



SMARTER DRIVING, **SAFER** JOURNEYS

About this Report

Interactive User Guide

The 2025 HL Klemove Sustainability Report is published as an interactive PDF, with features including navigation to relevant pages within the report and quick links to related web pages.

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Overview

Under the mission of 'Navigating Tomorrow's Roads with Smart, Safe, and Seamless Mobility Solutions,' HL Klemove actively implements ESG (Environmental, Social, and Governance) initiatives across six core areas: Environment & Safety, Technological Innovation, Supply Chain, Labor Rights, Governance & Ethics, and CSR. Since 2023, we have published an annual sustainability report to transparently disclose both financial and non-financial information to stakeholders, as well as to share our sustainability strategies and achievements. This report is the fourth sustainability report, comprehensively capturing the ESG management performance for the year 2025.

Reporting Standards

This report has been prepared in accordance with the GRI (Global Reporting Initiative) Standards 2021. Additionally, it takes into account the UN SDGs (Sustainable Development Goals) and reflects the disclosure guidelines of SASB (Sustainability Accounting Standards Board) and IFRS S2 (Climate-related Disclosure Standards).

Reporting Boundary

This report covers HL Klemove (the parent company) and its consolidated subsidiaries. The reporting scope includes the headquarters (Songdo), the global R&D center (Pangyo), and overseas subsidiaries with total assets exceeding KRW 75 billion (China, India, Mexico). The U.S. subsidiary, which is primarily focused on research and development, is excluded from the scope of ESG data collection and management. Data with differing reporting scopes are clearly marked, and economic data is based on the K-IFRS consolidated financial statements.

Reporting Period

This report includes economic, social, and environmental performance and activities from January 1, 2025, to December 31, 2025, with some performance data also including information from the first half of 2026. Quantitative performance data includes figures from the last three years for trend analysis.

Assurance

To ensure the reliability and fairness of the information disclosed, third-party assurance was conducted by BSI (British Standards Institution), an independent external organization with no conflicts of interest with HL Klemove. The assurance results can be found in the Independent Assurance Statement section of this report (page 112). The assurance of greenhouse gas (GHG) emissions and energy consumption was also performed by BSI. Detailed assurance results are available in the Independent Assurance Statement and the GHG Assurance Statement.

Reporting Cycle

Yearly

Reporting Date

June 2026

Management Information on the Corporate Website

ESG management-related data is disclosed transparently on the website (<https://www.hlklemove.com>) on an annual basis. For further information on this report, please refer to our Annual Reports, Audit Report, and the Korea FSS electronic disclosure website(Dart).



COVER STORY

Viewed from above the city, sensor signals radiate outward from the vehicle in gentle, ripple-like waves. Although generated by advanced technology, these signals resemble the flow of wind and embody a rhythm akin to that of nature. HL Klemove's sensor technologies continuously interact with the surrounding environment, detecting unseen risks in advance and contributing to a safer driving experience. As technology becomes increasingly sophisticated and unobtrusive, people are afforded greater comfort and freedom. This represents HL Klemove's vision for the evolution of comfort.

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Global Network

HL Klemove continues to expand its global network of R&D and production bases to enhance corporate value and drive global growth. Centered on the Pangyo R&D Center, we are using state-of-the-art technologies to develop innovative products, while building stronger sales and research networks in major markets overseas. As of 2025, our global network includes 19 sites across six countries, and four sites dedicated to vehicle testing. This enables us to develop and provide customized products that reflect the needs of each region. By continuing to localize our operations, we aim to further strengthen our competitiveness in markets around the world.

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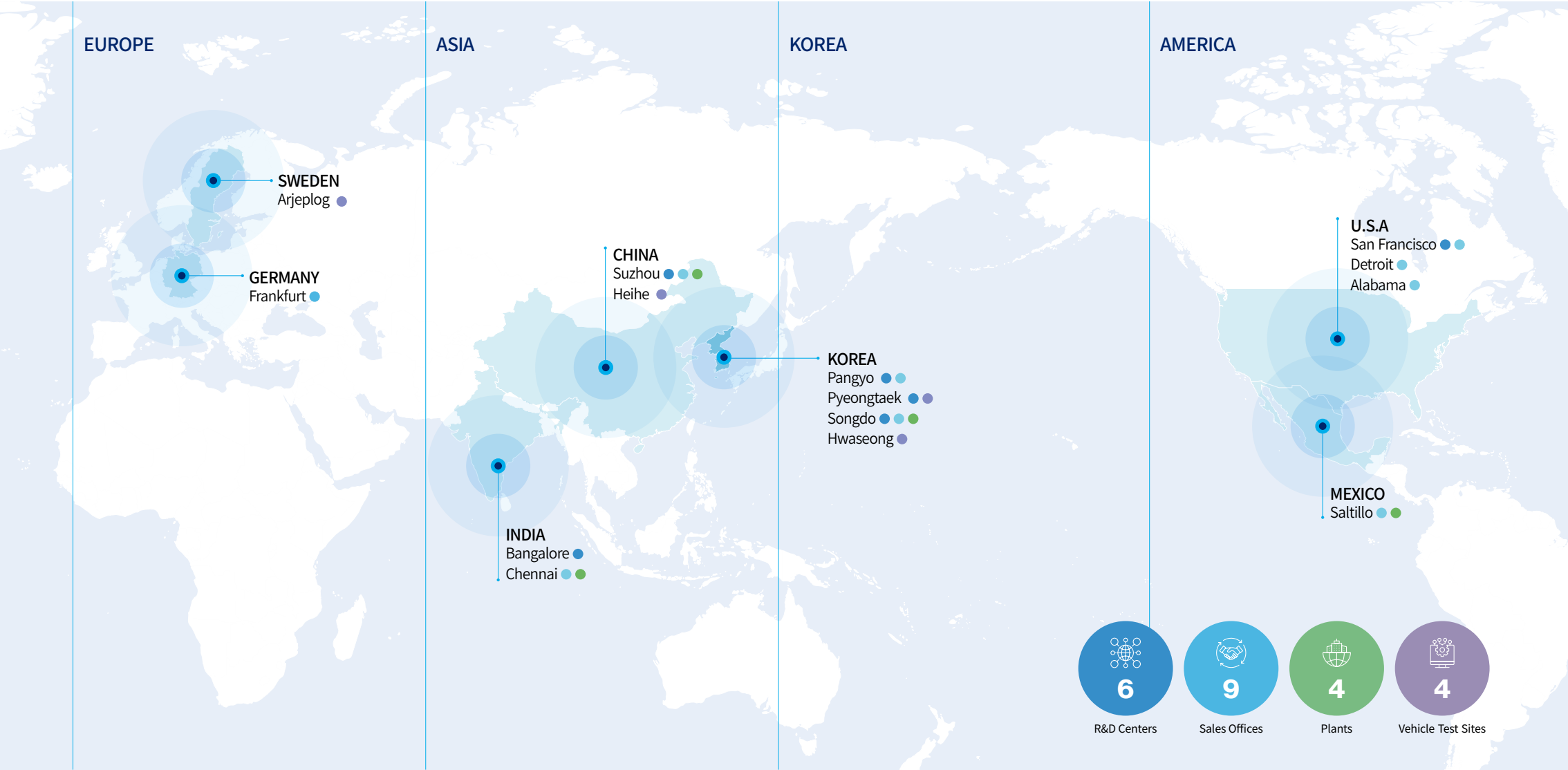
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Global Initiatives

HL Klemove participates in major global initiatives aligned with international standards to support the systematic implementation of ESG management and strengthen transparency, while striving to create sustainable value and enhance stakeholder trust on that basis. We disclose core information in accordance with IFRS S2, including climate-related risks and opportunities, how we govern and manage these issues, our strategies, our processes for managing risk, and our greenhouse gas emissions. This enables us to give stakeholders transparent information on the impact that climate change may have on our financial position and long-term value. We also participate in CDP to publicly disclose our performance in environmental management, including emissions, energy consumption, and the management of water resources. At the same time, we apply the UN Global Compact's Ten Principles across all business activities in the areas of human rights, labor, the environment, and anti-corruption, and support progress toward the 17 UN Sustainable Development Goals.



IFRS S2 (Climate-related Disclosure Standards)
In line with IFRS S2 (climate-related disclosure standards), we identify and manage climate-related risks and opportunities and strengthen stakeholder trust through transparent disclosure of governance, strategy, risk management, metrics and targets.



UNGC (United Nations Global Compact)
HL Klemove supports the 10 principles of the UNGC and rigorously adheres to the principles of human rights protection, labor rights guarantee, environmental protection, and anti-corruption across all corporate activities.



SBTi (Science Based Targets initiative)
By participating in the Science Based Targets initiative (SBTi), we have established science-based greenhouse gas reduction targets and are pursuing mid- to long-term reduction activities to achieve carbon neutrality by 2050.



UN SDGs (Sustainable Development Goals)
We contribute to the achievement of the UN's 17 Sustainable Development Goals (SDGs) and pursue sustainable value creation activities centered on key goals aligned with our business.



CDP (Carbon Disclosure Project)
HL Klemove participates in the CDP to transparently disclose its environmental management performance, such as GHG emissions, energy consumption, and water resource management. Through this participation, the company fulfills its environmental responsibilities and strives to realize sustainable management.



EcoVadis
HL Klemove participates in EcoVadis assessments to systematically inspect its ESG management level across the supply chain, covering areas such as the environment, labor and human rights, ethics, and sustainable procurement.

CDP 2025 Performance
Leadership A-

EcoVadis 2025 Performance
Silver (Top 15%)

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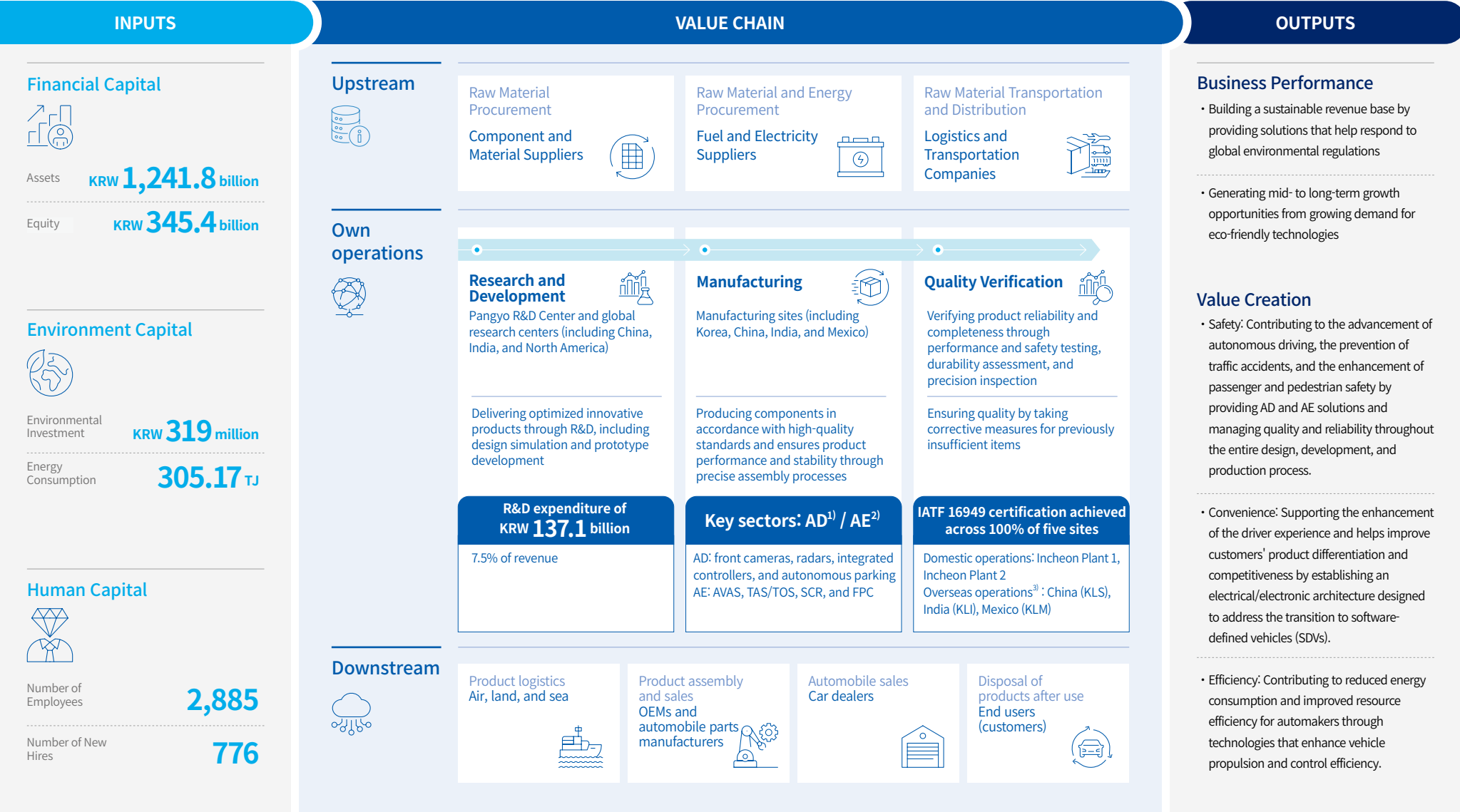
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Value Creation Process

At HL Klemove, we manage our business with a core commitment to balancing environmental, economic, and social value in every part of our operations. To achieve sustainable growth, we collaborate closely with a wide range of stakeholders across the value chain, from technology research and product development to raw material sourcing, production, product use, and end-of-life disposal.



OUTPUTS

Business Performance

- Building a sustainable revenue base by providing solutions that help respond to global environmental regulations
- Generating mid- to long-term growth opportunities from growing demand for eco-friendly technologies

Value Creation

- Safety: Contributing to the advancement of autonomous driving, the prevention of traffic accidents, and the enhancement of passenger and pedestrian safety by providing AD and AE solutions and managing quality and reliability throughout the entire design, development, and production process.
- Convenience: Supporting the enhancement of the driver experience and helps improve customers' product differentiation and competitiveness by establishing an electrical/electronic architecture designed to address the transition to software-defined vehicles (SDVs).
- Efficiency: Contributing to reduced energy consumption and improved resource efficiency for automakers through technologies that enhance vehicle propulsion and control efficiency.

1) AD: Autonomous Driving Solutions 2) AE: Automotive Electronics Solutions 3) KLS (HL Klemove Suzhou, China), KLI (HL Klemove India), and KLM (HL Klemove Mexico)

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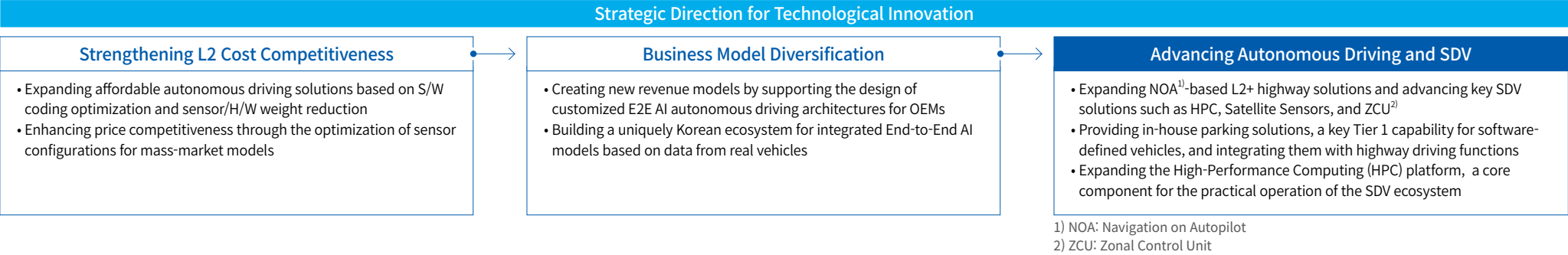
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Technological Innovation

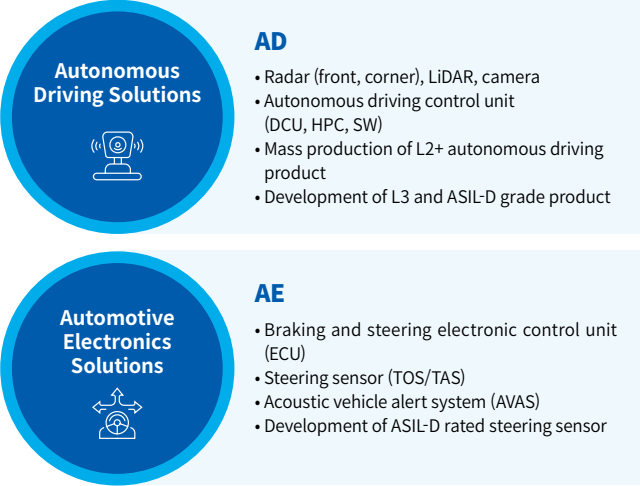
To proactively respond to the changing mobility paradigm, HL Klemove is pursuing a two-track strategy centered on the popularization of Level 2 autonomous driving and the advancement of autonomous driving and software-defined vehicles (SDVs). Through affordable solutions and software optimization, the Company contributes to the broader adoption of autonomous driving technologies, while leading the SDV ecosystem with a focus on high-performance computing (HPC) systems for driving and parking, as well as parking solutions. Furthermore, HL Klemove is diversifying its business portfolio by providing end-to-end (E2E) AI architecture solutions that support automakers in implementing autonomous driving technologies.



Business Portfolio

Key Business Areas

HL Klemove delivers advanced hardware and software for ADAS and autonomous driving, while specializing in the design and manufacture of key electronic components used in electrified vehicles.



Transitioning to an SDV-centered Integrated Platform

HL Klemove has reached major milestones in the shift from traditional vehicle architectures, where many controllers are distributed throughout the vehicle, to a centralized electrical and electronic architecture. Through strategic collaboration with global partners, we are jointly developing a central computing platform that brings autonomous driving and infotainment together, helping us secure the core technologies needed for the era of software-defined vehicles. We are also pursuing a growth roadmap that aims to complete our SDV portfolio by 2026, expand end-to-end AI solutions, and continue growing our mobility business through 2030. At the same time, we are improving energy efficiency through high-efficiency electrification technologies and AI-based driving optimization. We are also strengthening sustainability across the value chain by increasing our use of renewable energy and supporting ESG management among our suppliers. In this way, HL Klemove is advancing both technological and environmental sustainability by connecting our SDV transformation with ESG management.

Business Roadmap



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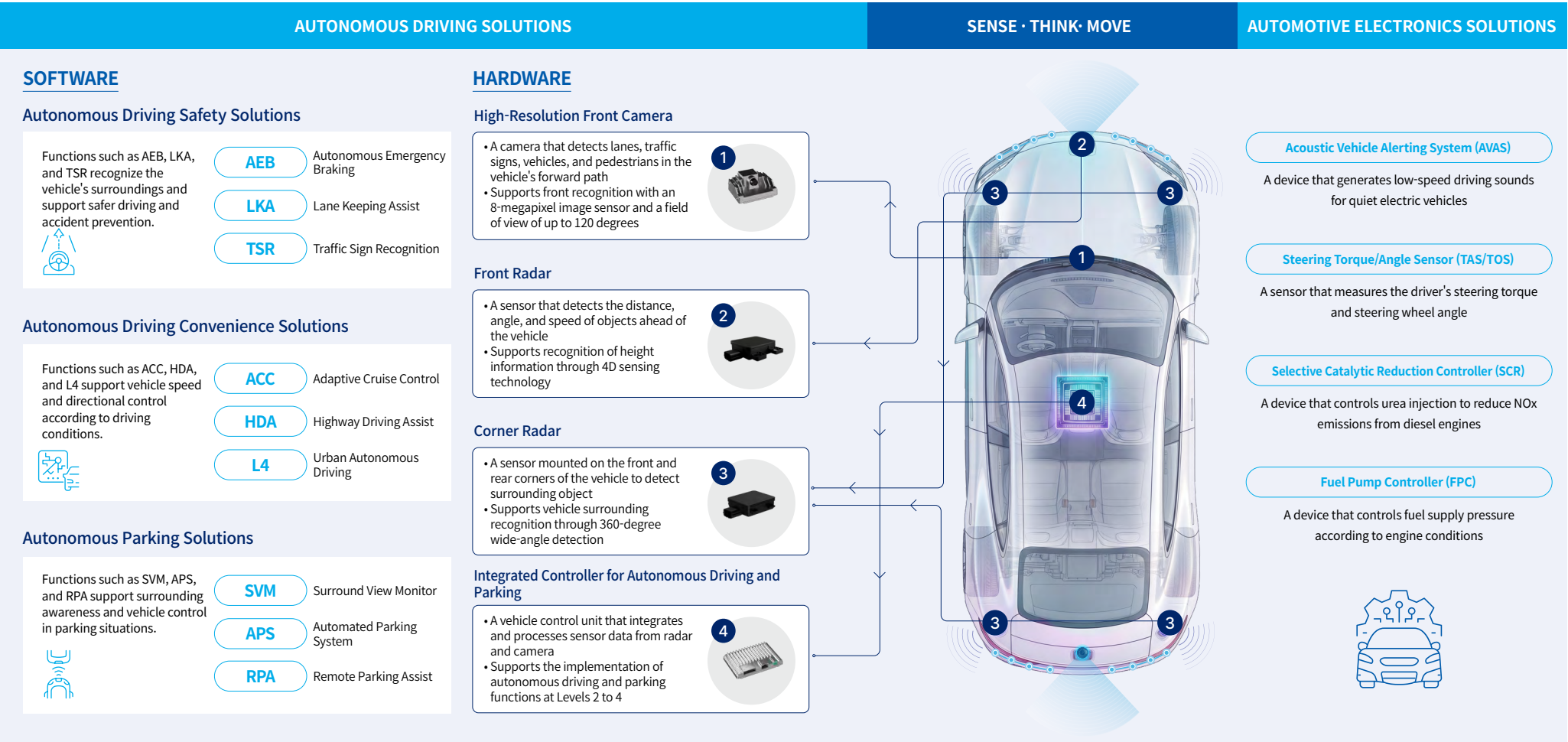
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AUTONOMOUS DRIVING SOLUTIONS

HL Klemove's vision for fully autonomous mobility is built on three core principles: Sense, Think, and Move. We continue to drive innovation in autonomous driving technologies while advancing autonomous driving capabilities and the transition to Software Defined Vehicles (SDVs). Through continuous research and development and business expansion, we contribute to the realization of safe and sustainable future mobility, while striving to provide our customers with safer and more comfortable mobility experiences.

AUTOMOTIVE ELECTRONICS SOLUTIONS

As society and the economy transition to a low-carbon model, automakers are investing steadily in greater efficiency for internal combustion engine vehicles and in the development of electric vehicles. In the market for electronic parts used in vehicles, demand continues to rise for products that minimize environmental impact. Based on the technological expertise and trust we have built across diverse fields, including automotive electronic sensors for eco-friendly vehicles, fuel supply systems, pedestrian safety warning systems, and autonomous driving components, we provide our customers with highly reliable automotive electronic solutions.



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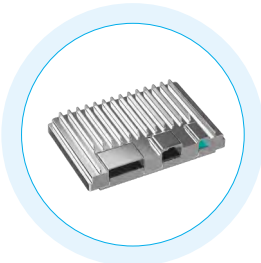
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Autonomous Driving Solutions

- DEVICE
- HARDWARE

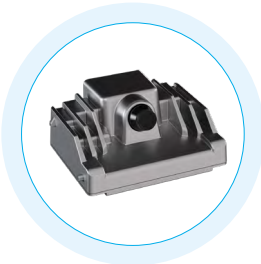
Autonomous Driving/Parking Controller



Integrated controller

HL Klemove's advanced integrated controller supports autonomous driving from Level 2 to Level 4 by combining powerful computing performance with a safety-focused software platform. By analyzing data collected from radar, cameras, LiDAR, and ultrasonic sensors, the controller recognizes the environment around the vehicle and makes fast and accurate driving decisions. This helps keep drivers and pedestrians safe. The autonomous parking integrated controller utilizes a 360-degree surround-view camera system and ultrasonic sensors to precisely perceive the surrounding environment, providing advanced autonomous parking and parking assistance features.

High-resolution Next-generation Front Camera



Front Camera

The 8-megapixel high-resolution next-generation front camera recognizes various objects such as lane markings, traffic signs, vehicles, and pedestrians with a wide field of view up to 120 degrees, and helps prevent accidents through automatic emergency braking.

Radar



Corner Radar

HL Klemove's next-generation corner radar supports 360-degree detection through wide-angle sensing from the front and rear corners of the vehicle. While maintaining the same form factor as the front radar, it improves recognition performance and system efficiency by using high-performance 3D antennas and one-chip SoC technology. The radar also complies with key regulations such as ECE R79, and we are using this foundation to expand orders worldwide.



Front Radar

The advanced front radar is based on the same technological foundation (3D antenna, One-Chip SoC) as the corner radar. As a 4D radar capable of sensing not only the distance, horizontal angle, and speed information but also the vertical direction (height), it recognizes even small objects on the road and supports convenience and safety functions based on this data. Furthermore, point cloud data generated from corner and front radars are linked with the vehicle's HPC, enabling more precise classification of various objects such as vehicles, pedestrians, and bicycles through deep learning-based algorithms, thereby strengthening recognition performance.

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Autonomous Driving Solutions

SYSTEM SOFTWARE

Autonomous Driving Safety Solutions



When an accident risk is detected, the vehicle controls its own driving and alerts the driver to the hazardous situation to prevent a collision. Through this, it supports the driver's safe driving and reduces the likelihood of accidents.

- Autonomous Emergency Braking & Steering
- Speed Assist System
- Lateral Support System



Autonomous Driving Convenience Solutions

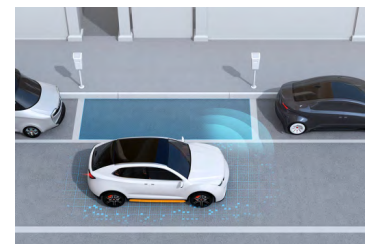


We provide autonomous driving systems that enhance driving convenience and ease of use. We have established an integrated suite of core autonomous driving technologies, ranging from sensors that detect the vehicle's surroundings to controllers responsible for driving decision-making and control.

- Adaptive Cruise Control (ACC)
- Highway Assist (HWA)
- City Driving Assist (CDA)



Autonomous Parking Solutions



We help make parking easier and safer. With a range of parking solutions, we are leading efforts to reduce safety risks and prevent accidents during parking.

- Surround View Monitoring
- Rear-Autonomous Braking
- Remote Parking Assist



Social Value



Enhancing Product Safety and Quality Reliability

- Strengthening driving safety-related functions such as collision prevention, lane keeping, and automatic braking/steering support based on driver assistance functions like AEB, AES, and LSS.
- Enhancing safety during vehicle use and product reliability by advancing software-based control technologies to ensure stable operation in various driving and parking environments

Improving User Convenience and Mobility Experience

- Alleviating driver fatigue and operational burden during long-distance driving, highway driving, and urban traffic congestion through driving convenience systems such as ACC, HWA, and CDA.
- Helping drivers feel more confident and avoid accidents in narrow spaces, when reversing, and while parking with Surround View Monitoring, Rear AEB, and Remote Parking Assist
- Through end-to-end autonomous driving solutions encompassing sensors, electronic components, and controllers, drivers' cognitive and decision-making burden is alleviated, while a more convenient mobility experience is provided.

Contributing to the Creation of a Safe Mobility Environment

- Contributing to a safe mobility environment for both drivers and pedestrians by reducing traffic accident risks caused by driver error, delayed perception, or blind spots.
- Easing the mobility burden for various drivers, such as elderly drivers, novice drivers, and those who find parking difficult.
- Establishing the technological foundation for the future spread of safe and convenient mobility services by advancing autonomous driving and driver assistance technologies.

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Automotive Electronics Solutions

AVAS Acoustic Vehicle Alert System

The system helps reduce the risk of pedestrian accidents involving low-noise xEVs, including BEVs, HEVs, and PHEVs, by generating a virtual driving sound during low-speed driving. A dynamic sound algorithm adjusts the sound in line with vehicle speed, direction, and load conditions, allowing the system to comply with global pedestrian safety regulations such as UN ECE R138. In addition to supporting pedestrian safety, it contributes to a better vehicle experience.



TAS/TOS Steering Torque & Angle Sensor

As a core input sensor for Electric Power Steering (EPS) systems, it measures the driver's steering torque and steering wheel angle with high precision. Supplied as TAS (simultaneous torque and angle measurement) or TOS (torque-only) to meet specific vehicle requirements, it guarantees system reliability through an ASIL-C level functional safety design. By linking with ADAS and autonomous driving systems, it accurately reflects driver intent and contributes to enhanced vehicle stability.



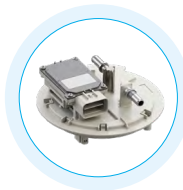
SCR Selective Catalytic Reduction

By providing real-time optimized system control over exhaust gas catalysts and urea (AdBlue) injection amounts, the SCR reduces NOx into N2 and H2O. It contributes to improving air quality by meeting global emission regulations, such as Euro 6d, Korea Stage 6, and BS-VI.



FPC Fuel Pump Controller

The FPC optimizes GDI and MPI combustion efficiency by precisely controlling fuel supply pressure according to engine load and operating conditions. It also enhances a vehicle's economic and environmental performance by improving fuel efficiency and reducing CO2 emissions.



Social Value



Creating a Safe Environment for Pedestrians

- Providing virtual engine sounds via AVAS to help pedestrians recognize approaching xEVs during low-speed driving and responding to UN ECE R138 regulations.
- Accurately reflecting driver intent through high-precision steering detection with TAS/TOS and improving the safety of EPS (Electric Power Steering) systems.

Improving Quality and Reliability

- Strengthening safety and quality reliability of vehicle systems.
- Securing reliability throughout the entire lifecycle with design and verification systems that comply with global quality standards.

Environmental Value



Improving Energy Efficiency and Reducing GHG Emissions

- Minimizing NOx emissions through urea injection and catalytic reduction by SCR and meeting global emission regulations such as Euro 6.
- Improving fuel efficiency and reducing CO2 emissions through precision fuel supply control by FPC, contributing to the transition to eco-friendly mobility.
- Contributing to the transition to eco-friendly mobility through preemptive response to global environmental regulations.

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HL Klemove is focusing on responding to the transition to Software Defined Vehicles (SDVs) to strengthen its competitiveness in the global mobility market. SDVs allow software to manage vehicle performance and enable continuous upgrades through over-the-air updates, helping vehicles stay aligned with the latest technological standards. By offering flexible software and platforms tailored to customer needs, HL Klemove is improving convenience for users and making services more scalable, while also strengthening the consistency of vehicle performance and the reliability of its systems.



We provide comprehensive full-stack solutions across all levels of autonomous driving from L2 to L4. Through various combinations of front and corner radar, cameras, and HPC, we support diverse customer needs across vehicle segments ranging from entry-level to premium.

We offer customized solutions tailored to customer needs, serving as a full solution provider, hardware/software platform provider, integrator, EMS provider, and SaaS partner.

HL Klemove complies with the latest automotive technology standards and regulations, including NCAP, NHTSA, and A-SPIICE, while strengthening its global engineering capabilities through R&D centers located in Korea, China, India, and North America.



Expands the application scope of core technologies to various future mobility solutions, including robots, ships, and UAM.



Provides proactive accident prevention services for both drivers and pedestrians by leveraging connected vehicle data.



Continuously improving functionalities based on OTA updates with Software-Defined Vehicles (SDVs), enhancing safety and convenience throughout the entire vehicle lifecycle.

Enhancing safety and convenience across the entire mobility environment by applying SEERU safety sensors to various mobility areas beyond the automotive industry, such as robots, ships, and UAM.

Creating an environment where both the mobility-challenged and general users can move more safely and conveniently based on new mobility technologies such as autonomous driving, robots, and UAM.

Improving resource efficiency and reducing environmental impact by optimizing tire replacement timing based on tire condition and extending component lifespan.

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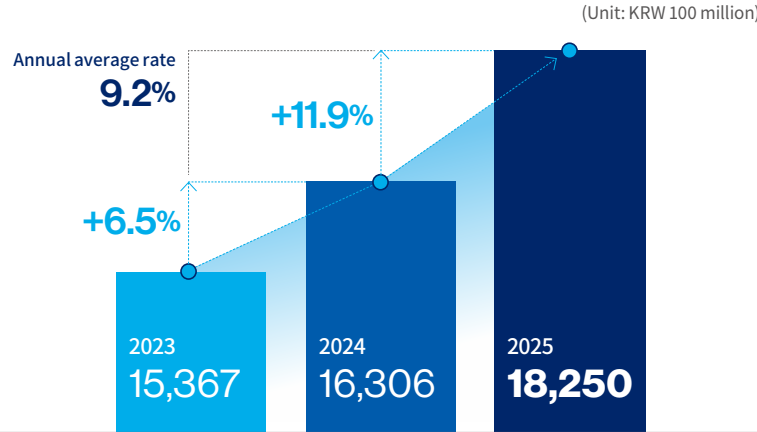
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2025 Financial Performance

HL Klemove has continued to achieve stable growth, supported by the competitiveness of its autonomous driving solutions and the expansion of its overseas business. In 2025, consolidated revenue reached KRW 1,825.0 billion, representing a year-on-year increase of 11.9% and a compound annual growth rate of 9.2% over the past three years. By business division, Autonomous Driving Solutions accounted for 54.9% of consolidated revenue, while Automotive Electronics Solutions represented 42.7%, demonstrating a balanced business portfolio and a stable revenue structure.

Consolidated Revenue

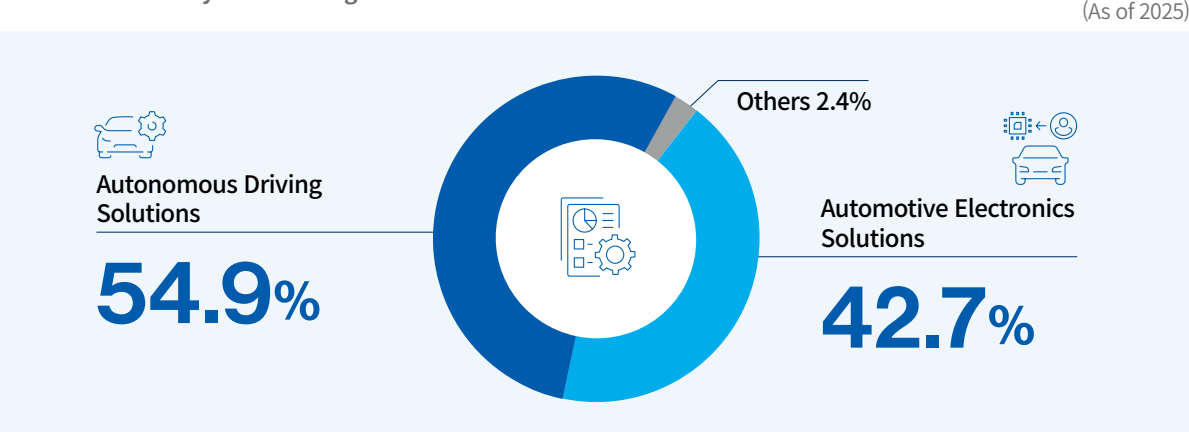


Revenue by Region

(Unit: KRW 100 million)

Region	2023	2024	2025
Korea	12,438	11,822	11,350
China	2,658	2,997	3,635
Americas	608	2,199	3,762
India	1,382	1,556	2,141
Others	45	134	102
Subtotal	17,130	18,708	20,990
Eliminated internal transactions	1,763	2,402	2,740
Consolidated revenue	15,367	16,306	18,250

Sales Breakdown by Business Segment



Product Sales Revenue and Volume

Global camera revenue

As of 2025

KRW 629.2 billion

Global radar revenue

As of 2025

KRW 261.9 billion

Sales volume of autonomous driving/parking controller

2023~2025

2.84 million units

PCU/DCU

AVAS

TAS/TOS

Sales volume of FPC/SCR

2023~2025

6.50 million units

FPC

SCR



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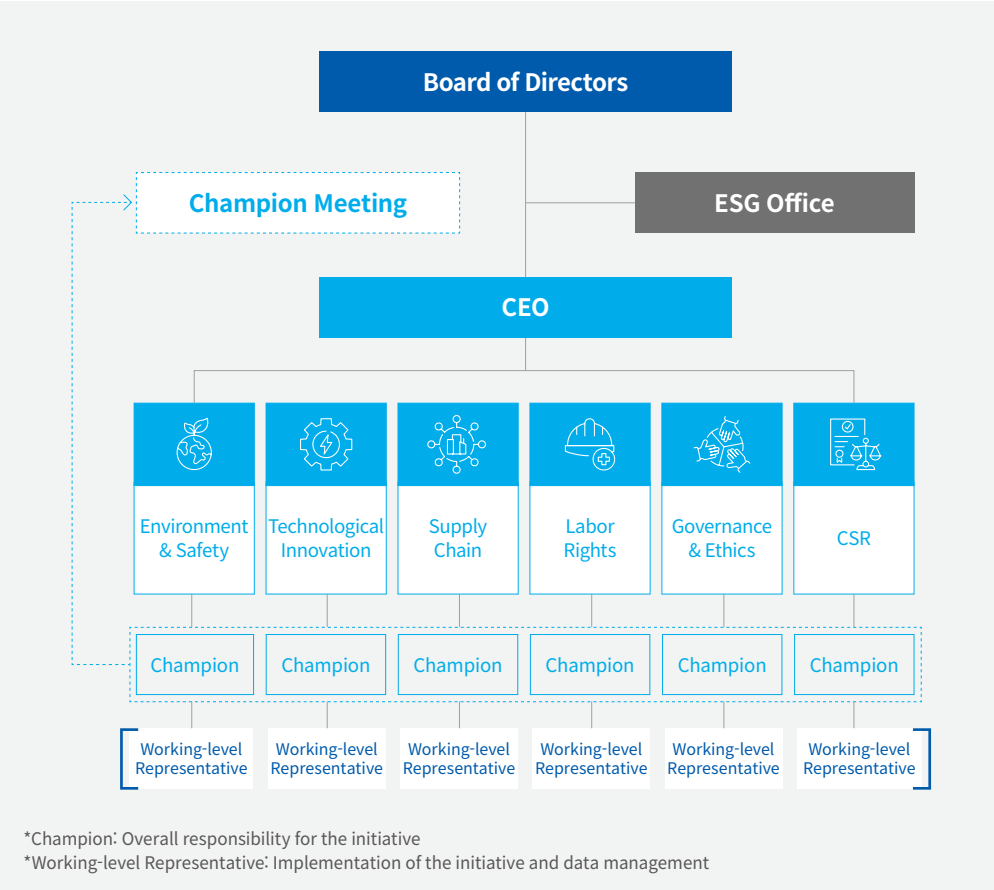
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Sustainability Management System

ESG Governance

HL Klemove operates an ESG management system that manages the ESG promotion direction and key initiatives, centered on the CEO and the ESG Office under the oversight of the Board of Directors. By designating global champions and working-level representatives for each focus area, including Environment & Safety, Technological Innovation, Supply Chain, Labor Rights, Governance & Ethics, and CSR, the company ensures that company-wide ESG tasks are organically linked to the implementation system of each function. In addition, through ESG Champion Meetings, major agendas and the status of initiatives are shared and coordinated, enabling ESG-related decision-making, compliance reviews, and collaboration to be managed systematically.



Board of Directors

The Board of Directors of HL Klemove serves as the highest decision-making body within the Company's ESG governance structure, reviewing key ESG-related risks and opportunities and overseeing the strategic direction of sustainability management. Based on reports from the ESG Office, the Board deliberates and approves major agenda items related to environmental, social, and governance matters, and regularly reviews progress on ESG management goals. Board decisions are communicated to the relevant working-level organizations through the CEO, and the implementation status of related initiatives is subsequently reported to the Board through the CEO. Through this systematic reporting and management framework, HL Klemove advances sustainability management in a structured manner while maintaining close alignment between management and the Board.

ESG Office

The ESG Office serves as a dedicated organization that leads ESG management across the Company. Focusing on six core areas, including Environment & Safety, Technological Innovation, Supply Chain, Labor Rights, Governance & Ethics, and CSR, it establishes a collaborative framework among relevant departments. The ESG Office plans and manages company-wide initiatives, including the integration of ESG management into business operations as well as external disclosure and communication. The progress and performance of each core area are comprehensively reported to the CEO and, following the CEO's review, are ultimately reported to the Board of Directors.

Champion Meeting

Led by the CEO, HL Klemove operates implementation organizations across six areas: Environment & Safety, Technological Innovation, Supply Chain, Labor Rights, Governance & Ethics, and CSR. In each area, champions and working-level representatives are designated to advance field-oriented ESG initiatives. Through Champion Meetings, the Company regularly shares and reviews performance outcomes and improvement tasks by area, while managing major ESG issues in alignment with management strategy.

Auto Sector ESG Council

Since 2025, HL Klemove has strengthened collaboration with HL Mando and HL Holdings to enhance its ESG management system. As a member of the HL Auto Sector ESG Council, which includes HL Mando and Mando Brose, the Company has continued monthly discussions on key agenda items, including ESG, carbon neutrality, and life cycle assessment (LCA). As part of its 2025 ESG initiatives, HL Klemove conducted an ESG orientation session and a three-company kick-off meeting to align on the overall direction and roadmap, while further strengthening working-level capabilities through briefings on customer requirements and responses to global ESG rating agencies. Based on this collaboration, the Company is systematically building its internal ESG foundation by appointing dedicated personnel, establishing an ESG governance framework, and developing ESG data collection processes, while maintaining flexibility through additional support requests across six key areas as needed.

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Board Reporting and Oversight System

To drive effective execution, HL Klemove appoints Global Champions for each of its six core ESG areas. Through quarterly Champion meetings and monthly working-level discussions, we identify ESG risks early and develop practical improvement plans. The Board of Directors is ultimately responsible for the management and oversight of ESG and deliberates and confirms major strategic directions and decisions. After review, the CEO reports key matters to the Board, which holds ultimate responsibility for overseeing ESG management. Approved directions and decisions are subsequently communicated to the execution teams through the same process, thereby establishing a two-way system for reporting and oversight. HL Klemove also reports ESG progress to the Board twice a year, strengthening oversight by senior leadership and ensuring that ESG issues are reflected in key management decisions.

