2025 ILJIN Electric
Sustainability Report

ILJIN Electric

About This Report

Report Overview

This report has been published to transparently share ILJIN Electric's environmental, social, and governance activities and performance, as well as its sustainability management strategy and direction, with stakeholders. ESG is a key factor for sustainable growth and long-term corporate value creation, and ILJIN Electric continues to manage its environmental and social impacts through responsible management and to make efforts toward a sustainable future.

This report has been prepared for the following purposes.
- To transparently disclose the Company's ESG performance and build trust with stakeholders.
- To review the Company's ESG strategy and identify areas for improvement.
- To actively respond to stakeholder needs and promote sustainable management.

Reporting Period

This report focuses on financial and non-financial activities and performance from January 1, 2025 to December 31, 2025. To support stakeholder understanding, it also includes selected information on certain key issues and recent activities through the first half of 2026. In addition, key quantitative data is presented together with performance for the most recent three years (2023~2025) to support trend analysis.

Reporting Standards

This report has been prepared in accordance with the GRI Standards 2021, the global standards for sustainability reporting. It also complies with the industry standards of the Sustainability Accounting Standards Board (SASB) and refers to the ESG evaluation criteria of the Korea ESG Standards Institute (KCGS). Financial performance has been prepared based on consolidated financial statements in accordance with International Financial Reporting Standards (IFRS).

Reporting Scope

Financial performance in this report is disclosed for all domestic and overseas business sites of ILJIN Electric, while environmental and social performance is reported primarily for domestic business sites, with selected information on certain overseas business sites included in consideration of their size, nature, and impact.
- Domestic business sites: Magok InnoCenter, Hwaseong Factory 1, Hwaseong Factory 2, Hongseong Factory, Ansan Factory
- Overseas entity: United States / Overseas branches: United Kingdom, Singapore, Kuwait, Bahrain, Saudi Arabia, India

Assurance

To ensure the consistency, data quality, and reliability of the information presented in this report, third-party assurance was conducted by NICE D&B, an independent assurance provider, and the assurance statement is included in the Appendix under "Third-Party Assurance Statement."

Publication Cycle

ILJIN Electric publishes its Sustainability Report annually to maintain ongoing communication with stakeholders and disclose its ESG management performance.

This report can be downloaded from ILJIN Electric's website (https://www.iljinelectric.co.kr). For inquiries, please contact the following:

Department in Charge	Corporate Planning Team
Address	ILJIN InnoCenter, 15 Magokjungang 14-ro, Gangseo-gu, Seoul, 07789, Republic of Korea
Tel.	+82-2-3777-8357

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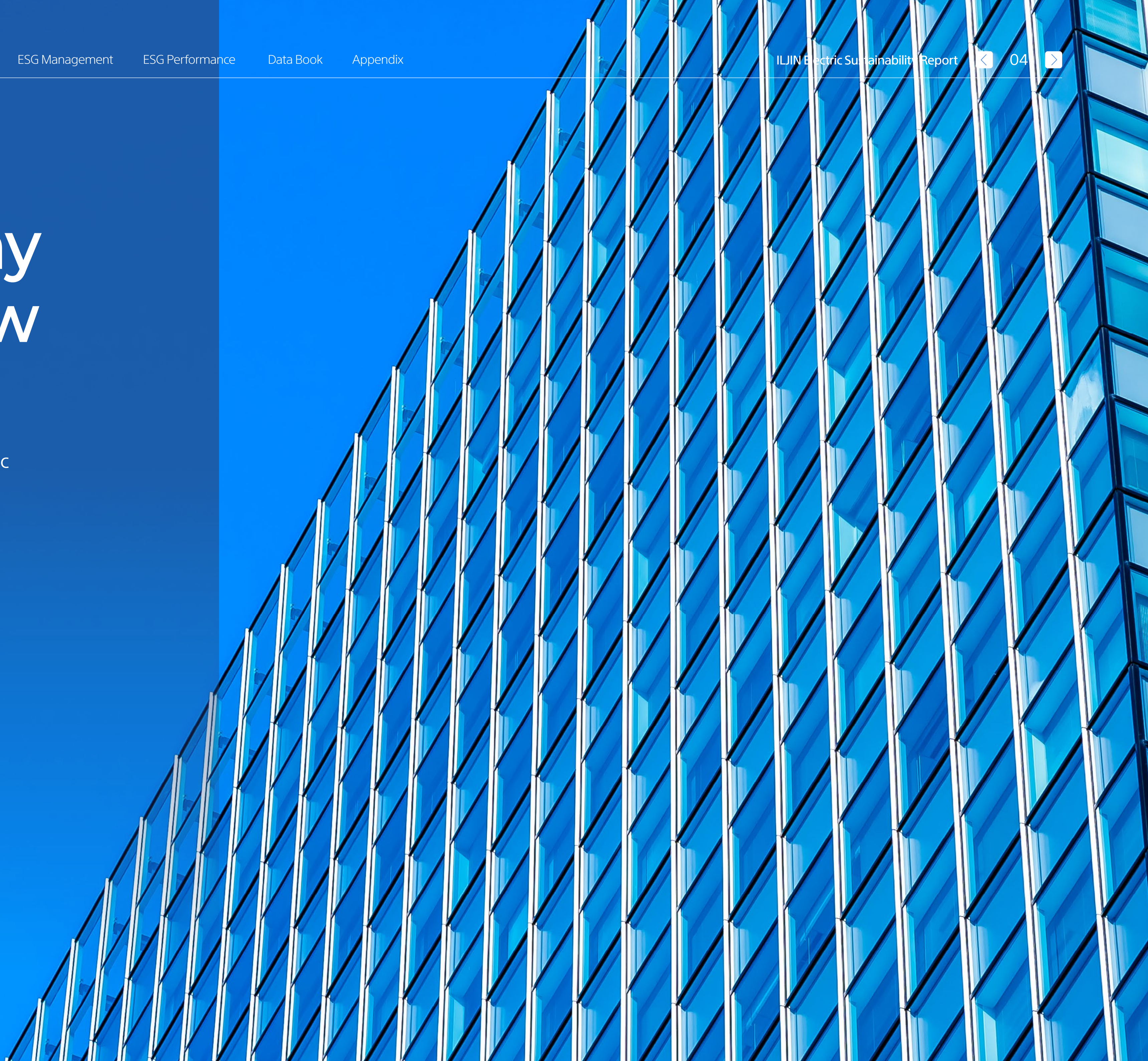


CEO Message

Dear Stakeholders,

We are pleased to share ILJIN Electric's progress and continued commitment to sustainable growth. Despite continued geopolitical risks and economic uncertainty, increased investment in power infrastructure and stronger energy transition policies across major markets are creating new growth opportunities for the power equipment industry. In particular, the expansion of AI data centers, renewable energy interconnection, and growing demand for the replacement of aging power grids are serving as key drivers of the Company's continued growth.

Against this backdrop, ILJIN Electric continues to maintain solid growth. In 2025, the Company achieved consolidated revenue of KRW 2.0445 trillion and operating profit of KRW 151.2 billion, representing year-on-year increases of 29.6% in revenue and 89.6% in operating profit. This performance was driven by growing demand for core power equipment, including extra-high voltage transformers and cables, as well as the expansion of production capacity through the enlargement of the Hongseong Extra-High Voltage Transformer Plant, strengthened quality competitiveness, and the continued development of new products focused on eco-friendliness and high efficiency.

CEO of ILJIN Electric
Sangseok You

Meanwhile, as global environmental regulations become more stringent and requirements for carbon emissions management continue to expand, uncertainty in the corporate business environment is increasing due to continued volatility in raw material prices and exchange rates, as well as a growing burden of supply chain management. In particular, increasing requirements for the development of eco-friendly power equipment, high-efficiency design, and product environmental performance are emerging as factors directly linked to market competitiveness, further underscoring the importance of proactive response.

In response to these changes, ILJIN Electric is actively addressing evolving market demand by leveraging its integrated manufacturing capabilities to produce extra-high voltage transformers, switchgear, and cables, and by expanding the development and supply of eco-friendly and high-value-added power equipment, including eco-friendly GIS, high-efficiency transformers, and HVDC cable systems.

In addition, ILJIN Electric has established a mid- to long-term reduction roadmap to reduce Scope 1 and 2 greenhouse gas emissions by 54.6% by 2033 and achieve Net-zero by 2050. The Company analyzes the environmental impacts generated throughout the entire life cycle of its products through life cycle assessment (LCA), and based on this analysis, is building a foundation for the development of eco-friendly products and the reduction of environmental impact.

Furthermore, ILJIN Electric regards compliance and ethical management as core management principles that underpin sustainable growth. The Company has introduced the Fair Trade Compliance Program (CP) and established an enterprise-wide compliance management framework based on ISO 37301 and ISO 37001 certifications, thereby preventing legal risks in advance. Through these efforts, ILJIN Electric is internalizing a culture of compliance and embedding an ethical corporate culture, further strengthening trust with stakeholders.

Going forward, ILJIN Electric will continue to respond flexibly to the changing market environment and create sustainable value by expanding eco-friendly products and advancing ESG management. Furthermore, we will continue striving to become a trusted company and a leading contributor to the global energy transition.

Thank you

Introduction to ILJIN Electric

Since its establishment in 1968, ILJIN Electric has grown alongside the development of Korea's power industry as a company specializing in power infrastructure. The Company provides core products and solutions across the entire power industry, including power generation, transmission, transformation, and distribution, contributing to the development of power grids in Korea and overseas. As a comprehensive heavy electrical equipment company that manufactures power cables for a wide range of voltage levels, from low voltage to extra-high voltage, as well as major heavy electrical equipment such as transformers and switchgear, ILJIN Electric has established competitiveness in the fields of extra-high voltage cables and transformers. The Company also engages in the production of key materials for power equipment, including copper wire, building a business structure that encompasses materials through to power facilities. Through continuous research and development and technological innovation, ILJIN Electric is responding to global power demand and the energy transition, and continues to pursue sustainable growth as a Total Energy Solution company.

General Information

Basis: December 2025

Company Name	ILJIN Electric	**Business Areas**	Transformers, switchgear, power cables, etc.
Year of Establishment	1968	**Headquarters Location**	905-17 Mannyeon-ro, Hwaseong-si, Gyeonggi-do (Annyeong-dong), Republic of Korea
CEO	Sangseok You	**Employees**	1,074
Business Sites	Korea | Hwaseong, Hongseong, Ansan, Seoul Overseas | U.S. entity, United Kingdom, Singapore, Kuwait, Bahrain, Saudi Arabia, India		

Total Assets
KRW 1,525,996 million

Revenue
KRW 2,044,552 million

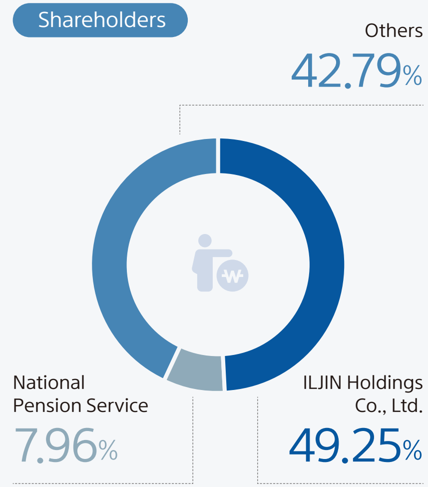
Outstanding Shares
47,685,390 shares

Total Equity
KRW 558,671 million

Operating Profit
KRW 151,227 million

Corporate Credit Rating
A0 (April 2026, based on corporate bonds)

Shareholders



Introduction to ILJIN Electric

ILJIN Electric VISION

Under the vision of becoming a "Total Energy Solution Provider," ILJIN Electric aims to achieve sustainable growth through the convergence of technology and services. Based on its core values of challenge, technology leadership, excellence, respect for people, and innovation, the Company seeks to contribute to the development of the power industry and the creation of a sustainable future.

Founding Philosophy

Contribute to national development by strengthening Korea's power industry through new challenges and growth at every moment

VISION and Core Objective

VISION | Total Energy Solution Provider

A company that grows sustainably through the convergence of technology and services

Core Objective | Proactive mindset

Create the best products and services based on a proactive mindset, thereby advancing the world and humanity and bringing happiness

Core Values

CHALLENGE	TECHNOLOGY	EXCELLENCE	PEOPLE	INNOVATION
Create ILJIN's unique challenging corporate culture with creative thinking, a positive can-do mindset, passion, and vitality.	Develop new technologies that enrich human life and create new value through continuous innovation.	Pursue world-class excellence in people, products, and corporate culture, and make our values and culture universal values of the world.	The Company discovers and develops talent, the source of competitiveness, while members of the organization grow together with the Company through continuous self-development.	Take a proactive approach to change in preparation for the future, embrace new systems and methods, and advance into a leading company.

Introduction to ILJIN Electric

History

1968-2003 Growth through New Technology Development

1968.01
- Established ILJIN Electric Co., Ltd.

1975.08
- Localized distribution fittings (dead-end clamp)

1976.12
- Localized 25.8kV COS (CUT OUT SWITCH)

1979.07
- Localized Lightning Arrester (technical partnership with McGAW-EDISON, USA)

1981.04
- Localized 345kV fittings (KEMA, Netherlands)

1983.03
- Localized Automatic Sectionalizer and Load Interrupter Switch

1984.12
- Localized Automatic Sectionalizing Breaking Reclosing Switch

1987.03
- Developed and mass-produced SF_6 Gas Switch (technical partnership with YASKAWA, Japan)

1990.03
- Technical partnership with M.G, France, and developed and mass-produced ALTS

1991.06
- Localized 25.8kV switchgear for substations - technical partnership with ALSTOM, Switzerland

1993.11
- Developed ILJIN Electric PAD Switch and completed initial production

1997.12
- Completed development and initial production of 765kV transmission fittings

1998.12
- Developed Gas-Insulated Switchgear (C-GIS)

2000.06
- Merged with ILJIN Cable Co., Ltd.

2001.05
- Localized 170kV Gas-Insulated Switchgear

2001.08
- Localized 345kV CV Cable

2001.09
- Independently developed 22.9kV ACSR/AW-TR/OC Cable

2002.07
- Localized 72.5kV Gas-Insulated Switchgear

2002.08
- Obtained certification for high-efficiency energy equipment (200kW-4P/160kW-6P)

2003.10
- Developed 154kV flame-retardant power transformer
- Merged with ILJIN Co., Ltd.

2004-2025 Leap Forward as a Total Energy Solution Provider

2004.12
- Qualified to supply Scott transformers for extra-high voltage electric railway power supply

2006.11
- Received the USD 100 Million Export Tower Award

2007.08
- Merged with ILJIN Heavy Industries Co., Ltd.

2007.11
- Received the USD 300 Million Export Tower Award

2008.07
- Converted to a holding company structure (ILJIN Holdings)

2008.12
- Received the Gold Tower Order of Industrial Service Merit

2009.09
- Obtained KEMA certification for 220kV 125MVA transformer

2010.12
- Revenue exceeded KRW 1 trillion

2011.03
- Completed development of 400kV HV Cable

2012.10
- Delivered Korea's first 66kV smooth sheath cable (Australia)

2013.04
- Completed transformer plant in Hongseong Industrial Complex

2013.06
- Delivered first 345kV 448MVA transformer from Hongseong Plant

2013.11
- Developed Korea's first 400kV smooth sheath cable system

2014.05
- Obtained KERI certification (245kV 40kA GIS)

2017.12
- Developed 362kV Gas-Insulated Switchgear

2018.06
- Signed a technical agreement with Siemens, Germany, for the development of eco-friendly Gas-Insulated Switchgear

2018.09
- Completed switchgear plant in Hongseong Industrial Complex

2019.01
- Developed export-type 420kV Gas-Insulated Switchgear

2020.12
- Delivered first 500kV 350MVA transformer to the United States

2021.02
- Developed 154kV Shunt Reactor

2021.06
- Developed Korea's first 154kV air-cooled gas TR

2021.11
- Registered 400kV PQ with National Grid in the United Kingdom

2021.12
- Completed Type Test for HVDC 320kV cable system (KEMA)

2022.04
- Completed development of 29kV eco-friendly GIS for railway applications
- Completed development of 154kV variable Shunt Reactor

2023.01
- Developed KEPCO 154kV three-phase gas transformer

2023.12
- Developed 345kV variable Shunt Reactor

2024.02
- Developed 500kV HVDC 3- and 6-conductor spacer dampers/ aluminum pipe jumper devices

2024.06
- Developed 72.5kV eco-friendly Gas-Insulated Switchgear (EGIS) for offshore wind power

2024.08
- Developed 154kV single-phase synthetic oil transformer

2024.10
- Developed 154kV PP insulated cable

2024.10
- Expanded Hongseong Extra-High Voltage Transformer Plant

2024.11
- Developed 154kV single-phase seismic-resistant transformer

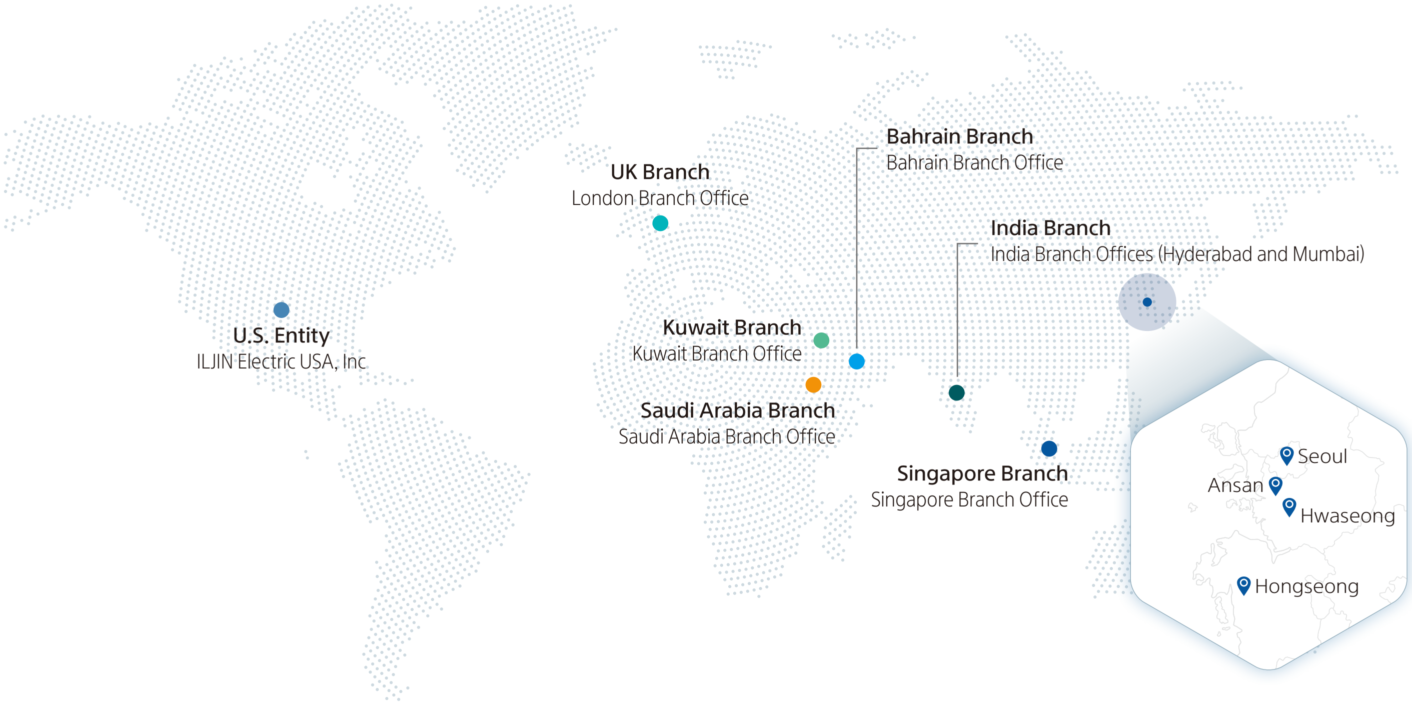
2025.10
- Developed KEPCO 25.8kV standard air-insulated load break switch (underground type)

2025.10
- Developed OLTC protection transformer

Introduction to ILJIN Electric

GLOBAL BUSINESS

ILJIN Electric is expanding its overseas business based on its major domestic production bases, one U.S. entity, and six overseas branches in Europe, the Middle East, and Asia, growing into a global power solutions company. Through its global network, the Company is building a stable supply chain and strengthening its global business competitiveness to respond promptly to customer needs.



Domestic Business Sites

InnoCenter Seoul Office

15 Magokjungang 14-ro, Gangseo-gu, Seoul

Heavy Electric Division

Hwaseong Factory 1 (Headquarters)
Switchgear
905-17 Mannyeon-ro, Hwaseong-si, Gyeonggi-do

Hongseong Factory
Transformers, Switchgear
467 Sandan-ro, Galsan-myeon, Hongseong-gun, Chungcheongnam-do

Cable Division

Hwaseong Factory 2
Extra-High Voltage Cables, Accessories
905-64 Mannyeon-ro, Hwaseong-si, Gyeonggi-do

Materials Division

Ansan Factory
SCR, Aluminium ROD
21 Neungan-ro, Danwon-gu, Ansan-si, Gyeonggi-do

Overseas Business Sites

- U.S. Entity
- UK Branch
- Singapore Branch
- Kuwait Branch
- Bahrain Branch
- Saudi Arabia Branch
- India Branch

Introduction to ILJIN Electric

Business Overview

Business Areas

ILJIN Electric provides products and services across the power infrastructure sector based on diverse business areas, including heavy electric equipment, power cables, materials, and energy solutions. The Company provides Total Solutions across the entire power industry, from power generation, transmission, transformation, and energy storage systems, and is strengthening its competitiveness in the global power market.

Heavy Electric Division

Develops and produces core power equipment responsible for the stability and efficiency of power grids, including extra-high voltage and special-purpose transformers, shunt reactors, and extra-high voltage switchgear.

Cable Division

Manufactures extra-high-voltage cables and provides total solutions for power transmission and distribution systems, including cable supply, jointing, pulling, termination installation, and testing.

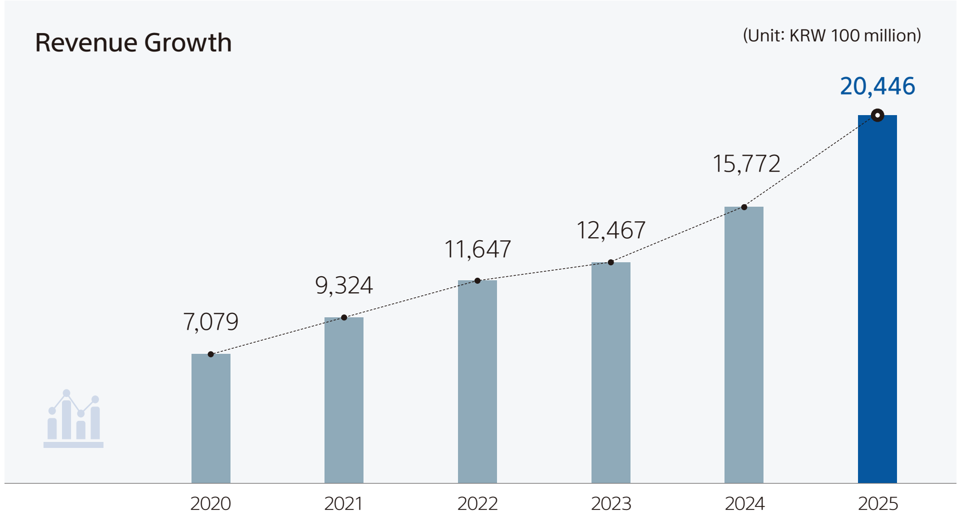
Materials Division

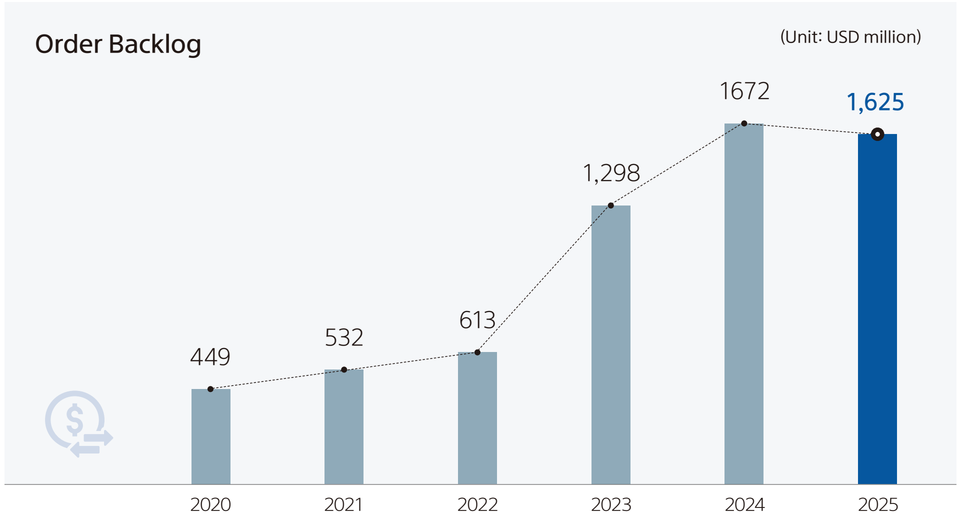
Produces and develops Copper Rod, Aluminium Rod, and Aluminium Alloy Rod, which are basic materials with excellent mechanical and electrical properties.

Energy Solutions Division

Provides smart energy infrastructure that contributes to the expansion of renewable energy and grid stabilization through ESS (Energy Storage System), GFM (Grid Forming), and M/G (Microgrid) solutions.

Business Highlight

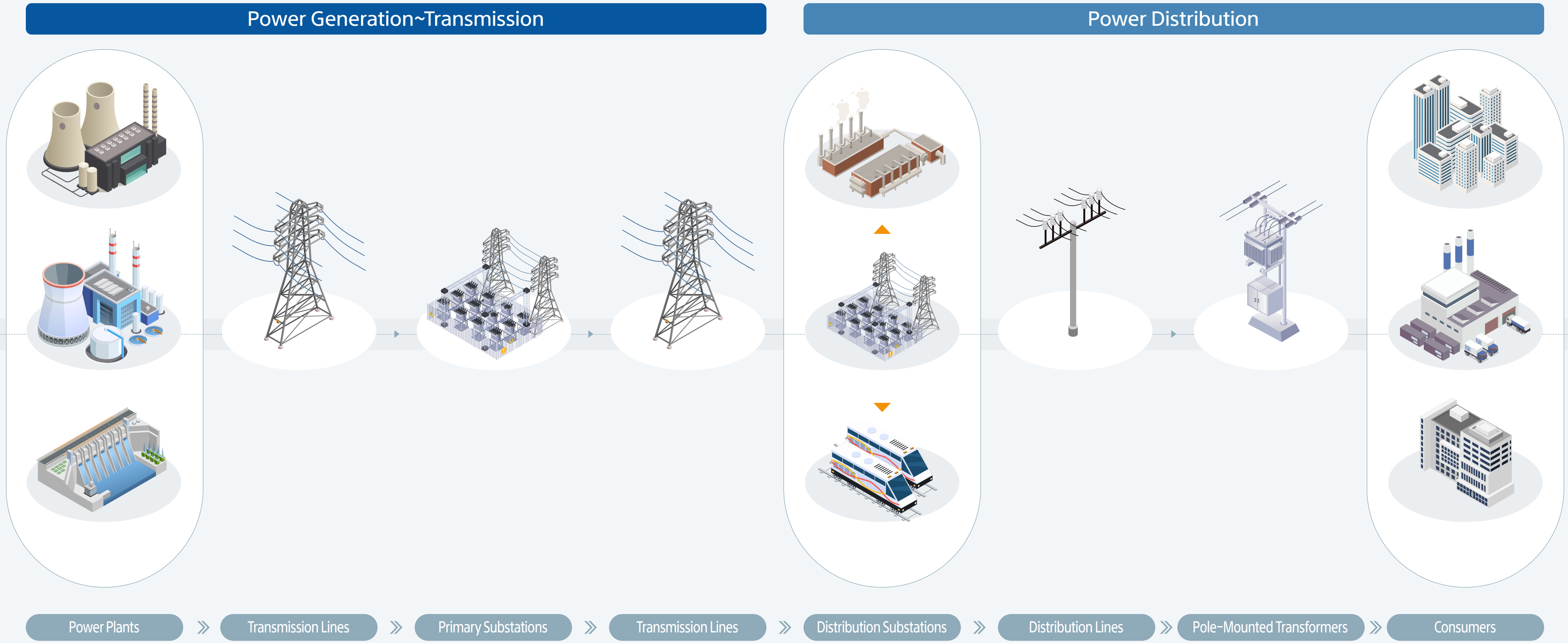




Introduction to ILJIN Electric

ILJIN ValueChain

ILJIN Electric provides core equipment and solutions across the entire power infrastructure process, from power generation to transmission, transformation, and distribution, contributing to the establishment of a stable power supply system. Based on its transformer, switchgear, cable, and materials businesses, the Company provides turnkey solutions covering grid interconnection, permitting, design, equipment supply, and construction, delivering customized power infrastructure solutions to customers.



Business Portfolio

Transformer

Extra-High-Voltage Transformer

- Steps up the voltage of electricity generated at power plants to extra-high voltage for efficient long-distance transmission
- Steps down extra-high voltage electricity at substations to distribution-level voltages, ensuring a stable and reliable power supply

Shunt Reactor

- Maintains stable transmission system voltage by absorbing excess reactive power from transmission lines
- Designed and manufactured to ensure reliable grid operation through advanced engineering and high-quality manufacturing
- Effectively controls voltage fluctuations to support a stable and reliable power supply
- Utilizes the same oil-immersed insulation and cooling technology as power transformers, providing high reliability, long service life, and ease of maintenance
- Available in ratings up to 400 kV and designed to minimize vibration and noise through optimized mechanical design, contributing to environmentally friendly operation
- Delivers customized solutions tailored to diverse customer requirements across global markets

Special Transformer

Natural Ester-filled Transformer

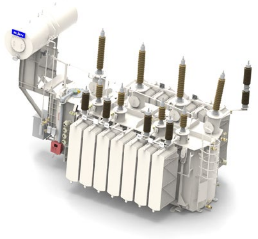
- Uses natural or synthetic ester insulating fluid to minimize environmental impact while reducing fire risk
- Designed with high efficiency and low losses to reduce carbon emissions and support sustainable power systems

Gas-Insulated Transformer, GIT

- Utilizes SF6 insulating gas to provide excellent electrical insulation and enhanced fire safety
- The compact design enables installation in space-constrained locations such as urban underground substations

Scott Transformer

- Converts three-phase power into two-phase power, or vice versa, for specialized industrial and railway applications
- Supports balanced power distribution in railway traction systems, improving operating efficiency and reducing electrical losses



Furnace Transformer

- Designed to provide reliable high-current power for electric arc furnaces and other heavy industrial furnace applications
- Features a specially designed figure-eight winding structure for superior mechanical strength under repeated short-circuit conditions

Business Portfolio

Switchgear

Gas Insulated Switchgear(GIS)

420kV

- Motor-spring operating mechanism
- Maximum breaking capacity of 63kA

362kV

- Hydraulic operating mechanism
- Maximum breaking capacity of 63kA

245kV

- Motor-spring operating mechanism
- Maximum breaking capacity of 50kA

170kV

- Hydraulic operating mechanism
- Maximum breaking capacity of 50kA

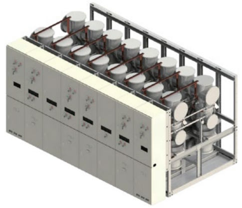
145kV

- Motor-spring operating mechanism
- Maximum breaking capacity of 40kA

72.5kV

- Motor-spring operating mechanism
- Maximum breaking capacity of 20kA

29kV EGIS for railway

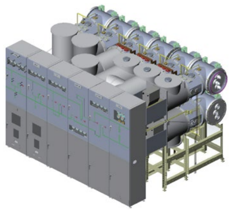


- GIS for railway applications using the AT feeding system
- Applies Dry-air 0.29 MPa insulation
- Applies high-reliability vacuum interrupter (VI)
- Secures uniform operating characteristics through the application of individual operating devices for each phase

Specifications

Phase	Voltage	Rated Breaking Current	Frequency	Insulation gas
1Φx2	29kV	20kA	60Hz	Dry-air

25.8kV EGIS for distribution line



- GIS for 25.8kV distribution lines
- Applies Dry-air 0.2 MPa insulation
- Applies high-reliability vacuum interrupter (VI)
- Applies a permanent magnet actuator (PMA) for easy maintenance

Specifications

Phase	Voltage	Rated Breaking Current	Frequency	Insulation gas
3Φ	25.8kV	25kA	60Hz	Dry-air

Business Portfolio

Cable

Total Cable System

XLPE Cable | Power Cable | Insulated Cable | Control Cable | Fire-Resistant Cable

- EHV and HV underground transmission cables and accessories deliver reliable performance that meets customer technical specifications and complies with KEPCO and international standards, supporting the requirements of current and future power systems
- MV and LV cables and overhead transmission line products are also supplied in line with the requirements of domestic and overseas power utilities, and comply with KEPCO and international standards

HVDC Cable System

±320kV HVDC XLPE 2500SQMM

- Designed to achieve a 40-year service life for HVDC cable systems
- Enables long-length production by applying a smooth metal sheath type structure
- Minimizes space charge accumulation by applying XLPE with reduced cross-linking by-products
- Produces high-quality products through the application of the VCV process
- Successfully passed type and PQ tests for the ±320 kV system in accordance with IEC 62895
- Internal verification testing for the ±525 kV system is currently in progress in accordance with CIGRE TB 852, covering both LCC- and VSC-type systems

Turn-Key Power Infrastructure Solutions

- Provides stable, high-quality power infrastructure solutions through turn-key execution of the entire process, from transmission grid interconnection and system design to manufacturing and installation

Customized Design	Specialized Underground Transmission Cable & Civil Construction Capabilities
High-Difficulty Civil Construction	High-Quality Electrical Construction

154kV Eco-friendly PP Cable

154kV CU/PP/Corr.AL/ PE 2500SQMM

- PP insulated cable is a next-generation eco-friendly power cable that improves transmission capacity based on low-carbon insulation materials and high-efficiency design
- PP cable ensures a stable power supply by increasing current-carrying capacity by more than 10% compared with conventional XLPE-insulated cables, while contributing to greenhouse gas emissions reduction and the development of eco-friendly power infrastructure

Business Portfolio

Cable

Transmission Accessories

Outdoor Termination

- Provides a connection between overhead transmission lines and underground cables at outdoor substations
- Consists of insulators, rubber stress cones, conductor rods, support insulators, and other components

EBG, Gas Insulated Termination

- Used to connect underground cables to switchgear busbars
- Composed of epoxy insulators, stress cones, spring units, conductor rods, and other components

PMJ, Pre Molded Joint

- Designed to connect two cable sections
- Offered in two configurations: Normal Joint and Insulated Joint

PJ, Pre Fabricated Joint

- Designed to connect two cable sections
- Composed of epoxy units, stress cones, spring units, and other components

Materials

Materials

COPPER ROD

- A basic material for the electrical industry, produced based on more than 30 years of accumulated production experience and technology
- High-purity Copper Rod (99.99% or higher) used in various industries, including power lines and communication lines, through a rigorous process and quality management system

Highest Quality	Wide Range of Applications
Supplies products of stable quality produced using carefully selected “GRADE A” raw materials and SOUTHWIRE’s reliable technology	A key raw material for a wide range of industries, including power lines, communication lines, enameled wires, marine wires, and automotive wires
Superior Properties	**Customized Solutions**
Outstanding mechanical and electrical properties	Supplies optimal products tailored to diverse customer needs

ALUMINIUM (ALLOY) ROD

- Based on more than 30 years of SCR continuous casting experience and PROPERZI equipment with 80 years of tradition, products can be developed to meet customer needs through excellent processing properties and diverse alloy designs
- Aluminium rod is applied across a wide range of industries not only through products for power lines, but also through alloy products and special-size products developed to meet diverse customer needs

Highest Quality	Wide Range of Possibilities	Optimization Support
Uses only high-purity aluminium ingots	Offers a wide range of options tailored to customer needs	Provides technical services tailored to each customer’s unique needs

ESG Management

ESG Governance Framework

ILJIN Electric has set “Our Promise to Create a Bright Future with Green Energy” as its ESG vision and is pursuing ESG management for sustainable growth. As an Eco-friendly Total Energy Solution Provider, the Company has established an ESG governance framework and continues to strengthen sustainable management based on systematic initiatives and detailed objectives.

