

2024 Human Rights Report



About this Report

Report Overview

HD Hyundai Marine Solution has published the first Human Rights Report in 2024 to disclose the company's commitment to human rights and performances, thereby transparently communicating with stakeholders. This Report contains the results of human rights due diligence conducted mainly at HD Hyundai Marine Solution's main headquarters (Global Research and development Center, GRC) and HD Hyundai Marine Solution Europe B.V.

Report Guideline

This Report has been prepared in accordance with international initiatives and standards related to human rights, such as the UN Guiding Principles Reporting Framework (UNGPs RF), UN Global Compact (UNGCC), Korea's National Human Rights Commission Human Rights Report and Evaluation Guidelines, and WBA Corporate Human Rights Benchmark (CHRB).

Reporting Period and Scope

The reporting period for this Report is from January to December 2024 while there are also contents and activities from 2025. The scope of the Report covers the activities of HD Hyundai Marine Solution's headquarters and HD Hyundai Marine Solution Europe B.V.

Report Verification

To enhance the credibility of the contents included in this Report and to support the convenience of the users, we conducted an independent assurance through the professional verification institution, British Standards Institution (BSI) Group Korea, thereby ensuring the reliability and fairness of the process, disclosed data, and reported information in this Report.

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CONTENTS

CEO Message	3
Our Commitment to Human Rights	4
Company Profile	5
1. Policy and Governance	7
Human Rights Policy	8
Governance	9
Stakeholder Engagement	10
2. Strategy	11
Human Rights Principles	12
Roadmap	13
Action Plan	14
3. Risk Management	15
Due Diligence System	16
Human Rights Impact Assessment	17
Supply Chain Risk Management	21
4. Metrics and Targets	24
Prioritization	25
Making Improvements	26
Actions and Achievements	27
5. Appendix	31
Human Rights and Due Diligence Policy	32
Indices	37
Independent Assurance Opinion Statement	42

CEO Message

At the heart of HD Hyundai Marine Solution lie People and Technology.
By combining innovation with respect for human dignity, we aim to create lasting value for society.

HD Hyundai Marine Solution has pursued steady, sustainable growth since our inception.

HD Hyundai Marine Solution has continued to move forward with confidence—even amid rapidly changing market conditions—by placing both technology and people at the heart of our management philosophy. We were among the first in our industry to recognize and proactively respond to the global shift toward sustainable practices in ship conversion and MRO. By accurately identifying market needs—such as dual-fuel engine conversions, aftermarket (AM) services, and eco-friendly retrofitting—and providing advanced technical solutions, we have established ourselves as a global leader in sustainable marine solutions.

We understand that technology alone cannot ensure lasting progress—it is people and their dignity that give it meaning. To ensure a resilient and responsible future, we prioritize human dignity, foster an inclusive culture that respects every individual, and build a foundation for responsible leadership over the decades ahead.

Reflecting this commitment, in 2024 we revised our Human Rights Policy in line with the UN Guiding Principles on Business and Human Rights and the EU Corporate Sustainability Due Diligence Directive (CSDDD). We also introduced a comprehensive human rights due diligence and disclosure framework, strengthened our risk management strategies in accordance with international standards, and enhanced stakeholder engagement across the entire value chain of HD Hyundai Group. This Human Rights Report demonstrates our dedication to upholding human rights principles and has been independently verified by the British Standards Institution (BSI) to ensure credibility and transparency.

HD Hyundai Marine Solution is embarking on the next chapter of our journey in human rights management.

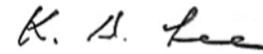
Looking ahead, HD Hyundai Marine Solution is committed to advancing human rights management with three strategic priorities: addressing risks across our global supply chain through technology, embedding a preventive and field-oriented safety culture, and fostering fair and sustainable relationships with customers and partners worldwide.

Guided by our commitment to continuous improvement, we will review and refine our policies and performance every two years, while ensuring open and transparent dialogue with all stakeholders.

As CEO, I take full responsibility for ensuring that human rights management goes beyond stated intentions and becomes an integral part of our operations, technology, customer relationships, and organizational culture. While technology may move the sea, it is people who ultimately give strength to the waves.

With this conviction, we remain committed to shaping a people-centered maritime future grounded in dignity and respect. Thank you for your continued support and engagement.

Ki-dong Lee,
President & C.E.O of
HD Hyundai Marine Solution



Our Commitment to Human Rights

HD Hyundai Marine Solution's Human Rights Commitment is grounded in globally recognized standards, including the United Nations Universal Declaration of Human Rights (UDHR), the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, the OECD Due Diligence Guidance for Responsible Business Conduct, the International Labour Organization (ILO) conventions, and the EU Corporate Sustainability Due Diligence Directive (CSDDD). We are dedicated to respecting and protecting the human rights of all employees and stakeholders across our global operations, and we are committed to making human rights management a core value in every aspect of our business.

HD Hyundai Marine Solution Human Rights Commitment

The HD Hyundai Marine Solution is committed to respecting and promoting human rights in accordance with the United Nations Universal Declaration of Human Rights (UDHR), the United Nations Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, the OECD Due Diligence Guidance for Responsible Business Conduct, the International Labour Organization (ILO)'s relevant human rights conventions/agreements, including the Declaration on Fundamental Principles and Rights at Work, and the EU Corporate Sustainability Due Diligence Directive (CSDDD).

HD Hyundai Marine Solution endeavors to uphold the values of human rights, labour, environment, and ethics across all regions and countries in which we operate, in full compliance with applicable laws. The Group conducts our business in line with internationally recognized human rights standards and is committed to implementing concrete actions in line with these principles. We carry out periodic human rights due diligence to identify and prevent adverse potential and actual human rights impacts. Where such risks are identified, we implement corrective action plans and monitor the progress to mitigate and minimize potential and actual human rights risks. The outcomes are disclosed in a transparent manner.



HD Hyundai Marine Solution has established a human rights management governance system composed of the Board of Directors, a dedicated Human Rights Committee, related departments, and a dedicated team. This structure is responsible for ensuring that human rights are respected throughout the organization and across our operations. Through this governance, we set and advance our human rights policies, report and oversee major issues through the Committee, conduct human rights impact assessments, implement necessary improvements, and provide remediation for human rights grievances.

Recognizing the nature of our industry, HD Hyundai Marine Solution places particular emphasis on managing and monitoring human rights issues in key areas, including working conditions, occupational health and safety, mutual prosperity with our business partners, and our environmental and community responsibilities.

HD Hyundai Marine Solution is committed to strengthening our human rights management to ensure this Declaration is applied to and upheld by all stakeholders, including our employees, customers, shareholders, business partners, local communities, and governments. To this end, the Group will foster continuous dialogue and cooperation with these stakeholders. In cases where there is a conflict between company policies and applicable laws, we will seek to comply with legal requirements while upholding our commitment to internationally recognized human rights standards, such as those articulated in the UNGPs.

Ki-dong Lee,
President & C.E.O of HD Hyundai Marine Solution

A handwritten signature in black ink, appearing to read 'K. S. Lee', positioned to the right of the printed name and title.

Company Profile

Business Overview

Total Marine Solution Provider supporting vessels throughout their entire life cycle after delivery



AM Solutions – Parts and Technical Services

Aftermarket Business

Provide parts and technical services for vessel operations

Offer O&M services for power plants

Act as a warranty for vessels built by the HD Hyundai Group

HD Hyundai Marine Solution provides parts and technical services worldwide for HD Hyundai-supplied vessels and equipment. We are the exclusive supplier of genuine HMMSEN engine parts and offer large engine parts at competitive prices and quality. We analyze vessel operation data to forecast demand and deliver more than 80,000 shipments per year through our global logistics hubs in Busan, Rotterdam, Houston, and Singapore. In 2022, we established HD Hyundai Marine Solution Tech, a technology subsidiary, to respond to digital demands such as smart vessels, and are increasing customer budget stability and operational efficiency through long-term service agreements (LTSA). In addition, we are expanding our retrofit business in line with the growing demand for eco-friendly engines.



Green Vessel Retrofit

Retrofit Business

Transition to eco-friendly ships

Turnkey-based vessel retrofit projects

We provide maintenance, repair, and conversion services covering the entire life cycle of vessels, from delivery to scrapping, and are building integrated solutions that respond to the diverse needs of customers. In particular, we specialize in retrofitting eco-friendly equipment such as scrubbers, ballast water treatment systems (BWTS), and alternative maritime Power (AMP) in accordance with IMO environmental regulations. We achieve this through precise analysis, consulting, and on-site supervision by professional engineers, ensuring swift and accurate execution. Additionally, we offer various GHG solutions to reduce GHGs, including the adoption of eco-friendly fuels and improving the energy efficiency of equipment, while providing customized optimal solutions tailored to customer needs. Furthermore, we execute LNG-related retrofitting projects, including LNG dual-fuel engine retrofits and FSRU conversions, leveraging our technical expertise and accumulated experience.



Vessel Digital Control and Platform

Software Defined Vessel Technology

Next-generation vessel navigation technologies

Big data-driven marine platform

HD Hyundai Marine Solution is improving vessel safety and operational efficiency based on smart vessel solutions and integrated control technology. The integrated control system HiCONIS can monitor and control various vessel devices on a single platform, and the integrated smartship solution (ISS) supports operational cost reduction through optimal route prediction and energy flow monitoring. The Digital Control Center monitors approximately 350 vessels in real time and provides reports to customers by analyzing the collected data. Hi-4S offers 24/7 real-time care services to continuously diagnose vessel conditions, while Hi-GSP manages greenhouse gas emissions to comply with GHG regulations. ACONIS-DS is a monitoring and control system tailored for general merchant vessels, offering superior stability and user convenience, and Shaft Generator provides both environmental compliance and operational cost savings.