Meeting Agendas Reported to the Board

Date	Agenda	Report/ Resolution
2025.04.25.	Status and plans for promoting HKL sustainable management	Report
2025.10.28.	Status and plans for promoting HKL sustainable management	Report
	2026 Safety and Health Plan	Resolution

Enhancing the Board of Directors' ESG expertise and oversight capabilities

HL Klemove provides Board members with training to support the effective discharge of their duties and informed strategic decision-making. In 2025, we held training sessions for independent directors focused on strengthening ESG management and governance. During these sessions, the results of the Board evaluation were shared and key priorities for future sustainability management were discussed. In addition, HL Klemove maintains internal procedures to prevent conflicts of interest and safeguard the independence of the Board. The Board is structured to balance the interests of management and stakeholders and continues to provide oversight and checks on overall management.

Setting ESG KPIs

HL Klemove determines compensation for registered and independent directors within the limits approved by the General Meeting of Shareholders. Compensation is determined by considering a range of factors, including each director's responsibilities, role, contribution to the company, and leadership. For registered directors, compensation reflects management performance and individual contributions. For independent directors, it takes into account their expertise and participation in Board committees. The CEO's performance-based pay is calculated using a broad set of indicators, including ROIC, operating margin, corporate value, and ESG performance.

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Stakeholder Engagement

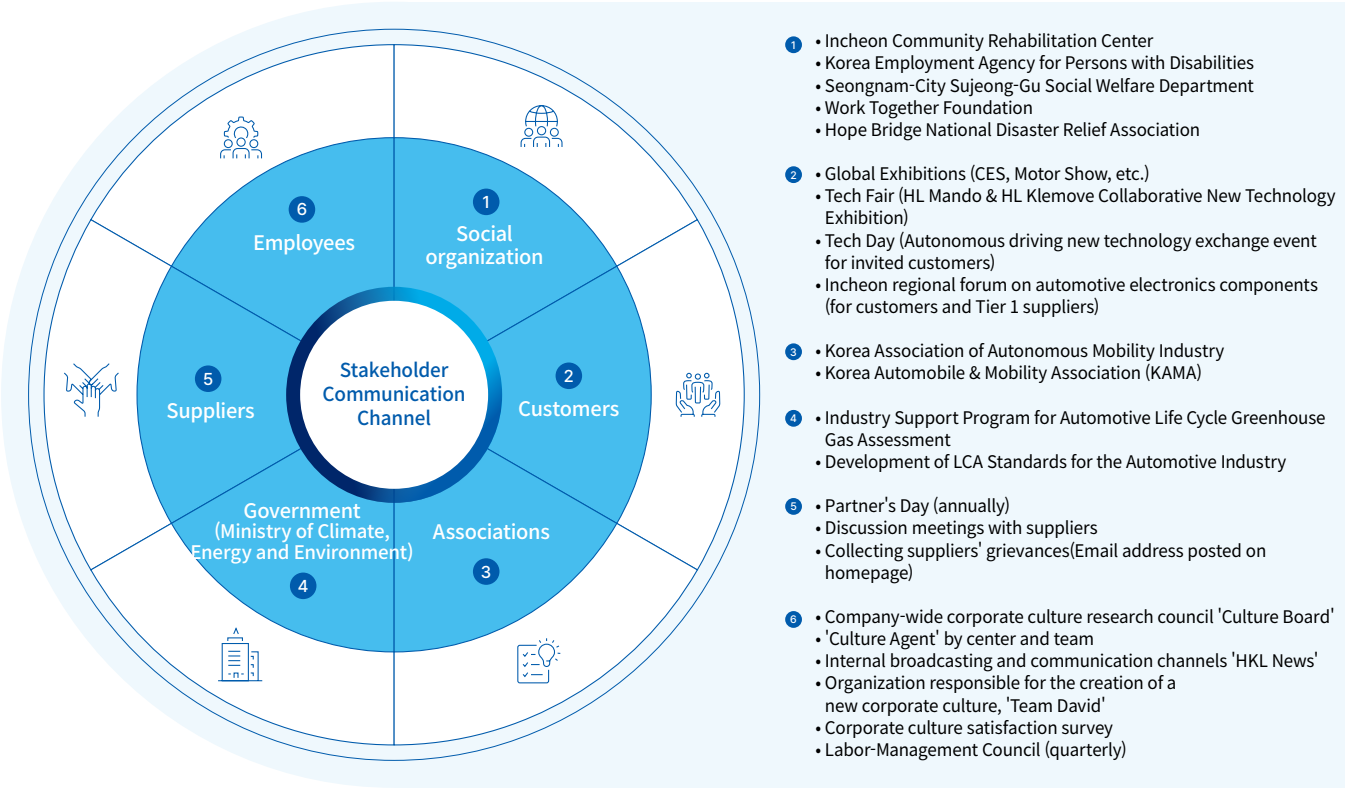
To ensure the objectivity and credibility of the double materiality assessment, we broadened the participation of internal and external stakeholders and reinforced procedures for gathering and incorporating their views and requirements. Based on these procedures, the assessment framework was improved to ensure the effective linkage between business strategy and ESG risk management. We also conducted ESG surveys of relevant department personnel and experts to identify priority issues and opportunities for improvement. What distinguished this survey from previous assessments was its evaluation of the impacts, risks, and opportunities (IROs) associated with each sustainability topic, which enabled a more in-depth and precise assessment of their significance and potential effects.

HL Klemove regards its employees as internal stakeholders and categorizes customers, suppliers, local communities, including civic organizations, and industry associations as external stakeholders that may directly or indirectly affect its operations. The company engages with these stakeholders through a structured management system and a variety of communication channels designed to support transparent and consistent interaction.Feedback collected through these channels is actively considered and reflected in business practices, thereby enabling to create long-term sustainable value together with its stakeholders. In particular, HL Klemove is strengthening sustainable partnerships with customers and suppliers while laying the foundation for mutual growth with local communities through cooperation with social organizations and associations. Based on these efforts, the Company continues to build trust with diverse stakeholders and to pursue practical and meaningful initiatives in support of sustainable management.

Stakeholder Engagement Methods

Stages	Method	Participants
Identification of IRO	- Working-level meeting - Expert review	Personnel from relevant departments and external experts
Assessment of IRO	Stakeholder survey	Internal and external stakeholders and experts - Employees from related departments, analysts, external experts, etc.
Selection of material topics	Executive Review	Management

Stakeholder Communication Channel



Main Opinions of Stakeholders

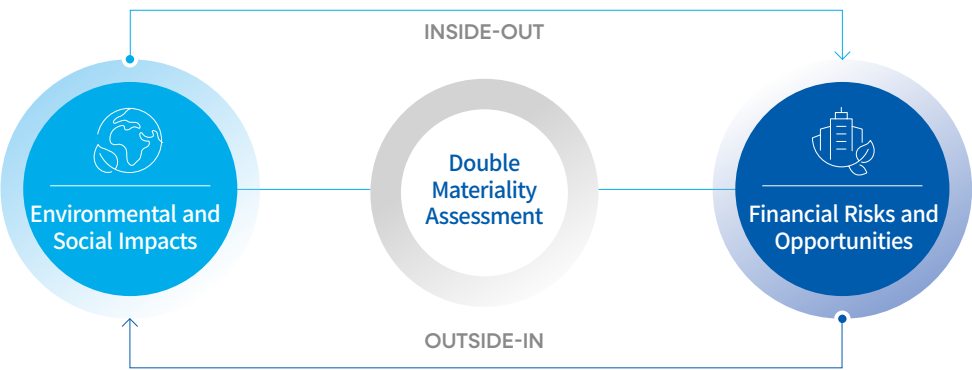
Product Carbon Footprint (PCF) Management	Response to Operational Risks	ESG Regulations and Supply Chain Response
In response to the requirements of global OEMs, LCA results for components and reductions in carbon emissions have become essential, requiring reduction efforts from PCB and electronic component manufacturers. 	The expansion of eco-friendly mobility creates new business opportunities; at the same time, it requires proactive measures to address potential risks associated with semiconductor supply, exchange rate fluctuations, and labor issues. 	We should strengthen human rights due diligence in the supply chain and supplier inspections in accordance with the tightening of ESG regulations and enhance the transparency and reliability of ESG disclosures. 

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Double Materiality Assessment

Overview of Double Materiality Assessment

HL Klemove conducted a Double Materiality Assessment in accordance with the European Sustainability Reporting Standard (ESRS 1) and the value chain guidance (EFRAG IG 1) to identify sustainability topics requiring focused management. Through this assessment, the Company evaluated the actual and potential impacts of its business activities on the environment and society and comprehensively analyzed the financial effects of sustainability-related risks and opportunities on its growth, performance, and corporate value. The double materiality assessment of sustainability-related impacts, risks, and opportunities (IROs) was conducted through a four-step process: understanding the business, identifying IROs, assessing IROs, and identifying material topics relevant to the Company's business.



Double Materiality Assessment Process

Step 01 Business Understanding		Step 02 IRO Identification		Step 03 IRO Assessment		Step 04 Finalization of Material Topics and Reporting to the Board of Directors					
Analyzing key products and services, business strategies, value chains, and operational structures based on a comprehensive understanding of the entire business.		Identifying and classifying environmental and social impacts, along with financial risks and opportunities, for 10 topics relevant to HL Klemove.		Evaluating positive and negative impacts, as well as risk and opportunity factors for each topic, based on scale, scope, reversibility, and likelihood		Selecting three material topics that exceeded the threshold in either the financial or environmental/social materiality assessment and reporting them to the Board of Directors.					
Internal and external environment analysis	Analyzing products, services, business strategies, and value chains through ESG reporting and internal data review	Environmental and Social Impacts	Actual or potential positive and negative impacts of HL Klemove's business activities on the environment and society	Environmental and Social Impacts	Scale	Magnitude of impact on the environment and society	Category	2025 Material Topics	Environmental and Social Impacts	Financial Impacts	Compared to Previous Year
Stakeholder identification	Identifying internal ESG working-level, responsible, and management departments, as well as internal and external stakeholders		Identifying 18 environmental and social impacts based on the 10 derived topics		Scope	Physical and geographical scope of the impact	Environment	Climate Change and Energy	●	●	Consolidation
Global initiatives and assessments	Reviewing global ESG standards and trends, such as ISSB, IFRS, and KCGS	Financial Risks and Opportunities	Analyzing the impact of potential risks and opportunities on financial status, financial performance, and cash flow		Reversibility	Potential for recovery and mitigation of the impact					
Peer industry issue analysis	Analyzing ESG issues and trends within the peer industry		Identifying 21 risks and opportunities based on the 10 derived topics		Likelihood	Likelihood and timing of potential impact occurrence	Social	Customer Safety	●	●	Same as last year
				Financial Risks and Opportunities	Scale	Severity of impact on revenue, cash flow, and profit and loss		Supply Chain Management	●		Scope expansion
					Likelihood	Likelihood and timing of financial impact occurrence					

Deriving the Short-List

- Topic Pool Composition: Grouping 93 ESRS and industry-specific topics into 23 similar topics
- Deriving the Short-List: Deriving 10 topics relevant to the company based on business understanding among the 23 topics

Conducting Stakeholder Surveys

- Conducting IRO materiality assessment and prioritization targeting internal and external stakeholders (employees of related departments, suppliers, industry experts, and external experts), and collecting opinions on the management of material topics

Double Materiality Assessment

2025 Double Materiality Assessment Results

Impact Risk Opportunity

Category	Issue	Key IROs		Type	Duration	Value chain	Action	2025 Performance	Page
Environment	Climate change and Energy(E1)		Carbon reduction across society through the supply of electrified and eco-friendly vehicle technologies and products	Positive/ Actual		Downstream	• Design and manufacture of core EV electronic components and development and deployment of AVAS • Parallel development of eco-friendly enhancement technologies for internal combustion engine vehicles • Adoption of electrification and autonomous driving solution advancement as a core growth strategy • Financing for eco-friendly vehicle component facility investments and R&D through green bond issuance	• Number of completed Full LCA programs: 20 (2025) • Investment for carbon reduction purposes in 2025: KRW 319 million • Year-on-year greenhouse gas reduction rate: 11.1% • 2025 R&D expenditure: KRW 137.1 billion • Establishment of the 2050 Carbon Neutrality Roadmap • CES 2026 Award, third consecutive year	25~36p
			Reduced free allocation and rising allowance prices increasing emissions liabilities and allowance procurement costs	Risk	Short- to Long-term	Own operations			
			Operating cost increases from GHG and energy regulation compliance and reduction activities						
			Investment costs for renewable energy transition and energy efficiency improvements						
			Higher R&D costs due to accelerated transition to low-carbon processes	Opportunity					
			Revenue growth driven by rising demand for high value-added electrification products and EV components						
			Incurrence of R&D expenses for next-generation mobility solutions						
Social	Customer Safety(S4)		Direct and indirect harm to customers, end users, and local communities in the event of product safety or quality incidents	Negative/ Potential		Own operations	• Operation of international standards-based development and safety management processes, including an ISO 21434 CSMS¹⁾ • Establishment of a multi-layered validation framework integrating simulation and real-vehicle testing, with fail-safe and redundant safety mechanisms • Enhanced safety through the development of next-generation sensor and AI-based high-performance computing technologies • Continuous performance improvement and functional enhancement based on Software-Defined Vehicle (SDVs) • Activation of a rapid response system in the event of quality issues or major accidents	• Number of product safety regulation violations: 0 cases • Proportion of operations with IATF 16949 Quality Management System implementation: 100% • ISO 21434 certification obtained	37~41p
			Reduced traffic accident risks and enhanced societal safety through autonomous driving and advanced safety technologies	Positive/ Actual	Short- to Long-term	Downstream			
			Expanded collaboration opportunities with global OEMs and increased revenue through safety differentiation based on autonomous driving technologies	Opportunity					
		Supply Chain Management (S2/G1)		Enhanced trust and supplier competitiveness through a mutually beneficial supplier collaboration network and a culture of shared growth	Positive/ Actual	Short- to Long-term	Upstream	• Operation of supplier ESG assessment and risk management, including a Code of Conduct and conflict minerals management system • Promotion of supplier capability-building programs and fair trade and mutual growth strategies • Operation of supplier communication channels and grievance handling mechanisms	• ESG assessments conducted for 40 suppliers • No incidents of unfair trade

1) CSMS: Cyber Security Management System

2025 ESG Highlights

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Business Strategy		ESG Value Creation Activities		2025 Achievements		
6 Areas 1 Environment 2 Innovation 3 Quality 4 Supply Chain 5 Labor & Human Rights 6 Governance	1 Business competitiveness based on resource efficiency and low-carbon	• Strengthening the competitiveness of low-carbon products by managing their environmental impact across the entire product life cycle • Building a foundation for reducing carbon emissions through greater use of renewable energy and more recycling of resources		Products subject to LCA	Renewable energy usage rate	Waste recycling rate
	2 SDV/HPC-based growth portfolio	• Enhancing the safety and convenience of future mobility through the advancement of SDV and HPC-based control technologies • Generating user-centered value in mobility through the expanded mass production of technologies for autonomous driving		20	8.0%	83.1%
	3 Securing safety and reliability based on global standards	• Preventing safety risks for consumers by strengthening our global system for managing quality and safety • Enhancing Customer Safety and Product Reliability by improving product reliability		Mass production of autonomous driving	R&D investment (7.5% of revenue)	Expanding global orders and mass production based on SDV/HPC
	4 Responsible Sourcing and Regulatory Response	• Establishing a responsible supply chain through supplier ESG assessment and management • Reinforcing sustainable procurement by managing risks tied to regulations, human rights, and conflict minerals		HPC-L2+	KRW 137.1 billion	
	5 Internalization of human rights management and strengthening of organizational capabilities	• Preventing human rights risks for employees and stakeholders through Human Rights Impact Assessments • Reinforcing an organizational culture rooted in respect and responsibility by broadening training on human rights and ethics		IATF 16949 certification	Recalls	Safety regulation violations
	6 Strengthening responsible decision-making and ethical management	• Making decision-making more responsible through an ESG management system centered on the CEO and the Board • Building greater transparency and trust with stakeholders by setting up a system to report material ESG issues		100%	0 cases	0 cases
				Completion of ESG Assessments for Suppliers		No regulatory or transaction risks occurred
				40 companies		
				Conducting company-wide human rights impact assessments		Expanding human rights and ethics training
				Operating the ESG Office		Reporting ESG agenda items to the Board of Directors
						2 times per year



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037 Quality Management

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Governance

Climate Action Governance

HL Klemove has established and operates a company-wide climate action organization and management system based on the TCFD recommendations, centered on the ESG Office with the CEO as the chief officer and the global champion system in the Environment & Safety area. The COO, serving as the head of company-wide environmental management, oversees climate action and establishes an enterprise-level response system based on roles and responsibilities across related organizations. Furthermore, climate action outcomes are shared across the Company through the Champion system, thereby establishing an organizational foundation for implementation. The Facility & Safety Team, as the dedicated unit responsible for greenhouse gas reduction practices, oversees monthly monitoring and the collection and analysis of climate-related data, while continuously strengthening its response capabilities through the review of leading global practices.

Climate Change Oversight System

HL Klemove performs management and oversight of its climate change response, centered on the Board of Directors and executive management. Key climate change-related issues, associated risks and opportunities, and the status of related response activities are reported to the Board of Directors on a semiannual basis, thereby enabling company-wide oversight. The COO is responsible for managing climate change risks and opportunities and reviewing key response performance, reflecting climate change factors in major decision-making processes such as mid- to long-term strategies, business plans, CAPEX, and budget allocation. In addition, response tasks and implementation status are monitored through quarterly ESG Champion Meetings and regular working-level meetings. Meanwhile, HL Klemove, along with its parent company HL Mando, participates in the 'Auto Sector' Carbon Neutrality Working Group meetings to promote information sharing and cooperation for achieving SBTi-based reduction targets.

Linkage between Climate Change and Executive Performance/Remuneration

HL Klemove operates climate-related KPIs in connection with its executive performance evaluation and remuneration system to strengthen its climate change response capabilities. These KPIs comprise indicators directly associated with climate change response, including greenhouse gas reduction, energy efficiency improvement, and greater use of renewable energy, and performance relative to targets is reflected in executive performance evaluations. Currently, the performance evaluations of the CEO and COO include ESG-related indicators, thereby linking executive performance assessments with climate-related responsibilities. Achievement levels against climate-related KPIs are also reflected in compensation decisions for the relevant year and incorporated into regular performance bonuses. An internal review is underway to incorporate GHG emission reduction KPIs starting in 2026, and the potential expansion of these metrics to team and individual MBOs is also being considered.

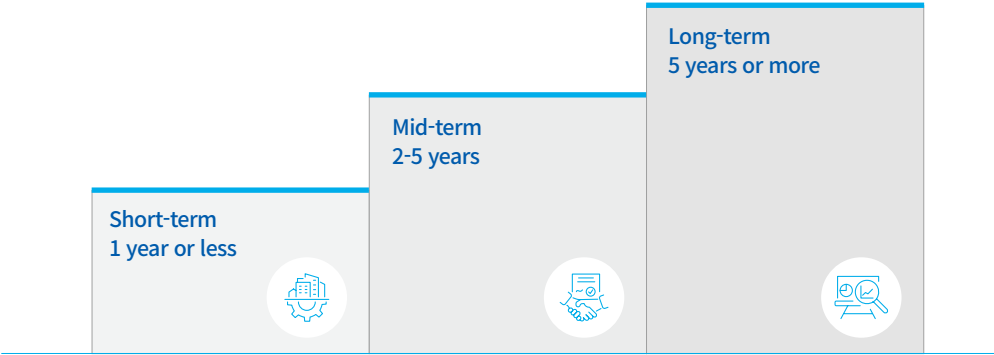
Strategy

Identification of Risks and Opportunities

HL Klemove continuously monitors the business implications of climate change and systematically assesses climate-related risks and opportunities, including both physical and transition risks. The company also identifies key opportunities in areas such as the energy transition, operational efficiency improvements, eco-friendly materials adoption, and the expansion of environmentally friendly automotive electronics and services. Based on a more sophisticated view of the financial impacts associated with climate-related issues, HL Klemove incorporates these insights into its decision-making processes.

Analysis Period for Risks and Opportunities

HL Klemove classifies the planning horizons used to identify, assess, and strategically respond to climate-related risks and opportunities into the short, medium, and long term, in accordance with paragraph 10.2 of KSSB Sustainability Disclosure Standard No. 2. The short term is defined as within one year, the medium term as two to five years, and the long term as beyond five years. These planning horizons are aligned with the Company's mid- to long-term management strategy and business planning cycles. The short-term horizon corresponds to the annual business planning and budgeting cycle, while the medium-term horizon is linked to the Company's five-year mid-term management plan. The long-term horizon exceeds the mid-term plan and is determined based on a comprehensive consideration of the timing at which climate change-related physical and transition risks are expected to materialize, as well as the Company's target timeline for achieving carbon neutrality. These defined planning horizons are applied consistently across the Company's climate-related strategies, including climate scenario analysis, transition planning, and the establishment of greenhouse gas emissions reduction targets.



Climate-Related Risks and Opportunities

Category		Risks and Opportunities	Period	Impact on Business Model and Value Chain	
				Current Impact	Potential Impact
Physical Risks	Acute (Typhoons, Floods, Wildfires)	Disruptions in business operations and supply chain impacts due to acute climate disasters such as floods, heavy rainfall, typhoons, and cold waves	Short-term	Business sites are exposed to climate-related hazards, including floods, heavy rainfall, typhoons, and wildfires, depending on their location characteristics, with certain sites showing relatively higher exposure to acute events such as typhoons and flooding.	As climate change intensifies, increases in the severity and frequency of disasters may lead to operational disruptions at business sites, damage to facilities, logistics delays, and heightened supply chain instability.
	Chronic (Droughts, Heat Waves)	Increased operational burden and reduced productivity due to chronic climate conditions such as heat waves and droughts	Long-term	Some business sites are exposed to climate-related risks such as extreme heat, while the need to manage the long-term impacts of rising temperatures and water resources continues to increase.	Intensifying extreme heat and prolonged drought may increase cooling and energy demand, heighten the operational burden on business sites, reduce productivity, and affect business continuity.
Transition Risks	Market	Growing demand from OEM customers and consumers for low-carbon products	Mid-term	Increased need to respond to customer requirements related to climate change and ESG expectations	Potential financial losses from incentives or penalties under customer' supplier codes of conduct or contractual requirements
		Increased production costs due to rising raw material prices	Mid-term	The transition toward low-carbon products and services in the market may intensify price competition, while growing market demand may drive up raw material procurement costs.	Rising product costs may weaken profitability, while increased emissions from Scope 3 raw material purchasing and transportation processes may result in the pass-through of supply chain climate response costs.
	Technology	Higher costs driven by rising electricity prices	Mid-term	Electricity consumption may increase due to higher production volumes and rising temperatures associated with climate change.	The transition to renewable energy required to meet RE100 and NDC commitments may have a direct financial impact due to its higher cost relative to carbon-based electricity.
		Increased capital expenditure for low-carbon facility and process transitions	Short-term	Small-scale investments are being made in the introduction of low-carbon infrastructure and the installation of equipment such as inverter systems for chilled water pumps.	Costs may increase due to process and facility modifications undertaken to directly reduce greenhouse gas emissions in line with country-specific Nationally Determined Contributions (NDCs).
	Reputation	Sales decline resulting from negative stakeholder perceptions	Mid-term	Growing internal and external disclosure and response requirements, including sustainability reporting and CDP disclosure	Reduced investment from the National Pension Service and institutional investors due to inadequate responses to climate risks
	Resource Efficiency	Reduced operating costs through EV100 transition at business sites compared to internal combustion operations	Mid-term	Emerging need for transition to electric vehicles at business sites through participation in K-EV100	The completion of the transition of all on-site vehicles to electric vehicles in line with EV100 may result in long-term fuel cost savings.
		Energy cost savings from transitioning to high-efficiency and eco-friendly systems	Mid-term	Energy cost reductions through replacement and investment in higher-efficiency equipment	Reduced operating costs through energy efficiency improvements and lower overall energy consumption
Opportunities	Energy Source	Lower carbon-related costs through energy transition	Mid-term	Transition to renewable energy sources, such as solar power, with lower carbon emissions than conventional electricity	Long-term reduction in carbon-related compliance costs through decreased emissions and alignment with customer codes of conduct
		Expanded use of and investment in low-carbon and renewable energy	Short-term	The energy transition is being advanced through initiatives such as joining RE100 and installing additional solar panels to support the achievement of Net Zero by 2050.	Reducing future energy costs by securing mid- to long-term energy cost stability through the transition to renewable energy
	Market	Reduced carbon costs through adoption of eco-friendly materials	Short-term	Reduced raw material purchasing costs through the use of recycled aluminum	Reduced carbon costs through the use of recycled raw materials, lowering emissions from extraction and refining processes
		Contribution to carbon emissions reduction through high-efficiency electronic components	Long-term	Conducting R&D to produce high-efficiency AE/AD product lines and manufacturing products for driving optimization in autonomous driving	Revenue growth from increased production of high-efficiency, low-carbon electronic components driven by EV market expansion
	Products & Services	Development of environmentally friendly electronic components and services	Long-term	Anticipating an increase in automotive electronics sales revenue, including AVAS (Acoustic Vehicle Alerting System), due to the growth of the electric vehicle market	Expansion of eco-friendly products and services in response to growing demand for environmentally friendly vehicles, with increased electronic solution sales such as AVAS alongside EV market growth

Key Areas of Impact

HL Klemove recognizes that climate-related impacts primarily arise from its electricity-intensive R&D and testing structure and across the EV and autonomous driving value chain, rather than from manufacturing activities. The Company's greenhouse gas emissions primarily result from Scope 2 electricity consumption, and the effects of physical risks on business operations and the value chain are currently evaluated as being limited. As HL Klemove's business model and major customers are deeply connected to the EV and autonomous driving ecosystem, developments such as the speed of the EV transition, charging infrastructure buildout, battery technology advancements, and evolving energy policies directly affect the company's demand and technology strategy. For this reason, HL Klemove has designated electricity-driven R&D and testing operations and the EV-focused value chain as the key areas where climate impacts are concentrated. The company is strengthening risk management and identifying new business opportunities through renewable energy adoption, improved energy efficiency, operational process optimization, and responses to changes in the EV ecosystem.

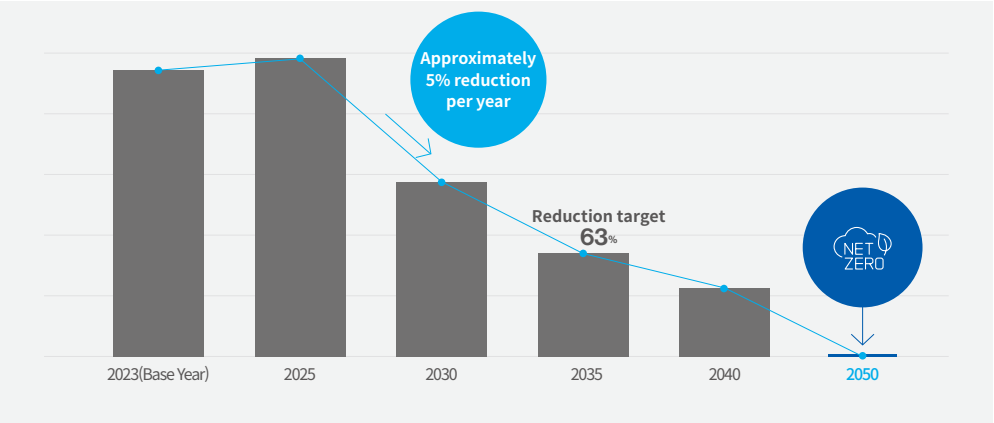
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Carbon Neutrality Roadmap

HL Klemove has established and is pursuing a mid-to-long-term GHG reduction strategy based on SBTi, with the goal of achieving carbon neutrality by 2050. To lay the foundation for executing its climate change response, the company established a company-wide Scope 1, 2, and 3 inventory in 2023, through which it systematically measures and manages energy consumption and GHG emissions. In addition to continuously driving energy efficiency improvements and GHG emission reductions, the company is reviewing various means such as renewable energy generation, REC (Renewable Energy Certificate) purchases, and Power Purchase Agreements (PPA) to develop renewable energy transition strategies tailored to the characteristics of each business site. Based on this management foundation, HL Klemove, together with its parent company HL Mando, joined the Science Based Targets initiative (SBTi), declared its Near-Term Commitment on January 9, 2025, and completed target validation on October 13, 2025. Based on this commitment, the Company established a reduction pathway for Scope 1 and Scope 2 emissions, targeting an average annual reduction of approximately 5% compared to the 2023 base year in order to achieve its 2035 target. Furthermore, for Scope 3 Category 1 (Purchased Goods and Services), a reduction target based on value-added intensity (tons/KRW billion) has been established, with plans to reduce emissions from 2,307 tons per KRW billion in 2023 to 777 tons per KRW billion by 2035.

Carbon Neutrality Roadmap



* In 2025, overall emissions increased however, the establishment and operation of the Mexico plant, which was not in operation during the base year, resulted in the inclusion of new emissions, leading to an increase in total emissions compared to the base year.

Carbon Neutrality Action Plan

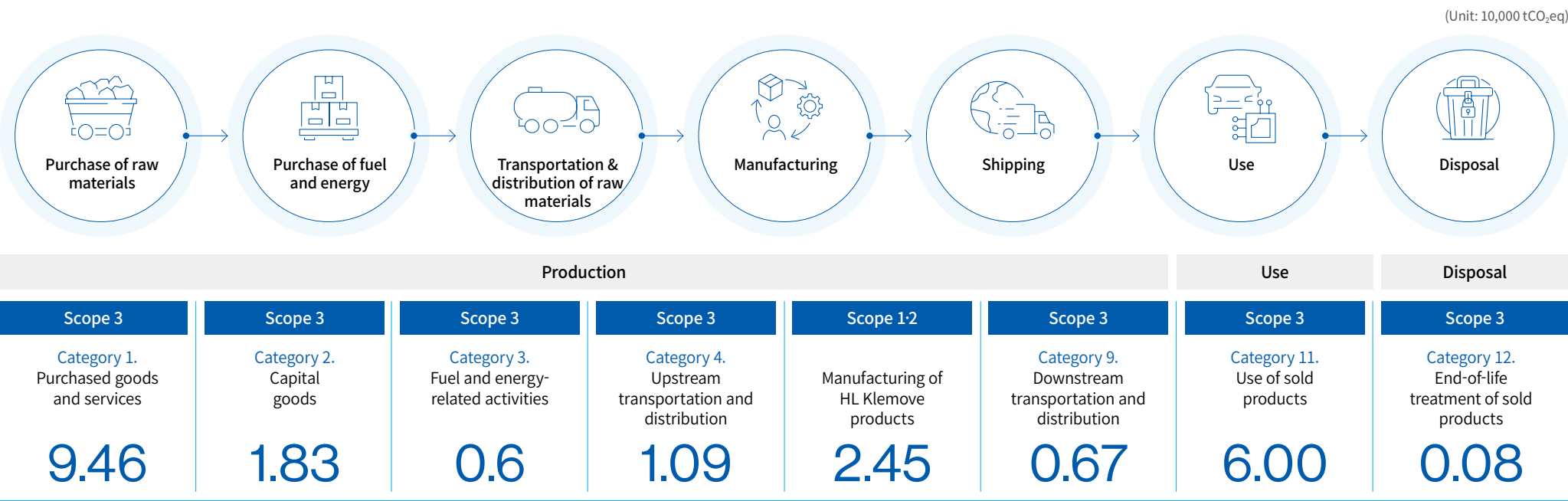
Action Plan	2025	2026	2027	2028	2029	2030~2050
Company-wide Scope 1·2·3 Inventory	Establish the system foundation	Establish the system		Continuous operation & advancement		
SBTi Participation & Implementation	Target submission	Target verification	Implementation assessment	Continuous implementation		
Energy efficiency & reduction/ Fuel shift	Reduction and performance assessment	Continuous implementation				
Renewable Energy Procurement (REC)	Roadmap establishment	Annual purchase 14,088MWh	Annual purchase 22,007MWh	Annual purchase 25,876MWh	Annual purchase 34,608MWh	Annual purchase 452,155MWh
Renewable Energy Procurement (PPA)	Market survey	Continuous implementation			PPA renewable energy procurement	Expanding procurement to additional sites

Climate Action

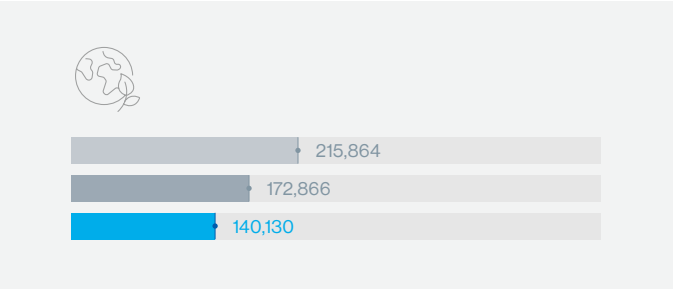
Global GHG Emissions Management

HL Klemove systematically calculates and manages greenhouse gas emissions across its global operations with the aim of minimizing environmental impact throughout the entire process, from production to disposal. In 2023, the company established a company-wide inventory for Scope 1, Scope 2, and Scope 3 emissions, creating a foundation for managing greenhouse gas emissions and continuously tracking emissions status. In addition, we are enhancing the foundation for our carbon neutrality efforts by strengthening our data collection and management capabilities. In 2024, we internalized the global greenhouse gas emissions accounting system for 2023. In 2025, we further enhanced the reliability of our greenhouse gas emissions data by completing global emissions accounting and obtaining third-party verification in accordance with ISO 14064.

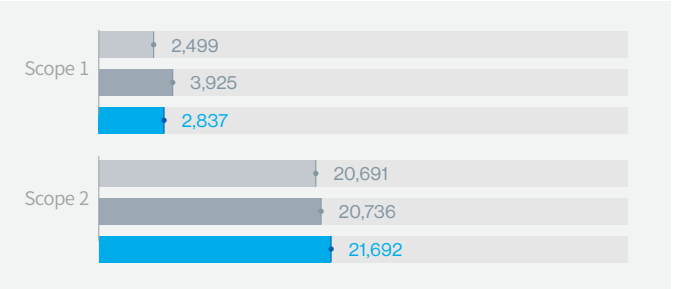
Greenhouse gas emissions by key stages of product production, use, and disposal



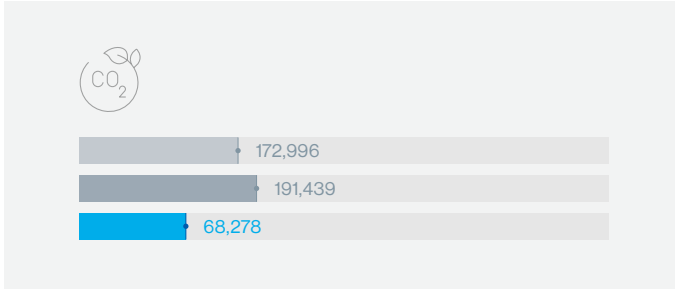
Scope 3 Upstream Greenhouse Gas Emissions



Scope 1:2 Greenhouse Gas Emissions



Scope 3 Downstream Greenhouse Gas Emissions (Unit: tCO₂eq)



Climate Action

Energy management strategy

Expanding the Use of Renewable Energy

HL Klemove is driving the energy transition in the power sector by expanding the use of renewable energy. To achieve this, the company concurrently reviews various implementation methods, including renewable energy generation (both in-house and external procurement), Renewable Energy Certificate (REC) purchases, and Power Purchase Agreements (PPA). We select the most appropriate solutions by comprehensively considering the facility conditions of each site, the local power supply and demand environment, and contract terms. Rather than relying on a single method, we combine multiple procurement options to enhance the feasibility and stability of the transition and continue to improve our renewable energy consumption rate through phased expansion tailored to the characteristics of each site.

Procurement of Renewable Energy

HL Klemove identifies the expansion of renewable energy use as a major task and is introducing procurement methods and facilities suited to the characteristics of each business site. The Chinese subsidiary expanded its foundation for utilizing renewable energy by installing additional solar panels in conjunction with the expansion of its second plant. Consequently, its renewable energy consumption rate increased from 10.6% in the previous year to 13.3% in 2025. The Indian subsidiary is expanding its renewable energy procurement based on PPAs; as of 2025, its PPA application ratio stands at 64%, and it plans to increase the renewable energy consumption rate to over 80% through additional contracts. Along with these efforts, the company is concurrently implementing energy efficiency improvement projects across all global operations to drive both energy consumption reduction and the transition to renewable energy.

Improvement and Management of Energy Consumption Efficiency

HL Klemove is actively promoting energy efficiency initiatives with the goal of reducing annual electricity costs by 1%. To this end, the company has applied various reduction tasks to its sites, including high-efficiency LED lighting replacement, pump capacity optimization, and the installation of cold water pump inverters. In 2023, outdated HVAC systems were replaced at 38 operations, saving 6,000 kWh of electricity per month, and in June 2024, a large chiller unit at a newly established plant was replaced, achieving a 39% reduction in annual electricity consumption. Furthermore, in 2025, we achieved annual electricity savings of 75,000 kWh by replacing outdated air-conditioning systems. For 2026, we have set a target to save an additional 133,000 kWh annually through compressor inverter replacement. Alongside these efforts, we intend to promote additional energy efficiency projects on a phased basis, centered on aging equipment replacement and inverter adoption.

Additionally, the company was selected as a leading company in the Korea Energy Efficiency Partnership Project (KEEP+), organized by the Ministry of Trade, Industry and Energy and the Korea Energy Agency. Starting in 2025, we are advancing our energy efficiency investments and voluntary energy efficiency management systems based on expert energy diagnosis support. Through these efforts, we plan to systematically identify and implement energy-saving tasks for each site and continuously strengthen the foundation for mid-to-long-term GHG reduction.

Global Initiatives (Environment)

To strengthen environmental responsibility and advance its climate change response capabilities, HL Klemove supports and participates in internationally recognized environmental and climate-related initiatives. Through these initiatives, the company transparently discloses its climate and environmental performance, systematically manages risks and opportunities, and pursues mid-to-long-term reduction targets and implementation strategies with alignment.

IFRS S2 (Climate-related Disclosure Standards)

HL Klemove identifies and assesses climate-related risks and opportunities based on the IFRS S2 standard, while systematically reviewing and disclosing financial impacts and response strategies. Through this, we are strengthening our climate change response system by linking climate-related governance, strategy, risk management, and metrics and targets.

CDP(Carbon Disclosure Project)

HL Klemove participates in the CDP to transparently disclose major environmental performance and management activities to external stakeholders, including greenhouse gas emissions, energy consumption, and water resources. Based on these disclosures, the company reviews its environmental performance management level and strengthens trust with stakeholders. In 2025, the company achieved the CDP Leadership Level of A-. HL Klemove plans to continue promoting sustainable environmental management.

SBTi(Science Based Targets initiative)

To align with the Paris Agreement's goal of limiting the global temperature rise to 1.5°C, HL Klemove aims to achieve carbon neutrality across its entire value chain by 2050. To this end, the Company pursued participation in the Science Based Targets initiative (SBTi) together with its parent company, HL Mando, and further strengthened its climate response by completing verification of its Near-Term Commitment on October 13, 2025. In addition, we plan to further specify our pathway to achieving these targets by expanding the share of renewable energy used at our business sites and reducing energy consumption, while monitoring implementation progress on a monthly basis.

Issuing Green Bonds

HL Klemove issued a five-year green bond in 2021 to finance facility investments and R&D for eco-friendly vehicle components, and the proceeds were allocated to eligible green projects. As of April 2024, the full KRW 60 billion had been utilized, including KRW 25.9 billion for facilities, KRW 31.8 billion for R&D, and KRW 2.3 billion for expenses. The Company will continue to manage fund allocation in line with its investment direction for eco-friendly vehicle components and disclose related investment performance and environmental outcomes on an ongoing basis. HL Klemove also undergoes external assurance to verify project eligibility and the reliability of its fund management system. In the regular post-issuance review conducted in November 2023, the Company maintained the highest Green 1 rating and received an Excellent assessment across all evaluation areas. In addition, key environmental data, including GHG emissions, electricity consumption, and waste generation, are disclosed on the Company's website in accordance with the Ministry of Environment's Green Bond Guidelines.

Implementation of LCA (Life Cycle Assessment)

Background and Purpose of LCA

HL Klemove is strengthening its strategic efforts to systematically evaluate and improve the environmental impacts of its products. To achieve these goals, the company is establishing an environmental management system that meets global standards and is expanding the range of products subject to Life Cycle Assessment (LCA) evaluations each year. Through LCA, carbon emissions throughout the entire product lifecycle are precisely measured and used to develop specific strategies for carbon reduction. Furthermore, by comprehensively analyzing LCA results and supplier GHG reduction plans, the company has established part-level GHG reduction plans through 2030 for components intended for order bidding.

Governance and Operating System

HL Klemove independently conducts life cycle assessment (LCA)-related activities under the leadership of the ESG Team. For LCA calculations, raw data is collected from subsidiaries and relevant departments at each production site. In addition, the Company operates a consultative body with its parent company, HL Mando, and affiliate, Mando Brose, through which progress and key agenda items are shared on a quarterly basis and LCA-related activities are closely coordinated.

Key Achievements of LCA in 2025

In June 2023, HL Klemove launched a pilot LCA evaluation for the Integrated Dynamic Brake (IDB), and in 2024, the scope of evaluation was expanded to 13 products¹⁾, including the FCM-30W. In 2025, the company further expanded the LCA evaluation to 20 products¹⁾, including AVAS. To enhance the accuracy of the evaluation, the company comprehensively utilized verified data from its customer HKMC, reliable data provided by suppliers, and advanced assessment methodologies from European customer STLA. Through these efforts, the company maintains an environmental management system aligned with global standards and ensures the credibility of product assessments.

