ratio	-	Multiple	100	100	100	
	Managerial position	Average base salary	Male	-	KRW million	93.26	96.68	102.61
			Female	-	KRW million	73.68	69.51	73.51
		Average bonus	Male	-	KRW million	3.94	5.73	9.72
			Female	-	KRW million	3.74	5.35	8.44
	Non-managerial position	Average base salary	Male	-	KRW million	56.71	60.15	66.71
			Female	-	KRW million	46.12	44.27	47.36
		Average bonus	Male	-	KRW million	3.28	5.29	9.01
Female			-	KRW million	3.79	5.04	7.92	
Welfare System	Employees subject to parental leave	Total	-	Persons	598	644	639	
		Male	-	Persons	585	629	630	
		Female	-	Persons	13	15	9	
	Parental leave employees ²⁾	Total	-	Persons	17	25	24	
		Male	-	Persons	7	11	10	
		Female	-	Persons	10	14	14	
	Employees who returned to work after parental leave ²⁾	Total	-	Persons	15	16	14	
		Male	-	Persons	6	9	5	
		Female	-	Persons	9	7	9	
	Employees who have worked for 12 months after return to work	Total	-	Persons	13	15	17	
Male		-	Persons	5	8	10		
Female		-	Persons	8	7	7		
Human Rights Management	Discrimination cases ³⁾	Total	-	Cases	0	0	1	
		Received and reviewed	-	Cases	0	0	1	
		Mitigated	-	Cases	0	0	1	
		Reviewed through the internal process	-	Cases	0	0	1	
		Completion of all actions	-	Cases	0	0	1	

Title	Category	Sub-category	Unit	2021	2022	2023	
Health & Safety Management	Occupational health and safety system application rate	Percentage of employees	-	%	100	100	100
		Percentage of supplier employees ⁴⁾	-	%	-	6.6	5.3
	ISO 45001 certification	Certified worksites	-	Sites	-	3	1
		Percentage of certified worksites	-	%	-	43	17
Occupational Accidents	Occupational fatalities	Employees	-	Persons	0	0	0
		Supplier employees	-	Persons	0	0	0
	Occupational injuries	Employees	-	Persons	4	4	8
		Supplier employees	-	Persons	0	2	1
		Occupational accidents rate ⁵⁾	Employees	-	%	0.15	0.15
		Supplier employees	-	%	0	1.22	0.66
	LTIFR (employees)	Number of injuries	-	Cases	4	4	8
			Annual working hours	Number of subjects	Persons	2,693	2,676
			Number of target days	Days	252	251	248
			Daily working hours	Hours	8	8	8
	Annual working hours	Hours	5,429,088	5,373,408	5,408,384		
	LTIFR	-	%	0.74	0.74	1.48	
LTIFR (suppliers)	Number of injuries	-	Cases	0	2	1	
		Annual working hours	Number of subjects	Persons	141	164	152
		Number of target days	Days	252	251	248	
		Daily working hours	Hours	8	8	8	
	Annual working hours	Hours	284,256	329,312	301,568		
	LTIFR	-	%	0	6.07	3.32	
Occupational Diseases Occurrence Rate	Occupational disease fatalities	Employees	-	Persons	0	0	0
		Supplier employees	-	Persons	0	0	0
	Occupational illness frequency rate (OIFR)	Employees	-	%	0	0	0
		Supplier employees	-	%	0	0	0

1) Limited to domestic business sites and based on university graduate new recruits ⁽²⁰²³⁾.

2) The number of employees who used parental leave during the reporting year, calculated by adding the number of those who returned from leave used in the previous year.

3) Refers to discrimination incidents based on gender, age, religion, social status, place of origin, school, marital/pregnancy status, and bullying.

4) Only includes managers among partner company employees, as per legal standards.

5) The accident rate is managed internally based on the annual April standard.

Sustainability Data

Society

Title	Category	Sub-category		Unit	2021	2022	2023
Social Contribution	Social contribution programs	Performance of local community contribution programs ¹⁾	Number	Cases	16	17	17
			Percentage	%	84	85	85
	Volunteering activities	Total employees' volunteering hours		Hours	15,951	18,243	1,640
		Monetary value of volunteer activities ²⁾		KRW	139,092,720	167,105,880	15,776,800
	Donations ³⁾	Total		KRW	2,143,028,000	3,291,507,570	3,598,488,800
Donation-to-revenue ratio ⁴⁾			%	0.14%	0.20%	0.19%	
Information Security	Information security investments	-	-	KRW	-	832,518,666	768,132,376
	Security violations	Security/Cyber security incidents	-	Cases	0	0	0
		Customer data protection	Security breaches	Cases	0	0	0
			Regulatory authorities	Cases	0	0	0
		Third-party external agencies	Cases	0	0	0	
		Number of customers affected by data breaches	-	Persons	0	0	0
Supplier Status by Type	Primary suppliers	-	-	Companies	-	-	172
	Core primary suppliers	-	-	Companies	-	-	10
	Core primary purchasing ratio ⁵⁾	-	-	%	-	-	24
Organizational Culture Diagnosis	Participation rate of employees	Technical	-	%	-	-	77
	Diagnosis goals	-	-	%	-	-	100
Human Rights Evaluation and Pledge	In-house sites	Evaluation rate	-	%	-	-	100
Union and Collective Bargaining Coverage Rate	By job	Technical	-	%	100	100	100
		Office	-	%	100	100	100
Human Capital Investment	Human capital ROI	-	-	RATE	1,444	1,130	1,222
	Total	-	-	KRW million	1,844,425	2,086,285	2,519,479

1) Social contribution activities are implemented based on the business registration certificate.

2) The total annual volunteer hours of employees multiplied by the minimum hourly wage of the year.

3) Included in other losses on the comprehensive income statement in the Annual Report.

4) Based on the separate revenue in the Annual Report.

5) Key domestic suppliers and purchase ratios based on major domestic business sites.