ESG VISION

Our Promise to Create a Bright Future with Green Energy
Bright Your Life

ESG GOAL

Environmental Value	With Employee	Social Value	Governance
Coexistence with the Future	Companion Together	Sustainable Co-prosperity	Responsible Leadership

ESG PROGRESS DIRECTION

Environmental Value	With Employee	Social Value	Governance
Establishing a Climate Change Response System	Advancing the Occupational Health and Safety System	Establishing a Supply Chain ESG Framework	Advancing the Role of Corporate Governance
Expanding Eco-Friendly Business Sites	Improving and Internalizing Employee Capabilities	Expanding Community-Based Social Contribution	Internalizing Compliance and Ethical Management
Strengthening the Eco-Friendly Product Portfolio	Work and Life, Harmony Across Generations	Maintaining Customer Satisfaction and Quality Competitiveness	Strengthening Grievance Handling Channels

BASIS

- Establishing an ESG Management System
- Strengthening Global ESG Initiatives & Partnerships
- Advancing the ESG Risk Management System

Double Materiality Assessment

Overview of Double Materiality Assessment

ILJIN Electric systematically identifies key ESG issues related to sustainability management and seeks to promote sustainable growth through long-term value creation and risk management. To this end, ILJIN Electric systematically reviews ESG issues by reflecting global sustainability disclosure standards, including GRI Standards 2021, SASB, and ISSB, as well as industry characteristics. Based on these standards, the Company conducts a Double Materiality assessment and identifies key ESG issues by simultaneously considering the impact of its business activities on the environment and society (Impact Materiality) and the impact of changes in the external environment, such as climate change, regulations, and social demands, on the Company's financial performance and business strategy (Financial Materiality).

Double Materiality Assessment Process

ILJIN Electric derived a pool of 29 issues by comprehensively reviewing global sustainability disclosure standards, industry characteristics, ESG trends, and stakeholder requirements. The Company then selected a total of eight material issues by considering their importance based on environmental and social impact (Impact Materiality) and financial impact (Financial Materiality), reflecting stakeholder surveys and expert evaluations. To enhance the objectivity of the assessment process and results, independent third-party verification was conducted to secure the reliability of the assessment. The identified material issues are reflected in ILJIN Electric's sustainability management strategy and key management decision-making, and the Company plans to continue improving the assessment process to strengthen the execution and management framework of ESG management.

2025 ILJIN Electric Double Materiality Assessment Process

STEP 1 | Issue Pool Composition

Derived a pool of 29 sustainability-related issues for ILJIN Electric based on internal and external environmental analysis

Internal Environmental Analysis
- Review of Issue Pool
- Analysis of unique business characteristics and stakeholders
- Review of management and ESG management strategies

External Environmental Analysis
- Identification of material issues in peer industries
- Analysis of ESG trends and media
- Global disclosure standards (GRI, SASB, TCFD, UN SDGs)
- Global evaluation indicators (KCGS, DJSI, MSCI, etc.)

STEP 2 | Double Materiality Assessment

Evaluated double materiality by comprehensively analyzing environmental and social impact and financial impact based on stakeholder surveys and expert evaluations through media analysis and disclosure standards

Environmental and Social Impact
- Positive or negative impact of ILJIN Electric's business activities on the environment and society(Impact on stakeholders, including employees, customers, local communities, suppliers, and the public)
- Reflection of global disclosure standards and evaluation indicators(GRI, SASB, TCFD, UN SDGs, KCGS, DJSI, MSCI)
- Reflection of benchmarking and media analysis

Financial Impact
- Positive or negative impact of ESG issues on ILJIN Electric's financial position
- Impact on revenue, costs, profit and loss, risks, and other factors

STEP 3 | Selection of Material Issues

Selected eight material issues for ILJIN Electric in 2025 through the Double Materiality Assessment

- Derived issue priorities and composed a matrix based on the analysis results of environmental and social impact and financial impact
- Derived the final eight material issues
- Finalized the material issues after expert verification and review of their linkage with the Company's management strategy, including the scope and boundaries of sustainability

Double Materiality Assessment

Double Materiality Assessment Results

Through the Double Materiality Assessment, ILJIN Electric derived a total of eight material issues by comprehensively considering environmental and social impact and financial impact. As a result of the assessment, occupational health and safety management, product responsibility and quality management, strengthening the risk management system, ethical and compliance management, and supply chain management were identified as major material issues, while climate change response risk management, fair trade compliance and promotion, and eco-friendly product and technology development were also derived as important ESG issues. In particular, the importance of certain issues, including product responsibility and quality management, supply chain management, and climate change response risk management, increased compared to the previous year, indicating that their significance has further expanded in terms of corporate management and stakeholder requirements. ILJIN Electric reflects the derived material issues in its ESG strategy and key management activities, and continuously reviews and improves performance through a management system for each issue.

Rank	Area	Issue	Change in Rank	Report Location	GRI
1	S	Occupational Health and Safety Management	-	55-60	GRI 403-1~10
2	S	Product Responsibility and Quality Management	▲3	61-62	GRI 416-1
3	G	Strengthening the Risk Management System	New	82-85	GRI 201-1
4	G	Ethical and Compliance Management	▼1	75-81	GRI 205-1~3
5	S	Supply Chain Management	▲3	63-68	GRI 204-1 GRI 308-1~2 GRI 408-1 GRI 409-1 GRI 414-1~2
6	E	Climate Change Response Risk Management	▲4	26-30	GRI 201-2
7	G	Fair Trade Compliance and Promotion	▼4	79-81	GRI 206-1
8	E	Eco-Friendly Product and Technology Development	▼6	31, 36	GRI 302-5

Double Materiality Assessment

Double Materiality Assessment Results

ILJIN Electric is strengthening sustainability management by comprehensively analyzing environmental and social impacts and financial impacts to minimize negative impacts and expand positive impacts related to material issues.

Rank	Area	Issue	Environmental and Social Impact			Financial Impact		
			Key Impact		Impact Level	Key Impact		Impact Level
1	S	Occupational Health and Safety Management	Positive	Prevention of occupational accidents and creation of a safe working environment	●●●●	Positive	Minimization of production disruptions and enhancement of operational efficiency	●●●●
			Negative	Occurrence of serious accidents and threats to worker safety		Negative	Compensation costs and process interruption costs arising from accidents	
2	S	Product Responsibility and Quality Management	Positive	Support for stable power infrastructure and securing customer trust	●●●●	Positive	Expansion of orders based on quality competitiveness	●●●●
			Negative	Safety accidents and social damage caused by defects		Negative	Costs for defect repair and compensation for damages	
3	G	Strengthening the Risk Management System	Positive	Securing business stability and enhancing stakeholder trust	●●●●	Positive	Prevention of losses and securing earnings stability	●●●●
			Negative	Damage to stakeholders in the event of insufficient risk management		Negative	Project losses and increased costs	
4	G	Ethical and Compliance Management	Positive	Establishment of a fair and transparent corporate culture	●●●●	Positive	Reduction of regulatory risks	●●●●
			Negative	Infringement of stakeholder rights and interests in the event of ethical or compliance violations		Negative	Administrative fines and business restrictions	
5	S	Supply Chain Management	Positive	Establishment of a responsible supply chain and shared growth with suppliers	●●●●	Positive	Stable procurement of raw materials and cost management	●●●●
			Negative	Occurrence of environmental and human rights risks within the supply chain		Negative	Supply disruptions and rising costs	
6	E	Climate Change Response Risk Management	Positive	Reduction of greenhouse gas emissions and contribution to eco-friendly infrastructure	●●●	Positive	Expansion of opportunities in eco-friendly markets	●●●
			Negative	Intensification of climate change risks in the event of increased greenhouse gas emissions		Negative	Increased burden from carbon regulations and costs	
7	G	Fair Trade Compliance and Promotion	Positive	Securing fair competition and market trust	●●●	Positive	Securing transaction stability	●●●
			Negative	Damage to market fairness due to unfair trade practices		Negative	Administrative fines and transaction restrictions	
8	E	Eco-Friendly Product and Technology Development	Positive	Reduction of environmental impact and improvement of energy efficiency	●●●	Positive	Creation of new markets and revenue growth	●●●
			Negative	Limitations in reducing environmental impact in the event of delays in technology development		Negative	Increased burden of research and development costs	

Double Materiality Assessment

Management of Material Issues

Issue		Importance	Strategy and Goals	Activities and Performance
S Social	Occupational Health and Safety Management	‣ Expanded responsibility for workplace safety management due to stronger safety-related regulations, including the Serious Accidents Punishment Act ‣ Growing demand for the prevention of occupational accidents and the establishment of a systematic occupational health and safety management system	‣ Advance the occupational health and safety management system and strengthen risk management-based safety management with the goal of achieving zero serious accidents ‣ Establish integrated safety management, including suppliers, and embed a safety culture	‣ Continuously identified and improved harmful and hazardous factors through risk assessments and safety inspections at all business sites ‣ Achieved an occupational accident rate of 0% and zero serious accidents in 2025 ‣ Strengthened on-site response capabilities through the operation of the Safety Reporting Center, emergency response drills, and safety training
S Social	Product Responsibility and Quality Management	‣ Increased corporate credibility and reputational risks in the event of product quality issues ‣ Importance of securing product reliability through the establishment of a prevention-oriented quality management system	‣ Secure product safety and reliability through the establishment of a quality-centered management system ‣ Enhance capabilities to respond to customer needs by strengthening company-wide quality management and pursuing continuous improvement	‣ Operated a quality management system based on ISO 9001 and strengthened quality standards management across all processes ‣ Established a customer complaint response process and operated a quality improvement system by reflecting VOC ‣ Managed MSDS, provided quality training, and supplied safety information
G Governance	Strengthening the Risk Management System	‣ Growing social interest in management risks across the supply chain and overall business operations ‣ Need to strengthen an enterprise-wide risk management system to respond to an uncertain business environment	‣ Advance the enterprise-wide risk management system by establishing ESG risk identification, assessment, and response processes ‣ Strengthen proactive response and management capabilities for key risks, including climate and supply chain risks	‣ Conducted integrated risk management through the operation of enterprise-wide risk identification, assessment, and monitoring processes ‣ Established control measures for each key risk and built a management system
G Governance	Ethical and Compliance Management	‣ Growing social demand for ethical management, including anti-corruption and conflict of interest management ‣ Need to strengthen compliance and internal control systems for transparent corporate operations	‣ Establish a transparent and fair corporate operation system based on ethical management principles ‣ Prevent corruption and realize responsible management by strengthening internal control and compliance systems	‣ Conducted compliance training for employees and enhanced compliance awareness ‣ Established a reporting and handling system for violations through the operation of human rights, ethics, and fair trade reporting channels
S Social	Supply Chain Management	‣ Growing demand for environmental and social responsibility across the supply chain ‣ Need to manage supplier ESG performance and establish a sustainable supply chain	‣ Establish a sustainable supply chain management system and strengthen supplier assessment and monitoring ‣ Build shared-growth-based partnerships with suppliers and enhance capabilities to respond to supply chain risks	‣ Operated supplier grievance handling channels and participated in shared growth programs ‣ Operated a supplier ESG assessment system and conducted regular assessments ‣ Identified supplier improvement tasks and supported capability enhancement
E Environment	Climate Change Response Risk Management	‣ Growing importance of responding to climate risks due to stronger carbon neutrality policies and greenhouse gas reduction regulations ‣ Need to establish a climate change-related risk management system and response strategy	‣ Establish a climate risk response system by reducing greenhouse gas emissions and improving energy efficiency ‣ Strengthen environmental risk management, including resource, waste, and chemical substance management	‣ Promoted carbon reduction through greenhouse gas emissions management and energy efficiency improvement activities ‣ Operated a monitoring and management system to respond to environmental regulations
G Governance	Fair Trade Compliance and Promotion	‣ Increased legal and financial risks in the event of fair trade violations ‣ Need to strengthen internal controls and compliance management systems related to fair trade	‣ Strengthen legal compliance and internal control systems through the operation of the Fair Trade Compliance Program ‣ Establish a fair and transparent transaction order based on employee training and inspection systems	‣ Introduced the Fair Trade Compliance Program and established an operating system ‣ Strengthened compliance awareness through fair trade training for employees ‣ Prevented fair trade risks through the operation of internal inspection and reporting and management systems
E Environment	Eco-Friendly Product and Technology Development	‣ Growing demand for eco-friendly technologies in line with energy transition and carbon neutrality policies ‣ Need to secure sustainable competitiveness through the development of eco-friendly and high-efficiency products	‣ Reduce environmental impact and strengthen market responsiveness through the development of eco-friendly and high-efficiency products ‣ Secure sustainable product competitiveness by advancing eco-friendly materials and process technologies	‣ Developed eco-friendly power technologies, including GIS applying eco-friendly insulation technology as an alternative to SF_6 ‣ Continued research and development to secure next-generation power grid technologies, including HVDC and MVDC

Stakeholder Engagement and Communication

ILJIN Electric identifies key stakeholders, including shareholders and investors, employees, customers, suppliers, local communities, and the government, and operates various communication channels for each stakeholder group. Through these channels, the Company continuously identifies stakeholder opinions and expectations, and reflects key issues and requirements in its management activities and sustainability management strategy. Going forward, ILJIN Electric will continue to realize responsible sustainability management based on active communication with stakeholders.

Stakeholders	Interests	Main Communication Channels	ILJIN Electric's Response Activities
Shareholders and Investors	Financial performance and profitability Transparent corporate governance Provision of sustainability management information Long-term growth potential	General Shareholders' Meeting Management disclosures IR activities	Regular financial and performance reporting Advancement of mid- to long-term business strategy Establishment of a foundation for future value creation Strengthening ESG information disclosure
Employees	Job stability and fair performance evaluation Safe working environment and welfare benefits Diversity and inclusion	Internal portal Grievance handling channels Labor-management council Groupware community	Provision of education and training to strengthen employee capabilities Improvement of welfare benefits and organizational culture Fair recruitment and performance evaluation
Customers	Quality and price competitiveness Sustainable products and technologies Customer service and satisfaction Smooth communication	Regular meetings, emails Strategy meetings In-person and remote consultation channels Sales and marketing activities	Feedback on customer opinions Quality improvement efforts Expansion of sustainable product offerings
Local Communities	Environmental protection Revitalization of the local economy Social impact	Local community programs and donation activities Participation in social contribution events Cooperation with local governments and community organizations	Donation and sharing activities Participation in local events and environmental activities Development of local talent and employment of persons with disabilities
Suppliers	Fair trade and anti-corruption Shared growth and inter-company cooperation Establishment of a sustainable supply chain	Regular supplier assessments Grievance handling channels	Fair trade monitoring Support for shared growth programs Establishment of the Supplier ESG Code of Conduct Conducting supplier ESG assessments
Government	Compliance with laws, regulations, and policies Strengthening transparency in tax payments Fulfillment of social responsibility	Meetings with government agencies Policy briefings and consultative meetings	Cooperation with government policies Regulatory compliance and implementation of sustainability management

ESG Performance

Environment

Climate Action

Climate Change Framework

Climate Change Strategy Framework

ILJIN Electric recognizes climate change as a key management issue and is carrying out climate action activities, including greenhouse gas and energy management, based on its environmental management system. To systematically strengthen these response capabilities and accelerate the low-carbon transition, the Company has established a climate change strategy roadmap, and aims to promote sustainable growth by building a Board-centered governance system and advancing an enterprise-wide climate risk management system going forward.

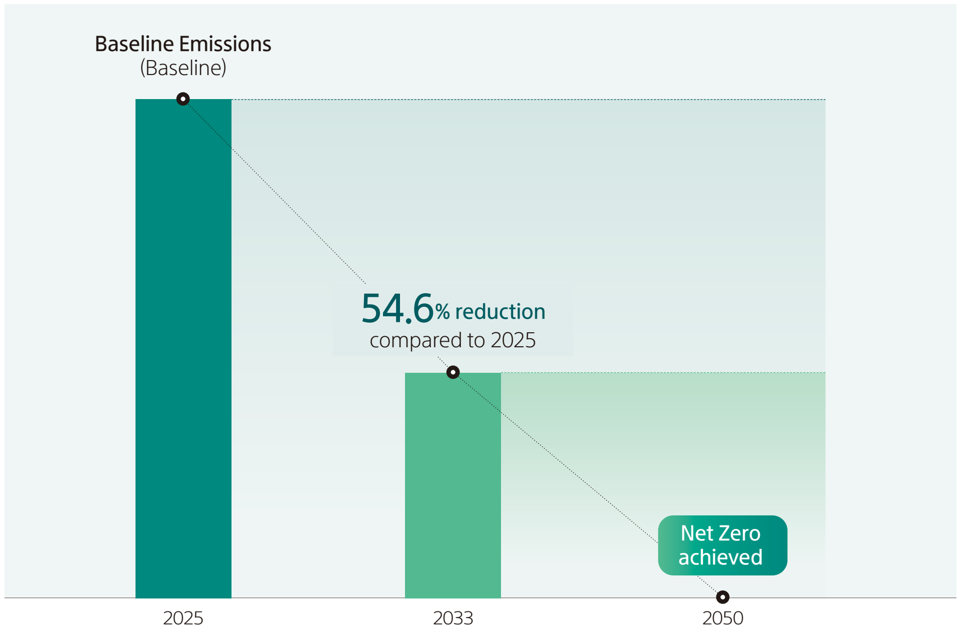
Climate Change Strategy Roadmap

	2025~2026 Establishing the Foundation for Climate Action	2027~2028 Advancing the Climate Action Strategy	2029~2035 Securing Climate Change Leadership
Governance	‣ Review the introduction of a reporting system for climate change-related agenda items within the Board of Directors ‣ Improve the management-led climate change response framework	‣ Establish a Board-level climate change management system ‣ Advance the ESG and climate-related decision-making system	‣ Embed a Board-centered climate change governance system ‣ Operate an enterprise-wide integrated climate risk management system
Strategy	‣ Establish an SBTi-based carbon neutrality strategy ‣ Establish strategies to reduce environmental impact for key products based on LCA	‣ Fully implement strategies for low-carbon transition and energy efficiency improvement ‣ Reflect climate change factors in business operations and investment decision-making	‣ Internalize mid- to long-term low-carbon transition strategies and integrate them into business strategy ‣ Expand opportunities based on eco-friendly products and technologies
Risk Management	‣ Identify key climate change-related risks ‣ Establish a basic risk management system	‣ Advance the climate risk assessment system ‣ Establish and manage response strategies for key risks	‣ Establish an integrated climate risk management system ‣ Respond to global regulations and market changes
Metrics and Targets	‣ Prepare the basis for setting mid- to long-term greenhouse gas reduction targets	‣ Operate a KPI-based climate performance management system	‣ Implement mid- to long-term greenhouse gas reduction targets and manage performance

2050 Carbon Neutrality Roadmap

ILJIN Electric has established a mid- to long-term reduction roadmap with the goal of achieving carbon neutrality (Net Zero) in alignment with the SBTi (Science Based Targets initiative). In the short term, from 2024 to 2026, the Company is building the foundation for greenhouse gas reduction through process energy efficiency improvement and the establishment of a carbon neutrality strategy. In the medium term, ILJIN Electric is pursuing initiatives to reduce Scope 1 and 2 greenhouse gas emissions by 54.6% by 2033, and in the long term, aims to achieve carbon neutrality (Net Zero) by 2050 through the transition to low-carbon processes and continuous reduction activities.

2050 Carbon Neutrality Roadmap



Climate Action

Risk Management

Identification of Climate Risks and Opportunities

ILJIN Electric identifies physical and transition risks and opportunities associated with climate change, analyzes their potential financial impacts, and reflects them in its business strategies and operational plans. The analysis of physical and transition risks is conducted based on the IPCC RCP scenarios, and the timing of risk impacts is assessed by categorizing them into short term (2026), medium term (2027~2031), and long term (2032~2050), based on the reporting year of 2025. Based on this, the Company establishes and implements response strategies, including greenhouse gas reduction, energy efficiency improvement, and the introduction of renewable energy, and is advancing its climate response capabilities through LCA (Life Cycle Assessment)-based product environmental impact management and strengthened supply chain management. As a result of these efforts, ILJIN Electric received a “B” rating in the 2025 CDP (Carbon Disclosure Project) assessment. Going forward, the Company will continue to transparently disclose climate change-related information and strengthen its climate change response framework.

CDP Climate Change Rating

2023	2024	2025
C rating	B rating	B rating

Climate Risk and Opportunity Identification and Analysis Process

Selection of Assessment Targets	Select major business sites and business activities as assessment targets
Identification of Risk and Opportunity Items	Identify physical risks, transition risks, and opportunity factors associated with climate change
Application of Scenarios and Data	Analyze impacts using climate change projection data by business site and scenarios for policy, market, and technology changes
Assessment of Impact Level and Financial Impact	Derive priorities by comprehensively assessing likelihood, timing of impact, business impact level, and financial impact
Establishment of Response Strategies and Reflection in Disclosure	Establish response strategies based on the assessment results and reflect them in relevant decision-making and disclosures

Climate Action

Risk Management

Identification of Climate Risks and Opportunities

ILJIN Electric identifies physical risks caused by natural disasters such as typhoons and rainfall, as well as transition risks arising from the increasing demand for environmental information, through climate scenario analysis, and analyzes the resulting financial impacts. Based on the analysis results, the Company manages climate-related risks and opportunities in an integrated manner.

Financial Impact of Climate Risks

Category	Risk Type	Details	Type of Financial Impact	Impact Period	Current Financial Impact	Expected Financial Impact	Response Strategy
Physical Risk	Acute Physical Risk (typhoons, etc.)	▸ Potential damage to business site facilities due to typhoons – Based on analysis using climate change scenarios (RCP 2.6, 4.5, 6.0, 8.5), the scale of damage is expected to increase from the medium term onward	Cost increase	Reporting year	▸ Approximately KRW 1.80 billion in investment costs for typhoon damage prevention and response	–	▸ Strengthen safety management of business site facilities ▸ Establish a climate disaster response system ▸ Conduct facility inspections and preventive maintenance ▸ Establish a climate risk monitoring system ▸ Strengthen climate adaptation capabilities at business sites
				Medium term	–	▸ Estimated damage scale based on climate scenarios – Minimum damage: approximately KRW 37.85 billion (RCP 2.6) – Maximum damage: approximately KRW 69.37 billion (RCP 6.0)	
Transition Risk	Market Risk	▸ Risk of increased data management and certification costs, and revenue loss due to reduced order opportunities, resulting from growing customer demand for product environmental impact information	Cost increase	Reporting year	▸ Approximately KRW 200 million in costs incurred for product life cycle assessment (LCA) and certification response	–	▸ Conduct product life cycle assessment (LCA) and pursue Environmental Product Declaration (EPD) certification ▸ Establish a product environmental information management system ▸ Develop a cable LCA system
			Revenue decrease	Short term	–	▸ Approximately KRW 45.88 billion in market entry restrictions and revenue loss due to failure to meet product environmental impact information requirements (approximately 2.24% of total revenue)	
	Legal Risk (ETS, CBAM)	▸ Potential increase in costs for purchasing emission allowances and responding to carbon regulations due to the expansion of carbon regulations such as ETS and CBAM	Cost increase	Short term	–	–	▸ Strengthen monitoring of ETS and CBAM regulations ▸ Establish a carbon emissions management system ▸ Improve regulatory response processes

Financial Impact of Climate Opportunities

Category	Opportunity Type	Details	Type of Financial Impact	Impact Period	Current Financial Impact	Expected Financial Impact	Response Strategy
Opportunity	Market Opportunity	▸ Increasing demand for eco-friendly and low-carbon power infrastructure products	Revenue increase	Reporting year	▸ Approximately KRW 27.51 billion in revenue from eco-friendly products (cable and heavy electric products) ▸ Approximately KRW 480 million in investment in eco-friendly technology research and development (R&D)	–	▸ Respond to market demand for low-carbon transition by expanding the eco-friendly product portfolio

Climate Action

Risk Management

Identification of Climate Risks and Opportunities

Physical Risk Analysis

ILJIN Electric set the analysis timing and targets based on the IPCC[1] RCP[2] scenarios, and used scenarios by greenhouse gas emission level (RCP 2.6, 4.5, 6.0, 8.5) to systematically assess the financial impacts of climate change.

1) IPCC (Intergovernmental Panel on Climate Change): An international organization under the UN that provides scientific assessments of climate change and directions for response
2) RCP (Representative Concentration Pathways): Pathways that indicate future climate scenarios according to changes in greenhouse gas concentrations

Physical Risk Scenario Methodology

<table>
<tr><td colspan="2" rowspan="3">Analysis Scenarios</td><td colspan="4">The IPCC RCP scenarios present future climate change pathways based on radiative forcing levels through 2100. Each scenario reflects differences in temperature rise and climate change impacts according to greenhouse gas emission levels, and is used to analyze the potential impacts of physical risks arising from climate change.</td></tr>
<tr><td>RCP2.6</td><td>A low-emission pathway in which strong greenhouse gas reduction policies are implemented globally, radiative forcing stabilizes at approximately 2.6 W/m² by 2100, and temperature rise is limited</td><td>RCP4.5</td><td>A pathway in which greenhouse gas reduction policies are gradually strengthened, radiative forcing stabilizes at approximately 4.5 W/m² by 2100, and a moderate level of climate change is expected</td></tr>
<tr><td>RCP6.0</td><td>A pathway in which greenhouse gas emissions increase for a certain period and then stabilize, radiative forcing stabilizes at approximately 6.0 W/m² by 2100, and medium-to-high levels of climate change impacts are expected</td><td>RCP8.5</td><td>A high-emission scenario in which greenhouse gas emissions continue to increase, radiative forcing reaches approximately 8.5 W/m² by 2100, and the highest levels of temperature rise and climate change impacts occur</td></tr>
<tr><td colspan="2">Analysis Timing</td><td colspan="4">Reporting year (2025), short term (2026), medium term (2027~2031), long term (2032~2050)</td></tr>
<tr><td rowspan="2">Analysis Targets</td><td>Climate Factor Subject to Analysis</td><td colspan="4">Typhoon - Although ILJIN Electric has not suffered damage from typhoons, the Company recognizes and analyzes as physical risks the potential direct damages from typhoons, such as flooding and facility destruction, as well as indirect damage costs, such as reduced product production due to factory shutdowns</td></tr>
<tr><td>Business Sites Subject to Analysis</td><td colspan="4">Hwaseong Factory 1, Hwaseong Factory 2, Hongseong Factory, Ansan Factory</td></tr>
<tr><td>Analysis Method</td><td colspan="5">Physical risk analysis using RCP scenarios from the Korea Meteorological Administration's Climate Information Portal</td></tr>
</table>

Climate Action

Risk Management

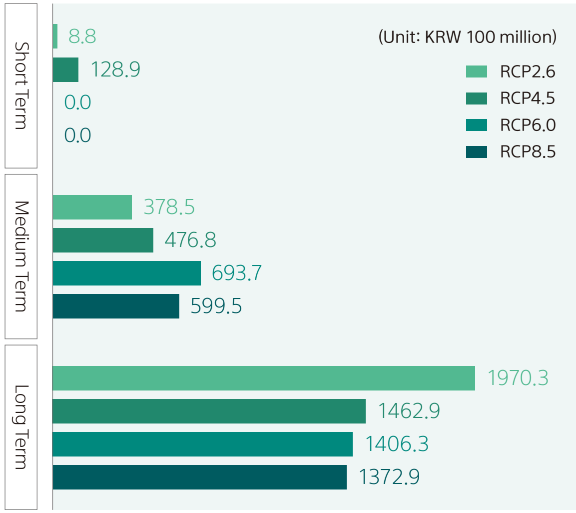
Identification of Climate Risks and Opportunities

Physical Risk Analysis Results

ILJIN Electric analyzed the financial impacts of physical risks associated with climate change by scenario and by business site. The scale of financial impacts differed depending on greenhouse gas emission levels, and the impacts tended to increase particularly toward the medium- and long-term periods. In addition, losses from typhoon occurrence and operational shutdown were quantitatively calculated for each business site, and major affected business sites were identified through comparison among business sites.

Summary of Financial Impact by Scenario

Category		Unit	RCP2.6	RCP4.5	RCP6.0	RCP8.5
Total Damage Amount	Short Term	KRW 100 million	8.8	128.9	0.0	0.0
	Medium Term		378.5	476.8	693.7	599.5
	Long Term		1,970.3	1,462.9	1,406.3	1,372.9



Financial Impact by Business Site[1]

Category			Unit	Hwaseong Factory 1				Hwaseong Factory 2				Hongseong Factory				Ansan Factory			
				RCP 2.6	RCP 4.5	RCP 6.0	RCP 8.5	RCP 2.6	RCP 4.5	RCP 6.0	RCP 8.5	RCP 2.6	RCP 4.5	RCP 6.0	RCP 8.5	RCP 2.6	RCP 4.5	RCP 6.0	RCP 8.5
Financial Impact	Number of Typhoon Days	Short Term	days	0.0	3.3	0.0	0.0	0.0	3.3	0.0	0.0	3.5	1.7	0.0	0.0	0.0	1.6	0.0	0.0
		Medium Term		10.0	10.1	13.9	13.4	10.0	10.1	13.9	13.4	10.2	20.1	5.3	10.3	3.2	7.9	17.1	11.0
		Long Term		46.0	31.7	28.5	29.8	46.0	31.7	28.5	29.8	37.3	38.8	37.2	25.4	31.6	26.6	29.6	26.7
	Damage Amount[2]	Short Term	KRW 100 million	0.0	1.7	0.0	0.0	0.0	99.0	0.0	0.0	8.8	4.3	0.0	0.0	0.0	24.0	0.0	0.0
		Medium Term		5.0	5.1	7.0	6.7	300.0	303.0	417.0	402.0	25.5	50.3	13.3	25.8	48.0	118.0	256.5	165.0
		Long Term		23.0	15.9	14.3	14.9	1,380.0	951.0	855.0	894.0	93.3	97.0	93.0	63.5	474.0	399.0	444.0	400.5

1) Risk levels are indicated by applying a relative comparison standard among business sites. : High : Medium : Low

2) Number of typhoon days x expected damage amount by each factory in the event of factory shutdown due to typhoons

Climate Action

Risk Management

Identification of Climate Risks and Opportunities

Transition Risk Analysis Results

As the need to respond to product life cycle assessment (LCA)[1] and Environmental Product Declaration (EPD)[2] has increased due to growing customer and market demand for environmental information, ILJIN Electric is carrying out investment activities for proactive response, including securing relevant certifications and establishing systems.

1) Life Cycle Assessment (LCA): A method for assessing the environmental impacts of a product throughout its entire life cycle, from raw material extraction to disposal
2) Environmental Product Declaration (EPD): A certification system that quantitatively discloses information on a product's life cycle environmental impacts

Transition Risks and Investment Activities

Category	Key Details	Revenue Scale in '25	Key Investment Activities	Investment Scale in '25
Market and Legal Risks	Revenue scale related to countries requiring LCA information submission (Norway, United Kingdom, Denmark)	KRW 45.878 billion	Investments related to LCA and EPD	KRW 199 million

Strategy

Greenhouse Gas and Energy Reduction

Improving Business Site Energy Efficiency and Managing Power Demand

ILJIN Electric is promoting energy efficiency improvements and optimization of electricity use to reduce energy consumption and greenhouse gas emissions generated in the course of business site operations. Hwaseong Factory 1 is pursuing the replacement of aging facilities with high-efficiency facilities while continuously managing existing aging facilities, and Hwaseong Factory 2 is improving energy use efficiency by replacing existing lighting with LED lighting to enhance the energy efficiency of lighting facilities. Hongseong Factory has introduced and operates ESS (Energy Storage System)[1] to strengthen its power demand management system, and uses ESS to store electricity during late-night hours or periods of low power load and discharge it during daytime peak hours, thereby reducing peak demand and optimizing electricity use patterns. Through these efforts, the Company is improving electricity use efficiency at its business sites and strengthening the foundation for reducing energy costs and managing indirect greenhouse gas emissions (Scope 2).

1) ESS (Energy Storage System): An energy storage device that stores electricity and uses it when needed, contributing to the use of renewable energy and the improvement of power efficiency

Status of Environmental Improvement Facility Investments in 2025

Category	Hwaseong Factory 1	Hwaseong Factory 2	Hongseong Factory
Investment Amount (KRW million)	66	79	134

Investment Amount

KRW 280 million

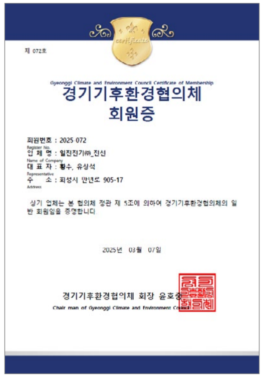
Climate Action

Strategy

Greenhouse Gas and Energy Reduction

Response to Carbon Neutrality and Strengthening Environmental Management

ILJIN Electric systematically reviews environmental risks and the status of greenhouse gas and energy management at each business site to respond to carbon neutrality. Based on its environmental management system, the Company promotes activities for regulatory compliance, prevention of environmental pollution, resource efficiency, and emissions reduction, and enhances its climate action capabilities and execution of environmental management by monitoring and managing key environmental issues. In addition, to strengthen climate action and the practice of eco-friendly management, ILJIN Electric joined the Gyeonggi Climate and Environment Council in 2025, establishing a foundation for cooperation with local communities and related organizations and exploring response measures for environmental issues. Furthermore, since 2025, the Company has conducted ESG assessments of suppliers to review their environmental management levels, and is strengthening the level of environmental management across the supply chain through ongoing management activities.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Gyeonggi Climate and Environment Council Certificate of Membership

경기기후환경협의체
회원증

회원번호 : 2025-072
Register No.
업 체 명 : 일진전기㈜_[illegible]
Name of Company
대 표 자 : 황수, [illegible]
Representative
주 소 : 화성시 만년로 905-17
Address

상기 업체는 본 협의체 정관 제 5조에 의하여 경기기후환경협의체의 일반 회원임을 증명합니다.