1) Number of Full LCA completed programs among all programs for 2025, including order response evaluation, based on OEM response completion

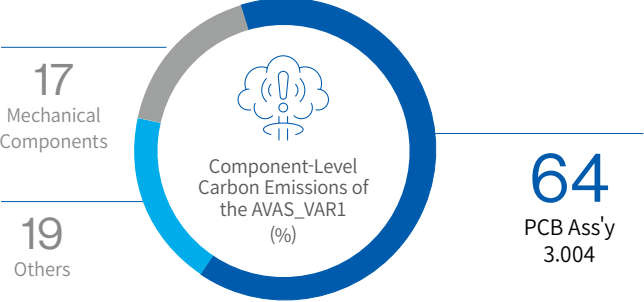
LCA Product Analysis Results

As part of its LCA, HL Klemove calculated Scope 1·2, and 3 carbon emissions in line with ISO 14040/44, based on factors including electricity use, production inputs, and external scrap treatment methods. The analysis, performed using the GaBi software and database widely used in Europe, found that the majority of component-related emissions are generated during suppliers' manufacturing processes. By contrast, emissions from HL Klemove's internal processes represented approximately 16% of total emissions, which is attributed to the company's clean production processes. Notably, emissions generated during the production of PCBs and electronic components within the supply chain accounted for 84% of total carbon emissions.

LCA Analysis Results – AVAS_VAR1

Category	Details	Carbon Emissions (kg CO ₂ e/q)	Percentage
Scope 1	Consumables and waste	0.06	1.22%
Scope 2	Utility	0.71	15.69%
Scope 3	Raw material components	3.72	82.41%
	Transportation	0.03	0.68%
Total		4.52	100%

Evaluation results of carbon emissions by component

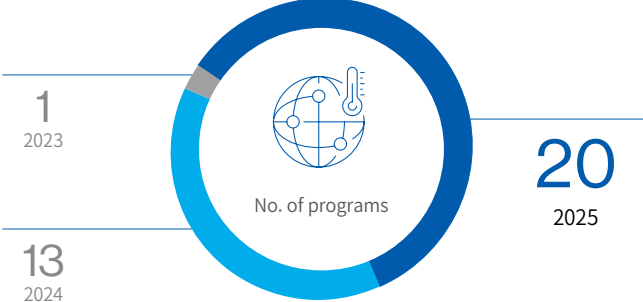


HL Klemove will continue to update its LCA data and enhance improvement activities designed to minimize environmental impact. the company plans to specify its strategy to reduce product carbon emissions and improve environmental performance. LCA evaluations of the company's major products found that PCBs and electronic components supplied by suppliers account for an average of 79% of related GHG emissions. Accordingly, HL Klemove will continuously monitor whether suppliers are implementing their plans to expand renewable energy use and reduce electricity consumption, and will collaborate across the supply chain to reduce emissions across the full product lifecycle. These actions will promote the development of sustainable products, ensure compliance with global environmental standards, and reinforce the company's competitiveness.

Use of 100% Recyclable Aluminum Products

HL Klemove contributes to resource circulation and the reduction of carbon emissions by using products made of 100% recyclable aluminum. Recyclable aluminum significantly reduces the environmental burden associated with raw material extraction and contributes to the development of sustainable products.

Full LCA Programs*



* Including order response evaluation, based on OEM response completion

Climate Action

Climate Scenario Analysis

Climate Scenario Analysis: Methodology and Timeline

Overview of Climate Scenarios

HL Klemove has applied various climate scenarios, including those involving increasingly severe climate change impacts, in order to systematically analyze the transition risks, physical risks, and opportunities arising from climate change. With the reporting period beginning on January 1, 2024, the analysis establishes short-term (within 1 year), medium-term (2–5 years), and long-term (after 5 years) as reference points, considering the implementation period of the company’s Carbon Neutrality Roadmap, and analyzes the potential impacts of climate change-related risks and opportunities at each point. For physical risks, the company applied the SSP scenarios of the IPCC 6th Assessment Report using the climate modeling tool Jupiter Intelligence, while for transition risks and opportunities, scenarios from internationally authoritative institutions such as the IEA and NGFS were referenced. In terms of the organizational boundaries used for the analysis, the evaluation for physical risks focused on a total of four corporate sites, primarily manufacturing plants where key assets are concentrated; for transition risks and opportunities, sites related to major raw material supply chains were selected, and scenario analysis was conducted by applying calculation formulas that reflect the characteristics of each site.

Physical Risks

IPCC¹⁾ SSP²⁾ Scenario

The Shared Socioeconomic Pathways (SSPs) are future socioeconomic scenarios used in the IPCC Sixth Assessment Report (AR6), incorporating projected changes in radiative forcing by 2100 and in broader socioeconomic systems such as population, the economy, and energy consumption. HL Klemove assessed the impacts of physical risks using Jupiter Intelligence, and utilized the SSP 1-2.6 (1.8°C), SSP 2-4.5 (2.7°C), and SSP 5-8.5 (4.4°C) scenarios commonly used in scientific research.

Scenario	Description
SSP 1-2.6 (1.8°C)	It is assumed that advancements in renewable energy technologies will minimize the use of fossil fuels and enable sustainable economic growth.
SSP 2-4.5 (2.7°C)	It is assumed that the level of climate change mitigation and socioeconomic development will be moderate.
SSP 5-8.5 (4.4°C)	It is assumed that, with a focus on rapid industrial and technological advancements, fossil fuel use will remain high and indiscriminate development will expand.

1) IPCC: Intergovernmental Panel on Climate Change
2) SSP: Shared Socioeconomic Pathways
3) IEA: International Energy Agency
4) STEPS: Stated Policies Scenario, a scenario reflecting current policies and stated reduction plans

Transition Risks and Opportunities

IEA³⁾ Scenario

The IEA provides carbon prices and other metrics based on climate change scenarios through its WEO. When assessing the impacts of risks and opportunities related to carbon costs that may arise from carbon neutrality commitments and procurement strategies, HL Klemove utilized the STEPS, which assumes that climate-related policy measures are maintained at current levels; the APS, which assumes the full implementation of national NDCs and carbon neutrality targets; and the NZE, which assumes the achievement of Net Zero in the energy sector by 2050.

NGFS⁷⁾ Scenario

The NGFS provides granular information at the national level, including not only carbon prices but also electricity prices, based on Integrated Assessment Models. When analyzing opportunity factors arising from rising electricity prices and the use of renewable energy, HL Klemove utilized the Below 2°C, Delayed Transition, and Net Zero 2050 scenarios presented by NGFS.

Scenario	Description	Scenario	Description
STEPS ⁴⁾ (2.4°C)	It is assumed that current policy trends will be maintained, taking into account existing and ongoing policy instruments, emissions reduction targets, and implementation plans.	Below 2°C	It is assumed that carbon emissions will be reduced by 80% compared to current levels by 2050, limiting the increase in global average temperature to below 2°C.
APS ⁵⁾ (1.7°C)	It is assumed that governments will fully implement their NDCs and carbon neutrality commitments within the pledged timeframes.	Delayed Transition	It is assumed that stringent emissions reduction policies will be implemented after 2030.
NZE ⁶⁾ (1.4°C)	It is assumed that Net Zero emissions in the energy sector will be achieved by 2050 to limit global temperature increase to below 1.5°C by 2100.	Net Zero 2050	It is assumed that carbon neutrality will be achieved by 2050, limiting the increase in global average temperature to below 1.5°C.

5) APS: Announced Pledges Scenario, a scenario based on announced net zero commitments
6) NZE: Net Zero Emissions by 2050 Scenario, a scenario assuming net zero emissions by 2050
7) NGFS: Network for Greening the Financial System, a climate risk initiative for the financial system

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Financial Impacts Analysis Through Physical Climate Scenarios

HL Klemove conducted a climate scenario-based analysis to quantitatively assess the potential impacts of physical climate risks on the operations and financial performance of its domestic and overseas business sites. To ensure precision and consistency in the analysis, the company utilized climate analysis solutions from Jupiter Intelligence and applied the SSP5-8.5 scenario (a 4.4°C warming level) to compare and evaluate current (2020) and future (2050) exposure levels for eight types of disasters: floods, typhoons, heavy rainfall, heat waves, hail/thunderstorms, droughts, wildfires, and cold waves. The 'current exposure score' was calculated based on 2020 conditions, and a 'change score' reflecting trends through 2050 was then derived; these were integrated to produce the 'future exposure score'.

Climate Hazard Exposure by Operation¹⁾

High (76-100 points) Moderately High (51-75 points) Moderately Low (26-50 points) Low (0-25 points)								
Location	Korea		China		India		Mexico	
Timeframe ²⁾	Present	Future	Present	Future	Present	Future	Present	Future
Wildfires								
Hailstorms / Thunderstorms								
Cold Waves								
Heat Waves								
Floods								
Typhoons								
Droughts								
Heavy Rainfall								

1) Average exposure level derived based on nationwide data for each country where business sites are located

2) Current exposure: Projected disaster exposure level for 2020 under the SSP5-8.5 scenario (4.4°C)

Future exposure: Projected disaster exposure level for 2050 under the SSP5-8.5 scenario (4.4°C)

According to the site-specific disaster exposure analysis, Korea is considered highly exposed to current and future risks related to flooding and heavy rainfall due to its regional characteristics. However, the area surrounding the Songdo site is designed to mitigate flood damage, utilizing urban infrastructure such as the waterfront to temporarily store rainwater in retention and detention ponds and sequentially discharge it when sea levels are low. As a result, even under the same exposure conditions, actual damage levels may vary depending on the performance and operating conditions of disaster prevention infrastructure, as well as the company's response measures. Exposure to heat waves is currently assessed as moderate, but it may increase as climate change accelerates. In contrast, exposure to cold waves is currently assessed as high, although it may be partially mitigated in the future as winter temperatures rise under accelerating climate change. Among HL Klemove's overseas operations, China and India were identified as high water-stress regions, where strong demand relative to available supply may increase vulnerability to drought impacts caused by climate change.

Financial Impact Analysis Results of Physical Risks

Building on the exposure analysis, HL Klemove conducted a quantitative financial impact assessment across three scenarios—SSP1-2.6, SSP2-4.5, and SSP5-8.5—targeting disasters with the potential for significant financial impact (floods, typhoons, wildfires, droughts, and heat waves). Acute disasters, such as typhoons, floods, and wildfires, can lead to direct damage to buildings, equipment, and inventory, as well as indirect losses from business interruptions during the recovery period. Chronic risks like heat waves can lead to revenue losses from decreased labor productivity and increased operational costs for cooling and water resources. Reflecting these impact pathways, HL Klemove calculated financial impacts for short- to long-term intervals from an Average Annual Loss (AAL) perspective. Based on these results, the company plans to strengthen business continuity and resilience by prioritizing monitoring and response strategies for high-exposure regions, such as wildfires in Mexico, floods and heavy rainfall in Korea, and heat waves in India.

Climate Action

Financial Impact Analysis through Transition Risk Scenario Analysis

HL Klemove established an issue pool of climate-related transition risks and conducted a review. From these, the company selected significant and quantifiable risk items—based on a comprehensive consideration of financial materiality and likelihood of occurrence—and performed scenario analysis on the selected items. Although transition risks can include matters with substantial qualitative implications, this analysis centered on issues where the pathway to financial impact, including effects on costs and revenue, is relatively well defined and where reasonable estimates can be developed using external scenarios and market outlooks. Based on this approach, HL Klemove conducted scenario analyses of transition risks such as increased demand for low-carbon products, higher raw material prices, and rising electricity prices. The analysis covered short-, medium-, and long-term time horizons. For each issue, the company mapped out the financial impact pathway, calculation approach, and key assumptions, including relevant variables and scenario conditions, to evaluate how transition risks could affect its business.



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Financial Impact Analysis through Transition opportunities Scenario Analysis

HL Klemove established an issue pool of climate-related transition opportunities and conducted a review. From these, the company selected significant and quantifiable opportunities items—based on a comprehensive consideration of financial materiality and likelihood of occurrence—and performed scenario analysis on the selected items. Although transition opportunities can take many forms across technological, market, and operational areas, the analysis focused on opportunities with a relatively clear link to revenue growth or cost reduction, where reasonable estimates could be made based on external scenarios and forecasts, as well as internal operational plans. The analysis therefore addressed opportunities associated with the development of eco-friendly electronic components and services, along with reductions in energy costs through the adoption of high-efficiency and environmentally friendly systems. It was carried out over short-, medium-, and long-term time horizons. For each opportunity, HL Klemove examined potential business impacts in a structured manner by mapping out the financial impact pathway, calculation approach, and underlying assumptions, including key variables and scenario assumptions.



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Climate Change Risk Management

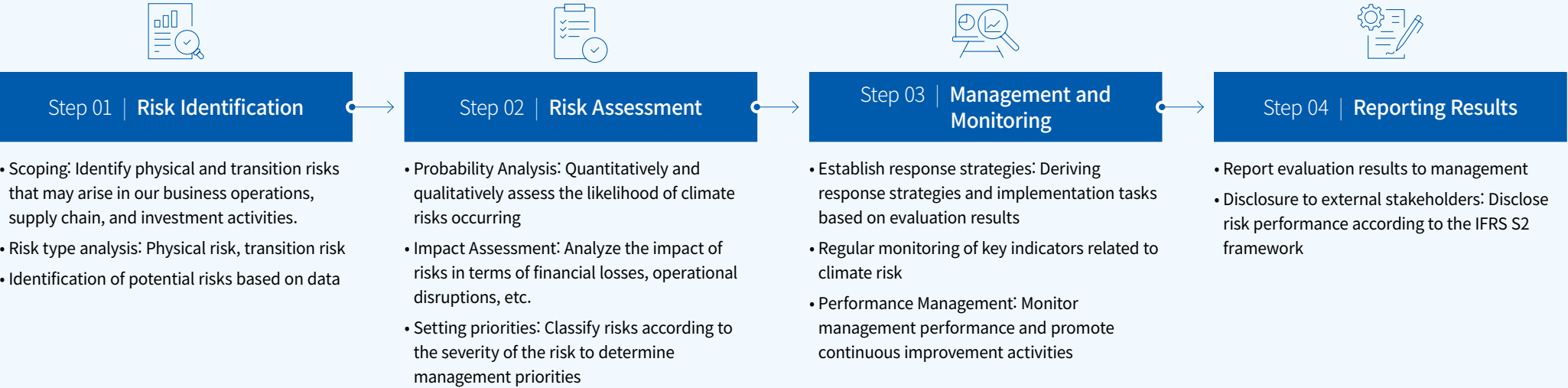
Risk Management

As climate change creates growing risks for businesses worldwide, it has become increasingly important to manage climate-related risks systematically across all areas of business management. HL Klemove takes a proactive approach by operating a risk management process that covers the full cycle of identifying, assessing, prioritizing, and monitoring climate-related risks.

Within its integrated risk management system, HL Klemove treats climate-related risks as key management priorities. These risks are reviewed every year, and their management status is discussed through quarterly ESG Champion Meetings and monthly working-level meetings. Identified risks are assessed using criteria that reflect enterprise-wide risk considerations, including probability of occurrence, scale of impact, regulatory and market developments, and operational influence. The results are used to set management priorities, while major evaluation outcomes are reported to and approved by the CEO. They are subsequently reflected in the development of response strategies and improvement measures.

In addition, HL Klemove regularly tracks indicators such as GHG emissions and energy consumption to monitor its response to climate-related risks. By doing so, the company maintains a continuous view of its climate risk exposure and works to minimize potential impacts throughout its business operations.

Risk Management Process





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Metrics and Targets

GHG Emissions Calculation Methodology

HL Klemove applies the Operational Control Approach for consolidated emissions measurement. Our organizational boundaries include the headquarters and Pangyo office in Korea, along with five manufacturing plants in Korea, China, India, and Mexico, and we calculate consolidated direct and indirect GHG emissions generated during the automotive parts production process. We adopted the Operational Control Approach as we determined it appropriate to disclose measurements and changes in emissions that are directly controllable, and we identified and sub-categorized the most significant activities in terms of carbon emissions by reviewing each input variable and assumption. Relevant emission factors were calculated using publicly available data from recognized sources that are most widely used or deemed reasonable for each region, and the standards and guidelines for measurement are as follows.

Category	Standards and guidelines
Scope 1·2	• ISO 14064-1 (2018) • IPCC Guidelines for National Greenhouse Gas Inventories (2006) • Guidelines for Reporting and Verification of Emissions under the Emissions Trading Scheme
Scope 3	• ISO 14064-1 (2018) • Corporate Value Chain(Scope 3) Accounting and Reporting Standard

GHG Emissions Status

In 2025, HL Klemove's total GHG emissions amounted to 232,936 tCO₂eq, consisting of 2,837 tCO₂eq for Scope 1·2 1,692 tCO₂eq for Scope 2, and 208,407 tCO₂eq for Scope 3. Scope 1 emissions primarily occur from boiler combustion, vehicle operation, and refrigerant use. The GHG emissions intensity per unit of revenue is 0.155 tCO₂eq/KRW 100 million for Scope 1 and 1.189 tCO₂eq/KRW 100 million for Scope 2. For GHG emissions targets, please refer to Climate Action > Strategy > Carbon Neutrality Roadmap.

Scope 1·2 emissions¹⁾

Category		Unit	2023	2024	2025	2030 Target	2040 Target	2050 Target
Scope 1	Emissions	tCO ₂ eq	2,499	3,925	2,837	973	70	0
	Intensity	tCO ₂ eq/KRW 100 million	0.163	0.241	0.155	-	-	-
Scope 2	Emissions	tCO ₂ eq	20,691	20,736	21,692	12,001	3,414	0
	Intensity	tCO ₂ eq/KRW 100 million	1.346	1.272	1.189	-	-	-

1) Based on global operations

Scope 3 emissions¹⁾

Category	Unit	2023	2024	2025
Category 1. Purchased goods and services	tCO ₂ eq	185,742	145,703	94,625
Category 2. Capital goods	tCO ₂ eq	1,186	1,996	18,262
Category 3. Fuel and energy	tCO ₂ eq	8,526	8,924	6,036
Category 4. Upstream transportation and distribution	tCO ₂ eq	16,534	8,139	10,941
Category 5. Waste generated in operations	tCO ₂ eq	431	451	433
Category 6. Business travel	tCO ₂ eq	683	1,350	1,164
Category 7. Employee commuting	tCO ₂ eq	2,493	6,023	7,173
Category 8. Upstream leased assets	tCO ₂ eq	270	280	1,496
Category 9. Downstream transportation and distribution	tCO ₂ eq	6,082	8,947	6,711
Category 10. Processing of sold products ²⁾	tCO ₂ eq	2,002	2,032	585
Category 11. Use of sold products ²⁾	tCO ₂ eq	164,037	179,336	60,030
Category 12. End-of-life treatment of sold products ²⁾	tCO ₂ eq	875	1,087	776
Category 15. Investments	tCO ₂ eq	0.046	37.07	176
Total	tCO ₂ eq	388,860	364,304	208,407

1) Based on global operations

2) Decrease compared to the previous year due to the application of consolidated criteria following HL Mando's SBTi approval, which resulted in the exclusion of existing supplies to Mando (Categories 10–12) by classifying them as inter-company internal transactions.

Energy Consumption¹⁾

Category	Unit	2023	2024	2025	2030 Target
Total energy consumption	TJ	278.8	291.4	305.2	169.0
Renewable energy consumption	TJ	12.7	17.6	24.3	122.5
Percentage of renewable energy consumption	%	4.6	6.0	8.0	72.5

1) Based on global operations

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Governance

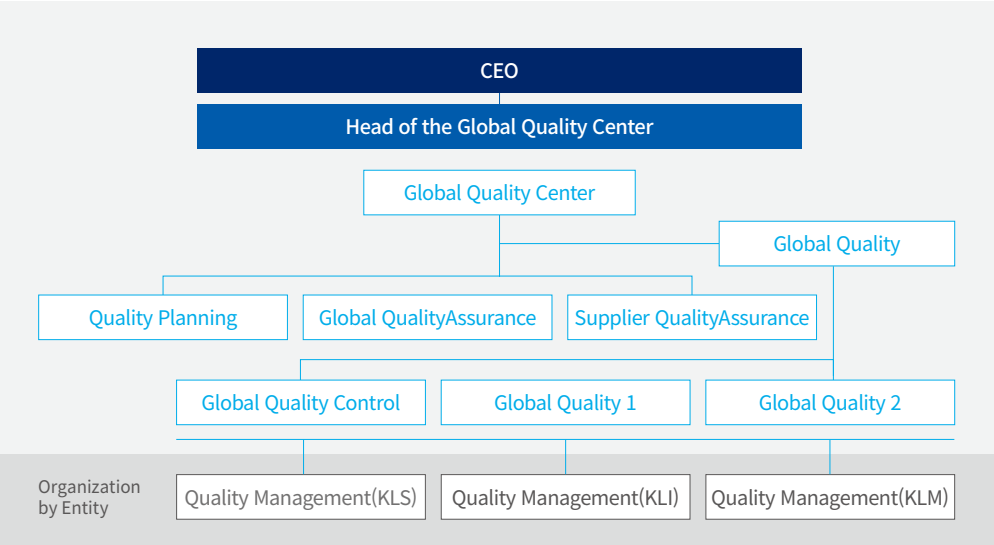
Quality Management Organizational System

HL Klemove operates the Global Quality Center as a dedicated organization to systematically drive quality management. The Chief Quality Officer (CQO) oversees final decision-making and external customer communications, while specialized functional teams under the Center share responsibility across the full range of quality activities.

Quality Planning establishes the foundation of quality management, covering quality strategies, KPIs, QMS operations, and customer audit responses. Global Quality Assurance and Supplier Quality Assurance are respectively responsible for addressing field quality issues and conducting defect analysis, and for ensuring the quality of supplier parts and strengthening supplier capabilities, thereby overseeing quality management across products and the entire supply chain. At manufacturing sites, Global Quality Control manages quality across incoming, in-process, and outgoing stages, and provides support to overseas plants (KLS, KLI, KLM). The Global Quality organization is responsible for the entire product lifecycle, from advance development quality management of AD and AE product groups to customer quality assurance. Through close coordination with the Quality Management teams of each subsidiary (KLS, KLI, and KLM), the Company has established a globally integrated quality governance system encompassing both headquarters and on-site operations.

Quality management performance is reported to management on a monthly basis through the Monthly Quality Review, and an immediate reporting system is activated in the event of critical issues such as recalls or large-scale claims. In addition, quality management matters are reported to the regular Board of Directors meeting on a quarterly basis, with management and supervision conducted at the board level.

Quality Management Organizational System



Quality Management Performance Management System

HL Klemove operates a system where top management directly reviews quality performance through the Monthly Quality Review (MQR). The MQR is held regularly once a month, attended by executives at the division head level or higher—including the CEO, CTO, CFO, COO, CMO, the Head of the Quality Center, and the Head of the Procurement Center—to discuss the status of KPIs and major issues across all domestic and overseas sites. In particular, when an issue arises, the relevant team leader additionally attends to report the status directly, ensuring substantive management involvement and rapid decision-making regarding quality risks.

To objectively measure and continuously improve quality management performance, the company operates KPIs as shown below and systematically monitors them according to the management cycle for each indicator.

Quality Management KPI

Category	Key Performance Indicators (KPI)	Management Cycle
Quality Risk	Major Disruption	Monthly
	S/W Defect Rate	Monthly
	Number of Safety Recalls	Monthly
Systems	Enhancement of Global Quality Management System	Monthly

Category	Key Performance Indicators (KPI)	Management Cycle
Quality Cost	F-Cost	Monthly
	Quality Cost Efficiency Management (Q-Cost)	Monthly
Process Quality	Global Process Quality Assurance	Monthly
Internal Controls	Internal Control over Financial Reporting	Semi-annually

Quality Management Policy

HL Klemove has established a quality management policy to ensure the highest standards across its products and services. The policy has been formally signed by the CEO and documented in the Quality Management Manual. With the goal of realizing Clever MOVE—providing customers with freedom of mobility—the company’s quality policy is embodied in four MOVE action principles that drive its Quality Mission, 'Higher Level Quality, with Klemove,' and Quality Vision, 'Keeping trust by Leading quality innovation Everyday.'

Grounded in the PDCA Cycle, HL Klemove carries out its work based on the principles of Monitoring, Organization, Validation, and Evolution, through which it systematically oversees and manages quality-related risks, including product safety management, compliance with customer and legal requirements, and quality control across the supply chain. Building on these policies and procedures, the Company continuously improves its Quality Management System and is advancing toward its ultimate destination of providing customers with freedom of mobility and safety.

Quality Management

Strategy

Customer and Consumer Safety Response Strategy

Customer and Consumer Safety Response Procedures

HL Klemove regards the health and safety of customers and consumers as its top priority value throughout the entire process of product design, manufacturing, and operation, and has established and implemented systematic policies and response procedures to realize this value. In the event of a product safety issue, the Company immediately reports it to management and forms a response team to analyze the causes and consequences in accordance with the documented Emergency Response Procedure for Serious Civil Accidents. The analysis results are submitted to the relevant authorities, and, following joint on-site investigations and appropriateness reviews, recurrence prevention measures are established. Their effectiveness is then verified, based on which a final decision is made on case closure. Through this response system, HL Klemove recorded no cases of serious civil accidents in 2025, and the Company plans to continuously inspect and enhance its emergency response system to protect customer safety as the top priority in any situation.

Collecting Customer and Consumer Safety Feedback

HL Klemove actively collects health- and safety-related feedback from external stakeholders through the HL Group Integrated Reporting Center. Customers may submit reports on quality and safety issues through this channel, and each case is managed by the Global Quality 1 Team or the Quality Planning Team depending on the type of issue. Safety-related reports are escalated to the CEO without delay and are categorized by importance into general improvement suggestions and significant improvement suggestions. Significant issues are reported directly to the CEO, while general suggestions are reported to the Head of the Global Quality Center. This structure supports fast and appropriate decision-making tailored to the level of importance. The company also ensures anonymity for whistleblowers throughout the entire process, allowing customers to raise concerns without hesitation. By doing so, HL Klemove identifies consumer safety risks early and actively incorporates customer feedback into product quality improvements.

Product and Service Information and Labeling

HL Klemove recognizes the provision of accurate and reliable product information as a core responsibility so that customers can use products with peace of mind. To this end, we issue labels for all products provided to customers to ensure traceability, and these labels include detailed information about the

products. The content of the labels is managed after obtaining customer approval to meet customer requirements. In the event of changes, in accordance with the 4M change management process (SB-CP-QM-010), internal and external changes are registered in the GQIS system, reported to the customer, and then delivered, thereby maintaining the accuracy and timeliness of product information.

Hazardous Substance Information Disclosure and Integrated Management

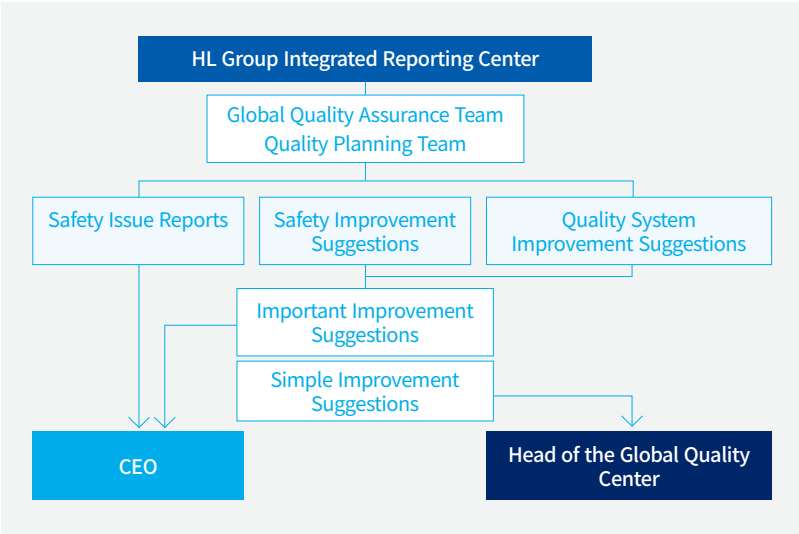
HL Klemove transparently discloses and actively shares information on hazardous substances with stakeholders for the safe use of products and environmental protection. We prepare and register MDS¹⁾ for all products and report them to customers. At the component level, we receive MDS for all products from suppliers without exception, consistently operating a hazardous substance reporting system throughout the supply chain. Related tasks are systematically managed under standardized procedures according to the MDS operation guidelines (WI-QM-051).

1) MDS: Material Data System

Consumer Safety through Static Electricity Management

HL Klemove strives to provide safe and reliable products to end consumers by continuously raising the level of static electricity management at manufacturing sites. While conducting regular annual training for personnel entering the ESD Protected Area (EPA), in 2025, the company enhanced manufacturing quality stability by promoting management of insulators and optimization of ionizer placement within the EPA, completing the improvement of 175 non-conformity cases related to insulators. Furthermore, the company is creating an environment where end consumers can use products more safely by switching the material of anti-static gloves from copper to carbon, which satisfies ESD compliance while strengthening product durability.

Operating System of the Customer and Consumer Reporting Center



Quality Management

Quality Management Strategy

Quality Management System Establishment and Operation

HL Klemove has divided the entire process from product design to production into 10 stages based on a strategic quality management system tailored to the characteristics of the business. Each stage is managed through a monitoring system, and the processes are designed to meet customer requirements while proactively preventing quality issues. In particular, the company is implementing optimized product design and quality management processes in compliance with ISO 26262, the international standard for automotive functional safety, thereby the safety and reliability of our products and continuously strengthening our competitiveness in the global market.

Standardization of Global Processes

HL Klemove is working to standardize global processes across its overseas subsidiaries in response to the growth trend, including global market expansion and acquisition of new customers. By closely analyzing the functions of each organization and differences in processes across entities, HL Klemove standardized a total of 382 Quality Management System documents. Under the oversight of headquarters, the Company verifies compliance with key standardized processes at overseas subsidiaries through internal audits and online meetings with overseas operations. Non-conformities identified during these checks have been corrected through follow-up actions, supporting stronger process integrity and compliance. In 2026, HL Klemove will further deepen its standardization efforts by conducting comprehensive process inspections and gray zone reviews at its newly established Mexico site.

Quality Management System Certification and Verification

HL Klemove has obtained and maintained quality management system certifications at major domestic and overseas sites to ensure stable product quality and provide consistent service to customers. A total of five business sites, including two domestic sites in Incheon and Songdo and three overseas sites in China, India, and Mexico, comply with the international automotive software standards A-SPICE and ISO 26262, while carrying out internal and certification audits based on IATF 16949. Furthermore, by proactively identifying and preventing product safety issues during the design and process phases through systematic

verification processes such as Failure Mode and Effects Analysis, the company is continuously strengthening its quality management system worthy of customer trust.

Quality Management System Certification

Category		Target Sites	Status of IATF 16949 Certification
Domesti	Songdo	Plant 1	○
		Plant 2	○
Oversea	China	KLS	○
	India	KLI	○
	Mexico	KLM	○

ADAS Verification System

HL Klemove operates a dual verification system that sequentially links simulation validation and real-vehicle verification to ensure the quality of its ADAS and autonomous driving products.

Simulation Validation: Utilizing the HILS System

HL Klemove utilizes the Hardware in the Loop Simulation (HILS) system to pre-validate the performance of vehicle software and electronic components in a virtual environment before actual vehicle testing. Through this approach, the Company has overcome the limitations of conventional methods that required costly equipment and large installation space, thereby reducing verification costs and time while enabling repeated testing under consistent conditions. We are continuously building verification equipment for all mass-produced ADAS products—starting from SPAS, the initial ADAS product, to FCM, FRM, ADCU, and others—and are consistently expanding the scope of HILS-based simulation in response to the growing global regulatory demands for virtual testing.

Real-Vehicle Verification: Specification Verification Based on Road Environments

After completing simulation validation, products undergo verification in real vehicle and road environments to assess issues from the perspective of actual drivers. HL Klemove verifies specifications according to vehicle type, function, and development stage to ensure alignment with customer requirements, while also testing system robustness under

functional and environmental limit conditions and failure scenarios. The company further reviews whether driver-related specifications function properly and whether sensors and systems deliver performance in various road and traffic environments. This enables HL Klemove to thoroughly respond to regional NCAP (New Car Assessment Programme) assessments in North America, South Korea, and China.

Quality Management Training for Employees

Electrostatic Discharge (ESD) Prevention Training

HL Klemove conducts systematic training for all personnel handling electrostatically sensitive components to prevent ESD (electrostatic discharge) phenomena that affect manufacturing quality. Only those who score at least 80 points on a post-training assessment can be assigned to relevant tasks, and if the standard is not met, understanding is reinforced through retraining. As thorough static control throughout the entire product production process is directly linked to securing product reliability as well as end-user safety, the company operates under strict standards.

Quality Awareness Raising Campaigns

To improve quality stability, HL Klemove is strengthening employee awareness through a variety of engagement initiatives. In 2024, so that employees could easily understand the importance of quality and practice it in their daily work, the company rolled out webtoon-style promotional materials at its overseas sites in China, India, and Mexico, sharing quality values with all global employees. In 2025, through quality campaign activities, the company disseminated video content related to on-site quality and safety issues to its sites in Korea and abroad, building a culture where all employees practice quality management together. In 2026, HL Klemove plans to continue and expand these activities, further reinforcing the integrity and compliance of its product quality.

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Quality Management

Risk Management

HL Klemove manages risks to quality and safety in a proactive and systematic way across the full process, from the stage of product development to the stage of operation after mass production. At the development stage, the company identifies and blocks potential risks early through the V-Cycle development process, which follows the international standard ISO 26262. This is supported by reviews of requirements and software design, as well as pre-validation using HILS. At the operation stage, issues concerning quality in the market are grouped into Grades A through E by significance through GQCS. Through a system for reporting and decision-making that considers the impact on consumer safety and the potential for quality issues to spread, the company has put in place a consistent system for managing quality, from analysis of the cause to corrective action.

Product and Service Risk Management Process

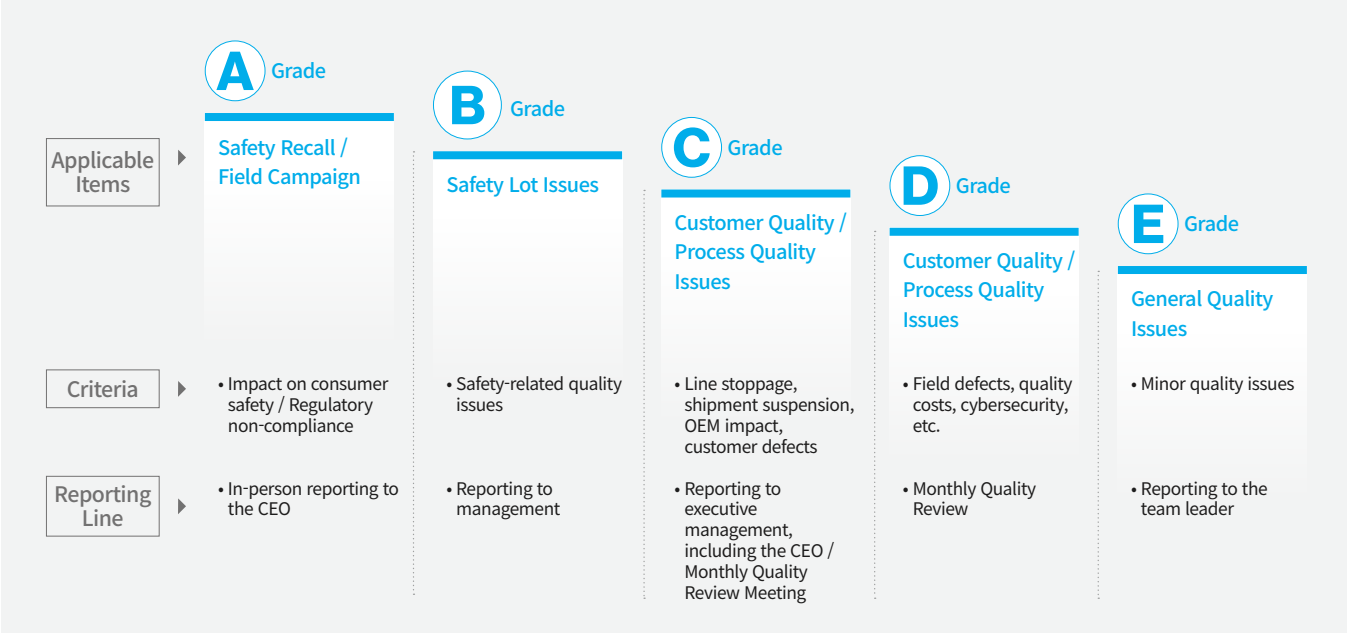
Product Development Stage

At the product development stage, HL Klemove works to prevent quality and safety risks in advance by using the V-cycle development lifecycle management system, which is aligned with ISO 26262. The company first identifies initial risk factors by analyzing customer usage conditions and international standard requirements. These risks are then incorporated from the early stages of requirements review and software design. Functional and performance verification is conducted progressively, starting with individual modules and components and then moving on to integrated verification between modules. Finally, in an actual vehicle environment, the company performs multiple layers of safety risk checks. This includes stage-by-stage specification verification, robustness assessments under functional and environmental limit conditions and failure conditions, as well as fail-safe verification that considers malicious scenarios. HL Klemove also uses HILS, or Hardware-in-the-Loop Simulation, to pre-validate the performance adequacy of software and electronic components in a virtual environment before conducting real-vehicle tests. By doing so, the company simultaneously achieves early risk identification in the development stage and cost/time efficiency.

Product Operation Stage

In the product operation stage, the company responds promptly to quality issues based on documented work procedures and a quality issue registration system. Quality issues are immediately shared with relevant departments and management, and response strategies are determined through a reporting and approval process involving management, including the CEO, depending on the severity of the issue. Severity is evaluated based on the GQCS (Global Quality Control System) grading system, which categorizes and manages customer and process quality issues into five levels from Grade A to E. Each grade is classified by comprehensively considering the impact on consumer safety, the potential for the quality problem to spread, and the level of impact on production and customers, with reporting lines, decision-making authority, and action levels applied differentially based on the grade. In particular, issues directly related to consumer safety, such as Safety Recalls and Field Campaigns, are classified as the highest grade (Grade A), and a report to the CEO and an immediate company-wide response are conducted. Among process quality issues, those with significant impacts such as line stops or escalation of customer complaints are managed as Grades B to C. Issues categorized as Grade C or higher are reflected in company-wide KPIs and presented as agendas for the Monthly Quality Review (MQR), where improvement measures are established through review by management, including the CEO. Furthermore, the company maintains clearly defined response levels for each grade—such as line stops, suspension of shipping/delivery, customer response, root cause analysis, and recurrence prevention measures—thereby systematically managing quality risks while strengthening a prevention-oriented quality management system

Quality risk management system



Quality Management

Metrics and Targets

Quality Management System

HL Klemove conducts systematic quality management by maintaining certification under IATF 16949, the global standard for automotive quality management systems. The company maintained certification for four designated operations in 2023 and 2024, and expanded the scope to five operations in 2025. With full implementation across all target sites, HL Klemove is establishing a company-wide quality management system.

Category		Unit	2023	2024	2025	2026 Target	2030 Target
Implementation of the IATF 16949 Quality Management System	Number of Target Operations ¹⁾	Sites	4	4	5	4	-
	Number of Implemented Operations ¹⁾	Sites	4	4	5	4	-
	Implementation Rate	%	100	100	100	100	100

*Based on global business sites
1) Data revised to reflect the correction of errors identified in 2024

Consumer safety

HL Klemove practices quality management that prioritizes consumer safety. In 2025, the company achieved zero violations of product safety regulations, and it aims to continuously ensure product safety by setting short-, mid-, and long-term targets to zero cases.

Category		Unit	2023	2024	2025	2026 Target	2030 Target
Product Safety Regulations, Number of Violations		Cases	1	0	0	0	0

* Based on global operations

Supply Chain Management

Governance

Dedicated Organization Structure

HL Klemove operates supply chain management governance centered on the SCM Team under the Procurement Center for responsible supply chain operations. In April 2025, a dedicated SCM organization was established, and under the general supervision of the Head of the Procurement Center, it performs integrated functions across the supply chain, including supplier management, supply chain/ESG risk management, subcontractor management, and response to FTA and rules of origin. The SCM Team regularly inspects and reports major supply chain risks and ensures continuous monitoring and response by sharing them on an ad-hoc basis through a monthly reporting system when major issues arise.

Supply Chain-related KPIs

HL Klemove operates supply chain management KPIs to enhance the effectiveness of supply chain management. We have established key KPIs for supplier evaluation and improvement initiatives, ESG supply chain management, and collaborative activities for shared growth, and manage them systematically. In addition, we comprehensively review supply chain management performance through activities such as responding to sustainability reporting requirements, carrying out supply chain monitoring and improvement initiatives, responding to regular ESG reporting and meetings, and addressing requests from customers and rating agencies.

Supply Chain Sustainability Management Policy

HL Klemove runs a sustainable procurement system based on its Supplier Code of Conduct and internal policies for managing the supply chain, to promote suppliers' fulfillment of social and environmental responsibilities. Through our Conflict Minerals Policy, we set clear standards for the responsible use of minerals and for the requirements expected of suppliers. We also consider ESG factors when evaluating and selecting suppliers, and we maintain consistency in supply chain management by managing suppliers by grade according to the evaluation results.

Supplier Code of Conduct

HL Klemove put its Supplier Code of Conduct in place in 2023 as part of its efforts to build a sustainable supply chain and has been operating the revised code since 2024. The code was developed based on Drive Sustainability's Global Automotive Sustainability Practical Guidance and outlines the standards suppliers must comply with in all areas, including ethics, the environment, human rights, safety, supply chains, and technology. In 2024, HL Klemove revised the code to include provisions on protecting the human rights of local communities, safeguarding biodiversity and animal welfare, and managing information security and intellectual property. The company monitors compliance with the code and continuously enhances suppliers' sustainability levels by providing improvement recommendations and support for deficiencies.