Sustainability Data

Governance

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Title	Category	Sub-category	Unit	2021	2022	2023
Board of Directors	Male	-	Persons	6	6	6
	Female	-	Persons	1	1	1
	Executive director	-	Persons	2	2	1
	Independent director	-	Persons	3	4	4
	Non-executive directors	-	Persons	1	1	2
	Proportion of Independent directors	-	%	42.9	57.1	57.1
BOD Effectiveness	Tenure of BOD members	Average tenure of BOD members	Year	2.1	2	2.1
	Expertise of BOD	Percentage of directors with expertise in the industry	%	29	14	14
	Transparency of BOD	Number of directors trained in anti-corruption	Persons	7	7	7
	Concurrent duties of BOD	Average number of concurrent duties of members	Numbers	2.4 ¹⁾	2.6 ¹⁾	1.7
		With four or fewer concurrent positions	Persons	3	4	4
	Limited number of concurrent positions for non-executive directors and independent directors	Numbers	-	-	-	
BOD Compensation	Fixed salary	-	KRW million	1,824	2,000	2,126
	Variable salary	-	KRW million	2,343	1,800	1,456
	Retirement benefits	-	KRW million	0	311	0
Ethical Management	Notice on anti-corruption policy	Employees	Persons	2,685	2,735	2,807
		Percentage of employees	%	100	100	100
		Supplier employees	Persons	0	419	438
	Anti-corruption training	Anti-corruption and fair-trade trainings	Times	5	8	10
		Employees	Persons	2,685	2,735	2,807
		Percentage of employees	%	100	100	100
	Corruption cases	Confirmed corruption cases	Cases	2	4	1
		Discipline	Cases	2	2	1
		Supplier contract terminations	Cases	0	0	0
Violation of antitrust laws	Lawsuits	Cases	0	0	0	

Title	Category	Sub-category	Unit	2021	2022	2023
Ethical Management	Violation of antitrust laws	Actions taken	Cases	0	0	0
		Monetary losses	KRW million	0	0	0
Compliance	Violation of laws and regulations	Violations of environmental law	Cases	0	0	0
		Violations of personal information protection law	Cases	0	0	0
		Violation of the Framework Act on the Construction Industry ²⁾	Cases	6	5	2
		Violation of Unfair Trade Law ³⁾	Cases	0	0	0
		Total	Cases	6	5	2
	Fines	Number of fines related to violations of the Framework Act on the Construction Industry	Cases	1	1	0
		Amount of fines related to violations of the Framework Act on the Construction Industry	KRW million	0.5	0.75	0
		Fines/Penalties related to information security violations	KRW	0	0	0
		Total amount of fines	KRW million	0.5	0.75	0
		Number of non-monetary sanctions	Cases	5	4	2
Board Efficiency	Attendance rate	Board (average)	%	94	92	90
		Independent directors(average)	%	97	98	95
		Minimum meetings	%	86	86	86
	Board meetings	-	Times	12	12	21
Share Ownership	Treasury stock in possession	-	%	0	2.5	7.6

1) Revised due to manual error in last year's data

2) Includes one violation of the Subcontracting Act in 2023

3) Based on the reporting year, this pertains to violations of laws related to unfair trade

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GRI

Statement of use	Hyundai Elevator reports the sustainability management performance for the period from January 1, 2023, to December 31, 2023, in accordance with GRI Standards 2021.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	The GRI Sector Standards corresponding to the GICS and industry classification standards of Hyundai Elevator have not been issued as of the publication date, and therefore, have not been applied.

GRI	Disclosure	Reporting Page	Note
General disclosures			
GRI 2: General Disclosures 2021	2-1 Organizational details	6-7,13	
	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	-	included in annotation
	2-5 External assurance	117	
	2-6 Activities, value chain and other business relationships	12, 21	
	2-7 Employees	101	
	2-8 Workers who are not employees	101	
	2-9 Governance structure and composition	79	
	2-10 Nomination and selection of the highest governance body	80-82	
	2-11 Chair of the highest governance body	79	
	2-12 Role of the highest governance body in overseeing the management of impacts	15-16	
	2-13 Delegation of responsibility for managing impacts	15-16	
	2-14 Role of the highest governance body in sustainability reporting	15-16	
	2-15 Conflicts of interest	79-80	
	2-16 Communication of critical concerns	15-16, 92-94	
	2-17 Collective knowledge of the highest governance body	-	Annual Report pg.337
	2-18 Evaluation of the performance of the highest governance body	81	
	2-19 Remuneration policies	81	
	2-20 Process to determine remuneration	81, 83	
	2-21 Annual total compensation ratio	102	Annual Report pg.356
	2-22 Statement on sustainable development strategy	5	

GRI	Disclosure	Reporting Page	Note
	2-23 Policy commitments	44-45	
	2-24 Embedding policy commitments	44-45	
	2-25 Processes to remediate negative impacts	45, 92-94	
	2-26 Mechanisms for seeking advice and raising concerns	87	
	2-27 Compliance with laws and regulations	39, 105	Annual Report pg.368
	2-28 Membership associations	120	
	2-29 Approach to stakeholder engagement	95	
	2-30 Collective bargaining agreements	51, 104	
	Material Topic & Topic Standards		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	17	
	3-2 List of material topics	18	
Material Issue 1 Development of safety & health management system			
GRI 3: Material Topics 2021	3-3 Management of material topics	19-20	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	61	
	403-2 Hazard identification, risk assessment, and incident investigation	65-66	
	403-3 Occupational health services	69	
	403-4 Worker participation, consultation, and communication on occupational health and safety	61, 67-69	
	403-5 Worker training on occupational health and safety	65, 68	
	403-6 Promotion of worker health	69	
	403-7 Prevention and mitigation of occupational health and safety impact directly linked by business relationships	65	

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GRI

GRI	Disclosure	Reporting Page	Note
Material Issue 2	Climate change response & energy control		
GRI 3: Material Topics 2021	3-3 Management of material topics	19	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	30, 99	
	302-3 Energy intensity	99	
	302-4 Reduction of energy consumption	30, 99	
GRI 305: Emissions 2016	305-1 Direct(Scope 1) GHG emissions	30, 99	
	305-2 Energy indirect(Scope 2) GHG emissions	30, 99	
	305-3 Other indirect(Scope 3) GHG emissions	30, 99	
	305-4 GHG emissions intensity	99	
	305-5 Reduction of GHG emissions	30	
GRI 305-7 Nitrogen oxides(NOx), sulfur oxides(SOx), and other significant air emissions		37, 100	
Material Issue 3	Sustainable supply chain management and empowerment of suppliers		
GRI 3: Material Topics 2021	3-3 Management of material topics	19	
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	71, 104	
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	71, 104	
Material Issue 4	Enhancement of ethics management & compliance		
GRI 3: Material Topics 2021	3-3 Management of material topics	19	
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	105	
	205-3 Confirmed incidents of corruption and actions taken	105	
Material Issue 5	R&D improvement		
GRI 3: Material Topics 2021	3-3 Management of material topics	19	
Non GRI	No applicable Topic Standards available	-	