Bunkering

Bunkering

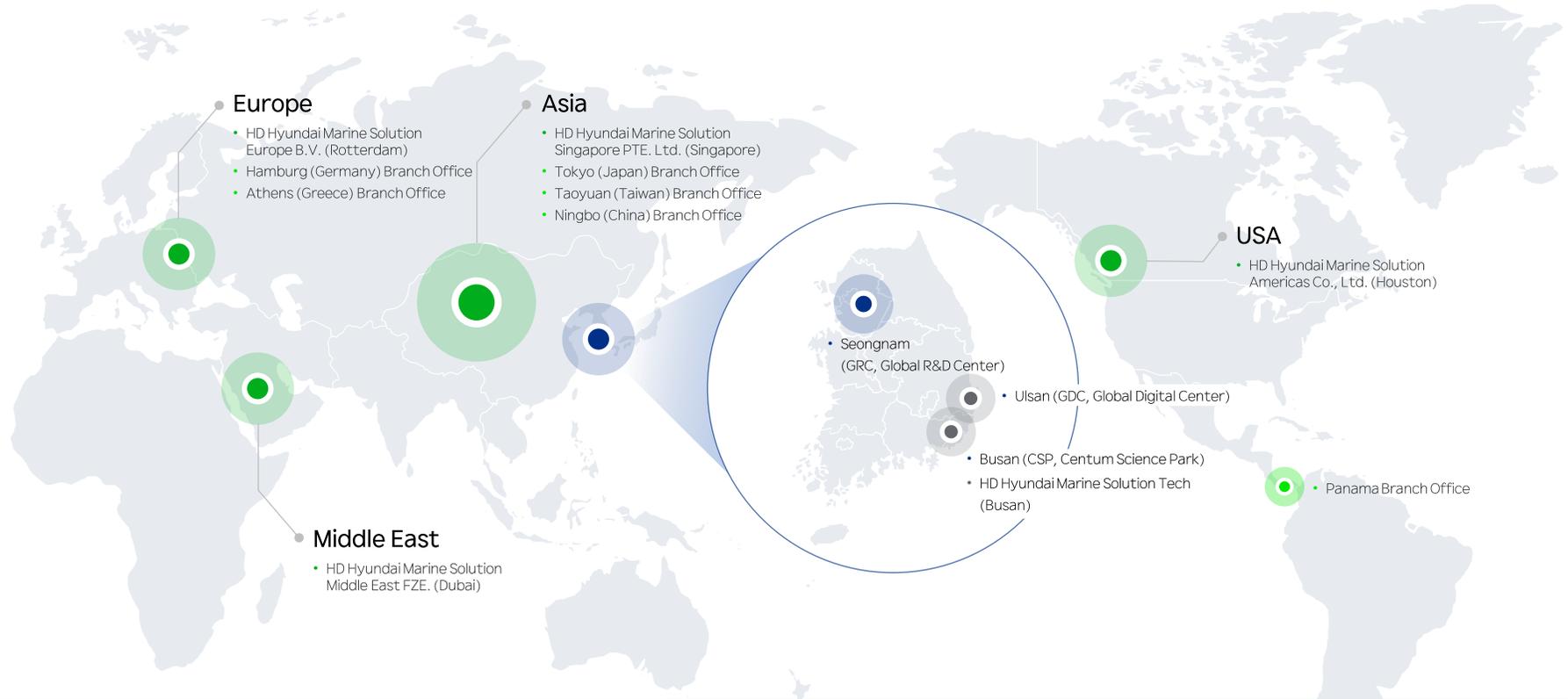
Initial bunkering for vessels built by the HD Hyundai Group

Bunkering services for domestic and international ports

HD Hyundai Marine Solution, in cooperation with HD Hyundai Oilbank, is a stable supplier of high-quality marine fuel that meets international standards, with bases in major Korean ports and Singapore. We provide highly reliable bunkering services through safe barge operations and extensive field experience. Building on our strong position in the domestic bunkering market, we are growing into a global bunkering trading firm and expanding our service scope to include operational vessels based on HD Hyundai's new shipbuilding experience. Additionally, we continue to expand our portfolio into alternative marine energy sectors such as biofuels, methanol, ammonia, and hydrogen, and supplies ISCC-EU certified fuels. HD Hyundai Marine Solution is responding in agility to international environmental regulations and eco-friendly trends, where we provide optimal solutions for realizing net zero sailing together with our customers.

Company Profile

Global Network



Headquarters

- Seongnam (GRC, Global R&D Center)

Main Offices

- Ulsan (GDC, Global Digital Center)
- Busan (CSP, Centum Science Park)

Subsidiary

- HD Hyundai Marine Solution Tech (Busan)

Overseas Subsidiaries

- HD Hyundai Marine Solution Europe B.V. (Rotterdam)
- HD Hyundai Marine Solution Americas Co., Ltd. (Houston)
- HD Hyundai Marine Solution Singapore PTE. Ltd. (Singapore)
- HD Hyundai Marine Solution Middle East FZE. (Dubai)

Overseas Branch Offices

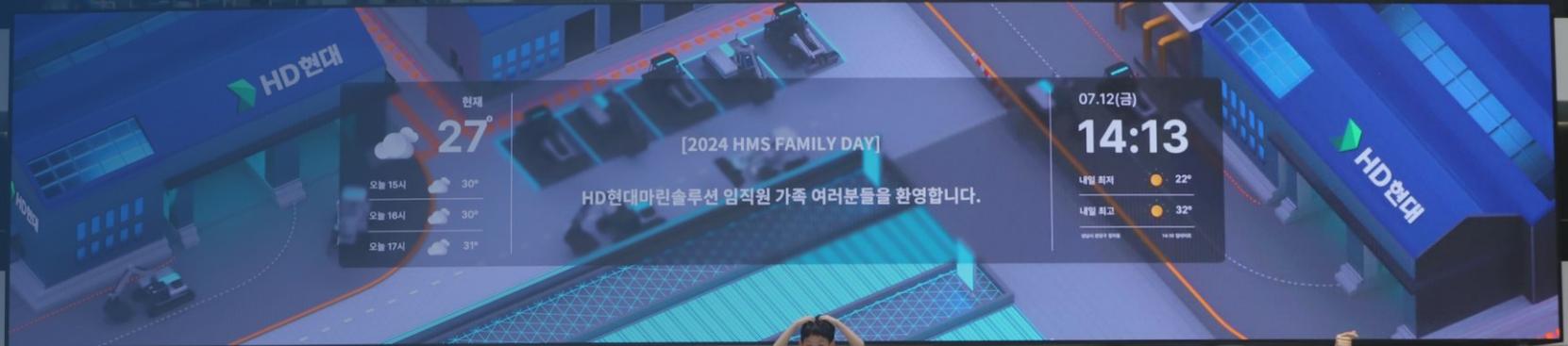
- Hamburg (Germany) Branch Office
- Athens (Greece) Branch Office
- Tokyo (Japan) Branch Office
- Taoyuan (Taiwan) Branch Office
- Ningbo (China) Branch Office
- Panama Branch Office