Main Provisions of the Code of Conduct for Suppliers

Working Conditions and Human Rights	Ethics	Environment	Supply Chain	Management System
• Humane treatment • Non-discrimination • Prohibition of bullying • Prohibition of forced labor and human trafficking • Prohibition of child labor • Fair wage and benefits • Fair working hours • Freedom of association • Occupational health and safety • Political neutrality • Protection of the rights of local residents • Protection of human rights related to security	• Fair competition and anti-cartel practices • Prohibition on the use of counterfeits • Prohibition of corruption, extortion and bribery • Compliance with export sanctions • Financial responsibility and anti-money laundering • Documentation and records • Disclosure • Anonymity and nonretaliation • Privacy protection • Information security and protection of intellectual property	• Development and dissemination of ecofriendly technology • Energy consumption and GHG emissions • Conservation of resources and waste management • Management of hazardous chemicals • Management of water resources • Atmospheric emissions • Biodiversity • Carbon neutrality	• Supplier management • Responsible sourcing of raw materials	• Commitment • Training • Risk assessment and management • Animal welfare

Conflict Minerals Management Policy

HL Klemove manages responsible mineral sourcing based on international guidelines such as the OECD Due Diligence Guidance. Considering that minerals from conflict areas can lead to environmental destruction and human rights violations, we conduct CMRT¹⁾/CRT²⁾-based surveys and monitoring targeting suppliers to identify and manage related risks in advance. Furthermore, to enhance the systematic structure and verification capability of conflict minerals management, we are reviewing the introduction of an IMDS-based online management system in 2026, and we plan to continuously strengthen response capabilities by advancing the data submission, recording, and reporting systems.

1) CMRT: Conflict Minerals Reporting Template
2) CRT: Cobalt Reporting Template

Supply Chain Management

Strategy

Supply Chain Screening and Monitoring

HL Klemove embeds international standard certification requirements into its supplier selection and management processes to systematically secure and strengthen quality and environmental management capabilities across supplier transactions and project activities. ISO 9001 certification is established as a mandatory requirement for supplier selection, and contracts are prepared based on the Korea Fair Trade Commission's standard contract in order to promote fair and transparent business relationships with suppliers. The company conducts regular development and quality training to minimize training gaps, covering new suppliers as well as cases involving new project launches or personnel changes. To improve environmental management among suppliers, HL Klemove also monitors ISO 14001 certification status on an ongoing basis. The company confirms compliance with ethics, environmental, and safety standards by obtaining signed consent to the Supplier Code of Conduct from supplier representatives and managing consent records. Based on these measures, HL Klemove maintains a supplier management system designed to support safe and healthy workplaces for supplier employees.

Supply Chain Safety Capability Assessment

To strengthen safety capabilities of suppliers throughout the supply chain, HL Klemove includes and operates safety and health assessment items within its supplier ESG assessment. Through this, the company comprehensively verifies whether suppliers have established safety management systems and their level of on-site operation. Safety capability assessments are conducted through a review of the occupational safety and health risk factors and impacts associated with suppliers' business activities, as well as verification of the completion of safety and health related training. Key safety management elements, such as the possession of occupational health and safety certifications, risk management processes, and internal standards and operational status for accident prevention, are reflected in the assessment items. Furthermore, the company collects and manages supporting materials from suppliers regarding related activities, such as safety and health impacts, organizational structure, and training history, to ensure objectivity and verifiability of the assessment. HL Klemove plans to strengthen safety management awareness and capabilities in stages through collaboration with suppliers.

Supply Chain Environmental Management Improvement Support Program

HL Klemove carries out environmental management support activities for suppliers, centered on ESG on-site and face-to-face evaluations. These activities are designed to assess suppliers' environmental management maturity and encourage practical improvements. During ESG evaluations, the company reviews the status of suppliers' environmental management systems and examines how they manage key environmental issues, helping to identify and address environmental risks across the supply chain. Through ESG on-site inspections, HL Klemove verifies suppliers' environmental management systems and operational status, and provides recommendations for environmental improvement based on the evaluation results. The company also inspects the improvement implementation process in stages, including current-state assessments, improvement planning, and verification of completed improvements. For some suppliers, HL Klemove specifies improvement items and manages progress against implementation deadlines. For GHG emissions management, the company provides suppliers with emissions management templates, management methods, and training to support the voluntary management of environmental data. These efforts are intended to improve suppliers' environmental information management capabilities and strengthen their overall awareness of environmental management. HL Klemove plans to provide direct support programs in stages to help suppliers build stronger environmental management capabilities and continuously strengthen the level of environmental management across the entire supply chain.

Supply Chain Safety and Health Program

HL Klemove carries out safety and health management activities, such as regular inspections and council operations targeting suppliers, to raise safety and health standards across its supply chain. We conduct quarterly joint inspections with contractors and hold monthly contractor consultative meetings to share and manage on-site issues and improvement tasks. Supplier business sites are also included in daily safety patrols, enabling continuous on-site monitoring. Risk factors are also inspected during work environment monitoring, including those at supplier worksites. In parallel, HL Klemove distributes safety-related education materials simultaneously to suppliers and shares its 2024 safety and health performance and 2025 annual safety and health plan, working with its partners to foster a safer working environment.

Mutual Growth Support Program

HL Klemove operates various support programs to strengthen the ESG management of its suppliers. We conduct capacity-building programs more than four times a year for major and newly onboarded suppliers and perform regular supplier ESG evaluations. Furthermore, based on the evaluation results, we support the practice of ESG management by identifying high-risk suppliers and providing them with sustainability management consulting. In the consulting process, we aim to drive mutual growth and higher evaluation ratings by inspecting ESG compliance status by level and encouraging the implementation of derived improvement tasks.

	Purchase Policy Briefing	Partner's Day	PPAP Training	FTA Training	Conflict Minerals Training
Candidates	31 suppliers (equipment vendors)	6 Key Suppliers	9 suppliers	44 suppliers	44 suppliers
Main Contents	- HL Klemove Roadmap 2025 Capital Investment Plan - Regular Supplier Evaluation Plan	- HL Klemove's departmental policies - Sharing and exchanging information on ESG trends	- Development quality training - Support for improving the quality and work efficiency of suppliers	Basic concepts and importance of FTA	- Definitions and issues of conflict minerals and responsible minerals - Conflict mineral risk management and response measures

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Supply Chain Human Rights Impact Assessment

HL Klemove conducts a human rights impact assessment once a year, not only for internal employees but also for suppliers within the supply chain. Currently, the supplier human rights impact assessment is operated for domestic operations, and the human rights risks of suppliers are regularly inspected. To encourage suppliers to practice human rights management, the company has established the Supplier Code of Conduct and verifies compliance status and activities in writing. In particular, for suppliers and worksites with a high possibility of child labor or forced labor, compliance with the Code of Conduct is verified through on-site inspections. If human rights violations are identified, immediate correction is required, and if corrections are not made, follow-up measures such as the suspension of transactions are reviewed.

Operation of the Supply Chain Reporting and Grievance Process

Supplier Communication Channels

HL Klemove operates both online and offline channels for efficient communication with its suppliers. We collect real-time feedback from suppliers through constant communication channels such as email and respond promptly. Meanwhile, we share strategic goals and major business plans with core suppliers and exchange mutual feedback through Partner's Day and regular (monthly and quarterly) meetings. At the Partner's Day held in April 2025, six core suppliers participated to share major information such as business plans, goals, and mid- to long-term roadmaps, strengthening the foundation for cooperation.

Supplier Grievance Channels

HL Klemove is enhancing regular communication channels with suppliers to jointly address challenges and promote continuous improvement. The company works continuously to identify supplier grievances and resolve them in collaboration with its partners. In particular, for sensitive topics such as conflict minerals, HL Klemove ensures that suppliers have a clear channel to share their opinions and concerns quickly. A dedicated email address, withhlklemove@hlcompany.com, is posted on the company website, continuously receiving feedback regardless of time and location. In addition, HL Klemove operates a grievance mechanism for conflict minerals so that stakeholders throughout the supply chain can report concerns freely. Suppliers, employees, and other stakeholders may anonymously report conflict minerals-related issues. Reported issues are recorded and tracked in the conflict minerals management system database. After review by the relevant department, appropriate action is taken, and risk mitigation measures are carried out in consultation with the supplier when necessary.



2025 HL Klemove Partner's Day



Supply Chain Management Training

Capacity Building Training for the Procurement Team

HL Klemove systematically delivers ESG training programs to effectively integrate environmental and social considerations into supply chain management. In particular, all personnel at the domestic procurement center are required to complete ESG training to strengthen their sustainable supply chain management capabilities. The training course aims to enhance the ability to identify and respond to environmental and social risks within the supply chain and includes core topics such as responsible sourcing, human rights protection, and minimizing environmental impact. Furthermore, based on the training results, the company supports the sustainability-related decision-making of procurement personnel and seeks to expand social and environmental responsibility not only to suppliers but also across the entire value chain and key stakeholders. The company aims to provide practical guidance for fostering sustainable relationships with suppliers and contribute to improving company-wide ESG performance.

Fair Trade Training for Employees

To promote sustainable mutual growth built on trust with suppliers, HL Klemove systematically delivers training on ethics and fair trade. These programs aim to establish more horizontal relationships with suppliers and focus on creating a transparent and fair business environment. Training for supplier employees includes business etiquette topics such as basic concepts and principles of negotiation, stakeholder analysis, identifying behavior types of negotiation counterparts, and effective communication strategies. The company also provides regular training on the Subcontracting Act and relevant fair trade laws. Through training, the company seeks to prevent legal risks in supplier transactions and strengthen an ethical corporate culture.

Sustainable Procurement Training

*Based on domestic operations

Year	Unit	2023	2024	2025
Number of trained procurement employees	Persons	-	30	34
Percentage of trained employees out of total procurement personnel	%	-	100	100

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Sustainable Procurement Management

Complying with Payment Conditions

HL Klemove adheres to payment terms for transparent management. For small and medium enterprises (SMEs), the company follows the principle of paying amounts of KRW 13.2 million or less (including VAT) within 3 days from the payment date, and for amounts exceeding this, payment is made within 50 days from the date of issuing the tax invoice for both subcontract and consignment transactions. These efforts to comply with payment conditions aim to strengthen trust with suppliers, ensure smooth cash flow, and enhance transparency and efficiency in payments.

Conflict Minerals Management

To systematically manage conflict mineral risks, HL Klemove provides relevant norms and management guidelines to its suppliers and continuously raises awareness through regular briefings and training. Additionally, the company is strengthening social risk management activities within the supply chain by sharing the conflict mineral response policies and best practices of major global automakers and conducting responsible mineral training. Conflict mineral risk identification is carried out jointly by the company and its suppliers, and a system is in place to monitor whether smelters are located in high-risk areas based on CMRT and EMRT¹⁾ investigations.

Furthermore, to respond more promptly and accurately to the demands of OEMs and primary suppliers, the company established a conflict minerals management computer system optimized for its operations in 2023, laying the foundation for systematic data management. HL Klemove provided suppliers with system utilization briefings and operational training in 2024. Beginning in 2025, the company fully operates the system to evaluate conflict minerals use within the supply chain. The company also pursues effective management activities, such as recommending corrective actions for suppliers with identified risks. In the same year, HL Klemove expanded its management scope from conflict minerals to responsible minerals in response to automakers' demands, while further strengthening the collaboration framework with suppliers and continuously advancing its responsible minerals management system.

1) EMRT: Extended Minerals Report Template

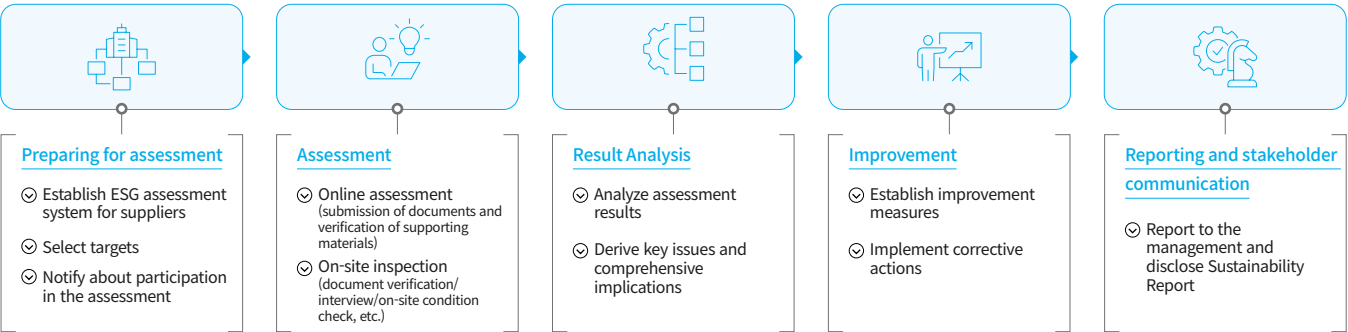
Risk Management

Supply Chain Sustainability Risk Assessment

HL Klemove conducts annual supplier ESG assessments for systematic supply chain management. The supplier ESG assessment is operated as a risk assessment process to identify and evaluate actual and potential negative sustainability impacts within the supply chain and at suppliers, and to prioritize them based on their severity and likelihood of occurrence. The scope of the evaluation includes impacts on individuals, workers, local communities, and the environment related to disclosure (transparency), human rights, employment (labor), bribery and corruption, and consumer interests, comprehensively reflecting information from stakeholders and rights-holders, such as supplier-submitted materials, external data, grievances, reports, and on-site opinions. In 2022, the company established an assessment system and conducted evaluations, including online assessments and on-site inspections, for major suppliers (with purchase amounts of KRW 1 billion or more), subsequently preparing and delivering reports to the suppliers. The evaluation targets have been continuously expanded since then, with 15 companies in 2023, 20 companies in 2024, and, in 2025, assessments were conducted on 40 strategic key suppliers, and key risks and priority improvement areas were identified for each supplier.

As part of the assessment process, HL Klemove identifies risks across all environmental, social, and governance areas, while conducting a more detailed analysis of key environmental and social risk factors. Evaluation items are scored and graded by taking into account both the severity and likelihood of potential impacts. Based on these results, HL Klemove identifies high-risk suppliers and purchasing categories and determines the need for additional measures, including in-depth assessments, site inspections, and audits. When suppliers are found to need improvement, HL Klemove provides customized consulting and improvement recommendations, inducing continuous improvement through implementation status inspection. The company is also working to internalize supplier ESG risk management by advancing its own assessment system. In 2025, we developed internal assessors through joint assessments observed by external institutions and advanced the development of proprietary assessment indicators based on the procurement council of the three HL companies: HL Mando, HL Klemove, and Mando Brose.

Supplier Assessment Process



Supplier Assessment Items



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Conflict Minerals Risk Assessment

To promote responsible mineral sourcing, HL Klemove has established and operates a conflict minerals management policy. By including conflict minerals management items in supplier ESG assessments, HL Klemove inspects ethical sourcing status and related risks. The company verifies and monitors conflict minerals use through CMRT- and EMRT-based investigations. Based on the survey results, HL Klemove identifies potential risks within the supply chain in advance and continues management activities to minimize negative impacts.

Risk Assessment for Unfair Trade or Unfair Competition

HL Klemove actively adopts and operates the four key fair trade practices established by the Korea Fair Trade Commission, while also striving to establish a fair subcontracting transaction order by signing fair trade agreements with its suppliers.

Four Subcontracting Practices

01

Sign desirable contracts

Describe unit price adjustments based on fluctuations in raw material prices and ensure compliance with the payment terms

02

Fair Selection and Management of Suppliers

Establish and publicly disclose policies regarding fairness in the selection process

03

Establishment and Operation of the Internal Review Committee

Disclose the operation of the internal review committee for subcontracting transactions, along with related internal policies and procedures

04

Issuance and Retention of Appropriate Written Documents

Introduce and apply standard subcontracting agreements and develop plans to operate a contract

Metrics and Targets

Conflict Minerals Management¹⁾

Category	Unit	2023	2024	2025	2026 Target	2030 Target
Number of suppliers subject to assessment ¹⁾	Suppliers	148	139	159	~ ²⁾	~ ²⁾
Number of Suppliers with Verified Conflict Minerals Management Information	Suppliers	148	139	159	~ ²⁾	~ ²⁾
Percentage of suppliers with verifiable Information	%	100	100	100	100	100

1) Refers to major domestic suppliers subject to assessment (suppliers with purchase amounts of KRW 10 million or more)

2) The number of suppliers subject to assessment in each target year may change depending on the scale of the supply chain for that year, while maintaining a 100% achievement rate is used as a key management indicator.

Supplier Quality Certification

Category	Unit	2023	2024	2025	2026 Target	2030 Target
Number of Suppliers Certified for a Quality Management System ¹⁾	Suppliers	148	139	159	~ ²⁾	~ ²⁾
Percentage of eligible suppliers with quality management system certification	%	100	100	100	100	100

1) Based on the acquisition of IATF 16949 or ISO 9001 certification

2) The number of companies obtaining certification in the target year may vary depending on the size of the supply chain in the reporting year, and maintaining a 100% achievement rate is used as the key management indicator.

Supply Chain Risk Management

Category	Unit	2023	2024	2025	2026 Target	2030 Target
Percentage of suppliers that have signed the Supplier Code of Conduct	%	18	20	18	22	37
Percentage of suppliers evaluated for Sustainability Management (ESG)	%	9	12	22	24	51

Percentage of suppliers participating in ESG capability enhancement programs

Category	Unit	2023	2024	2025	2026 Target	2030 Target
Percentage of suppliers participating	%	42	63	63	65	86



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Environmental Management Governance

Environmental Management System

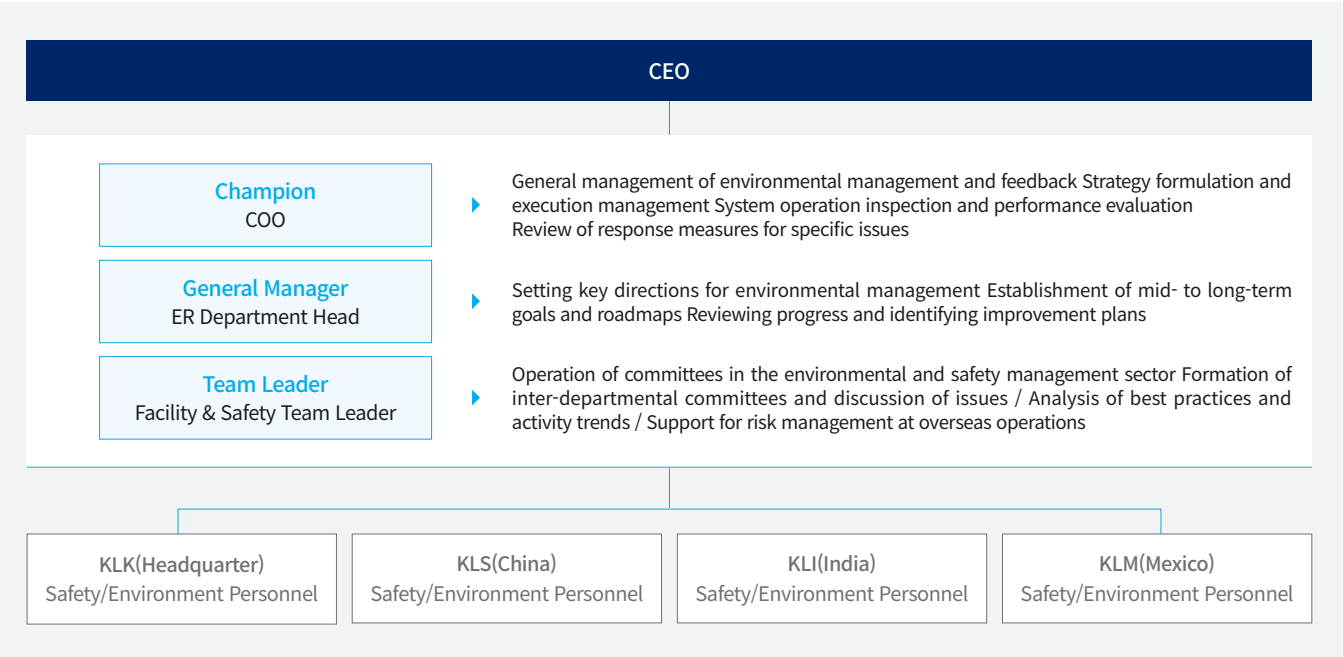
HL Klemove prioritizes environmental considerations in technology development and business initiatives, and reviews environmental risks and opportunities in a structured manner through the Board of Directors and major decision-making bodies. The Board reflects environmental perspectives when establishing mid- to long-term strategies and business plans, making capital allocation decisions such as major investments, acquisitions, and divestitures, approving budgets, and setting risk management policies.

The company runs quarterly ESG Champion Meetings led by the CEO and monthly ESG working-level consultation meetings. For environmental issues specifically, HL Klemove holds a separate quarterly Environmental Council under the COO's supervision to monitor key performance and major environment- and energy-related matters. In addition, an environmental working-level committee is held during the fourth week of every month under the relevant team leader to verify compliance with environmental and safety regulations and define practical improvement tasks.

Environmental Management Organization

HL Klemove promotes environmental management centered on the ESG Office led by the CEO and the environmental safety organization (Facility & Safety Team). Executive management reports to the Board of Directors twice a year on the implementation of environmental management, thereby supporting the Board's oversight function, and works with the parent company, HL Mando, through monthly group meetings to further advance ESG management.

Environmental Safety and Climate Action Organization



Operation of environmental committees

Committee	Reporting Officer	Meeting frequency	Key Functions
Board of Directors	CEO	Semi-annually	ESG and environmental strategy reporting and approval
ESG Champion Meeting	CEO	Quarterly	Monitoring ESG performance across the six focus areas
Environmental Council	COO	Quarterly	Review of environmental and energy performance and key issues
Environmental Practical Staff Committee	Team leaders	Monthly (4th week)	Ensuring environmental safety compliance and identifying improvement tasks
Auto Sector Council	Personnel in charge at HL Mando, Mando Brose, and HL Klemove	Quarterly ('25.2~)	Agenda-specific information sharing

Environmental Management Performance Management

HL Klemove establishes environmental KPIs by department and uses a data-driven management system to manage environmental performance systematically. Major indicators include electricity consumption reduction, maintenance of Environmental, Health and Safety management system certifications, We establish clear measurement standards and calculation formulas for each KPI, enabling quantitative tracking of progress toward targets.

Relevant departments compile and analyze data from sources such as electricity consumption records, sales data, certification documents, and ESG evaluation platforms. Performance is then assessed based on the level of achievement against the plan. For electricity reduction, HL Klemove sets targets by comparing electricity consumption relative to revenue with the previous year's performance. The Environmental, Health and Safety management system is managed mainly through the maintenance and renewal of ISO certifications. These results are reviewed monthly and quarterly, shared with executive management through regular reporting, and used to drive improvement actions.

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Environmental Management

Environmental Management Policy

HL Klemove recognizes environmentally friendly management as a core element of sustainable growth and clearly defines the organization and implementation systems for promoting company-wide environmental management within its environmental policy. The environmental policy encompasses overall major environmental issues, such as compliance with environmental laws, operation of environmental management systems, and management of hazardous chemicals, waste, air emissions, energy, greenhouse gases, water, and biodiversity. The scope of application extends to the headquarters, all domestic and overseas business sites, and stakeholders including suppliers. Furthermore, the policy stipulates that stricter standards must be followed in the event of a conflict with local laws and regulations. The environmental policy is updated annually on a regular basis. As of the publication date of this report, it was further advanced through the second revision on January 1, 2026, by supplementing the organizational and implementation frameworks to strengthen company-wide environmental management.

[Environmental Policy Link](#)

Environmental Management Strategy and Risk Management

Environmental Education

HL Klemove assigns key personnel within each department to lead ESH risk-related training, covering environmental management systems, environmental impact assessments, and energy-saving activities. In 2025, 72 employees participated in and completed environment-related training. The curriculum addressed energy conservation and climate response, the proper handling and management of hazardous substances, and awareness raising for waste reduction and sorting.

Category	Unit	2023	2024	2025
Training on energy conservation and climate action	No. of employees	61	63	72
Training on hazardous substance handling and management	No. of employees	61	63	72
Awareness training on waste reduction and waste segregation	No. of employees	61	63	72

Environmental Risk Assessment

HL Klemove conducts annual environmental risk assessments for both domestic and overseas operations, identifying environmental risks such as waste generation, greenhouse gas emissions, and energy consumption. Risks are prioritized based on legal compliance requirements and their potential environmental impact, and the company implements preventive actions to minimize environmental impact. Furthermore, HL Klemove is advancing sustainable management through the operation of an environmental management system in compliance with the ISO 14001 standard.

Category	2023	2024	2025
Number of sites that received environmental risk assessment	4	4	4
Percentage relative to total operational sites	100	80 ¹⁾	80

1) Decrease in the proportion due to an increase in the total number of sites following the addition of a new site in Mexico in 2024.

Compliance with Environmental Regulations

HL Klemove places strong emphasis on complying with environmental regulations throughout the full product lifecycle, from design to disposal, and maintains a compliance management system to reduce environmental impact. The company regularly tracks laws and regulations issued by government agencies and relevant authorities, and quickly incorporates improvements identified through compliance reviews. In addition, HL Klemove uses unannounced inspections to check whether corrective actions are being properly implemented and managed.

As of 2025, there have been no environmental regulatory violations, and emissions of air and water pollutants remain within legal limits. In the event of a violation or exceedance of established standards, we follow internal procedures by taking corrective action, conducting root cause analysis, and developing and implementing measures to prevent recurrence.

ISO 14001 Environmental Management Certification

To enhance the reliability of its environmental management performance and operational systems, HL Klemove obtains and maintains ISO 14001 (Environmental Management System) certification through audits conducted by independent external certification bodies. This process allows the company's environmental management standards at major sites to be objectively verified. HL Klemove operates its environmental management system based on ISO 14001 certification at key domestic locations, including Songdo Plant 1, Songdo Plant 2, and the Pangyo Global R&D Center, as well as overseas operations such as China, India, and Mexico subsidiaries. Furthermore, the company continuously monitors compliance with certification requirements through regular audits and surveillance procedures and implements necessary improvements.

Sites	Category	ISO 14001 Certification
Songdo Plant 1 & 2	Domestic	Certified
Pangyo R&D Center	Domestic	Certified
China KLS / India KLI/ Mexico KLM	Overseas	Certified

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Environmental Impact Management

Water Management

Wastewater Management and Water Quality Monitoring

Due to the nature of the electronic component manufacturing process, HL Klemove does not generate industrial wastewater. The water used at our business sites is primarily focused on domestic use for living facilities such as cafeterias, dormitories, and office buildings. Accordingly, we do not operate separate wastewater treatment facilities, and all generated domestic wastewater is discharged through the public sewerage system to municipal treatment plants for processing. As we do not discharge water pollutants as defined by the Water Environment Conservation Act, our facilities are not subject to management as discharge facilities under the same act. Nevertheless, HL Klemove conducts systematic management and monitoring activities to ensure the hygiene and safety of water within our operations, exceeding legal requirements. In accordance with Article 22 of the Enforcement Rule of the Water Supply Act, we regularly clean water storage tanks semi-annually and perform annual water quality tests through certified drinking water inspection agencies. The water quality test covers a total of six items: general bacteria, total coliforms, fecal coliforms, hydrogen ion concentration (pH), free residual chlorine, and turbidity. In the 2025 water quality test, all items met the standards under the Water Supply Act, resulting in a 'fit' rating. These test results are systematically archived and managed as reports. We also maintain an internal response system to ensure prompt root cause analysis and corrective actions if any non-conformities are identified in the future.

Water Consumption Reduction and Efficiency Activities

HL Klemove's water use is mainly limited to domestic water and does not include large volumes of cooling or cleaning water in its production processes. As a result, the company is not a direct target for industrial water reuse systems. However, HL Klemove continues to seek ways to reduce domestic water consumption and improve water efficiency across its operations.

We encourage employees to conserve water by placing water-saving reminders in office restrooms and adjusting water pressure to appropriate levels to reduce water consumption per use. In addition, HL Klemove conducts ongoing water conservation campaigns to raise employee awareness and promote voluntary participation in everyday reduction efforts. These initiatives help deliver near-term cost savings while also fostering a culture of resource conservation across the organization. Looking ahead, the company plans to consider further investments, including replacing existing fixtures with water-saving sanitary equipment, to expand its water reduction efforts.

Water Risk Management

HL Klemove tracks and manages water usage at each business site on a monthly basis, while continuously monitoring consumption trends. This management system enables the early detection of unusual usage patterns and the timely implementation of necessary actions. The Company also analyzes water consumption by major usage area, including cafeterias, dormitories, and office buildings, in order to identify opportunities for reduction and incorporate them into water-saving facility investments and operational improvement efforts. Because HL Klemove's sites are supplied by public water systems, the company's direct exposure to water stress, including resource depletion or intake restrictions, is currently low. However, recognizing that climate change may affect future water availability, HL Klemove is reviewing mid- to long-term efficiency targets and working to advance its intensity-based management approach. Building on its water management system that uses public infrastructure, the company will continue to strengthen its own monitoring and reduction efforts to proactively manage water-related risks.

Pollutant Management

Air Pollution Management

HL Klemove's air pollutant emissions are extremely limited due to the nature of its processes, and it is a workplace that is not subject to mandatory installation requirements for air pollutant emission control facilities under the Clean Air Conservation Act. Nevertheless, to preemptively block the potential generation of air pollutants, the company has proactively installed and operates a total of five dust collectors. We maintain collection efficiency by regularly replacing activated carbon every year and performing quarterly internal cleaning, thereby managing emissions below legal standards and preventing the possibility of abnormal discharge in advance.

Noise Management

To minimize the noise impact on the surrounding community, HL Klemove installed turbo silencers on its dust collection ducts, achieving a 10 dB reduction compared to previous levels. Furthermore, we conduct noise measurements semi-annually and monitor levels continuously by creating noise maps through annual process-wide measurements performed by specialized institutions. By establishing and implementing replacement plans for noise-prone equipment components and conducting regular inspections and maintenance, we are continuously improving our noise management system.

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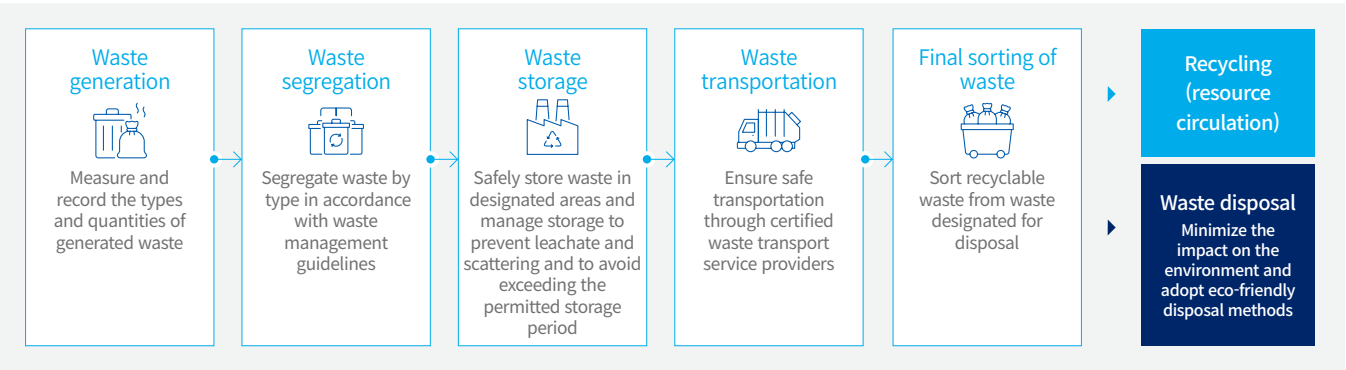
Environmental Impact Management

Waste Management

Waste Separation and Management System

HL Klemove categorizes waste generated from business activities into general waste, industrial waste, and designated waste in accordance with its Waste Management Guidelines (ESH-001-07), and systematically manages the entire process from generation to final disposal. Waste collection and transportation are conducted at least once daily. A permanent waste collection team in the waste storage area collects and sorts waste by type and property from each generation site. During storage, the company strictly applies environmental storage standards, such as preventing leachate and scattering and complying with storage periods. The Facility & Safety Team leader regularly inspects the storage and management status and takes immediate corrective action if any non-conformities are identified. In the disposal stage, a treatment plan is established according to the Waste Management Act, and the legality and suitability of entrusted disposal companies are verified in advance. We conduct suitability evaluations on contractors at least once a year and ensure legal disposal by signing contracts only with companies that score 85 or higher. The history of all waste generation and disposal is recorded and managed in real time through the Ministry of Environment's 'Olbaro System,' and waste management ledgers are preserved for three years to enable history tracking. Waste generation and disposal performance are reported annually to the relevant authorities, and we maintain a reporting and approval system where the selection and contracting of disposal companies are conducted under the approval of the Management Representative.

Waste Management Process



Waste Reduction and Increased Recycling

HL Klemove has made waste reduction and recycling improvement central to its environmental management efforts. The company is advancing resource circulation activities through the reuse, recovery, and repurposing of materials. As of 2025, the total amount of waste generated was approximately 1,127 tons, of which approximately 1,357 tons were recycled, achieving a recycling rate of approximately 83.1%. Major recycled items include waste synthetic resins, waste electrical and electronic equipment such as copper, waste paper, non-ferrous metals, scrap metal, and waste lead. These materials are handled by specialized recycling companies according to material type. In particular, HL Klemove reduced the need to generate new waste in 2025 by reusing equipment from overseas subsidiaries. For waste lead, the company separates materials into lead-free and leaded grades for sale and recycling, supporting valuable metal recovery while reducing waste. It is also improving the way it manages incinerated waste synthetic resins by increasing their conversion into intermediate processed waste (e.g., RDF) helping lower the proportion of incineration and expand recycling.

Waste Sorting and Resource-Saving Practices

HL Klemove has made waste separation a daily team-level practice across all operations. Each team is provided with designated recycling bins for paper, plastics, and general waste, while recyclable waste and Metals (e.g., scrap metal) are properly handled by specialized recycling companies. For office supplies, the company follows a toner and ink cartridge recycling principle, purchasing and managing these items through suppliers that collect empty containers to reduce waste generation at the source. In addition, HL Klemove sets office supply reduction targets for each team and continuously monitors progress, helping foster a workplace culture of resource conservation.

Waste Management Training

HL Klemove designates one ESH (Environment, Safety, Health) key personnel in every department and conducts two-day in-person group training sessions on the ESH management system. The curriculum includes the entirety of waste management, such as waste classification standards, separation methods, storage and disposal procedures, and legal compliance requirements. The key-man who complete the training lead the practical waste management within their departments and fulfill the role of disseminating relevant content to their members. Through these efforts, we are raising employee awareness regarding waste management and supporting the practical implementation of waste separation and resource circulation activities on-site

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Environmental Impact Management

Hazardous Chemicals Management

Preemptive Blocking and Substitution of Hazardous Substances

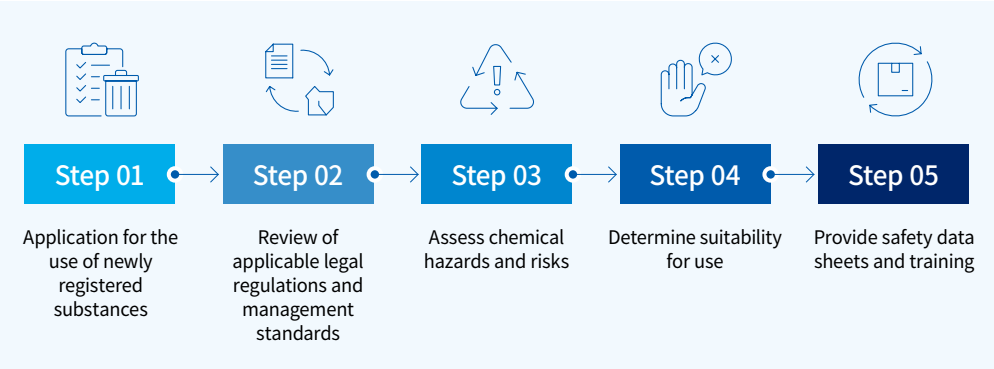
In accordance with its Hazardous Chemicals Management Guidelines, HL Klemove requires mandatory legality and feasibility reviews and approvals from the ESH management team when introducing new chemicals. For substances identified as hazardous, the company immediately initiates a selection process for alternative chemicals. If even the alternative substances fail to meet approval criteria, they are ultimately deemed unusable within the company, blocking their entry into the manufacturing process at the source. We also operate a dual control system at the procurement stage, approving purchases only for MSDS registered substances. Furthermore, we pre-verify components by mandating that suppliers submit IMDS¹⁾ (International Material Data System) and ICP²⁾ analysis data when purchasing raw materials.

1) IMDS: International Material Data System
2) ICP: Inductively Coupled Plasma

Reduction of Hazardous Chemical Use through Process Improvement

HL Klemove is significantly reducing hazardous substance use through innovations in its manufacturing processes. One key example is our reduction of lead usage by replacing conventional soldering with the Press-Fit method. We are also continuing to adopt eco-friendly technologies that eliminate the need for lead-based solder. For on-site management, we keep usage under close control by setting maximum storage limits for each handling area, assigning both primary and backup managers for storage facilities, and appointing a chemical manager for each team. In addition to daily patrols, we carry out intensive hazardous chemical inspections every two months to prevent overstocking and optimize input volumes.

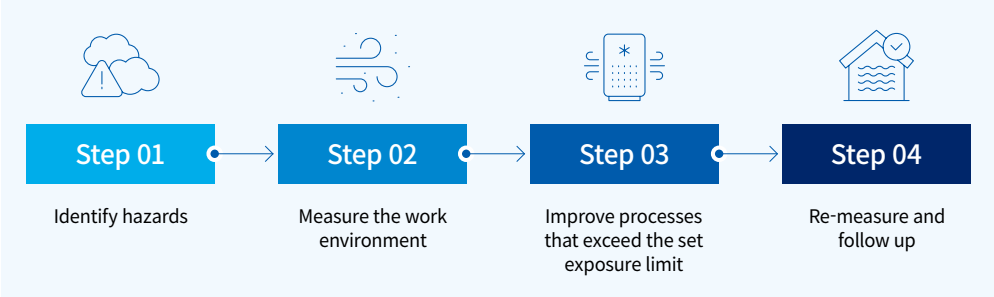
Chemicals Management Process



Managing Regulated Substances and Responding to Customer Safety Risks

HL Klemove identifies and reviews the use of substances regulated under global environmental standards, including EU REACH SVHC, PFAS, and GADSL, from the earliest stage of parts ordering. We proactively manage environmental and regulatory risks by submitting documentation to customers confirming the absence of regulated substances. When new substances are registered internally, HL Klemove assesses whether they fall under applicable regulations, including the Occupational Safety and Health Act. This includes verifying whether they are subject to workplace environment monitoring, special health examinations, or hazardous material classification, and incorporating the results into the registration process. Since introducing the i-HRM system in 2024, the company has digitized MSDS management and made it easier to identify legal requirements for each hazardous chemical component. As a result, risk assessment findings can be applied more consistently to raw material selection, process design, labeling, and customer communication. HL Klemove continues to pursue its goal of 'Zero Chemical Accidents' by implementing emergency response processes and conducting safety training for all employees at least once a year.

Process of Work Environment Measurement



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Biodiversity Management System

HL Klemove is committed to minimizing the impact of its business activities on biodiversity and to managing related risks in a systematic way. The company has embedded biodiversity protection principles into its environmental policy and uses the LEAP approach to identify risks related to natural capital. In particular, HL Klemove assesses key biodiversity risks based on the locations and operations of its sites, classifying them into physical and reputational risks for effective management. Going forward, HL Klemove will continue to strengthen its biodiversity conservation efforts and work with local communities to reduce adverse impacts on ecosystems.

L

Locate

The interface with nature

Identify the geographical locations of operations and the supply chain and analyze their proximity to biodiversity conservation areas to confirm the ecological context.

Key Tools

IBATUN Biodiversity Lab

E

Evaluate

Dependencies and impacts

Quantitatively and qualitatively evaluate the degree of business dependency on natural capital and its positive and negative impacts on ecosystems.

Key Tools

ENCORE

A

Assess

Important risks and opportunities

Identify material risks and opportunities for the business based on the identified dependencies and impacts and prioritize them

Key Tools

WWF BRF

P

Prepare

To respond and report

Establish strategies and targets to mitigate risks and capitalize on opportunities, and transparently monitor and disclose performance and progress.

Key Tools

SBTN

L Locate | The interface with nature

Located in Songdo, Yeonsu-gu, Incheon, HL Klemove's headquarters has assessed biodiversity issues related to its geographic setting using IBAT, the Integrated Biodiversity Assessment Tool, and the UN Biodiversity Lab. Several important biodiversity areas are found nearby, including Sihwa Lake, Yeongjongdo, Daebudo, and Yeongheungdo. There are also four protected areas within 10km of the site, including wetland protection areas and urban nature parks. Data from the National Institute of Ecology shows that Yeonsu-gu is home to three Class I endangered species, all birds, as well as fourteen Class II endangered species, comprising twelve bird species, one amphibian or reptile species, and one invertebrate species. These findings demonstrate the high ecological importance of the area.

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Biodiversity

E Evaluate | Dependencies and impacts

Taking into account its business characteristics, HL Klemove conducted an ENCORE¹⁾ analysis to evaluate its dependency and potential impact on natural capital. The analysis revealed that the company has a relatively high dependency on ecosystem services related to water resources. Furthermore, air and soil pollutant emissions and environmental and community impacts resulting from water usage were identified as key management issues.