GRI	Disclosure	Reporting Page	Note
Material Issue 6	Creating a culture for a better place to work		
GRI 3: Material Topics 2021	3-3 Management of material topics	19	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	101-102	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	51-55	
	401-3 Parental leave	103	
Material Issue 7	Advancing human rights management		
GRI 3: Material Topics 2021	3-3 Management of material topics	20	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	79, 105	
	405-2 Ratio of basic salary and remuneration of women to men	102-103	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	71, 115	Not applicable
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	71, 115	Not applicable
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	71, 115	Not applicable
Material Issue 8	Enhancement of product responsibility through quality management		
GRI 3: Material Topics 2021	3-3 Management of material topics	20	
Non GRI	No applicable Topic Standards available	-	
Material Issue 9	Expansion of green technologies & products		
GRI 3: Material Topics 2021	3-3 Management of material topics	20	
GRI 305: Emissions 2016	305-1 Direct(Scope 1) GHG emissions	30, 99	

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GRI

GRI	Disclosure	Reporting Page	Note
Non Material Topic Topic standards disclosures			
Economic			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	98	
	201-2 Financial implications and other risks and opportunities due to climate change	27-29	
	201-3 Defined benefit plan obligations and other retirement plans	55, 103	
	201-4 Financial assistance received from government	98	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	103	
	202-2 Proportion of senior management hired from the local community	52, 101	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	75	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	71, 104	
Environmental			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	36	
	303-3 Water withdrawal	99	
	303-4 Water discharge	99	
	303-5 Water consumption	99	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	31	
	306-2 Management of significant waste-related impacts	31-32	
	306-3 Waste generated	99	
	306-4 Waste diverted from disposal	99	
	306-5 Waste directed to disposal	99	

GRI	Disclosure	Reporting Page	Note
Social			
GRI 403: Occupational Health and Safety 2018	403-8 Workers covered by an occupational health and safety management system	103	
	403-9 Work-related injuries	103-104	
	403-10 Work-related ill health	103-104	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	102	
	404-2 Programs for upgrading employee skills and transition assistance programs	48	
	404-3 Percentage of employees receiving regular performance and career development reviews	102	
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	87, 103	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	59-60, 104	

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SASB












Topic	Metric	Category	Unit of Measure	Code	Page
Energy Management	1. Total energy consumed, 2. percentage grid electricity and 3. percentage renewable	Quantitative	GJ, %	RT-EE-130a.1	30, 99
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	Quantitative	Ton, %	RT-EE-150a.1	31-32, 99
	Number and aggregate quantity of reportable spills, quantity recovered	Quantitative	Number, kg	RT-EE-150a.2	-
Product Safety	Number of recalls issued, total units recalled	Quantitative	Number	RT-EE-250a.1	-
	Total amount of monetary losses as a result of legal proceedings associated with product safety	Quantitative	Presentation currency	RT-EE-250a.2	-
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	Percentage (%) by revenue	RT-EE-410a.1	-
	Percentage of eligible products, by revenue certified to an energy efficiency certification	Quantitative	Percentage (%) by revenue	RT-EE-410a.2	-
	Revenue from renewable energy-related and energy efficiency-related products	Quantitative	Presentation currency	RT-EE-410a.3	41
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	RT-EE-440a.1	56-57
Business Ethics	Description of policies and practices for prevention of: 1. corruption and bribery and 2. anti-competitive behaviour	Discussion and Analysis	n/a	RT-EE-510a.1	85
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Quantitative	Presentation currency	RT-EE-510a.2	105
	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behaviour regulations	Quantitative	Presentation currency	RT-EE-510a.3	105

TCFD

Topic	TCFD Recommendation	Page
Governance	a) Describe the board's oversight of climate-related risks and opportunities	24
	b) Describe management's role in assessing and managing climate-related risks and opportunities	24
Strategy	a) Describe the climate-related risks and opportunities the organization has over the short, medium, and long term	25-26
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	27
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	27-28
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks	27-28
	b) Describe the organization's processes for managing climate-related risks	28-29
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	24
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	24
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	30
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	26