1. Policy and Governance

Human Rights Policy

Governance

Stakeholder Engagement

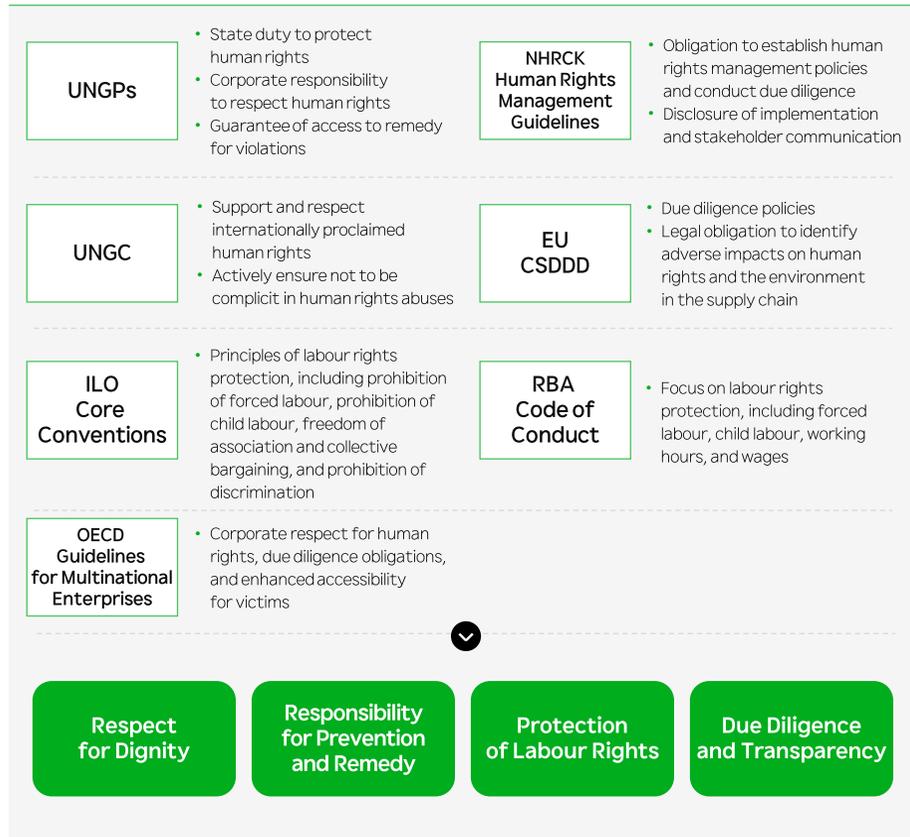


Policy and Governance

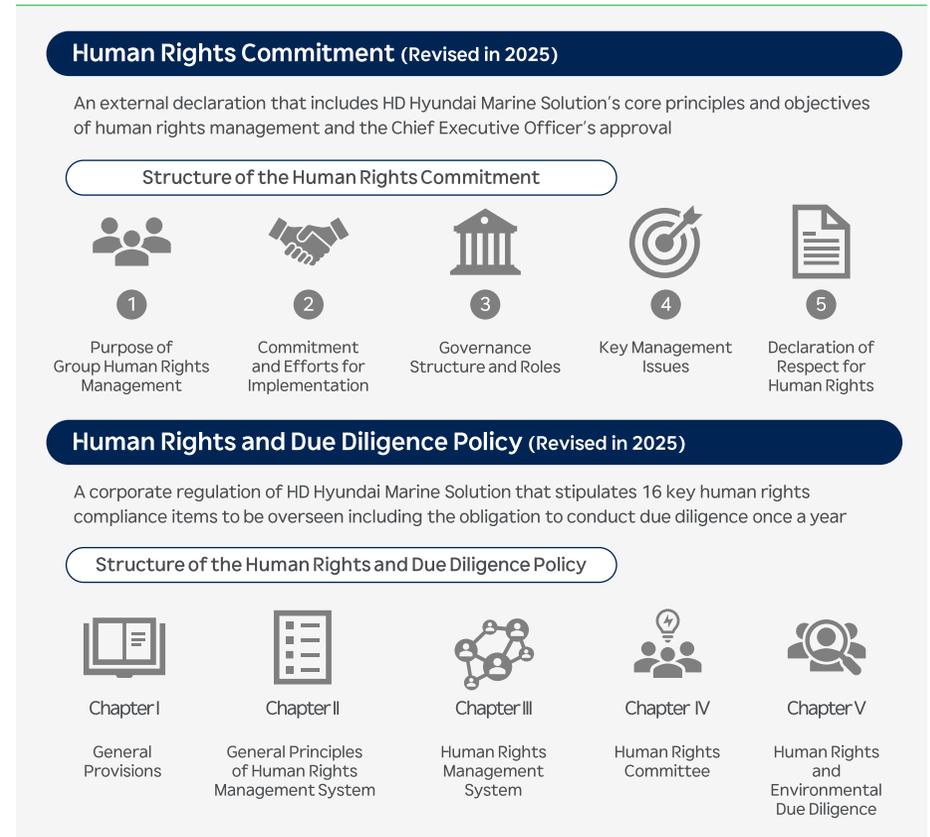
Human Rights Policy

As a leader in marine and shipbuilding engineering services, HD Hyundai Marine Solution has revised our Human Rights Commitment and Human Rights Due Diligence Policy to align with global standards set by the UN Guiding Principles on Business and Human Rights (UNGPs), the UN Global Compact (UNGC), the International Labour Organization (ILO), the Organization for Economic Co-operation and Development (OECD), the European Union (EU), the National Human Rights Commission of Korea (NHRCK), and the Responsible Business Alliance (RBA). These serve as our core principles and objectives for human rights management. With the approval of the Chief Executive Officer, who also chairs the Human Rights Committee, we formally announced the revised policies and regulations—both internally and externally—in 2025. Going forward, we remain steadfast in our efforts to respect and protect the human rights of all stakeholders in line with key domestic and international human rights standards.

Global Standards for Human Rights Management System



HD Hyundai Marine Solution Human Rights Policies



Policy and Governance

Governance

HD Hyundai Marine Solution has established a Human Rights Management System to protect the rights of all stakeholders connected to our core business activities. Since 2022, we have operated a dedicated Human Rights Committee to further institutionalize and strengthen our approach to human rights management. We ensure clear roles and responsibilities across each component of the system and convene the Committee twice a year on a regular basis. In cases involving significant human rights issues, matters are reported to and require approval from the ESG Committee under the Board of Directors, ensuring transparency and accountability in our human rights management practices.

Governance and Structure



Key Agenda of Human Rights Committee in 2024

- Training on EU CSDDD concepts and guidance on group project direction
- Receiving reports on the status of HMS' Human Rights Management initiatives
 - 2023 human rights impact assessment results and response status
 - Future operation plan of the Human Rights Committee

Roles and Responsibilities

Organization	Roles and Responsibilities
Board of Directors	<ul style="list-style-type: none"> • HD Hyundai Marine Solution is the company's highest decision-making body • Supports decision-making on management strategies and provides oversight and checks • Functions as a key group for the company's sustainable growth and the protection of stakeholder rights • Oversees the declarations and actions of the CEO and the Chair of the Board, as well as the execution of duties by directors and executives
ESG Committee	<ul style="list-style-type: none"> • A subcommittee under the Board of Directors • The highest decision-making body for ESG-related matters
Human Rights Committee	<ul style="list-style-type: none"> • Established to protect and promote the human rights of employees and stakeholders • Reviews and decides on major human rights-related issues of the company • Regularly reviews and revises the Human Rights and Due Diligence Policy • Reviews human rights-related performance, derives improvements, and continuously strengthens a culture of respect for human rights
ESG Team	<ul style="list-style-type: none"> • Executes Human Rights Management implementation (training, due diligence, management, and other practical tasks)
Related Departments	<ul style="list-style-type: none"> • Support ESG implementation and decision-making • Publish the Human Rights Report and respond to related ESG evaluations

Policy and Governance

Stakeholder Engagement

HD Hyundai Marine Solution is committed to respecting and promoting universal values—covering human rights, labour rights, environmental protection, and business ethics—in line with global standards. We ensure compliance with all relevant laws and regulations and promote human rights management in line with international standards. Our commitment to respecting human rights applies to all stakeholders—including employees, customers, shareholders, business partners, and local communities—and we operate a variety of communication channels to integrate these values into every aspect of our business. We will continue to enhance our human rights management practices by building trust through continuous engagement with our stakeholders.



Stakeholder	Definition	Communication Channels	Key Issues of Interest	Linked Issues
Customers	Stakeholders who receive products and services from HD Hyundai Marine Solution	<ul style="list-style-type: none"> Customer satisfaction surveys Customer visits Overseas branch operations Exhibitions, trade shows, and forums 	<ul style="list-style-type: none"> Accessibility and safety of products and services Response to customer inquiries and suggestions Provision of responsible product information Securing sustainable new technologies and expanding new businesses 	<ul style="list-style-type: none"> Protection of consumer rights Quality and customer satisfaction
Employees	Internal stakeholders who performs company's management and sustainability activities, and who expect fair working conditions and respect for human rights	<ul style="list-style-type: none"> Intranet/ Internal newsletters Internal communication messenger and bulletin boards Executive town halls Labour-management councils Grievance handling channels 	<ul style="list-style-type: none"> Communication between executives and employees Maintaining work-life balance Guaranteeing labour rights and prohibiting discrimination Performance-based compensation Talent development 	<ul style="list-style-type: none"> Human rights and talent management Healthy organizational culture Safety and health and safety culture Grievance handling mechanism
Shareholders and Investors	Stakeholders who are directly affected by HD Hyundai Marine Solution's financial and non-financial performance, and who consider responsible management, ethics, and transparency in disclosure as key investment conditions	<ul style="list-style-type: none"> (Regular) general shareholders' meetings Investor relations briefings Announcements on the official website Investor meetings and seminars 	<ul style="list-style-type: none"> Enhancing shareholder value Strengthening transparent management Responding to internal and external risk management Expanding communication with stakeholders Securing sustainable new technologies and expanding new businesses 	<ul style="list-style-type: none"> Corporate governance Corporate responsibility investment ESG risk and internal control
Business Partners	Stakeholders engaged in HD Hyundai Marine Solution's value chain by providing products, goods, and services, and who significantly influence the company's operations and performance through fair trade and mutual respect	<ul style="list-style-type: none"> Regular meetings with business partners Dedicated online platform for business partners On-site meetings with business partners 	<ul style="list-style-type: none"> Creating value through shared growth Strengthening communication with business partners and ESG capabilities Human rights due diligence and supply chain ethics / Fair trade Customer satisfaction and safety 	<ul style="list-style-type: none"> Human rights and environmental impact within the supply chain Safety and health and safety culture Grievance handling mechanism
Local Communities	Stakeholders such as local organizations, residents, and related institutions who are directly affected by HD Hyundai Marine Solution's business sites and activities	<ul style="list-style-type: none"> Local volunteer groups Local public institutions Civic groups 	<ul style="list-style-type: none"> Community communication and coexistence Social contribution activities Protection of residents' safety and health Protection of biodiversity/ecosystems Expansion of stakeholder communication 	<ul style="list-style-type: none"> Contribution to the community Human rights and environmental impact
Government and Related Institutions	Stakeholders who regulate or support the company's management activities through laws, policies, and regulations, and promote the realization of social value and sustainable development	<ul style="list-style-type: none"> Visits to the National Assembly and government ministries Participation in policy meetings Membership in associations 	<ul style="list-style-type: none"> Participation in government policies related to human rights Participation in and support for government events Mandatory supply chain due diligence Mandatory disclosure of ESG information Sharing of industry and company information Revitalization of the local economy / Safety and labour issues 	<ul style="list-style-type: none"> Ethical management and compliance management Risk management Domestic and international regulatory trends

2. Strategy

Human Rights Principles

Roadmap

Action Plan



Strategy

Human Rights Principles

In our revised Human Rights Policy for 2025, HD Hyundai Marine Solution has aligned with a comprehensive set of international standards, including several ILO Core Conventions recently ratified by the Republic of Korea. In line with government guidance, we have defined 6 key areas of human rights principles to be upheld by all employees, business partners, and local communities. To support this commitment, we have developed a robust Human Rights Due Diligence System, integrating 16 internationally recognized assessment criteria. This framework enables us to systematically identify and address human rights risks, prompting enhancements even in policy areas such as child labour and forced labour, which are traditionally considered low-risk in our domestic context. We are committed to ensuring that all employees fully understand the significance of these international standards through ongoing training and dedicated support programs. Looking ahead, we will continue embedding these strengthened human rights principles throughout every aspect of our business operations.



16 Human Rights Criteria According to Global Standard

- | | | | |
|---------------------------------|---|---|---|
| ① Respect for the Right to Life | ⑤ Freedom of Thought, Conscience, and Religion | ⑨ Prohibition of Employment of Child Labour below Minimum Age | ⑬ Freedom of Association and the Right to Collective Bargaining |
| ② Humanitarian Treatment | ⑥ Guarantee and Improvement of Working Conditions | ⑩ Prohibition of Worst Forms of Child Labour | ⑭ Prohibition of Unequal Treatment |
| ③ Physical Liberty and Security | ⑦ Rights Related to Provision of Housing | ⑪ Prohibition of Forced Labour | ⑮ Guarantee of Environmental Rights |
| ④ Right to Privacy | ⑧ Rights of Children | ⑫ Prohibition of Slavery and Slave Trade | ⑯ Rights of Indigenous Peoples |



HD Hyundai Marine Solution declares the above 16 human rights criteria and categorized the 6 areas of human rights areas (below) accordingly. As our core human rights principles, we identify and manage human rights risks by incorporating these global standards for human rights.