1) ENCORE: Exploring Nature Capital Opportunities, Risk and Exposure

Natural Capital Impacts and Dependencies

Natural Capital Dependency Factors ¹⁾		Dependency ²⁾
Supply service	Groundwater/surface water	M
	Global climate control	VL
	Rainfall pattern adjustment	VL
	Local climate regulation	L
	Soil and sediment conservation	L
	Solid waste treatment	L
	Water quality maintenance	M
	Maintaining water resource circulation	M
	Flood mitigation	M
	Storm mitigation	M
Adjustment and maintenance services	Noise reduction	VL
	Other adjustment and maintenance services	VL
Natural Capital Impact Factors		Dependency
Pollution (e.g., noise, light)		M
GHG emissions		M
Non-GHG emissions		H
Solid waste generation and emission		L
Land use area		L
Discharge of toxic pollutants into water and soil		M
Water usage		M

1) Industries: Electronics and semiconductor manufacturing/measurement, testing, and control equipment manufacturing
2) Natural capital dependency and impact levels are classified into five categories: VH (Very High), H (High), M (Medium), L (Low), and VL (Very Low)

A Assess | Important risks and opportunities

To systematically identify nature-related risks, HL Klemove conducted a detailed analysis of two industrial sectors—'electronics and semiconductor manufacturing' and 'automobile, electrical equipment, and machinery production'—using the WWF's BRF¹⁾.

The analysis revealed that both physical and reputational risks at the Songdo headquarters, the company's major business site, were at a 'Low-Medium' level. Additionally, among the 33 total indicators, risks at the 'Very High' level were identified in the pollution category.

HL Klemove is therefore focusing on the management of hazardous chemical use and waste generated, along with the transparent disclosure of relevant information. For nature-related risks linked to resource procurement, the company is reinforcing its management system based on business impact analysis. Moving forward, HL Klemove plans to strengthen its framework for managing nature-related risks and opportunities in accordance with the TNFD framework.

1) BRF : Biodiversity Risk Filter

Result of Biodiversity Risk Assessment¹⁾

Metrics with a rating of high or above among the 33 metrics		Natural capital impact factors	
Electronics and semiconductor manufacturing		Automobile, electrical equipment, and machinery production	
Water availability	3.6	Water availability	3.6
Air condition	3.5	Air condition	3.5
Tropical night	3.5	Tropical night	3.5
Tropical depression	4	Tropical depression	4
Pollution	4.67	Pollution	4.67
International area of interest	3.1	International area of interest	3.5
		Limited availability of wild animals and plants	4

1) Biodiversity risk assessment scores are calculated on a five-point scale, with higher scores indicating a greater level of nature-related risk or impact.

Biodiversity

Result of Biodiversity Risk Assessment

Category	Definitions and detailed factors	Assessment result by sector	
		Electronics and semiconductor manufacturing	Automobile, electrical equipment, and machinery production
Physical risks	Risks arising from the way business operations depend on nature	2.29	3.38
Resource procurement	Freshwater, timber, wild flora and fauna, marine life	1.8	3.8
Ecosystem regulation and resources	Soil condition, water quality, air quality, ecosystem condition, moisture condition	2.25	2.25
Disaster control	Landslides, wildfire risk, plant, forest, and aquatic pests and diseases, herbicide resistance, heat waves, tropical depressions	3.38	3.38
Biodiversity pressure	Changes in land, freshwater, and marine use, loss of forest resources, invasive and alien species, soil, and water pollution	2.29	2.29
Reputation risks	Risks arising from stakeholders' and local communities' perceptions of corporate biodiversity responsibility	2.88	2.88
Environmental factors	Proximity to protected and conservation areas, proximity to key biodiversity areas, proximity to other important areas, ecosystem conditions	2.5	2.5
Socioeconomic factors	Indigenous territories, food shortages, water shortages, air quality, labor and human rights, economic inequality	2.62	2.62
Other factors	Media investigation, Ramsar and World Natural and Cultural Heritage, national level risk preparedness related to biodiversity	3.12	3.12

Very Low(1.0~1.8) Low(1.8~2.6) Medium(2.6~3.4) High(3.4~4.2) Very High(4.2~5.0)

P

Prepare | To respond and report

HL Klemove places biodiversity and natural capital conservation at the center of its environmental management approach. The company intends to use the biodiversity risk assessment results to develop strategies for the management and conservation of key natural capital and ecosystem services. In addition, in line with the TNFD framework, we regularly disclose information on business activities and risks related to biodiversity, while continuously advancing our management system to improve the completeness and usability of the information. In the future, the company plans to expand the scope of analysis to all sites and business activities and to establish related indicators and a target framework by reflecting global standards, including the target-setting methodology of the SBTN¹⁾.

1) SBTN: Science Based Targets Network



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Sustainable Technology Management System

Dedicated R&D Organization

HL Klemove has established a comprehensive lineup of autonomous driving solutions, including radar, cameras, and integrated driving and parking controllers(ADCU¹⁾, APCU²⁾), as well as automotive electronics solutions such as chassis electronic ECU products, power packs, torque sensors, and Acoustic Vehicle Alert Systems. To secure sustainable technological competitiveness in these fields, the company operates a dedicated technology development organization reporting directly to the Chief Technology Officer (CTO). Furthermore, we maintain a system for organic collaboration across various domains, including system design, perception and judgment algorithms, software platforms, hardware design, functional safety, and product verification (environmental evaluation and integrated verification) for both advanced research and mass-production development. HL Klemove operates R&D Headquarters in Pangyo and Songdo and has established regional specialized R&D Hubs in major overseas locations, such as China, India, and the U.S., to create global research and development synergies.

1) ADCU: Automated Driving Control Unit
2) APCU: Autonomous Parking Control Unit

Sustainable Technology Management Strategy

Technology Development Infrastructure

Establishment of a Global R&D Network

HL Klemove operates R&D hubs in Korea, India, China, and the U.S. to strengthen the global competitiveness of its autonomous driving technology, with each center running an independent development system tailored to local road conditions and customer needs. In particular, the Bengaluru center in India has built advanced infrastructure for perception and decision-making technologies suited to local driving environments and expanded collaboration with local OEMs, further strengthening the Company's capability to provide ADAS and autonomous driving technologies to key customers in India. The Silicon Valley lab is also expanding collaboration with North American EV OEMs.

Mass Production and Development of High-Performance Computing Units

In 2024, HL Klemove began mass production of its autonomous parking controller, marking the start of full-scale production of high-performance computing units. Building on this foundation, the company is expanding its business scope by developing driving control systems that support Level 2+ (L2+) autonomous functions and securing key customer orders. HPC¹⁾s are core computing units that integrate and control high-performance driving and/or parking functions, featuring advanced computing performance capable of integrating and processing massive volumes of sensor data and performing AI-based judgment and control operations. Compared to conventional ECUs, they offer significantly higher processing capacity and greater functional integration, enabling flexible responses to various autonomous driving scenarios. The company maintains a broad HPC lineup ranging from integrated controllers to customized solutions optimized for driving and parking. These controllers also demonstrate strong potential for expansion into various fields such as robotics and industrial machinery, through which HL Klemove is strengthening its technological foundation as a key partner in the Software-Defined Vehicle era.

1) HPC: High Performance Computing

Establishment of a Mass Production System for High-Performance Front Cameras

HL Klemove developed the high-performance Front Camera Module (FCM¹⁾-50) to advance ADAS and autonomous driving, and began full-scale mass production in October 2024. Based on high-resolution image recognition technology, the FCM-50 accurately detects lane markings, vehicles, pedestrians, and two-wheelers, enhancing key ADAS functions such as collision avoidance and lane keeping to improve traffic safety. In addition, by linking with a high-performance computing-based vehicle control architecture, it efficiently processes large volumes of sensor data, reducing system complexity and redundant operations while improving vehicle operational efficiency. Through the mass production of the FCM-50, the Company is strengthening its competitiveness in vehicle safety

technology and establishing a supply system for front camera solutions that enable software-based functional expansion, thereby contributing to improved technological reliability across the mobility industry.

1) FCM: Front Camera Module

Bolstering Efficiency-Oriented Algorithm Development Capabilities

HL Klemove is developing a technology framework focused on efficiency, aiming to deliver maximum performance with fewer resources rather than simply improving autonomous driving functions. The company has built advanced autonomous driving algorithm capabilities that allow strong performance even with a reduced number of sensors. It also works with customers on PoC projects to confirm the commercial viability of its technologies in actual vehicles. A key focus is the development of parking assistance technology that can function without ultrasonic sensors. This supports both the optimization of vehicle sensor layouts and improved cost competitiveness. The company is also preparing scalable solutions tailored to customer-specific sensor architectures and is working with customers to develop customized sensor configurations. With these technological strengths, HL Klemove is responding proactively to the needs of global customers and securing a leading position in the next-generation autonomous driving market.

> 2025 HIGHLIGHT

Strengthening Production Infrastructure for Eco-friendly Mobility

HL Klemove expanded its production capacity for electrified components required for the transition to eco-friendly mobility by opening its second plant in China on September 26, 2025. The second plant in China is responsible for the production of Motor Drive ECU PCBAs and HPC EMS, supporting enhanced supply responsiveness for core electrified components and the expansion of the company's product portfolio. This opening is significant not only as an expansion of production bases within China but also as a foundation for strengthening electrification-centered business competitiveness and supporting the acquisition of new customers and the expansion of new businesses. HL Klemove continues to reinforce the role of its Chinese operations, expanding its foundation for sustainable growth through the diversification of its global business portfolio.

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External Collaboration for Technology Development

Joint Development of an SDV Platform with Global Semiconductor Leader Infineon

On January 8, 2026, HL Klemove signed a strategic partnership with Infineon, a global semiconductor leader, to develop an SDV architecture. Through the partnership ceremony held at CES 2026, both companies formalized an agreement to jointly develop core technologies for SDV systems.

The core of this collaboration is the development of an integrated SDV architecture that shifts away from hardware-centric designs to maximize the efficiency and flexibility of E/E architectures. By combining Infineon's microcontroller and power semiconductor technologies with HL Klemove's SDV platform, the companies aim to achieve vehicle weight reduction, cost savings, and the acquisition of advanced autonomous driving technologies. Through these efforts, HL Klemove plans to enhance autonomous driving safety and technological innovation while expanding its competitiveness within the global mobility ecosystem.

Joint Research on Future Mobility Technology with the Korea Automotive Technology Institute

On September 16, 2025, HL Klemove signed an MOU with the Korea Automotive Technology Institute for collaboration on future mobility technologies. The two organizations will engage in multi-faceted cooperation, including joint research on AI-based autonomous driving technology, performance verification, and the establishment of evaluation systems.

The scope of collaboration covers autonomous driving platforms, environmental sensors, intelligent control, and safety design, as well as certification testing and technical training. By collaborating with the Korea Automotive Technology Institute, a leading automotive research institute in Korea with advanced research infrastructure and expertise, HL Klemove intends to further strengthen its overall technological competitiveness in autonomous mobility.



HL Klemove and Infineon Sign Strategic Partnership



MOU Signing Ceremony with Korea Automotive Technology Institute

Agreement to Strengthen LCA Capabilities with the Ministry of Environment and the Automotive Industry

On November 26, 2025, HL Klemove participated in the 'Strengthening Automotive Greenhouse Gas LCA Capabilities and Carbon Neutrality Cooperation' business agreement led by the Ministry of Environment. This agreement was established to preemptively respond to global carbon regulations and to enhance LCA capabilities and carbon competitiveness throughout the automotive industry supply chain.

The event was attended by five OEMs and 16 component suppliers, including HL Klemove. During the ceremony, participants discussed international regulatory trends related to LCA, support programs for suppliers, and the current status of carbon footprint calculation guidelines. This initiative established a foundation for collaboration, enabling the industry as a whole to prepare systematically for the forthcoming LCA framework.

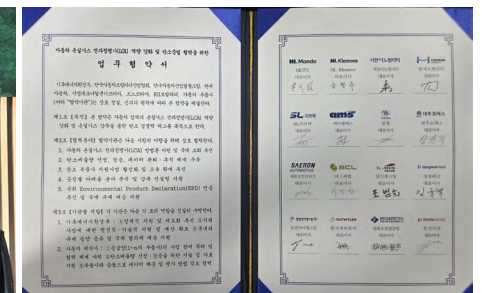
Participation as an Anchor Company in the Ministry of Trade, Industry, and Energy 'AI Future Car Alliance'

On November 21, 2025, HL Klemove was selected as an anchor company for the 'AI Future Car Alliance,' a private-sector cooperative body organized by the Ministry of Trade, Industry, and Energy. Leading the 'AI Autonomous Driving' innovation task, the company aims to commercialize End-to-End autonomous driving solutions—applying AI across the entire spectrum of perception, judgment, and control—by 2028.

Furthermore, HL Klemove plans to collaborate with major partners, including Hyundai Motor Company, Hyundai Mobis, and LG Electronics, in developing AI-driven vehicle (ADV) and SDV technologies, thereby contributing to the growth of the domestic future automotive industry ecosystem.



Greenhouse Gas LCA Forum



AI Future Car M.AX Alliance Partnership Ceremony

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Technological Innovation Achievements and Awards

Hosting the HL FMA 2025 Autonomous Driving Competition

HL Group has been holding the HL FMA, the Future Mobility Award, autonomous driving competition since 2021 to support the development of future leaders in the mobility industry. In September 2025, the competition brought together 139 teams and 547 participants from high schools and universities nationwide, who showcased their skills in designing and implementing autonomous driving software. The event featured three categories, with separate divisions for high school and university students. To help participants gain hands-on experience, HL Group supported the competition with infrastructure and operating programs that allowed them to build and validate key autonomous driving technologies, including sensor perception, path planning, and driving control. Category winners received a total of KRW 16.3 million in prize money, along with certificates, contributing to the growth of the future mobility talent pool through industry-academia cooperation.

Hosting HL Track Day 2025

In October 2025, HL Klemove and HL Mando held 'HL Track Day 2025' at Inje Speedium in Gangwon-do, where they unveiled core future mobility technologies, including autonomous driving and chassis integration. Conceived as an integrated mobility technology summit, the event brought together approximately 200 automotive industry experts, including representatives from key customers, partners, and research institutions, for technology demonstrations and networking opportunities. The 'All-In-One Car' was used to demonstrate the convergence of integrated chassis control technology and autonomous driving solutions. Safety-oriented advanced technologies were showcased, including By-Wire technology, high-performance autonomous sensing, Autonomous Emergency Braking (AEB), and Evasive Control Assist (ECA). Furthermore, the companies verified technical performance in real driving environments through circuit driving experience programs and strengthened communication with stakeholders. Through this event, HL Klemove externally demonstrated its competitiveness in core technologies for future vehicles based on a technological innovation philosophy that puts people and customers at the center. The company plans to continue expanding cooperation and technical exchanges for the sustainable development of the mobility industry.

2025 HIGHLIGHT



Autonomous Driving Commercialization

In May 2025, Soon-tae Kim, a Principal Researcher at HL Klemove, was awarded a commendation from the Commissioner of the Korean Intellectual Property Office at the 60th Invention Day commemoration ceremony held at COEX in Seoul. Principal Researcher Kim was recognized for his contributions to the commercialization of Level 2 autonomous driving. In particular, his efforts in developing the 'Lane Keeping Assist (LKA)' and 'Highway Driving Assist (HDA)' functions were highly evaluated for significantly enhancing driver safety and convenience.



Building the AI autonomous driving ecosystem

Jae-beom Choi, Executive Vice President of HL Klemove, received a Minister's Commendation at the 1st M.AX Alliance General Meeting in recognition of his contributions to AI autonomous driving technology innovation and the creation of an industrial ecosystem. Within the government-led M.AX Alliance, he has played a pivotal role as the anchor company lead for the AI future car autonomous driving sector, overseeing E2E autonomous driving projects and leading collaboration between industry, academia, and research institutes. Executive Vice President Choi stated, 'I will continue to strive to strengthen Korea's technological competitiveness in autonomous driving by serving as a bridge between the industry and research fields.'



Global technological competitiveness

HL Klemove, which pursues a broad range of autonomous driving services, received the CES Innovation Award at CES 2026, following its recognition in 2024 and 2025, thereby marking its third consecutive year of recognition. The CES 2026 Innovation Award winner, 'SEERU,' is a portable safety device that can be attached to various means of transportation, such as bicycles and wheelchairs. It is designed to recognize hazards approaching from the rear in real time by applying sensor fusion technology that combines radar and cameras with AI-based rear detection. SEERU is designed to help users recognize potential hazards by providing sound, vibration, and visual alerts, together with a flashing taillight. In addition, when a hazardous situation occurs, the system supports the user's situational awareness by providing sound, vibration, and visual signals along with flashing taillights, while rear-view footage is transmitted to a mobile app. With this technology, the company aims to enhance safety in daily mobility settings and support safer travel for all users, including those who face mobility challenges.

Sustainable Technology Metrics and Targets

R&D Investment

Category	Unit	2023	2024	2025	2026 Target	2027 Target	2030 Target
R&D Personnel	Persons	722	771	782	863	925	1,160
Ratio of R&D expenses to sales	%	6.1	7.1	7.5	9.6	8.3 ¹⁾	6.0 ¹⁾

1) Due to improved efficiency, the ratio of R&D expenses to revenue is expected to gradually decline despite future revenue growth.



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Employees

Employee Management System

Dedicated HR Organization

HL Klemove has established a structured HR management system to oversee human resource matters across the company. The Head of the HR Center leads overall HR management, while specialized teams, including the HR Team, Recruitment Team, Global HR Team, General Affairs Team, and Employee Relations Team, handle practical implementation. Each team is responsible for specific areas such as personnel operations, hiring, global workforce management, employee support, labor relations, and corporate culture. Company-wide HR strategies and talent development initiatives are addressed through the Human Resource Development Committee, an executive council chaired by the CEO. This structure enables HL Klemove to manage HR-related issues systematically through clear leadership, dedicated HR organizations, and internal decision-making channels.

Human Resource Development Committee

HL Klemove has established the Human Resource Development Committee to make decisions on significant personnel matters, including HR strategy implementation, organizational concerns, promotions, appointments, rewards, and disciplinary actions. The Committee is chaired by the CEO or their delegate, with a personnel manager serving as secretary. When personnel resolutions are needed, the committee makes final decisions through transparent procedures. In 2025, a total of 12 committee meetings were held, reflecting the company's commitment to rational and fair decision-making for all employees.

HR Policy

Code of Conduct for Employees

HL Klemove enacted the Code of Conduct for Employees in November 2023 to strengthen the ethical responsibilities of both the Company and its employees, and has been implementing an enhanced version following the first revision in 2025.

Category			Content
Chapter 1 General Provisions			Purpose, Applicability, and Governing Organization
Chapter 2 Main Provisions	Sec. 1	Working Conditions and Human Rights	Work Environment, Respect for Human Rights, Freedom of Association, Political Neutrality, Health, and Safety
	Sec. 2	Corporate Ethics	Fair Competition and Trade, Transparency, Protection of Company Information and Assets, Prevention of Conflict of Interest, Identity Protection and Non-Retaliation, Prohibition of Counterfeit Parts
	Sec. 3	Environment	Tackling Climate Change, Management of Environmental Impact
	Sec. 4	Supply Chain	Supply Chain Management
	Sec. 5	Management System	Legal Compliance, Education, Workers' Participation and Handling of Grievances, Social Contributions

Human Rights Management Declaration

HL Klemove places great importance on the human rights of all stakeholders, including customers, employees, shareholders, investors, suppliers, and local communities, and respects their right to pursue their values and happiness. In April 2023, the company officially announced its commitment to human rights management at a regular board meeting, making clear its commitment to respecting and implementing these principles. The Declaration reflects international human rights standards, including the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the standards of the International Labour Organization. Moving forward, HL Klemove will carry out human rights management in line with the nine core principles stated in the Declaration and work toward sustainable development based on those principles. They apply to all stakeholders within the company and across its business relationships.

Principle 1 Respect for Human Rights 	Principle 2 Prohibition of Discrimination 	Principle 3 Prohibition of Forced Labor and Child Labor 
Principle 4 Compliance with Labor Laws/Assurance of Freedom of Association 	Principle 5 Health and Safety 	Principle 6 Responsible Supply Chain Management 
Principle 7 Protection of Stakeholder Information 	Principle 8 Guarantee of Environmental Rights 	Principle 9 Protection of Human Rights in Local Communities 

Diversity Policy

HL Klemove strictly prohibits discrimination based on gender, age, race, nationality, religion, place of origin, or disability, and operates its HR processes in accordance with the principles of equality and respect for diversity. We prohibit discrimination based on religion, place of origin, nationality, and disability, and ensure equal opportunities throughout recruitment and employee retention. To this end, HL Klemove has established human rights management principles that specify the prohibition of discrimination and respect for diversity in the Human Rights Management Declaration and continues to make substantial efforts to prevent discrimination.

Employees

Human Capital Management

Talent Management Strategy Framework

With the shift toward the SDV era, HL Klemove is strengthening its talent acquisition capabilities to attract and retain outstanding software talent. The company is also committed to creating a workplace culture where employees can maintain a healthy balance between work, life, and personal growth. HL Klemove has adopted the concept of a 'Pro Sports Team' as its organizational goal and built its talent management strategy around 'G-PATH,' meaning Growth Path. Based on this strategy, the company seeks to grow as 'One Team' through active communication, collaboration, and mutual respect, while valuing the unique strengths and talents of each employee. In addition, the Company plans to identify and implement key initiatives required for sustainable management across four areas: Culture, Organization, Talent, and Leadership while focusing on recruiting and developing talent aligned with its organizational growth strategy.

Talent Management Objectives and Strategy



Employees

Conducting Human Rights Impact Assessments for Employees

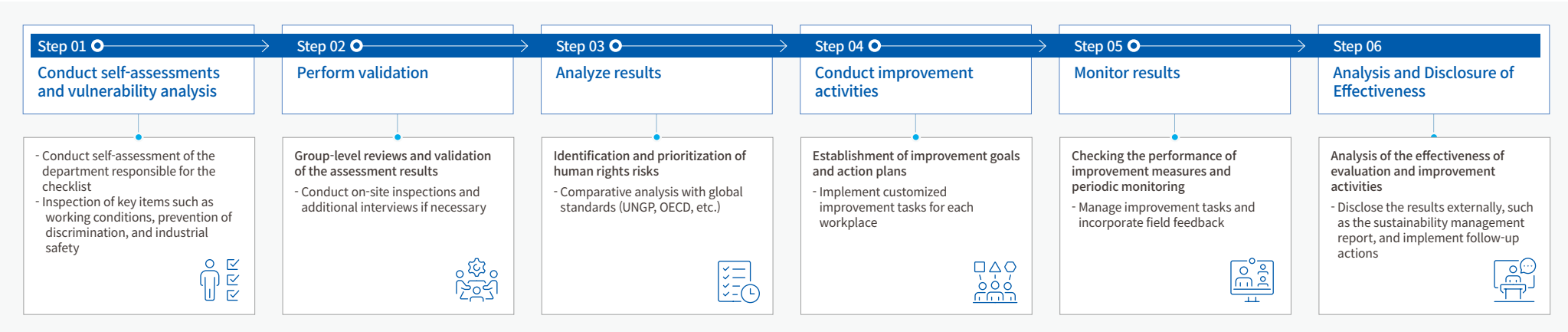
Employee Human Rights Impact Assessment Framework

To integrate human rights management into its day-to-day business practices, HL Klemove carries out annual human rights impact assessments across its operations in Korea and overseas. These assessments help the company proactively identify, assess, and mitigate human rights-related risks. The assessment framework consists of 11 areas and 184 items, with each item evaluated through a structured process that combines quantitative data and qualitative analysis. The assessment enables HL Klemove to detect potential human rights issues early and calculate risk levels by considering the likelihood,

severity, and scope of impact. Based on the findings, response priorities are set according to objective criteria, including assessment results, legal and regulatory requirements, social relevance, and input from stakeholders. Once improvement tasks are identified, they are confirmed through verification by the group's supervising organization, after which corrective measures are systematically managed and monitored. HL Klemove works to continuously reduce human rights risks through yearly monitoring and

improvement initiatives. The Board of Directors, the company's highest decision-making body, oversees human rights management policies and risk management, helping ensure that human rights management is carried out consistently across the company. In 2025, assessments covered all domestic operations as well as overseas operations in China and India.

Human Rights Impact Assessment Process



Results of Human Rights Assessment

No	Category	2024	2025	Year-on-year change
1	Establishing a human rights management system	95.7	99.5	3.8▲
2	Non-discrimination in recruitment	100	100	-
3	Guaranteeing the freedom of association and collective bargaining	100	100	-
4	Prohibition of forced labor	98.5	100	1.5▲
5	Prohibition of child labor	100	100	-

No	Category	2024	2025	Year-on-year change
6	Ensuring occupational safety	95.8	99.2	3.4▲
7	Responsible supply chain management	87.6	98.5	10.9▲
8	Protecting stakeholders' human rights	100	100	-
9	Protecting environmental rights	98.2	100	1.8▲
10	Protecting consumers and employee data	97.2	100	2.8▲
11	Employees' Human Rights Protection	-	100	-
Average		97.3	99.7	2.4▲

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Human Rights Impact Assessments for Suppliers

Supplier Human Rights Impact Assessment System

HL Klemove carries out in-depth assessments of around 40 suppliers in its supply chain based on the National Human Rights Commission's standard human rights impact assessment, consisting of six areas and 14 items. The assessment is conducted each year and applies to business sites across the value chain, including key raw material suppliers and Tier-1-suppliers.

Risk Assessment and Risk Grade Classification

The risk assessment process identifies potential human rights violation factors by performing quantitative and qualitative evaluations based on specific criteria, such as the existence of policies/documentation, implementation status, and business impact. In particular, suppliers and business sites with a high probability of serious human rights violations, such as child labor and forced labor, are designated as separate priority management targets. Priorities are determined by comprehensively evaluating the frequency of non-conformity items, the severity of violations, and the scope of impact, which classifies the risk levels of each supplier and business site into 'High-risk,' 'Medium-risk,' and 'Low-risk' groups.

Management of High-Risk Groups and Corrective Actions

For the nine suppliers and business sites classified into the high-risk group, HL Klemove encourages the practice of human rights management through the establishment of a Supplier Code of Conduct. The company verifies compliance through on-site visits and continuously monitors the implementation status by periodically requesting written records of related activities. If human rights violations are confirmed, immediate corrective action is demanded. Should corrective actions be delayed or not implemented, strict follow-up measures, including discussions on the termination of transactions, are taken. Based on this systematic risk assessment, prioritization, and site-centered management activities, HL Klemove is strengthening the practice of human rights management across its entire supply chain.

Employee Human Rights Management Activities

Prevention of Discrimination and Harassment

HL Klemove conducts annual training on workplace harassment prevention, sexual harassment prevention, and disability awareness to proactively prevent discrimination and harassment within the workplace. In 2025, the company placed a particular focus on preventing discrimination against women and individuals with disabilities, operating development programs to support the growth of female employees. Furthermore, we have established a practical support system by employing more disabled individuals than the legally mandated quota and having internal staff obtain 'Life Counseling Advisor' certifications to provide professional counseling services. We have also revised our Code of Conduct to strengthen anti-discrimination provisions. During the recruitment process, all evaluators are informed of the 'Fair Hiring Procedure Act' and the 'Equal Employment Opportunity and Work-Family Balance Assistance Act' prior to interviews to ensure fair and non-discriminatory hiring.

Eradication of Child and Forced Labor

HL Klemove implements systematic measures from the recruitment stage to post-management to prevent and eradicate human rights risks, including child labor and forced labor. To prevent child labor, the company enforces age restrictions on its recruitment platforms in accordance with Article 64 of the Labor Standards Act, preemptively ensuring that individuals below the legal working age cannot enter the hiring process. In the event that young workers meeting legal criteria are employed, the company strictly adheres to protective measures such as working hour limits and prohibitions from hazardous or dangerous work to guarantee their safety and rights. As part of its efforts to prevent forced labor, HL Klemove does not ask employees to provide copies of their identification documents upon hiring. Instead, employees register the required employment documents themselves through the HR system, reducing the risk of unnecessary retention of personal identification data. The company's Human Rights Management Declaration strictly bans any conduct that improperly limits employees' freedom of movement or physical liberty. This includes detention, surveillance, excessive force by security personnel, and other restrictions on employee movement. HL Klemove is committed to ensuring that all employees work in an environment based on free will and voluntary employment. To support this commitment, the company

has established a risk management system to prevent child labor, forced labor, and human trafficking, with ongoing monitoring conducted through group-level audits. Regular internal audits and inspections are also used to confirm compliance with recruitment procedures and relevant laws. The Group Compliance Management Office, or Jeongdo Management Office, oversees the implementation of these protocols and verifies that they are being applied in practice.

Human Rights Training

HL Klemove proactively prevents human rights risks by systematically operating various human rights education programs for its employees, such as workplace harassment prevention, sexual harassment prevention, disability awareness, and personal data protection. Through comprehensive programs—including legally mandated disability awareness training, interpretations of the Act on the Prohibition of Discrimination Against Persons with Disabilities, and anti-discrimination training—the company supports employees in acquiring effective response methods and practical solutions to relevant laws, while spreading a culture of gender equality and respect for human rights throughout the organization. In addition, HL Klemove conducts awareness training on child labor, slavery, and human trafficking in order to strengthen employees' understanding of relevant human rights risks and facilitate the early detection of potential issues. The company systematically tracks training performance and completion through the HiLearning system and has introduced a certificate system to formally record completion history. This enables HL Klemove to continue improving the quality and impact of its training. Moving forward, the company aims to further embed respect for human rights by expanding human rights education beyond its domestic workforce to overseas operations and supply chain partners. HL Klemove also plans to establish and implement phased education plans for the short, medium, and long term.

Employees

Diversity & Inclusion

Discovery and Support of Female Talent

HL Klemove continues to make concrete and systematic efforts to spread a culture of Diversity, Equity, and Inclusion (DEI). Recognizing DEI as a cornerstone for sustainable growth and innovation, the company has integrated it as a core value in all talent management and organizational culture strategies. In 2025, the Company actively advanced efforts to expand the recruitment of female talent by strengthening direct communication channels, including participation in women's university job fairs, thereby laying the groundwork for increasing the inflow of female talent. Moving forward, we plan to lead continuous growth based on broad perspectives and innovative ideas by organizing a diverse group of talents that work in harmony.

Discovery of Foreign Talent and Expansion of Global Diversity

HL Klemove recognizes international talent as a core factor for enhancing organizational diversity and preventing discrimination and isolation, strengthening its global competitiveness through their active participation. As of 2025, the company has deepened collaboration with its Indian operations and implemented measures to facilitate knowledge sharing and technological cooperation, including assigning two professionals from the Indian operations to the domestic headquarters. In addition to expanding foreign recruitment at domestic sites, we operate integrated support programs—including mentoring, education, and sponsorship—to train hired personnel as overseas expatriates, supporting their growth into strategic decision-makers in their respective regions. Through these efforts, the company is implementing concrete measures for the inclusion and capacity building of minority and vulnerable groups. Furthermore, we regularly evaluate and report on these activities, maintaining clear oversight of planned key actions and their implementation schedules.

Discovery and Support for Talent with Disabilities

Recruiting IT Employees with Disabilities

HL Klemove is helping create career opportunities for people with disabilities in software testing through its partnership with the Korea Employment Agency for Persons with Disabilities and the SIAT program, Smart IT Advanced Training Among the 19 participating companies, the Company was recognized as a leading case in the automotive industry, successfully designing and operating a business-specialized program that provided a total of three months of training for software developers. As a result, two participants were employed by the Company in 2025.

HL Klemove works to ensure that employees with disabilities have the support they need to perform their roles comfortably and participate fully in the workplace. This includes adjusting working hours for activities such as hospital visits, improving workplace accessibility, and providing individualized assistance based on job requirements. Certified 'Vocational Life Counselors for Persons with Disabilities' play the role of communication channels, offering ongoing support for workplace adjustment and employee well-being. The company also monitors the impact of these policies through regular performance reviews and satisfaction surveys.

In addition, HL Klemove is strengthening disability awareness across the organization through education programs and workshops. These initiatives help foster a more inclusive workplace culture where employees can collaborate naturally and effectively with colleagues with disabilities. They also support the company's core priorities of inclusive talent management and enhanced social responsibility. Looking ahead, HL Klemove plans to extend these practices to all domestic and overseas sites and, ultimately, to its supply chain. In 2026, the company will continue advancing these efforts by broadening customized support and launching programs in partnership with local communities.

Operating Teams of Athletes with Disabilities

HL Klemove values diversity and inclusion and directly employs 17 athletes with severe disabilities to operate its sports team. The team is composed of athletes in billiards and shuffleboard recommended by the Korea Sports Promotion Foundation for Persons with Disabilities, and we systematically apply employment regulations and contracts tailored to their specific characteristics. We establish an annual work plan, conduct weekly health and attendance checks through dedicated coaches, and provide grievance management and support services through close cooperation between coaches and managers. In 2025, the company strengthened communication channels to enhance the sense of belonging, such as through gift presentation events, and continues to implement education and mentoring programs to support the training and growth of talent with disabilities. Through these efforts, the company aims to increase employee inclusivity, implement systematic measures to prevent discrimination, and contribute to innovative technology development and social value creation by spreading diversity within the organization.



Sports Team of Athletes with Disabilities

Employees

Compensation and Evaluation

Fair Compensation System

Regardless of gender, nationality, or employment type, HL Klemove ensures f fair working conditions and compensation principles for work of equal value. To ensure fairness, we apply an equal rate of pay increase irrespective of gender, provide compensation based on individual performance assessments, and pay overtime allowances appropriately. To motivate employees and drive high performance, we actively operate a reward system for outstanding individuals. Under the auspices of the HL Group, we recognize employees through awards such as the 'Ungok Award' and 'Small Victory,' and HL Klemove itself grants 'Special Awards' to acknowledge employees' merits and contributions. The company will continue to foster a corporate culture free from discrimination and inequality and maintain a transparent and fair compensation system by periodically monitoring and reporting on responses to related risks and opportunities.

Employee Performance Evaluation

HL Klemove systematically operates its performance management system (MBO) to ensure that employees' individual work objectives are aligned with the Company's vision and strategy and can be managed effectively. Performance is evaluated quarterly based on quantitative and qualitative indicators, and individual goal achievement is reviewed through one-on-one meetings with leaders. Evaluation results are reflected in key HR systems, such as performance bonuses, salary increases, and promotion reviews, contributing to enhanced employee motivation and professionalism. Furthermore, we have improved the performance management process based on our own online HR system introduced in 2024, enhancing evaluation fairness and employee convenience. For office positions in particular, MBO documents are systematically managed, and a mid-term evaluation system is operated alongside regular assessments to improve predictability. We also offer career development roadmaps based on an integrated analysis of employee competency diagnostics and goal achievement evaluation results. In addition, we support employees in establishing individual career development plans through manager-led mentoring and tailored training programs. Moving forward, the company plans to review the implementation status of these career plans quarterly and establish clear key tasks and schedules for improving talent development and compensation systems.

Employee Communication System for Compensation

HL Klemove clearly guides the communication process related to compensation through the Hanmaru electronic approval system. For the technician group, wage increases are determined through regular negotiations between labor and management. As a separate measure, the Company implemented an HR system in 2024 that incorporates employee feedback to enhance the fairness and acceptance of its compensation structure. In 2025, the Company continues to refine the system to further strengthen its fair compensation framework. Additionally, the labor-management consultative council functions as an effective communication channel throughout the process, and a fair compensation system is continuously upheld by incorporating evaluation results into compensation.

Recruitment

Talent Recruitment Program

Multi-pronged Talent Acquisition Strategy

HL Klemove is strengthening its talent acquisition strategy to help drive the future mobility industry and support sustainable corporate growth. The company is building a strong talent pipeline through industry-academia collaboration, software scholarships, joint research projects, and academic seminars. At the same time, HL Klemove is enhancing its employer brand among MZ-generation talent through YouTube, social media, university media, and on-campus promotional channels. The company also creates more direct engagement opportunities through workplace tours and one-on-one career consultation sessions for university students. To secure talent for critical roles, HL Klemove also operates in-house recruiting programs that allow the company to proactively identify and approach qualified candidates. The Company systematically identifies and selects outstanding talent through a range of selection processes, including role-specific coding tests, AI-based assessments of developer competencies, and culture fit evaluations. Going forward, it plans to further diversify its talent acquisition channels by expanding overseas hiring and recruitment-linked internship programs.

Operating Internal Job Posting Programs

HL Klemove encourages internal mobility through its internal job posting system, enabling employees to explore new roles, gain diverse job experience, and develop their careers within the company. In 2025, internal openings were offered by department and job function, with plans to continue expanding the program in 2026. The company is also committed to developing talent both in Korea and overseas. Through its overseas assignment program, employees have the opportunity to work in different cultural and business environments and build stronger global competencies. All employees may apply for internal postings by email, and every stage of the process is handled with strict confidentiality, including application status and progress updates.



Campus Recruiting



Employees

Labor Relations & Culture

Guaranteeing Freedom of Association and Collective Bargaining

Guarantee of the Three Fundamental Labor Rights

HL Klemove complies with constitutionally guaranteed labor rights—the right to organize, the right to collective bargaining, and the right to collective action—to promote sound labor-management relations and mutual growth. To ensure the right to organize, the Company does not intervene in employees' decisions to join or withdraw from labor unions, in accordance with relevant laws (the Trade Union and Labor Relations Adjustment Act). To guarantee the right to collective bargaining, when employees request negotiations for the purpose of improving working conditions, HL Klemove follows legally prescribed procedures, including public notice of negotiations, confirmation of participating unions, and establishment of a single bargaining channel, and engages in negotiations in good faith.

Collective Bargaining and Collective Agreement Management

HL Klemove conducts collective bargaining in accordance with applicable laws, with collective agreements remaining valid for two years from the date of conclusion. If a labor union requests negotiations three months prior to the expiration of the agreement, both labor and management proceed collaboratively with the bargaining process. In 2025, the Company conducted wage negotiations and reached an agreement through consultations between labor and management. Collective bargaining covers a wide range of topics, including employee health and safety, working conditions, and education and career development, and agreements are regularly reviewed and revised. In particular, provisions related to diversity enhancement and the prevention of discrimination, sexual harassment, and sexual violence are incorporated and actively implemented.

Labor-Management Council and Grievance Handling

In accordance with the 'Act on the Promotion of Workers' Participation and Cooperation, HL Klemove holds labor-management council meetings on a quarterly basis. In 2025, a total of four meetings were held, during which seven major agenda items were discussed, contributing to improvements in working conditions. A grievance handling committee has been formally established under the labor-management council to address various issues, including wages and safety, and to promote improvements in the working environment. In addition, the Company operates the Industrial Safety and Health Committee in accordance with the Occupational Safety and Health Act.

Labor-Management Communication (Social Dialogue)

Town Hall Meetings and Business Environment Sharing

HL Klemove conducts company-wide town hall meetings led by the CEO, as well as center-level town hall meetings led by business unit heads. Through these sessions, the Company shares internal and external policies and business environment updates with employees and strengthens two-way communication through real-time Q&A sessions. These meetings have become a key communication channel supporting the Company's strategic direction and execution. HL Klemove plans to systematically establish and operate short-, mid-, and long-term action plans to collect and reflect employee feedback on working conditions and the work environment. In 2025, the Company held six small-group meetings to gather employees' opinions and reflect them in key improvement initiatives. We also hold monthly updates on production operations, a semiannual business environment briefing, and an annual business plan session so that labor and management can build a shared understanding of the business environment and work toward achieving common goals. In 2026, HL Klemove plans to further strengthen communication with employees by conducting company-wide town hall meetings.

Employee-led Councils

HL Klemove supports employee-driven culture building through its Culture Board and Culture Agent network. The Culture Board, composed of eight employees, develops ideas and initiatives to reinforce the company's culture and bring employee perspectives into management discussions. At the center and team levels, Culture Agents organize various engagement programs, from supporting town halls to hosting movie days, coffee events, and surprise outings. By creating more informal opportunities for communication and connection, these programs contribute to stronger teamwork and a more cohesive workplace culture.



Talent recruitment, internal cultural events, etc.



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Welfare

Flexible Work Arrangement

To enhance employee engagement and work efficiency, HL Klemove operates a flexible working hours system and a hybrid work program, supporting both productivity and work-life balance. Through its flexible working hours system, employees at headquarters and major business sites can adjust their schedules outside location-specific core working hours. This allows employees to manage their time more efficiently while maintaining collaboration during essential working hours. HL Klemove also offers Hybrid Work, enabling employees to work remotely up to two days per week, either from home or from shared office hubs across Korea. The program is designed to provide greater flexibility and autonomy for employees across domestic and overseas sites. Going forward, the company will continue to enhance its flexible work arrangements to better meet changing business needs and employee preferences.

Family-friendly Workplace

HL Klemove strictly complies with paid maternity leave and parental leave policies across all business sites, including headquarters, while actively promoting a family-friendly work environment through various programs. For employees with children aged 6–7, the Company provides childcare subsidies for externally accredited daycare centers. At the Pangyo site, an in-house daycare center is operated for children aged four and under, allowing enrollment for up to two years. In addition, HL Klemove provides a range of support measures for employees returning from parental leave and offers reduced working hours during the childcare period to promote a better work-life balance. In 2025, we provided congratulatory gifts and CEO message cards to celebrate childbirth in employees' families. In addition, we plan to expand spousal leave for childbirth to 20 days and extend parental leave to up to 18 months to help employees better balance work and family life.

Welfare Programs

HL Klemove is committed to creating a workplace where employees feel supported both professionally and personally. The company offers a variety of benefits across health, education, culture, housing, and financial support, with full-time and contract employees receiving equal access to major programs. These include medical expense support, comprehensive health check-ups, housing loans, and living stabilization funds. To further support employee well-being, HL Klemove has installed massage chairs at its domestic sites, giving employees additional spaces to rest, recover, and maintain focus. The company also provides easy access to benefit information by posting its Welfare System Manual on the bulletin board of 'HR Communication,' its new online HR platform. Employees can review available benefits at any time, and their input is reflected in the continuous improvement of the welfare system. Moving forward, HL Klemove plans to further expand its benefit programs based on employee needs, supporting higher engagement, stronger retention, and improved organizational productivity.