Commitment

UN SDGs

UN SDGs	Activities of Hyundai Elevator	Page
 Goal 3. Good Health and Well-being	<ul style="list-style-type: none"> • Providing medical expense support for employees and their immediate families, including coverage for sedation endoscopy during health check-ups • Strengthening medical accessibility through on-site nurse staffing at the company infirmary and operation of partner hospitals nationwide 	53
 Goal 4. Quality Education	<ul style="list-style-type: none"> • Operating various professional development programs including technical and administrative training, MBA support, and leadership training • Implementing a job school system focused on specialized skills for elevator-related tasks and supporting certification acquisition • Providing information on post-retirement asset and health management, reemployment, and entrepreneurship through retirement planning support programs • Establishing a choir for employees with disabilities to improve diversity and expand employment opportunities for disabled staff 	48, 76
 Goal 5. Gender Equality	<ul style="list-style-type: none"> • Establishing diversity and inclusion policies to prohibit discrimination based on gender, race, ethnicity, etc. • Providing various leadership training programs for female employees to foster women leaders 	50, 54
 Goal 7. Affordable and Clean Energy	<ul style="list-style-type: none"> • Installing solar power facilities at the Chungju campus, producing 9,146.65 MWh, and converting 84.35% of domestic energy usage to renewable energy • Establishing an in-house eco-friendly product classification system to enhance energy efficiency through power regeneration and reuse of regenerated energy 	30, 40
 Goal 8. Decent Work and Economic Growth	<ul style="list-style-type: none"> • Developing products such as lightweight designs, MIRI services, and 3-level inverters based on the eco-friendly product classification system. Additionally, filing various eco-friendly patents to enhance market competitiveness and enter the green market • Operating various support programs for partners such as financial support and technical protection projects, and fostering a healthy business ecosystem for mutual growth • Conducting 93 partner supervision activities to share improvement plans and provide quality enhancement guides to partners • Applying the same pay standards to male and female employees • Donating scholarships within the local community to foster local talent and cultivating industrial talent through industry-academia collaboration • Establishing human rights management policies to strictly prohibit child labor and forced labor, adhering to domestic laws and ILO standards 	41, 44, 72-73, 75, 102-103
 Goal 9. Industry, Innovation and Infrastructure	<ul style="list-style-type: none"> • Establishing an organizational system for eco-friendly product development and strengthening development capabilities under the Hyundai Elevator CTO • Setting a goal for eco-friendly product development, achieving over 15% energy savings through inverters 	40
 Goal 10. Reduced Inequalities	<ul style="list-style-type: none"> • Complying with internationally recognized human rights guidelines such as the Universal Declaration of Human Rights, UN Global Compact, OECD Guidelines for Multinational Enterprises, UN Convention on the Rights of the Child, and ILO Core Conventions to prevent human rights risks and internalize a culture of respect for human rights • Raising awareness of anti-discrimination in the workplace through trainings on sexual harassment prevention, bullying prevention, and disability awareness 	44-45
 Goal 12. Responsible Consumption and Production	<ul style="list-style-type: none"> • Conducting self-measurement of air pollutants through air pollution control facilities to minimize pollution components coming from the building's temperature control system and production processes • Performing weekly self-inspections for chemical management and conducting annual surveys and statistics on chemical emissions • Recycling and utilizing byproducts (scrap metal, chips, etc.) and recyclable waste through material recycling companies • Establishing a resource circular economy system by signing agreements with the Korea Environment Corporation and the Korea Elevator Safety Agency for the collection and recycling of waste resources from elevators • Building an ESG governance to establish and realize ESG strategies 	15-16, 32, 37
 Goal 13. Climate Action	<ul style="list-style-type: none"> • Reducing greenhouse gas emissions and achieving carbon neutrality by 2050 through participation in K-RE100 • Establishing a long-term climate change response strategy focused on realizing a Net Zero Plant and building a Clean Plant System • Strengthening climate change risk management by identifying transition and physical risks and opportunities, and assessing their financial impacts through scenario analysis 	25-29
 Goal 15. Life On Land	<ul style="list-style-type: none"> • Establishing a no deforestation policy according to international standards to stop forest destruction and protect forests • Formulating a biodiversity protection policy in line with international agreements such as the Ramsar Convention to protect endangered species and respect biodiversity • Conducting environmental cleanup activities at Binaeseom, a protected wetland area, as part of biodiversity conservation efforts 	33-34
 Goal 16. Peace, Justice and Strong Institution	<ul style="list-style-type: none"> • Clearly defining and sharing the ethical behavior and decision-making standards that the company and its employees must follow in business activities and tasks • Conducting regular tours of local branches nationwide to prevent unethical behavior in potential ethical blind spots 	85, 87

Commitment

UNGC

		Classification	Major Activities of Hyundai Elevator	Page
Human Rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	Hyundai Elevator endorses and practices international human rights standards and guidelines such as the Universal Declaration of Human Rights (UDHR), UN Guiding Principles on Business and Human Rights (UNGPs), OECD Guidelines for Multinational Enterprises, UN Convention on the Rights of the Child, and the International Labour Organization's core conventions, demonstrating our commitment to upholding these principles across all operations.	114
	Principle 2	Businesses should make sure that they are not complicit in human rights abuses.	Hyundai Elevator proactively identifies and manages human rights risks by conducting human rights impact assessments. Additionally, we operate grievance procedures to address and mitigate any potential human rights violations.	114-116
Labor	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	At Hyundai Elevator, we believe that labor-management harmony and mutual growth are critical to our corporate competitiveness. As part of this commitment, we engage in annual collective bargaining agreements. In 2023, we expanded our employee welfare programs through successful negotiations on wages and collective agreements.	51
	Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labour.	Hyundai Elevator manages and prohibits forced labor, child labor, and other related practices across all business operations by including relevant items in its human rights management policy.	114-115
	Principle 5	Businesses should uphold the effective abolition of child labour.		
	Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Hyundai Elevator conducts training to prevent workplace sexual harassment and improve disability awareness, promoting an inclusive work environment. Additionally, we have established a choir to enhance employment opportunities for people with disabilities and joined the UN Women's Empowerment Principles to support female leadership programs.	45, 48, 120
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges.	Hyundai Elevator addresses climate change by participating in K-RE100 and supplying renewable energy through third-party PPA contracts. We also identify climate-related risks and opportunities and analyze their financial impact to ensure effective climate action.	25-29
	Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.	Hyundai Elevator recognizes the importance of biodiversity and has established water diversity-related policies to manage and conserve it, including activities such as the Binaeseom environmental cleanup.	33-34
	Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	Hyundai Elevator has established its own eco-friendly product classification system to promote the development of environmentally friendly technologies and products. Additionally, we have set strategic goals for eco-friendly technologies and products and continuously manage the standards of such products.	40
Anti-corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	Hyundai Elevator has established a compliance policy applicable to all employees in order to prevent corruption and mitigate risks. We also conduct anti-corruption training for all employees as part of our compliance education.	91-92