2025년 03월 07일

경기기후환경협의체 회장 윤호중
Chair man of Gyeonggi Climate and Environment Council

Gyeonggi Climate and Environment Council Membership Certificate

Low-Carbon Transition through Eco-Friendly Technology and Product Development

ILJIN Electric is contributing to the low-carbon transition in the power infrastructure sector through the development of eco-friendly technologies and product innovation. Hwaseong Factory 2 has obtained green technology certification, and the 154kV PP cable to which the certified technology is applied has been installed in KEPCO's pilot line project, the "154kV Seongbon-Daeso Underground Construction Project" valued at approximately KRW 12.7 billion, and has completed preliminary testing. The facility is currently targeting commercial operation in the second half of 2026. ILJIN Electric is also promoting its technological capabilities externally through international conferences, including the CIGRE Joint Colloquium in October 2025 and CIGRE Paris, scheduled for August 2026. In addition, Hwaseong Factory 1 has completed the development of a 25.8kV air-insulated load break switch, and is expanding research on eco-friendly insulation technologies that can replace SF_6, together with the development of 170kV and 36kV EGIS[1]. Furthermore, to respond to continued demand from overseas customers for eco-friendly GIS termination[2], ILJIN Electric plans to pursue commercialization of GIS termination using eco-friendly Non-SF_6 gas, which reduces GWP by 97% compared to SF_6 gas, after obtaining 132kV and 400kV certifications in 2027. The Company is also developing oil-free Dry outdoor termination[3] in parallel, with the goal of securing 220kV-level certification by 2028. At the same time, ILJIN Electric continues to develop next-generation power grid technologies, including HVDC[4] and MVDC[5], to improve power transmission efficiency, while conducting commissioned research for KEPCO on the accelerated aging and leakage simulation system evaluation of dry-air switchgear.

1) EGIS (Eco Gas Insulated Switchgear): Eco-friendly gas-insulated switchgear that reduces greenhouse gas emissions by applying eco-friendly insulating gas instead of conventional SF_6
2) GIS termination: Power equipment used for transmission interconnection between GIS (Gas Insulated Switchgear) and underground power cables
3) Outdoor termination: Power equipment used for transmission interconnection between high-voltage overhead lines and underground power cables
4) HVDC (High Voltage Direct Current): A high-voltage direct current transmission method for efficiently transmitting large-capacity power over long distances
5) MVDC (Medium Voltage Direct Current): A medium-voltage direct current system used for efficient power supply and distribution in medium-scale power grids


녹색기술 인증서

인 증 번 호 : 제 GT-21-01068 호
기 관 명 : 일진전기 주식회사
대 표 자 명 : 황수
주 소 : 경기 화성시 만년로 905-17 (안녕동) 일진전기 주식회사
기 술 명 칭 : 송전용량 증대 가능한 비가교 폴리프로필렌 절연 전력케이블 제조 기술
분 류 번 호 : T100503

「기후위기 대응을 위한 탄소중립·녹색성장 기본법」 제60조 및 「녹색인증제 운영요령」 제27조에 의거하여 위의 기술을 녹색기술로 인증합니다.

최초인증일자 : 2021.03.11
유효기간 : 2021.03.11 ~ 2027.03.10

환 경 부 장

Green Technology Certificate

Climate Action

Metrics and Targets

Greenhouse Gas and Energy Management

ILJIN Electric systematically manages greenhouse gas emissions and energy consumption, including Scope 1, 2, and 3 emissions, and secures data reliability through external verification for all emission scopes. Based on the status of greenhouse gas emissions and energy consumption, the Company is promoting activities to improve energy efficiency and reduce greenhouse gas emissions, and plans to continue phased reduction efforts in line with its mid- to long-term targets.

Greenhouse Gas Emissions (Scope 1&2)

Category	Unit	2023	2024	2025	2025(Target)
Total Emissions (Scope 1&2)	tCO_2eq	35,623	38,207	42,005	41,519
Direct Emissions (Scope 1)	tCO_2eq	11,871.816	12,032.089	11,455.128	12,347
Indirect Emissions (Scope 2)	tCO_2eq	23,751.704	26,175.148	30,549.920	29,172
GHG Emissions Intensity	tCO_2eq/ KRW 100 million	2.857	2.422	2.054	-

* Greenhouse gas emissions of overseas entities and branches have been included since 2024

Energy Consumption

Category	Unit	2023	2024	2025	2025 (Target)
Total Energy Consumption	TJ	728	781	861	850
Fuel Consumption	TJ	231.918	234.554	222.737	241
Electricity and Steam Consumption	TJ	496.359	547.096	638.624	609
Energy Intensity	TJ/ KRW 100 million	0.058	0.050	0.042	-
Renewable Energy Consumption	TJ	0	0	0	0

* Energy consumption of overseas entities and branches has been included since 2024

Greenhouse Gas Emissions (Scope 3)

Category	2025 Emissions(tCO_2eq)
Total Emissions (Scope 3)	4,167,497
Category 1. Purchased Goods and Services	925,974.235
Category 2. Capital Goods	3,861.601
Category 3. Fuel- and Energy-Related Activities	5,834.330
Category 4. Upstream Transportation and Distribution	18,590.402
Category 5. Waste Generated in Operations	154.448
Category 6. Business Travel	1,741.262
Category 7. Employee Commuting	1,136.901
Category 8. Upstream Leased Assets	-
Category 9. Downstream Transportation and Distribution	4,757.173
Category 10. Processing of Sold Products	-
Category 11. Use of Sold Products	3,050,571.019
Category 12. End-of-Life Treatment of Sold Products	154,815.803
Category 13. Downstream Leased Assets	60.323
Category 14. Franchises	-
Category 15. Investments	-

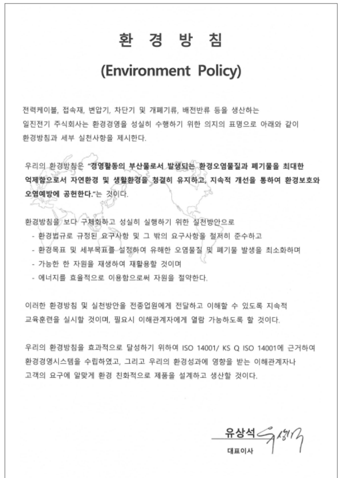
Environmental Management

Environmental Management System

Environmental Management Policy

ILJIN Electric regards eco-friendly and low-carbon management as core values, and has established an environmental management policy to systematically manage environmental impacts that may arise across its business activities and faithfully fulfill its responsibilities. Based on ISO 14001 (Environmental Management System), ILJIN Electric continuously improves its environmental performance and pursues the creation of sustainable value through the development of eco-friendly products that meet the needs of customers and stakeholders, waste reduction, expanded resource recycling, and improved energy efficiency. Going forward, ILJIN Electric will realize responsible environmental management across the entire business process by advancing its environmental management system.

Environmental Policy



환 경 방 침

(Environment Policy)

전력케이블, 접속재, 변압기, 차단기 및 개폐기류, 배전반류 등을 생산하는 일진전기 주식회사는 환경경영을 성실히 수행하기 위한 의지의 표명으로 아래와 같이 환경방침과 세부 실천사항을 제시한다.

우리의 환경방침은 **"경영활동의 부산물로서 발생되는 환경오염물질과 폐기물을 최대한 억제함으로서 자연환경 및 생활환경을 청결히 유지하고, 지속적 개선을 통하여 환경보호와 오염예방에 공헌한다."**는 것이다.

환경방침을 보다 구체화하고 성실히 실행하기 위한 실천방안으로
- 환경법규로 규정된 요구사항 및 그 밖의 요구사항을 철저히 준수하고
- 환경목표 및 세부목표를 설정하여 유해한 오염물질 및 폐기물 발생을 최소화하며
- 가능한 한 자원을 재생하여 재활용할 것이며
- 에너지를 효율적으로 이용함으로써 자원을 절약한다.

이러한 환경방침 및 실천방안을 전종업원에게 전달하고 이해할 수 있도록 지속적 교육훈련을 실시할 것이며, 필요시 이해관계자에게 열람 가능하도록 할 것이다.

우리의 환경방침을 효과적으로 달성하기 위하여 ISO 14001/ KS Q ISO 14001에 근거하여 환경경영시스템을 수립하였고, 그리고 우리의 환경성과에 영향을 받는 이해관계자나 고객의 요구에 알맞게 환경 친화적으로 제품을 설계하고 생산할 것이다.

유상석
대표이사

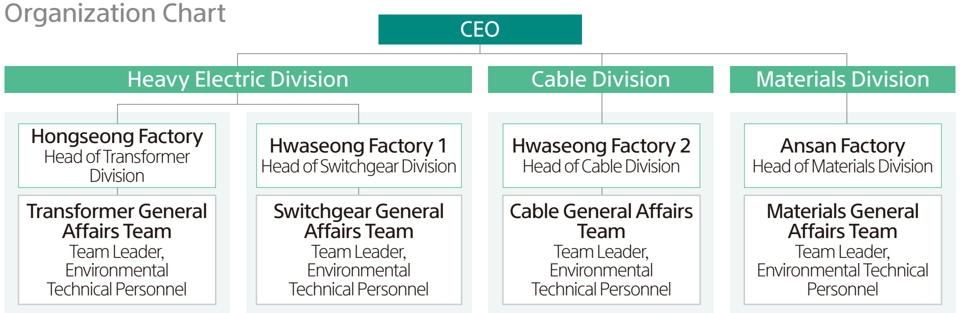
Implementation Measures

- Strict compliance with requirements prescribed by environmental laws and regulations and other requirements
- Minimization of pollutant and waste generation through the establishment of environmental goals and detailed targets
- Expansion of resource recovery and recycling
- Efficient use of energy and conservation of resources

Environmental Management Organization Chart

ILJIN Electric operates an environmental management organization composed of the Heavy Electric Division, Cable Division, and Materials Division, led by the CEO, and each division manages its business sites through major factory units and environmental technical personnel. In addition, through cooperation among divisions, the Company manages greenhouse gases, energy, and resources in an integrated manner, and carries out environmental impact assessments, target management, monitoring, and improvement activities in accordance with the environmental management manual.

Organization Chart



Environmental Management System Certification

ILJIN Electric has obtained ISO 14001 (Environmental Management System) certification, an international standard, for all business sites. Based on this, the Company systematically manages environmental impacts and risks that may arise across its business activities, and continuously promotes activities to improve substantive environmental performance, including environmental pollution prevention, energy efficiency improvement, resource conservation, and waste reduction. Going forward, ILJIN Electric will continue to advance its environmental management level based on a credible environmental management certification system.

Environmental Management System Certificate

Environmental Management

Environmental Management System

Environmental Management Strategy Framework

ILJIN Electric is establishing an environmental management strategy framework with the goal of realizing sustainability management through eco-friendly process operations and resource efficiency. The Company is carrying out systematic environmental management activities centered on key strategies, including environmental risk management, energy efficiency and greenhouse gas management, resource circulation and waste management, and chemical substance and environmental safety management, and seeks to minimize environmental impacts and continuously improve environmental performance through regulatory compliance, process improvement, reduction of pollutant emissions, and advancement of its management system.

Environmental Management Strategy Framework

Environmental Management Vision: Realizing sustainability management through eco-friendly process operations and resource efficiency

Strategic Direction	Environmental Risk Management	Energy and Greenhouse Gas Management	Resource Circulation and Waste Management	Chemical Substance and Environmental Safety Management
Detailed Strategies	‣ Monitoring and training on environmental laws and regulations ‣ Establishment of an environmental pollution incident response system ‣ Advancement of the environmental management organization ‣ Strengthening climate action capabilities ‣ Biodiversity management	‣ Minimization of process electricity consumption ‣ Introduction of high-efficiency energy facilities ‣ Replacement of aging facilities ‣ Development of eco-friendly products and technologies	‣ Reduction of waste generation ‣ Strengthening separate waste discharge management ‣ Expansion of recycling of process by-products ‣ Strengthening waste storage and treatment management	‣ Advancement of the chemical substance management system ‣ Updating MSDS and strengthening handling management ‣ Inspection of hazardous material storage facilities ‣ Establishment of a chemical spill incident response system

Environmental Management Performance and Targets

Category	Environmental Risk Management	Energy and Greenhouse Gas Management	Resource Circulation and Waste Management	Chemical Substance and Environmental Safety Management		
2026 Environmental Management Targets	Achieve ZERO violations of environmental laws and regulations	Reduce electricity consumption by 2~3% compared to the previous year	Reduce waste generation by 2~3% compared to the previous year	Achieve 100% compliance with chemical substance management laws and regulations	Achieve ZERO chemical spill incidents	Achieve ZERO environmental safety incidents and violations

Environmental Management

Environmental Management System

Environmental Training

ILJIN Electric continuously operates specialized environmental training that reflects the characteristics and legal requirements of each business site to strengthen employees' environmental management capabilities. Through waste generator training, air and water quality training, and training to obtain integrated environmental manager qualifications, the Company enhances practical environmental work capabilities and risk response capabilities, and systematically manages environmental training according to refresher training cycles. In addition, through ISO 14001-based environmental management system training, ILJIN Electric supports employees in understanding environmental management procedures and standards and strengthening their capabilities for regulatory compliance and environmental risk prevention, thereby continuously improving the level of environmental management across its business sites.

Environmental Training Performance in 2025

Category		Training Target	Number of Trainees	Training Date
Environmental Technical Personnel Training	Integrated Environmental Manager Training	Environmental Technical Personnel	2 persons (Materials General Affairs Team)	25.05.19~25.05.23, 25.08.25~25.08.29
	Waste Generator Training	Environmental Technical Personnel	1 person (Materials General Affairs Team)	25.04.02
	Air/Water Quality Training	Environmental Technical Personnel	3 persons (Cable General Affairs Team 2 persons, Transformer General Affairs Team 1 person)	2024 (refresher training cycle of 3 years. Next training scheduled for 2027)
ISO 14001 Establishment and Operation Training		Environmental Personnel	1 person (Switchgear General Affairs Team)	25.07.09~25.07.10

ESG Training

In 2025, ILJIN Electric conducted ESG training for executives and managerial employees to strengthen their understanding of ESG management and practical response capabilities. The ESG training was planned to respond to expanding global ESG requirements and stronger evaluation criteria from major customers, and consisted of five courses, including ESG strategy development, supply chain management, and the ESG paradigm. The training was conducted online so that employees could participate autonomously, and the Company continues to enhance understanding of ESG management and promote its internalization across the organization. ILJIN Electric will continue to provide regular ESG training so that all employees can fulfill their roles as practical agents of sustainability management.

ESG Training in 2025

Training Course	Training Target	Number of Trainees	Training Date
ESG Action Plan	Executives and Managerial Employees	411 persons	25.12.09~25.12.31

Training Content	
Session 1	The Era in Which ESG Becomes a Management Strategy
Session 2	3 STEPs for Establishing ESG Management
Session 3	Supplier Management and Supply Chain Management
Session 4	Creating an ESG Management Cycle
Session 5	The Irreversible Megatrend of the ESG Paradigm

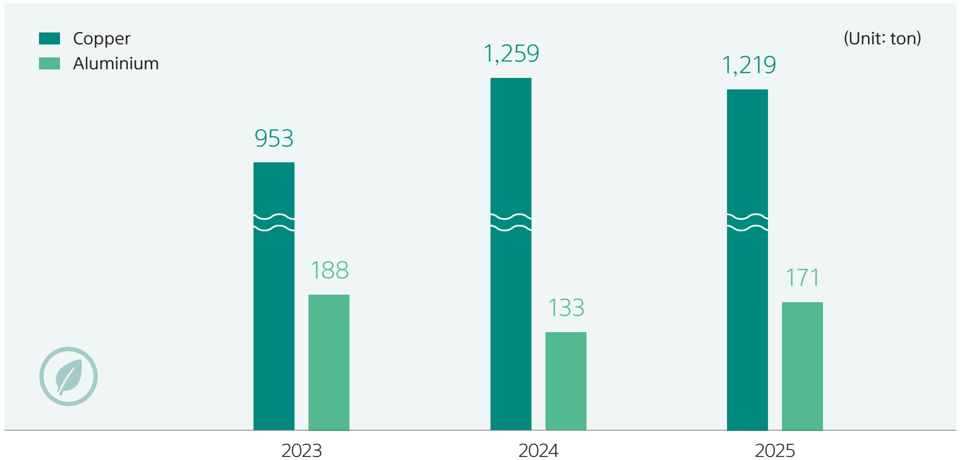
ESG Training Certificate

Reduction of Environmental Impact

Resource Circulation

ILJIN Electric recycles waste cables generated during the production process through external specialized companies. Aluminium and copper recovered through the stripping process are reused as raw materials, and by-products generated in this process are sold to external companies, contributing to the expansion of resource circulation and the reduction of waste generation.

Copper and Aluminium Recovery



By-Product Sales Performance

Category	2023	2024	2025
Sales Amount (KRW million)	702	638	1,316

Total Sales Amount for the Most Recent Three Years

KRW 2.66 billion

Environmental Impact Management

Life Cycle Assessment (LCA)

ILJIN Electric has introduced and operates life cycle assessment (LCA) to quantitatively analyze environmental impacts generated throughout the entire life cycle of its products. In 2025, the Company conducted LCA for two types of AL-Rod products, seven types of cable products, and two types of transformer products, and among them, two AL-Rod products obtained domestic Environmental Product Declaration (EPD) certification. In addition, ILJIN Electric systematically manages environmental impacts throughout the product life cycle through phased reduction strategies, including improving energy efficiency in manufacturing processes, expanding the use of recycled raw materials, and developing eco-friendly and low-carbon products. Going forward, the Company plans to continue expanding LCA-based eco-friendly product development and improve resource circulation and environmental performance.

Life Cycle Assessment (LCA) Products

Category	2023	2024	2025
Life Cycle Assessment (LCA) Products	-	‣ 2 types of cable products	‣ 7 types of cable products ‣ 2 types of transformer products ‣ 2 types of AL-ROD products (obtained domestic EPD certification)

Domestic Environmental Product Declaration (EPD) Certification for Two Types of AL-ROD Products


AL-ROD

환경성적
환경부
www.epd.or.kr

EPD
KOREA
www.epd.or.kr

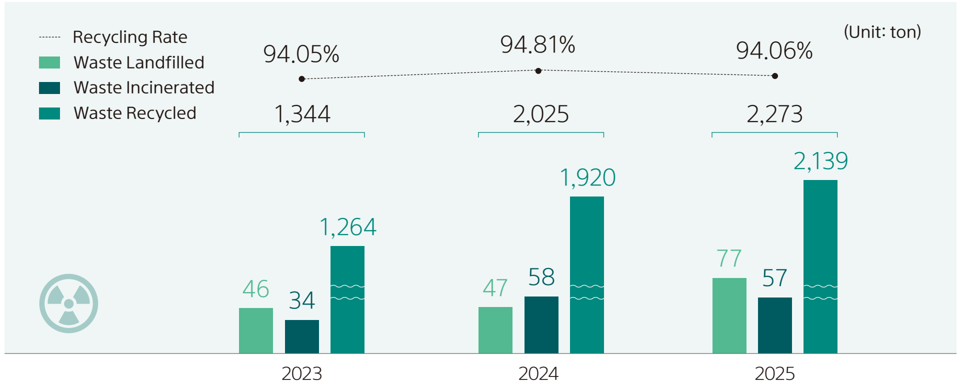
Reduction of Environmental Impact

Environmental Impact Management

Waste Management

ILJIN Electric classifies and collects waste generated at its business sites by type and characteristic, and safely stores and manages it in designated areas. The Company manages designated waste and general waste separately, and prevents leakage and environmental pollution by using sealed containers and complying with storage standards. Collected waste is entrusted to appropriate treatment companies in accordance with relevant laws and regulations, and the entire process from generation to treatment is recorded and managed. In addition, ILJIN Electric continues to strengthen regulatory compliance by inspecting and improving the status of waste management through its environmental safety organization.

Waste Generation and Treatment

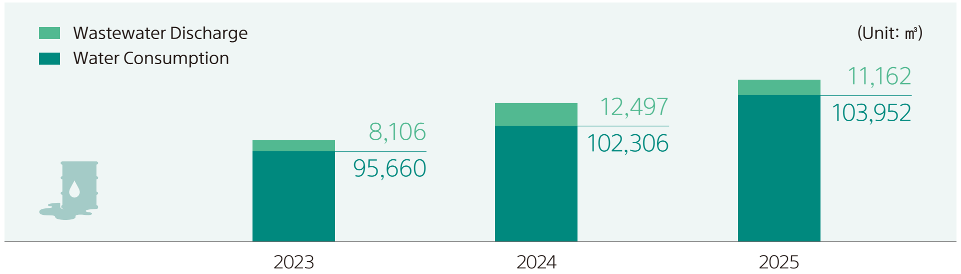


Category	Unit	2023	2024	2025
Total Waste Generation	ton	1,344	2,025	2,273
Waste Landfilled		46	47	77
Waste Incinerated		34	58	57
Waste Recycled		1,264	1,920	2,139
Waste Recycling Rate	%	94.05	94.81	94.06

Water Resource Management

ILJIN Electric regularly reviews the status of water resource use at its business sites. In addition, the Company operates a water quality management system based on relevant laws and regulations and internal procedures to prevent water pollution. Wastewater generated at business sites is classified and managed by process, and is discharged after proper treatment through discharge and prevention facilities. Discharge facilities and prevention facilities are maintained in normal operating condition through regular inspections and monitoring, and in the event of any abnormality, immediate action and cause analysis are conducted to prevent recurrence. Going forward, ILJIN Electric plans to gradually advance its water quality management system and strengthen monitoring.

Water Consumption and Wastewater Discharge



Water Pollutant Emissions (Ansan Factory)

Category	Unit	2023	2024	2025
BOD Biochemical Oxygen Demand	ton	0.008	0.024	0.004
COD Chemical Oxygen Demand		-	-	-
TOC Total Organic Carbon		0.021	0.036	0.036
SS Suspended Solids		0.033	0.085	0.013
T-P Total Phosphorus		-	-	0.001
T-N Total Nitrogen		0.033	0.071	0.020

Reduction of Environmental Impact

Environmental Impact Management

Chemical Substance Emissions

ILJIN Electric reviews MSDS updates and handling management standards, and strengthens the level of safe management through inspections of hazardous material storage facilities. Chemical substances handled at business sites are stored in accordance with relevant laws and regulations and internal procedures, and are safely managed by attaching warning labels appropriate to the characteristics of each substance. Preventive measures, including ventilation and temperature and humidity control, are implemented to prevent risks during storage and handling. In addition, the Company is strengthening management standards to minimize external emissions of chemical substances, and continues to promote emissions reduction activities across its business activities.

Air Pollutant Emissions

ILJIN Electric operates a management system based on relevant laws and regulations and internal procedures to minimize air pollutant emissions. The Company manages emission facilities and prevention facilities separately within its business sites, and maintains the normal operation of facilities through regular inspections and replacement of consumables for prevention facilities, including dust collection equipment. In addition, air pollutants are regularly measured and managed in accordance with relevant standards, and in the event of abnormalities at emission facilities, operations are immediately suspended, and additional emissions are prevented through cause analysis and corrective measures. Going forward, the Company plans to continue strengthening the operation management and monitoring of emission facilities to reduce air pollutant emissions and minimize environmental impacts.

Hazardous Chemical Usage and Chemical Substance Emissions

Category	Unit	2023	2024	2025
Hazardous Chemical Usage	ton	0.00	0.00	0.00
Chemical Substance Emissions	ton	0.00	0.27	0.32

Air Pollutant Emissions

Category	Unit	2023	2024	2025
Dust	ton	0.56	0.42	0.36
Nitrogen Oxides (NOx)	ton	12.21	7.00	8.11
Sulfur Oxides (SOx)	ton	0.06	0.01	0.27

Biodiversity

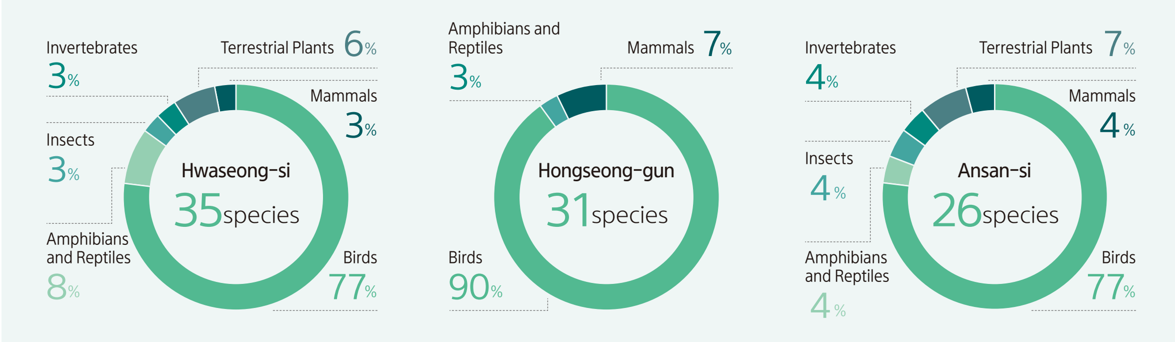
Biodiversity Status

ILJIN Electric recognizes the importance of biodiversity conservation and identifies the impacts of its business activities on ecosystems. The Company surveyed the status of endangered species near its major business sites, including Hwaseong-si, Gyeonggi-do, Hongseong-gun, Chungcheongnam-do, and Ansan-si, Gyeonggi-do, to identify species requiring protection and secure baseline data. Going forward, ILJIN Electric plans to continuously monitor ecosystem impacts in the course of business operations and establish a management system for biodiversity conservation and habitat protection.

Status of Endangered Wildlife

Endangered Species	Hwaseong-si, Gyeonggi-do (species)	Hongseong-gun, Chungcheongnam-do (species)	Ansan-si, Gyeonggi-do (species)
Mammals	1	2	1
Birds	27	28	20
Amphibians and Reptiles	3	1	1
Fish	0	0	0
Insects	1	0	1
Invertebrates	1	0	1
Terrestrial Plants	2	0	2
Marine Algae	0	0	0
Higher Fungi	0	0	0

Ratio of Endangered Wildlife



Source: Statistical Data Book on Endangered Wildlife (based on the latest publication by the National Institute of Ecology)

Detailed Status of Endangered Wildlife

Species	Business Site	Hwaseong-si, Gyeonggi-do	Hongseong-gun, Chungcheongnam-do	Ansan-si, Gyeonggi-do
Endangered Species Class I	Mammals	Eurasian Otter	Eurasian Otter	-
	Birds	Swan, Chinese Egret, Black-faced Spoonbill, Nordmann's Greenshank, Mute Swan, Oriental Stork, White-tailed Eagle	Chinese Egret, Black-faced Spoonbill, Steller's Sea Eagle, Oriental Stork, White-tailed Eagle	Swan, Chinese Egret, Black-faced Spoonbill, White-tailed Eagle
	Amphibians and Reptiles	Suwon Tree Frog	Suwon Tree Frog	-
Endangered Species Class II	Mammals	-	Leopard Cat	Leopard Cat
	Birds	Saunders's Gull, Eurasian Oystercatcher, Eurasian Spoonbill, Cinereous Vulture, Peregrine Falcon, Osprey, Chinese Sparrowhawk, Great Knot, Eurasian Sparrowhawk, Eurasian Hobby, Eurasian Eagle-Owl, Pied Harrier, Far Eastern Curlew, Hen Harrier, Northern Goshawk, Whooper Swan, Greater White-fronted Goose, Upland Buzzard, Hooded Crane, Long-billed Plover	Peregrine Falcon, Saunders's Gull, Eurasian Oystercatcher, Yellow-breasted Bunting, Japanese Paradise Flycatcher, Eurasian Spoonbill, Cinereous Vulture, Osprey, Chinese Sparrowhawk, Great Knot, Eurasian Sparrowhawk, Eurasian Hobby, Black Kite, Eurasian Eagle-Owl, Far Eastern Curlew, Northern Goshawk, Whooper Swan, Greater White-fronted Goose, Upland Buzzard, Fairy Pitta, Hooded Crane, Long-billed Plover, White-eyed Pochard	Saunders's Gull, Eurasian Oystercatcher, Eurasian Spoonbill, Watercock, Osprey, Great Knot, Eurasian Sparrowhawk, Eurasian Hobby, Eurasian Eagle-Owl, Far Eastern Curlew, Hen Harrier, Northern Goshawk, Whooper Swan, Greater White-fronted Goose, Upland Buzzard, Long-billed Plover
	Amphibians and Reptiles	Seoul Frog, Narrow-mouthed Toad	-	Seoul Frog
	Insects	Yellow-legged Dragonfly	-	Yellow-legged Dragonfly
	Invertebrates	Brackish-water Crab	-	Milky Fiddler Crab
	Terrestrial Plants	Water Crowfoot, White Egret Flower	-	Water Crowfoot, White Egret Flower

Biodiversity

Identification of Biodiversity Risks

ILJIN Electric is making efforts to systematically manage biodiversity risks. To comprehensively identify its dependencies and impacts on biodiversity, the Company analyzed natural capital risks linked to its business characteristics using ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure). ENCORE is one of the tools that supports the assessment of nature-related risks presented by TNFD, and is used to analyze a company's dependencies and impacts on natural capital. Based on the results of this analysis, ILJIN Electric plans to identify key management areas and establish a management system to minimize the impacts of its business activities on ecosystems. The Company will also continuously monitor ecosystem impacts across its business sites and promote biodiversity conservation activities in compliance with relevant laws and regulations and international standards.

Biodiversity Risk Management Process

STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
Analyze dependencies and impacts on natural capital	Identify biodiversity status based on business site locations	Identify and assess biodiversity risks	Establish risk response and management measures	Establish monitoring and disclosure system

Biodiversity Activities

Creation of the Chungnam "Resident Participation Forest"

ILJIN Electric participated in local ecological environment conservation activities by donating KRW 60 million to the "Resident Participation Forest Creation Project" promoted by Chungcheongnam-do. The project aims to create a forest in the area of Hongye Park in Naepo New Town, Chungnam, with the goal of restoring the local ecosystem and expanding carbon sinks through participation by residents and companies. Through this initiative, ILJIN Electric is participating in nature-based ecological restoration activities, and plans to continue contributing to the creation of a sustainable environment in cooperation with local communities.

Natural Capital Dependencies and Impacts of the Electrical Equipment Manufacturing Industry

Category	Key Ecological Indicator	Level
Dependency (14)	Water supply	Moderate
	Rainfall pattern regulation services	Moderate
	Water purification services	Moderate
	Water flow regulation services	Moderate
	Flood mitigation services	Moderate
	Storm mitigation services	Moderate
	Local(micro and meso) climate regulation services	Low
	Soil and sediment retention services	Low
	Solid waste remediation	Low
	Other regulation and maintenance service-Dilution by atmosphere and ecosystems	Low
	Global climate regulation sercives	Very Low
	Air filtration services	Very Low
	Noise attenuation services	Very Low
	Other regulation and maintenance service-Mediation of sensory impacts(other than noise)	Very Low
Impact (7)	Emissions of toxic pollutants to water and soil	High
	Disturbances (e.g noise, light)	Moderate
	Emissions of non-GHG air pollutants	Low
	Generation and release of solid waste	Low
	Area of land use	Low
	Volume of water use	Low
	Emissions of GHG	Very Low

Social

Human Rights Management

Human Rights Management System

Human Rights Management Strategy

ILJIN Electric has established a human rights management strategy framework to realize sustainable management based on respect for human rights. Through human rights management, ILJIN Electric respects the rights and interests of stakeholders, fulfills its social responsibilities, and continues to grow as a trusted company.

Human Rights Management Strategy Framework

Mission | Protecting the human rights of all stakeholders through the advancement of the human rights management system

Mid- to Long-Term Strategic Goals

Short Term (2025~2026)	Mid Term (2027~2028)	Long Term (2029~)
Establishing a Human Rights Management System	Strengthening Human Rights Self-Correction Functions	Expanding Human Rights-Friendly Activities and Strengthening Human Rights Management Disclosure
‣ Expanding the organization and strengthening expertise ‣ Spreading a human rights culture within the organization ‣ Advancing the human rights management implementation system	‣ Implementing and expanding human rights impact assessments ‣ Expanding human rights impact assessments for the supply chain ‣ Establishing and implementing response measures for human rights risks	‣ Expanding human rights training, campaigns, and activities for the supply chain ‣ Establishing a system for monitoring and reviewing human rights management performance ‣ Enhancing transparency through advancement of the human rights management disclosure system

Establishment of Human Rights Management Policy

ILJIN Electric has enacted Human Rights Management Regulations to protect and promote the human rights of employees and stakeholders. The Human Rights Management Regulations define the basic principles of human rights management based on international human rights norms and domestic laws and regulations, including prohibition of discrimination, prohibition of forced labor and child labor, freedom of association and collective bargaining, assurance of occupational safety, and supply chain management. The regulations stipulate that human rights impact assessments shall be conducted for corporate activities, policies, and businesses, led by the department responsible for human rights management, to identify and assess human rights risks, and that improvement tasks based on the assessment results shall be implemented and reviewed. In addition, ILJIN Electric regularly checks the implementation status of human rights management through human rights impact assessments and self-inspections, and operates reporting and grievance procedures for human rights violations to protect the rights and interests of stakeholders and strengthen the human rights management system.

Key Contents of the Human Rights Management Regulations

Policy	Key Contents
Human Rights Management Principles	Define the basic principles of human rights management, including prohibition of discrimination, prohibition of forced labor and child labor, freedom of association and collective bargaining, assurance of occupational safety, personal information protection, and responsible supply chain management
Human Rights Risk Management	Conduct human rights impact assessments for corporate activities, policies, and businesses, and establish and implement improvement measures through the identification and assessment of human rights risks
Implementation System	Establish human rights management plans, operate human rights impact assessments, conduct human rights training, and review implementation status, led by the department responsible for human rights management
Grievance Procedure	Operate procedures for reporting and receiving human rights violations, investigations, corrective measures, and remedy for victims, and ensure protection of reporters and confidentiality

Human Rights Management

Human Rights Management System

Human Rights Management Charter

ILJIN Electric places human dignity and fundamental values as the highest principles in all management activities. Through its "Human Rights Management Charter," the Company has declared internally and externally its commitment to respecting and protecting the human rights of all stakeholders, including employees, suppliers, and local communities. Based on the Human Rights Management Charter, ILJIN Electric will continue to make efforts to prevent human rights risks and establish a culture of respect for human rights.

Human Rights Grievance Handling

Employees and stakeholders may submit human rights-related grievances through the reporting center on the website, and received grievances are handled by dedicated personnel within the designated processing period, with the results notified to the reporter. Submitted matters are handled through fair and prompt procedures, and the process is operated based on the principles of protecting the rights and interests of reporters and ensuring confidentiality.

Human Rights Management Charter

- First, we respect and comply with international standards and norms on human rights, including the UN Universal Declaration of Human Rights and the OECD Guidelines for Multinational Enterprises.
- First, we do not discriminate against any stakeholder, including employees, on the basis of race, gender, educational background, age, disability, religion, place of birth, political orientation, or other grounds.
- First, we prevent human rights violations and inhumane acts, including violence, coercion, harassment, and verbal abuse, in advance, and strive to provide active remedies.
- First, we determine employees' working hours in compliance with job characteristics and the relevant laws and regulations of each country, and comply with laws, policies, and standards related to working conditions, including minimum wage guarantees and social insurance.
- First, we do not permit child labor, and comply with the minimum working age stipulated by the laws and international standards of the countries where we conduct business.
- First, we guarantee labor based on free will, and do not unjustly restrict mental or physical freedom.
- First, we manage and protect personal information acquired in the course of management and business operations.
- First, we guarantee collective bargaining and freedom of association in accordance with labor-related laws and collective agreements.
- First, we strive to prevent human rights violations against local residents and protect the environment in the communities where we conduct business.
- First, we create a working environment that places the highest priority on the safety and health of employees.