Six Areas of Human Rights

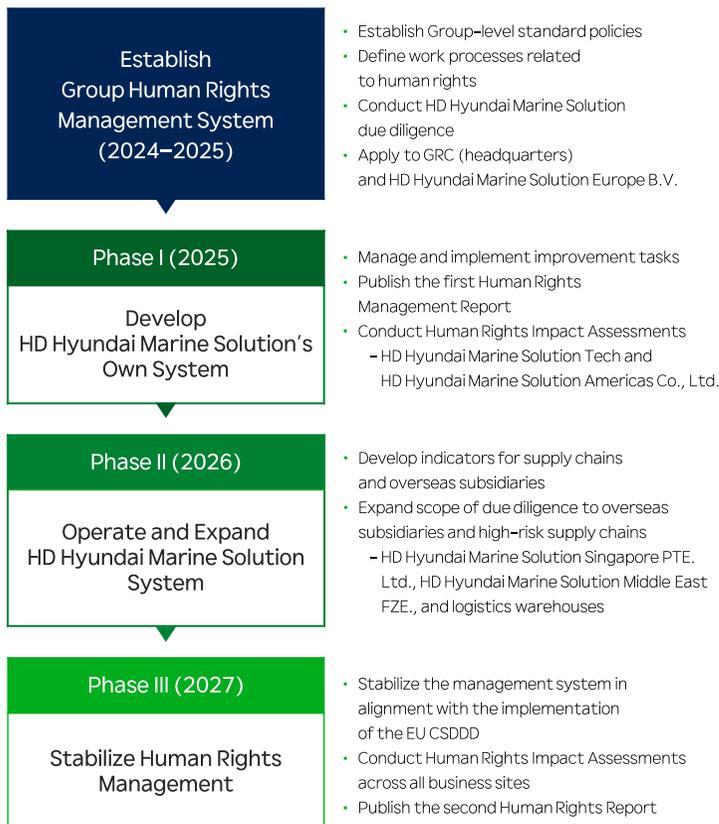


Strategy

Roadmap

To prepare for the anticipated implementation of the EU Corporate Sustainability Due Diligence Directive (CSDDD)—scheduled to apply from 2028—HD Hyundai Marine Solution is undertaking comprehensive Human Rights Impact Assessments across our entire domestic and global supply chain. To ensure the stable and effective execution of our human rights management, we have established a detailed, three-phase roadmap. This phased approach enables us to systematically identify and manage human rights risks throughout our supply chain and to implement responsible management practices aligned with global standards. Additionally, we have instituted a KPI and performance management framework for our human rights initiatives, further enhancing the effective and systematic governance of human rights management across the organization.

Roadmap for Human Rights Management



Mid- to Long-Term Goals for Human Rights Management

Goals	Details	Quantitative Targets
Embed Annual Improvement Tasks	<ul style="list-style-type: none"> Identify priorities among 55 improvement tasks and promote them in collaboration with related departments Conduct training/workshops with related departments to embed practices 	<ul style="list-style-type: none"> Conduct due diligence once a year Provide human rights training three times a year Achieve more than 80% of annual improvement tasks Achieve 100% due diligence coverage of major business partners by 2027 Strengthen communication with internal and external stakeholders (e.g., annual seminar)
Strengthen Supply Chain Due Diligence	<ul style="list-style-type: none"> Manage suppliers and identify risk levels in high-risk supply chains of HD Hyundai Marine Solution, including overseas subsidiaries <ul style="list-style-type: none"> • Conduct ESG evaluations of suppliers based on business characteristics and supply chain structure, and manage the supply chain list accordingly Develop indicators for supply chains and overseas subsidiaries Establish a roadmap for due diligence of partner companies, starting with high-risk groups 	
Expand Due Diligence Coverage	<ul style="list-style-type: none"> In the second half of 2025, inspect existing due diligence departments focusing on improvement tasks, and conduct human rights impact assessments at new sites (HD Hyundai Marine Solution Tech and HD Hyundai Marine Solution Americas Co., Ltd.) In the second half of 2026, conduct due diligence on HD Hyundai Marine Solution Singapore PTE. Ltd., HD Hyundai Marine Solution Middle East FZE., and logistics warehouses In the second half of 2027, conduct due diligence across all business sites and overseas subsidiaries 	
Enhance Grievance Mechanism	<ul style="list-style-type: none"> Enhance the grievance handling system of HD Hyundai Marine Solution—aligned with the HD Hyundai Group system—by providing training and activating initiatives for relevant targets 	

Strategy

Action Plan

HD Hyundai Marine Solution has established a preventive and corrective action system designed to proactively mitigate potential adverse impacts and address actual incidents, while ensuring that such issues do not recur. As part of this framework, we have developed a comprehensive risk management plan with clear timelines and quantitative targets to enable effective implementation. Beginning in 2026, we will gradually disclose the progress of both our Corrective Action Plan (CAP) and Preventive Action Plan (PAP) to further enhance transparency and accountability.

Risk Management Tool

Corrective Action Plan (CAP)

Corrective measures to diagnose and resolve actual violations

- If, during the due diligence process, the dedicated team distinguishes that a Corrective Action Plan (CAP) is required to address actual adverse impacts, the relevant department is promptly tasked with developing the CAP.
- Once the CAP has been prepared, the department will collaborate with the dedicated team to finalize its contents and will then proceed with implementation and ongoing management.

Management Items

- | | | |
|-----------------------------------|----------------------------------|--|
| 1. Date of Incident | 2. Human Rights Item | 3. Nonconformity Details |
| 4. Applicable Law and Regulations | 5. Risk Mapping | 6. Risk Level |
| 7. Root Cause | 8. Immediate Corrective Measures | 9. Recurrence Prevention Measures |
| 10. Stakeholder Consultation | 11. Target Date for Each Action | 12. Verification Indicators and Schedule |
| 13. Responsible Department | 14. Responsible Person | 15. Action Status |
| 16. Supporting Documents | | |

Prevention Action Plan (PAP)

Preventive measures to identify potential risks in advance and prevent them from occurring

- If, during the due diligence process, the dedicated team determines that measures are needed to prevent potential adverse impacts, it will work collaboratively with the relevant department to develop a Preventive Action Plan (PAP).

Management Items

- | | | |
|------------------------------------|--|--------------------------------|
| 1. Date of Risk Identification | 2. Human Rights Item | 3. Risk Identification Details |
| 4. Applicable Laws and Regulations | 5. Risk Mapping | 6. Risk Level |
| 7. Potential Adverse Impacts | 8. Preventive Measures | 9. Stakeholder Consultation |
| 10. Target Date for Each Action | 11. Verification Indicators and Schedule | 12. Responsible Department |
| 13. Responsible Person | 14. Action Status | 15. Supporting Documents |

3. Risk Management

Due Diligence System

Human Rights Impact Assessment

Supply Chain Risk Management

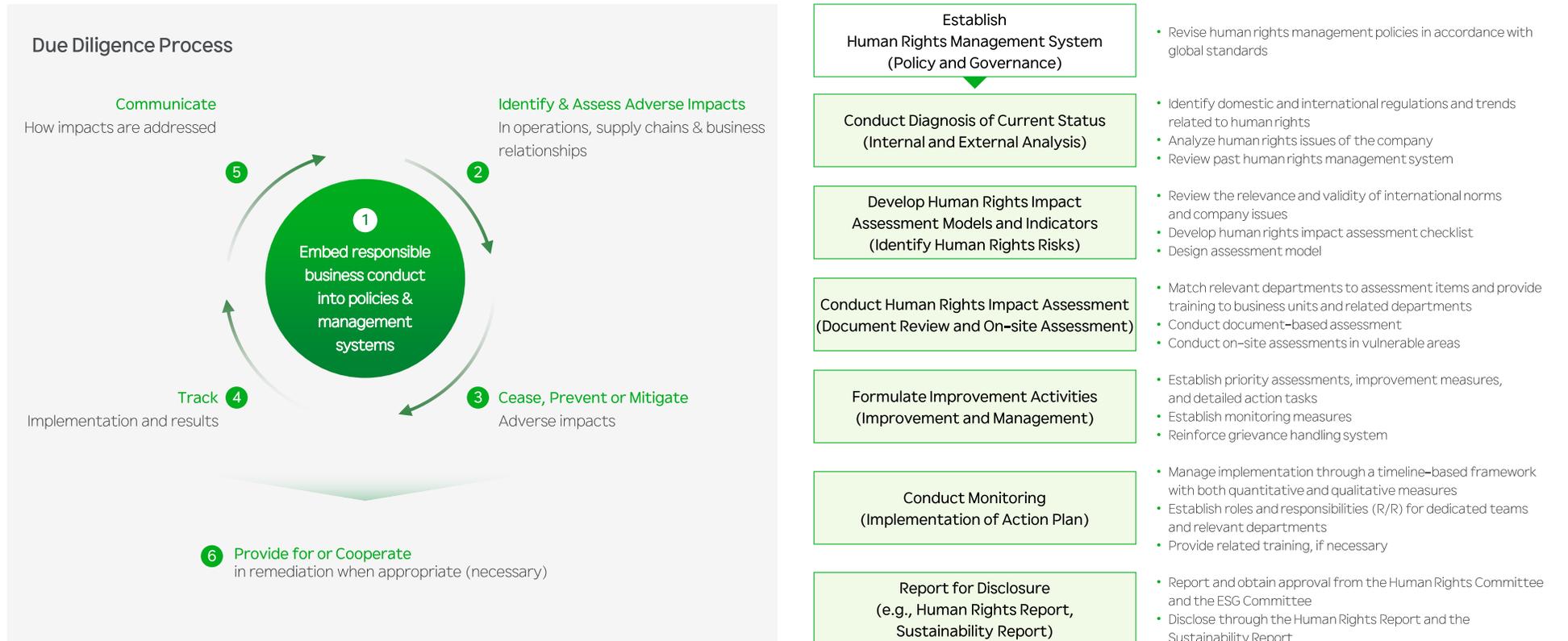


Risk Management

Due Diligence System

To proactively address the increasingly stringent regulatory landscape for supply chain human rights due diligence, particularly within the EU, HD Hyundai Marine Solution significantly strengthened our Human Rights Due Diligence System in 2024. In line with the OECD Due Diligence Guidance for Responsible Business Conduct, we have adopted a comprehensive due diligence approach to identify, manage, and transparently disclose actual and potential adverse impacts on human rights and the environment across our supply chain. This includes the establishment of a six-step human rights due diligence process. Through the ongoing integration of this system, we are committed to driving meaningful improvements—implementing effective mitigation and preventive measures—and to doing our utmost to minimize adverse human rights impacts throughout our operations.