HL Klemove Welfare Programs

Category	Programs
Healthcare	• Medical expense support • Flu vaccination • Comprehensive health check-ups
Education/Culture	• Foreign language courses • Tuition support • Support for hobby clubs
Life/Convenience	• Housing loan • Livelihood stability loans • Holiday/birthday gifts
Family	• Family allowances (spouse/parents/children) • Congratulatory and Condolence Allowance and Leave System • Condolences support
Others	• Support for long-term employees/retirees • Early Withdrawal of Retirement Pension • Corporate dining, gift cards, etc

Supporting Employees' Emotional Health

HL Klemove conducts mental health assessments to support the emotional well-being of its employees, which forms the foundation of a healthy corporate culture. In September 2025, the Company carried out an assessment for all employees covering nine indicators, including the Perceived Stress Scale, depression screening, job stress factor assessment, and insomnia screening, in order to comprehensively evaluate employees' emotional health. The results showed that employees demonstrated favorable levels of emotional stability across all indicators compared with the average levels observed in other private-sector companies. Based on these findings, the Company reviewed and implemented tailored improvement measures reflecting the characteristics of each organization.

In addition, in 2025, HL Klemove piloted the Mind Healing Program, a group-wide burnout prevention training initiative, and operated the 'Todak Todak Program,' a company-wide psychological counseling program designed to provide employees with convenient and accessible counseling support. Going forward, HL Klemove plans to continuously monitor employees' stress levels through quarterly surveys and statistical analysis, while expanding emotional support programs across all business sites and for all employees. Through these efforts, the Company will further strengthen its systematic approach to fostering a healthy corporate culture and promoting employees' mental well-being.

Employees

Training and Development

Talent Development Programs

HL Klemove operates a range of programs to identify and systematically develop talent that will lead the future mobility industry. The Autonomous Driving Mobility Competition is the largest autonomous driving competition in Korea, and in 2025, it provided 547 high school and university students with opportunities to enhance their understanding of autonomous driving technologies and strengthen their practical capabilities. In addition, as part of the Ministry of Employment and Labor's K-Digital Training initiative, HL Klemove operates the Intelligent Vehicle School to cultivate practical talent in the mobility software field. In 2025, 48 participants completed the program, with seven subsequently hired by the Company. For new hires, HL Klemove provides an onboarding program to support rapid adaptation to the organizational culture and work environment. In 2025, the Company also held networking sessions for new employees to strengthen mindset alignment and facilitate peer networking.

Leadership Development Programs

HL Klemove systematically operates tailored leadership programs by position to foster forward-looking leaders in a rapidly changing global market. Leadership training focused on coaching leadership has been provided to team leaders and part leaders, alongside multi-layered programs such as Leadership Book Learning for executives, Leadership 1-on-1 Coaching for team leaders, and a Leadership Webzine. To cultivate next-generation leaders, HL Klemove operates the HL Business School (HBS), offering intensive six- to ten-month training programs based on an MBA curriculum in areas such as strategy, finance, marketing, and HR for employees at the manager and executive levels. The Company also operates the HL Youth Program to identify and cultivate young talent at an early stage. Furthermore, through the Future Leader Program, selected employees are provided with career coaching from internal experts, advanced job training, and opportunities to engage with top management, thereby systematically developing key talent to lead the Company's future.

Job Competency Enhancement Programs

HL Klemove supports employees in developing the skills and expertise needed for their roles through job-focused training programs. As part of this effort, the company runs 'Eureka,' a learning and research community designed to encourage knowledge sharing and collaborative learning among automotive R&D engineers. In 2025, a total of 10 groups participated in Eureka, using the program as a platform to deepen technical expertise and strengthen practical capabilities.

Employee-Led Development Programs

HL Klemove provides customized learning programs to meet the diverse development needs of its employees. Building on its existing job training framework, we have strengthened self-development programs to actively support the improvement of employees' self-efficacy. It also offers language-learning support through video and phone-based English programs. Notably, in 2025, we launched a Group-led AI education program in response to the rapid expansion of AI technologies and will continue to broaden a wide range of training content tailored to employee needs, enabling proactive adaptation to transformations in the industrial environment. Looking ahead, the Company plans to continue expanding its training offerings to reflect employee needs and help its workforce respond swiftly to shifts in the industry



Internal Exchange Program 'Lunch Talk'

Corporate Culture

Organizational Communication

Internal Exchange Programs

HL Klemove is actively expanding interaction across hierarchies and departments through internal exchange programs. To enhance team communication and drive work innovation, the company encourages a casual coffee chat culture among employees. Furthermore, to promote interaction among employees, the company officially operated 'Lunch Talk,' a voluntary lunch communication program, which received high interest with a total of 110 participants. In 2025, the company identified areas for improvement across its organizational culture and established improvement objectives through a Corporate Culture Assessment. In addition, it implemented cross-organizational engagement programs, such as Lunch Talk and Sharing Ways of Working, to strengthen communication among employees and promote a more cohesive organizational culture. A satisfaction survey on these programs recorded a positive response rate of 99.8%. Based on these results, the company plans to expand its communication enhancement programs beginning in 2026 to provide employees with broader opportunities for communication.

Internalizing Corporate Culture

HL Klemove offers Vision Workshops, also referred to as Deep Dive Workshops, to support employees in embedding the Company's unique culture into their daily work. The workshop is composed of four stages. The 'Workshop Intro' session includes sharing the objectives of the workshop, conducting preference-based conversations, and introducing the 'Pro Sports Team.' The second stage, G-path Perception & Reflection, encourages teams to reflect on G-path through an interactive board game. In the third stage, Redefining Our Team's Common Perceptions, teams establish a shared vision and create a code of conduct grounded in G-path. The final stage, Wrap-up, closes the workshop with participants sharing their thoughts and key learnings. In 2025, the Culture Board and Culture Agent, employee-led corporate culture research groups, organized Vision Workshops for individual departments. Looking ahead to 2026, HL Klemove plans to strengthen the foundation of its corporate culture by extending the workshops to onboarding programs for new employees.

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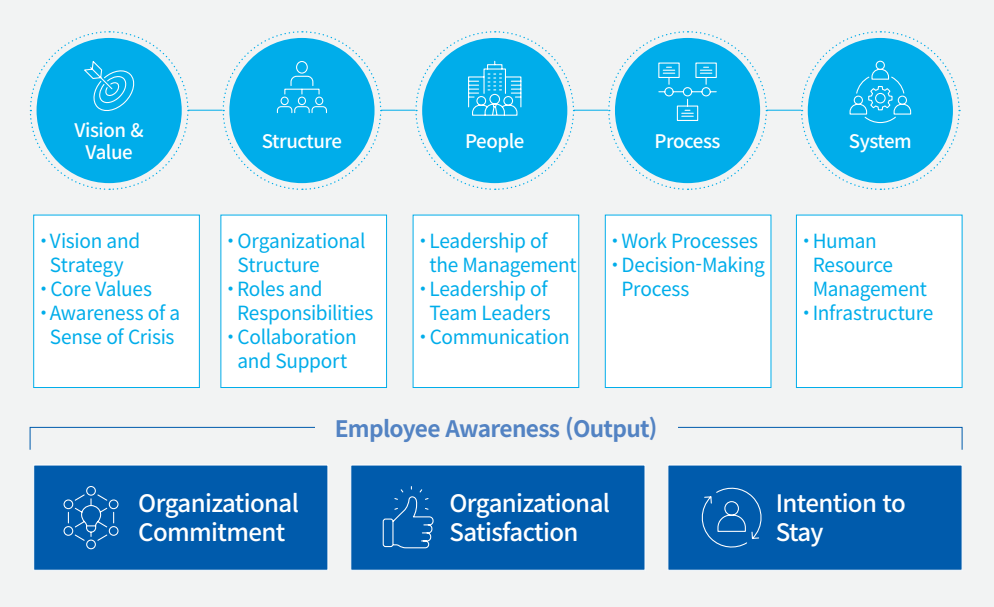
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Corporate Culture

Employee Satisfaction Assessment

HL Klemove conducts an annual corporate culture assessment to better understand its workplace culture and listen to feedback from employees across the Company. In 2025, the survey covered all business locations, including overseas subsidiaries. The survey is conducted online by an external professional firm to protect anonymity and make it easier for employees to participate. By creating a confidential channel for feedback, HL Klemove encourages employees to share their views openly and helps the Company identify areas that need attention. The assessment includes 70 items across eight key areas, including core values, leadership, organizational structure, collaboration and support, work processes, decision-making, HR management, organizational commitment, and employee satisfaction. The results of the assessment are utilized to improve organizational engagement and satisfaction, identify organizational culture improvement tasks, and develop implementation plans. For areas requiring further action, HL Klemove implements follow-up measures under an integrated culture management system that covers all domestic and overseas operations.

Organizational components (Input)



Employee Risk Management System

Human Rights Risk Management Process

HL Klemove identifies human rights risks that may arise across its overall business activities by stakeholder group and operates prevention and response systems tailored to each specific area.

Employees

HL Klemove maintains a risk management system centered on three core areas to protect employees' human rights. For serious human rights risks, including child labor and forced labor, as well as anti-corruption issues, the Company proactively identifies potential risk factors through regular assessments and develops appropriate response strategies. For human rights violations among employees, such as workplace harassment and discrimination, HL Klemove has put in place remedy procedures, including grievance channels and counseling systems, so that victims can safely voice their concerns. The Company also conducts risk assessments and regular inspections at its business sites to manage safety issues and safeguard employees' fundamental rights to life, health, and physical safety.

Suppliers

The labor rights and occupational safety of supplier employees throughout the supply chain are also encompassed within HL Klemove's human rights responsibilities. By incorporating ESG factors into supplier evaluations, we systematically assess human rights risks that may arise within the supply chain, including forced labor, unfair working conditions, and inadequate occupational safety measures. Through these efforts, we continue ongoing communication and improvement activities with our suppliers to ensure that the company's human rights management standards are spread throughout the entire value chain.

Customers

Protecting customers' personal information is a fundamental aspect of information rights. HL Klemove regards customer privacy protection as a key human rights issue and addresses it through a systematic information security framework to prevent violations of customers' privacy rights.

Employees

Operation of Human Rights Grievance Channel

HL Klemove is committed to respecting all stakeholders and preventing any form of mistreatment. As part of this commitment, the Company operates a group-level online whistleblowing channel as a dedicated mechanism for human rights grievances. The channel is open to anyone and allows reports of unethical conduct, such as workplace harassment, sexual harassment, child labor, and forced labor. Reports are reviewed and addressed through a systematic process. For reported cases, thorough investigations and protective measures are carried out through a structured process, including investigation of the alleged harm, preparation of written incident statements, implementation of necessary personnel measures based on the findings, and training to avoid recurrence. HL Klemove also takes steps to protect victims, including separating them from the offender where necessary and imposing appropriate disciplinary measures. To protect whistleblowers, the Company maintains safeguards such as confidentiality obligations, protection against retaliation, and liability protections for individuals who make voluntary self-reports. HL Klemove will continue to review the effectiveness of its policies, monitor reporting patterns, analyze investigation results, and follow up on victim support measures. These efforts are aimed at strengthening the Company's human rights risk management framework and enhancing the effectiveness of its response system.

Category	Unit	2025	Category	Unit	2025
Number of grievances submitted	Cases	5	Resolved at the warning level or below	Cases	0
Number of grievances resolved	Cases	5	Percentage of grievances handled	%	100
Disciplinary actions	Cases	5			

Employees Metrics and Targets

Human Rights Targets

HL Klemove conducts human rights impact assessments across its overall business operations and seeks to implement a human rights impact assessment framework for all business sites by 2030.

Category	Unit	2023	2024	2025	2026 Target	2030 Target
Proportion of business units that conducted human rights impact assessments	%	100	80	80	80	100

Talent Management Goals

Diversity and Inclusion

HL Klemove is committed to fostering an inclusive organizational culture by increasing the proportion of female employees and executives and operating a sports team for persons with disabilities.

Category	Unit	2023	2024	2025	2026 Target	2030 Target
Female hiring rate	%	18.9	29.9	29.3	30.0	30.0
Number of female executives	Persons	0	0	1	1	6
Number of Athletes in the Sports Team for Persons with Disabilities	Persons	16	16	17	17	17

Training and Development

HL Klemove is committed to strengthening employee competencies by continuously expanding training hours per employee and improving training completion rates.

Category	Unit	2023	2024	2025	2026 Target	2030 Target
Average Training Hours per Employee	Hours	19	24	17	20	24
Percentage of Employees completing training	%	93.4	67.4	95.5	95	95

Work Environment and Labor Rights

HL Klemove is working to build a healthy work environment and stable labor-management relations through the expansion of flexible work arrangements and the promotion of labor union participation.

Category	Unit	2023	2024	2025	2026 Target	2030 Target
Flexible work system usage rate	%	67.4	70.7	75	75	75
Labor union participation rate ¹⁾	%	97.9	98.6	92.2	100	100

1) The union membership rate refers to the ratio of union members to employees eligible for union membership.

Health and Safety

Health and Safety Management System

Health and Safety Organization

HL Klemove is striving to strengthen corporate competitiveness by preventing industrial accidents and operating a responsible safety management system based on a dedicated health and safety organization. Under the leadership of the COO and CTO as safety management officers, the dedicated health and safety organization (Facility & Safety) oversees safety management functions, with managers and supervisors assigned to each center to strengthen on-site safety management. In addition, safety leadership and implementation status are reviewed through the CEO's semiannual safety management meetings and quarterly joint inspection rounds conducted by responsible managers. Related activities are also carried out in accordance with the annual safety and health plan approved by the CEO and reported to the Board of Directors.

Health and Safety Management Organization

Category	No. of Personnel
Safety Management Managers	Songdo Plant (COO_Operation Center Head), Pangyo Research Center (Research Center Head_CTO)
Safety Managers	2 in Songdo, 2 in Pangyo
Health Managers	1 in Songdo, 1 in Pangyo
Supervisors	114

Occupational Health and Safety Committee

HL Klemove's Occupational Health and Safety Committee plays a central role in managing health and safety risks and driving timely follow-up actions. The committee ensures that employees can exercise their right to stop work, as guaranteed under the 'Occupational Safety and Health Act' without facing any disadvantage. To support this, it establishes safety-related work standards and monitors compliance. In addition, the committee identifies potential risks in facilities and workplace environments and takes steps to prevent similar incidents from happening again. In 2025, we implemented systematic occupational health and safety management through quarterly Occupational Safety and Health Committee meetings held in March, June, September, and December at our Songdo and Pangyo sites.

Health and Safety Management Policy

HL Klemove has established an Environment, Health and Safety (EHS) Management Policy to create a safe and healthy work environment for employees and suppliers. The policy forms the basis of the company's safety and health management practices across the organization. It defines key areas of focus, such as giving priority to environment, safety, and health in management decisions, meeting legal and regulatory requirements, providing safe and healthy workplaces, preventing environmental pollution, preparing for and responding to emergencies, engaging with stakeholders, and disclosing relevant information transparently. By extending the scope of the policy to employees and suppliers, HL Klemove is embedding safety and health responsibilities throughout its business operations. This approach supports continuous improvement and helps prevent risks before they occur. The policy is approved by the CEO and is periodically reviewed and updated to ensure it remains appropriate and effective.

Category	Content
Prioritizing Environment, Safety, and Health	Environment, safety, and health are given top priority throughout all business and management activities, including design, development, production, value-added services, and disposal, in order to eliminate hazards and reduce occupational health and safety risks.
Comply with laws and regulations	Comply with legal requirements and other applicable regulations regarding environmental, safety, and health management.
Continuous improvement	Provide safe and healthy working conditions to prevent work-related injuries and health impairments, improve the environmental safety and health management system continuously to prevent environmental pollution, protect the environment, and enhance environmental safety and health performance.
Remain prepared for emergencies and respond appropriately in the event of emergencies	Establish an emergency response system by identifying potential emergencies and conducting drills to prevent human and material losses and environmental pollution.
Communication	Encourage active participation in ESH management through open communication, consultation, and involvement of all employees, worker representatives, and suppliers.
Ensure transparency	Ensure transparency in EHS management by making EHS policies and performance data available upon request to customers or stakeholders.

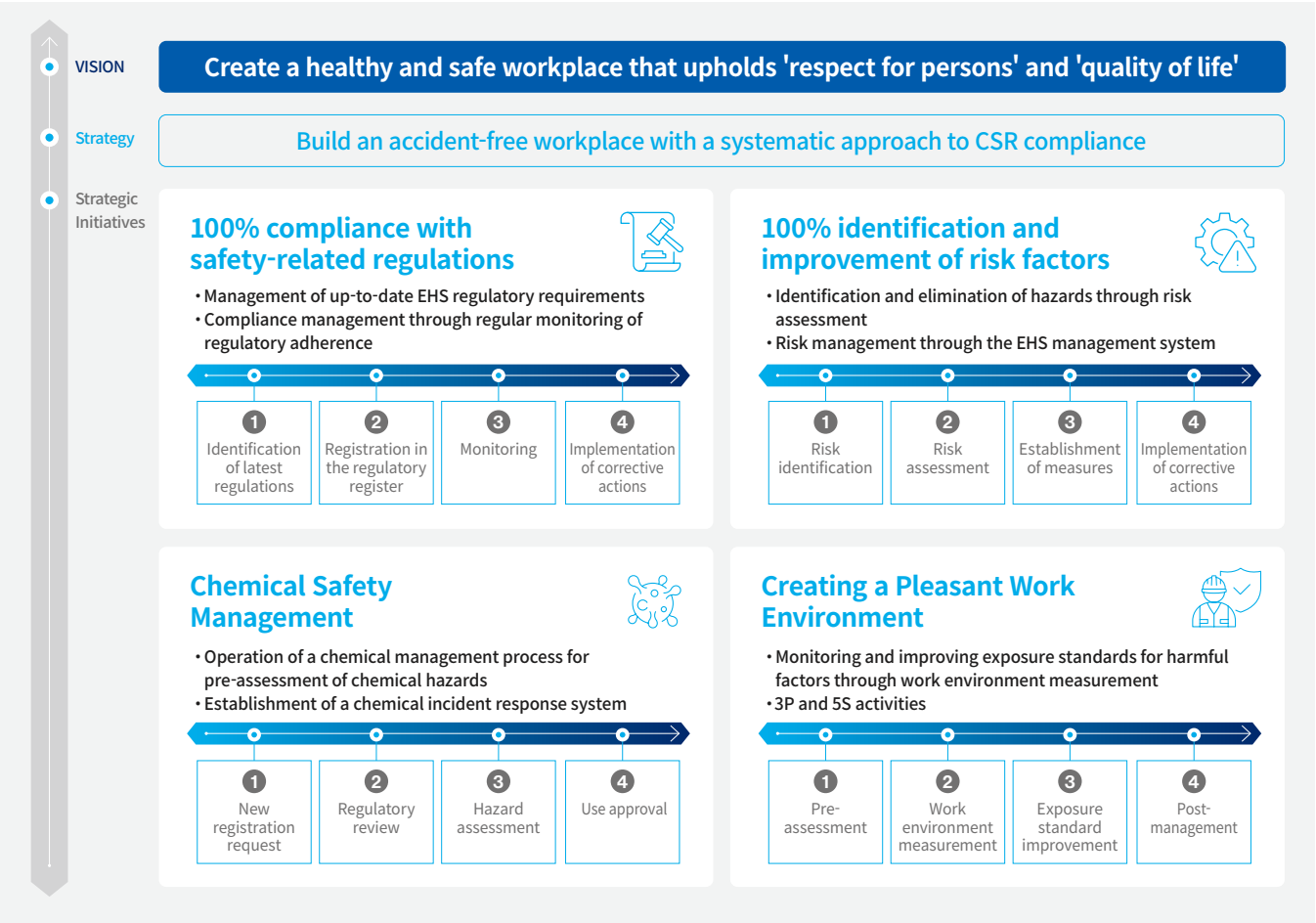
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Health and Safety

Health and Safety Management Strategy

Health and Safety Management Strategy System

Based on its Health and Safety Management Policy, HL Klemove has established a health and safety management strategy with the goal of achieving zero serious accidents and accident-free workplaces. To this end, the Company has set key priorities including 100% compliance with safety-related laws and regulations, a 100% implementation rate for corrective actions on identified workplace hazards, strengthened chemical safety management, and the creation of a pleasant working environment, and is carrying out systematic health and safety management activities. With the long-term vision of creating a healthy and safe workplace that respects people and enhances quality of life, the Company is building safer workplaces centered on accident prevention through a company-wide health and safety management system and continuous improvement efforts.



Health and Safety Certifications

HL Klemove is certified under the ISO 45001 Occupational Health and Safety Management System for its product design and manufacturing operations at its domestic sites (Songdo and Pangyo) as well as its international sites in China and India, establishing a health and safety management system that meets global standards. Furthermore, the company conducts training on system requirements and internal auditor training for key personnel across all departments to enhance understanding of the occupational health and safety management system and expand company-wide participation.

Category		Target sites	Certification of ISO 45001
Domestic	Songdo	Manufacturing plant	O
	Pangyo	R&D Center	O
Overseas	China	KLS	O
	India	KLI	O
	Mexico	KLM	Scheduled to obtain certification in 2026

Health and Safety Grievance Handling System

To respond to health and safety concerns in a timely and effective manner, HL Klemove has put in place a grievance handling channel and manages the entire process systematically, from receipt and review to follow-up action and result sharing. The labor union's industrial safety manager conducts regular workplace walk-throughs and consults directly with employees. The feedback gathered through these consultations is shared with the Facility & Safety Team, which then identifies and implements improvement measures. In addition, the labor union and the Facility & Safety Team meet every month through safety operations meetings to review major health and safety issues and discuss practical improvement plans. In 2025, the Company identified and implemented a total of six improvement tasks through safety working-level meetings and on-site inspections. These initiatives included the installation of humidifiers in the incoming inspection room, safety improvements in the materials warehouse, the installation of fixing brackets for material storage racks, the replacement of transport carts for chemical drums, the attachment of protective guards to power pack carts, and the installation of side doors on equipment. Through these efforts, HL Klemove enhanced both the safety and convenience of the working environment. Safety and health issues are continuously collected and managed through the labor union, safety working-level meetings, and grievance channels, with no separate grievance cases filed in 2025.

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Health and Safety

Emergency Preparedness and Response Process

HL Klemove has a company-wide emergency action plan in place to ensure that employee health and safety remain the top priority during emergencies. Drawing on past incident records and case studies, the Company identifies potential emergency scenarios for each site in advance and maintains an emergency response manual covering response procedures, roles and responsibilities, contact networks, evacuation steps, and initial response actions. The company also conducts regular drills to strengthen its emergency preparedness and response capabilities. When an emergency occurs, rapid containment and immediate action are critical. The initial witness must immediately report the incident, take emergency action, stop the relevant work, promptly inform the department concerned and the safety management team, and notify the relevant authorities without delay when necessary. Where necessary, the incident is also reported to the relevant authorities. Following the initial response, an accident response team carries out follow-up procedures and develops measures to prevent recurrence based on a thorough investigation and analysis of the incident. HL Klemove also works to minimize harm to employees by providing emergency relief measures and prevention training for serious industrial accidents, such as falls, asphyxiation, and forklift-related accidents.

Work Environment Management

HL Klemove is making continuous efforts to improve the working environment. In 2025, work environment measurements were conducted at a total of 150 locations for major harmful factors such as metals, fumes/dust, noise, and organic solvents, with regular measurements performed biannually through specialized institutions. The measurement results confirmed that, for all measured items, exposure to hazardous factors remained below the statutory exposure limits, with most results meeting the relevant legal standards. Key hazardous factors are also subject to continuous monitoring. Furthermore, to manage noise, the company creates a noise MAP annually through a specialized institution and continuously monitors the noise levels of all processes. Based on this, the company identifies noise generation characteristics and areas requiring management, reflecting these insights in its work environment management.

Occupational Health and Safety Training

HL Klemove develops an annual health and safety training plan and provides regular mandatory training in accordance with the 'Occupational Safety and Health Act'. New employees receive eight hours of basic safety training, while on-site workers receive 56 hours of initial special safety and health training. The company also applies a job-specific training system for all employees. Office workers complete 12 hours of online training every six months through a specialized training institution, while technical staff receive two hours of in-person training each month. In 2025, monthly two-hour training sessions were provided to on-site workers, focusing on accident cases from the previous year. Training topics included chemical safety and health, prevention of musculoskeletal disorders, fire safety, and hazardous material management. In addition, on-site personnel receive four extra hours of safety training whenever their work duties change.

Health Management Support

HL Klemove operates various health support programs to promote the physical and mental well-being of its employees, including health checkups, follow-up health management, and prevention of occupational diseases. In particular, to prevent musculoskeletal disorders, hazardous work environments have been improved, and assistive items such as wrist supports, back braces, and calf compression bands are provided. Additionally, we provide tailored support considering each employee's health status, such as providing specialized sneakers for employees with plantar fasciitis.

Health Support Program

Category		Content
Employee Health Checkups	General checkups	Provide health screenings to manage employee health
	Specialized medical checkups	Provide specialized medical checkups for personnel exposed to hazards
	Comprehensive checkups	Support comprehensive medical checkups for employees who are aged over 38 and have 10+ years of service
Prevention of Occupational Diseases	Management of job stress	Surveys and statistical analysis to manage job stress
	Prevention of brain and cardiovascular diseases	Provide risk assessments and physician health counseling to prevent brain and cardiovascular diseases
	Prevention of musculoskeletal Disorders	Conduct investigations into harmful factors and improve the work environment to prevent musculoskeletal disorders, and implement stretching programs to prevent repetitive strain injuries
Health Management	Healthcare center	Remain prepared for emergencies with capabilities for providing first aids and manage employee health by operating a healthcare center
	Flu vaccinations	Provide free flu vaccination for employees and their spouse
	Health counseling for persons with clinical symptoms	Improve employee health through health counseling for persons with clinical symptoms based on health screening results

Status of Occupational Health and Safety Training¹⁾ *Unit: Person

Site	Safety training hours per person	2023	2024	2025
KLK	24hr	1,162	1,241	1,205
KLS	7hr	531	559	592
KLI	8hr	215	329	537
KLM	18hr	0	167	244
Total		1,908	2,296	2,578

1) Based on global operations

Health and Safety

Health and Safety Risk Management

Health and Safety Risk Assessment

HL Klemove performs semiannual risk assessments to manage health and safety risks within its worksites. The assessments are used to identify potential hazards and risk factors, determine risk ratings based on likelihood and severity, and develop management plans and corrective actions according to each rating. In 2025, HL Klemove identified 37 hazards in the first half of the year and 39 hazards in the second half through its risk assessments. All The risk assessments conducted in the first and second half of 2025 identified 37 hazards and risk factors in the first half and 39 in the second half, and all required actions were completed in accordance with the action plans.

Safety Inspection for New Equipment and Lines

HL Klemove conducts joint labor-management safety inspections prior to mass production when introducing new equipment or expanding or changing production lines to proactively ensure worker safety. These inspections involve the joint participation of the labor union, on-site personnel, and the Facility & Safety Team to comprehensively verify safety and health risk factors according to the work methods of each process, the installation of protective devices, and the MSDS posting status. If risk factors such as exposure of driving parts, safety sensor blind spots, entrapment risks, or unposted MSDS are discovered, HL Klemove initiates mass production only after safety is secured by performing corrective actions such as installing protective covers, supplementing sensors, attaching signs, and providing personal protective equipment.

Safety Inspection for High-Risk Tasks

HL Klemove performs theme-based safety inspections on high-risk tasks, based on risk assessment results and major safety concerns. Corrective actions were completed for all 10 improvement items identified during the inspections. Through these efforts, potential on-site hazards are proactively managed, thereby strengthening accident prevention activities.

Item	Check schedule	Details	No. of deficiencies	No. of improvements
Forklifts	Feb.	1. Status of protective devices / 2. Qualifications of forklift drivers / 3. Condition of the workplace floor / 4. Completion of work plans	1 Case	1 Case
Electricity	Apr.	1. Presence of protective covers for charging sections of distribution panels / 2. Condition of wires in terms of damage or aging / 3. Condition of outlet sockets in terms of stability and damage / 4. Existence of equipment grounding	2 Cases	2 Cases
Exposure of driving parts	Jun.	1. Existence of exposed driving parts / 2. Presence of damaged protective covers	2 Cases	2 Cases
Interlock	Aug.	1. Installation status of door interlocks / 2. Presence of damage to door interlocks/ 3. Status of door interlocks in terms of proper functioning	3 Cases	3 Cases
Chemicals	Oct.	1. Posting status of MSDS / 2. Attachment status of MSDS warning labels / 3. Storage conditions of chemical substances	2 Cases	2 Cases
Fire & Explosion	Dec.	1. Storage condition of flammable materials / 2. Condition of gas facilities / 3. Other fire and explosion hazards	-	-

Health and Safety Metrics and Targets

HL Klemove conducts occupational health and safety risk assessments across all business sites to proactively identify and manage potential health and safety risks, while regularly monitoring key indicators including work-related incidents, lost workdays, injury rates, and employee participation in safety training. In 2025, a 100% risk assessment completion rate was maintained across all business sites, and work-related incidents and injury rates were continuously managed. The occupational health and safety management system will be further enhanced to minimize incidents and lost workdays, expand safety training participation among all employees, and maintain accident-free workplaces from 2026 to 2030.

Category	Unit	2023	2024	2025	2026 Target	2030 Target
Percentage of worksites conducting Safety/Health Risk Assessments	%	100	100	100	100	100
Number of work-related accidents	No. of cases	3	1	1	0	0
Lost workdays	No. of days	116	28	121	0	0
Injury rate	%	0.15	0.04	0.03	0	0
Percentage of employees participating in safety training ¹⁾	%	85.0	86.1	89.4	100	100

1) Data revision of 2023-2024 due to changes in the scope



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Board of Directors

BOD Composition and Roles

HL Klemove's Board of Directors serves as the company's highest decision-making body. It is composed of five directors, including four internal directors and one independent director. The CEO concurrently serves as chairperson of the board to enable faster decision-making and improve management efficiency. The board meets on a quarterly basis to supervise and review the company's management and operations. It may also convene emergency meetings when urgent issues arise. Directors are appointed in accordance with applicable laws and regulations, including the Commercial Act, and are required to meet the statutory qualifications for directors. Pursuant to Article 20 of the Articles of Incorporation, directors serve a three-year term. The CEO is appointed by resolution of the Board of Directors and is responsible for overseeing the Company's overall business operation.

Board of Directors (As of March 2026)

Category	Name	Position	Expertise	Relationship with the largest shareholder or major shareholder	Date of termination of tenure
CEO, President (Board Chair)	Yun Haeng Lee (Male)	CEO of HL Klemove	Management	Related Party	2028.12.30
Inside Directors	Mong-Won Chung (Male)	Chairman of HL Group	Stable external operations	Related Party	2027.12.02
	Seong-Hyeon Cho (Male)	CEO of HL Mando, Head of Automotive Sector	Management	Executive at affiliate	2027.08.02
	Chul Lee (Male)	Head of Corporate Management of HL Mando	Management strategy and finance	Executive at affiliate	2027.03.26
Independent Director	Kun-Soo Huh (Male)	Professor of Automotive Engineering, Hanyang University	Knowledge and technological skills in the automotive industry	-	2028.03.29

Diversity, Expertise, and Independence of the BOD

HL Klemove's Board of Directors is composed of experts with a deep understanding of the automotive industry, and directors are appointed based on a comprehensive consideration of professional expertise, industry experience, and job-related competencies. The Company also plans to review ways to enhance board diversity going forward. Independent directors are appointed after carefully reviewing any potential conflicts of interest with the Company and participate independently in the Board's decision-making process. Looking ahead, HL Klemove plans to consider a diverse pool of candidates to strengthen expertise in ESG and digital transformation. The company provides board members with the training they need to carry out their roles effectively and make strategic decisions. In 2025, three training sessions were provided to independent directors to strengthen ESG management and governance. The results of the board operation evaluation were also shared, followed by discussions on future sustainable management initiatives. Additionally, we operate internal processes to prevent conflicts of interest based on the independence of the board of directors. The Board of Directors is structured to reflect a balance between management and stakeholder interests, while providing oversight and checks on the company's overall management.

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Board of Directors

BOD Activities

The Board of Directors serves as the company's highest decision-making body, deliberating and deciding on major management issues, and operates efficiently in accordance with board regulations. In 2025, the Board held a total of 8 meetings, during which 10 report items and 20 resolution items were presented.

Major resolutions included the approval of business plans, internal transactions, and dividend policies. Key report items addressed the internal accounting management system, business performance, the status of sustainable management initiatives, and the results of the board operation evaluation. Through these activities, HL Klemove realizes systematic management and transparent operations across all aspects of its business.

Board Performance Evaluation

HL Klemove evaluates board operations each year to monitor the effectiveness of the Board of Directors in carrying out its responsibilities. The evaluation is conducted through a survey of all directors, using a five-point scale for each item to systematically assess the board's performance in terms of its roles and responsibilities.

The evaluation examines whether the board is acting fairly and diligently in the best interests of the company and shareholders, taking part in major management strategies and decision-making processes as appropriate, and properly performing its management oversight function. Using the results of the board operation evaluation conducted in December 2025, the company identifies improvement areas and follows up on them to continue building a more efficient and transparent board.

Board Remuneration Policy

HL Klemove determines the remuneration of registered directors and independent directors within the remuneration limits approved at the general meeting of shareholders, comprehensively reflecting various factors such as duties, position, contribution to the company, and leadership.

The remuneration of registered directors is evaluated based on management performance and contributions, while for independent directors, it is determined by considering their expertise in specialized fields and participation in various committees. Furthermore, the CEO's compensation is determined based on the results of a comprehensive performance evaluation that includes both financial performance and ESG performance.

Board Remuneration in 2025

Category	Members (Persons)	Total Remuneration (KRW million)	Average Remuneration per Person (KRW million)
Registered directors	4	2,240	560
Independent directors	1	52	52
Auditor	1	0	0

Appointment of Auditor and Internal Control

In accordance with relevant laws and the Articles of Incorporation, HL Klemove appoints a single auditor and does not currently operate a separate Audit Committee. The Auditor performs audit duties independently based on accounting expertise and is responsible for auditing the Company's accounting and overall business operations. The auditor thoroughly supervises the execution of duties to ensure that directors and management make transparent and rational management judgments. This includes managing internal control procedures for core processes such as accounting and procurement to prevent corruption and bribery. The Company continues to consider ways to strengthen the audit function to improve the effectiveness of its internal control framework going forward.

Name	Position	Career Highlights	Conflicts of Interest with The Company	Relationship with the Largest Shareholder or Major Shareholder	Date of Termination of Tenur
Hyo-Seong Cho	Auditor	Head of the Global Accounting Center of HL Mando	None	Executive at affiliate	2027.03

Ethics and Compliance Management

Ethics Management Organization

HL Klemove operates an ethical management organization for sustainable business operations. Based on our Code of Ethics and Code of Conduct, HL Group's Integrity Management Division is responsible for all audit activities and entrusts joint audits to external professional institutions. To ensure transparent work performance, we have clearly defined the responsibilities and obligations regarding ethical management, the reporting system, and attribution, rewards, and penalties, and applied them to all employees.

Ethics and Anti-Corruption Policy

HL Klemove has established the Code of Ethics to practice integrity management and is strictly adhering to it. The Code of Ethics specifically outlines the responsibilities and obligations that all stakeholders, including suppliers, must follow, and provides detailed guidelines on responsibilities towards the nation and local communities, customers, fair trade, business ethics, and employee rights and welfare. All employees are required to carry out their duties transparently and fairly in accordance with the anti-corruption policy and to comply strictly with the Ethical Guidelines. They are required to avoid conflicts of interest between the company and individuals during the course of their duties and must firmly reject any undue requests or pressures that may compromise the fairness of their work. Employees are strictly prohibited from abusing their position or authority to promote the interests of a third party. Any act of providing or receiving monetary benefits, providing or receiving benefits that exceed economic benefits, or using company assets or personal information for personal gain is also strictly prohibited. In 2025, no unfair trade practices occurred, and the company plans to continue its sustainable growth based on honest technology and trust while thoroughly eliminating corruption risks.

Corruption Risk Assessment

To prevent corruption and bribery, HL Klemove applies systematic internal audit and control procedures. The HL Group Integrity Management Office conducts annual internal audits and identifies and assesses risks in key business processes that are vulnerable to corruption. Before each audit, the company sets the audit scope and inspection criteria to maintain consistency and structure in the risk assessment process. Risk factors found during the audit are assessed using both quantitative and qualitative methods to comprehensively evaluate the risk level and likelihood of corruption. Based on the assessment results, the company develops corrective action plans and takes immediate improvement measures. Where necessary, it also implements additional responses to continue managing risks. This series of processes operates as a management system that links proactive corruption risk identification with follow-up improvements, through which the company maintains an ethical and transparent corporate culture.

Anti-corruption Due Diligence

To prevent corruption and bribery, HL Klemove implements a systematic anti-corruption due diligence program for employees and certain transactions. The company evaluates corruption risks related to the transaction itself and the counterparty in advance, and for transactions related to operations and processes where residual corruption risk is identified as medium (M) or higher, due diligence is conducted before, or at the same time as, the transaction or contract is concluded. The due diligence is performed by HL Klemove's transaction officer through a corruption risk self-assessment using Hanmaru (Groupware) electronic documents, while counterparties (business-related parties) are also required to complete a due diligence evaluation form. The completed forms are reviewed by the transaction officer and used to comprehensively analyze corruption risks across the overall transaction. Through this due diligence process, the company identifies potential corruption risks involving counterparties and transaction procedures in advance, and applies a Risk-Based approach that responds according to the level of risk based on the collected information. As a result, the company strengthens its pre-transaction control function and operates a preventive management system for corruption risks.

Integrity Management Target

Category	Unit	2026 Target	2030 Target
Rate of regular risk assessments for corruption and bribery	%	100	100
Audit coverage rate of anticorruption and anti-bribery control procedures	%	100	100

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Ethics and Compliance Management

Ethics Training

HL Klemove requires new employees to complete ethics training as part of its efforts to prevent unethical behavior in the workplace. In 2025, the company conducted company-wide ethics training on 'Corporate Mission and Ethical Management' and 'Cyber Integrity Management' with all 871 employees completing the program for a 100% completion rate. The training was designed to raise ethical awareness and covered key topics such as anti-corruption, anti-bribery, prevention of anti-competitive conduct including fair trade. The company will continue to broaden the scope of its ethics training and update the content to further strengthen employees' ethical awareness.

Category	Unit	2023	2024	2025	2026 Target	2030 Target
Ethics training participants	Persons	795	849	871	1)	1)
Training completion rate ²⁾	%	100	98.5	100	100	100

1) The number of employees completing ethics training in the target year may vary depending on the number of employees in that year, and maintaining a 100% completion rate is adopted as a key management indicator.
2) The completion rate is calculated as the percentage of employees who completed the course out of all enrolled participants.

Whistleblower Protection Program

HL Klemove thoroughly protects the personal information of whistleblowers and strictly maintains confidentiality. We do not disclose any information that reveals or implies the identity of the whistleblower without their consent, and we provide restoration to the original state and equivalent protection measures in the event the whistleblower suffers disadvantages due to a violation of this policy. Furthermore, voluntary whistleblowers may be granted a reduction of liability. In such cases, factors such as their general work attitude are comprehensively considered, and the confidentiality of the whistleblower's identity is also kept confidential throughout this process.

Category	Content
Confidentiality Obligations	- Prohibition of disclosing the personal information of whistleblowers or any details that imply their identity - Requirement for employees who access reporting information to sign confidentiality agreements
Reduction of Liability for Voluntary Whistleblowers	- Reduction of liability for whistleblowers, taking into account their degree of involvement and level of cooperation - Provision of sufficient leniency and guaranteed confidentiality for voluntary reporting
Non-adverse Action Obligations	- Prohibition of any personnel, administrative, or economic disadvantages for whistleblowing - Ability to apply for corrective measures in the event of any disadvantages

Operation of the Ethics Reporting Channel

HL Klemove operates a Cyber Audit Office as an ethics reporting channel to continuously monitor ethical compliance in business and workplace practices. Not only employees but also external stakeholders may report unfair trading practices and violations of the Code of Ethics and Ethical Conduct Guidelines through various channels, including the online reporting system, email, and telephone, either anonymously or under their real names. Reported cases are handled systematically under the principle of whistleblower protection. After content verification and initial review, the facts and materiality of the report are assessed to determine the need for an investigation, followed by referral to the relevant department, establishment of an investigation plan, fact-finding, and evidence collection. When an investigation is deemed necessary, the case is assigned to the relevant departments, and the company prepares an investigation plan, conducts fact-finding, and secures evidence. If a violation is confirmed as a result of the investigation, disciplinary or corrective actions are implemented in accordance with internal regulations. Subsequently, the results of the actions taken are communicated to the whistleblower, and we seek to prevent recurrence and improve the system through feedback with relevant departments and continuous monitoring. We operate a whistleblower protection program to strengthen ethical management by ensuring confidentiality, considering mitigation of responsibility for voluntary reporting, and prohibiting disadvantageous treatment or retaliation against whistleblowers.

Types of reports for violations of the Code of Ethics

Category	Content
Harassment/Bullying	Workplace harassment, sexual harassment, and similar misconduct
Embezzlement or misappropriation of company funds and assets	Improper use of company assets
Breaches of information security	Leakage of internal information and violations of security regulations
Violation of environmental regulations	Non-compliance with environmental regulations
Human rights violations	Human rights violations and discriminatory practices

Ethics Reporting Process



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Tax Transparency

Tax Policy

HL Klemove is committed to strictly complying with the tax laws and regulations of each country in which it operates and to faithfully fulfilling all tax obligations in accordance with the law. Drawing on its understanding of domestic and international tax rules, the company ensures good-faith tax payment, adheres to transfer pricing guidelines, and manages tax matters transparently. Through open communication with tax authorities and other stakeholders, the company fulfills its role as a responsible taxpayer and continues to monitor tax developments in Korea and abroad in order to respond promptly and effectively to regulatory changes.