Human Rights Grievance Handling Process

Human Rights Reporting Center

1 Grievance Receipt	Employees and stakeholders submit human rights-related grievances through the reporting center on the website
2 Review of Facts	The responsible department reviews the basic facts and relevant materials regarding the received case
3 Detailed Investigation	If necessary, an in-depth investigation is conducted, including interviews with relevant departments and stakeholders
4 Action and Notification of Results	Corrective and improvement measures are implemented based on the investigation results, and the results are notified to the reporter

Human Rights Management

Human Rights Risk Management

Human Rights Impact Assessment

Establishment of a Human Rights Impact Assessment System

ILJIN Electric has established and operates a human rights impact assessment system to identify and prevent in advance human rights risks that may arise across its corporate activities. The assessment of corporate activities was conducted based on the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, ILO international labor standards, and the human rights impact assessment checklist of the National Human Rights Commission of Korea, and the Company has prepared its own self-assessment system that reflects domestic and overseas human rights-related laws and regulations, industry characteristics, key stakeholder requirements, and core human rights issues. In addition, the business site assessment was conducted for Hwaseong Factory 2 to more closely examine human rights risks centered on production sites, and the site was selected as this year's assessment target business site because it is highly likely to be linked to various human rights issues, including on-site working conditions, occupational health and safety, facility operations, and supplier management. Based on the assessment results, ILJIN Electric identifies improvement tasks and strengthens its human rights risk prevention and management system.

Human Rights Impact Assessment Process

Establishment of Human Rights Management Plan

- Analyze human rights issues and businesses/stakeholders
- Develop and advance human rights impact assessment indicators
- Establish a plan for conducting human rights impact assessments
- Provide training for participants

Implementation of Human Rights Management

- Conduct human rights impact assessments
- Expert review and verification

Human Rights Management Reporting and Feedback

- Establish and implement tasks and strategies to prevent human rights risks
- Disclose and provide feedback on human rights performance
- Collect stakeholder opinions related to human rights

Analysis and Improvement

- Derive recommendations for human rights improvement
- Identify the materiality of human rights risks
- Identify vulnerable groups in relation to human rights

Human Rights Impact Assessment Checklist

ILJIN Electric operates a human rights impact assessment checklist to systematically manage human rights risks that may arise in the course of corporate activities and business site operations. The checklist consists of 10 issues related to corporate activities and four issues related to business site operations, and is used to identify key human rights risks and derive improvement tasks.

Human Rights Impact Assessment Checklist Items

Category	Issue	No. of Indicators	Major Areas of Assessment
Corporate Human Rights Impact Assessment Checklist	Establishment of a Human Rights Management System	33	Human rights policies, governance, training, monitoring, grievance mechanisms and remediation
	Non-Discrimination in Employment	18	Non-discrimination in recruitment, placement, promotion, evaluation and compensation
	Guarantee of Freedom of Association and Collective Bargaining	14	Freedom of association, collective bargaining and protection from retaliation
	Prohibition of Forced Labor	13	Prohibition of forced labor, retention of identity documents and restrictions on freedom of movement
	Prohibition of Child Labor	14	Compliance with minimum working-age requirements and restrictions on hazardous or night work
	Assurance of Occupational Safety	6	Occupational health and safety systems, protection of vulnerable workers, and accident prevention and compensation
	Responsible Supply Chain Management	9	Human rights requirements for suppliers, contractual compliance, risk assessments and corrective actions
	Guarantee of Environmental Rights	9	Environmental management, information disclosure, employee awareness and climate action
	Protection of Customer Human Rights	13	Product safety, transparent customer information and personal data protection
	Protection of Employee Human Rights	13	Prevention of workplace harassment and sexual misconduct, victim protection and work life balance
Business Human Rights Impact Assessment Checklist	Facility/Equipment Operation System	15	Facility and equipment standards, safety assessments and preventive risk controls
	Protection of On-Site Workers' Human Rights	20	Non-discrimination, grievance handling, and adequate rest, sanitation and working conditions
	Protection of Local Communities	4	Community impact assessments, stakeholder engagement and measures to prevent or mitigate harm
	Selection and Management of Suppliers	5	Human rights and safety criteria in supplier selection, monitoring, grievance handling and remediation

Human Rights Management

Human Rights Risk Management

Human Rights Impact Assessment

Results of the Corporate Activities Human Rights Impact Assessment

In 2025, ILJIN Electric conducted a human rights impact assessment of its corporate activities to review the human rights management system and the level of management for each major human rights issue, and to derive key management priorities and improvement directions. As a result of the assessment, the areas of non-discrimination in employment, guarantee of freedom of association and collective bargaining, prohibition of child labor, assurance of occupational safety, responsible supply chain management, guarantee of environmental rights, and protection of customer human rights were assessed as generally excellent. Meanwhile, in the areas of establishment of a human rights management system, prohibition of forced labor, and protection of employee human rights, matters requiring more systematic institutional operation and supplementation of management standards were identified. Based on the assessment results, ILJIN Electric plans to continuously implement improvement tasks, including regularizing human rights impact assessments, improving working conditions, and strengthening the system for protecting human rights in the workplace, and to enhance the level of protection of stakeholders' human rights.

Identification of Human Rights Risks and Improvement Directions by Corporate Activities

Category	Issue	Potential Risk	Vulnerable Stakeholder Group	Improvement Direction
Corporate Human Rights Impact Assessment	Establishment of a Human Rights Management System	Human rights policies and regular assessment and monitoring criteria need to be formalized to ensure effective system operation	Employees, Supplier employees, External stakeholders	Formalize the human rights policy, conduct regular human rights impact assessments, and strengthen governance and communication of grievance mechanisms
	Prohibition of Forced Labor	Overtime rules need to be clarified to safeguard employees' freedom to choose whether to work overtime	Employees, On-site workers	Establish a non-retaliation principle for employees who decline overtime and strengthen working-hours management standard
	Protection of Employee Human Rights	Sexual harassment prevention and response standards, counselor and investigator capabilities, and return-to-work protections need to be strengthened	Employees, Women employees, Employees on parental leave	Establish sexual harassment prevention and response guidelines, train counselors and investigators, and codify protection against disadvantage after returning from leave

Results of the Business Activities Human Rights Impact Assessment

In 2025, ILJIN Electric conducted a business site human rights impact assessment of Hwaseong Factory 2 to review the level of human rights risk management centered on production sites. The facility/equipment operation system and protection of on-site workers' human rights were confirmed to be generally sound, while some matters requiring supplementation were identified in the areas of protection of local community residents and selection and management of suppliers. In particular, the need to advance the human rights protection system for supplier workers and communication procedures with local communities was identified, and on-site workers, supplier workers, and local residents were derived as key vulnerable stakeholders. Going forward, ILJIN Electric will continue to strengthen its business site-centered human rights risk management system by enhancing supplier human rights management, improving accessibility to grievance handling, and expanding communication with local communities.

Identification of Human Rights Risks and Improvement Directions by Business Activities

Category	Issue	Potential Risk	Vulnerable Stakeholder Group	Improvement Direction
Business Human Rights Impact Assessment	Facility/ Equipment Operation System	Procurement, facility safety and community emergency response standards require improvement	On-site workers, Local communities	Embed human rights and environmental criteria in procurement and strengthen safety and emergency response procedures
	Protection of On-Site Workers' Human Rights	Access to grievance and remedy mechanisms requires improvement	On-site workers, Supplier employees	Improve access through on-site notices, QR reporting channels and training
	Protection of Local Community Residents	Community consultation and communication procedures require formalization	Local communities	Strengthen communication, community consultation and site impact management
	Selection and Management of Suppliers	Supplier human rights communication, training and monitoring require improvement	Supplier employees	Communicate policies and reporting procedures, monitor violations and provide human rights training

Human Rights Management

Activities to Promote a Culture of Respect for Human Rights

Labor Union and Labor-Management Consultation

ILJIN Electric is establishing transparent and fair labor-management relations that comply with relevant laws and regulations and place the highest priority on protecting the rights and interests of employees. To facilitate regular communication and consultation with the labor union, the Company operates labor-management councils once per quarter at four business sites. Through this, ILJIN Electric reflects diverse employee opinions in management activities and pursues cooperative relationships based on trust.

Status of Labor Union and Labor-Management Councils in 2025

Category	Unit	2025
Labor Union Members	persons	270
Labor-Management Council Meetings Held	times	16

*Total for Hwaseong Factory 1, Hwaseong Factory 2, Hongseong Factory, and Ansan Factory

Prevention of Workplace Harassment and Sexual Harassment

ILJIN Electric continued to carry out multifaceted activities in 2025 to prevent workplace harassment, sexual harassment, and sexual violence so that all employees can work in a safe and dignified environment. Based on strict compliance with relevant laws and regulations, the Company continues to raise employees' awareness through preventive training, campaigns, and the operation of reporting systems.

Training on Prevention of Workplace Harassment and Sexual Harassment

Human Rights Improvement Training

ILJIN Electric provided sexual harassment prevention training, disability awareness training in the workplace, personal information protection training, and compliance training for all employees. The systematic implementation of training serves as a key foundation for enhancing employees' awareness of legal compliance and maintaining a safe and fair organizational culture.

Human Rights Improvement Training Performance in 2025

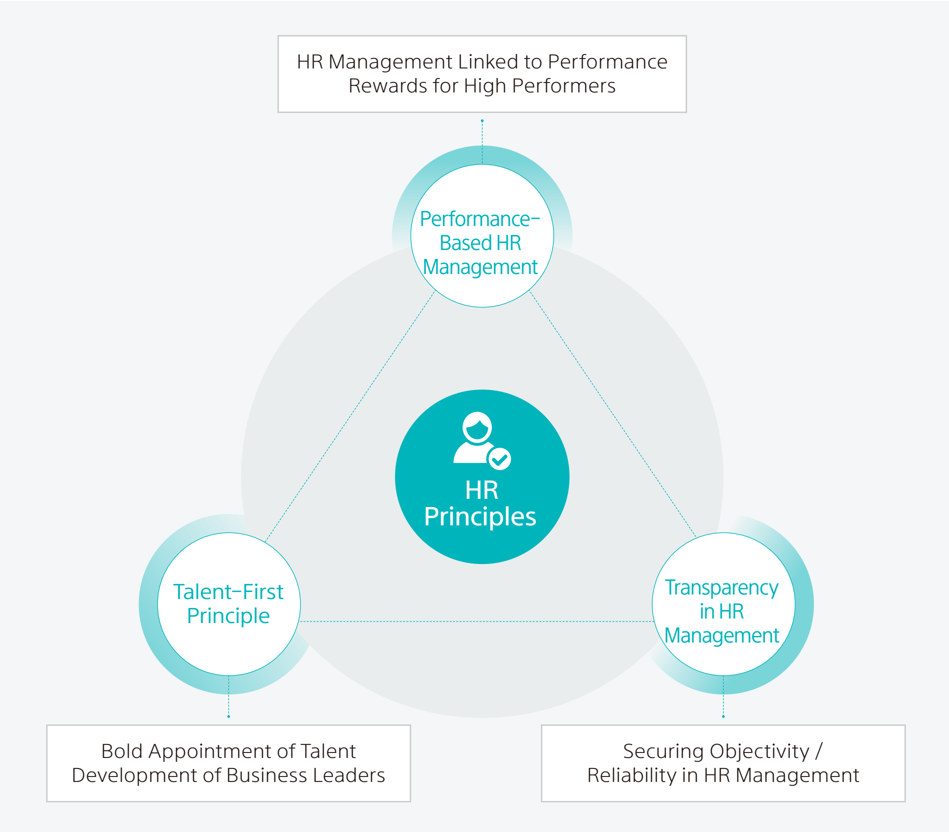
Category	Training Target	Number of Trainees	Training Method
Sexual Harassment Prevention Training	Executives/ Managerial Employees/ On-site Employees	416	▸ Executives/Managerial Employees: Online, ▸ On-site Employees: Group training
Disability Awareness Training in the Workplace	Executives/ Managerial Employees/ On-site Employees	416	▸ Executives/Managerial Employees: Online, ▸ On-site Employees: Group training
Personal Information Protection Training	Executives/ Managerial Employees	405	▸ Executives/Managerial Employees: Online
Compliance Training	Executives/ Managerial Employees	379	▸ Executives/Managerial Employees: Online

Human Resource Management

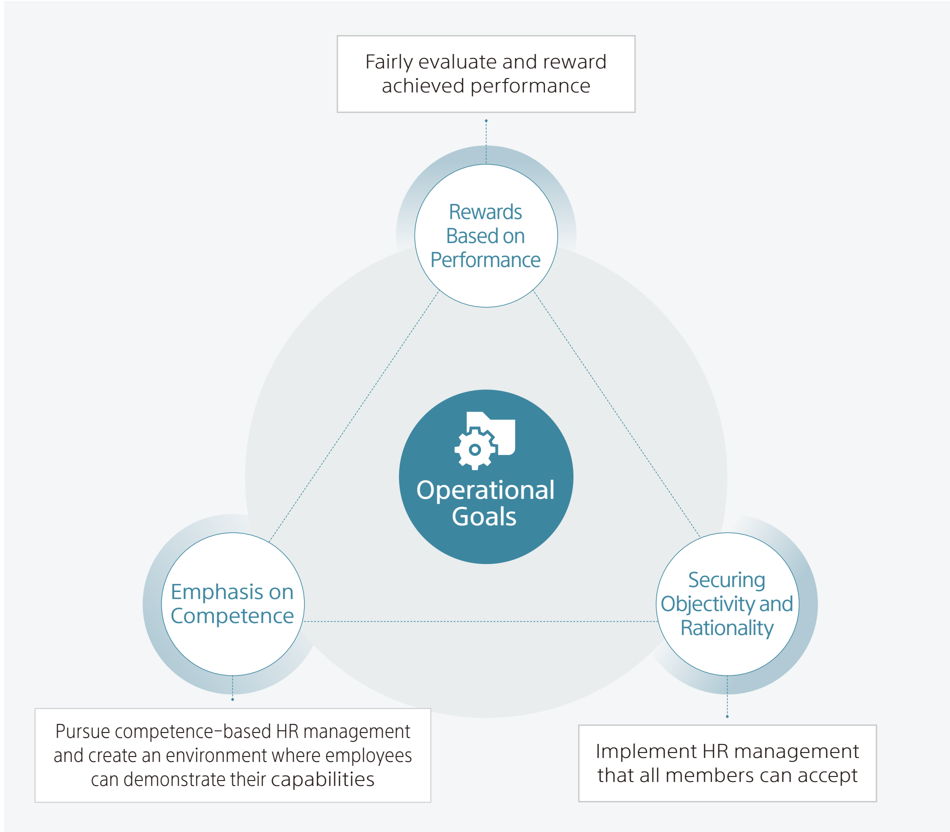
Human Resource Management System

ILJIN Electric pursues transparent human resource principles that lead ethical management, based on the Innovation Compensation System for maximizing performance and the talent-first principle that respects individual creativity and growth.

HR Principles



Operational Goals



Human Resource Management

Talent Recruitment

Ideal Talent Profile

ILJIN Electric defines its core ideal talent profile as “talent who is not bound by existing customs and seeks new value and change,” and pursues sustainable growth together with talent who possesses the four core competencies of challenge spirit, creative thinking, global mindset, and expertise aimed at becoming the world’s best.

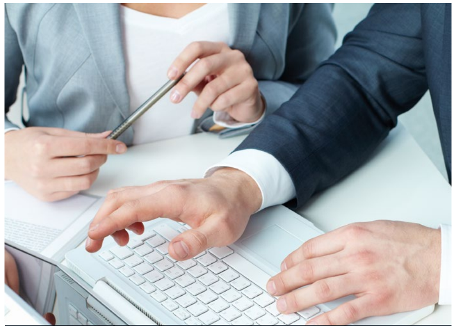
Core Ideal Talent Profile

Talent who is not bound by existing customs and seeks new value and change

Core Values

Achievement Orientation

Achieving goals through a commitment to continuous improvement



Professionalism

Delivering high performance through passion for work and a sense of responsibility

Integrity

Complying with the organization’s vision and values based on a sense of responsibility and moral judgment

Innovation

Pursuing continuous change and innovation in both process and outcome

Talent with tireless passion	Talent with a challenge spirit and creative thinking, and with unwavering passion to become the world’s best	Talent with strong morality and ethical awareness, and a flexible mindset toward diversity	Talent with the capabilities and determination to win in an era of intense, unlimited competition
Challenge Spirit	Creative Thinking	Fundamental Qualities as a Global Citizen	World’s Best Orientation

Human Resource Management

Talent Recruitment

Talent Selection

ILJIN Electric secures outstanding talent through fair and transparent recruitment procedures. Throughout the entire recruitment process, the Company strictly excludes discriminatory factors such as gender, age, and region of origin, and operates a multi-stage screening system that objectively evaluates applicants' competencies and potential. ILJIN Electric enhances applicant convenience through an online recruitment system and continuously verifies recruitment fairness through internal audits. In addition, the Company operates recruitment-linked internships together with year-round recruitment to ensure the stable inflow of verified talent into the organization, and employees selected through the internship program are assigned to each department and contribute to practical work.

Internal Training Program for New Employees

ILJIN Electric operates a systematic onboarding program to help new employees quickly adapt to the organization and become immediately productive. From the early stages of employment, the Company provides various training and guidance programs to enhance understanding of the organization's vision, core values, and business structure, thereby strengthening both a sense of belonging as a member and understanding of work. In particular, through practical training centered on OJT (On the Job Training), new employees acquire hands-on capabilities, and through a factory site visit program operated in the early stage of employment, they enhance their understanding of the overall production process and quality awareness.

Operation of ILJIN Electric's Recruitment-Linked Internship Program

Introductory Training for Recruitment-Linked Interns

Human Resource Management

Evaluation and Compensation System

Fair Performance Evaluation and Growth Support

ILJIN Electric has established a transparent and fair human resource management system under the "talent-first" principle, which respects individual creativity and growth. The Company operates a human resource management cycle that covers employees' goal setting, evaluation, compensation, and competency development, creating an environment where individuals and the organization can grow together.

ILJIN Electric supports employees in creating performance aligned with the organization's goals through challenging goal setting and KPI (Key Performance Indicator) management. The Company also actively encourages members who create outstanding performance by operating regular reward programs, including the quarterly Best Award. Performance evaluation is operated through a performance and competency assessment method based on clear criteria, and evaluation criteria are shared in advance to ensure fairness and transparency in the evaluation process. Evaluation results are not only linked to the compensation system, including performance bonuses and annual salary adjustments, but also lead to competency enhancement and career development opportunities through internal and external training programs, supporting the continuous growth of employees. Going forward, ILJIN Electric plans to strengthen the system that links ESG management goals with individual performance evaluations by including environmental management indicators in KPIs for managers and above.

Compensation System

ILJIN Electric fairly evaluates the performance, capabilities, and qualities of its members, and supports their motivation and continuous growth through a differentiated compensation system based on evaluation results. Basic compensation is operated based on base salary according to duties and roles, and a system is applied in which performance bonuses are paid differentially according to performance evaluation results. In addition, promotion and advancement are also operated in connection with performance evaluation results, creating an environment where employees can continuously develop their performance and capabilities. Through a fair and transparent evaluation and compensation system, ILJIN Electric will secure the trust of organizational members and build an organizational culture in which outstanding talent can grow over the long term.

Anniversary Awards

Awards are presented to employees whose contributions to the Company's development are recognized

***STAR Award**

Awards are presented to employees whose contributions are recognized for generating revenue through new businesses/products or improvements to existing processes

*Special Team for ADVANCED R&D Award

Human Resource Management CYCLE

1 Securing and Developing Outstanding Talent (Fostering Creative Talent)

2 Managing Challenging Goals (KPI Operation)

3 Implementing Regular Rewards (Quarterly Best Award)

4 Conducting Fair HR Evaluation (Performance and Competency Evaluation)

5 Providing Performance-Based Compensation (Performance Bonuses, Annual Salary Adjustments)

6 Supporting Competency Enhancement Training (Internal and External Training)

Human Resource Management

Talent Development and Competency Enhancement

Talent Development

ILJIN Electric operates a systematic talent development system to support the continuous growth of its members. The Company requires the completion of legally mandated training and has introduced a credit system to manage employees' competency development records. In addition, through mentoring programs, ILJIN Electric is creating a culture in which members' experience and know-how can be naturally transferred within the organization.

Talent Development System

Category		Training Content	Target	Training Organizer	Mandatory/Optional	Training Method
Job Training (STEP-Based Operation)	Step.1	Leadership Course	Assistant Manager ~ General Manager level	Corporate HR Team	Optional	Online/Offline
			Staff Level			Online
	Step.2	Basic Job Training (in-house group training)	Staff ~ Manager Level			Offline
	Step.3	Advanced Job Training (external training)	Senior Manager ~ General Manager Level			Offline
Self-Directed Learning (Online/Reading Correspondence Training)		General competency training for employees	All employees	Group HR Team	Optional	Online/Offline
Training for Promotees		Training on role changes and leadership for promotees	Promotees	Group HR Team	Mandatory	Offline
Legally Mandated Training		Sexual harassment prevention training, etc.	All employees	Corporate HR Team	Mandatory	Online/Offline
Special Training		Training in special development areas	Selected personnel		Optional	
Other Training		Training based on employee needs	Applicable personnel			

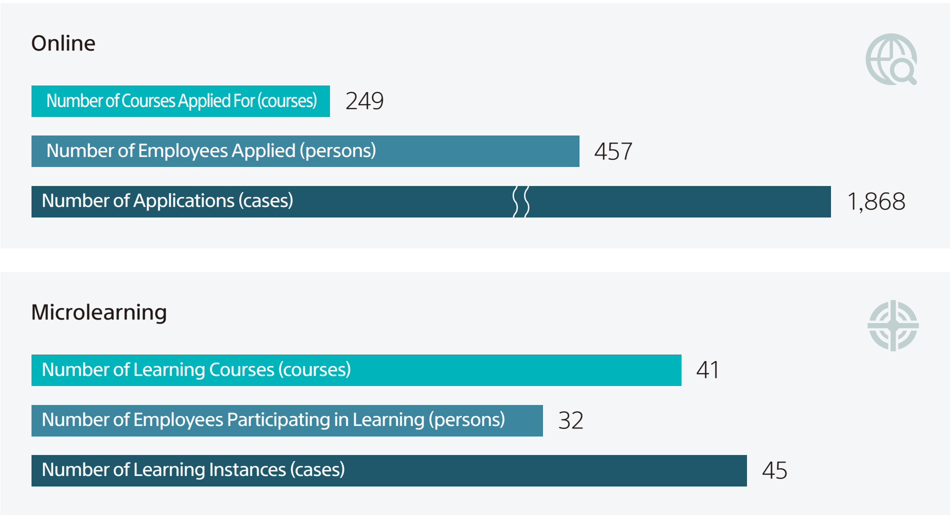
Human Resource Management

Talent Development and Competency Enhancement

Lecture Support for Employee Competency Enhancement

ILJIN Electric operates an online lecture support system to support employees' self-development and competency enhancement. Employees may take at least one lecture per month, and the Company supports employees in freely selecting content across diverse fields, including not only training to enhance job expertise but also humanities, languages, and leadership. A total of 249 lecture programs were operated, and 457 employees completed online lectures. ILJIN Electric encourages employees' continuous learning and self-development, and contributes to strengthening the expertise and capabilities required to respond to the changing industrial environment.

Status of Lecture Support for Employees in 2025



Certified Company for Employee Invention Compensation

ILJIN Electric operates an employee invention compensation system to encourage employees' creative ideas and technological innovation and provide fair compensation. The Company supports technical achievements created in the research and development process so that they can lead to the organization's innovation competitiveness, and as a result of these efforts, it obtained certification as an Excellent Company for Employee Invention Compensation from the Korean Intellectual Property Office. The certification as an Excellent Company for Employee Invention Compensation is granted by evaluating whether a company systematically operates an employee invention system and has a fair compensation system for inventions. Invention ideas submitted through the internal employee invention compensation system lead to patent applications after internal review, and compensation is paid for adopted inventions in accordance with relevant regulations. The operation of this system serves as a foundation for spreading a creative and innovative research and development culture across the organization.


직무발명보상우수기업 인증서

인증번호 : 제2024-00211호
업 체 명 : 일진전기 주식회사
대표자명 : 황수
사업자번호 : 124-86-67922
유효기간 : 2024. 6. 18. ~ 2026. 6. 17.

「발명진흥법」 제11조에 의거하여 위의 기업을
직무발명보상 우수기업으로 인증합니다.

2024년 6월 18일

특 허 청 장

Certificate of Excellent Company for Employee Invention Compensation

Human Resource Management

Organizational Culture

ILJIN Electric has established behavioral values that members can practice together to build a sustainable organizational culture.

Vision / Strategy Framework	ILJIN Electric Capable of Sustainable Growth
Corporate Culture Vision	A Company Where People Work Happily, "Healthy Individuals, Proactive Organization"

Behavioral Values

Mutual Respect	Proactivity	Collaboration
Mutual respect is my basic quality in treating others with a positive mindset.	**Proactivity** is our spirit of demonstrating tireless passion.	**Collaboration** is the way we create work together so that we can demonstrate proactivity.

Family-Friendly Certification

ILJIN Electric operates various systems that support childbirth, childcare, and family care to help employees achieve work-life balance. As a result of these efforts, the Company obtained Family-Friendly Company Certification, supervised by the Ministry of Gender Equality and Family. Family-Friendly Company Certification is granted to companies that exemplary operate systems supporting employees' work-family balance. ILJIN Electric has strengthened an environment in which employees can balance family and work by promoting the use of parental leave and operating a reduced working hours system during the childcare period.

Gratitude Campaign

ILJIN Electric continuously operates a gratitude campaign to support employees' psychological well-being and foster a positive organizational culture. The campaign discovers and shares moments of gratitude in everyday life, contributing to stronger trust and bonds among members. The Company is expanding employee participation through various programs, including the selection of Gratitude FT leaders, operation of a gratitude tree, writing gratitude journals, production of a gratitude song, and a course to internalize a proactive culture of gratitude.


제 2023-0052호

가족친화인증서

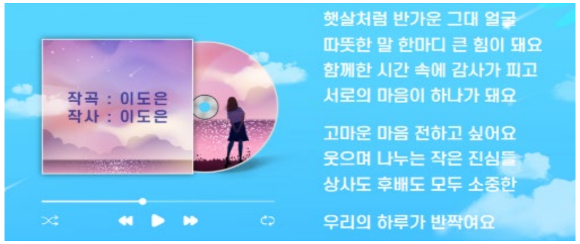
기 업 명 : 일진전기 주식회사
소 재 지 : 경기도 화성시 만년로 905-17 (안녕동) 일진전기
유효기간 : 2023.12.01~2026.11.30

위 기업은 「가족친화 사회환경의 조성 촉진에 관한 법률」 제15조 제1항에 따라 우수한 가족친화경영 운영체제를 구축하고 가족친화제도를 운영함으로써 근로자의 일·생활 균형을 지원하고 국가경쟁력 향상에 기여하였기에 가족친화기업으로 인증합니다.

2023년 12월 01일

여성가족부장관

Family-Friendly Certification



Employee Gratitude Campaign Activities

Human Resource Management

Organizational Culture

Welfare and Benefits Support

ILJIN Electric regards the growth and happiness of its employees as its highest priority, and operates various welfare and benefits programs to help employees stay engaged in their work and feel satisfied in their lives.

Welfare and Benefits

1 Nursing Room

2 Parental Leave

3 Children's Educational Expenses

4 Congratulations and Condolences Support

5 Housing Purchase Fund Support

6 Health Checkups

7 Provision of Convenience Facilities

8 Self-Development Training Support

9 Mobile Phone Expense Support

10 Personal Vehicle Allowance Support

11 Dormitory Support for Factory Employees

12 Resort Support for Employee Vacation Facilities


Factory Lounge


Factory Pantry


Indoor Fitness Center at Magok InnoCenter


Outdoor Sports Facilities at Hongseong Factory

Occupational Health and Safety Management

Occupational Health and Safety Management System

Occupational Health and Safety Strategy

ILJIN Electric promotes systematic occupational health and safety management with the goal of achieving zero serious accidents and creating a safe and healthy working environment, and achieved an occupational accident rate of 0% in 2025. In 2026, the Company plans to establish a safety management system and build a management foundation focused on occupational accident prevention by establishing an occupational health and safety platform and strengthening risk factor management. From 2027 onward, ILJIN Electric will advance its safety management system based on risk assessment and establish a culture of autonomous safety management to realize sustainable occupational health and safety management.

Mid- to Long-Term Occupational Health and Safety Goals

Mission | Establishing a safe and healthy working environment and achieving ZERO serious accidents

Mid- to Long-Term Strategic Goals

Short Term (2026)

Establishment of a Safety Management System

- Advance the occupational health and safety management system and strengthen process-centered safety management
- Expand integrated management of high-risk and subcontracted work to prevent occupational accidents
- Spread a safety culture based on participatory training and strengthen supervisory capabilities

Mid Term (2027)

Advancement of the Risk Management System

- Establish a management system centered on risk assessment and expand data-based safety management
- Strengthen supplier safety assessments and training, and establish an integrated management system
- Expand the operation of participatory safety culture programs

Long Term (2028)

Establishment of an Autonomous Safety Management System

- Establish and digitalize a field-centered safety management system based on autonomous safety
- Establish an integrated safety management and joint response system linked with suppliers
- Advance participatory safety culture and drive continuous improvement based on leadership

Occupational Accident Rate in 2025

Achieved an Occupational Accident Rate of

0% in 2025

Category		2023	2024	2025
Occupational Accident Rate (%)	ILJIN Electric	0.12	0.18	0.0
	Industry Average	1.10	1.19	1.07

Occupational Health and Safety Performance in 2025

Accident-related occupational accidents

0 cases

Administrative fines imposed by the Ministry of Employment and Labor

1 case (Hongseong Factory)[1]

1) The administrative fine imposed by the Ministry of Employment and Labor was related to a nonconformity identified during a PSM (Process Safety Management Report) evaluation and inspection. The fine was paid immediately, recurrence prevention measures were established, and PSM self-inspections are being conducted

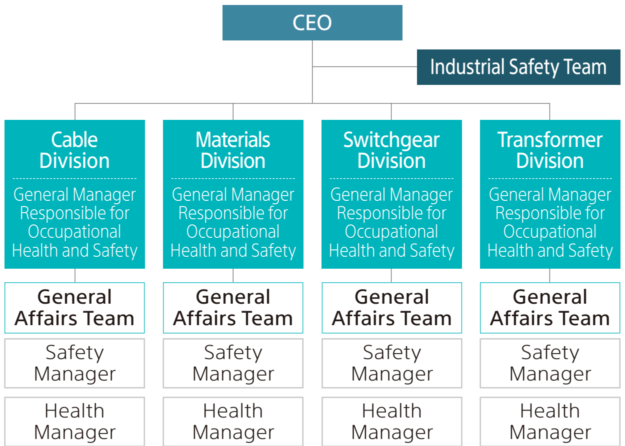
Occupational Health and Safety Management

Occupational Health and Safety Management System

Occupational Health and Safety Governance

ILJIN Electric has established and operates company-wide occupational health and safety governance linked to the Industrial Safety Team and each business division, led by the CEO. The Industrial Safety Team is responsible for establishing company-wide occupational health and safety policies and performing management and supervisory functions, while each business division (Cable, Materials, Switchgear, and Transformer) designates a general manager responsible for occupational health and safety to oversee occupational health and safety management at the business site level. Safety managers and health managers are assigned to the General Affairs Team within each business division to systematically manage on-site risk factors and employees' health.

Occupational Health and Safety Management Organization Chart



Occupational Health and Safety Management Policy

Based on its people-centered management policy, ILJIN Electric creates a safe and pleasant working environment and practices occupational health and safety management by placing the highest priority on accident prevention and customer safety. The Company gives priority consideration to occupational health and safety in all processes, including product design, production, shipment, and installation, and carries out systematic activities to manage and prevent potential risk factors at business sites in advance. In addition, ILJIN Electric establishes occupational health and safety goals and strives for continuous improvement and the creation of safe business sites by establishing a safety culture in which all employees actively participate.

Occupational Health and Safety Management Policy

1. Recognize occupational health and safety as a fundamental element of management, and promote the establishment of proactive occupational health and safety activities.
2. Give priority consideration to occupational health and safety at all stages, including product design, production, shipment, and installation.
3. Make appropriate investments to prevent potential accidents at business sites and carry out activities to promote employees' health.
4. Establish goals for achieving occupational health and safety performance, and promote continuous improvement of the occupational health and safety management system through regular evaluations.
5. All employees shall actively participate in activities to achieve occupational health and safety goals, faithfully fulfill their respective responsibilities, and pursue a safe company.

Occupational Health and Safety Management System Certification

ILJIN Electric has introduced and operates an occupational health and safety management system based on ISO 45001, an international standard, to systematically operate the occupational health and safety management system across its business sites. Through this system, the Company promotes prevention-oriented safety management activities, including the identification of risk factors, and establishes a management foundation for preventing occupational accidents and protecting workers' health. In addition, ILJIN Electric maintains certification for its headquarters and major production sites, and operates its occupational health and safety management system in a stable manner through regular inspections and management activities.

Occupational Health and Safety Management System ISO 45001

Occupational Health and Safety Management

Occupational Health and Safety Operations

Risk Assessment

ILJIN Electric conducts regular risk assessments at its major business sites to systematically manage potential hazardous and risk factors within its workplaces. Risk assessments are conducted according to procedures that comprehensively review work processes, facilities, and working environments to identify hazardous and risk factors and assess risk levels. Risk factors identified through the assessment results are addressed by establishing improvement plans for each business site, and occupational accidents are prevented by reviewing and managing implementation results.

Risk Assessment Process

Preliminary Preparation	‣ Select work and processes subject to assessment ‣ Designate assessment personnel and provide relevant training ‣ Investigate occupational health and safety information and working environment data
Identification of Hazardous and Risk Factors	‣ Investigate risk factors by work process and facility ‣ Use on-site inspections, worker interviews, and checklists ‣ Identify new risk factors and prepare a list of risk factors
Risk Determination	‣ Assess the likelihood and severity of risk factors ‣ Determine the level of risk based on three risk levels (High, Medium, Low) ‣ Set management priorities according to risk level
Establishment and Implementation of Risk Reduction Measures	‣ Establish improvement measures in the order of inherent measures, engineering measures, administrative measures, and personal protective equipment ‣ Implement improvement measures and review management status ‣ Monitor assessment results and report management status by business site

Identification and Assessment of Business Site Risk Factors

ILJIN Electric continuously identifies and manages hazardous and risk factors at its business sites by conducting regular risk assessments and safety inspections at four business sites, including Hwaseong Factories 1 and 2, Ansan Factory, and Hongseong Factory. Each business site comprehensively reviews work processes, facilities, and working environments to identify potential risk factors and assess risk levels, and establishes improvement measures by setting priorities according to risk level based on the assessment results. In addition, the Company reviews whether risk factor improvements have been implemented through joint safety inspections conducted once every half year and ad hoc risk assessments. In 2025, ILJIN Electric conducted a total of 2,127 inspections and completed 100% of improvements.