Incorporating the Human Rights Due Diligence Guidelines



Risk Management

Human Rights Impact Assessment

In 2023, HD Hyundai Marine Solution conducted a comprehensive Human Rights Impact Assessment and based on the findings, identified key areas for improvement. We implemented targeted risk mitigation measures for each identified issue and established a monitoring system to evaluate their effectiveness. We observed measurable improvements in areas such as occupational safety, environmental protection, and responsible supply chain management through specific initiatives, including training, provision of equipment, and the development of emergency response plans. Through ongoing monitoring and regular evaluation, we remain committed to strengthening the effectiveness of our human rights management practices.

Risk Mitigation and Effectiveness Review from the 2023 Human Rights Assessment



Category	Current	Improved	Risk Mitigation Measures	Monitoring Effectiveness
1 Establishment of Human Rights Management System	94	96	-	-
2 Non-Discrimination in Employment	100	100	-	-
3 Guarantee of Freedom of Association and Collective Bargaining	100	100	-	-
4 Occupational Safety Assurance	95	100	Provision of essential equipment and training	<ul style="list-style-type: none"> Increased use of personal protective equipment Enhanced safety awareness among employees
5 Responsible Supply Chain Management	83	100	Monitoring implemented	<ul style="list-style-type: none"> Enhanced supply chain transparency Strengthened foundation for sustainable transactions
6 Protection of Local Residents' Human Rights	100	-	-	(Business relocation: Busan → Seongnam)
7 Guarantee of Environmental Rights	79	100	Adoption of preventive approach principles and establishment of contingency plans for environmental issues	<ul style="list-style-type: none"> Strengthened capacity for preventing environmental accidents Ensured responsiveness of emergency response systems
8 Prevention and Remedy of Human Rights Violations	100	100	-	-
9 Guarantee of Labour Rights in the Workplace	85	100	Protection of pregnant employees and persons with disabilities	<ul style="list-style-type: none"> Enhanced organizational culture and trust Improved job engagement

Risk Management

Human Rights Impact Assessment

In 2024, HD Hyundai Marine Solution enhanced our evaluation framework by integrating global regulatory standards for corporate responsibility in human rights, as well as industry-specific best practices. Our updated indicators align with the Responsible Business Alliance (RBA) Code of Conduct, encompassing ESG criteria in areas such as human rights, ethics, and the environment, and draw from a wide range of respected international norms. We strengthened our diagnostic and evaluation criteria for each human rights focus area. To ensure both consistency and continuity with our prior approach, we consolidated the 9 categories from our previous Human Rights Impact Assessment into 6 core domains: Human Rights Management Governance, Labour, Occupational Safety and Health, Ethics, Supply Chain Risk Management, and the principles of human rights. These areas are further articulated across 40 specific sub-indicators, providing a comprehensive structure to guide our efforts and measure progress.

Upgrading Human Rights Impact Assessment Indicators in 2024

Existing Indicators	Upgraded Indicators (criteria and principles)	Upgraded Indicators (in detail) ※ GRC: 296 items, HD Hyundai Marine Solution Europe B.V.: 275 items			
<div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">1. Establishment of Human Rights Management System</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">2. Non-Discrimination in Employment</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">3. Guarantee of Freedom of Association and Collective Bargaining</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">4. Occupational Safety Assurance</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">5. Responsible Supply Chain Management</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">6. Protection of Local Residents' Human Rights</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">7. Guarantee of Environmental Rights</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">8. Prevention and Remedy of Human Rights Violations</div> <div style="border: 1px solid #ccc; padding: 5px;">9. Guarantee of Labour Rights in the Workplace</div>	<div style="background-color: #008000; color: white; padding: 5px; margin-bottom: 5px;">Domestic and International Guidelines</div> <div style="border: 1px solid #ccc; padding: 10px; margin-bottom: 10px;">  <p>UNGPs, OECD, ILO, NHRCK</p> </div> <div style="background-color: #008000; color: white; padding: 5px; margin-bottom: 5px;">External Evaluations</div> <div style="border: 1px solid #ccc; padding: 10px; margin-bottom: 10px;">  <p>RBA, CHRB KTC, OXFAM</p> </div> <div style="background-color: #008000; color: white; padding: 5px; margin-bottom: 5px;">Regulation</div> <div style="border: 1px solid #ccc; padding: 10px;">  <p>EU CSDDD</p> </div>	<div style="background-color: #002060; color: white; padding: 5px; margin-bottom: 5px;">1. Human Rights</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">1-1. Human Rights Policy</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">1-2. Human Rights Assessments</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">1-3. Human Rights System</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">1-4. Human Rights Performance</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">1-5. Remediation Procedures</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">1-6. Grievance Mechanisms</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">1-7. Training and Education</div> <div style="background-color: #002060; color: white; padding: 5px; margin-bottom: 5px;">4. Ethics</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">4-1. Corruption</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">4-2. Information Disclosure</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">4-3. Intellectual Property</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">4-4. Fair Trade</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">4-5. Personal Data Protection</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">4-6. Consumer Protection</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">4-7. Local Communities</div>	<div style="background-color: #002060; color: white; padding: 5px; margin-bottom: 5px;">2. Labour</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">2-1. Prohibition of Forced Labour</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">2-2. Young Worker</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">2-3. Working Hours</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">2-4. Wages and Benefits</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">2-5. Non-discrimination</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">2-6. Freedom of Association</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">2-7. Others</div> <div style="background-color: #002060; color: white; padding: 5px; margin-bottom: 5px;">5. Supply Chain</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">5-1. Supply Chain System</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">5-2. Contracts</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">5-3. Business Partners Evaluation</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">5-4. Business Partners' Risks</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">5-5. Responsible Sourcing</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">5-6. Grievance Mechanism for Business Partners</div>	<div style="background-color: #002060; color: white; padding: 5px; margin-bottom: 5px;">3. Safety and Health</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">3-1. Safety and Health System</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">3-2. Emergency Response Measures</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">3-3. Accidents and Diseases</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">3-4. Sanitation</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">3-5. Physical Labour</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">3-6. Safety of Machinery and Equipment</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">3-7. Food, Sanitation, and Housing</div> <div style="background-color: #002060; color: white; padding: 5px; margin-bottom: 5px;">6. Environment</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">6-1. Soil</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">6-2. Water</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">6-3. Facilities</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">6-4. Hazardous Substances</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">6-5. Ecosystem</div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;">6-6. Environmental Information and Education</div>	

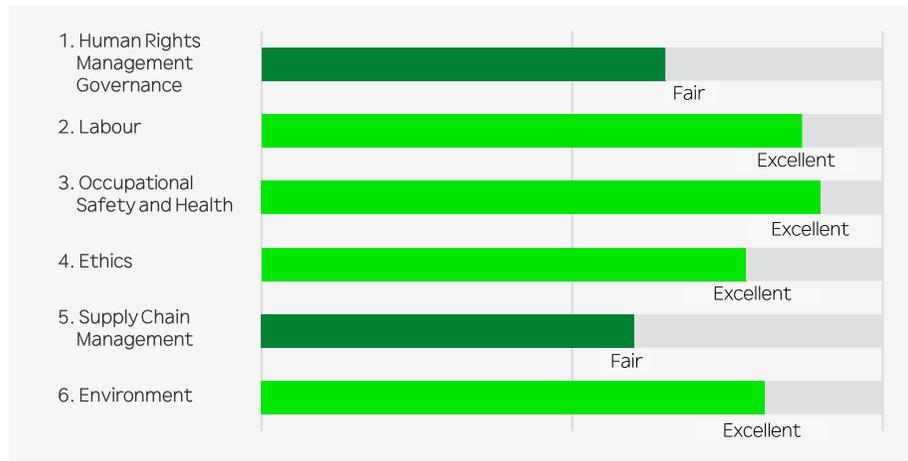
Risk Management

Human Rights Impact Assessment

Based on the enhanced human rights and environmental impact indicators, HD Hyundai Marine Solution conducted due diligence from August 2024 to January 2025, focusing on our GRC in Bundang and HD Hyundai Marine Solution Europe B.V., over a period of approximately six months. As a result, we derived 296 items for GRC and 275 items for HD Hyundai Marine Solution Europe B.V. In particular, by strengthening the criteria beyond the minimum standards of domestic law, we expanded and advanced the indicators to cover not only global norms but also the entire supply chain (e.g., upstream business partners, conflict minerals), thereby establishing a system to identify and manage potential adverse human rights and environmental impacts within the supply chain. We are developing and implementing improvement measures to ensure that the identified areas requiring enhancement are managed to rigorous standards.

2024 Human Rights Impact Assessment: Results and Findings

HD Hyundai Marine Solution (GRC)



HD Hyundai Marine Solution Europe B.V.



Key Points

- Among the six human rights management evaluation areas, Occupational Safety and Health was assessed as the highest-performing area.
- Deficiencies were identified in Supply Chain Management (to be addressed at the group level as part of integrated management).
- Deficiencies were identified in Human Rights Management Governance, requiring concrete improvements to policies and systems.

Key Points

- Among the six human rights management evaluation areas, Labour was assessed as the highest-performing area.
- Deficiencies were identified in Human Rights Management Governance, requiring concrete improvements to policies and systems.
- Deficiencies were identified in Ethics, requiring mid- to long-term improvement goals and specific corrective actions.

Risk Management

Human Rights Impact Assessment

Reflecting the global regulatory standards that emphasize the responsibility to respect human rights, HD Hyundai Marine Solution consistently analyzes the fundamental issues of our Human Rights Management, derives concrete improvement tasks, and shares them internally to manage both actual and potential human rights risks. Based on the results of the Human Rights Impact Assessment conducted in 2024, we identified improvement tasks and have been making continuous efforts to establish and systematically implement corresponding improvement activities throughout the year.