Human Rights Management Report

I. Outline

Category	Reporting Framework	Details	Page
Governance of Respect for human rights	A1 Policy commitment	What does the company say publicly about its commitment to respect human rights?	113-114
	A2 Embedding respect for human rights	How does the company demonstrate the importance it attaches to the implementation of its human rights commitment?	114-115
Defining the focus of reporting	B1 Statement of salient issues	Salient human rights issues associated with the company's activities and business relationships	114-115
	B2 Determination of salient issues	Describe how the salient human rights issues were determined, including any input from stakeholders.	115
	B3 Choice of focal geographies	If reporting on the salient human rights issues focuses on particular geographies, explain how that choice was made	115
	B4 Additional severe impacts	Identify any severe impacts on human rights that occurred or were still being addressed during the reporting period, but which fall outside of the salient human rights issues, and explain how they have been addressed.	114
Management of salient human rights issues	C1 Specific Policies	Does the company have any specific policies that address its salient human rights issues?	114-115
	C2 Stakeholder engagement	What is the company's approach to engagement with stakeholders in relation to each salient human rights issue?	114-115
	C3 Assessing impacts	How does the company identify any changes in the nature of each salient human rights issue over time?	115
	C4 Integrating finding and taking action	How does the company integrate its findings about each salient human rights issue into its decision-making processes and actions?	115-116
	C5 Tracking performance	How does the company know if its efforts to address each salient human rights issue are effective in practice?	116
	C6 Remediation	How does the company enable effective remedy if people are harmed by its actions or decisions in relation to a salient human rights issue?	116

II. Overview

Hyundai Elevator strives to promote human rights management by respecting the dignity and value of all stakeholders, including employees, customers, suppliers, and the local community. To practice human rights management, we adhere to international standards such as the UN Universal Declaration of Human Rights, UN Global Compact (UNGC), UN Guiding Principles on Business and Human Rights (UNGP), OECD Guidelines for Multinational Enterprises, and ILO Declarations. Additionally, we also comply with labor laws and regulations in every country we operate in. In line with these efforts, we have established a human rights management policy in 2023 covering eight areas: respect for human dignity, safety and health, prohibition of child labor, responsible supply chain management, non-discrimination, prohibition of forced labor, personal information protection, and freedom of association. Additionally, we have conducted our first human rights impact assessment in 2023, aiming to prevent human rights violations in our management activities.

This special report on human rights management was included in the 2023-24 ESG Report with the purpose of sharing our achievements in human rights management with stakeholders such as employees, customers, partners, and investors. It is based on the 'UNGP Reporting Framework' and details Hyundai Elevator's human rights governance, related policies, and management systems, as well as key content from the human rights impact assessment.

Hyundai Elevator remains committed to respecting human rights and will continue to transparently disclose its human rights management activities.

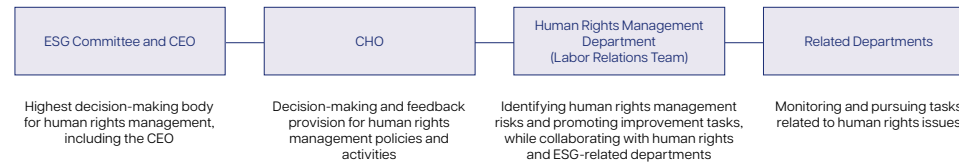
Human Rights Management Report

III. Human Rights Management System

1. Human Rights Management Governance

Hyundai Elevator has designated a responsible department and established an organizational structure to implement human rights management. Their activities are reported to the ESG Committee within the Board of Directors, our highest decision-making body.

Human Rights Management Governance Structure



1. Respect for Humanity

Hyundai Elevator respects all stakeholders affected by its business activities and strives to prevent any form of mental or physical inhumane treatment.

2. Safety and Health

Establishing a safe and healthy work environment is paramount, ensuring all workers' rights to protection.

3. Prohibition of Child Labor

Hyundai Elevator seeks to eradicate child labor and refuses to engage in business with companies that employ child labor.

4. Responsible Supply Chain Management

Through responsible supply chain management, Hyundai Elevator operates various programs for the mutual growth of large, medium, and small enterprises.

5. Non-Discrimination

Hyundai Elevator does not discriminate based on gender, age, religion, social status, place of origin, school attended, marital status, or pregnancy, nor do we require information about physical conditions or marital status irrelevant to the job.

6. Prohibition of Forced Labor

We prohibit any work that goes against the free will of the individual and any form of forced labor involving mental or physical coercion.

7. Personal Data Protection

Individuals have the right to protection from unreasonable and illegal interference with their privacy, home, correspondence, etc.

8. Freedom of Association

Freedom of association and the right to collective bargaining are guaranteed by the constitution and labor laws of Korea, and we strive to respect and ensure the rights of employees regarding working conditions.

2. Human Rights Management Policy

Hyundai Elevator officially supports international human rights and labor standards based on the UN Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights, and International Labour Organization conventions. Recognizing the importance of these standards, we have established 'Human Rights Management Principles,' extending their application not only to employees but also to all partner companies, aiming to spread these principles across the entire supply chain. We are committed to conducting business activities that align with human rights management principles at all times and in all places.

Scope and Definition of Human Rights Management

Hyundai Elevator's human rights management aims to create an environment where all stakeholders affected by the company's activities are respected as individuals and are free from mental or physical abuse. The policy encompasses eight principles, including respect for humanity, non-discrimination, prohibition of forced labor and child labor, and assurance of industrial safety. These principles are not only applied within Hyundai Elevator but are also extended across the entire supply chain.

Stakeholder Human Rights Risk Areas

Category	Employees*	Suppliers*	Customers	Communities
1. Respect for Humanity	○	○	-	○
2. Safety and Health	○	○	○	-
3. Prohibition of Child Labor	○	○	-	○
4. Responsible Supply Chain Management	○	○	-	-
5. Non-Discrimination	○	○	-	○
6. Prohibition of Forced Labor	○	○	-	○
7. Personal Data Protection	○	○	○	-
8. Freedom of Association	○	○	-	-

* Including children, indigenous peoples, and migrant workers

Human Rights Management Report

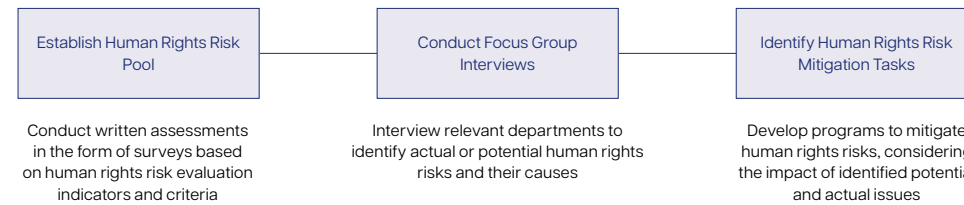
III. Human Rights Management System

3. Human Rights Management Process

In 2023, Hyundai Elevator conducted its first human rights impact assessment for employees and established a process to prevent human rights risks. Moving forward, we plan to identify and evaluate potential negative human rights impacts on all stakeholders, including employees, women, children, partners, third-party contract workers, and local communities. We are committed to integrating respect for human rights across all business activities and will provide various human rights management-related training to support this initiative.