Risk Assessment and Safety Inspection Performance

Category	Year	Hazardous and Risk Factors (cases)	Improvements Completed (cases)	Improvement Implementation Rate (%)
Risk Assessment	2023	243	243	100%
	2024	272	272	
	2025	251	251	
Regular Safety Inspection	2023	525	525	
	2024	1,313	1,313	
	2025	1,528	1,528	
Joint Safety Inspection	2023	282	282	
	2024	407	407	
	2025	346	346	
Special Safety Inspection	2024	4	4	
	2025	2	2	

Risk Assessment Improvement Case

Before Improvement

Reduced drainage function due to deformed drainage grating and foreign substances, and risk of pedestrian accidents for workers

After Improvement

Restored drainage function and secured pedestrian safety through maintenance of drainage grating and removal of foreign substances

Occupational Health and Safety Management

Occupational Health and Safety Operations

Establishment of an Emergency Response System

ILJIN Electric has established emergency response procedures for each business site and operates a systematic response system to prepare for various emergency situations, including fires, gas and chemical leaks, and facility accidents. To ensure a prompt response in the event of an emergency, the Company clearly defines and manages the roles and responsibilities of the response organization, the reporting system, and emergency action procedures. In the event of an accident, ILJIN Electric has established a response process that includes first aid, site control, reporting to relevant authorities, and post-accident recovery procedures to minimize damage. In addition, each business site conducts regular emergency response drills, including fire drills, to continuously strengthen emergency response capabilities.

Emergency Response Process

Emergency Identification	‣ Define and recognize in advance possible situations, including fires and chemical leaks
Emergency Prevention and Preparedness	‣ Conduct preliminary preparedness activities, including inspection of risk factors, establishment of response manuals, and securing of equipment
Assignment of Roles to Response Personnel	‣ Organize an emergency response organization and assign roles and responsibilities to responsible persons and response personnel
Emergency Recovery and Restoration	‣ Minimize damage after an accident, restore facilities, investigate causes, and implement recurrence prevention measures
Operation of Emergency Shelters	‣ Designate and operate evacuation areas to secure the safety of members in emergencies

Occupational Health and Safety Grievance Handling

ILJIN Electric operates "Safety Grievance Channel," an occupational health and safety grievance handling system, to receive safety-related opinions and improvement suggestions at its business sites. Employees and stakeholders can submit various safety-related opinions, including work suspension requests, risk factor reports, near-miss suggestions, and safety ideas, through QR codes or online reporting channels. Submitted matters are linked to improvement measures through review by relevant departments, enabling the Company to manage potential risk factors at business sites in advance. Through this system, ILJIN Electric actively reflects safety opinions from the field and continuously promotes the prevention of occupational accidents and the establishment of a safety culture.

Occupational Health and Safety Grievance Handling Process

Submission of Reports and Suggestions	Receipt and Review	Implementation of Improvement Measures, Sharing of Results, and Follow-Up Management
Report and suggest workplace risk factors, safety ideas, and other matters through QR codes and online links	Review the level of risk and the need for handling	After review by relevant departments, implement and share improvement measures and establish recurrence prevention activities

Safety Grievance Channel

Safety Grievance Channel Receipt and Improvement Performance in 2025

Category	Cases (cases)
Safety Grievance Channel Receipts	20
Improvements	20

Occupational Health and Safety Management

Promoting an Occupational Health and Safety Culture

ILJIN Electric promotes various activities to expand its occupational health and safety culture to enhance employees' safety awareness and create a healthy working environment. To this end, the Company seeks to establish an occupational health and safety culture and improve safety awareness across the organization through various activities, including systematic safety training, employee-participatory occupational health and safety slogan contests, and health checkup programs.

Activities to Expand Occupational Health and Safety Culture

Safety	‣ All employees and external personnel are required to wear safety shoes and safety helmets when visiting factories ‣ Prepare a list of persons subject to the provision of protective equipment ‣ External personnel are prohibited from entering factories without being accompanied by an internal person in charge
Prevention (Facilities)	‣ Conduct fire drills at least once a year ‣ Inspect and supplement facilities in preparation for heavy rainfall during summer ‣ Conduct fire inspections every half year ‣ Conduct working environment measurements
Prevention (Employees)	‣ Maintain first aid procedures ‣ Conduct VR training for workers at all factories

Safety Training

Reflecting the characteristics of the manufacturing industry, ILJIN Electric systematically operates various safety training programs, including regular training, training for supervisors, training upon hiring, training when work details change, and special training. In particular, the Company provides training by position for occupational health and safety managers, safety managers, and health managers, and strives to enhance employees' safety awareness and on-site response capabilities.

Regular Training	Training for Supervisors	Training upon Hiring	Training When Work Details Change	Special Training
At least 3 or 6 hours every quarter	At least 4 hours every quarter	At least 8 hours	At least 2 hours	At least 16 hours

Category	Unit	2025 Performance
Total Training Hours	hours	30,393
Total Number of Trainees	persons	904
Training Hours per Person	hours/person	33.6

VR Safety Experience Training

ILJIN Electric conducts VR-based safety experience training for factory workers to prevent occupational accidents and improve safety awareness. Through VR experience training, workers experience various risk situations that may occur at industrial sites, such as forklift collisions, chemical substance handling, falls from openings, suffocation in confined spaces, and overhead crane accidents, in a virtual environment and learn safety response methods. Through this experiential training, the Company is raising workers' risk awareness and continuously spreading a field-centered safety culture.

VR Safety Experience Training for Factory Workers

Occupational Health and Safety Management

Promoting an Occupational Health and Safety Culture

Occupational Health and Safety Slogan Contest

ILJIN Electric held a slogan contest for employees to promote the establishment of an autonomous safety culture and the spread of safety awareness. The contest was held under themes such as "creating a safe and healthy workplace," "preventing occupational accidents and spreading a safety culture," and "practicing safety rules in daily life," and was conducted in a way that allowed employees to directly propose and share safety messages. With active participation from employees, a total of 74 occupational health and safety slogans were reviewed, and eight excellent entries were selected and awarded. The selected slogans are posted at business sites and used in safety campaign activities, among other efforts, to raise safety awareness and spread the value of safety as the top priority.

ILJIN Electric Occupational Health and Safety Slogan Contest

Employee Health Checkups

ILJIN Electric conducts comprehensive health checkups every year to promote employees' health and prevent occupational diseases, and provides special health checkups for jobs with potential exposure to hazardous factors, together with general health checkups that meet statutory requirements. In addition, the Company provides customized checkup items that take into account each individual's age, health condition, and job characteristics, and supports employees' continuous health management through follow-up management based on checkup results and linkage with specialized medical services. At some business sites, occupational health professionals visit the sites to provide health counseling, strengthening the employee health management system.

Number of Employee Health Examinations and Measures

Category	General Health Examination		Special Health Examination	
	Persons Requiring Observation	Persons with Findings	Persons Requiring Observation	Persons with Findings
Hwaseong Factory 1	0	15	7	0
Hwaseong Factory 2	113	34	151	54
Hongseong Factory	153	54	152	51
Ansan Factory	23	12	30	9
Total	289	115	340	114

Persons Requiring Observation for Occupational Diseases	‣ Follow-up management and review of the provision of customized hearing protection equipment
Persons with Findings for Occupational Diseases	‣ Implement a hearing conservation program → Review the provision of customized hearing protection equipment with ergonomic design and job transfer
Persons with Findings and Persons Requiring Observation	‣ Guidance and management for treatment of persons with diseases (once per quarter) ‣ Visiting counseling by nurses from an occupational health management agency (once per month)

Smoking Cessation Clinic

Product Safety and Quality

Product Safety and Quality System

ILJIN Electric promotes systematic quality management with product safety and reliability as core values. Based on its quality management policy, which reflects customer requirements and international quality standards, the Company carries out continuous quality improvement activities, including the prevention of quality risks in advance across all processes from design, production, and inspection to service, and continuously seeks to ensure stable product supply and improve customer satisfaction.

Operation of Quality Management System

ILJIN Electric has established and operates a Quality Management System (QMS) based on ISO 9001, an international standard. The Company establishes company-wide quality standards through a systematic document management system, including its quality policy, quality manual, procedures, and work standards. In addition, ILJIN Electric systematically manages quality data generated during production processes and inspections to secure consistency and reliability in product quality. Through this, the Company maintains the same quality standards across all business sites and promotes continuous quality improvement activities.

Quality Management System Structure

Quality Policy	‣ Expresses top management's commitment to quality
Quality Manual	‣ Quality requirements for implementing the quality policy – 1 quality manual
Procedures and Guidelines	‣ Procedures and guidelines for implementing quality requirements – 27 types of procedures and 55 types of guidelines
Specifications and Work Standards	‣ Specifications and technical documents prepared according to quality requirements – Specifications, drawings, raw materials, and technical standards, including purchasing standards, work, and inspection

Quality Management System ISO 9001

Quality Assurance and Customer Response System

ILJIN Electric operates a quality assurance system to ensure prompt and systematic responses in the event of customer complaints and quality issues. The Company promptly resolves quality issues through step-by-step response procedures, from receipt of customer complaints to cause analysis, improvement measures, and follow-up management. In addition, ILJIN Electric analyzes VOC (Voice of Customer), reflects the results in product quality improvement activities, and promotes continuous quality improvement by strengthening customer trust.

Quality Assurance System Diagram

ILJIN Electric Product Inquiry

1. Receipt of Customer Complaint
2. Compilation and Registration
3. Identification of Status / Emergency Recovery
4. Handling
5. Response
6. Follow-Up Management

Product Safety and Quality

Product Safety and Quality Management

Product Safety Responsibility

MSDS Management

ILJIN Electric systematically manages Material Safety Data Sheets (MSDS) for chemical substances used in its factories to protect workers' safety and health. When introducing new chemical substances, the Company reviews MSDS in advance, verifies compliance with relevant laws and regulations and safety requirements, and registers them in the management ledger for control. In addition, ILJIN Electric posts original MSDS and warning labels at worksites, and provides regular training for workers handling chemical substances to guide them on safe handling methods and emergency response procedures. Through these efforts, the Company prevents occupational accidents that may occur during the handling of chemical substances and creates a safe working environment.

Posting of MSDS (Material Safety Data Sheets) Warning Labels

Strengthening Customer Safety

ILJIN Electric has established product safety management standards to minimize safety risks that may arise throughout the entire process, including product handling, storage, and transportation. The Company also strives to secure customer safety by providing handling precautions and safety information so that customers can easily recognize risk factors that may arise during product use and handling.

Handling Precaution Label Attached to Product

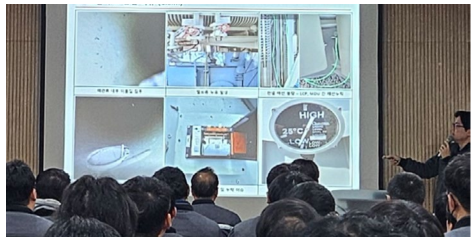
Expansion of Quality Training

ILJIN Electric operates various quality training programs to strengthen employees' quality capabilities. To enhance understanding of product and process quality and raise quality awareness, the Company holds Quality Day events and quality mindset training, and strengthens professional knowledge and practical capabilities through training by invited external experts. In addition, ILJIN Electric systematically enhances managers' quality management capabilities through basic quality training, including Six Sigma, statistical data management, and AIAG-VDA FMEA. Through these efforts, the Company is spreading a company-wide quality mindset and continuously strengthening quality competitiveness.

Operation of Quality Training Programs

Training Type	Training Content	Target	Operation Method
Quality Awareness Training	Product and process quality and improvement of quality awareness	Managerial employees and on-site managers	Regular monthly training
Quality Professional Competency Training	Development of related professional knowledge and cultivation of professional personnel	Interested employees	Operated 7 times annually
Quality Mindset Training	Formation of a quality-first culture and promotion of changes in quality mindset	All employees	Operated 15 times annually
Basic Quality Training	Understanding of Six Sigma	Managerial employees	Twice annually
Quality Data Analysis Training	Statistical data management	Managerial employees	Twice annually
Quality Risk Management Training	AIAG-VDA FMEA	Managerial employees	Twice annually

Quality Mindset Training



Quality Awareness Training (Quality Day)

Supply Chain Management

Supply Chain Management System

Supply Chain Management Strategy

ILJIN Electric recognizes its suppliers as key partners in creating sustainable growth together. Accordingly, based on its sustainable supply chain policy and ESG Supplier Code of Conduct, the Company reflects ESG factors throughout the entire process of supplier registration, evaluation, contracting, and improvement management, and is building a sustainable supply chain by securing supply stability, responsible procurement, response to ESG risks, and shared growth with suppliers.

Supply Chain Management Strategy Framework

Vision

Building a sustainable and responsible supply chain

Mission

Creating a supply chain ecosystem that grows together with suppliers based on supply stability and ESG responsibility

Strategic Roadmap

Establishment Short Term (2025~2026)	Stabilization Mid Term (2027)	Advancement Long Term (2028)
Operate policies and the Code of Conduct	Regularize ESG evaluations and due diligence	Internalize the company-wide operating system
Introduce an ESG evaluation system	Strengthen improvement management for high-risk suppliers	Strengthen supplier capabilities
Establish supply chain risk management standards	Expand shared growth activities	Establish an integrated management system

Strategic Direction / Strategic Tasks

Securing Supply Stability	Responsible Procurement	Supplier ESG Risk Management	Shared Growth and Capability Enhancement
▸ Stabilize supply and demand of key raw and subsidiary materials ▸ Manage major suppliers and critical items ▸ Establish a system to prevent and respond to supply disruptions	▸ Comply with fair trade and purchasing ethics ▸ Manage responsible minerals and ethical procurement ▸ Establish a responsible transaction order based on the Supplier Code of Conduct	▸ Manage environmental, human rights, and safety risks ▸ Operate supplier ESG evaluations and due diligence ▸ Improve and monitor high-risk suppliers	▸ Support supplier improvements and provide feedback ▸ Strengthen partnerships based on win-win cooperation ▸ Enhance supply chain competitiveness and sustainability

Performance Review and Feedback

P Establish supply chain management plans and evaluation criteria » D Assess and respond to supply chain ESG risks » C Review evaluation results and confirm implementation of improvements » A Provide feedback and advance the management system

Supply Chain Management

Supply Chain Management System

Supply Chain Management Policy

ILJIN Electric has established and operates a sustainable supply chain management policy to enhance sustainability across the supply chain and build a responsible procurement system. This policy aims to reflect environmental, ethical, safety, and risk management factors throughout supply chain management based on win-win cooperation with suppliers. In addition, the Company identifies potential ESG risks at an early stage and promotes improvement activities through supply chain due diligence and regular monitoring. Through these efforts, ILJIN Electric strengthens suppliers' sustainability management capabilities and builds a stable supply chain based on long-term partnerships.

ILJIN Electric Sustainable Supply Chain Policy

Supply Chain Management Policy

Supplier Development	ILJIN Electric identifies strategically important suppliers and establishes cooperative relationships with them to support the improvement of suppliers' management capabilities and quality competitiveness, and to promote shared growth.
Eco-Friendly Purchasing	ILJIN Electric selects and evaluates suppliers by considering the use of eco-friendly materials and environmental management capabilities to minimize environmental impacts that may arise in the process of establishing the purchasing supply chain.
Compliance with Purchasing-Related Laws and Ethics	ILJIN Electric upholds fairness and transparency throughout its purchasing activities, and maintains responsible business relationships by complying with relevant laws and regulations, including the Fair Trade Act and the Subcontracting Act.
Sound Financial Management of Suppliers	ILJIN Electric avoids transaction structures that may undermine suppliers' financial stability, and supports a sound financial environment by maintaining fair and transparent business relationships.
Safe Working Environment for Suppliers	ILJIN Electric manages suppliers to ensure that they are not exposed to hazardous working environments, and requires prior notification and compliance with safety management standards when handling hazardous materials.
Supply Chain Risk Management	ILJIN Electric identifies in advance and systematically manages various risk factors that may arise in the supply chain, including natural disasters, economic changes, and supply disruptions.

Supplier Code of Conduct

ILJIN Electric recognizes suppliers as important business partners in building a sustainable supply chain, and has established and operates the ESG Supplier Code of Conduct. The Supplier Code of Conduct presents the standards and principles that suppliers must comply with in key ESG areas, including environment, labor and human rights, occupational health and safety, ethical management, and management systems. It also reflects international standards such as the International Labour Organization (ILO) core conventions and the Ten Principles of the UN Global Compact (UNGC), encouraging suppliers to conduct responsible management activities. ILJIN Electric reviews compliance with the Supplier Code of Conduct and, where necessary, supports improvement activities to prevent ESG risks across the supply chain and strengthen sustainability.

ILJIN Electric Supplier Code of Conduct

Supplier Code of Conduct

Area	Key Indicators			
Environmental Management	Establishment of suppliers' environmental systems	Management of energy consumption and greenhouse gas emissions	Reduction of resource use, etc.	
Labor and Human Rights	Guarantee of freedom of association, prohibition of forced labor	Prohibition of child employment	Compliance with working hours	Prohibition of discrimination, etc.
Occupational Health and Safety	Establishment of occupational health and safety management systems	Workplace safety management	Safety inspections and risk assessments, etc.	
Ethical Management	Transparent management and anti-corruption	Whistleblower protection	Information protection	Responsible materials purchasing, etc.
Management System	Expression of corporate commitment to compliance	Obligations and responsibilities of management	Grievance handling and communication, etc.	

Supply Chain Management

Supply Chain Management System

Promotion of Purchasing Ethics

ILJIN Electric has established Purchasing Ethics Regulations to practice fair and transparent purchasing activities, and operates ethical standards and principles of conduct that purchasing personnel must comply with. Purchasing personnel are managed to comply with laws and Company regulations, select suppliers through fair procedures, and carry out sound and reasonable purchasing activities. In addition, ILJIN Electric builds relationships of mutual trust and maintains a fair transaction order based on open communication with suppliers. Through these efforts, the Company is spreading sustainable supply chain management and a culture of win-win cooperation through the responsible use of purchasing authority and ethical decision-making.

Five Key Themes of Purchasing Ethics Management

Use of Purchasing Authority	Selection and Maintenance of Supply Sources	Sound and Reasonable Purchasing Activities	Open Communication	Leader in the Development of the Purchasing Function

Code of Conduct for Purchasing Personnel

- We faithfully and fairly comply with all laws and rules within the authority granted to us by the Company.
- We select suppliers through transparent and fair procedures, and strive for mutual development based on the principle of win-win cooperation.
- We do not tolerate any improper acts that violate commercial ethics, and carry out sound and reasonable purchasing activities.
- We listen to suppliers' opinions with an open mind, strive for sincere and smooth communication, and keep our promises.
- As purchasing personnel of a company representing Korea, we take pride in our role, maintain honor and dignity, and always strive with a sense of mission as leaders in the purchasing function.

Four Practices for Shared Growth

ILJIN Electric operates the Four Practices for Shared Growth to establish a fair and transparent transaction culture based on win-win cooperation with suppliers. The Company complies with standards to ensure fairness and transparency throughout the entire transaction process, including contract execution with suppliers, selection and operation of suppliers, review of subcontract transactions, and issuance and retention of written documents. In addition, ILJIN Electric prevents the possibility of unfair transactions in advance through internal review procedures and strengthens trust-based partnerships with suppliers.

Responsible Minerals

ILJIN Electric prohibits the use of minerals unethically mined in conflict-affected and high-risk areas, and is building a sustainable supply chain through responsible mineral purchasing. The Company operates a supply chain management system for minerals used in the production of power equipment products, including cables and transformers, and provides guidance on standards prohibiting the use of conflict minerals through the Supplier Code of Conduct. In addition, ILJIN Electric manages conflict minerals (3TG), including tin (Sn), tantalum (Ta), tungsten (W), and gold (Au), and monitors supply chain risks to prevent human rights violations and environmental damage. Through these efforts, the Company is spreading a culture of responsible mineral sourcing together with suppliers and continuously strengthening its supply chain management system in line with global standards.

Supply Chain Management

Supply Chain Risk Management

Supplier ESG Assessment

ILJIN Electric conducts ESG assessments of suppliers to strengthen sustainability across the supply chain. In the process of supplier registration and operation, the Company reviews suppliers' sustainability management levels and manages risks in advance through ESG assessments that include environmental, social, and governance factors. In addition, ILJIN Electric conducts ESG assessments every month, focusing on new supplier registration and suppliers subject to regular evaluation, and carries out improvement recommendations and management activities in parallel according to the assessment results. Through these efforts, the Company promotes shared growth with suppliers and establishes a sustainable supply chain management system.

Supplier ESG Assessment Process

Selection of Assessment Targets	▸ Identify new suppliers and select targets for registration ▸ Select existing suppliers subject to regular evaluation
Preliminary Survey and Document Review	▸ Review basic information and management status of new suppliers ▸ Check basic ESG-related materials
Conduct ESG Assessment	▸ Conduct assessment based on environmental, social, and governance criteria ▸ Conduct on-site investigations and additional verification if necessary
Reflection of Assessment Results	▸ Manage based on assessment results (If results are insufficient, require improvement activities, etc.)
Follow-Up Management and Improvement Support	▸ Derive ESG improvement tasks and provide feedback ▸ Conduct continuous monitoring and regular evaluations

Supplier ESG Assessment Targets and Methods

Category	Details	
Assessment Target	Companies subject to initial supplier registration and regular evaluation every three years	
Assessment Cycle	1 month	
Assessment Method	Document-based and on-site assessment	
Assessment Items	Environment (9 items)	Establishment of environmental policy, acquisition of environmental permits and licenses, violations of environmental laws/regulations, energy reduction and consumption, greenhouse gas emissions, use of raw and subsidiary materials, waste generation, water consumption
	Social (15 items)	Guarantee of freedom of association, establishment of human rights policies and guidelines, human rights risk management, prohibition of forced labor, prohibition of child labor, compliance with working hours, grievance handling procedures, humane treatment, employment rate of persons with disabilities, occupational health and safety implementation system, risk assessment, occupational accident rate, emergency response system, occupational health and safety training, information security
	Governance (5 items)	Code of Ethics and Code of Conduct, establishment of an ethics reporting system, responsible raw material sourcing, fair competition, supplier risk management

Supply Chain Management

Supply Chain Risk Management

Supplier ESG Assessment Results and Improvement Support

In 2025, ILJIN Electric conducted ESG assessments of 26 suppliers to review their sustainability management levels and identify areas requiring improvement. The Company also participated in the "Project to Establish a Foundation for Responding to Climate Disclosure and Supply Chain Due Diligence for SMEs" organized by the Korea SMEs and Startups Agency, conducted in-depth ESG diagnostics for three suppliers, and supported the diagnosis of their sustainability management levels and the derivation of improvement tasks. As a result of the diagnostics, suppliers derived various improvement tasks, including establishing environmental management systems, developing ESG policies, and improving information security and ethical management systems. ILJIN Electric supports these improvement activities and strengthens its supply chain risk management capabilities. Going forward, the Company plans to expand its participation in the project and continue supporting the enhancement of suppliers' ESG capabilities to respond to global regulations, including the EU supply chain due diligence directive.

Supplier ESG Improvement Support

Category	Improvements Based on Supplier ESG Assessment Results
Environment	‣ Establish environmental management policies and quantitative targets ‣ Calculate and manage environmental performance data, etc.
Social	‣ Establish management policies and quantitative targets for human rights management, safety, and other areas ‣ Establish regulations related to prohibition of discrimination and prohibition of forced labor, etc.
Governance	‣ Establish ethical management policies and quantitative targets ‣ Establish a Code of Ethics, etc.

Supplier Grievance Handling

ILJIN Electric operates various communication channels to promptly receive and resolve opinions and grievances from stakeholders, including suppliers. Suppliers may report grievances arising in the course of transactions, unfair trade practices, ethical violations, and other matters through the Company's website. Submitted matters are investigated by the Audit Office to verify the facts, and a safe reporting environment is provided through protection of the reporter's identity and confidentiality. In addition, ILJIN Electric operates a system that allows reporters to check the progress and results of processing, thereby maintaining fair and transparent business relationships with suppliers.

Supplier Grievance Handling Process

Receipt of Supplier Grievances

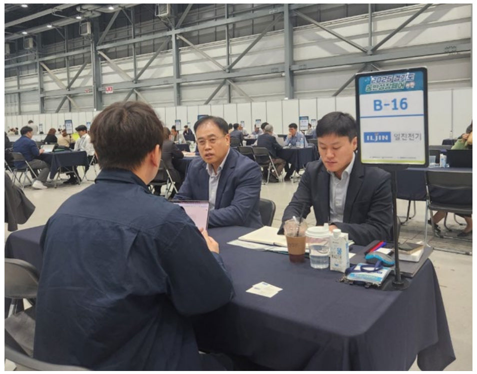
Receipt of Grievances and Reports	Receipt through the website reporting channel
Content Review and Investigation	Fact verification investigation
Action and Improvement	Recurrence prevention measures and system improvement
Notification of Results	Provision of a system to check processing results

Supply Chain Management

Supply Chain Support Activities

Shared Growth Fair

ILJIN Electric promotes various win-win cooperation activities to support shared growth with suppliers and expand new cooperation opportunities. In 2025, the Company participated in the "Gyeonggi-do Shared Growth Fair," where it held purchasing consultations with small and medium-sized partner companies and explored new business opportunities. At the event, ILJIN Electric conducted purchasing consultations with a total of seven SMEs, expanding its cooperation network and strengthening the foundation for win-win cooperation. In addition, the Company has maintained a "Good" rating in the Shared Growth Index over the past five years, continuing its efforts to build sustainable partnerships with suppliers.



Participation in the Gyeonggi-do Shared Growth Fair

Information Security

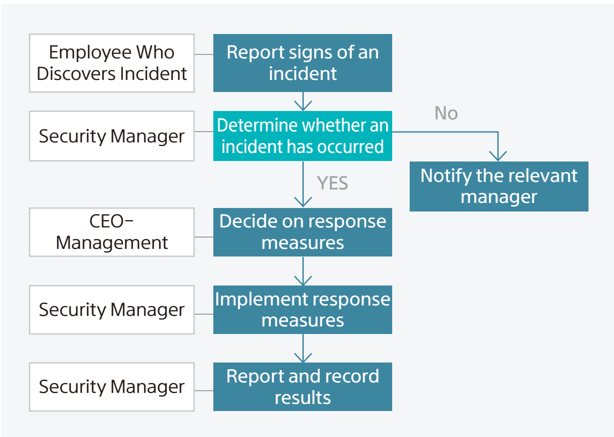
Information Security System

ILJIN Electric has established an information security system and continues to advance it to strengthen the level of information protection and security risk management. Based on a systematic security management process, the Company secures management capabilities to prevent information security incidents in advance and respond promptly when they occur. In addition, ILJIN Electric has established and operates internal standards and management systems to protect information assets, and is strengthening the expertise of its security operations through cooperation with SysOne, a specialized IT company. Going forward, ILJIN Electric plans to continue advancing its information security management system and proactively respond to security threats.

Information Security Activities

Information Security Incident Response Process

ILJIN Electric operates a systematic incident response process to prevent information security incidents and respond promptly when they occur. Through this process, the Company secures promptness in incident response and continues to strengthen its management system to minimize damage and prevent recurrence.

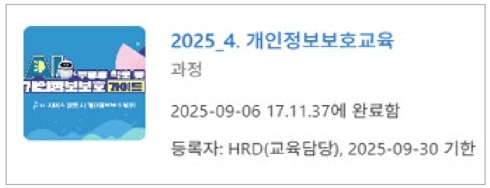


Personal Information Protection

ILJIN Electric operates a management system for personal information protection based on relevant laws and regulations and internal rules, and strengthens the level of personal information protection through training and inspections for employees. In addition, throughout the entire process of collecting, using, and managing personal information, the Company strives to protect the rights and interests of data subjects based on the principles of minimum collection and secure processing. Furthermore, ILJIN Electric continuously inspects and improves risk factors that may arise in the course of personal information processing to prevent personal information leakage, misuse, and abuse, and to maintain a secure information management environment. The Company will continue to supplement its management system in response to changes in laws and regulations related to personal information protection.

Information Security Training

ILJIN Electric systematically operates information security training based on its management system for protecting personal information and technical information. The Company provides regular training for SysOne personnel to strengthen the security capabilities of external operating personnel, and continues its efforts to raise security awareness.



Personal Information Protection Training

Social Contribution

Social Contribution Policy

As a company that manufactures and supplies core power infrastructure products, including cables, transformers, and switchgear, ILJIN Electric recognizes coexistence with the local communities where its business sites are located and the establishment of sustainable relationships as important management responsibilities. By systematically operating various social contribution activities based on employee participation, the Company is creating tangible outcomes and building a sustainable social contribution system.

Social Contribution System

Pursued Values | Sustainability | Coexistence | Communication

Basic Principles

- Principle of Local Community Engagement
- Principle of Social Contribution Operations

Key Areas

Strengthening Coexistence and Cooperation with Local Communities	Operation and Management of Social Contribution Activities
▸ Maintain continuous communication and cooperative relationships with the local communities where business sites are located ▸ Reflect the opinions of stakeholders, including local residents, suppliers, and local governments, in management decision-making ▸ Contribute to the local economy through local job creation and cooperation with local companies	▸ Encourage employee volunteer activities and operate company-wide social contribution programs ▸ Carry out activities that respond to local community needs, including support for vulnerable groups, environmental protection, and education and scholarship support ▸ Systematically manage social contribution activities to ensure their continuity and effectiveness

Mid- to Long-Term Social Contribution Goals

Based on its Social Responsibility Management Operating Regulations, ILJIN Electric recognizes coexistence with local communities as an important management element and carries out systematic social contribution activities. The Company manages overall social responsibility management, including social contribution activities, through the PDCA (Plan-Do-Check-Act) system, and promotes continuous improvement based on cooperation with stakeholders. In addition, ILJIN Electric is expanding its substantive social contribution by establishing a communication and cooperation system with local communities and regularly evaluating and improving the performance of social contribution activities.

Mid- to Long-Term Goals for Local Social Contribution

System Establishment	Expansion of Cooperation	Performance-Based Advancement
Short Term (2026)	Mid Term (2027~2028)	Long Term (2029~2030)
▸ Establish a social contribution activity system for regions where business sites are located, including Hwaseong and Hongseong ▸ Promote employee participation in volunteer activities and increase participation rates ▸ Set the basic direction for social contribution and establish an operational foundation	▸ Regularize communication channels with local stakeholders, including local governments, suppliers, and residents ▸ Expand cooperation with local companies and promote joint programs ▸ Advance the implementation system for social contribution activities and improve the level of management	▸ Establish a system to measure the quantitative performance of activities contributing to local communities ▸ Stabilize sustainable social contribution programs

Social Contribution

Social Contribution Activities

Local Community Donations and Sharing

ILJIN Electric practices various donation and sharing activities for the development of local communities. Through clothing and miscellaneous goods donation campaigns, the Company delivers goods to neighbors in need, thereby realizing both resource circulation and the creation of social value. In addition, ILJIN Electric conducts group blood donation activities twice a year, contributing to a stable blood supply. The Company has also entered into a memorandum of understanding (MOU) with the Korean Red Cross to participate in efforts to overcome blood supply shortages and expand the value of sharing life. To support residents affected by the large-scale wildfires that occurred in the Yeongnam region, ILJIN Electric donated funds for wildfire damage recovery, and the donated funds are used to support the recovery of daily life for affected residents and displaced people, thereby spreading sharing in everyday life.

Gratitude Donation Campaign

Signing of MOU with the Korean Red Cross

Donation for Yeongnam Wildfires

Local Community Donation Amount

Category	Donation Recipient	Purpose	Amount (KRW 10,000)
2025	Hongseong-gun	Support for Hongseong-gun festival (Global BBQ Festival)	3,000
	Korean Red Cross	2025 Special Fundraising for Wildfire Damage in the Yeongnam Region	1,000

Support for Local Talent Development

ILJIN Electric has set the development of local young talent and support for socially vulnerable groups as key directions for social contribution, and operates related programs through cooperation with educational institutions and local governments. To foster talent based on industry-academia cooperation, the Company has operated an industry-academia integrated apprenticeship school with Hongseong Technical High School since 2017, and since 2019, has additionally operated an advanced work-study program with Woosong College. ILJIN Electric continues cooperation with the two institutions and supports field-centered vocational education. The Company also contributes to the creation of social value by expanding employment for persons with disabilities. Based on agreements with Hongseong-gun and the Korea Employment Agency for Persons with Disabilities, ILJIN Electric continues to hire athletes with disabilities and provides a stable training environment.

Support for Talent Development

Category	Unit	2023	2024	2025
Hiring of Athletes with Disabilities	persons	9	12	15
Work-Study Program and Field Training		18	14	17

Support for Local Events and Environmental Activities

ILJIN Electric supports various local events and environment-related activities for coexistence with local communities. Through sponsorship of the Hwasan-dong Hyomunhwa Festival, the Company contributes to revitalizing local culture and promoting harmony among residents. In addition, by using approximately 25 tons of rice from Hongseong-gun annually, ILJIN Electric contributes to increasing income for local farmers and revitalizing the local economy.

Governance

Governance

Board of Directors

Board Composition

The Board of Directors is operated to function independently and objectively from management. The Board also performs an oversight function over the establishment of the Company's strategic direction and the management of major risks, and plays a key role in establishing sound corporate governance. As of the end of March 2026, the Board consists of three executive directors and one independent director. The CEO concurrently serves as Chair of the Board, and the decision-making structure is operated so that the next-ranking person acts on behalf of the Chair in the event of absence. Going forward, ILJIN Electric plans to further strengthen the Board-centered oversight function and continue advancing its response system for key ESG issues, including climate change.

Board Composition

Category	Name	Gender	Initial Appointment (Term Expiry)	Key Career Highlights
Executive Director	Sangseok You	Male	2019.3.29 (2028.3.19)	‣ Current) President and CEO, ILJIN Electric ‣ Former) Executive Vice President, COO&CEO, ILJIN Electric ‣ Former) Head of Cable Business Division, ILJIN Electric ‣ Former) Head of Heavy Electric Business Division, ILJIN Electric
	Byungman Kim	Male	2026.3.19 (2028.3.19)	‣ Current) Head of Management Support Office, ILJIN Electric ‣ Former) Planning Manager, Hanwha Solutions Qcells USA, etc. ‣ Former) Head of Planning/Quality, Power Service BG, Doosan Enerbility
	Jungchan Kim	Male	2026.3.19 (2029.3.19)	‣ Current) Head of Transformer Division, Heavy Electric Business Division, ILJIN Electric ‣ Former) Purchasing Manager, ILJIN Electric ‣ Former) Head of Transformer Structural Design Team, ILJIN Electric
Independent Director	Woonggi Cho	Male	2024.03.21 (2027.3.19)	‣ Current) Independent Director, ILJIN Electric ‣ Current) Independent Director, Hotel Lotte ‣ Former) Management Advisor, Mirae Asset Securities ‣ Former) Vice Chairman, Mirae Asset Securities ‣ Former) Vice Chairman and CEO, Mirae Asset Securities ‣ Former) President and CEO, Mirae Asset Securities
Standing Auditor	Donggun Lee	Male	2024.3.21 (2027.3.19)	‣ Current) Auditor, ILJIN Electric ‣ Former) CEO, Sigonggan Networks / CEO, Golden Bay CC ‣ Former) Managing Director, BBQ Group / CEO, Yoon's Realty ‣ Former) Director, Korea CC ‣ Former) Director, Chamwon Asset ‣ Former) Director, Idea Construction

Board Operations

The Board of Directors of ILJIN Electric is held regularly based on its annual operation plan in accordance with the Commercial Act, the Articles of Incorporation, and internal Board regulations, and deliberates and resolves key management matters promptly through extraordinary Board meetings when necessary. The Board also notifies each director and auditor of the convening of meetings before the meeting date, and the procedure may be omitted with the consent of all members. The Board enhances the expertise and transparency of decision-making through prior review of agenda items and a reporting system, and auditors and relevant employees may attend meetings when necessary to support reasonable and balanced decision-making. The Board is constituted with the attendance of a majority of directors and resolutions are adopted with the approval of a majority of directors present, and directors with an interest in a given agenda item may not participate in voting on that agenda item.