2024 Human Rights Impact Assessment: Improvement Tasks

Category	Performance	Improvement Tasks	Expected Effects
Human Rights Management Governance	Fair	<ul style="list-style-type: none"> Disclose human rights management performance through the publication of a sustainability report or Human Rights Report Provide specialized training for the dedicated team and establish KPIs for dedicated personnel 	Enhancing transparency in human rights management
Labour	Excellent	<ul style="list-style-type: none"> Specify regulations prohibiting excessive working hours, night work, and overtime work for underage workers in human rights management policies and employment rules Establish measures to comply with legal limits on overtime work and develop long-term improvement plans related to overtime work Institutionalize training programs to ensure respect for the human rights of local employees before dispatching them to overseas branches 	Strengthening labour-related laws and ethical standards
Occupational Safety and Health	Excellent	<ul style="list-style-type: none"> Declare that the most stringent standards among local laws, RBA Code of Conduct, insurance company requirements, or customer requirements will be followed in emergency response measures (plans, policies) Add and clarify appropriate measures for responding to emergency situations in existing safety and health management regulations or safety management manuals 	Minimizing legal risks and improving the effectiveness of safety management systems
Ethics	Excellent	<ul style="list-style-type: none"> Maintain guidelines or procedures to ensure the accuracy of information generated, maintained, shared, and reported to partner companies, customers, local communities, and governments for the purpose of managing greenwashing risks Establish information disclosure policies, including internal control procedures to prevent greenwashing and verify information related to corporate advertising 	Preventing greenwashing and enhancing transparency in ESG activities
Supply Chain Management	Fair	<ul style="list-style-type: none"> Actively consider measures such as establishing provisions and exceptions to ensure that consideration of human rights management is mandatory in standard contracts with all foreign-affiliated business partners and domestic business partners in the future Establish a system to check at least once a year whether improvement tasks identified through business partner audits are being implemented 	Strengthening human rights responsibilities and management levels throughout the supply chain
Environment	Excellent	<ul style="list-style-type: none"> Provide environmental education on chemicals and climate change to employees at least once a year Set goals for environmental improvement in accordance with relevant laws and regulations, and monitor the level of achievement of those goals Plan and implement activities to strengthen biodiversity conservation in the vicinity of business sites 	Raising environmental awareness among employees and building sustainable relationships with local communities

Risk Management

Supply Chain Risk Management

To strengthen the sustainability and stability of our supply chain, HD Hyundai Marine Solution operates a supplier risk assessment system that comprehensively considers financial status, supply stability, and ESG factors. To enhance our supply chain risk management system, we operate an integrated supply chain risk management system together with HD Korea Shipbuilding & Offshore Engineering (HD KSOE) and its shipbuilding subsidiaries. Our supply chain ESG assessment has been in place since 2023, with the first year conducted as our own internal evaluation, and from 2024 onward integrated under HD KSOE. Looking ahead, we will continue to systematically manage supply chain risk management in partnership with our business partners, thereby contributing to the establishment of a sustainable supply chain.

Supply Chain Management

Overview of Supply Chain Risk Management

Supply chain evaluations are conducted both regularly and on an ad hoc basis, with business partners categorized from Tier 1 to Tier 3 according to their level of strategic importance. Key evaluation criteria include financial stability, delivery performance, product quality, innovation capability, and adherence to environmental and social responsibility standards. Based on the results, we implement a range of response and support measures, such as adjusting transaction terms, requesting corrective actions, identifying alternative suppliers, and recognizing outstanding partners with incentives. Where necessary, we also enforce sanctions in accordance with external standards.

Category	Financial Evaluation	Supply Risk Evaluation	Rating Evaluation (ESG, Innovation, Quality, Delivery, etc.)
Target	Tier 1~3	Tier 1	Tier 1~3
Type	<ul style="list-style-type: none"> Regular financial evaluation Irregular financial evaluation Detailed audit 	<ul style="list-style-type: none"> Prioritize potential risks such as reputation (company/management), disasters/calamity, and supply delays by assessing their impact and urgency 	<ul style="list-style-type: none"> Regular evaluation once a year
Organization in Charge	<ul style="list-style-type: none"> Corp. Partnership & Procurement Department External Credit Rating Agency 	<ul style="list-style-type: none"> Corp. Partnership & Procurement Department 	<ul style="list-style-type: none"> Corp. Partnership & Procurement Department Safety Management ESG Team Quality Management Division
Response and Support	<ul style="list-style-type: none"> Measures such as suspension of transactions with low-performing business partners Financial support such as the Shared Growth Fund 	<ul style="list-style-type: none"> Establishment of countermeasures at various levels, including purchasing managers, departments, divisions, and the entire company Annual renewal of Tier 1 and establishment of countermeasures 	<ul style="list-style-type: none"> Online and offline ESG training for our employees and business partners Rewards for outstanding business partners Measures in accordance with regulations for high-risk business partners

Supporting the Spread of ESG Management in Business Partners

HD Hyundai Marine Solution conducts a comprehensive review of management, quality, and financial evaluations to determine each business partner's registration status. Only partners who demonstrate excellence across these assessments—and meet established standards in areas such as safety, health, environmental management, ethical practices, labour relations, and training—are included in our approved business partner pool.

Together with HD Korea Shipbuilding & Offshore Engineering and our shipbuilding subsidiaries, we further classify registered partners based on the criticality of their business (such as the supply of key products), business scale, and size. For each category, we define tailored requirements and provide support measures to promote the adoption of ESG best practices throughout our supply chain.

ESG Management Requirements and Support Measures by Tiers

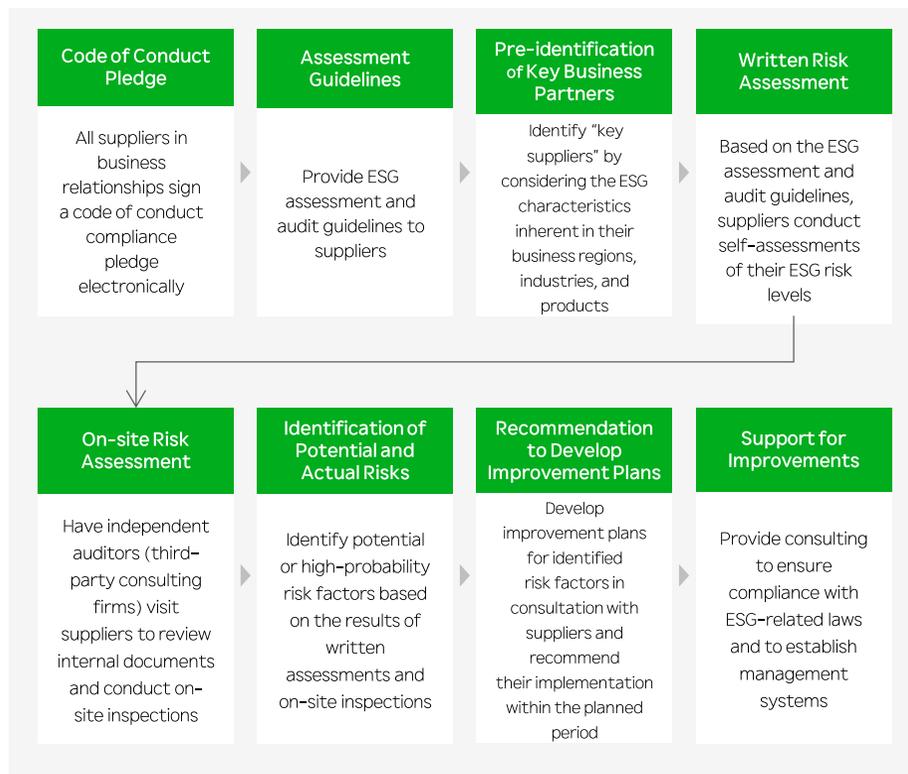
Category	Requirement
Tier 1, 2 Small and Medium-sized Business Partners	<ul style="list-style-type: none"> Form an implementation organization led by the CEO or Board of Directors ESG data management <ul style="list-style-type: none"> Governance: Board of directors' operations, legal violations, etc. Environment: Energy consumption, carbon emissions, etc. Society: Industrial accidents, education status, etc.
Tier 1, 2 Medium-sized Business Partners	<ul style="list-style-type: none"> Conduct ESG information disclosure <ul style="list-style-type: none"> Publish a sustainability report Implement third-party verification of disclosed information
All Business Partners	<ul style="list-style-type: none"> Establish ESG management strategy <ul style="list-style-type: none"> Analyze and share external environment and legal/regulatory trends

Risk Management

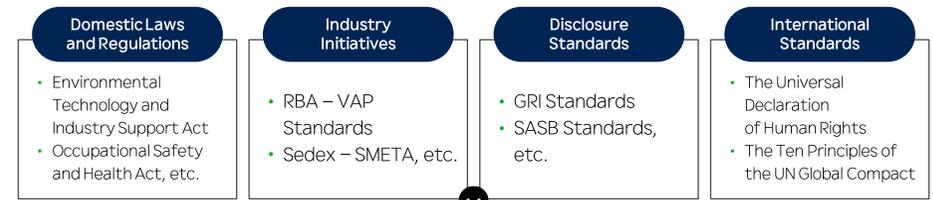
Supply Chain Risk Management

HD Hyundai Marine Solution has developed a comprehensive suite of supply chain ESG risk assessment and due diligence indicators by integrating key ESG-related legislation—including the Environmental Technology and Environmental Industry Support Act, the Serious Accidents Punishment Act, and the Occupational Safety and Health Act—with leading industry initiatives such as the Responsible Business Alliance (RBA) Validated Assessment Program (VAP) and the Sedex Members Ethical Trade Audit (SMETA), as well as international ESG disclosure standards including the GRI and SASB Standards. To address labour and human rights risks in our supply chain in alignment with international norms, we have incorporated the core principles outlined in the Universal Declaration of Human Rights, the Convention on the Rights of the Child, and the Ten Principles of the UN Global Compact. Furthermore, we apply risk assessment procedures informed by government-issued voluntary guidelines, such as the Supply Chain K-ESG Guidelines, and adhere to the OECD Guidelines for Multinational Enterprises to further reinforce our supply chain risk management framework.

Supply Chain Risk Assessment Procedures



Supply Chain Risk Assessment Indicators



E Environmental indicators	Goal setting	Waste management	Noise and vibration control
	Governance	Air pollutant management	Resource recycling
	Acquisition of permits and licenses	GHG management	Energy saving
	Legal violations	Water and wastewater management	Energy management
S Social indicators	Human rights issues	Employment contract preparation	Safety policies
	Subscription to four major social insurances	Dismissal and retirement policies	Safety prevention activities
	Mandatory training	Health checkups	Safety inspections
	Protection of pregnant employees	Employment rules	Fire drills and training
	Employment of minors	Human rights management	Information protection system
	Grievance handling system	Freedom of association	-
G Governance indicators	ESG policies	Anti-corruption program operation	Corruption-related legal violations
	ESG risk management	Stakeholder communication	Fair-trade law violations
	Average tenure and turnover rate	Ethics reporting channels	Social responsibility activities

Risk Management

Supply Chain Risk Management

In 2024, HD Hyundai Marine Solution conducted ESG assessments for 173 domestic and international business partners. To thoroughly identify potential risk factors, selected partners also underwent in-depth ESG audits performed by independent third-party institutions. As a result, we conducted comprehensive reviews—including on-site inspections—for 9 partners, identifying key areas for improvement across the ESG topics. To foster a sustainable supply chain, we are committed to supporting our partners in strengthening their ESG competencies. This includes recommending and monitoring the implementation of risk improvement plans, and providing the necessary resources, training, and ongoing support for continuous advancement.