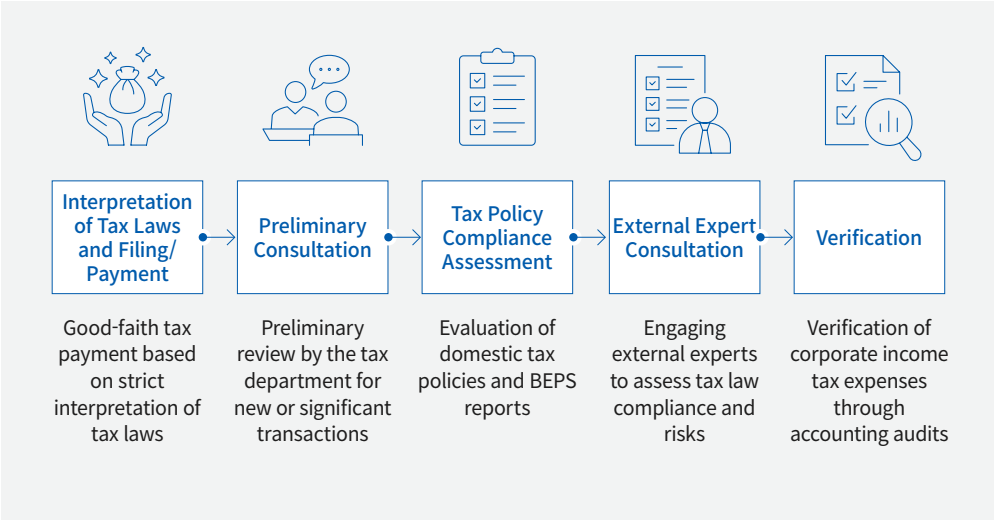
Basic Principles of Tax Policy

Basic Principles	Content
Abide by tax laws and pay taxes honestly	Based on the management philosophy of 'Integrity Management,' we strictly comply with tax laws and regulations when paying taxes. Our domestic and overseas subsidiaries perform business in accordance with the laws of each country where they operate, following the policies of the parent company, and fulfilling their tax obligations in good faith.
Comply with transfer pricing guidelines	We do not engage in transactions or contracts to exploit differences in tax laws or loopholes in international tax systems to avoid taxes. Instead, we ensure that the value created and taxable income is allocated consistently in each country of operation. Accordingly, transactions with related parties are conducted based on the arm's length principle in line with the OECD Transfer Pricing Guidelines and applicable local laws and regulations. In addition, where necessary, external tax experts review tax risks in advance, and the findings are incorporated into relevant decision-making.
Ensure transparent tax operations	All transactions are accounted for in accordance with Korean International Financial Reporting Standards (K-IFRS). Relevant information is recorded in the accounting and taxation system, and we provide legitimate evidence in good faith when requested by tax authorities. Furthermore, We do not exploit loopholes in tax laws and tax treaties for the purpose of tax avoidance, and we strictly prohibit operating business sites without substantial economic activity in tax havens where the sharing of tax information is unavailable.
Build partnerships with stakeholders	Transparent communication is maintained with key stakeholders, including tax authorities, and tax-related laws, regulations, and reporting obligations are diligently fulfilled.

Management of Tax Risks

HL Klemove is pursuing stable management through systematic and thorough tax risk management. The company thoroughly reviews tax laws and files and pays taxes diligently. For new or significant transactions, we conduct preliminary discussions with the tax and finance departments and communicate with tax authorities. Tax adjustments involve assessing compliance with domestic tax policies, preparing and managing BEPS (Base Erosion and Profit Shifting)-related transfer pricing documentation, including the Local File and Master File, and reviewing compliance with international tax regulations. In addition, HL Klemove engages external tax experts regularly to assess our compliance with tax laws and risks, and all domestic and overseas subsidiaries obtain advice from tax experts with a certain level of qualification. For the disclosed income tax expense, we conduct verification through accounting audits, and we also have systematic verification procedures in place for taxes paid, including corporate income tax and value-added tax. We will continue to diligently implement strict and transparent tax management in the future.

Tax Risk Management Process



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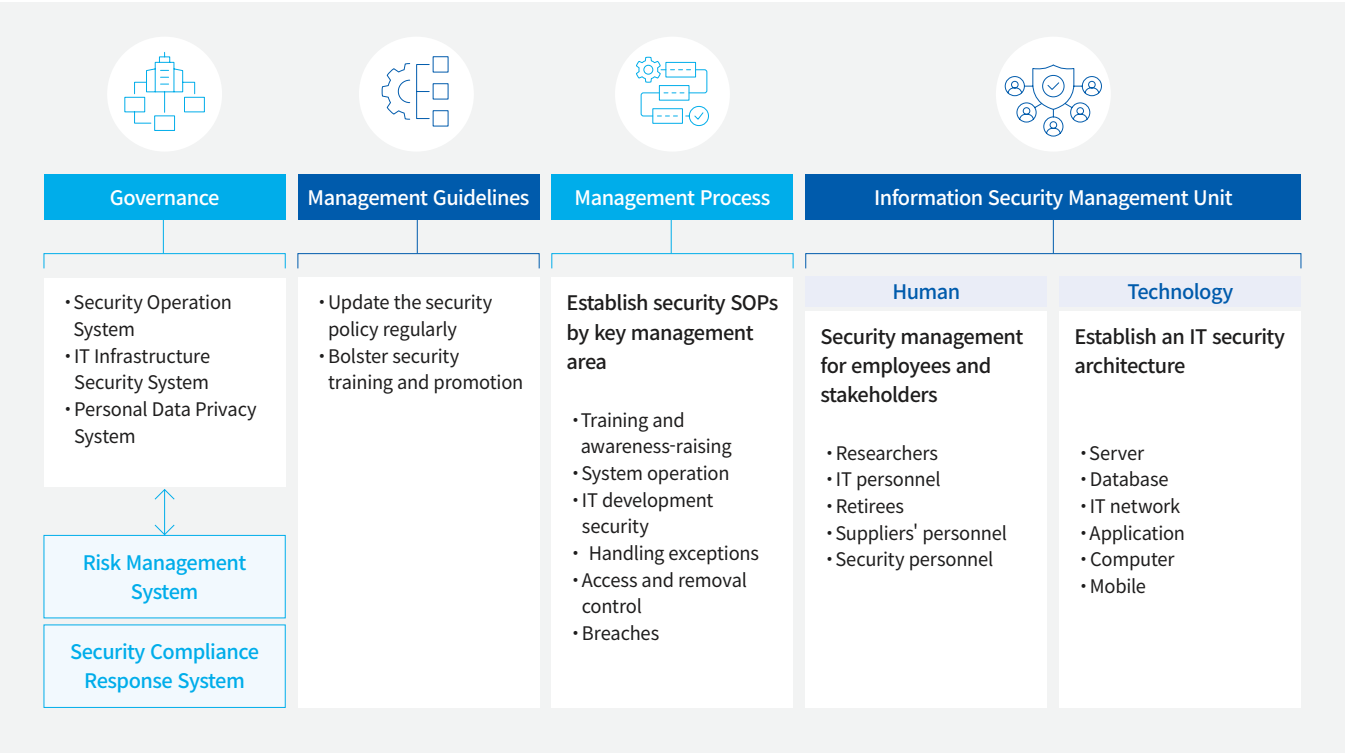
Information Security

Information Security Management System

Information Security Organization

To safeguard its information assets, HL Klemove has established and operates a systematic information security organization. The company has appointed a Chief Information Security Officer (CISO) who meets the qualifications set out in the Act on Promotion of Information and Communications Network Utilization and Information Protection, and has assigned dedicated personnel with expertise in information security and cybersecurity. The CISO and the dedicated organization manage security across managerial, physical, and technical areas throughout the company's operations. They also address major information security risks, including cyberattacks and the leakage of tangible and intangible assets outside the company. Furthermore, information security and cybersecurity performance are incorporated into the KPIs of the Chief Information Security Officer (CISO) and relevant organizational leaders to reinforce the accountability framework for protecting information assets.

Information Security Management System



Information Security Policy

HL Klemove systematically manages its information protection policies, centered on the corporate information security department. Under the responsibility of the CISO, the policy undergoes regular annual reviews and is revised as needed to reflect the results of risk analysis and assessments of information assets. The policy was enacted and implemented on November 1, 2023, and later amended on April 14, 2025, to further strengthen trade secret protection through enhanced management of former employees' information security and confidentiality controls. To clearly communicate HL Klemove's information security objectives and principles, the company officially publishes its information protection policies and related guidelines, which apply to all stakeholders—including employees, partners, contractors, and visitors—who access the company's information assets or facilities.

Information Security Guideline

HL Klemove recognizes information assets as critical to its business and continues to strengthen its information protection capabilities. To guard key information assets and customer information against internal and external threats, the company has established Information Security Guidelines and operates an integrated management system. Information security activities are led by a dedicated organization to ensure they are practical and effective. All employees and related parties comply with relevant regulations and responsibly perform their information protection duties. Through these efforts, information assets, both tangible and intangible, are being protected in a stable manner, while a management environment built on trust is being established.

- #### Highlights of the Information Security Guideline Implementation
- Ensure that key information assets, including networks, computer systems, databases, and applications, are managed securely and reliably.
 - Limit access of all information assets to authorized users and restrict external-to-internal access to business-related purposes and preapproved activities.
 - Develop a business continuity plan to ensure the safety and reliability of information assets in the event of various disasters and failures.
 - Compliance with relevant policies and guidelines is monitored through periodic inspections, emergency response drills, and vulnerability assessments.



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Information Security

Information Security Management Strategy

Information Security Management System

Information Security Monitoring System

HL Klemove operates a continuous monitoring system to prevent information security incidents and enhance security. Through this, we identify risk factors and the owners of the respective assets related to the loss of confidentiality, integrity, and availability, and establish appropriate response measures based on the results of risk assessments. Additionally, the company is continuously enhancing our information security levels by setting necessary control measures.

Information Security System Operation

HL Klemove operates various security systems to block unauthorized access. We proactively block external threats using IPS (Intrusion Prevention Systems) and firewalls, and strictly limit access to servers and DB (Databases) to authorized personnel through the implementation of OS and DB access control solutions, ensuring systematic and secure management. Furthermore, the company monitors all unauthorized access attempts in real time and takes immediate blocking measures if abnormal activity is detected.

Personal Data Privacy Management

In 2022, HL Klemove enacted the Guidelines for the Internal Management Plan on Personal Information Protection and manages personal information securely in compliance with the Personal Information Protection Act and relevant laws and regulations. An executive from the Human Resources Department is appointed as the Personal Information Protection Officer (CPO) to oversee personal information processing. Based on these guidelines, the company safely handles and manages the personal information of employees and dispatched workers while complying with relevant laws and internal regulations. Additionally, HL Klemove continuously carries out information security activities to prevent personal information leakage.

Confidential Information Protection Management

HL Klemove operates clear consent procedures in advance, where necessary, during the process of processing, sharing, and storing confidential information. During this process, the company clearly explains to data subjects the categories of information collected, the purpose of use, and the scope of sharing, and ensures compliance with relevant laws and internal policies. To strengthen confidentiality and prevent security incidents, information security-related documents are managed through an electronic approval system with established retention periods. These retention periods are determined in accordance with applicable laws and internal regulations and are managed differently depending on the importance of the confidential information.

Information Security Inspection and Evaluation

Information Security Vulnerability Assessment

Under the leadership of the CISO, HL Klemove conducts annual vulnerability assessments of internal information systems. Any issues identified are promptly addressed through preemptive corrective actions. Additionally, the IT operations department requests a security review from the corporate information security department during the introduction, modification, and disposal processes of systems to proactively eliminate potential security threats.

Information Security Inspection Activities

In accordance with Article 49 of the Information Security Guidelines on Security Review and Vulnerability Management, HL Klemove conducts security reviews at each stage of work to maintain the security of IT systems in application development and maintenance projects. The company also conducts regular inspections, including annual simulated hacking, to identify and manage system vulnerabilities in advance. In November 2025, HL Klemove worked with KISA, an external specialized agency, to conduct simulated hacking on nine critical servers. All vulnerabilities found during these inspections were addressed within the required timelines. In this assessment, a total of 29 technical vulnerability items were checked based on international standards (OWASP Top 10) and domestic standards (KISA), and vulnerabilities related to personal information were thoroughly examined for compliance with personal information protection laws. As a result, a total of 8 vulnerabilities were identified, and the company enhanced its security by completing improvement measures within the deadline.

Internal and External Inspections and Audits

To ensure the safe processing and protection of confidential information, HL Klemove performs internal and external inspections and audits. These activities check the operational status of key controls and compliance with policies and procedures, such as access control, log monitoring, document and record management, and incident response procedures, thereby continuously supplementing the management system. These inspections are conducted on a regular basis, at least once a year.



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Information Security Training and Drills

Information Security Training

To enhance information security awareness, HL Klemove operates a range of training programs covering personal information protection, prevention of internal information leakage, and information security policies and guidelines. These programs are delivered through diverse channels, including internal and cyber training, broadcast media, e-learning, in-person sessions, and lectures by invited experts. Ad hoc training is also conducted whenever information security-related issues arise. In 2025, the company delivered information security training to all employees and asked them to sign a security pledge to encourage security-conscious behavior. It also continues to share practical information security tips monthly through the 'Security Participation Forum' on groupware, covering topics such as 'Information Security Day' activities, spam and phishing email response, hacking email handling rules, and safe use of public Wi-Fi.

Simulation Exercises

To ensure swift and efficient responses in emergencies, HL Klemove conducts annual mock training based on its ransomware response process and periodically performs scenario-based simulation exercises reflecting real-world situations. Following these exercises, the company continuously improves its response manuals through post-exercise evaluations, and the results are shared with management and key stakeholders. Through collaboration with external specialized institutions, HL Klemove is strengthening its framework for rapid response and damage minimization.

IP Compliance Training

In line with its IP compliance policy, HL Klemove mandates annual IP compliance training for all employees. This training provides guidance on the main contents of the IP compliance policy and precautions to take when acquiring or utilizing third-party IP information, while also addressing the potential legal liabilities for non-compliance. Through this, the company aims to enhance employees' compliance awareness and contribute to establishing an ethical culture of information utilization.

Privacy Training

HL Klemove provides training on personal data protection at least once a year through online courses, groupware-based sessions, and other formats. Where appropriate, the company uses external experts or specialized agencies to support the training. The program addresses key areas such as the meaning and scope of personal information, regulatory updates, protection of data subject rights, and damage relief procedures, and conveys the importance of personal data protection. In 2025, the company conducted an online personal data protection training course, achieving a 100% completion rate among all 871 eligible employees.

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Information Security Certification and Management System

Information Security System Certification (ISO/IEC 27001)

HL Klemove obtained ISO/IEC 27001 certification, the international standard for information security management systems, in 2022 (certification coverage: 100% of all operations) and operates a management system to more securely protect key information assets. In 2023, the effectiveness of its operations was verified through the first surveillance audit, and in 2024, the company completed the transition audit (2013 → 2022) to maintain certification by meeting the revised ISO 27001 requirements. In 2025, the company maintained its certification through a recertification audit.

Establishment of a Cybersecurity System Based on ISO 21434

HL Klemove has established and operates a cybersecurity framework based on ISO/SAE 21434 (Road Vehicles – Cybersecurity Engineering) to deliver safe and reliable autonomous driving solutions to customers. In support of this effort, the Company operated a dedicated TFT for the Cyber Security Management System (CSMS) from 2024 and is further advancing its cybersecurity management framework in 2025 in alignment with its organizational restructuring. The CSMS focuses on identifying cybersecurity threats and vulnerabilities across the vehicle lifecycle and developing and implementing response strategies. The main goals of the TFT are to obtain ISO 21434 certification, establish and operate a cybersecurity management system, and ensure the early identification and rapid response to cybersecurity threats. The TFT has strengthened its competitiveness in the cybersecurity sector by establishing and operating a Key Management System (KMS) to prevent the leakage of cryptographic keys and ensure software integrity. Furthermore, the company is participating in national projects to develop a threat analysis system based on automotive security vulnerabilities to respond to global cybersecurity regulations. The company plans to jointly develop this system over the next five years in collaboration with the Korea Automotive Technology Institute, LG Electronics, and others. Simultaneously, the company is conducting a PoC (Proof of Concept) for the introduction of cybersecurity solutions, comprehensively verifying organizational suitability, accuracy, validity, and product reliability. HL Klemove is also advancing its cybersecurity to securely protect its technological capabilities. We have signed an MOU with PESCARO, a specialized cybersecurity solutions provider, to implement technical security required for SDV implementation and have established a strategic partnership to target the global market. In 2024, we received a score of 81 in the HKMC cybersecurity audit, exceeding the passing threshold. Based on this achievement, we are aiming to obtain cybersecurity process certification in 2025.



Information security Metrics and Targets

HL Klemove continues to achieve strong performance through the ongoing operation and enhancement of its information security management system. Between 2023 and 2025, the company maintained a 100% ISO 27001 certification rate across its operations, ensuring that its information security framework aligns with international standards. The company manages risks proactively by conducting an information security vulnerability assessment once a year. It has also maintained zero information security incidents and violations, while achieving a 100% completion rate for employee information security training. These results reflect HL Klemove's systematic security management capabilities. HL Klemove aims to continue maintaining this level of performance through 2026 and 2030.

Category	Unit	2023	2024	2025	2026 Target	2030 Target
Percentage of operations certified with ISO 27001	%	100	100	100	100	100
Number of information security vulnerability assessments	Cases	1	1	1	1	1
Information security vulnerability remediation rate	%	100	100	100	100	100
Number of information security incidents	Cases	0	0	0	0	0
Completion rate of information security training	%	100	100	100	100	100
Number of information security violations	Cases	0	0	0	0	0



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HL KLEMOVE
SUSTAINABILITY REPORT 2025

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Community

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Community Management System

Community Organization

HL Klemove operates a dedicated organization to systematically promote sustainable social contribution activities, with responsibilities shared between the GA (General Affairs) team and the ER (Employee Relations) team. The progress and outcomes of social contribution initiatives are regularly reported to management through the CSR Champions and coordination channels with relevant departments.

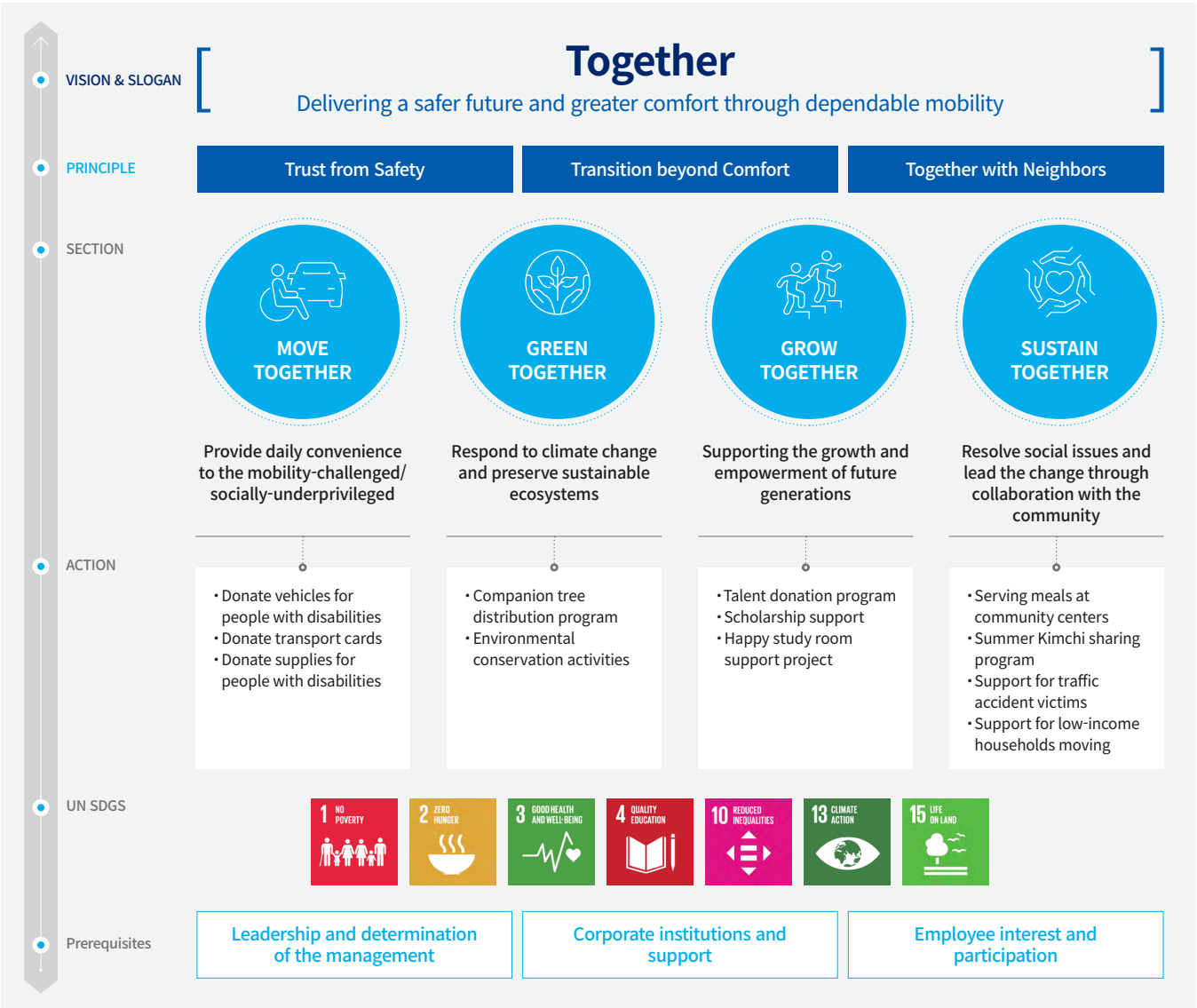
Community Strategy

Under the social contribution vision of 'Deliver greater comfort and safety through trusted and dependable mobility,' HL Klemove conducts social contribution activities based on four core social contribution strategies—MOVE TOGETHER, GREEN TOGETHER, GROW TOGETHER, and SUSTAIN TOGETHER—grounded in the three core principles of Trust, Comfort, and Together. Additionally, the company has established four-year goals for each of its flagship social contribution programs and is implementing them in stages.

Impact on the Community

HL Klemove's community activities, based on community contribution, are having a positive impact throughout the company's entire value chain. The company builds trust and strengthens social acceptance through support for mobility-vulnerable and socially underprivileged groups, as well as employee-participated sharing activities. Its ECO-CONSIDER activities, including climate action and the conservation of sustainable ecosystems, support the fulfillment of its environmental responsibilities and provide a foundation for meeting environmental requirements and stakeholder expectations. In addition, scholarship support contributes to long-term relationships with local communities while expanding educational opportunities for future generations. Looking ahead, HL Klemove will continue to contribute to sustainable management through expanded community inclusion and the creation of social value in environmental and educational areas.

Community Vision System



Community

Community Win-Win Activities

Move Together

Donating Transport Cards

HL Klemove has been continuously implementing the 'Love Transportation Card' support project since 2022. To alleviate the burden of using public transportation and improve mobility convenience for vulnerable groups within the community, we have provided transportation cards to recipients of National Basic Livelihood in Sujeong-gu, Seongnam. HL Klemove will continue its social contribution efforts to improve mobility for transportation-vulnerable groups and strengthen accessibility in local communities.

Donation of Goods for People with Disabilities

HL Klemove is engaged in various social contribution activities to improve the quality of life for people with disabilities who experience limitations in mobility. The company continuously operates support projects for people with disabilities every year. Notably, in April 2025, we carried out a sharing activity in collaboration with the local community to commemorate Disability Day. In partnership with four companies in Seongnam City, HL Klemove contributed daily essentials to support people with disabilities and engaged in activities promoting mutual growth with the local community.

Green Together

Companion Tree Sharing Project

As part of its eco-friendly social contribution and emotional support initiatives for marginalized groups, HL Klemove operates the 'Companion Tree Sharing Project'. In this project, employees personally nurture plants for six weeks and deliver them along with messages of encouragement to those whose outings or movement are restricted. In 2025, a total of 96 employees participated, contributing 384 volunteer hours. The company will continue to devise and implement various ways to expand both material and emotional support for its neighbors.

Plogging

HL Klemove conducted plogging activities with the goal of creating a clean community. Employees and their families collected trash while walking around parks and trails in their residential areas, and the company provided eco-friendly plogging kits that consider the environment to support their participation.

Grow Together

Sponsoring Halla University Autonomous Mobility Contest

Since 2021, HL Klemove has sponsored the Autonomous Driving Mobility Competition to foster local talent and help secure talent in the mobility sector. The competition provides high school and university students interested in autonomous driving with training in areas such as line cameras, artificial intelligence, autonomous driving simulators, and future mobility startups. Upon completion of the program, outstanding teams in each category are selected and awarded. In 2025, participation increased compared with previous years due to growing interest in autonomous driving. Through this competition, HL Klemove will continue to support students in strengthening core mobility technology capabilities and contribute to the cultivation of software professionals.

Happy Study Room Support Project

HL Klemove is participating in the 'IFEZ-Happy Study Room' project—a study room support initiative for families in old downtown areas involving companies located in the Incheon Free Economic Zone (IFEZ)—improve the study environment for students in the old downtown area with poor living conditions and motivate them to learn. Through this project, study rooms in target households were renovated with new wallpaper, flooring, and lighting, and bookshelves and educational equipment were provided. Having continued this support since 2023, HL Klemove also selected four households in 2025 to extend its assistance, contributing to better learning environments and broader educational opportunities for children in the local community.

Contributing Scholarships to Halla University

HL Klemove contributes scholarships to Halla University every year to nurture future talent and strengthen the local community's educational foundation. These scholarships contribute to fostering talent for the future mobility industry and expanding educational opportunities. The company will continue to collaborate with Halla University to dedicate its efforts toward fostering future talent in the mobility sector, including autonomous driving.



Donating Transport Cards



Summer Kimchi-Making Volunteer



Summer Kimchi-Making Volunteer



Sharing essential goods kit



Sharing essential goods kit



Sharing coal briquettes



Donation of Goods for People with Disabilities



Plogging



Plogging



Happy Study Room Support Project

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Community

Community Win-Win Activities

Sustain Together

Employee Participation-based Donation Project

HL Klemove conducts employee-driven social contribution activities through support programs for vulnerable groups and will continue to broaden employee participation to contribute to value creation in local communities.

Employee Participation-based Programs

Program	Activities
Meal service at general social welfare center	Since May 2023, we have been conducting meal service volunteer activities at the Seongnam Wirye General Social Welfare Center on the third Thursday of every month, and in 2025, 130 employees from the headquarters participated.
Summer kimchi sharing for vulnerable groups	HL Klemove conducted a kimchi-making and sharing event to help improve the lives of vulnerable groups. This event, which has been held annually since 2023, saw the participation of 18 employees who prepared kimchi with warm hearts and spent meaningful time practicing sharing within the local community.
Sharing coal briquettes with love	At the end of 2025, we participated in the 'Incheon Free Economic Zone (IFEZ) Love Briquette Sharing' event. 16 employees from our headquarters supported the event, personally delivering coal briquettes to vulnerable households in the heating-vulnerable areas of Michuhol-gu, Hakik-dong, spreading warmth through sharing.
Essential goods kit distribution project	In December 2025, the company donated 250 'Winter Essential Goods Kits' for residents in need in Seongnam City. The essential goods kits, prepared in collaboration with the Seongnam Volunteer Center, consisted of various types of food items purchased from small business owners in Seongnam to revitalize the local economy, and about 30 of our employees participated in the packaging process.

Global CSR Activities

In 2025, the Indian subsidiary conducted participatory activities considering local circumstances, such as blood donation drives by employees and tree planting. The Chinese subsidiary carried out various social contribution activities to demonstrate its interest in and social responsibility towards the community, such as providing essential goods to traffic police and urban management personnel during the summer and visiting senior citizen centers to deliver gifts. Additionally, the company's total global donations in 2025 amounted to KRW 250 million.

Adding Hope to the Community

Starting in 2024, HL Klemove has launched new social contribution initiatives aimed at supporting low-income residents and families affected by traffic accidents. As part of a moving assistance sponsorship program for low-income local residents, KRW 5 million was donated, and livelihood stabilization support is being provided to low-income residents facing significant financial burdens, taking into account regional characteristics. This project is realized through public-private cooperation, completing the entire process from proposal to selection and implementation, thereby achieving community welfare activities within the region. Additionally, in 2025, HL Klemove donated KRW 5 million as scholarships for children affected by traffic accidents through the Incheon Community Chest of Korea. The scholarships are matched and provided to children from low-income families whose livelihoods are difficult or who have been affected by traffic accidents.

Community Metrics and Targets

Employee Volunteer Participation

To promote employee participation in volunteer activities, HL Klemove manages average volunteer hours per employee and the employee volunteer participation rate as key management indicators. In 2025, the Company recorded a total of 2,203 volunteer hours, an average of 2.42 volunteer hours per employee, and an employee participation rate of 31.6%. Going forward, HL Klemove will focus on broadening the base of employee participation to encourage wider engagement in volunteer activities. For 2026, the Company has established a target employee participation rate of 64.5%, with average volunteer hours per employee set at 1.99 hours accordingly. By 2030, HL Klemove aims to further expand its participation base and manage performance against targets of 2.8 volunteer hours per employee and an employee participation rate of 65.0%.

Category	Unit	2023	2024	2025	2026 Target	2030 Target
Employee volunteer participation hours per person ¹⁾	Hours	1.52	2.22	2.42	1.99	2.80
Percentage of employees participating in volunteer activities	%	48.2	26.7	31.6	64.5	65

1) Reflecting the increase in both the number of employees participating in volunteer activities and the participation rate, the target for average volunteer hours per employee was revised.



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ESG Data

Economy

Financial Statements

Category	Unit	2023	2024	2025
Assets	KRW 100 million	10,084	11,705	12,418
Cash and cash equivalents	KRW 100 million	282	242	883
Liabilities	KRW 100 million	6,825	8,544	8,964
Debt	KRW 100 million	3,869	4,943	4,818
Net debt	KRW 100 million	3,587	4,701	3,935
Equity	KRW 100 million	3,259	3,161	3,454
Capital	KRW 100 million	138	138	138
Debt-to-equity percentage	%	209.4	270.3	259.5
Net debt-to-equity percentage	%	110.1	148.7	113.9

Profit and Loss Statement

Category	Unit	2023	2024	2025
Sales	KRW 100 million	15,367	16,306	18,250
Cost of sales	KRW 100 million	13,162	13,933	16,121
Operating profit	KRW 100 million	469	491	5
	%	3.1	3.0	0.0
EBITDA ¹⁾	KRW 100 million	1,008	1,127	734
	%	6.6	6.9	4.0
Net profit	KRW 100 million	664	-179	-630
	%	4.3	-1.1	-3.4

1) 2023-2024 data revised due to the correction of errors

Data scope: Consolidated basis

Sales

Category		Unit	2023	2024	2025
By region	Korea	KRW 100 million	12,438	11,822	11,350
	China	KRW 100 million	2,658	2,997	3,635
	America	KRW 100 million	608	2,199	3,762
	India	KRW 100 million	1,382	1,556	2,141
	Other	KRW 100 million	45	134	102
Subtotal		KRW 100 million	17,130	18,708	20,990
(Related transactions excluded)		KRW 100 million	1,763	2,402	2,740
Consolidated sales		KRW 100 million	15,367	16,306	18,250

Sales Breakdown

Category		Unit	2023	2024	2025
By customer	Hyundai/Kia	%	53	53	42
	HL Mando	%	28	28	32
	North America OEM/Tier 1	%	2	2	3
	China OEM/Tier 1	%	7	7	10
	Other OEM/Tier 1	%	9	9	13
By product	Brake	%	16	15	19
	Steering	%	15	16	16
	Sensor & Electronics	%	8	8	8
	ADAS	%	59	59	55
	Others	%	2	2	2



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Environment

GHG Emissions

Category	Unit	2023	2024	2025
Total GHG emissions	tCO ₂ eq	412,050	388,965	232,936
GHG emissions Scope 1	tCO ₂ eq	2,499	3,925	2,837
GHG emissions Scope 2	tCO ₂ eq	20,691	20,736	21,692
GHG emissions Scope 3	tCO ₂ eq	388,860	364,304	208,407
GHG emissions Scope 1 (Intensity) ¹⁾	tCO ₂ eq/ KRW 100 million	0.163	0.241	0.155
GHG emissions Scope 2 (Intensity) ¹⁾	tCO ₂ eq/ KRW 100 million	1.346	1.272	1.189

1) Based on consolidated revenue

GHG Emissions Reduction

Category	Unit	2023	2024	2025
Total GHG emissions reduction ¹⁾	tCO ₂ eq	1,883	-1,471	131
Scope 1 reduction	tCO ₂ eq	111	-1,426	1,088
Scope 2 reduction	tCO ₂ eq	1,772	-45	-957
YoY GHG Emissions Change Rate (Intensity) ²⁾	%	17.8	0.2	-11.1
Annual Investment Amount for Carbon Reduction	KRW 100 million	6.4	3.3	3.2
Estimated Annual Cost Savings from Investment	KRW 100 million	1.2	0.3	5.1

1) Data for 2023 and 2024 has been revised due to adjustments in the calculation scope (based on Scope 1&2 totals)

2) Based on consolidated revenue

Data Coverage: All global operations (Pangyo, Songdo, China, India, Mexico)

Energy Consumption

Category		Unit	2023	2024	2025
Total energy consumption		TJ	278.8	291.4	305.2
Total non-renewable energy consumption		TJ	266.1	273.8	280.9
Non-renewable energy consumption	Liquid fuel	TJ	6.3	5.4	7.1
	Gas fuel	TJ	3.3	2.5	2.8
	Electricity	TJ	254.4	263.7	268.9
	Steam	TJ	2.1	2.2	2.1
Total renewable energy consumption		TJ	12.7	17.6	24.3
Renewable energy consumption rate		%	4.6	6.0	8.0
Energy consumption (Intensity) ¹⁾	Non-renewable energy	TJ/ KRW 100 million	0.017	0.017	0.015
	Renewable energy	TJ/ KRW 100 million	0.001	0.001	0.001
	Total	TJ/ KRW 100 million	0.018	0.018	0.017
YoY Energy Consumption Change Rate (Intensity)		%	-12.6	-1.5	-13.8

1) Based on consolidated revenue



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Environment

Waste & Recycling¹⁾²⁾

Category		Unit	2023	2024	2025
Total waste generated		ton	917	990	1,357
Waste generated	Hazardous waste	ton	131	128	116
	Non-hazardous waste	ton	785	862	1,241
Waste generated (Intensity) ³⁾		ton/KRW 100 million	0.060	0.061	0.074
YoY change rate in waste generated (Intensity)		%	-7.5	1.8	22.4
Waste disposed		ton	917	990	1,357
-Recycling		ton	792	862	1,127
-Landfilling		ton	0	45	104
-Incineration		ton	124	115	123
-Other		ton	0	1	3
General waste disposed		ton	785	862	1,241
-Recycling		ton	785	816	1,118
-Landfilling		ton	0	45	104
-Incineration		ton	0	2	19
Designated waste disposed		ton	131	128	116
-Recycling		ton	7	13	10
-Landfilling		ton	0	0	0
-Incineration		ton	124	114	104
-Other		ton	0	1	3
Waste recycling rate		%	86.4	83.7	83.1
Non-recycling waste		ton	124	161	230
Non-recycling waste rate		%	13.6	16.3	16.9

1) All figures are rounded to the nearest first decimal place, and totals may not add up exactly.

2) 2023-2024 data revised due to changes in calculation criteria

3) Based on consolidated revenue

Water and Air Pollutants

HL Klemove does not operate any business sites subject to legal emission standards for air pollutants (e.g., NOx, SOx, particulate matter, VOCs, ozone-depleting substances) or water pollutants (e.g., BOD, COD, SS), and therefore does not generate such emissions in the course of its operations.

Data Coverage: All global operations (Pangyo, Songdo, China, India, Mexico)

Hazardous Chemicals

Category		Unit	2023	2024	2025
Consumption of hazardous chemicals		kg	385	605	528
Consumption of hazardous chemicals (Intensity) ¹⁾		kg/KRW 100 million	0.025	0.037	0.029
YoY Change Rate in Hazardous Chemical Usage (Intensity)		%	-57.7	48.1	-22.0
Chemical discharge ²⁾		kg	0	0	0

1) Based on consolidated revenue

2) 2023 - 2024 data revised due to changes in calculation criteria

Water Resources

Category		Unit	2023	2024	2025
Water withdrawal and consumption		m³	61,880	60,708	71,511
Waterworks		m³	61,880	60,708	71,511
Groundwater		m³	0	0	0
Water consumption (Intensity) ¹⁾		m³/KRW 100 million	4.030	3.720	3.919
YoY change in water consumption (Intensity)		%	-22.8	-7.5	5.3

1) Based on consolidated revenue

ISO 14001 Certification Status

Category		Unit	2023	2024	2025
Implementation of Environmental Management System Certification (ISO 14001)	Number of sites subject to ISO 14001 certification	Sites	4	5	5
	Number of ISO 14001-certified sites	Sites	4	4	4
	ISO 14001 adoption rate	%	100	80	80

Environmental Training¹⁾

Category		Unit	2023	2024	2025
Employees eligible for environmental training		Employees	61	63	72
Employees who participated in environmental training		Employees	61	63	72
Participation rate in environmental training		%	100	100	100

1) Based on domestic operations

ESG Data

Technological Innovation

R&D Investments

Category	Unit	2023	2024	2025
R&D personnel	Employees	722	771	782
Total R&D investments	KRW billion	93	115	137
Ratio of R&D expenses to sales ¹⁾	%	6.1	7.1	7.5

1) 2024 data revised due to the correction of errors

Patents¹⁾

Category	Unit	2023	2024	2025
Registrations	Cases	913	1,072	1,178
Applications	Cases	608	567	570

1) 2023 – 2024 data revised due to changes in the calculation method

Quality Assurance

Category	Unit	2023	2024	2025
Annual QA budget	KRW billion	17.1	11.7	15.3
Annual QA expenses	KRW billion	16.8	11.0	11.0
QA expenses as a percentage of sales	%	1.0	0.6	0.6

Data Coverage: All global operations (Pangyo, Songdo, China, India, Mexico)

IATF 16949 Quality Management System Certification

Category		Unit	2023	2024	2025
Implementation of the IATF 16949 quality management system	Number of sites subject to IATF 16949 ¹⁾	Sites	4	4	5
	Number of IATF 16949-certified sites ¹⁾	Sites	4	4	5
	IATF 16949 certification rate	%	100	100	100

1) Data revised following the correction of errors in 2024

LCA (Life Cycle Assessment)

Category	Unit	2023	2024	2025
Total number of programs in the reporting year	Programs	1	13	20
Number of programs with full LCA completed in the reporting year	Programs	1	13	20
Percentage of programs with full LCA completed in the reporting year	%	100	100	100

National R&D Projects¹⁾

Category	Unit	2023	2024	2025
Government grants	KRW 100 million	14.7	10.4	43.1

1) Based on domestic operations



ESG Data

Supply Chain Management

Transactions with Suppliers

Category		Unit	2023	2024	2025
Total suppliers		No. of suppliers	168	162	183
Major suppliers ¹⁾		No. of suppliers	51	54	59
Total purchase amount	Total purchase amount	KRW 100 million	7,014	7,165	8,471
Transaction amount by supplier category	Parts	KRW 100 million	7,014	7,165	8,471
	Raw materials	KRW 100 million	0	0	0
Transaction amount with key Tier 1 suppliers out of total purchase amount	Purchase amount from major suppliers (tier 1)	KRW 100 million	6,783	6,970	8,215
	Percentage of purchase amount from major suppliers (tier 1) out of total purchase amount	%	96.7	97.3	97.0

1) Purchase amount of KRW 100 million or more

Sustainable Procurement

Category		Unit	2023	2024	2025
Training on sustainable procurement	Employees engaging in procurement	No. of persons	23	24	34
	Procurement personnel who have received training	No. of persons	0	24	34
	Percentage of procurement personnel who received training	%	-	100	100
Suppliers who signed contracts containing provisions on environment, labor, human rights and ethics	Suppliers	No. of suppliers	30	33	33
	Percentage of suppliers	%	17.9	20.4	18.0

Data Coverage: All global operations (Pangyo, Songdo, China, India, Mexico)

Sustainability Management Assessment

Category		Unit	2023	2024	2025
Suppliers who received ESG assessments	Suppliers	No. of suppliers	15	20	40
	Percentage of suppliers	%	8.9	12.3	21.9
Assessed suppliers in the past three years ¹⁾	Suppliers	No. of suppliers	18	23	40
	Percentage of suppliers	%	10.7	14.2	21.9
On-site ESG assessments performed	Suppliers	No. of suppliers	15	20	40
	Percentage of suppliers	%	8.9	12.3	21.9
Suppliers rated excellent in ESG assessments	Suppliers	No. of suppliers	4	5	13
	Percentage of suppliers	%	26.7	25.0	32.5
Suppliers with risks identified	Suppliers	No. of suppliers	1	1	7
Suppliers who developed corrective action plans	Percentage of suppliers	%	0	0	4
	Suppliers	No. of suppliers	-	-	57.1
Suppliers who implemented corrective actions within 12 months	Percentage of suppliers	%	0	0	4
	Suppliers	No. of suppliers	-	-	100
Suppliers removed from contracts for failing to implement corrective actions	Suppliers	No. of suppliers	0	0	0

1) 2023 - 2024 data revised due to the correction of errors

ESG Data

Supply Chain Management

Supplier Support

Category		Unit	2023	2024	2025
Win-Win growth index rating		-	Good	Good	Good
Supplier quality certification	Suppliers certified to quality system certification	No. of suppliers	148	139	159
	Certification acquisition rate among eligible suppliers	%	100	100	100
Competency training	Suppliers provided with training	No. of suppliers	7	48	48
	Suppliers provided with training	%	4.2	29.6	26.2
	Employees of suppliers trained ¹⁾	Employees	24	70	123

1) 2024 data revised due to changes in the calculation method

Communication

Category		Unit	2023	2024	2025
Discussion meetings held		Meetings	1	1	1
Grievances submitted		Cases	0	0	0
Grievances resolved		Cases	0	0	0
Percentage of grievances resolved		%	-	-	-