Role of the Board of Directors

Shareholders' Meeting Matters	Corporate Management Matters	Financial Matters	Other Material Corporate Matters
Review and approval of key matters related to shareholder rights	Review and approval of management policies, business plans, and medium- to long-term strategies	Review and approval of major investments and financing	Review and approval of matters with a material impact on the Company

Board Operations

Category			Unit	2023	2024	2025
Board Operations	Number of Board Meetings Held	Regular	times	11	8	9
		Extraordinary	times	20	12	9
	Number of Board Resolutions and Reported Agenda Items	Resolution Items	cases	33	26	22
		Reported Items	cases	33	26	22
	Prior Review Rate of Board Agenda Items		%	100	100	100
	Board Attendance Rate	Total Board Attendance Rate	%	100	100	100
		Executive Directors	%	100	100	100
		Independent Director	%	100	100	100
	Number of Opposing or Modified Opinions Presented by Independent Directors		cases	0	0	0
	Average Tenure of Board Members		years	4	4	5

Governance

Board of Directors

Board Expertise

ILJIN Electric strengthens the expertise of the Board of Directors to support strategic and effective decision-making in a complex business environment. A Board composed of members with diverse industry experience and expertise provides balanced perspectives on overall management and contributes to enhancing the quality of major decision-making processes. In particular, the independent director enhances the objectivity and transparency of Board discussions by presenting independent opinions based on his area of expertise. Such expertise and independence strengthen the credibility of the Company's decision-making and serve as a foundation for building governance trusted by stakeholders.

Board Competencies

Category	Name	Management	Accounting and Finance	Industry Experience
Executive Director	Sangseok You	●		
	Byungman Kim		●	
	Jungchan Kim			●
Independent Director	Woonggi Cho			●

Board Independence

ILJIN Electric regards the independence of the Board of Directors as an important principle for establishing sound corporate governance. The Board oversees the Company's operations from a position independent of management, and contributes to enhancing corporate value through objective and fair decision-making. To secure the independence of Board composition, the Company appoints directors and auditors at the General Meeting of Shareholders in accordance with Article 30 (Appointment of Directors) and Article 41 (Number and Appointment of Auditors) of the Articles of Incorporation. In addition, the auditor appointed pursuant to Article 409 of the Commercial Act attends Board meetings, independently supervises duties, and may request the submission of relevant materials when necessary, thereby performing a check-and-balance function over the Board.

Board Performance Evaluation and Remuneration

ILJIN Electric reviews Board operations and the performance of members' roles by comprehensively considering quantitative and qualitative factors, and enhances the efficiency and accountability of Board operations based on these reviews. Remuneration is paid in consideration of duties and responsibilities, roles, and performance in accordance with relevant laws and regulations and internal standards, and related matters, including remuneration standards, are transparently disclosed through the Business Report.

Remuneration Paid (Unit: KRW million)

Category	Number of Persons	Total Remuneration	Average Remuneration per Person
Registered Directors (excluding independent directors and Audit Committee members)	3	1,198	399
Independent Director (excluding Audit Committee members)	1	48	48
Audit Committee Members	-	-	-
Auditor	1	36	36
Total	5	1,282	256

Compliance and Ethical Management

Compliance and Ethical Management System

Compliance and Ethical Management Policy

Ethical Management Policy

Based on its "proactive spirit," ILJIN Electric aims to become a world-class company and applies the highest ethical standards to all management activities. The Company strictly complies with the laws and regulations of all countries and regions where it conducts business, and builds a transparent and fair corporate culture in its relationships with stakeholders, including customers, employees, suppliers, shareholders, and local communities. In addition, ILJIN Electric continuously operates and advances its ethical management system by strictly managing unethical conduct under a zero-tolerance principle.

Key Directions of Ethical Management

Customer First	Fair Transactions
We provide the best products and services by placing customer value as the highest priority in management decisions.	We guarantee equal opportunities for suppliers and maintain a fair transaction order.
We pursue shared prosperity based on relationships of trust with shareholders, investors, and business partners.	We comply with laws and regulations, respect the order of the free competition market, and fulfill our social responsibilities.
Transparent Management	Social Responsibility

Anti-Corruption and Compliance Management Policy

ILJIN Electric recognizes that the practice of compliance management is a core principle for realizing principled management, a foundation for becoming a leading company, and an essential prerequisite for employees' personal fulfillment. Accordingly, the Company implements a compliance management practice pledge for all employees to strengthen compliance with the Code of Conduct in the course of performing their duties. In 2025, ILJIN Electric also established an Anti-Corruption and Compliance Management Policy, further strengthening the implementation foundation of its compliance management system.

Anti-Corruption and Compliance Management Policy

01 The Company and all employees shall respect national policies in business activities, comply with anti-corruption and compliance management obligations, including all laws and regulations and internal rules, and secure competitive advantages through legitimate means.

02 All employees shall pursue mutual development from a long-term perspective by building relationships of mutual trust and cooperation through transparent and fair transactions.

03 All employees shall maintain an honest and fair attitude, and shall not make improper solicitations or receive or provide any form of monetary benefit, gifts, or entertainment that may impair the fairness of judgment in relation to their duties.

04 All employees shall fulfill their responsibilities and shall not engage in immoral or unethical conduct in daily life or in relation to their duties that may be subject to criticism from customers, colleagues, partners, or local communities.

05 The person responsible for anti-corruption and compliance management shall have independent authority over the Anti-Corruption and Compliance Management Policy and the operation of the anti-corruption and compliance management system, and shall report directly and regularly to the Board of Directors.

06 If an employee violates anti-corruption and compliance management obligations, or becomes aware of a violation but fails to take reasonable measures to prevent it, the Company shall not be held liable on behalf of the employee and may take disciplinary action in accordance with Company regulations.

07 The Company shall apply a zero-tolerance principle to violations of anti-corruption and compliance management obligations by employees.

08 All stakeholders to whom the Anti-Corruption and Compliance Management Policy applies may report violations or issues related to anti-corruption and compliance management obligations to the person responsible for anti-corruption and compliance management or through the "Reporting Center," and the Company shall keep the details of reports and the personal information of reporters confidential and prohibit any disadvantage or discrimination in working conditions on the grounds of reporting.

09 The Company shall establish, continuously manage, and improve a management system capable of achieving the objectives of anti-corruption and compliance management.

10 The Company shall disclose this policy and communicate continuously so that changes in the environment and stakeholders' anti-corruption and compliance management requirements can be reflected at all times.

Compliance and Ethical Management

Compliance and Ethical Management System

Ethical Standards

ILJIN Electric practices transparent and responsible management based on customer responsibility, employees' basic ethics, compliance with laws and regulations, and fair transactions. The Company also builds a sound organizational culture through responsible conduct by the Company and its employees. Furthermore, ILJIN Electric fulfills its responsibilities to the nation and society, and continues to strengthen compliance with and practice of ethical standards.

Code of Ethics

ILJIN Electric places customer value as the highest priority, practices fair and transparent transactions, and regards ethical management as a core principle. The Company also builds a trust-based organizational culture through coexistence with suppliers, mutual respect among employees, and protection of Company assets and information. Furthermore, ILJIN Electric pursues sustainable growth by complying with laws and regulations, fulfilling social responsibilities, and building trust with stakeholders.

Ethical Standards

Code of Ethics

First, with the belief that "the Company exists because customers exist," we place customer value as the highest priority in management and provide the best products and services.

First, we shall not engage in any form of illegal conduct, such as improper solicitation or requests for money or valuables from business partners or interested parties by using our duties, and we shall also actively take the lead in becoming dignified members of ILJIN who eradicate unethical conduct that may damage the Company's reputation.

First, we guarantee equal opportunities to suppliers, and pursue mutual development with the Company through good-faith competition among suppliers and fair transactions.

First, we actively protect the Company's assets, and shall not disclose or use the trade secrets of the Company or customers that we become aware of in the course of performing our duties.

First, we take the lead in creating an organizational culture that respects the dignity of colleagues and is based on mutual trust.

First, we comply with laws and regulations, respect the order of the free competition market, and fulfill our social responsibilities through fair transactions.

First, we pursue shared prosperity by strengthening relationships of trust through transparent management activities and mutual cooperation that value shareholders, investors, and business partners.

Compliance and Ethical Management

Compliance and Ethical Management System

Anti-Corruption and Compliance Management System Certification

ILJIN Electric has obtained ISO 37001 (Anti-Bribery Management System) and ISO 37301 (Compliance Management System) certifications at all business sites, establishing a global-level compliance and ethical management system. In addition, by retaining and managing the relevant certificates in both Korean and English, the Company presents a transparent and reliable management foundation to internal and external stakeholders.

Anti-Corruption and Compliance Management System Certificates


CERTIFICATE OF VERIFICATION
일진전기 주식회사
경기도 화성시 만년로 905-17
적용표준
ISO 37001:2016
인증번호 : ENCC-ABMS-018
인증범위
전선, 중전기 제조·판매 및 연구개발
위와 같이 부패방지경영시스템 표준에 적합함이
윤리준법경영인증원에 의해 인증되었음을 증명합니다.
2025-12-23
2025-12-23
2025-12-23
2028-12-22
ISO 37001:2016
KAB-AC-15

ISO 37001 Anti-Bribery Management System Certificate


CERTIFICATE OF VERIFICATION
일진전기 주식회사
경기도 화성시 만년로 905-17
적용표준
ISO 37301:2021
인증번호 : ENCC-CMS-019
인증범위
전선, 중전기 제조·판매 및 연구개발
위와 같이 규범준수경영시스템 표준에 적합함이
윤리준법경영인증원에 의해 인증되었음을 증명합니다.
2025-12-23
2025-12-23
2025-12-23
2028-12-22
ISO 37301:2021
KAB-CC-09

ISO 37301 Compliance Management System Certificate

Compliance Management Practice Pledge

ILJIN Electric has established clear standards of conduct and principles of practice to enhance employees' compliance awareness and ensure fair and transparent performance of duties. Employees are required to comply with laws and regulations and internal rules, respect fair trade order, and prevent risks through prior consultation and immediate reporting regarding acts that may involve legal violations. In addition, the Company promotes the establishment and continuous improvement of a compliance management culture by encouraging active participation in various activities, including training, monitoring, and on-site inspections.

Compliance Management Practice Pledge

First	I understand ILJIN Electric's management values and compliance philosophy, and will perform my duties fairly and transparently with a high level of compliance awareness.
Second	In the course of performing my duties, I will comply with domestic and overseas laws and regulations and internal rules, and will not engage in, instruct, approve, aid, or tolerate any act that violates or may be suspected of violating laws and regulations or internal rules.
Third	I will respect a free and fair market economy order, comply with fair trade laws and regulations, and will not engage in conduct that restricts free competition, such as collusion.
Fourth	I recognize suppliers as business partners and counterparts for win-win cooperation, will comply with relevant laws and regulations, including the Subcontracting Act, and will not abuse a superior position through unfair demands, retaliatory acts, or other conduct.
Fifth	In performing Company duties, including the promotion of major businesses and execution of contracts, I will consult in advance with relevant departments, including the Risk Management Team, to reduce the risk of legal violations.
Sixth	If I become aware of any act that violates or may potentially violate domestic or overseas laws and regulations, internal rules, or this Code of Conduct, I will immediately notify relevant departments, including the Risk Management Team.
Seventh	I will actively participate in the Company's activities for practicing compliance management, including employee training, monitoring, on-site inspections, and follow-up measures.

Compliance and Ethical Management

Compliance and Ethical Activities

Compliance and Ethics Training

ILJIN Electric conducted systematic compliance training for executives and managerial employees to enhance their understanding of compliance. A total of 410 employees participated as training targets, of whom 379 completed the training in good faith. The training curriculum was organized around the importance of compliance management required of a global company, compliance requirements being strengthened in the international community, and the latest policy and regulatory trends, with a focus on enhancing practical application capabilities in business. Through the training, the Company also strengthened employees' compliance awareness and understanding of ethical management, and certificates of completion were awarded to employees who completed the training.

Compliance Training Certificate

Overview of Compliance Training

Training Name	Compliance Training	Training Date	25.11.19 (Wed) ~ 25.12.20 (Fri)
Training Purpose	Enhancing understanding of compliance	Training Institution	Hunet
Participants	Executives and managerial employees	Completed	379 persons / 410 persons
Training Content	‣ Compliance Management and Compliance on the Path to Becoming a Global Company – International community requirements for compliance and policies of advanced countries – Goal planning and an efficient compliance organization		

Operation of Reporting Channels for Human Rights, Ethics, and Fair Trade

ILJIN Electric operates online reporting channels through which violations related to human rights, ethics, and fair trade can be reported. Employees and stakeholders may submit reports under their real names or anonymously, and submitted matters are investigated and handled through a fact verification process. In addition, the Company strengthens a transparent and fair corporate culture by applying the principles of protecting reporters' identities and preventing disadvantages.

Reportable Matters

Human Rights and Ethics

Human Rights Violations and Discrimination	Violation of Dignity	Workplace Abuse of Authority and Improper Instructions
Acts that violate human rights, including discrimination, insults, and verbal abuse	Acts that harm personality and dignity, including harassment, ostracism, and sexual harassment	Personal errands, improper work instructions, and personnel disadvantages
Conflicts of Interest and Pursuit of Private Gain	**Unethical Conduct Toward Suppliers**	**Misuse and Abuse of Assets and Information**
Private financial transactions, use of insider information, and related-party transactions	Requesting or receiving gifts or entertainment, undue pressure or retaliation, unfair treatment	Misuse of Company assets and leakage of confidential information or customer information
Violations of Safety and Health	**Damage to Social Responsibility**	**Other Unethical Conduct**
Violations of safety rules, neglect of hazardous and risk factors, and deterioration of the working environment	Environmental and local community damage and disregard for socially vulnerable groups	Violations of company rules and policies, and unspecified unethical cases

Fair Trade

Violations of the Fair Trade Act	Violations of the Subcontracting Act	Violations of Other Related Laws
‣ Unfair collaborative acts (collusion, information exchange, etc.) ‣ Unfair trade practices (refusal to deal, discriminatory treatment, exclusion of competitors, etc.) ‣ Improper support activities ‣ Other violations of the Fair Trade Act	‣ Failure to issue written documents ‣ Unfair determination of subcontract payments ‣ Unfair reduction of subcontract payments ‣ Payment in kind ‣ Other violations of the Subcontracting Act	‣ Other violations of laws related to fair trade

Compliance and Ethical Management

Fair Trade

Fair Trade System

Fair Trade Policy

ILJIN Electric has established operating standards and procedures for the Fair Trade Compliance Program (CP) to comply with the Fair Trade Act, and has stipulated that the Company shall prevent violations of fair trade through a management system covering the roles of the CEO, Compliance Manager, CP-dedicated department, and employees, as well as training, inspections, and internal reporting, and continuously improve and manage CP operations through risk and effectiveness assessments, sanctions and rewards, and document management.

Fair Trade Compliance Program (CP) Operating Regulations

Category			Details
Chapter 1 General Provisions		Article 1 Purpose	Define CP operating standards to secure corporate transparency and fairness by complying with the Fair Trade Act and preventing unfair practices
		Article 2 Scope of Application	These regulations apply to all employees of the Company and work activities related to fair trade
		Article 3 Definition of Terms	Define the meanings of key terms such as CP, fair trade laws and regulations, Compliance Manager, and CP-dedicated department
Chapter 2 Organizational Composition and Division of Duties	Section 1 Obligations and Authority of the CEO	Article 4 Obligations	The CEO shall declare commitment to practicing CP and support the creation and operation of a compliance culture within the organization
		Article 5 Authority	The CEO has the highest decision-making authority and resource allocation authority regarding CP operations
	Section 2 Compliance Manager	Article 6 Appointment	A person with knowledge of the Fair Trade Act and experience in compliance management shall be appointed by resolution of the highest decision-making body
		Article 7 Duties and Authority	Oversee overall CP operations, including CP policy establishment, training, inspections, and requests for corrective measures
		Article 8 CP-Dedicated Department	Assist the Compliance Manager and perform CP operation practices, training, regulation management, and other duties
		Article 9 Independence	Guarantee the operational independence and protection of the Compliance Manager and CP-dedicated department
	Section 3 Obligations of Employees	Article 10 Obligations	Employees have obligations to comply with CP, participate in training, and report violations
Chapter 3 Operation of CP		Article 11 Review of Status and Performance	The Compliance Manager regularly reviews CP operation performance and reports to management
		Article 12 Compliance Manual	Prepare, manage, and distribute a Compliance Manual, which serves as guidelines for complying with the Fair Trade Act
		Article 13 CP Training	Establish and operate an annual training plan to strengthen employees' capabilities for legal and regulatory compliance
		Article 14 Prior Business Consultation System	Operate a system under which work that may potentially violate the Fair Trade Act must be reviewed in advance
		Article 15 Compliance Council	Operate a council for CP operation advisory and self-inspections by department
		Article 16 Risk Assessment	Conduct regular risk assessments to identify and prevent risks of Fair Trade Act violations
		Article 17 Effectiveness Assessment	Assess the effectiveness of CP operations and derive improvement areas
Chapter 4 Internal Whistleblowing System		Article 18 Internal Whistleblowing System	Operate and protect an internal reporting system that enables anonymous reporting of legal violations
Chapter 5 Sanctions and Rewards	Section 1 Sanctions	Article 19 Principle	As a principle, sanctions shall be imposed on employees who violate the Fair Trade Act or CP
		Article 20 Sanction Procedures	Sanctions against violators shall follow the disciplinary procedures under the Company's personnel regulations
		Article 21 Types and Criteria	Apply sanction criteria, including disciplinary action and warnings, according to the severity of violations
	Section 2 Rewards	Article 22 Rewards	Rewards may be provided to employees who contribute to CP compliance and dissemination
Chapter 6 Document Management		Article 23 Principle	Systematically manage CP-related documents and records and retain them for at least three years
Chapter 7 Miscellaneous		Article 24 Enactment and Amendment	CP-related regulations shall be amended regularly or when necessary, and approval from the CEO is required
		Article 25 Relationship with Other Regulations	These regulations shall, in principle, take precedence over other company regulations
		Article 26 Delegation	Details necessary for CP operations may be established as separate regulations

Compliance and Ethical Management

Fair Trade

Fair Trade System

CP Management and Operating Organization

ILJIN Electric has established an organizational system consisting of the Compliance Manager, Compliance Council, and dedicated department (Risk Management Team), led by the CEO, to ensure smooth and systematic CP operations.

CP Organization Chart

Roles

Category	Details
CEO	‣ Spread a culture of CP compliance and declare commitment to practice ‣ Grant authority to the Compliance Manager and provide organizational and budgetary support ‣ Make final decisions on CP operations and conduct management supervision
Compliance Manager	‣ Oversee CP operations and establish policies and plans ‣ Manage training, inspections, and corrective measures and sanctions in the event of violations ‣ Report CP operation results and promote improvements
Dedicated Department: Risk Management Team	‣ Perform practical CP operations and support the Compliance Manager ‣ Operate training, manage regulations and manuals, and provide legal advisory support ‣ Support monitoring and management, including risk and effectiveness assessments

Key Elements of CP Operations

To ensure the effective operation of CP, ILJIN Electric promotes the use of fair trade compliance based on eight key elements, including the establishment of standards and procedures, support from top management, operation of a dedicated organization, training, internal monitoring, and assessment and improvement.

Eight Key Elements of CP

Category	Details
Establishment and Implementation of Standards and Procedures	‣ Establish internal regulations, procedures, and guidelines for compliance with the Fair Trade Act and apply them company-wide
Commitment and Support of Top Management for Compliance	‣ The CEO declares commitment to practicing CP and spreads it throughout the entire organization ‣ Provide support for resources, including budget and organization
Appointment of Compliance Manager	‣ Officially appoint a person in charge with expertise and independence ‣ Grant overall authority over CP operations
Preparation and Use of Compliance Manual	‣ Prepare a manual containing laws and regulations, cases, and guidelines for conduct ‣ Distribute and regularly update the manual so that employees can easily use it
Continuous and Systematic Compliance Training	‣ Establish an annual training plan and conduct regular training ‣ Conduct supplementary training and assessments for those who have not completed training
Establishment of Internal Monitoring System	‣ Prevent violations through prior business consultation, internal whistleblowing, risk assessments, and other measures ‣ Operate a continuous monitoring system
Sanctions for Employees Who Violate Fair Trade Laws and Regulations	‣ Strictly impose sanctions, including disciplinary action and warnings, in the event of violations of laws and regulations ‣ Prevent recurrence and strengthen the compliance culture
Effectiveness Assessment and Corrective Measures	‣ Conduct regular assessments of CP operations ‣ Improve issues and continuously enhance the system

Introduction of CP

ILJIN Electric recognizes that respecting a fair and free market competition order and establishing a fair and transparent transaction culture are the core foundation for sustainable growth. Accordingly, the Company is strengthening its compliance management system to comply with fair trade-related laws and regulations in all business activities and to prevent acts that may undermine them. Through the operation of the CP system, ILJIN Electric plans to strengthen employees' compliance awareness and internal control capabilities, and further solidify its compliance management culture.

CP Introduction Declaration Ceremony

Compliance and Ethical Management

Fair Trade

Fair Trade Training

ILJIN Electric operates a systematic training curriculum to help employees accurately understand fair trade laws and regulations and identify and manage in advance legal risks that may arise in the course of performing their duties. The training is conducted regularly in accordance with the annual plan, and is continuously improved by reflecting organizational characteristics, changes in laws and regulations, and the effectiveness of previous training. In particular, the Company seeks to strengthen practical compliance capabilities through training centered on major fair trade issues and actual cases. In addition, ILJIN Electric has established a systematic management system by reviewing training effectiveness through completion status and understanding assessments, and by conducting supplementary training when necessary.

Fair Trade Training Targets

ILJIN Electric conducts fair trade training for all employees, including the CEO, based on the principle that all persons performing duties are responsible for complying with fair trade laws and regulations. Training targets are differentiated according to job characteristics and levels of legal risk, and advanced training is provided in particular for those performing high-risk duties. All employees must faithfully participate in training, and supplementary training or disadvantages may be imposed in the event of non-completion. Through this, the Company strengthens the system for establishing a compliance culture across the organization and preventing fair trade risks in advance.

Types and Characteristics of CP Training Courses

Regular Training (Annual and Quarterly Training)	‣ Conducted regularly according to annual plans and on a quarterly basis ‣ Company-wide common training aimed at understanding basic laws and regulations and enhancing compliance awareness
Customized Training	‣ For departments with a high likelihood of legal violations, such as sales and purchasing ‣ Strengthens practical applicability through training centered on actual business cases
Supplementary and Special Training	‣ Additional training for those who have not completed training or for violators ‣ Aims to eliminate training blind spots and prevent recurrence
Effectiveness-Based Training Improvement Program	‣ Reflect understanding levels and VOC after training ‣ Continuously improve training content and methods

CP Training Targets

Target	Details
All Employees (including the CEO)	‣ Mandatory training targets ‣ Aimed at understanding the basics of the Fair Trade Act and internalizing compliance awareness
Employees in High-Risk Departments	‣ Persons performing duties with a high likelihood of legal violations ‣ Subject to advanced and customized training
Non-Completers and Delayed Completers	‣ Persons who did not participate in training or participated late ‣ Subject to supplementary training and management
Violators of Laws and Regulations	‣ Employees involved in violation cases ‣ Subject to special training to prevent recurrence

Risk Management

Risk Management System

Based on transparent and responsible governance, ILJIN Electric clarifies the roles of the Board of Directors and management and strengthens its management system to ensure transparency and fairness in decision-making. Through this, the Company complies with legal and ethical norms and strives to protect the rights and interests of stakeholders and build trust. In addition, ILJIN Electric systematically identifies and assesses legal, financial, and non-financial risks, including quality, environment, and occupational health and safety, and establishes proactive response measures. All risk-related information is operated under a documented management system, and the Company promotes the enhancement of long-term corporate value through continuous improvement.

Operation of a Sustainable Risk Management System

In 2025, ILJIN Electric conducted company-wide identification and assessment of corruption and compliance risks, and operates a sustainable management system through the "identification-assessment-monitoring-effectiveness assessment" process.

Risk Types and Key Control Measures

Type	Related Risks	Key Control Measures	
Operational Process Risk	Risk of reduced process consistency due to non-compliance with procedures, omission of approvals and reviews, insufficient records and evidence, unclear work standards, system input errors, etc.	▸ Apply multiple reviews and standardization of technical documents ▸ Mandate approval procedures and record retention ▸ Process incoming items in the system only after passing inspection	▸ Require evidence and approval records for contract changes and delivery deadline extensions ▸ Apply double-checking when entering or modifying key data
Regulatory Compliance Risk	Risk of failure to meet regulatory requirements due to non-compliance with safety standards, insufficient environmental management standards, failure to implement personal information processing procedures, delays in statutory inspections and reporting, etc.	▸ Document HR, labor, and payroll matters based on the Labor Standards Act ▸ Establish statutory inspection schedules and record results	▸ Operate a system for document revision and internal notification in the event of regulatory changes
Fair Trade/ Corruption Risk	Risk of undermining fairness due to unclear supplier selection criteria, absence of inspection and unit price standards, insufficient conflict of interest management, continued non-standard transaction practices, etc.	▸ Conduct supplier due diligence and evaluations in teams of two ▸ Prepare evaluation criteria and results based on standard checklists ▸ Maintain approvals and records for changes to contracts, prices, and conditions	▸ Include reporting and review procedures for activities related to money, valuables, entertainment, and conflicts of interest ▸ Ensure openness and objectivity in bidding procedures
Supply Chain/ Procurement Risk	Risk of reduced supply chain reliability due to insufficient supplier management, opaque bidding procedures, insufficient contract review standards, and absence of unit price calculation and inspection logic, etc.	▸ Conduct supplier ESG assessments and regular evaluations ▸ Review whether to maintain transactions based on evaluation results	▸ Approve cost reduction activities after quality evaluation procedures ▸ Document inspection standards and retain records
Safety/ Environmental Risk	Risk of failure to respond to accidents and environmental issues due to insufficient safety measures, unclear standards for chemical substances and waste, insufficient working environment management, etc.	▸ Manage protective equipment and facilities based on statutory safety standards ▸ Operate regular accident prevention inspections	▸ Document procedures related to hazardous work, electricity, and chemical substances ▸ Operate an investigation and reporting system in the event of accidents
Information Security/ Trade Secret Risk	Risk of information leakage due to insufficient access authority management, inadequate control over data export and storage standards, and insufficient information processing processes, etc.	▸ Conduct security reviews before sharing technical materials and customer information ▸ Require internal approval for external transmission	▸ Require prior approval for the export of security documents ▸ Exchange information after executing NDAs
Marketing/ Communication Risk	Risk of reputational damage due to insufficient verification of promotional materials, inaccurate expressions, insufficient labeling standards, and insufficient management of external communications, etc.	▸ Conduct prior review before distributing external promotional materials ▸ Use customer information in compliance with consent and legal standards	▸ Monitor complaints and VOC and record responses
HR/Labor Risk	Risk of reduced fairness due to inaccurate data, unclear evaluation criteria, insufficient workforce allocation standards, and insufficient management of personnel appointment and retirement procedures, etc.	▸ Operate recruitment, placement, and promotion procedures based on documentation and approval ▸ Conduct compliance checks related to working hours, wages, and welfare benefits	▸ Control access authority to HR data ▸ Retain system records related to HR operations

Risk Management

Risk Management System

Risk Management Process

ILJIN Electric systematically identifies, assesses, and responds to risks and opportunities in financial and non-financial areas, including management, quality, environment, and occupational health and safety. The Company also analyzes the impact of risks by reflecting internal and external issues and stakeholder requirements, and conducts continuous monitoring. All risk-related information is documented to operate a systematic and continuous risk management system.

Management Process

Risk Definition

- Define potential risk factors that may hinder the achievement of corporate objectives as risks
- Identify risks that may cause financial and non-financial losses by category
- Consider key issues and major stakeholder requirements
- Comprehensively analyze the causes of risks, possible events, and potential consequences
- Evaluate the existing risk management system and identify the management status

Response & Monitoring

- Seek and implement alternatives to mitigate risks
- Establish key performance indicators to achieve risk management objectives
- Use various approaches for risk management strategies, including improvement and risk avoidance
- Continuously monitor and evaluate risk management activities
- Revise and supplement risk response strategies based on monitoring results

Evaluation & Analysis

- Comprehensively assess the likelihood and impact of identified risks
- Conduct objective quantitative and qualitative assessments by relevant stakeholders
- Quantify risk likelihood based on analysis of historical data
- Assess the degree of impact on risk-related management systems and processes
- Classify the risk level by comprehensively considering likelihood and impact

Communication & Reporting

- Support a customized reporting system based on risk assessment results
- Establish an efficient decision-making system centered on top management and strengthen execution capabilities
- Establish a basis for improvement by recording risk management history
- Assess the degree of impact on risk-related management systems and processes
- Classify the risk level by comprehensively considering likelihood and impact

Risk Management

Risk Management System

Effectiveness Assessment of Risk Management Activities

ILJIN Electric conducts effectiveness assessments of key control measures according to risk type. Identified risks are assessed based on Possibility and Impact, and the inherent risk level and residual risk level are calculated accordingly. Risk levels are classified into five stages: Extreme, High, Middle, Low, and Very Low. Risks rated Middle or above are considered to exceed the Risk Appetite and are managed on a priority basis. As a result of the effectiveness assessment, risks were reduced by an average of 39%; however, considering the Risk Appetite, additional control measures have been established and are being managed for certain items.

Effectiveness Assessment of Control Activities

Category	Overall Risks				Remarks
	Inherent Risk	Residual Risk	Trend		
	Quantity (items)	Quantity (items)	Quantity (items)	Average Level	
Extreme	4	0	-4	39% risk reduction	Determined to be appropriately controlled and managed
High	19	3	-16		
Middle	164	42	-122		
Low	397	334	-63		
Very Low	458	663	+205		
Total	1,042	1,042	0		

Risk Management Performance Evaluation and Improvement

ILJIN Electric established performance targets to substantially improve the operating level of its anti-corruption and compliance management system through risk management performance evaluation, including monitoring, internal audits, internal reporting, and investigations. In particular, the Company promoted improvement activities centered on improving the risk assessment system, clarifying policies and procedures, and making resources and authority more practical. To expand participation by working-level personnel, ILJIN Electric also strengthened the foundation for company-wide participation by designating personnel in charge for each headquarters and conducting practical training.

Performance Evaluation

1. Monitoring	2. Internal Audit	3. Internal Reporting	4. Investigation
Monitoring of the implementation status of control activities under the anti-corruption and compliance management system for 80 risk items	Comprehensive review of the appropriateness of system operation, implementation status, and need for improvement across all business divisions	Receiving reports related to unethical conduct and other matters through the Reporting Center on the website	When a report is received, the Risk Management Team and HR Team conduct a fact-finding investigation, process the results, and protect the reporter

Performance Target Results

Activity	Improvement
Risk Assessment	▸ Establish an integrated risk management system that includes all legal requirements and internal regulations ▸ Standardize risk identification and assessment procedures and introduce a periodic review system
Policies and Procedures	▸ Reestablish anti-corruption and compliance policies and procedures, and disclose them on the internal bulletin board and external website
Authority and Resources	▸ Clarify the roles and responsibilities of operating departments: define the specific responsibilities and roles of each operating department to support the substantive implementation of anti-corruption and compliance activities ▸ Encourage participation by operating departments: designate internal auditors and encourage participation through practical training related to anti-corruption and compliance activities

Risk Management

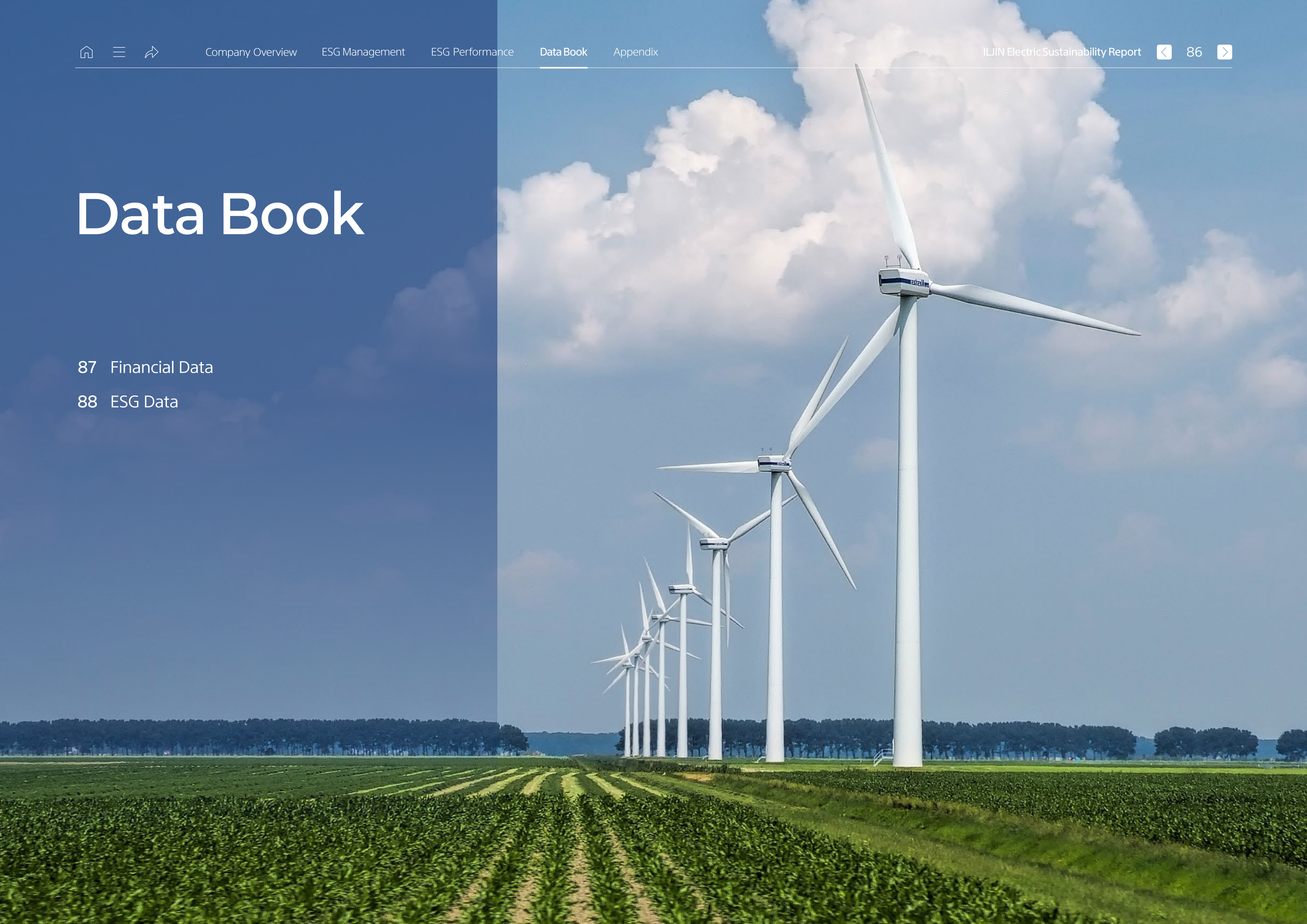
Risk Management System

Risk and Opportunity Analysis

ILJIN Electric systematically manages financial risks based on the Internal Accounting Management System (K-SOX), and operates a response system by analyzing ESG risks and opportunities that may arise in the course of business operations by responsible department. In addition, the Company conducts an annual assessment of the design and operating effectiveness of internal control activities to ensure the reliability of financial information, and strengthens its sustainability management capabilities through regular monitoring and response activities for major ESG issues.