Supply Chain Risk Assessment Status

Category	2023	2024
No. of business partners that completed written assessments	43 companies	173 companies
No. of business partners that completed on-site assessments	26 companies	9 companies
No. of business partners identified as having risks	26 companies	9 companies

Supply Chain Risk Assessment Improvement Tasks

Area	Improvement Tasks
E Environmental	<ul style="list-style-type: none"> Monitor and manage environmental performance Manage GHG emissions and energy use
S Social	<ul style="list-style-type: none"> Establish social policies such as industrial accident prevention Operate stakeholder communication channels
G Governance	<ul style="list-style-type: none"> Establish ethical management principles Identify systems and regulatory trends related to ethical management

Supply Chain Risk Management Cases

HD Hyundai Marine Solution evaluates the safety and health standards of our business partners and conducts training in accordance with the Serious Accidents Punishment Act and the Occupational Safety and Health Act. In 2024, we conducted the first-ever evaluation of all business partners using a standardized safety and health evaluation form, resulting in an average safety and health score of 83 points. As a result, all business partners achieved a score of 70 points or higher, meeting the eligibility criteria. We are making various efforts to improve the safety management of our business partners, including regularly strengthening evaluation criteria and providing customized training. For example, we directly conduct safety and health education for the CEOs and safety officers of business partners with fewer than 300 employees, covering topics such as the key contents and response measures of the Serious Accidents Punishment Act and matters related to risk assessment.

Prepare training materials and plans	March	2024 Implementation	16 suppliers
Report training results	End of December	2025 Goal	20 suppliers

Business Partners Safety Management Enhancement System

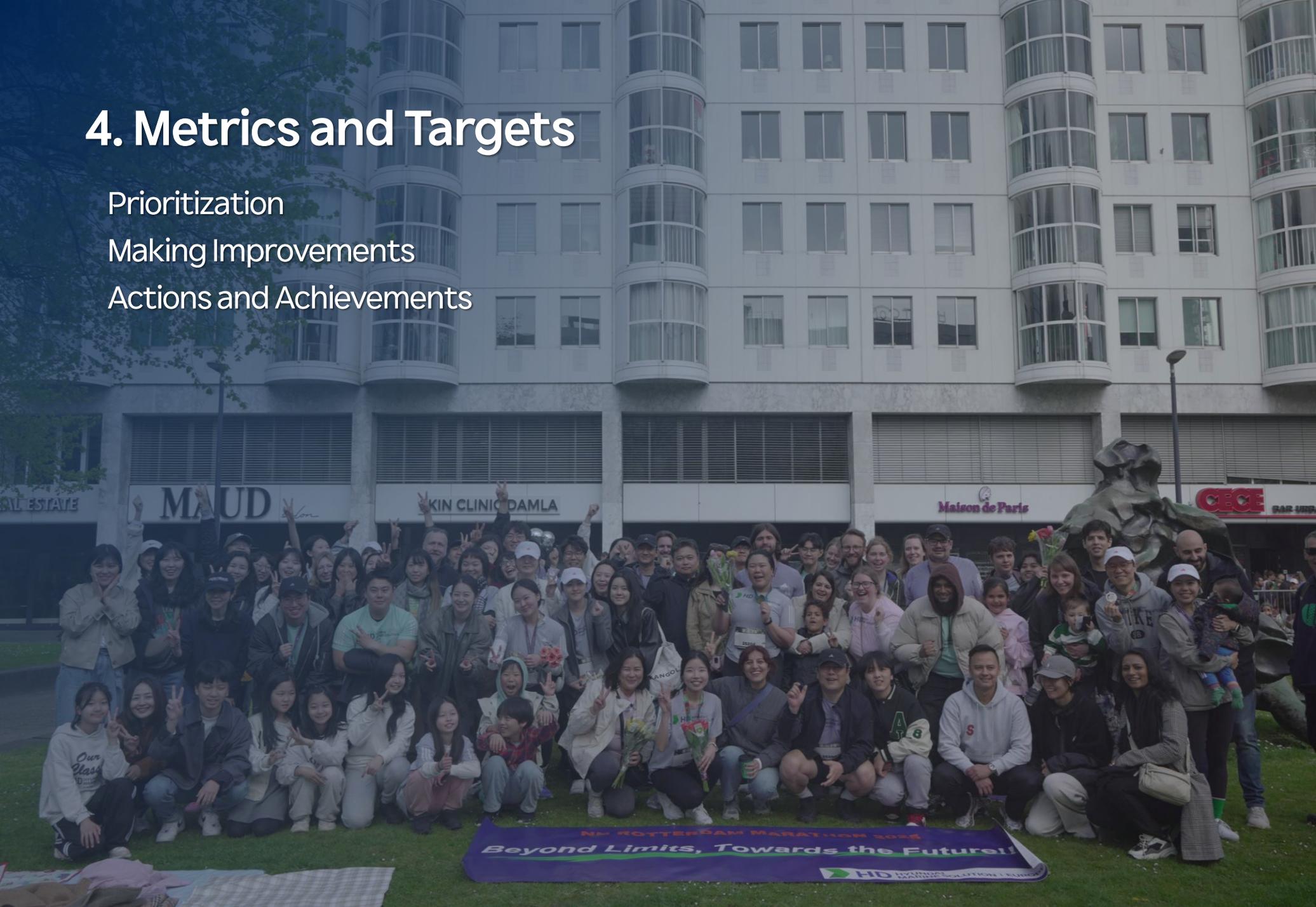


4. Metrics and Targets

Prioritization

Making Improvements

Actions and Achievements

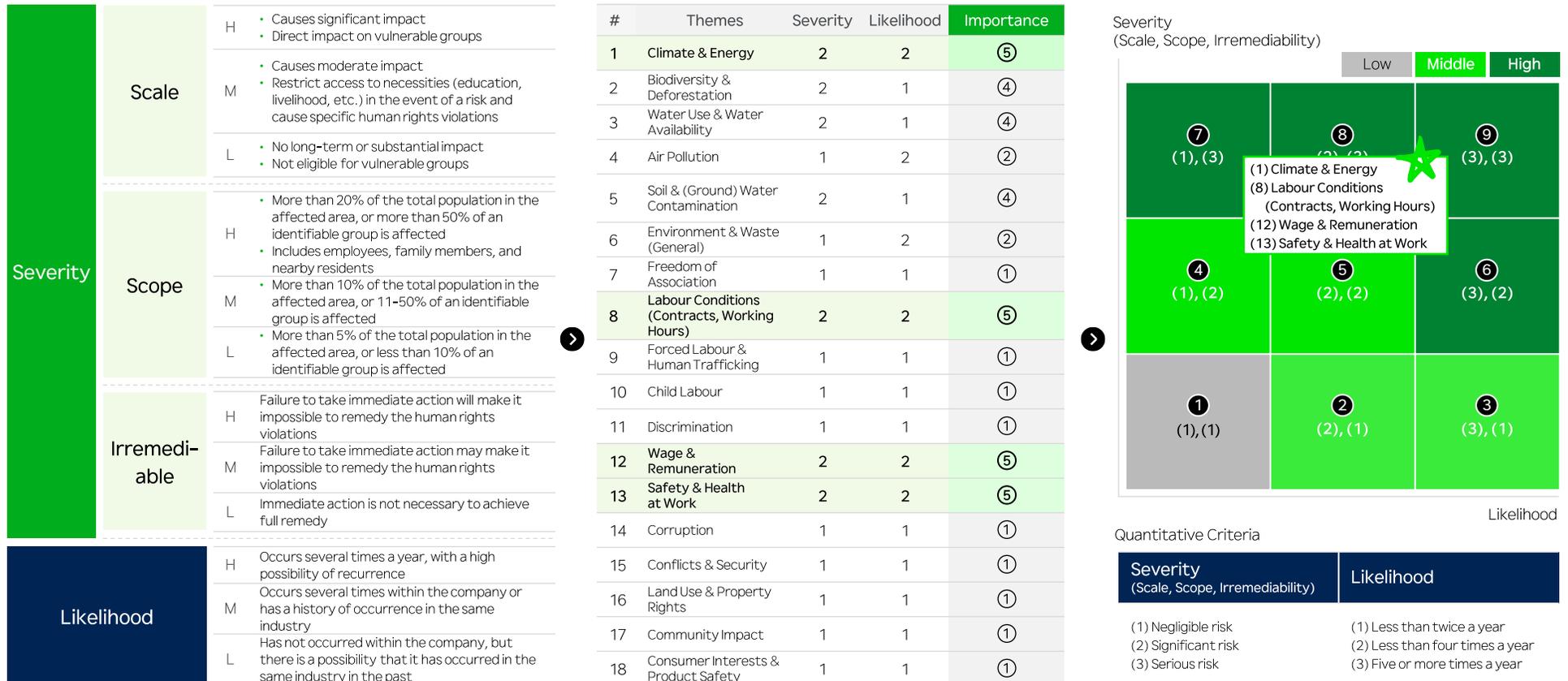


Metrics and Targets

Prioritization

Major international frameworks such as the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines underscore the importance of prioritizing human rights and environmental risks. In practice, even where certain vulnerable issues are recognized as material due to the nature of the industry, thorough risk identification and management—supported by written and on-site human rights impact assessments—may yield results that appear to show little or no risk. This can result in key risks being overlooked in day-to-day management. To address this, perception-based surveys serve as an important complement to due diligence-based assessments, helping to predict and surface emerging risks. To strengthen the precision and rigor of our risk identification, HD Hyundai Marine Solution conducted prioritization assessments using the Due Diligence Compass, a tool jointly developed by the German and Dutch NGOs GIZ and MVO.