Development and Implementation of Human Rights Impact Assessment Checklist

Hyundai Elevator conducted an impact assessment using diagnostic indicators for 15 human rights areas, based on the UNGC's 'Guide to Human Rights Impact Assessment and Management,' the National Human Rights Commission of Korea's 'Human Rights Management Guidelines and Checklist,' and Hyundai Elevator's human rights policy.



Education for Internalizing Human Rights Management

Hyundai Elevator provides employees with human rights management-related training, including workplace sexual harassment, bullying prevention, and disability awareness improvement, to internalize respect for human rights.

Training for Improving Human Rights

Category	Workplace Sexual Harassment Prevention	Workplace Bullying Prevention	Disability Awareness Improvement
Training employees	2,722	2,686	2,733
Number of employees participated	2,722	2,479	2,368
Training hours	2	2	2
Completion rate	100%	92%	87%

IV. Human Rights Impact Assessment Results

Hyundai Elevator conducted a human rights risk assessment for its domestic business sites in November-December 2023, identifying risks in five areas. We are planning to establish tasks and implement mitigation programs to address these risks. Additionally, no business sites were found where child labor or the freedom of association and collective bargaining were violated or at risk of being violated.

Human Rights Impact Assessment Results

Human Rights Issues		Humane Treatment	Prohibition of Forced Labor	Workplace Safety Management	Employee Wages	Welfare System Operations
Likelihood*		●	●	●	●	●
Impact Level**		●	●	●	●	●
Key Stake holders	Employees	✓	✓	✓	✓	✓
	External Workers	✓	✓	✓		
	Suppliers	✓	✓	✓		
	Local Communities					
	Customers					
Crucial Business Sites		Domestic Business Sites (1/1 site)	Domestic Business Sites (1/1 site)	Domestic Business Sites (1/1 site)	Domestic Business Sites (1/1 site)	Domestic Business Sites (1/1 site)
Mitigation Programs		<ul style="list-style-type: none"> Develop educational programs for all employees on unconscious bias and other related topics Conduct regular organizational culture assessments 	<ul style="list-style-type: none"> Implement programs to manage employee working hours (such as PC-Off system) 	<ul style="list-style-type: none"> Provide appropriate protective gear and collect safety and health suggestions from internal employees Conduct safety training and safety meetings for contractors 	<ul style="list-style-type: none"> Establish a performance system that offers differentiated rewards based on employee performance 	<ul style="list-style-type: none"> Develop practical tools to support remote work Enable flexible work hours within the 52-hour workweek through pre-planned work schedules Strictly adhere to legally mandated programs such as parental leave and family care leave

* Evaluations were based on the occurrence and constant possibility of these issues.

** Severity of Human Rights Issues (Scale), Number of Affected Stakeholders (Scope), Degree of Damage Recovery (Irreversibility)

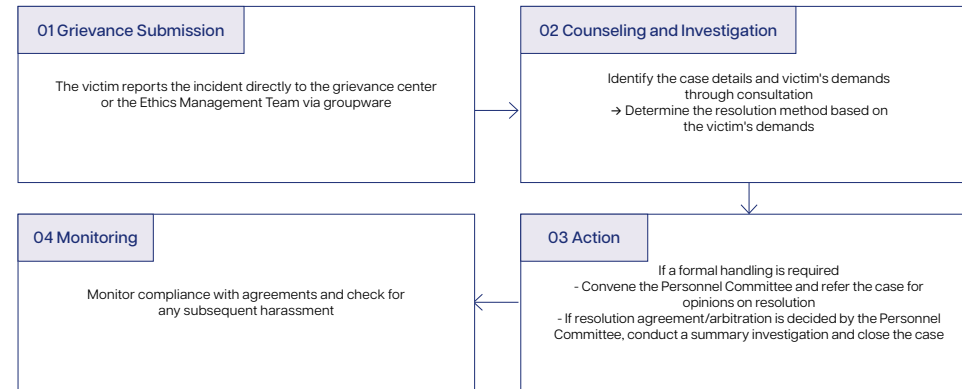
Human Rights Management Report

IV. Human Rights Impact Assessment Results

Grievance Resolution Procedure for Human Rights Violations

Hyundai Elevator operates a grievance center to address employee human rights risks. Complaints are received and assessed, and depending on the severity, a Personnel Committee is convened to decide on disciplinary actions. We conduct post-resolution monitoring to ensure prevention of recurrence of incidents. In 2023, three workplace harassment cases were reported. Two were resolved with settlements, and one led to disciplinary action by the Personnel Committee. Hyundai Elevator remains committed to protecting the human rights of all stakeholders, including employees.

Grievance Handling Procedure



Operation of the Grievance Center

(Unit: cases)

Category	Details	Number of Cases
Reported	Request for grievance counseling and case handling related to workplace harassment	3
Handled	Settlement Closure	2
	Referred to the Personnel Committee	1

V. Future Plan

Hyundai Elevator plans to minimize human rights risks by implementing mitigation programs based on the results of human rights impact assessments. Efforts will be made to expand the scope of these assessments to include overseas operations, covering all business sites. Additionally, we are working to broaden the stakeholder engagement areas to extend the scope of policies and management systems for human rights management. We will continuously monitor and promote sustainable human rights management policies and practices based on the UN Guiding Principles Reporting Framework.