Analysis of Response Activities by Risk Factor

Category	Key Issue	Opportunity	Risk	Opportunity and Risk Factors	Response Activities
Regulation	Strengthening of climate change-related laws and regulations		●	Increase in financial costs due to rising greenhouse gas emissions and emission allowance prices	Monitor the enactment and amendment of climate change-related laws and regulations
			●	Implementation of allocation targets in line with 2050 carbon neutrality and the 2030 National Greenhouse Gas Reduction Target	Establish and implement carbon emission reduction targets
			●	Introduction of the European carbon border tax and increasing requirements for Scope 3 management	Monitor related regulations and establish a Scope 3 inventory
	Strengthening of safety-related laws and regulations	●		High safety level evaluation resulting from advancement of the internal safety management system	Provide training for safety personnel
			●	Enforcement of the Serious Accidents Punishment Act and strengthened government focus on safety risk management	Prepare manuals by scenario, including safety accidents
Technology/ Business	Introduction of eco-friendly technologies/ infrastructure and participation in new businesses	●		Creation of opportunities to preempt the market by proactively responding to the transition to an eco-friendly ecosystem	Strengthen climate response sales capabilities
			●	Decrease in short-term profits due to participation in eco-friendly businesses and investment in equipment and facilities	Continue research and development of eco-friendly products
Market	Increasing practice of and interest in eco-friendly consumption	●		Creation of new markets/customers due to an increase in consumers practicing eco-friendly consumption	Expand R&D investment for high-efficiency products
	Formation of eco-friendly markets		●	Reduced opportunities to participate in new businesses due to insufficient response to eco-friendliness	Identify eco-friendly-related businesses
	Increase in unfair trade practices		●	Increase in misuse of internal information, execution of contracts unfavorable to business, lawsuits, unfair stock trading, and other issues	Monitor unfair trade practices, collusion, and other matters
	Strengthening of corporate information protection		●	Occurrence of issues such as customer information leakage and system failures	Provide employee training related to information security
Reputation	Strengthening of stakeholder requirements		●	Loss of investors and consumers and decline in corporate evaluation due to passive response to climate change	Establish and manage energy reduction plans
			●	Business losses such as lawsuits due to strengthened monitoring/regulation of greenwashing	Prepare company-wide response measures for major issues
		●		Enhancement of long-term corporate value through an eco-friendly corporate image	Strengthen stakeholder communication
	Reflection of eco-friendliness in corporate evaluation		●	Decline in corporate credit rating due to expanded consideration of ESG impact in credit ratings	Monitor global trends
Physical	Natural disasters and abnormal weather		●	Increased business impact and asset damage due to an increase in natural disasters such as typhoons and heavy snowfall	Establish preliminary response systems for each type of natural disaster



Data Book

Financial Data

Financial Data

Consolidated Statement of Financial Position

Category	Unit	2023	2024	2025
Assets				
Current Assets	KRW million	433,758	702,238	967,477
Non-Current Assets	KRW million	495,131	546,800	558,520
Total Assets	KRW million	928,888	1,249,038	1,525,997
Liabilities				
Current Liabilities	KRW million	384,893	606,534	834,542
Non-Current Liabilities	KRW million	172,853	142,195	102,783
Total Liabilities	KRW million	557,746	748,729	937,325
Equity				
Total Equity	KRW million	371,142	500,310	588,671
Total Equity and Liabilities	KRW million	928,888	1,249,038	1,525,997

Consolidated Statement of Comprehensive Income

Category	Unit	2023	2024	2025
Revenue	KRW million	1,246,732	1,577,247	2,044,552
Cost of Sales	KRW million	1,129,403	1,421,604	1,764,125
Gross Profits	KRW million	117,329	155,643	280,427
Operating Income	KRW million	60,757	79,742	151,227
Net Income (Loss) Before Income Tax Expense	KRW million	43,593	63,753	142,424
Net Income				
Owner's Share of the Controlling Company	KRW million	34,540	46,193	103,889
Other Comprehensive Income	KRW million	(3,525)	(1,828)	(2,570)
Total Comprehensive Income				
Owner's Share of the Controlling Company	KRW million	31,015	44,365	101,319
Earnings per Share				
Basic Earnings (Loss) per Share	KRW	879	983	2,179
Diluted Earnings (Loss) per Share	KRW	879	982	2,179

Category	Unit	2023	2024	2025
Total Cash Dividends	KRW million	8,156	14,303	23,838
Consolidated Cash Dividend Payout Ratio	%	23.61	30.96	22.95
Cash Dividends per Share	KRW	220	300	500

ESG Data

Environmental Data

Greenhouse Gas

Category			Unit	2023	2024	2025	2025 (Target)
Greenhouse Gas Emissions[1]	Total Greenhouse Gas Emissions (Scope 1&2)		tCO_2eq	35,623	38,207	42,005	41,519
	Direct Emissions (Scope 1)		tCO_2eq	11,871.816	12,032.089	11,455.128	12,347
	Indirect Emissions (Scope 2)		tCO_2eq	23,751.704	26,175.148	30,549.920	29,172
	Greenhouse Gas Intensity (Scope 1&2)		tCO_2eq / KRW 100 million	2.857	2.422	2.054	–
	Other Indirect Greenhouse Gas Emissions (Scope 3)		tCO_2eq	3,556,678	3,918,588	4,167,497	4,232,075
Greenhouse Gas Emissions by Business Site	Direct Greenhouse Gas Emissions (Scope 1)	Magok InnoCenter	tCO_2eq	57.995	58.470	67.204	57.995
		Hwaseong Factory 1	tCO_2eq	50.260	45.404	51.100	58.353
		Hwaseong Factory 2	tCO_2eq	181.625	226.256	256.563	181.625
		Hongseong Factory	tCO_2eq	823.794	914.300	1,220.251	1,229.064
		Ansan Factory	tCO_2eq	10,758.142	10,725.579	9,771.984	10,758.142
		U.S. Entity	tCO_2eq	–	0.000	0.000	0.000
		Overseas Branches	tCO_2eq	–	62.080	88.026	62.080
	Indirect Greenhouse Gas Emissions (Scope 2)	Magok InnoCenter	tCO_2eq	381.060	377.929	367.806	381.060
		Hwaseong Factory 1	tCO_2eq	912.658	1,035.134	1,033.899	1,180.647
		Hwaseong Factory 2	tCO_2eq	10,658.407	12,375.768	12,618.296	10,658.407
		Hongseong Factory	tCO_2eq	6,231.408	6,695.702	11,183.163	11,263.936
		Ansan Factory	tCO_2eq	5,568.171	5,571.252	5,221.316	5,568.171
		U.S. Entity	tCO_2eq	–	15.887	14.082	15.887
		Overseas Branches	tCO_2eq	–	103.476	111.358	103.476

1) Greenhouse gas emissions of overseas entities and branches have been included since 2024

Category			Unit	2023	2024	2025
Greenhouse Gas Reduction Performance[1]	Magok InnoCenter	Baseline Emissions	tCO_2eq	439.055	439.055	439.055
		Greenhouse Gas Emissions	tCO_2eq	439.055	436.399	435.010
		Reduction Rate	%	0.00	0.60	0.92
	Hwaseong Factory 1	Baseline Emissions	tCO_2eq	962.918	962.918	962.918
		Greenhouse Gas Emissions	tCO_2eq	962.918	1,080.538	1,084.999
		Reduction Rate	%	0.00	(12.21)	(12.68)
	Hwaseong Factory 2	Baseline Emissions	tCO_2eq	10,840.032	10,840.032	10,840.032
		Greenhouse Gas Emissions	tCO_2eq	10,840.032	12,602.024	12,874.859
		Reduction Rate	%	0.00	(16.25)	(18.77)
	Hongseong Factory	Baseline Emissions	tCO_2eq	7,055.202	7,055.202	7,055.202
		Greenhouse Gas Emissions	tCO_2eq	7,055.202	7,610.002	12,403.414
		Reduction Rate	%	0.00	(7.86)	(75.81)
	Ansan Factory	Baseline Emissions	tCO_2eq	16,326.313	16,326.313	16,326.313
		Greenhouse Gas Emissions	tCO_2eq	16,326.313	16,296.831	14,993.300
		Reduction Rate	%	0.00	0.18	8.16
	U.S. Entity	Baseline Emissions	tCO_2eq	–	15.887	15.887
		Greenhouse Gas Emissions	tCO_2eq	–	15.887	14.082
		Reduction Rate	%	–	0.00	11.36
	Overseas Branches	Baseline Emissions	tCO_2eq	–	165.556	165.556
		Greenhouse Gas Emissions	tCO_2eq	–	165.556	199.384
		Reduction Rate	%	–	0.00	(20.43)

1) The base year for Magok InnoCenter, Hwaseong Factories 1 and 2, Hongseong Factory, and Ansan Factory is 2023, while the base year for the U.S. Entity and overseas branches is 2024.

ESG Data

Environmental Data

Energy

Category			Unit	2023	2024	2025	2025 (Target)
Energy Consumption[1]	Total Energy Consumption		TJ	728	781	861	850
	Total Fuel Consumption		TJ	231.918	234.554	222.737	241
	Total Electricity and Steam Consumption		TJ	496.359	547.096	638.624	609
	Energy Intensity		TJ / KRW 100 million	0.058	0.050	0.042	–
Energy Consumption by Business Site	Fuel Consumption	Magok InnoCenter	TJ	0.887	0.893	1.039	0.887
		Hwaseong Factory 1	TJ	0.748	0.680	0.758	0.866
		Hwaseong Factory 2	TJ	2.773	3.494	3.915	2.773
		Hongseong Factory	TJ	15.961	17.685	23.681	23.852
		Ansan Factory	TJ	211.549	210.889	192.096	211.549
		U.S. Entity	TJ	–	0.000	0.000	0.000
		Overseas Branches	TJ	–	0.913	1.248	0.913
	Electricity and Steam Consumption	Magok InnoCenter	TJ	8.553	8.608	8.338	8.553
		Hwaseong Factory 1	TJ	19.071	21.631	21.605	24.672
		Hwaseong Factory 2	TJ	222.722	258.608	263.676	222.722
		Hongseong Factory	TJ	130.214	139.915	233.687	235.375
		Ansan Factory	TJ	115.799	116.233	109.106	115.799
		U.S. Entity	TJ	–	0.413	0.366	0.413
		Overseas Branches	TJ	–	1.688	1.846	1.688

1) Energy consumption of overseas entities and branches has been included since 2024

Category			Unit	2023	2024	2025
Renewable Energy	Renewable Energy Consumption	Magok InnoCenter	TJ	0	0	0
		Hwaseong Factory 1	TJ	0	0	0
		Hwaseong Factory 2	TJ	0	0	0
		Hongseong Factory	TJ	0	0	0
		Ansan Factory	TJ	0	0	0
		U.S. Entity	TJ	–	0	0
		Overseas Branches	TJ	–	0	0
		Total Renewable Energy Consumption	TJ	0	0	0
	Renewable Energy Use Ratio	Magok InnoCenter	%	0	0	0
		Hwaseong Factory 1	%	0	0	0
		Hwaseong Factory 2	%	0	0	0
		Hongseong Factory	%	0	0	0
		Ansan Factory	%	0	0	0
		U.S. Entity	%	–	0	0
		Overseas Branches	%	–	0	0
		Total Renewable Energy Consumption	%	0	0	0

ESG Data

Environmental Data

Water and Wastewater

Category			Unit	2023	2024	2025	2025 (Target)
Water Consumption	Magok InnoCenter	Municipal Water	m^3	5,182	4,633	4,292	4,633
	Hwaseong Factory 1	Industrial Water	m^3	2,178	4,736	1,116	1,200
		Groundwater	m^3	0	0	0	0
		Surface Water	m^3	0	0	0	0
	Hwaseong Factory 2[1]	Municipal Water	m^3	4,401	4,340	5,396	4,861
		Groundwater[2]	m^3	129	275	251	269
		Surface Water	m^3	0	0	0	0
	Hongseong Factory	Municipal Water	m^3	24,212	29,451	32,331	33,000
		Groundwater	m^3	0	0	0	0
		Surface Water	m^3	0	0	0	0
	Ansan Factory	Municipal Water	m^3	59,558	58,871	60,566	65,936
		Groundwater	m^3	–	–	–	–
		Surface Water	m^3	–	–	–	–
	Total Water Consumption		m^3	95,660	102,306	103,952	109,899

1) Water consumption for 2023 and 2024 differs from the data in the previous year's report because groundwater was omitted from the calculation in the previous year's report
2) Groundwater at Hwaseong Factory 2 is used as cooling water in the process, and consumption is calculated based on the amount of wastewater discharged during the cooling water replacement process

Category			Unit	2023	2024	2025
Water Withdrawal	Magok InnoCenter	Municipal Water	m^3	5,182	4,633	4,292
	Hwaseong Factory 1	Industrial Water	m^3	2,178	4,736	1,116
		Groundwater	m^3	0	0	0
		Surface Water	m^3	0	0	0
	Hwaseong Factory 2	Municipal Water	m^3	4,401	4,340	5,396
		Groundwater[1]	m^3	129	275	251
		Surface Water	m^3	0	0	0
	Hongseong Factory	Municipal Water	m^3	24,212	29,451	32,331
		Groundwater	m^3	0	0	0
		Surface Water	m^3	0	0	0
	Ansan Factory	Municipal Water	m^3	59,558	58,871	60,566
		Groundwater	m^3	–	–	–
		Surface Water	m^3	–	–	–
	Total Water Withdrawal		m^3	95,660	102,306	103,952

1) Groundwater at Hwaseong Factory 2 is used as cooling water in the process, and withdrawal is calculated based on the amount of wastewater discharged during the cooling water replacement process

Category		Unit	2023	2024	2025
Water Reuse	Magok InnoCenter	m^3	0	0	0
	Hwaseong Factory 1	m^3	0	0	0
	Hwaseong Factory 2	m^3	0	0	0
	Hongseong Factory[1]	m^3	50	50	160
	Ansan Factory	m^3	0	0	0
	Total Water Reuse	m^3	50	50	160
	Water Reuse Rate	%	0.05	0.05	0.15
Wastewater Discharge	Magok InnoCenter[2]	m^3	–	–	–
	Hwaseong Factory 1	m^3	8	7	18
	Hwaseong Factory 2	m^3	129	275	251
	Hongseong Factory	m^3	61	65	130
	Ansan Factory[3]	m^3	7,908	12,150	10,763
	Total Wastewater Discharge	m^3	8,106	12,497	11,162

1) Hongseong Factory reuses scrubber water
2) Magok InnoCenter is an office facility with no manufacturing process and does not generate process wastewater. Discharge water generated at the site is domestic sewage, but it is not separately measured
3) Sum of wastewater treatment plant discharge and outsourced treatment volume

ESG Data

Environmental Data

Waste

Category			Unit	2023	2024	2025	2025 (Target)
General Waste	Generation	Hwaseong Factory 1	ton	70	53	70	70
		Hwaseong Factory 2	ton	233	761	745	746
		Hongseong Factory	ton	417	487	638	650
		Ansan Factory	ton	321	375	358	368
		Total General Waste Generation	ton	1,041	1,676	1,811	1,834
Designated Waste	Generation	Hwaseong Factory 1	ton	21	15	17	20
		Hwaseong Factory 2	ton	69	68	97	67
		Hongseong Factory	ton	43	22	103	110
		Ansan Factory	ton	170	244	245	242
		Total Designated Waste Generation	ton	303	349	462	439
Total Waste Generation			ton	1,344	2,025	2,273	2,273

Category			Unit	2023	2024	2025
General Waste	Landfill	Hwaseong Factory 1	ton	0	0	0
		Hwaseong Factory 2	ton	0	0	0
		Hongseong Factory	ton	0	0	0
		Ansan Factory	ton	46	47	77
		Total General Waste Landfilled	ton	46	47	77
	Incineration	Hwaseong Factory 1	ton	0	0	0
		Hwaseong Factory 2	ton	0	0	0
		Hongseong Factory	ton	0	0	0
		Ansan Factory	ton	0	0	0
		Total General Waste Incinerated	ton	0	0	0
	On-Site Recycling	Hwaseong Factory 1	ton	0	0	0
		Hwaseong Factory 2	ton	0	0	0
		Hongseong Factory	ton	0	0	0
		Ansan Factory	ton	0	0	0
		Total General Waste On-Site Recycling	ton	0	0	0
	Outsourced Recycling	Hwaseong Factory 1	ton	70	53	70
		Hwaseong Factory 2	ton	233	761	745
		Hongseong Factory	ton	417	487	638
		Ansan Factory	ton	275	328	281
		Total General Waste Outsourced Recycling	ton	995	1,629	1,734

Category			Unit	2023	2024	2025
Designated Waste	Landfill	Hwaseong Factory 1	ton	0	0	0
		Hwaseong Factory 2	ton	0	0	0
		Hongseong Factory	ton	0	0	0
		Ansan Factory	ton	0	0	0
		Total Designated Waste Landfilled	ton	0	0	0
	Incineration	Hwaseong Factory 1	ton	21	15	17
		Hwaseong Factory 2	ton	0	35	27
		Hongseong Factory	ton	13	8	13
		Ansan Factory	ton	0	0	0
		Total Designated Waste Incinerated	ton	34	58	57
	On-Site Recycling	Hwaseong Factory 1	ton	0	0	0
		Hwaseong Factory 2	ton	0	0	0
		Hongseong Factory	ton	0	0	0
		Ansan Factory	ton	0	0	0
		Total Designated Waste On-Site Recycling	ton	0	0	0
	Outsourced Recycling	Hwaseong Factory 1	ton	0	0	0
		Hwaseong Factory 2	ton	69	33	70
		Hongseong Factory	ton	30	14	90
		Ansan Factory	ton	170	244	245
		Total Designated Waste Outsourced Recycling	ton	269	291	405
Total Waste Landfilled			ton	46	47	77
Total Waste Incinerated			ton	34	58	57
Total Waste Recycling			ton	1,264	1,920	2,139
Total Waste Recycling Rate			%	94	95	94

ESG Data

Environmental Data

Air Pollutants[1)]

Category		Unit	2023	2024	2025
Dust	Hwaseong Factory 1	ton	0.10	0.12	0.02
	Hwaseong Factory 2	ton	0.00	0.00	0.00
	Hongseong Factory[2)]	ton	0.05	0.03	0.02
	Ansan Factory	ton	0.41	0.27	0.32
	Total Dust Emissions	ton	0.56	0.42	0.36
Nitrogen Oxides (NOx)	Hongseong Factory	ton	0.30	0.29	0.96
	Ansan Factory	ton	11.91	6.71	7.15
	Total Nitrogen Oxides Emissions	ton	12.21	7.00	8.11
Sulfur Oxides (SOx)	Hongseong Factory	ton	0.00	0.00	0.13
	Ansan Factory	ton	0.06	0.01	0.14
	Total Sulfur Oxides Emissions	ton	0.06	0.01	0.27

1) As nitrogen oxides and sulfur oxides are emitted only from Hongseong Factory and Ansan Factory, Hwaseong Factories 1 and 2 are excluded from the scope of measurement
2) Hongseong Factory is a Category 5 air pollutant-emitting business site and is exempt from installing prevention facilities; therefore, air pollutants are measured once a year

Water Pollutants[1)]

Category		Unit	2023	2024	2025
BOD Biological Oxygen Demand	Ansan Factory	ton	0.008	0.024	0.004
COD Chemical Oxygen Demand	Ansan Factory	ton	-	-	-
TOC Total Organic Carbon	Ansan Factory	ton	0.021	0.036	0.036
SS Suspended Solids	Ansan Factory	ton	0.033	0.085	0.013
T-P Total Phosphorus	Ansan Factory	ton	-	-	0.001
T-N Total Nitrogen	Ansan Factory	ton	0.033	0.071	0.020

1) Hwaseong Factories 1 and 2 and Hongseong Factory are excluded from the scope of measurement due to outsourced wastewater treatment. Measurement is conducted only at Ansan Factory

Chemical Substances

Category		Unit	2023	2024	2025
Hazardous Chemical Consumption	Hwaseong Factory 1	ton	0.00	0.00	0.00
	Hwaseong Factory 2	ton	0.00	0.00	0.00
	Hongseong Factory	ton	-	-	-
	Ansan Factory	ton	-	-	-
	Total Hazardous Chemical Consumption	ton	0.00	0.00	0.00
Chemical Emissions	Hwaseong Factory 1	ton	0.00	0.00	0.00
	Hwaseong Factory 2	ton	0.00	0.00	0.00
	Hongseong Factory	ton	-	-	-
	Ansan Factory	ton	-	0.27	0.32
	Total Chemical Emissions	ton	0.00	0.27	0.32

Raw and Subsidiary Material Consumption and Recycled Material Consumption

Category			Unit	2023	2024	2025
Switchgear Division	Raw and Subsidiary Material Consumption	Steel	ton	-	-	293
		Non-Ferrous Metals	ton	-	-	995
		Resin Materials	ton	-	-	977
	Recycled Material Consumption		ton	0	0	0
Cable Division	Raw and Subsidiary Material Consumption	Electrolytic Copper	ton	8,114	13,289	14,437
		Aluminum	ton	3,425	3,483	2,145
		Lead	ton	9	1,460	3,117
		Resin Materials	ton	5,540	7,488	7,176
	Recycled Material Consumption[1)]	Electrolytic Copper	ton	891	1,260	1,318
		Aluminum	ton	370	238	323
Transformer Division	Raw and Subsidiary Material Consumption	Electrical Steel	ton	4,280	4,319	8,628
		Steel	ton	2,169	2,589	3,656
		Copper	ton	1,805	1,768	3,137
	Recycled Material Consumption		ton	0	0	0
Materials Division	Raw and Subsidiary Material Consumption	Electrolytic Copper	ton	86,005	85,313	74,393
		Aluminum Ingots	ton	13,054	12,997	12,633
	Recycled Material Consumption		ton	0	0	0

1) Waste cables generated at the Cable Factory (Hwaseong Factory 2) are stripped through consigned processing by an external company, after which copper and aluminum scrap is recovered and reused. Scrap generated at Ansan Factory is also recovered and reused at the Cable Factory

ESG Data

Environmental Data

Eco-Friendly Purchasing

Category			Unit	2023	2024	2025
Eco-Friendly Material and Service Purchasing Performance	Total Purchase Amount	Switchgear Division	KRW 10 million	910	3,500	5,500
		Cable Division	KRW 10 million	12,000	16,000	18,190
		Transformer Division	KRW 10 million	11,127	16,444	24,059
		Materials Division	KRW 10 million	70,184	91,241	105,446
	Eco-Friendly Material and Service Purchase Amount	Switchgear Division	KRW 10 million	0	0	0
		Cable Division[1]	KRW 10 million	70	131	153
		Transformer Division	KRW 10 million	0	0	0
		Materials Division[2]	KRW 10 million	4,413	2,894	3,413
	Total Eco-Friendly Purchasing Ratio		%	4.76	2.38	2.33

1) For the Cable Division, the purchase amount of recycled copper scrap-based SCR materials, FSC-certified wood-based packaging materials, recyclable paper materials, and PP material tapes and cable guards is calculated as eco-friendly purchasing performance
2) For the Materials Division, the purchase amount of Copper Cathode made with 100% recycled materials and certified by SGS is calculated as eco-friendly purchasing performance

Eco-Friendly Sales

Category			Unit	2023	2024	2025
Eco-Friendly Material and Service Sales Performance	Eco-Friendly Sales	Switchgear Division[1]	KRW 10 million	2,252	2,112	2,012
		Cable Division[2]	KRW 10 million	0	51	47
		Transformer Division[3]	KRW 10 million	160	0	692
		Materials Division	KRW 10 million	0	0	0
	Eco-Friendly Sales Ratio	Switchgear Division	%	34.51	32.79	18.63
		Cable Division	%	0	0.98	0.74
		Transformer Division	%	0.95	0	1.77
		Materials Division	%	0	0	0

1) For the Switchgear Division, sales related to E-GIS, including technology, transportation, and after-sales service, PREC, EFI, and overseas SREC are calculated as eco-friendly sales
2) For the Cable Division, sales of 154kV PP cables certified as green technology are calculated as eco-friendly sales
3) For the Transformer Division, sales of vegetable oil transformers are calculated as eco-friendly sales

Environmental Investment

Category			Unit	2023	2024	2025
Environmental Investment Execution	Development of Eco-Friendly Products and Services	Switchgear Division	KRW million	525	214	475
		Cable Division	KRW million	3	19	8
		Transformer Division	KRW million	0	38	0
		Materials Division	KRW million	0	0	0
	Facility Operation	Hwaseong Factory 1	KRW million	58	62	66
		Hwaseong Factory 2	KRW million	0	200	79
		Hongseong Factory	KRW million	168	439	134
		Ansan Factory	KRW million	0	23	0
	System Operation	Hwaseong Factory 1	KRW million	0	0	0
		Hwaseong Factory 2	KRW million	13	33	186
		Hongseong Factory	KRW million	0	0	21
		Ansan Factory	KRW million	2	25	14
		Magok InnoCenter	KRW million	69	112	76
	Communication	Hwaseong Factory 1	KRW million	0	0	0
		Hwaseong Factory 2	KRW million	3	0	0
		Hongseong Factory	KRW million	0	0	0
		Ansan Factory	KRW million	0	0	0
	Environmental New Business	Hwaseong Factory 1	KRW million	0	0	0
		Hwaseong Factory 2	KRW million	0	0	0
		Hongseong Factory	KRW million	0	0	0
		Ansan Factory	KRW million	0	0	0
	Total Investment Cost		KRW million	841	1,165	1,059

Environmental Laws and Regulations

Category		Unit	2023	2024	2025
Violations of Environmental Laws and Regulations	Hwaseong Factory 1	cases	0	0	0
	Hwaseong Factory 2[1]	cases	1	0	0
	Hongseong Factory	cases	0	0	0
	Ansan Factory[2]	cases	0	1	0

1) In 2023, Hwaseong Factory 2 received an administrative fine and warning for violating the Water Environment Conservation Act, specifically for failure to prepare an operation log for wastewater discharge facilities, and corrective action was completed thereafter
2) In 2024, Ansan Factory received an administrative fine and warning for violating the Act on Integrated Management of Environmental Pollution Facilities, specifically for failure to conduct self-measurement, and corrective action was completed thereafter

ESG Data

Social Data

Employee Status[1]

Category			Unit	2023	2024	2025
Total Number of Employees[1]			persons	889	1,002	1,074
Number of Employees by Gender	Male		persons	848	946	1,008
	Female		persons	41	56	66
Number of Employees by Nationality	Domestic		persons	889	1,002	1,074
	Overseas		persons	0	0	0
Number of Employees by Contract Type	Executives	Total Number	persons	13	16	11
		Male	persons	13	16	11
		Female	persons	0	0	0
	Regular Employees	Total Number of Regular Employees	persons	826	911	992
		Male	persons	798	876	947
		Female	persons	28	35	45
	Non-Regular Employees	Total Number of Non-Regular Employees	persons	50	75	71
		Male	persons	37	54	50
		Female	persons	13	21	21

1) In the Sustainability Report, "Total Number of Employees" is based on the total number of employees excluding those who resigned as of December 31, 2025. Therefore, the data differs from "Total Number of Employees" in the Business Report, which excludes executives and includes those who resigned as of December 31, 2025

Category				Unit	2023	2024	2025
Number of Employees by Position	Executives		Total Number of Executives	persons	13	16	11
			Male	persons	13	16	11
			Female	persons	0	0	0
	Managerial Positions	General Manager	Total	persons	42	44	49
			Male	persons	42	44	49
			Female	persons	0	0	0
		Deputy General Manager	Total	persons	64	72	77
			Male	persons	64	71	75
			Female	persons	0	1	2
		Total Managerial Positions		persons	106	116	126
	Non-Managerial Positions	Manager	Total	persons	91	84	79
			Male	persons	85	79	73
			Female	persons	6	5	6
		Assistant Manager	Total	persons	60	51	51
			Male	persons	56	46	48
			Female	persons	4	5	3
		Staff	Total	persons	569	660	736
			Male	persons	551	636	702
			Female	persons	18	24	34
		Total Non-Managerial Positions		persons	720	795	866
Non-Employee Workers[1]	Male			persons	54	49	50
	Female			persons	26	27	28
Average Length of Service[2]				years	9.0[3]	8.3	8.1

1) Cleaning and security personnel at each factory
2) Based on employees in service at year-end
3) As the calculation method for "Total Number of Employees" changed, the 2023 average length of service data differs from the previous year's report

ESG Data

Social Data

Employee Diversity

Category			Unit	2023	2024	2025
Gender Diversity	Female Managers	Executives	persons	0	0	0
			%	0	0	0
		General Manager	persons	0	0	0
			%	0	0	0
		Deputy General Manager	persons	0	1	2
			%	0	1.4	2.6
Age Diversity[1]	Executives	Teens or Younger	persons	0	0	0
		20s	persons	0	0	0
		30s	persons	0	0	0
		40s	persons	2	1	2
		50s or Older	persons	11	15	9
	Managerial Positions	Teens or Younger	persons	0	0	0
		20s	persons	0	0	0
		30s	persons	0	1	1
		40s	persons	70	77	85
		50s or Older	persons	36	38	40
	Non-Managerial Positions	Teens or Younger	persons	3	3	2
		20s	persons	185	247	291
		30s	persons	235	257	282
		40s	persons	192	189	193
		50s or Older	persons	105	99	98
Vulnerable Groups[2]	Executives	Persons with Disabilities	persons	0	0	0
		Persons Eligible for Veterans' Benefits	persons	0	0	0
	Managerial Positions	Persons with Disabilities	persons	0	0	0
		Persons Eligible for Veterans' Benefits	persons	2	2	2
	Non-Managerial Positions	Persons with Disabilities	persons	6	6	6
		Persons Eligible for Veterans' Benefits	persons	1	0	0
	Total	Persons with Disabilities	persons	6	6	6
		Persons Eligible for Veterans' Benefits	persons	3	2	2
Recruitment of High School Graduates	Executives		persons	0	0	0
	Managerial Positions		persons	0	0	0
	Non-Managerial Positions		persons	267	269	272
	Total		persons	267	269	272

1) Employees aged 19 are classified as teens
2) Managerial and non-managerial positions were calculated based on regular employees, excluding contract employees. In the previous year's report, the number of employees with disabilities included contract employees with disabilities, and for persons eligible for veterans' benefits, employees who resigned were included, resulting in differences in the data

Turnover and Retirement

Category			Unit	2023	2024	2025
Number of Turnover[1]	Total Number of Turnover		persons	180	226	300
	Gender	Male	persons	171	213	281
		Female	persons	9	13	19
	Nationality	Domestic	persons	180	226	300
		Overseas	persons	0	0	0
	Age	20s	persons	84	102	149
		30s	persons	40	65	78
		40s	persons	17	20	19
		50s or Older	persons	27	36	42
Turnover Rate[1]	Total Turnover Rate		%	20	23	28
	Gender	Male	%	95	94	94
		Female	%	5	6	6
	Nationality	Domestic	%	100	100	100
		Overseas	%	0	0	0
	Age	20s	%	47	45	50
		30s	%	22	29	26
		40s	%	9	9	6
		50s or Older	%	15	16	14
Number of Voluntary Turnover	Total Number of Voluntary Turnover		persons	145	167	221
	Gender	Male	persons	139	162	214
		Female	persons	6	5	7
	Nationality	Domestic	persons	145	167	221
		Overseas	persons	0	0	0
	Age	20s	persons	81	80	110
		30s	persons	37	56	69
		40s	persons	12	18	13
		50s or Older	persons	12	13	18
Voluntary Turnover Rate	Total Voluntary Turnover Rate		%	16	17	21
	Gender	Male	%	96	97	97
		Female	%	4	3	3
	Nationality	Domestic	%	100	100	100
		Overseas	%	0	0	0
	Age	20s	%	56	48	50
		30s	%	26	34	31
		40s	%	8	11	6
		50s or Older	%	8	8	8
Number of Dismissed Employees[1]			persons	0	7	4

1) The 2023 and 2024 data for number of turnover, turnover rate, and number of dismissed employees differ from the previous year's report due to changes in the data calculation system

ESG Data

Social Data

New Hires

Category			Unit	2023	2024	2025
Number of New Hires[1]	Total Number of New Hires		persons	256	337	372
	Gender	Male	persons	239	309	343
		Female	persons	17	28	29
	Nationality	Domestic	persons	256	337	372
		Overseas	persons	0	0	0
	Age	20s	persons	169	205	210
		30s	persons	40	83	105
		40s	persons	17	16	22
		50s or Older	persons	15	23	24
New Hire Rate	Total New Hire Rate		%	29	34	35
	Gender	Male	%	93	92	92
		Female	%	7	8	8
	Nationality	Domestic	%	100	100	100
		Overseas	%	0	0	0
	Age	20s	%	66	61	57
		30s	%	16	25	28
		40s	%	7	5	6
		50s or Older	%	6	7	7

1) The 2023 and 2024 data for number of new hires differ from the previous year's report due to changes in the data calculation system

Employee Training

Category				Unit	2023	2024	2025
Number of Training Participants	Total Number of Training Participants			persons	839	1,029	1,074
	Training Participation Rate			%	100	100	100
Training Expenses	Total Training Expenses			KRW million	212	288	537
	Training Expenses per Person			KRW thousand	254	288	1
Training Hours	Total Training Hours			hours	24,081	27,286	38,579
	Training Hours per Person			hours	29	27	36
	Training Hours per Person by Gender	Domestic		hours	29	27	36
		Overseas		hours	29	27	36
	Training Hours per Person by Position	Executives		hours	23	21	29
		Managerial Positions		hours	34	32	43
		Non-Managerial Positions		hours	29	27	36
Training Status by Topic	Statutory Mandatory Training	Training Hours		hours	2,349	2,881	3,007
		Number of Training Targets		persons	839	1,029	1,074
		Number of Training Completers		persons	839	1,029	1,074
		Training Completion Rate		%	100	100	100
	Safety Training	Training Hours	Total Training Hours	hours	17,657	23,575	26,534
			Hwaseong Factory 1	hours	2,785	2,529	2,401
			Hwaseong Factory 2	hours	5,514	8,138	9,450
			Hongseong Factory	hours	7,660	11,038	12,727
			Ansan Factory	hours	1,698	1,870	1,956
		Number of Training Targets	Total Number of Training Targets	persons	713	935	955
			Hwaseong Factory 1	persons	80	80	80
			Hwaseong Factory 2	persons	268	297	300
			Hongseong Factory	persons	305	487	503
			Ansan Factory	persons	60	71	72

ESG Data

Social Data

Employee Training

Category				Unit	2023	2024	2025
Training Status by Topic	Safety Training	Number of Training Completers	Total Number of Training Completers	persons	713	935	955
			Hwaseong Factory 1	persons	80	80	80
			Hwaseong Factory 2	persons	268	297	300
			Hongseong Factory	persons	305	487	503
			Ansan Factory	persons	60	71	72
		Training Completion Rate	Total Training Completion Rate	%	100	100	100
			Hwaseong Factory 1	%	100	100	100
			Hwaseong Factory 2	%	100	100	100
			Hongseong Factory	%	100	100	100
			Ansan Factory	%	100	100	100
	Human Rights Training[1]	Training Hours		hours	839	1,029	1,074
		Number of Training Targets		persons	839	1,029	1,074
		Number of Training Completers		persons	839	1,029	1,074
		Training Completion Rate		%	100	100	100
	Fair Trade Training	Training Hours		hours	-	-	379
		Number of Training Targets		persons	-	-	412
		Number of Training Completers		persons	-	-	379
		Training Completion Rate		%	-	-	92
	Ethics and Anti-Corruption Training	Training Hours		hours	-	-	379
		Number of Training Targets		persons	-	-	412
		Number of Training Completers		persons	-	-	379
		Training Completion Rate		%	-	-	92
	Environmental Training	Training Hours		hours	258	0	401
		Number of Training Targets		persons	340	0	412
		Number of Training Completers		persons	258	0	401
		Training Completion Rate		%	76	0	97