Data Coverage: Domestic operations (Pangyo, Songdo)

Conflict Minerals

Category		Unit	2023	2024	2025
Suppliers with verified conflict minerals information	Suppliers subject to information verification	No. of suppliers	148	139	159
	Suppliers with verifiable information	No. of suppliers	148	139	159
	Percentage of suppliers with verifiable information	%	100	100	100
Sales ratio of products containing minerals from conflict-affected and high-risk areas(as a share of total product sales)		%	0	0	0
Sales ratio of products sourced from conflict-free verified suppliers in conflict-affected and high-risk areas(as a share of total product sales)		%	0	0	0



ESG Data

Labor and Human Rights

Employee Status

Category		Unit	2023	2024	2025
Total employees		Employees	2,244	2,667	2,885
Types of employment ¹⁾	Total permanent employees	Employees	1,816	2,157	2,540
	-Male	Employees	1,482	1,724	2,002
	-Female	Employees	334	433	538
	Total temporary employees	Employees	224	253	112
	-Male	Employees	166	178	90
	-Female	Employees	58	75	22
	Total dispatched employees	Employees	204	257	233
	-Male	Employees	114	147	134
	-Female	Employees	90	110	99
Types of work	Office	Employees	1,145	1,334	1,555
	Production	Employees	1,099	1,333	1,330
By gender	Male	Employees	1,762	2,049	2,226
	Female	Employees	482	618	659
By age group	Under 30	Employees	803	996	1,101
	Percentage of under 30	%	35.8	37.3	38.2
	30-under 50	Employees	1,380	1,597	1,705
	Percentage of 30-under 50	%	61.5	59.9	59.1
	50 and over	Employees	61	74	79
	Percentage of 50 and over	%	2.7	2.8	2.7
By position	Manager	Employees	1,598	1,927	2,154
	Senior manager	Employees	627	723	708
	Executive	Employees	19	17	23

Data Coverage: All global operations (Pangyo, Songdo, China, India, Mexico)

Category		Unit	2023	2024	2025
By nationality ²⁾	Korean nationals	Employees	1,177	1,267	1,235
	Percentage of Korean nationals	%	52.5	47.5	42.8
	Korean nationals in management positions	Employees	176	198	207
	Percentage of Korean nationals in management positions	%	78.6	72.8	71.6
	Chinese nationals	Employees	528	557	591
	Percentage of Chinese nationals	%	23.5	20.9	20.5
	Chinese nationals in management positions	Employees	28	36	37
	Percentage of Chinese nationals in management positions	%	12.5	13.2	12.8
	Indian nationals	Employees	539	617	739
	Percentage of Indian nationals	%	24.0	23.1	25.6
	Indian nationals in management positions	Employees	20	32	36
	Percentage of Indian nationals in management positions	%	8.9	11.8	12.5
	Mexican nationals	Employees	-	225	319
	Percentage of Mexican nationals	%	-	8.4	11.1
	Mexican nationals in management positions	Employees	-	6	8
	Percentage of Mexican nationals in management positions	%	-	2.2	2.8
	US nationals	Employees	-	1	1
	Percentage of US nationals	%	-	0.04	0.03
	US nationals in management positions	Employees	-	0	1
	Percentage of US nationals in management positions	%	-	-	0.3
Localization ³⁾	Employees in manager positions	Employees	67	102	111
	Locally-hired employees in manager positions	Employees	48	74	82
	Percentage of locally-hired employees in manager positions	%	71.6	72.6	73.9

1) Temporary employees: Provide support in roles such as administrative assistance (e.g., office admin) and research assistance(e.g., test drivers)/Dispatched employees: Personnel supporting office and production tasks
2) Management positions: Refers to team leaders and above
3) Managers: Refers to individuals officially appointed to managerial roles through internal HR assignments



ESG Data

Labor and Human Rights

Wage¹⁾

Category		Unit	2023	2024	2025
Gender	Median male annual pay	KRW million	67	64	64
	Median female annual pay	KRW million	45	42	38
	Gender gap in median annual pay	KRW million	21	22	26
	Wage gap by gender	%	67.9	65.8	59.8
Percentage of the compensation of CEO relative to the median annual total compensation of all employees ²⁾		Times ³⁾	7.4	7.0	6.0

1) 2023-2024 data revised due to the correction of errors
2) Based on domestic operations; information regarding CEO compensation is available on the business report
3) Revision due to a unit notation error

New hires

Category		Unit	2023	2024	2025
Total new hires		Employees	434	829	776
By gender	Male	Employees	352	581	549
	Female	Employees	82	248	227
By age group	Under 30	Employees	305	511	508
	30-under 50	Employees	127	307	264
	50 and over	Employees	2	11	4
By nationality	New hires in Korea	Employees	128	144	87
	New hires in China	Employees	26	11	12
	New hires in India	Employees	280	310	285
	New hires in Mexico	Employees	0	364	392
By position	Manager	Employees	387	775	699
	Senior Manager	Employees	47	54	77
	Executive	Employees	0	0	0

Data Coverage: All global operations (Pangyo, Songdo, China, India, Mexico)

Turnover Status

Category		Unit	2023	2024	2025
Total turnover		Employees	423	621	681
By gender	Male	Employees	341	451	490
	Female	Employees	82	170	191
By age	Under 30	Employees	254	365	394
	30-under 50	Employees	167	247	271
	50 and over	Employees	2	9	16
Turnover rate		%	18.9	23.3	23.6
Voluntary turnover		Employees	347	559	580
By gender	Male	Employees	273	402	417
	Female	Employees	74	157	163
By age	Under 30	Employees	212	328	335
	30-under 50	Employees	133	223	232
	50 and over	Employees	2	8	13
Voluntary turnover rate		%	15.5	21.0	20.1
Number of positions required for new hires	Turnover due to replacement of resigning employees	Employees	277	458	471
	Turnover due to new tasks	Employees	141	141	109
Number of positions filled through internal transfers among required new hires	Number of internal fills due to replacement of resigning employees	Employees	31	29	5
	Number of internal fills due to new tasks	Employees	6	2	1
Percentage of positions filled through internal transfers among required new hires	Percentage of positions filled through internal transfers among required new hires	%	8.9	5.2	1.0

Labor and Human Rights

Employee Diversity

Category		Unit	2023	2024	2025
Gender diversity	Percentage of female employees out of total	%	21.5	23.2	22.8
	Female hiring rate	%	18.9	29.9	29.3
	Number of female managers	Employees	15	25	16
	Percentage of female managers out of total managers	%	6.7	9.2	5.5
	Number of female executives	Employees	0	0	1
	Total female R&D engineer	Employees	97	115	129
	Number of female executives	Employees	678	751	837
	Percentage of female employees among engineers	%	14.3	15.3	15.4
	Number of female managers in revenue-generating department	Employees	0	3	1
	Number of managers in revenue-generating department	Employees	16	21	17
	Percentage of female managers in revenue-generating department	%	0	14.3	5.9
	Special recruitments and vulnerable employees ¹⁾²⁾	Employees	37	40	39
Special recruitments and vulnerable employees ¹⁾²⁾	Percentage of employees with disabilities	%	3.2	3.3	3.3
	Number of employees eligible for veterans benefits	Employees	6	9	5
	Percentage of employees eligible for veterans benefits	%	0.5	0.7	0.4

1) Based on domestic operations; the number of employees with disabilities is reported according to the Ministry of Employment and Labor's disability employment rate filings

2) 2023-2024 data revised due to the correction of errors

Maternity Leave¹⁾²⁾

Category		Unit	2023	2024	2025
Employees who took maternity leave		Employees	61	45	60
By Gender	Male	Employees	56	41	55
	Female	Employees	5	4	5
Employees who returned to work after maternity leave		Employees	61	45	60
By Gender	Male	Employees	56	41	55
	Female	Employees	5	4	5
Percentage of employees who returned to work after maternity leave		%	100	100	100

1) 2023-2024 data revised due to changes in the scope

2) Based on domestic operations

Data Coverage: All global operations (Pangyo, Songdo, China, India, Mexico)

Parental Leave¹⁾²⁾

Category		Unit	2023	2024	2025
Employees eligible for parental leave		Employees	355	360	325
By Gender	Male	Employees	334	335	302
	Female	Employees	21	25	23
Employees who took parental leave		Employees	22	21	41
By Gender	Male	Employees	15	13	32
	Female	Employees	7	8	9
Employees who are expected to return to work after parental leave		Employees	19	17	38
By Gender	Male	Employees	12	10	29
	Female	Employees	7	7	9
Employees who returned to work after parental leave		Employees	19	17	
By Gender	Male	Employees	12	10	
	Female	Employees	7	7	
Percentage of employees who returned to work after parental leave ³⁾		%	100	100	
By Gender	Male	%	100	100	
	Female	%	100	100	
Employees who worked 12 or more months after parental leave		Employees	14	14	
By Gender	Male	Employees	9	9	
	Female	Employees	5	5	
Percentage of employees who worked 12 or more months after parental leave ⁴⁾		%	73.7	82.4	
By Gender	Male	%	75.0	90.0	
	Female	%	71.4	71.4	

1) Based on domestic operations

2) 2023-2024 data revised due to changes in calculation criteria

3) (Number of employees who returned to work after parental leave / Total number of employees scheduled to return after parental leave) *100

4) (Number of employees who remained employed for 12 months or more after returning / Number of employees who returned from parental leave) *100



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Labor and Human Rights

Working Hours¹⁾²⁾

Category	Unit	2023	2024	2025
Annual hours worked per person	Hours	1,840	1,940	1,989
Average weekly hours worked	Hours	36	38	38
Number of employees utilizing flexible hours	Employees	783	877	854
Percentage of employees utilizing flexible hours	%	67.4	70.7	70.9

1) 2023-2024 data revised due to changes in the scope
2) Based on domestic operations

Performance Appraisals¹⁾²⁾

Category	Unit	2023	2024	2025
Employees subject to MBO-setting	Employees	1,244	1,522	1,608
Employees who set an MBO with their boss	Employees	1,244	1,522	1,608
Percentage of employees who set an MBO with their boss	%	100	100	100

1) Based on office workers at domestic operations
2) 2023-2024 data revised due to changes in the scope

Benefits¹⁾

Category	Unit	2023	2024	2025
Average benefit expenses per person	KRW million	3.77	4.18	7.37
Operation of daycare center	Sites with daycare center operation	Sites	1	1
	Number of children in daycare centers	Persons	75	71
	Number of daycare center staff	Persons	17	16

1) Based on domestic operations

Data Coverage: All global operations (Pangyo, Songdo, China, India, Mexico)

Employee Training

Category	Unit	2023	2024	2025
Total number of training participants	Employees	2,096	1,798	2,756
Percentage of total employees who completed training	%	93.4	67.4	95.5
By Age	Under 30	Employees	667	730
	30 - under 50	Employees	1,369	1,016
	50 and over	Employees	60	52
By Gender	Male	Employees	1,688	1,371
	Female	Employees	408	643
By Training Type	Technology and task training	Employees	1,062	1,373
	Competency training	Employees	1,271	716
	Retiree training	Employees	53	75
By Position	Manager	Employees	1,548	1,264
	Senior manager	Employees	529	382
	Leader (Partial/Leader/Executive) team	Employees	19	152
Training hours completed per person	Hours	19	24	17
Total training expenses	KRW million	1,394	1,348	1,573
Training expenses per person	KRW million	0.67	0.75	0.57



ESG Data

Labor and Human Rights

Employee Engagement

Category		Unit	2023	2024	2025
Participants in the employee engagement survey	Manager	Employees	718	772	979
	Senior manager	Employees	433	429	1,049
	Executive	Employees	0	0	2
Employee with high engagement among the survey participants	Manager	Employees	551	574	928
	Senior manager	Employees	308	293	749
	Executive	Employees	0	0	1
Percentage of employees with high engagement		%	74.6	72.2	82.7

Labor Relations¹⁾

Category		Unit	2023	2024	2025
Labor union	Employees eligible for labor union membership	Employees	286	284	270
	Employees who joined	Employees	280	280	249
	Labor union membership rate	%	97.9	98.6	92.2
Number of labor-management meetings		Cases	34	34	28
Collective agreement	Number of employees covered	Employees	310	321	313
	Percentage of employees covered	%	27.0	26.3	26.4

1) Based on domestic operations

Data Coverage: All global operations (Pangyo, Songdo, China, India, Mexico)

Human Rights

Category		Unit	2023	2024	2025
Human rights impact assessment	Worksites subject to human rights impact assessment or review	Sites	5	5	5
	Worksites that received human rights impact assessment	Sites	5	4	4
	Ratio of worksites that received a human rights impact assessment	%	100	80.0	80.0
	Incidents of human rights risks	Cases	0	4	7
	Number of corrective actions	Cases	0	4	7
	Implementation rate of corrective actions	%	-	100	100
Human rights violation prevention program (Discrimination, harassment, sexual harassment child labor, forced labor, etc.)	Number of grievances received	Cases	3	4	5
	Number of grievances resolved	Cases	3	4	5
	Resolution rate of received grievances	%	100	100	100
Human rights training ¹⁾ (Discrimination, harassment, sexual harassment, child labor, forced labor, etc.)	Percentage of total employees who attended the training	Employees	1,162	1,809	2,170
	Percentage of total employees who attended the training	%	100	67.8	75.2

1) For 2023, the data are based on domestic operations, while for 2024-2025, the data are based on global operations

ESG Data

Safety

Data Coverage: All global operations (Pangyo, Songdo, China, India, Mexico)

Health and Safety Risk Assessment¹⁾

Category	Unit	2023	2024	2025
Number of target sites	Sites	3	5	5
Number of sites assessed	Sites	3	5	5
Percentage of sites assessed	%	100	100	100

1) For 2023, the data are based on domestic operations, while for 2024-2025, the data are based on global operations

Injury Status

Category	Unit	2023	2024	2025
Total injuries	Employees	3	1	1
Fatalities	Employees	0	0	0
Injuries	Employees	3	1	1
Work-related illnesses	Employees	0	0	0
Workplace injuries	Cases	3	1	1

Data Coverage: All global operations (Pangyo, Songdo, China, India, Mexico)

Occupational Health & Safety Performance

Category	Unit	2023	2024	2025
Lost workdays	Days	116	28	121
Number of regular employees	Employees	2,055	2,667	2,885
Total annual working hours	Hours	4,039,882	5,906,671	7,712,463
Accident rate	%	0.15	0.04	0.03
Total Recordable Injury Frequency Rate (TRIFR)	Cases/million hours worked	0.74	0.17	0.13
Lost Workday Rate (LWR)	-	0.02	0.004	0.013
Frequency Severity Index (FSI)	-	0.13	0.03	0.04
Lost-Time Injuries Frequency Rate (LTIFR)	Cases/million hours worked	0.74	0.17	0.13
Supplier lost workday injury rate	Cases/million hours worked	0	0	0
Occupational Illness Frequency Rate (OIFR)	Cases/million hours worked	0	0	0

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Data Coverage: All global operations (Pangyo, Songdo, China, India, Mexico)

Safety

Health & Safety Training¹⁾

Category		Unit	2023	2024	2025
Employees subject to training		Employees	1,908	2,296	2,578
Percentage of employees who completed the training to the total number of employees		%	85.0	86.1	89.4
Safety training hours per person		Hours/ Employees	17.5	17.1	16.2

1) Data revised due to changes in scope in 2023 and 2024

ISO 45001 Certification

Category		Unit	2023	2024	2025
Implementation of ISO 45001 certified workplaces	Sites subject to ISO 45001	Sites	4	5	5
	Sites certified to ISO 45001	Sites	4	4	4
	ISO 45001 certification rate	%	100	80.0	80.0

Data Coverage: Domestic operations (Pangyo, Songdo)

Governance · Ethics

Anti-corruption/Ethics¹⁾

Category		Unit	2023	2024	2025
Corruption	Number of corruption cases (legal standard)	Cases	1	0	0
	Number of resolved corruption cases (salary reduction or above)	Cases	1	-	-
	Resolution rate of corruption cases (salary reduction or above)	%	100	-	-
Non-compliance with the Code of Conducts	Number of Code of Conduct violations (internal standard)	Cases	1	0	0
	Number of resolved Code of Conduct violations (salary reduction or higher)	Cases	1	-	-
	Resolution rate of Code of Conduct violations (salary reduction or above)	%	100	-	-
Reports on Anti-corruption	Number of anti-corruption reports received	Cases	2	0	0
	Number of anti-corruption reports resolved (total)	Cases	2	-	-
	Resolution rate of anti-corruption reports (total)	%	100	-	-
	Number of anti-corruption reports resulting in disciplinary action of salary reduction or above	Cases	0	-	-
	Rate of anti-corruption reports resulting in disciplinary action of salary reduction or above	%	-	-	-
Internal audit (ethics/work)	Number of worksites subject to audit	Cases	3	4	3
	Number of audited worksites	Cases	3	1	2
	Audit implementation rate	%	100	25.0	66.7

1) Based on global operations

Ethics Training¹⁾

Category		Unit	2023	2024	2025
Employees who completed ethics training		Employees	795	849	871
Training completion rate		%	100	98	100

1) The completion rate is calculated as the percentage of participants who successfully completed the training among those enrolled.



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Governance · Ethics

Data Coverage: Domestic operations (Pangyo, Songdo)

Information Security

Category		Unit	2023	2024	2025
Implementation of ISO 27001 certification	Worksites subject to certification	Sites	1	1	1
	Worksites certified	Sites	1	1	1
	Certification rate	%	100	100	100
Number of information security vulnerability assessments	Number of cyberattack response process assessments	Cases	1	1	1
Number of information security incidents	Number of information security/ cybersecurity incidents	Cases	0	0	0
Information security training ¹⁾	Number of employees who completed the training	Employees	835	878	871
	Training completion rate	%	100	100	100

1) The completion rate is calculated as the percentage of participants who successfully completed the training among those enrolled.

Compliance¹⁾

Category		Unit	2023	2024	2025
Non-compliance with environmental regulations	Cases		0	0	0
	KRW million		0	0	0
Non-compliance with fair trade regulations	Cases		0	0	0
	KRW million		0	0	0
Non-compliance with safety regulations	Cases		1	0	0
	KRW million		2	0	0
Non-compliance with personal data privacy regulations	Cases		0	0	0
	KRW million		0	0	0
Non-compliance with customer (OEM) data related information security regulations	Cases		0	0	0

1) Based on business report disclosure standards

CSR

Data Coverage: All global operations (Pangyo, Songdo, China, India, Mexico)

Donations

Category		Unit	2023	2024	2025
Corporate donations ¹⁾	Total amount	KRW million	452	191	232
	Cash	KRW million	443	191	232
	In-kind	KRW million	9	0	0
	Percentage of donations against sales	%	0.029	0.012	0.013
Investment for community development (program execution costs ¹⁾)		KRW million	226	145	197
Investment for community development as a percentage of sales (program execution costs)		%	0.013	0.009	0.011
Costs incurred for business-linked social contribution activities (cause-related marketing)		KRW million	238	35	35

1) 2023-2024 data revised due to changes in calculation criteria

Volunteer Work

Category		Unit	2023	2024	2025
Volunteer hours	Total employee volunteer hours	Hours	1,643	1,581	2,203
	Volunteer hours per person	Hours/ Employees	1.52	2.22	2.42
Employee volunteers	Employee volunteers ¹⁾	Employees	1,078	712	911
	Percentage of employee volunteers out of total	%	48.2	26.7	31.6

1) 2023 data revised due to changes in calculation criteria

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Statement of Use	This report covers the period from January 1, 2025, to December 31, 2025 (including some 2026 performance data) and has been prepared in accordance with the GRI Standards 2021 (in accordance with) reporting principles
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	As of June 2026, the GRI Sector Standards for the Automotive industry have not been published

GRI 2: General Disclosures

Topic	GRI Standards	Indicators	Page
The organization and its reporting practices	2-1	Organizational details	6~7p
	2-2	Entities included in the Organization's Sustainability Reporting	2p
	2-3	Reporting period, frequency and contact point	2p
	2-4	Restatements of information	..1)
	2-5	External assurance	112~116p
Activities and workers	2-6	Activities, value chain and other business relationships	6~7p, 9p
	2-7	Employees	98p
	2-8	Workers who are not employees	98p
Governance	2-9	Governance structure and composition	18p, 78p
	2-10	Nomination and selection of the highest governance body	78p
	2-11	Chair of the highest governance body	78p
	2-12	Role of the highest governance body in overseeing the management of impacts	18p
	2-13	Delegation of responsibility for managing impacts	18~19p
	2-14	Role of the highest governance body in sustainability reporting	18~19p
	2-15	Conflicts of interest	78~79p
	2-16	Communication of critical concerns	18p, 79p
	2-17	Collective knowledge of the highest governance body	18p
	2-18	Evaluation of the performance of the highest governance body	79p
	2-19	Remuneration policies	79p, Business report 192~194p
	2-20	Process to determine remuneration	79p, Business report 193~194p
	2-21	Annual total compensation ratio	99p

1) Revised information is indicated in the notes

Topic	GRI Standards	Indicators	Page
Strategy, Policies and Practices	2-22	Statement on sustainable development strategy	5p
	2-23	Policy commitments	37p, 42p, 50p, 62p, 73p, 79~80p
	2-24	Embedding policy commitments	37p, 42p, 50p, 62p, 73p, 79~80p
	2-25	Processes to remediate negative impacts	64~65p, 72p
	2-26	Mechanisms for seeking advice and raising concerns	45p, 72p
	2-27	Compliance with laws and regulations	104~105p
	2-28	Membership associations	111p
	2-29	Approach to stakeholder engagement	20p
	2-30	Collective bargaining agreements	102p
Stakeholder engagement			

GRI 3: Material Disclosures

Topic	GRI Standards	Indicators	Page
Material Topics	3-1	Process to determine material topics	21p
	3-2	List of material topics	21~22p
	3-3	Management of material topics	22p



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Topic Standards Disclosures

Topic	GRI Standards	Indicators	Page
Topic 1: Climate change and Energy			
Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	26p, 32~34p
Energy	302-1	Energy consumption within the organization	93p
	302-3	Energy Intensity	93p
	302-4	Energy consumption reduction	29p
Emissions	305-1	Direct GHG emissions(Scope 1)	36p, 93p
	305-2	Energy indirect GHG emissions(Scope 2)	36p, 93p
	305-3	Other indirect GHG emissions(Scope 3)	28p, 36p, 93p
	305-4	GHG emissions intensity	36p, 93p
	305-5	Reduction of GHG emissions	29p, 93p
Topic 2: Customer Safety			
Customer Health and Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	41p, 105p
Topic 3: Supply Chain Management			
Environmental Assessment of the Supply Chain	308-2	Negative environmental impacts in the supply chain and actions taken	43p, 45~46p, 96p
Social Assessment of the Supply Chain	414-2	Negative social impacts in the supply chain and actions taken	43p, 45~46p, 96p

Topic	GRI Standards	Indicators	Page
Marked as Non-Material Topics			
Biodiversity	101-2	Management of biodiversity impacts	54~56p
	101-4	Identification of biodiversity impacts	54~56p
Economic Performance	201-1	Direct economic value generated and distributed	92p
Market Presence	202-2	Proportion of senior management hired from the local community	98p
Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	81p, 104p
	205-3	Confirmed incidents of corruption and actions taken	104p
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	105p
Tax	207-1	Approach to tax	82p
	207-2	Tax governance, control, and risk management	82p
	207-3	Stakeholder engagement and management of concerns about tax	82p
Water	303-3	Water withdrawal	94p
	303-5	Water consumption	94p
Waste	306-2	Management of significant waste-related impacts	52p
	306-3	Waste generated	94p
	306-4	Waste diverted from disposal (reuse, recycle, etc.)	94p
		Waste directed to disposal (incineration, landfill, etc.)	94p



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Topic	GRI Standards	Indicators	Page
Marked as Non-Material Topics			
Employment	401-1	New employee hires and employee turnover	99p
	401-3	Parental leave	100p
Occupational Health and Safety	403-1	Occupational health and safety management system	73~74p, 103~104p
	403-2	Hazard identification, risk assessment, and incident investigation	73p, 103p
	403-3	Occupational health services	73~75p
	403-4	Worker participation, consultation, and communication on occupational health and safety	73~75p
	403-5	Worker training on occupational health and safety	75p
	403-6	Promotion of worker health	75p
	403-7	Prevention and mitigation of occupation health and safety impacts directly linked by business relationships	74~76p
	403-8	Workers covered by an occupational health and safety management system	104p
	403-9	Work-related injuries	76p, 103p
	403-10	Work-related illnesses	76p, 103p
Training and Education	404-1	Average hours of training per year per employee	101p
	404-2	Programs for upgrading employee skills and transition assistance programs	70p
	404-3	Percentage of employees receiving regular performance and career development reviews	101p
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	78p, 100p
	405-2	Ratio of basic salary and remuneration of women to men	99p
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	102p

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IFRS S2 Index

Category	Metrics	Page
Governance	The governance body responsible for oversight of climate-related risks and opportunities	25p
	Management's role in climate-related risks and opportunities	25p
Strategy	Climate-related risks and opportunities	25~26p
	Effects of climate-related risks and opportunities on the business model and value chain	26p
	Strategy and decision-making related to climate-related risks and opportunities	27~30p
	Effects of climate-related risks and opportunities on financial position, financial performance and cash flows	26p, 32~34p
	Climate resilience	31~34p
Risk Management	Processes for identifying, assessing and prioritising climate-related risks and opportunities	35p
	The extent to which and how the processes for identifying, assessing and prioritising climate-related risks and opportunities are integrated into the entity's overall risk management process	35p
Metrics and Target	Climate-related metrics	36p
	Climate-related targets	36p

SASB Index

Sustainability Disclosure Topics

Category	Metrics	Code	Page
Energy Management	Total energy consumed	TR-AP-130a.1	93p
	Percentage grid electricity		
	Percentage renewable		
Waste Management	Total amount of waste from manufacturing	TR-AP-150a.1	94p
	Percentage hazardous		
	Percentage recycled		
Materials Sourcing	Description of the management of risk associated with the use of critical materials	TR-AP-440a.1	96~97p
Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	TR-AP-520a.1	105p

Activity Metrics

Metrics	Code	Content
Area of Manufacturing Plants	TR-AP-000.C	52,590m ²

UN SDGs



HL Klemove supports the UN SDGs (United Nations Sustainable Development Goals) and is committed to contributing to the sustainable development of humanity and the global community. To this end, the company has identified and manages specific SDG targets that align with its six key areas of sustainable management.

6 main categories	SDGs	Goals	HL Klemove Major Activity
Environment, Safety		11.6. Managing air quality, urban areas, and other waste to reduce negative environmental impacts 13.1. Strengthening the capacity and resilience to adapt to climate-related risks and natural disasters	HL Klemove is maximizing energy savings through facility improvements, including investments in solar power generation, LED replacements, and the adoption of high-efficiency cooling systems, as well as through assessments of electricity consumption. Renewable energy accounted for 8.0% of total energy use, accelerating the transition to environmentally friendly energy across its operations. The company also continues to make efforts to reduce waste generation and increase recycling rates, while expanding the use of environmentally friendly materials, including products made from 100% recycled aluminum. In addition, based on the ISO 14001 Environmental Management System, HL Klemove systematically assesses and manages key environmental risks, including waste, greenhouse gases, and air pollutants, while maintaining strict compliance with environmental laws and regulations.
Technological Innovation		8.2. Achieving improved economic productivity through industrial diversification, technological advancement, and innovation 9.4. Applying high resource efficiency, clean technologies, and environmentally friendly processes in industries 9.5. Significantly increasing investments in research and development personnel and activities to encourage innovation	HL Klemove is driving improvements in economic productivity through industrial diversification and technological innovation. In 2025, the company increased R&D expenditure to 7.5% of revenue and continues to expand its R&D workforce. HL Klemove is leading mobility innovation through the development of SDV-based integrated platforms and key components for autonomous driving and electric vehicles, while enhancing energy efficiency through high-efficiency electrification technologies and AI-based driving optimization. The company also operates industry-academia cooperation and talent development programs and conducts life cycle assessments for 20 products to enhance resource efficiency and adopt environmentally friendly processes.
Supply Chain Management		8.3. Supporting production activities, job creation, creativity, and innovation, while promoting the formation and growth of small businesses and SMEs 17.16. Strengthening global partnerships for sustainable development by mobilizing and sharing knowledge, expertise, technologies, and resources	HL Klemove regularly assesses the ESG performance of its suppliers and rigorously monitors the status of quality certifications and safety management. To ensure smooth communication with suppliers, the company operates both online and offline channels to strengthen real-time communication and collaboration. In addition, HL Klemove is expanding global partnerships for the sharing of knowledge, technologies, and resources, thereby contributing to innovation-driven growth and the creation of a sound supply chain ecosystem together with its suppliers.
Labor Rights and Human Rights		4.4. Expanding the pool of talent with the necessary vocational skills for quality jobs and business activities 10.2. Promoting social, economic, and political inclusion for all people, regardless of age, gender, disability, race, ethnicity, origin or religion	HL Klemove continues to make efforts to cultivate new talent through industry-academia collaboration and support programs for scholarship students in software-related job tracks. To secure outstanding talent, the company actively operates an employee referral program and internal recruitment system, while continuing recruitment initiatives such as career fairs at women's universities and branding pop-up stores to identify and attract female talent. In addition, in cooperation with the Korea Employment Agency for Persons with Disabilities, HL Klemove operates the Smart IT Advanced Training program to support the strengthening of IT job competencies and the expansion of employment opportunities for young persons with disabilities.
Governance and Ethics		16.3. Promoting the rule of law and ensuring equal access to justice for all 16.5. Reducing all forms of corruption and bribery 16.6. Developing effective, transparent, and accountable institutions	In accordance with its Code of Ethics, HL Klemove conducts annual internal audits to monitor corruption risks in areas such as accounting and procurement, while strengthening ethical awareness by providing annual anti-corruption and anti-bribery training to new hires and employees. The Board of Directors regularly receives training on ESG and governance, and the company reinforces management oversight and the prevention of conflicts of interest through internal controls. Compensation is determined based on fair evaluations, and ESG indicators are reflected in the CEO's performance assessment. By reporting ESG progress twice a year and communicating with stakeholders, HL Klemove continues to strengthen accountable governance.
CSR		1.5. Building resilience for the poor and vulnerable by 2030, and reducing exposure and vulnerability to extreme climate-related events, as well as other economic, social, and environmental shocks and disasters 4.3. Ensuring equal access to affordable, equality technical education, vocational training, and higher education, including universities, for all women and men by 2030	HL Klemove continues to promote social contribution activities that support shared growth with local communities. In 2025, average volunteer hours per employee reached 2.42 hours, while the employee volunteer participation rate increased to 31.6%. The company operates industry-academia linked education programs to expand equal access to affordable, high-quality technical, vocational, and higher education for both women and men, and is working to broaden educational opportunities, including for young people from vulnerable groups.

UN Global Compact



HL Klemove joined the UNGC (United Nations Global Compact) in May 2023, a global sustainable business initiative under the UN. By doing so, the company expressed its support for the 10 principles across four key areas: human rights, labor, environment, and anti-corruption, and continues to apply these principles across its business operations.

The 10 Principles across the four key areas		Page
▶ Human rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	62p, 64p
Principle 2	Make sure that they are not complicit in human rights abuses.	64~65p
▶ Labor		
Principle 3	Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.	68p
Principle 4	The elimination of all forms of forced and compulsory labor.	65p
Principle 5	The effective abolition of child labor.	65p
Principle 6	The elimination of discrimination in respect of employment and occupation.	62p, 65~66p
▶ Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges.	49~50p
Principle 8	Undertake initiatives to promote greater environmental responsibility.	25-36p, 49-56p
Principle 9	Encourage the development and diffusion of environmentally friendly technologies.	30p, 58-60p
▶ Anti-corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	80~81p

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Awards and Association Memberships

Awards

Date	Award	Host
2022.04.22.	2022 Science and Technology Award	Ministry of Science and ICT
2022.07.21.	2022 Industrial Technology Innovation Award	Ministry of Trade, Industry, and Energy
2023.05.02.	2023 56th Science Day, Minister of Science and ICT Award	Ministry of Science and ICT
2023.12.06.	2023 Korea Industrial Technology R&D Expo, Industrial Medal	Ministry of Trade, Industry, and Energy
2024.01.09.	CES 2024 Innovation Award	CES
2024.05.21.	59th Invention Day, Minister of Trade, Industry, and Energy Award	Ministry of Trade, Industry, and Energy
2025.01.10.	CES 2025 Innovation Award	CES

Associations

NO.	Organization	Purpose of Membership
1	ADASIS	Obtain information on ADAS Map-related standards
2	Korea Association of Autonomous Mobility Industry (KAAMI)	Communicate and collaborate with a host of private sector organizations, universities, and relevant organizations in the field of autonomous driving
3	Korea Automobile Manufacturers Association (KAMA)	Promote technology development through networking and academic conferences in relation to automobiles
4	Institute of Electrical and Electronics Engineers (IEEE)	Identify global electrical/electronic R&D trends
5	Korea Industrial Technology Association (KOITA)	Maintain and manage associated technology research centers

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Overview

BSI (British Standards Institution) Group Korea (hereinafter referred to as the "Assurer") was requested to verify the HL Klemove SUSTAINABILITY REPORT 2025 (hereinafter referred to as the "Report"). The Assurer is independent of HL Klemove and has no major operational financial interest other than assurance. This assurance opinion statement is intended to provide information related to the assurance of HL Klemove Corporation 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 HL Klemove Corporation and the assurance was carried out under the assumption that presented the information and data were complete and accurate.

HL Klemove Corporation 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 HL Klemove Corporation only.

The Assurer is responsible for providing HL Klemove Corporation management with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified and providing the information to all stakeholders of HL Klemove Corporation. The Assurer shall not bear any other responsibility, including legal responsibility, to any third party other than HL Klemove Corporation 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 HL KLEMOVE CORPORATION includes the following:

- Reporting contents during the period from January 1st to December 31st 2025 included in the report, some data included the first half of 2026.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material topics 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 and 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 HL Klemove Corporation.

[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]

101-2, 101-4, 201-1~2, 202-2, 205-2~3, 206-1, 207-1~3, 302-1, 302-3~4, 303-3, 303-5, 305-1~5, 306-2~5, 308-2, 401-1, 401-3, 403-1~10, 404-1~3, 405-1~2, 406-1, 414-2, 416-2

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 staff on organization's approach to stakeholder engagement.
- Review of the supporting evidence related to the material topics through interviews with senior managers in the departments responsible.

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- 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 HL Klemove Corporation Songdo HQ 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 HL Klemove Corporation. 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 HL Klemove

Corporation'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 environmental performance indicators are accurate and are supported by robust internal control processes.

Conclusions

The Report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards). 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

HL Klemove Corporation defined Social organizations, Customers, Associations, Government (Ministry of Climate, Energy and Environment), Suppliers and Employees as Key Stakeholder Groups. To collect opinions by each stakeholder group in the context of sustainability, operated the stakeholder engagement process. HL Klemove Corporation conducted a review of the stakeholder engagement process at the ESG Governance to reflect the issues derived through the stakeholder engagement process in sustainability strategy and goals. HL Klemove Corporation disclosed the results related to the process in the Report.

Materiality: Identification and reporting of material sustainability topics

HL Klemove Corporation implemented its own materiality assessment process in consideration of the major business and operational characteristics to derive important reporting issues related to sustainability. In the materiality assessment, HL Klemove Corporation conducted the analysis of global sustainability disclosure and evaluation standards, and conducted the IRO (Impact, Risk, Opportunity) analysis to derive the impact and financial materiality. HL Klemove Corporation derived 3 material topics through the process, and disclosed GRI topic standards disclosures related to material topics in the Report.

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Responsiveness: Responding to material sustainability topics and related impacts

HL Klemove Corporation operated a management process for material topics in the context of sustainability derived from the materiality assessment. HL Klemove Corporation established mid- to long-term sustainability plans and goals according to the management methodology established to effectively reflect the expectations of key stakeholders. HL Klemove Corporation disclosed the process including policy, indicator, activity and response performance on material topics in the Report.

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

HL Klemove Corporation identified the scope and extent of the impacts to the organization and key stakeholders in the context of the sustainability of the material topics reported. HL Klemove Corporation established sustainability strategies and objectives based on the analysis results of major impacts, including risks and opportunities for material topics at the governance level, 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 related Economic, Social and Environmental 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: 101-2, 101-4, 201-2, 202-2, 205-2~3, 302-1, 302-3~4, 303-3, 303-5, 305-1~5, 306-3~5, 308-2, 401-1, 401-3, 403-1~10, 404-1~3, 405-1~2, 406-1, 414-2, 416-2

Recommendations and Opportunity for improvement

The assurer will provide the following comments to the extent that they do not affect the result of assurance; Considering HL Klemove's industrial and business characteristics,

- It may be helpful to advance the sustainability management by strengthening management systems and internal control procedures on sustainability performance indicators.

GRI-reporting

HL Klemove Corporation 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 HL Klemove Corporation. The sector standard was not applied.

Issue Date: 02/06/2026
For and on behalf of BSI (British Standards Institution):

BSI representative



Jungwoo Lee, Lead Assurer, LCSAP



Seonghwan Lim, Managing Director of BSI Korea

BSI Group Korea Limited: 29, Insa-dong 5-gil, Jongno-gu, Seoul, South Korea
 Hold Statement Number: SRA 790002



GHG Assurance Statement

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GHG Assurance Statement

- **Organization (Responsible party) address:** 224, Harmony-ro, Yeonsu-gu, Incheon, Republic of Korea
- **Verification Objective:** This verification objectives to fairly reflect greenhouse gas data and information to ensure accuracy and without material discrepancies to provide a third-party verification opinion on HL Klemove's 2025 greenhouse gas emissions statement.
- **Verification Scope:** 2025 Scope 12-3 Direct and Indirect GHG Emissions from Domestic and Overseas Sites
- **Reporting and Verification Period:** GHG emissions for the one-year period from January 1 to December 31, 2025
- **Organizational Boundary:** Korea(KLK), China(KLS), India(KLI), Mexico(KLM)
- **Reporting Boundary:** Direct Greenhouse Gas Emissions (Scope 1), Indirect Greenhouse Gas Emissions (Scope 2), Other Indirect Greenhouse Gas Emissions (Scope 3) Category 1~15
- **Excluded Sources:** None
- **Reporting and Verification Criteria:** ISO 14064-1:2018 / ISO 14064-3:2019 / GHG Protocol
- **Materiality Level:** A level of 5% of total emissions is applied for material discrepancies (errors, omissions, or miss statements)
- **Level of Assurance:** Limited Level of Assurance
- **Verification Process and Limitations:** Verification activities were conducted on the greenhouse gas emission information and data provided by the organization, including document review, risk analysis and interviews with responsible personnel, evaluation of monitoring and control systems through observation and investigation, and data verification through sampling recalculation, tracking, cross-checking, and adjustment. This verification process may be affected by limiting factors such as the limitations of the provided data and sampling and carries an inevitable risk that material discrepancies may go undetected due to these limitations.
 - HL Klemove is responsible for the preparation and fair presentation of the GHG statement and report in accordance with the agreed criteria. BSI Group Korea is responsible for expressing an opinion on the GHG statement based on the verification.
- **Verification Data:** The results of verifying the data in the organization's GHG Report, which includes the greenhouse gas statement, are as follows. Details, including the boundary, method, limitations, and assumptions for estimating emissions by scope and category, are described in the verification report

Country	Business Site	Scope 1	Scope 2		Scope 3	Total	
			Location Based	Market Based		Location Based	Market Based
HL Klemove Total		2,837	24,877	21,692	208,407	236,121	232,936
Korea	KLK	432	8,261	8,261	103,043	111,737	111,737
China	KLS	1,898	9,433	9,433	69,659	80,990	80,990
India	KLI	421	4,944	1,760	24,199	29,565	26,380
Mexico	KLM	85	2,239	2,239	11,505	13,829	13,829

(Note 1) Market-based emissions are calculated as emissions offset from location-based emissions by reflecting the amount of renewable energy purchased in the market to offset emissions, such as RECs(Renewable Energy Certificates). [Unit: tCO2eq]

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Category	Scope3 Other Indirect Emissions
HL Klemove Total	208,407
Category 1. Purchased goods & services	94,625
Category 2. Capital goods	18,262
Category 3. Fuel- and energy- related activities	6,036
Category 4. Upstream transportation & distribution	10,941
Category 5. Waste generated in operations	433
Category 6. Business travel	1,164
Category 7. Employee commuting	7,173
Category 8. Leased assets	1,496
Category 9. Upstream transportation & distribution	6,711
Category 10. Processing of sold products	585
Category 11. Use of sold products	60,030
Category 12. End- of- life treatment of sold products	776
Category 13. Leased assets	0
Category 14. Franchises	0
Category 15. Investment	176

▪ **Verification Result:** Verified as Satisfactory

As a result of conducting verification at a limited assurance level in accordance with verification processes and procedures, no material discrepancies were found that could be included in the greenhouse gas reports and statements prepared by HL Klemove, and no evidence could be found that the greenhouse gas data and information were unfair.

- BSI Group Korea is independent and has no financial interest in HL Klemove. This 3rd party Verification Opinion has been prepared for HL Klemove solely for the purposes of verifying its statement relating to its GHG emissions, more particularly described in the scope above. It was not prepared for any other purpose. In making this Statement, BSI Group Korea has assumed that all information provided to it by HL Klemove is true, accurate and complete. BSI Group Korea accepts no liability to any third party who place reliance on this statement.
- **Issuing body of verification opinion:** BSI Group Korea (Address: 8th Floor, Taehwa Building, Insadong 5-gil, Jongno-gu, Seoul)
- **Verification Team Leader:** Eunsoon Jung (Lead verifier)
- **Independent reviewer:** Yeonwoo Jo (Lead verifier)
- **Number of Verification Opinion:** GHGEV 843006

For and on behalf of BSI:

Issue Date: 28/05/2026



Head of Operation, NEA, SeongHwan Lim



HL Klemove