GHG Emission Verification Opinion

1. Verification Goal

- The goals of greenhouse gas (GHG) emission verification (hereinafter referred to as 'verification') conducted by the Korean Standards Association are as follows.
- Confirming the conformity with standards and procedures of GHG emission and GHG emissions calculated within the scope of verification
 - Checking the validity of declarations related to the organization's GHG emissions or removals
 - Confirming the effective implementation of the organization's management of GHG emissions or removals
 - Confirming the conformity of processes for implementing, managing and improving the organization's
 - GHG emissions or removals estimates

2. Verification Scope

- Korean Standards Association conducted limited guarantee level verification for Scope1, Scope2 and Scope3 for Hyundai Elevator Co., Ltd.'s Greenhouse Gas declaration.
- Reporting Target : Hyundai Elevator Co., Ltd. headquarters and Chungju Factory, Icheon Asan Tower, Cheonan Logistics Center, Seoul Office and 16 Domestic branches
 - Boundary : Scope1(Direct emissions), Scope2(Indirect emissions), Scope3(Other indirect emissions)
 - Scope1 : Stationary combustion, Mobile combustion
 - Scope2 : Externally purchased power
 - Scope3 : Category 6. Business travel
 - Year : January 1, 2023 to December 31, 2023

3. Verification Criteria and Guidelines

- Korean Standards Association conducted verification according to international standards and the standards and guidelines of the National Institute of Environmental Research.
- KS I ISO 14064-1:2018, KS I ISO 14064-3:2019
 - Verification Guidelines for the Operation of the Greenhouse Gas Emissions Trading System (Recent Issue, Ministry of Environment)
 - Guidelines for Reporting and Certification of Emissions from Greenhouse Gas Emissions Trading System (Recent Issue, Ministry of Environment)
 - 2006 IPCC Guidelines for National Greenhouse Gas Inventories
 - WRI(World Resources Institute) Greenhouse Gas Protocol
 - Corporate Value Chain (Scope3) Accounting and Reporting Standard(WRI)

4. Level of assurance verification and Responsibility

- Korean Standards Association provides verification at limited level of assurance to strengthen GHG management for your company's GHG emissions.
- On-site inspection : Visit to Hyundai Elevator Co., Ltd. Headquarters

Method of confirmation :

- Interview with greenhouse gas emissions manager and field staff
- Review of the management system and data used to calculate greenhouse gas emissions during the reporting period
- Tracking review of internal documents and basic data

Hyundai Elevator Co., Ltd. should provide fair data on information and evidence related to GHG emissions, and the KSA is limited to guaranteeing GHG emissions.

5. Verification Limit

GHG emissions can be affected by factors such as data limits and uncertainties in the scope of verification, and inherent limitations may exist accordingly.

6. Verification Conclusion

No errors or false facts were found in Hyundai Elevator Co., Ltd.'s GHG emissions verified through the ISO 14064-3 verification procedure within the scope of verification.

Appendix 1. 2023 GHG emissions(Scope1, Scope2)

(Unit: tCO₂-eq)

Year	Scope1	Scope2	Total
Location-based	1,846	6,234.835	8,080
Market-based	1,846	2,690.199	4,536

* Note 1 : Market-based emissions are emissions that third-party PPA(solar light).

* Note 2 : The final greenhouse gas emission was cut below the decimal point and expressed in integer units.

Appendix 2. 2023 GHG emissions(Scope3)

(Unit: tCO₂-eq)

Category	GHG Emissions
Category 6	Business travel 367

* Note : The final greenhouse gas emission was cut below the decimal point and expressed in integer units.

May 20, 2024

INDEPENDENT ASSURANCE OPINION STATEMENT

To: The Stakeholders of HYUNDAI ELEVATOR CO., LTD

Overview

BSI (British Standards Institution) Group Korea (hereinafter referred to as the "Assurer") was requested to verify the HYUNDAI ELEVATOR 2023-24 ESG report (hereinafter referred to as the "Report"). The Assurer is independent of the HYUNDAI ELEVATOR and has no major operational financial interest other than the assurance. This assurance opinion statement is intended to provide information related to the assurance of the HYUNDAI ELEVATOR report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any purpose other than the purpose of publication. This assurance opinion statement was prepared based on the information presented by the HYUNDAI ELEVATOR and the assurance was carried out under the assumption that presented the information and data were complete and accurate.

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

The Assurer is responsible for providing HYUNDAI ELEVATOR management with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and to provide the information to all stakeholders of HYUNDAI ELEVATOR. The Assurer shall not bear any other responsibility, including legal responsibility, to any third party other than HYUNDAI ELEVATOR in providing the assurance opinion and shall not be liable to any other purpose, purpose or stakeholders related thereto for which the assurance opinion may be used.

Scope

The scope of engagement agreed upon with HYUNDAI ELEVATOR includes the following:

- Reporting contents during the period from January 1st to December 31st 2023 included in the report, some data included the half of 2024.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review.
- In Accordance with the four principles of AA1000 AccountAbility in the report, based on the type of Sustainability Assurance based on AA1000AS v3 and if applicable, the reliability of the sustainability performance information contained in the report.

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

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

Assurance Level and Type

The assurance levels and types are as follows;

- Moderate level based on AA1000 AS and Type 2 (confirmation to the four principles as described in the AA1000 AccountAbility Principle 2018 and quality and reliability of specific performance information published in the report.)

Description and sources of disclosures covered

Based on the scope and methodology of assurance applied, the assurer reviewed the following Disclosures based on the sampling of information and data provided by HYUNDAI ELEVATOR.

[\[Universal Standards\]](#)

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

[\[Topic Standards\]](#)

201--4, 202-1-2, 203-1, 204-1, 205-2-3, 302-1, 302-3~4, 303-1, 303-3-5, 305-1-5, 306-1~5, 305-7, 308-2, 401-1-3, 403-1-10, 404-1-3, 405-1-2, 406-1, 407-1, 408-1, 409-1, 414-2, 418-1

Methodology

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

- A top-level review of issues raised by external parties that could be relevant to organizations policies to provide a check on the appropriateness of statements made in the report.
- Discussion with managers and staffs on organization's approach to stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible departments.
- Review of the system for sustainability management strategy process and implementation
- Review of materiality issue analysis process and prioritization by reviewing materiality issue analysis process and verifying the results
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures where available
- An assessment of the company's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles Standard (2018).
- Visit of the Seoul Office (Hyundai Group Building) of HYUNDAI ELEVATOR to confirm the data collection processes, record management practices.