1) Includes disability awareness improvement, sexual harassment prevention, and personal information protection training under statutory mandatory training

Category			Unit	2023	2024	2025
Training Status by Topic	Information Security Training	Training Hours	hours	347	389	405
		Number of Training Targets	persons	358	394	414
		Number of Training Completers	persons	347	389	405
		Training Completion Rate	%	97	99	98
	Training for Promoted Employees	Training Hours	hours	460	340	420
		Number of Training Targets	persons	46	34	42
		Number of Training Completers	persons	46	34	42
		Training Completion Rate	%	100	100	100
	Organizational Culture (Active Audit) Training	Training Hours	hours	839	6,400	6,400
		Number of Training Targets	persons	839	400	400
		Number of Training Completers	persons	839	400	400
		Training Completion Rate	%	100	100	100

Performance Evaluation

Category				Unit	2023	2024	2025
Employees Who Received Regular Performance Evaluation			Number	persons	316	354	355
			Ratio	%	36	35	33
Performance Evaluation	Performance Evaluation Ratio by Gender	Male	Number	persons	303	336	334
			Ratio	%	36	36	33
		Female	Number	persons	13	18	21
			Ratio	%	32	32	32
	Performance Evaluation Ratio by Position Type	Executives	Number	persons	13	16	11
			Ratio	%	100	100	100
		Managerial Positions	Number	persons	104	112	123
			Ratio	%	98	97	98
		Non-Managerial Positions	Number	persons	199	226	221
			Ratio	%	28	28	26

ESG Data

Social Data

Compensation

Category			Unit	2023	2024	2025
Wages by Gender	Average Wage	Average Wage of Male Employees	KRW thousand	56,223	57,909	60,655
		Average Wage of Female Employees	KRW thousand	32,866	39,363	40,848
		Ratio of Female Wages to Male Wages	%	59	68	67

Labor

Category		Unit	2023	2024	2025
Labor Union	Number of Employees Eligible for Labor Union Membership	persons	318	321	359
	Number of Labor Union Members[1) 3)]	persons	248	251	270
	Labor Union Membership Rate[3)]	%	78	78	75
	Labor-Management Council Meetings Held[1) 3)]	times	13	17	12
	Ratio of Employees Covered by Collective Bargaining Agreements[2)]	%	56	55	59

1) The number of labor union members and labor-management council meetings held are the totals for the four factories: Hwaseong Factory 1, Hwaseong Factory 2, Hongseong Factory, and Ansan Factory
2) Ratio of employees covered by collective bargaining agreements at each business site to the total number of employees
3) The 2023 and 2024 data for the number and ratio of labor union members, and the 2024 data for labor-management council meetings held, differ from the previous year's report due to changes in the data calculation system

Benefits

Category		Unit	2023	2024	2025
Employee Benefits Expenses	Total Employee Benefits Expenses	KRW million	9,079	12,067	17,847
	Average Employee Benefits Expenses per Employee	KRW million	10	12	17

Parental Leave

Category		Unit	2023	2024	2025
Eligible Employees	Male	persons	158	152	153
	Female	persons	2	2	3
	Total	persons	160	154	156
Users[1)2)]	Male	persons	9	4	10
	Female	persons	3	2	3
	Total	persons	12	6	13
Employees Reinstated[1)]	Male	persons	6	6	17
	Female	persons	0	2	0
	Total	persons	6	8	17
Employees Who Remained Employed for at Least 12 Months after Reinstatement[2)]	Male	persons	5	4	14
	Female	persons	0	1	0
	Total	persons	5	5	14
Ratio of Employees Working for 12 Months after Reinstatement[1)]	Male	%	83	67	82
	Female	%	0	50	0
	Total	%	67	63	82

1) The calculation method for parental leave data changed, and the 2023 and 2024 data were corrected
2) The 2023 and 2024 data for parental leave users and employees who remained employed for at least 12 months after reinstatement differ from the previous year's report and the Business Report due to changes in the data calculation system

Flexible Work Arrangements

Category	Unit	2023	2024	2025
Selective Working Hours System	persons	0	0	0
Staggered Commuting System	persons	0	0	0
Remote Work System (Work-from-Home System)	persons	0	0	0

ESG Data

Social Data

Grievance Handling[1)]

Category			Unit	2023	2024	2025
Employee Grievance Reports Received and Handled	Number of Grievances Received[2) 3)]	Total Number of Grievances Received	cases	91	78	180
		Human Rights Violation Type	cases	0	1	3
		General Grievance Type	cases	91	77	177
	Number of Grievances Handled[3)]		cases	81	70	173
	Handling Rate		%	89.0	89.7	96.1
	Average Response Processing Days[3)]		days	38.2	50.0	84.0
Stakeholder Grievance Reports Received and Handled	Number of Grievances Received	Total Number of Grievances Received	cases	0	0	0
		Human Rights Violation Type	cases	0	0	0
		General Grievance Type	cases	0	0	0
	Number of Grievances Handled		cases	0	0	0
	Handling Rate		%	0	0	0
	Average Response Processing Days		days	0	0	0
Supplier Grievance Reports Received and Handled	Number of Grievances Received	Total Number of Grievances Received	cases	0	0	0
		Human Rights Violation Type	cases	0	0	0
		General Grievance Type	cases	0	0	0
	Number of Grievances Handled		cases	0	0	0
	Handling Rate		%	0	0	0
	Average Response Processing Days		days	0	0	0

1) Grievance handling covers types such as workplace discrimination and harassment, sexual violence, sexual harassment, and verbal abuse
2) The number of grievances received is the total for the four factories: Hwaseong Factory 1, Hwaseong Factory 2, Hongseong Factory, and Ansan Factory
3) The 2023 and 2024 data for number of grievances received, number of grievances handled, and average response processing days differ from the previous year's report due to changes in the data calculation system

Occupational Health and Safety

Category			Unit	2023	2024	2025
Occupational Accidents	Number of Occupational Accidents	Total Number of Occupational Accidents	cases	1	1	0
		Employees	cases	1	1	0
		Suppliers	cases	0	0	0
	Occupational Accident Rate	Total Occupational Accident Rate	%	0.12	0.18[1)]	0.00
		Employees	%	0.12	0.18	0.00
		Suppliers	%	0.00	0.00	0.00
	Fatalities due to Occupational Accidents	Total Number of Fatalities	cases	0	0	0
		Employees	cases	0	0	0
		Suppliers	cases	0	0	0
		Fatality Rate due to Occupational Accidents (Accident Fatality Rate per 10,000 Workers)	%	0	0	0
	Injuries and Illnesses due to Occupational Accidents	Total Number of Injuries and Illnesses	cases	1	1	0
		Employees	cases	1	1	0
		Suppliers	cases	0	0	0
		Injury or Accident Rate due to Occupational Accidents (Accident Rate)	%	0.12	0.18	0.00
	Working Hours	Employees	hours	1,649,440	1,826,240	1,880,320
	Lost Time Injury Frequency Rate (LTIFR)	Employees	cases/million hours	0.61	0.55	0.00
		Suppliers	cases/million hours	0.00	0.00	0.00
	Frequency Rate	Employees	cases/million hours	0.61	0.55	0.00
		Suppliers	cases/million hours	0.00	0.00	0.00
Number of Supplier Occupational Health and Safety Capability Assessments Conducted			times	16	22	22
Number of Supplier Risk Factors Identified			cases	842	1,493	2,046
Supplier Risk Factor Improvement Rate			%	100	100	100
Occupational Health and Safety Management System	Number of Business Sites Subject to ISO 45001 Certification		sites	4	4	4
	Number of Business Sites Certified to ISO 45001		sites	4	4	4
	Number of Workers Covered by ISO 45001		persons	793	878	904
	Ratio of Workers Covered by ISO 45001		%	89	88	84

1) The total occupational accident rate for 2024 was changed due to a difference in figures depending on the timing of issuance of the occupational accident rate certificate

ESG Data

Social Data

Supply Chain

Category			Unit	2023	2024	2025
Supply Chain Management	Total Suppliers		companies	694	710	741
	Number of Key Suppliers		companies	86	110	118
	Supplier Purchasing	Purchasing Ratio from Key Suppliers	%	94	94	95
		Purchase Amount from Key Suppliers	KRW million	1,111,036	1,223,116	1,438,159
		Total Purchase Amount	KRW million	1,188,105	1,303,398	1,522,245
ESG Risk Assessment	Supplier Diagnosis	Number of New Suppliers	companies	58	33	42
		Number of New Suppliers Subject to Environmental and Social Impact Assessments	companies	-	-	0
		Ratio of New Suppliers Subject to Environmental and Social Impact Assessments	%	-	-	0
		Total Number of Suppliers Subject to Environmental and Social Impact Assessments	companies	-	-	26
	Risk Identification and Improvement	Number of Suppliers Requiring Improvement Based on Environmental and Social Impact Assessment Results	companies	-	-	0
		Number of Suppliers with Improvement Consultations on Environmental and Social Impact Assessments	companies	-	-	0
		Ratio of Suppliers with Improvement Consultations on Environmental and Social Impact Assessments	%	-	-	0
		Number of Suppliers Whose Contracts Were Terminated Based on Environmental and Social Impact Assessment Results	companies	-	-	0
		Ratio of Suppliers Whose Contracts Were Terminated Based on Environmental and Social Impact Assessment Results	%	-	-	0
	Capability Enhancement Program	Number of Suppliers Participating in ESG Capability Enhancement Programs	companies	-	-	3
		Number of Key Suppliers Participating in ESG Capability Enhancement Programs	companies	-	-	3

Information Security

Category		Unit	2023	2024	2025
Information Security-Related Laws, Regulations, and Incidents	Number of Complaints Related to Personal Information Infringement	cases	-	-	-
	Customer Information Leakage Incidents	cases	0	0	0
	Customers Affected by Leakage Incidents	companies	0	0	0
	Amount of Financial Damage	KRW	0	0	0
	Fines and Penalties	KRW	0	0	0

ESG Data

Governance Data

Board of Directors

Category			Unit	2023	2024	2025
Board Operations	Number of Board Meetings Held	Regular	times	11	8	9
		Extraordinary	times	20	12	9
	Number of Board Resolutions and Reported Agenda Items	Resolution Agenda Items	cases	33	26	22
		Reported Agenda Items	cases	33	26	22
	Board Prior Review Rate		%	100	100	100
	Board Meeting Attendance Rate	Total Board Meeting Attendance Rate	%	100	100	100
		Executive Directors	%	100	100	100
		Independent Directors	%	100	100	100
	Number of Opposing or Dissenting Opinions Presented by Independent Directors		cases	0	0	0
	Average Board Tenure		years	4	4	5
Board Composition	Number of Board Members	Total Number of Directors	persons	5	5	5
		Executive Directors	persons	3	3	3
		Independent Directors	persons	1	1	1
		Other Non-Executive Directors	persons	0	0	0
		Auditors	persons	1	1	1
	Number of Female Directors		persons	0	0	0

Compliance and Ethics

Category			Unit	2023	2024	2025
Ethics	Notification of Ethics Policy	Executives	persons	13	16	11
			%	100	100	100
		Managerial Positions	persons	106	116	126
			%	100	100	100
		Non-Managerial Positions	persons	241	255	264
			%	34	32	31
		Subtotal	persons	360	387	401
			%	41	39	37
		Suppliers	companies	-	-	-
			%	-	-	-
	Ethics Reporting	Number of Reports	cases	0	0	0
		Number of Cases Handled	cases	0	0	0
Anti-Corruption	Corruption Cases and Measures	Number of Reports on Corruption Violations	cases	-	-	0
		Number of Employee Dismissals or Disciplinary Actions Related to Corruption	cases	-	-	0
		Contract Terminations or Non-Renewals with Suppliers Related to Corruption	cases	-	-	0
		Legal Proceedings Related to Corruption	cases	-	-	0
	Anti-Corruption Risk Assessment	Targets of Corruption Risk Assessment[1]	units	-	-	198
		Targets Subject to Corruption Risk Assessment	units	-	-	198
		Corruption Risk Assessment Implementation Rate	%	-	-	100
Unfair Trade[2]	Number of Lawsuits Filed or Violations		cases	0	0	1
	Number of Non-Monetary Sanctions		cases	0	0	2
	Penalties and Damages		KRW million	0	0	7,520
Violations of Laws and Regulations[2]	Number of Violations		cases	0	0	1
	Number of Non-Monetary Sanctions		cases	0	0	2
	Total Amount of Fines		KRW million	0	0	7,520

1) Scope of assessment selected according to the Company's internal criteria, covering work and organizations with a high likelihood of corruption, such as sales, purchasing, bidding, and overseas business

2) In 2025, the Fair Trade Commission imposed a corporate criminal referral and an administrative surcharge of KRW 7.52 billion in relation to the KEPCO 170kV GIS bid-rigging case, and the Company was subject to sanctions by Korea Electric Power Corporation as an improper business operator

Appendix

GRI

GRI 1: Foundation 2021	Statement of use	ILJIN Electric reports ESG management-related information for the period from January 1 to December 31, 2025, in accordance with the GRI Standards 2021, an international standard guideline.
	GRI used	GRI 1: Foundation 2021
	Applicable GRI Sector Standards	As of June 2026, when ILJIN Electric publishes its Sustainability Report, there are no applicable GRI Sector Standards.

GRI		Disclosure	Page	Omission/Note
Universal Standards				
GRI 2: General Disclosures 2021	2-1	Organizational details	6	
	2-2	Entities included in the organization's sustainability reporting	2	
	2-3	Reporting period, frequency and contact point	2	
	2-4	Restatements of information	90, 94-96, 98-99	Stated in separate notes
	2-5	External assurance	111-112	
	2-6	Activities, value chain and other business relationships	6, 9-15	
	2-7	Employees	6, 94	
	2-8	Workers who are not employees	94	
	2-9	Governance structure and composition	73-74	
	2-10	Nomination and selection of the highest governance body	73-74	
	2-11	Chair of the highest governance body	73	
	2-12	Role of the highest governance body in overseeing the management of impacts	73	
	2-13	Delegation of responsibility for managing impacts	73	
	2-14	Role of the highest governance body in sustainability reporting	73	
	2-15	Conflicts of interest	73	
	2-16	Communication of critical concerns	73	
	2-17	Collective knowledge of the highest governance body	74	
	2-18	Evaluation of the performance of the highest governance body	74	
	2-19	Remuneration policies	74	
	2-20	Process to determine remuneration	74	
	2-21	Annual total compensation ratio	-	Not disclosed due to confidentiality
	2-22	Statement on sustainable development strategy	5	
	2-23	Policy commitments	5, 7, 17	
	2-24	Embedding policy commitments	5, 17	
	2-25	Processes to remediate negative impacts	43, 83, 99	
	2-26	Mechanisms for seeking advice and raising concerns	43, 78	
	2-27	Compliance with laws and regulations	55, 93, 101	
	2-28	Membership associations	108	
	2-29	Approach to stakeholder engagement	22	
	2-30	Collective bargaining agreements	46, 98	

GRI		Disclosure	Page	Omission/Note
Material Topic & Topic standards				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	18	
	3-2	List of material topics	19, 20	
Material Topic 1		Occupational Health and Safety Management		
GRI 3: Material Topics 2021	3-3	Management of material topics	21	
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	55-56	
	403-2	Hazard identification, risk assessment, and incident investigation	57-58	
	403-3	Occupational health services	60	
	403-4	Worker participation, consultation, and communication on occupational health and safety	58	
	403-5	Worker training on occupational health and safety	59	
	403-6	Promotion of worker health	54, 60	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	57-60	
	403-8	Workers covered by an occupational health and safety management system	99	
	403-9	Work-related injuries	55, 99	
	403-10	Work-related ill health	99	
Material Topic 2		Product Responsibility and Quality Management		
GRI 3: Material Topics 2021	3-3	Management of material topics	21	
GRI 416: Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	61-62	
Material Topic 3		Strengthening the Risk Management System		
GRI 3: Material Topics 2021	3-3	Management of material topics	21, 26-30, 44-45, 66-67, 82-85	
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	87	

GRI

GRI		Disclosure	Page	Omission/Note
Material Topic & Topic standards				
Material Topic 4		Ethical and Compliance Management		
GRI 3: Material Topics 2021	3-3	Management of material topics	21	
GRI 205: Anti-Corruption	205-1	Operations assessed for risks related to corruption	82, 83, 84	
	205-2	Communication and training about anti-corruption policies and procedures	75-79, 97	
	205-3	Confirmed incidents of corruption and actions taken	101	
Material Topic 5		Supply Chain Management		
GRI 3: Material Topics 2021	3-3	Management of material topics	21	
GRI 204: Procurement Practices	204-1	Proportion of spending on local suppliers	100	
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	66, 100	
	308-2	Negative environmental impacts in the supply chain and actions taken	100	
GRI 408: Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	42, 64, 66	
GRI 409: Forced Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	42, 64, 66	
GRI 414: Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	66, 100	
	414-2	Negative social impacts in the supply chain and actions taken	63-68, 100	
Material Topic 6		Climate Change Response Risk Management		
GRI 3: Material Topics 2021	3-3	Management of material topics	21	
GRI 201: Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	27-30	
Material Topic 7		Fair Trade Compliance and Promotion		
GRI 3: Material Topics 2021	3-3	Management of material topics	21	
GRI 206: Anti-Competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	101	
Material Topic 8		Eco-Friendly Product and Technology Development		
GRI 3: Material Topics 2021	3-3	Management of material topics	21	
GRI 302: Energy	302-5	Reductions in energy requirements of products and services	31, 93	

GRI		Disclosure	Page	Omission/Note
Topic standards				
GRI 101: Biodiversity	101-4	Identification of biodiversity impacts	40	
	101-5	Locations with biodiversity impacts	39	
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported	71	
	203-2	Significant indirect economic impacts	71	
GRI 301: Materials	301-1	Materials used by weight or volume	92	
	301-2	Recycled input materials used	92	
	301-3	Reclaimed products and their packaging materials	36	
GRI 302: Energy	302-1	Energy consumption within the organization	88-89	
	302-2	Energy consumption outside of the organization	32, 88	
	302-3	Energy intensity	32, 89	
	302-4	Reduction of energy consumption	32, 89	
GRI 303: Water	303-1	Interactions with water as a shared resource	37	
	303-3	Water withdrawal	90	
	303-4	Water discharge	90	
	303-5	Water consumption	37, 90	
GRI 305: Emissions	305-1	Direct greenhouse gas emissions (Scope 1)	32, 88	
	305-2	Indirect greenhouse gas emissions (Scope 2)	32, 88	
	305-3	Other indirect greenhouse gas emissions (Scope 3)	32, 88	
	305-4	Greenhouse gas emissions intensity	32, 88	
	305-5	Reduction of greenhouse gas emissions	32, 88	
	305-7	Nitrogen oxides, sulfur oxides, and other significant air emissions	38, 92	
GRI 306: Waste	306-1	Waste generation and significant waste-related impacts	37	
	306-2	Management of significant waste-related impacts	37	
	306-3	Waste Generation	37, 91	
	306-4	Waste Recycling	37, 91	
	306-5	Waste Landfill	37, 91	

GRI

GRI		Disclosure	Page	Omission/Note
Topic standards				
GRI 401: Employment	401-1	New employee hires and employee turnover	95-96	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	54	
	401-3	Parental leave	98	
GRI 402: Labor/ Management Relations	402-1	Minimum notice periods regarding operational changes	46	
GRI 404: Training and Education	404-1	Average hours of training per year per employee	96-97	
	404-2	Programs for upgrading employee skills and transition assistance programs	49, 52	
	404-3	Percentage of employees receiving regular performance and career development reviews	97	
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	95	
	405-2	Ratio of basic salary and remuneration of women to men	98	
GRI 406: Non-Discrimination	406-1	Incidents of discrimination and corrective actions taken	99	
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	71	
GRI 418: Customer Personal Information Protection	418-1	Substantiated complaints concerning breaches of customer personal information protection and losses of customer data	100	

SASB

The SASB (Sustainability Accounting Standards Board) Standards are industry-specific sustainability accounting standards published by the U.S.-based Sustainability Accounting Standards Board, which was established in 2011. The SASB Standards were the first to systematically organize sustainability information of high importance by considering the specific characteristics of each industry, covering 77 industries across 11 sectors. ILJIN Electric has reported based on the “Electrical & Electronic Equipment” industry standard.

Topic	Code	Accounting Metric	Unit of Measure	Page
Energy Management	RT-EE-130a.1	Total energy consumed	Gigajoules (GJ), percentage (%)	89
		Percentage grid electricity		Not applicable
		Percentage renewable		89
Hazardous Waste Management	RT-EE-150a.1	Amount of hazardous waste generated, recycling rate	Metric tons (t), percentage (%)	91
	RT-EE-150a.2	Number and aggregate quantity of reportable spills and quantity recovered	Number, kilograms (kg)	Not applicable
Product Safety	RT-EE-250a.1	Number of recalls issued, total units recalled	Number	Not applicable
	RT-EE-250a.2	Total amount of monetary losses as a result of legal proceedings associated with product safety	Reporting currency	Not applicable
Product Lifecycle Management	RT-EE-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Percentage by revenue (%)	Not applicable
	RT-EE-410a.2	Percentage of eligible products by revenue that meet ENERGY STAR criteria	Percentage by revenue (%)	Not applicable
	RT-EE-410a.3	Revenue from renewable energy-related and energy efficiency-related products	Reporting currency	93
Materials Sourcing	RT-EE-440a.1	Description of the management of risks associated with the use of critical materials	Not applicable	63-65
Business Ethics	RT-EE-510a.1	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	Not applicable	75, 79
	RT-EE-510a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	101
	RT-EE-510a.3	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Reporting currency	101

Environmental Data

Code	Accounting Metric	Unit of Measure	Page
RT-EE-000.A	Number of units produced by product category	Number	Not applicable
RT-EE-000.B	Number of employees	Number	94

UN SDGs

The UN Sustainable Development Goals (SDGs) are a shared agenda for humanity that present 17 goals and 169 targets as the direction humanity should take across five areas: people, planet, prosperity, peace, and partnership. ILJIN Electric is committed to securing sustainability and continuing development throughout all business processes to help achieve these goals.

Goal	Key Activities	Page	Goal	Key Activities	Page
1 NO POVERTY	**End poverty in all its forms everywhere** Support for education and welfare, donations for wildfire damage recovery	71	10 REDUCED INEQUALITIES	**Reduce inequality within and among countries** Advancement of human rights management system, human rights grievance handling	42-43
2 ZERO HUNGER	**End hunger, achieve food security and improved nutrition, and promote sustainable agriculture** Increase income for local farms in Hongseong-gun and revitalize the local economy	71	11 SUSTAINABLE CITIES AND COMMUNITIES	**Make cities and human settlements inclusive, safe, resilient, and sustainable** Revitalization of local culture through sponsorship of the Hyo Culture Festival	71
3 GOOD HEALTH AND WELL-BEING	**Ensure healthy lives and promote well-being for all** Employee blood donation, employee health checkups, operation of employee sports facilities	54, 60, 71	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**Ensure sustainable consumption and production patterns** Greenhouse gas, energy, and resource management; green technology certification; product Life Cycle Assessment (LCA); eco-friendly purchasing; use of recycled materials	30-32, 36-38, 93
4 QUALITY EDUCATION	**Ensure inclusive and equitable quality education for all** Support for capability enhancement lectures, support for self-development training, safety training	52, 54, 59	13 CLIMATE ACTION	**Take action on climate change** Climate risk and opportunity analysis and response, power demand management, improvement of energy efficiency at business sites	31-32, 36
5 GENDER EQUALITY	**Achieve gender equality** Operation of nursing rooms and women's lounges, operation of parental leave system	54	14 LIFE BELOW WATER	**Conserve and sustainably use the oceans, seas, and marine resources for sustainable development** Minimize external discharge of water pollutants	37
6 CLEAN WATER AND SANITATION	**Ensure availability and sustainable management of water and sanitation for all** Review of water resource use status, monitoring to prevent water pollution	37	15 LIFE ON LAND	**Protect biodiversity and promote sustainable use of terrestrial ecosystems** Activities to create forests with provincial residents' participation	40
7 AFFORDABLE AND CLEAN ENERGY	**Ensure access to sustainable and modern energy for all** Development of eco-friendly power equipment and materials, development of power grid technologies to improve energy efficiency	31	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**Promote peaceful and inclusive societies** Ethical management and compliance management	75-81
8 DECENT WORK AND ECONOMIC GROWTH	**Promote decent work for all and full employment** Prohibition of forced labor and child labor, non-discrimination, talent development	42, 51	17 PARTNERSHIPS FOR THE GOALS	**Strengthen the means of implementation and revitalize the global partnership for sustainable development** Development of equipment and materials for overseas eco-friendly demand, expansion of global power business based on overseas branches	9, 31
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation** Development of technologies for the low-carbon transition of power infrastructure	31		SUSTAINABLE DEVELOPMENT GOALS	

Membership and Awards

Memberships

Name of Association		
Korea Electric Wire Industry Cooperative	Korea Electrical Contractors Association	Korea Institute of Energy Technology Evaluation and Planning
Korea Electrical Manufacturers Association	Korea Battery Industry Association (Korea Battery Research Association)	Power Transformer Research Group
Green Energy Institute	Korea Institute of Industrial Technology	Korea M&A Exchange
The Korean Institute of Electrical Engineers	The Korean Battery Society	New Energy Business Department, Korea Electric Power Corporation
CIGRE	Korean Electrochemical Society	Jeonbuk Technopark
Korea Institute of Science and Technology (KIST)	Korean Powder Metallurgy Institute	Korean Register
KEPCO Research Institute	Korea Electronics Technology Institute	Korea Chamber of Commerce and Industry
Korea Electrotechnology Research Institute	Korea Electrical Industry Technology Research Association	Fire Safety Management Center
CESI(KEMA)	Korea Wind Energy Industry Association	CIRED Korea National Committee

Awards

Date	Award	Host
2023. 11	Commendation	Ministry of SMEs and Startups
2023. 06	Ministerial Commendation (Contribution to Electrical Equipment Technical Standards)	Ministry of Trade, Industry and Energy
2021. 12	Commendation	Ministry of Trade, Industry and Energy
2021. 11	Letter of Appreciation for Power Transformers of 154kV or Higher	Korea Electric Power Corporation

Greenhouse Gas Emissions Verification Statement

ILJIN Electric Scope 1&2 Greenhouse Gas Emissions

PURPOSE & SCOPE

The purpose of this verification is to present an independent verification opinion on the greenhouse gas emissions inventory and the scope of the verification is as follows.
– Verification of places of business and emissions facilities under the control of ILJIN Electric

STANDARDS

- ISO 14064-1:2018, ISO 14064-3:2019
- IPCC Guidelines for National Greenhouse Gas Inventories (2006)
- Guidelines on Emission Reporting and Certification under the Greenhouse Gas Emissions Trading Scheme (Ministry of Environment, 2025-64)
- Verification Guidelines for the Operation of the Greenhouse Gas Emissions Trading Scheme (Ministry of Environment, 2025-165)

PROCEDURE

The assurance was conducted by the KMR based on a risk analysis approach and data evaluation.The data and factors applied to the calculation of GHG emissions were determined to be appropriate based on objective evidence.

INDEPENDENT

KMR does not have any stake in the verified entity and does not conduct verification with biased opinions/views. We have drawn an independent and objective verification conclusion based on the verification standards, and reviewed the every aspect of the verification we performed throughout the entire verification process through internal review.

LIMITATION

The verification team verified the related reports, information and data presented by the audited institution by sampling or enumeration methods. As a result, there are many inherent limitations, and there may be disagreements in the interpretation of appropriateness. Although we have tried to faithfully perform verification that meets the verification standards, we suggest that errors, omissions, and false statements that could not be found may be latent as the limitations to the verification.

OPINION

- The assurance engagement was performed to satisfy a limited assurance level, and no significant distortions were found in the verification results.
- According to KMR's approach, nothing was found that would lead to a finding that ILJIN Electric failed to disclose data and information that was accurate and reliable in all material respects.

GHG Emissions & Energy Consumption

Category	Greenhouse Gas Emissions (tCO_2eq)			Energy Consumption(TJ)			
	Direct emissions (Scope 1)	Indirect emissions (Scope 2)	Total (tCO_2 eq)	Fuel (TJ)	Electricity (TJ)	Steam (TJ)	Total (TJ)
Scope 1&2 Emissions and Energy Consumption	11,455.128	30,549.920	42,005	222.737	636.422	2.202	861

※ Note: The total amount and the sum of emissions by item may differ due to disposal by business site.
Other greenhouse gas emissions are included in direct emissions.

RESULTS

Based on the above assurance criteria, we did not identify any inappropriate calculations or errors for the emissions of major emitting facilities. As a result, we express “unmodified” opinion.

KMR
Feb, 12, 2026
CEO
E J Hwang

Greenhouse Gas Emissions Verification Statement

ILJIN Electric Scope 3 Greenhouse Gas Emissions

PURPOSE & SCOPE

The purpose of this verification is to present an independent verification opinion on the greenhouse gas emissions inventory and the scope of the verification is as follows.

- Verification of places of business and emissions facilities under the control of ILJIN Electric

STANDARDS

- ISO 14064-3:2019, ISO 14064-1:2018
- WRI/WBCSD GHG Protocol(2013)
- IPCC Guidelines for National Greenhouse Gas Inventories (2006)
- Guidelines on Emission Reporting and Certification under the Greenhouse Gas Emissions Trading Scheme (Ministry of Environment, 2025-64)

PROCEDURE

The assurance was conducted by the KMR based on a risk analysis approach and data evaluation.The data and factors applied to the calculation of GHG emissions were determined to be appropriate based on objective evidence.

INDEPENDENT

KMR does not have any stake in the verified entity and does not conduct verification with biased opinions/views. We have drawn an independent and objective verification conclusion based on the verification standards, and reviewed the every aspect of the verification we performed throughout the entire verification process through internal review.

LIMITATION

The verification team verified the related reports, information and data presented by the audited institution by sampling or enumeration methods. As a result, there are many inherent limitations, and there may be disagreements in the interpretation of appropriateness. Although we have tried to faithfully perform verification that meets the verification standards, we suggest that errors, omissions, and false statements that could not be found may be latent as the limitations to the verification.

OPINION

- The assurance engagement was performed to satisfy a limited assurance level, and no significant distortions were found in the verification results.
- According to KMR's approach, nothing was found that would lead to a finding that ILJIN Electric failed to disclose data and information that was accurate and reliable in all material respects.
- Criticality: meets the criterion, which is less than 5%

Scope 3 GHG Emissions

Category	Greenhouse Gas Emissions(tCO_2eq)
Other Indirect Emissions(Scope 3)	4,167,497

※ Note : Emissions by category are rounded to three decimal places, while total emissions are rounded and presented as whole numbers

RESULTS

Based on the above assurance criteria, we did not identify any inappropriate calculations or errors for the emissions of major emitting facilities. As a result, we express “unmodified” opinion.

KMR

Apr, 28, 2026

CEO

E J Hwang

Independent Assurance Statement

To readers of ILJIN Electric Sustainability Report

Introduction

NICE D&B Co., Ltd. (hereinafter referred to as the "Assurer") was commissioned by ILJIN Electric to conduct an independent assurance of its Sustainability Report 2025 (hereinafter referred to as the “Report”). The responsibility for all information and statements included in the report lies with the management of ILJIN Electric. The assurer’s responsibility is to perform an assurance engagement as agreed upon in our agreement with ILJIN Electric and issue an assurance statement.

Competence and Independence

The assurer is composed of members who have accumulated long-term experience in sustainability, with deep understanding of the assurance standard methodology. The assurer has no other contract with ILJIN Electric and did not provide any services to ILJIN Electric that could compromise the independence of our work.

Scope and Standards

The assurer applied the international verification standard AA1000AS v3 and conducted the verification using the Type 1 method with a Moderate level of assurance. In other words, the verification was conducted as a Type 1 verification to assess compliance with the principles of inclusivity, materiality, responsiveness, and impact as outlined in AA1000AP (2018). Accordingly, the scope of this assurance engagement does not include providing separate assurance on the reliability of specific performance information and quantitative data.

The scope of the verification applied to the report is as follows:

- Report contents for the period from January 1 to December 31, 2025, with certain data extending through the first half of 2026
- Appropriateness of the selection of key issues based on materiality assessments
- Review of the key activities and related processes included in the Report to the extent necessary to assess compliance with the AA1000 AccountAbility Principles (AA1000AP).
- Validity of the processes for measuring and collecting selected information based on sampling

Assessment on the Application Level of GRI Standards

The assurer confirmed that the report by ILJIN Electric was prepared in accordance with the GRI Standards and that there were no inappropriate elements based on the materials presented by ILJIN Electric in relation to the Universal Standards and Topic Specific Standards.

Universal Standards

Topic Specific Standards

- Economic : 201-1~2(Economic Performance), 203-1~2(Indirect Economic Impacts), 204-1(Procurement Practices), 205-1~3(Anti-corruption), 206-1(Anti-competitive Behavior)
- Environmental : 101-4~5(Biodiversity), 301-1~3(Materials), 302-1~5(Energy), 303-1, 3~5(Water and Effluents), 305-1~5, 7(Emissions), 306-1~5(Effluents and Waste), 308-1~2(Supplier Environmental Assessment)
- Social: 401-1~3(Employment), 402-1(Labor/Management Relations), 403-1~10(Occupational Health and Safety), 404-1~3(Training and Education), 405-1~2(Diversity and Equal Opportunity), 406-1(Non-discrimination), 408-1(Child Labor), 409-1(Forced or Compulsory Labor), 413-1(Local Communities), 414-1~2(Supplier Social Assessment), 416-1(Customer Health and Safety), 418-1(Customer Privacy)

Independent Assurance Statement

Conclusion and Opinion

Based on the document reviews and on-site inspections, the assurer had several discussions with ILJIN Electric on the revision of the Report regarding the reporting principles, and reviewed the final report after incorporating recommendations for revisions and improvements. The verification results confirm that the report has been prepared in accordance with the GRI Standards, and no inappropriate aspects were found in relation to the compliance with the principles outlined in AA1000AP (2018). The assurer's opinions on the principles are as follows:

[Inclusivity]

ILJIN Electric has stakeholder engagement processes in place that involve key stakeholders such as customers, shareholders and investors, partners in the supply chain, affiliated companies, government agencies, local communities, employees who are directly or indirectly affected by its operations. It has established channels to identify and communicate with these stakeholders to reflect their core needs in decision-making.

[Materiality]

ILJIN Electric conducted a double materiality assessment in accordance with the implementation guidance of the European Sustainability Reporting Standards (ESRS) to identify key important reporting issues that need to be managed in relation to sustainable management. The assessment included value chain mapping, analysis of global ESG standards based on business characteristics, and surveys conducted with internal stakeholders and external ESG experts. Based on an evaluation of the potential impacts, risks, and opportunities to ILJIN Electric, 8 key issues were identified and appropriately disclosed in the report.

[Responsiveness]

ILJIN Electric has established management directions and ESG strategic tasks for each of the 8 key issues identified, and reported on the detailed actions and performance related to these tasks.

[Impact]

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

Jun. 2026 Seoul, Korea

CEO

Oh, Gyu Geun

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