Limitations and approach used to mitigate limitations

The Assurer performed limited verification for a limited period based on the data provided by the reporting organization. It implies that no significant errors were found during the verification process, and that there are limitations related to the inevitable risks that may exist. The Assurer does not provide assurance for possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

Competency and Independence

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

Opinion Statement

The assurer was carried out by a team of sustainability report assurers in accordance with the AA1000 Assurance Standard v3. Assurer planned and performed this part of our work to obtain the necessary information and explanations assurer considered to provide sufficient evidence that HYUNDAI ELEVATOR's description of their approach to AA1000 Assurance Standard and their self-declaration of compliance with the GRI standards were fairly stated.

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

INDEPENDENT ASSURANCE OPINION STATEMENT

Conclusions

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

Inclusivity: Stakeholder Engagement and Opinion

HYUNDAI ELEVATOR defined shareholders/investors, customers, employees, suppliers, local communities, industry associations and government authorities as a Key Stakeholder Groups. In order to collect opinions by each stakeholder groups in the context of sustainability, operated the stakeholder engagement process. HYUNDAI ELEVATOR conducted a review of the stakeholder engagement process at the governance level in order to reflect the major issues derived through the stakeholder engagement process in sustainability strategy and goals. HYUNDAI ELEVATOR disclosed the results related to the process in the Report.

Materiality: Identification and reporting of material sustainability topics

HYUNDAI ELEVATOR implemented its own materiality assessment process in consideration of the major business and operational characteristics to derive important reporting issues related to sustainability. HYUNDAI ELEVATOR conducted benchmarking and media analysis of similar companies and global sustainability reporting standards/frameworks analysis. HYUNDAI ELEVATOR derived 9 material issues through the relevant process, and disclosed GRI topic standards disclosures related to material issues in the Report.

Responsiveness: Responding to material sustainability topics and related impacts

HYUNDAI ELEVATOR operated a management process for material issues in the context of sustainability derived from the materiality assessment. HYUNDAI ELEVATOR established mid- to long-term sustainability plans and goals in according to the management methodology established to effectively reflect the expectations of key stakeholders. HYUNDAI ELEVATOR disclosed key response achievements such as related performances and improvement measures in the Report.

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

HYUNDAI ELEVATOR identified the scope and extent of the impacts to the organization and key stakeholders in the context of the sustainability of the material issues reported. HYUNDAI ELEVATOR identified key issues by reflecting the impact of the overall value-chain, which includes the business areas of its major subsidiaries. HYUNDAI ELEVATOR established sustainability strategies and objectives based on the analysis results of major impacts, including risks and opportunities for material issues, disclosed mid- to long-term plans and strategic system in the Report.

Findings and conclusions concerning the reliability and quality of specified performance information

Among the GRI Topic Standards, the following disclosure were carried out in a assurance Type 2 based on the information and data provided by the reporting organization. In order to verify the reliability and accuracy of the data and information, internal control procedures related to data processing, processing, and management were verified through interviews with the responsible department, and accuracy was verified through sampling. Errors and intentional distortions in sustainability performance information included in the report were not found through assurance processes. The reporting organization manages the sustainability performance information through reliable internal control procedures and can track the process of deriving the source of the performance. Errors and unclear expressions found during the assurance process were corrected during the assurance process and prior to the publication of the report, and the assurer confirmed the final published report with the errors and expressions corrected.

- GRI Topic Standards: 205-2-3, 403-1-10, 302-1, 302-3-4, 303-3-5, 306-3-5, 305-1-5, 305-7, 308-2, 401-1-3, 405-1-2, 407-1, 408-1, 409-1, 414-2

Recommendations and Opportunity for improvement

The assurer will provide the following comments to the extent that they do not affect the result of assurance;

- Depending on business characteristics, importance, and priority criteria, It may be effective to upgrade the management system of sustainability performance indicators such as environmental and social, which have a major impact on Hyundai elevators, and to expand the scope of data collection for those sustainability performance indicators.
- It may be helpful to advance the sustainability management system by strengthening the management system and internal control procedures of sustainability performance indicators such as the environmental and social of major consolidated subsidiaries, including overseas subsidiaries.

GRI-reporting

HYUNDAI ELEVATOR provided us with their self declaration of compliance within GRI Standards. Based on our review, we confirm that social responsibility and sustainable development indicators with reference to the GRI Index. The Assurer confirmed that the Report was prepared in accordance with the GRI Standards and the disclosures related to the Universal Standards and Topic Standards Indicators based on the data provided by HYUNDAI ELEVATOR. The sector standard was not applied.

Issue Date: 24/06/2024

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

BSI representative



Jungwoo Lee,
Lead Assurer, ACSAP



Seonghwan Lim,
Managing Director



BSI Group Korea Limited: 29, Insa-dong 5-gil, Jongno-gu, Seoul, South Korea
Hold Statement Number: SRA 811171

Awards and Memberships

Awards

Date	Award	Category	Awarder
March 2024	Korea Brand Power Index (K-BPI)	No. 1 in elevator sector (for 13 consecutive years)	Korea Management Association Consultants Inc.
February 2024	Great Place to Work	-	Labor-Management Council of Chungju City
December 2023	2023 Sustainable Management Awards in Korea	Grand Prize in Governance Structure	Korean Academic Association of Business Administration
December 2023	2023 Korean Management Awards	Innovative Service of the Year	Korea Management Association Consultants Inc.
December 2023	Good Design USA Awards 2023	Interactive Media	The Chicago Athenaeum
November 2023	2023 Excellent Quality Competitiveness Company	-	Korean Standards Association
October 2023	Japan Good Design Awards	Main award for the Elevator Air Purification Sterilizer (PI-DD)	Japan Industrial Design Promotion Organization

Memberships

KOREA Investor Relations Service	The Korean Institute of Electrical Engineers	The Federation of Korean Industries
UN WEPs(Women's Empowerment Principles)	Korea Specialty Contractors Association	Korea Construction Engineers Association
Fair Competition Federation	Korea Lift Association	Korea Listed Companies Association
Construction Guarantee	Korean Industrial Hygiene Association	The Korean Society of Elevators
Construction Association of Korea	Korea Chamber of Commerce and Industry	Korea Electrical Contractors Association
The Korean Society of Mechanical Engineers	Korea Fire Safety Institute	Korea Electric Engineers Association
Korea Industrial Safety Association		