Prioritization Evaluation: ① Identify Importance on the Heat Map based on the severity and likelihood of occurrence of major human rights risks specific to the industry



Metrics and Targets

Making Improvements

HD Hyundai Marine Solution has designated four risks—identified as medium or higher in both severity and likelihood—as “Salient Human Rights Issues” to ensure prioritized management. These risks are closely linked to our human rights impact assessment indicators. Beyond importance, we also assess each issue’s urgency and feasibility to produce final prioritization scores. Based on these scores, issues are classified as high, medium, or low priority, enabling us to identify improvement areas that can be addressed within the year, and to focus our efforts on the highest-priority tasks first. Guided by our commitment to respecting human rights, we will continue to systematically identify and mitigate potential adverse impacts across all business activities—including within our supply chain—while continuously strengthening the governance and management systems that support ongoing improvement.

Prioritization Evaluation: ② Assess the Importance, Urgency, and Feasibility & Derive Priority Improvement Tasks

Importance (1-9 points)

Reflects ESG Team and expert survey evaluations of severity and likelihood



Urgency (1-3 points)

Considers the timing of regulatory risk introduction and the scale of damages (considering judicial and non-judicial disputes)



Feasibility (1-3 points)

Reflects the degree to which implementation is relatively easy and can be achieved in the short term

HD Hyundai Marine Solution's GRC business site has prioritized 55 improvement tasks derived from human rights impact assessments and established specific plans and schedules for improvement activities. HD Hyundai Marine Solution Europe B.V. has selected a total of 77 improvement tasks as management items, excluding items with low importance and urgency from the improvement tasks derived from human rights impact assessments. Based on these results, we have established the improvement activity roadmap, aiming to achieve an 84% target rate with the human rights impact assessment by the end of 2025 for the GRC business site and an 81% target rate by the end of 2026 for the HD Hyundai Marine Solution Europe B.V., including items to be implemented by the end of 2025.

Prioritization of Improvement Tasks (Roadmap)

Business Site	GRC	HD Hyundai Marine Solution Europe B.V.
Nano term (by Sep. 2025)	28 items	0 items
Short term (by Dec. 2025)	18 items	24 items
Mid- to Long-term (from 2026 onward)	9 items	53 items
Total	55 items	77 items

Implementation Targets and Roadmap for Improvement

HD Hyundai Marine Solution (GRC)

Nano-term Tasks (During 2025)	Short-term Tasks (End of 2025)	Mid- to long-term Tasks (2026)
Establishment of human rights management system, etc. (28 items)	Establishment of KPIs related to human rights management, etc. (18 items)	Improvement of redress procedures, etc. (9 items)
Improvement Rate 51%	Target Rate 84%	Target Rate 100%

HD Hyundai Marine Solution Europe B.V.

Short-term Tasks (2025)	Mid-term Tasks (2026)	Long-term Tasks (from 2027 onward)
Establishment of human rights management system, etc. (24 items)	Monitoring risk assessment, etc. (38 items)	Introducing a living wage, etc. (15 items)
Target Rate 31%	Target Rate 81%	Target Rate 100%

➤ After the combined scores from the three assessment steps were calculated, we applied **the feasibility evaluation criteria** to identify and prioritize improvement tasks.

Metrics and Targets

Actions and Achievements: Occupational Safety and Health

HD Hyundai Marine Solution has made "safety" a core management value to actively address occupational safety and health challenges and achieve zero workplace accidents. We uphold people-centered management by safeguarding the lives and well-being of our employees through a systematic occupational safety and health management system and rigorous compliance with all applicable safety and health laws and regulations.

Indicators related to Occupational Safety and Health

Mid- to Long-Term Roadmap for Safety and Health:
Maintaining Zero Serious Accidents and Achieving Zero Industrial Accident Rate¹⁾

Term	2024	2028	2030
Target	Establish and advance the safety and health management system	Establish a smart safety and health management system	Operate a smart safety and health management system and build an integrated safety and health management framework by strengthening supplier capabilities
Action Items	<ul style="list-style-type: none"> Maintain certification of the safety and health management system Strengthen safety and health risk management Form a dedicated organization Operate near-miss incident reporting channels and the safety hotline Conduct emergency response drills Operate ongoing health promotion programs Provide monthly health information 	<ul style="list-style-type: none"> Evaluate safety and health performance and manage ad hoc risk assessments using programs Introduce computerized risk assessments Build a mobile platform for joint use with suppliers 	<ul style="list-style-type: none"> Establish a smart safety and health management system Implement a supplier safety rating system Activate networking with suppliers' safety and health leaders Operate safety and health grievance channels for suppliers Implement supplier evaluation and rewards based on safety and health performance
Indicators	Industrial Accident Rate 0.36	Industrial Accident Rate 0	Industrial Accident Rate 0

Maintain "Zero" Serious Accidents

¹⁾ Industrial Accident Rate = (Number of Injuries / Total Annual Working Hours) × 200,000 hours
Number of Injuries refers to cases subject to submission in the Industrial Accident Survey Report

Indicators Related to Safety Incidents

Number of Serious Accidents

	2022	2023	2024
Employees	0 cases	0 cases	0 cases
Business Partners	0 cases	0 cases	0 cases

Number of Industrial Accidents

	2022	2023	2024
Employees	0 cases	3 cases	2 cases
Business Partners	0 cases	0 cases	0 cases

Indicators Related to Occupational Safety and Health Management

Occupational Safety and Health Management System

	2022	2023	2024
No. of business sites eligible for certification	3 companies	4 companies	4 companies
No. of business sites that obtained certification	3 companies	3 companies	3 companies
Certification rate	100%	75%	75%

Metrics and Targets

Actions and Achievements: Employees

HD Hyundai Marine Solution uses a comprehensive set of indicators to identify, minimize, and manage human rights risks related to our employees. We are committed to ensuring that no discrimination occurs based on educational background, gender, age, race, or religion throughout all human resources processes—including recruitment, placement, training, performance evaluation, and retirement. We also take active measures to prevent any form of human rights violations in the workplace. To further strengthen stakeholder engagement, we have established multiple communication channels—such as the employee intranet, company newsletters, and the Labour-Management Council—to foster open dialogue and promote a culture of collaboration and respect across the organization.

Indicators related to Employee (GRC)

Gender Diversity among Employees

HD Hyundai Marine Solution (GRC)

	2022	2023	2024
Total no. of employees (persons)	479	527	544
Male (persons)	380	416	427
Female (persons)	99	111	117
Percentage of female employees	20.67%	21.06%	21.51%

HD Hyundai Marine Solution Europe B.V.

	2022	2023	2024
Total no. of employees (persons)	74	94	105
Male (persons)	28	31	39
Female (persons)	46	63	66
Percentage of female employees	62.16%	67.02%	62.86%

Employee Competency Development & Training

	2022	2023	2024
Total education hours per employee (hours/person)	43,088	26,125	50,614
Total education hours	20,553	13,637	27,281
Total education cost per employee (million won/person)	0.488	0.774	0.787
Total education cost (million won)	233	404	424

Diversity of the Board of Directors

		2022	2023	2024
Gender	Total no. of directors (persons)	3	7	7
	No. of female directors (persons)	0	1	1
	Percentage of female directors	0%	14.29%	14.29%
Age	No. of directors under 30 years old (persons)	0	0	0
	No. of directors between 30 and 50 years old (persons)	2	3	2
	No. of directors over 50 years old (persons)	1	4	5

Labour-Management Cooperation

HD Hyundai Marine Solution operates various communication channels, including an intranet, internal newsletters, to facilitate communication with our employees. HD Hyundai Marine Solution holds labour-management meetings in accordance with the company's labour-management council regulations to promote a culture of mutual cooperation between labor and management and to enhance communication between executives and employees within the organization.

Labour-Management Council

	2022	2023	2024
No. of labour-management meetings held	4 times	4 times	4 times

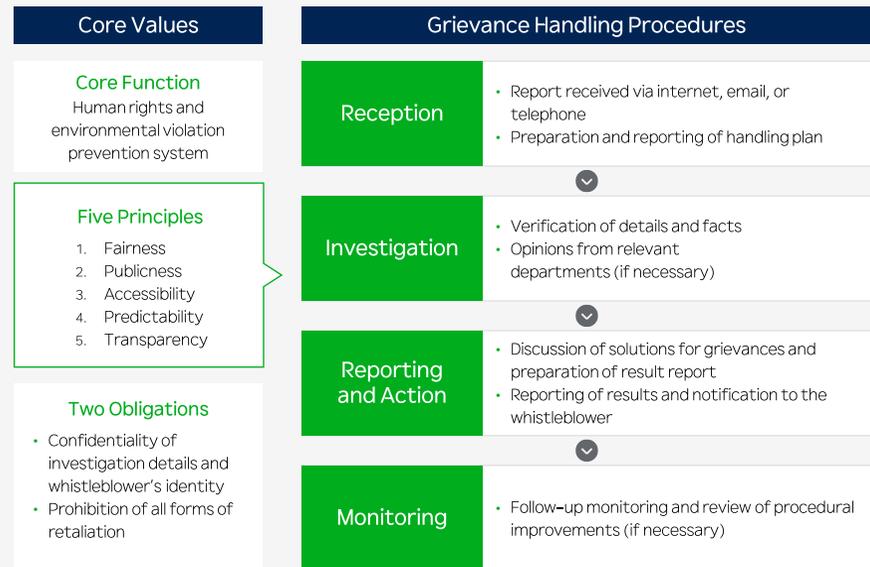
Metrics and Targets

Actions and Achievements: Grievance Mechanism

HD Hyundai Marine Solution operates robust grievance handling and notification procedures as a core component of effective human rights management, anchored in five key principles and two obligations related to grievance processes. Through these procedures, we identify actual and potential adverse human rights impacts, verify the effectiveness of our human rights due diligence, and ensure that appropriate remedies are provided to affected stakeholders. We remain committed to upholding and advancing human rights management by maintaining transparent grievance channels and actively addressing issues as they arise.

Grievance Mechanism and Status

A grievance refers to any perceived unfairness related to the business operations of the company, its subsidiaries, or business partners, as well as any actual or potential negative impact on human rights or the environment, or any complaints, concerns, disputes, risks, violations, damages, or losses experienced by individuals or legal entities based on such grounds. HD Hyundai Marine Solution operates our grievance handling and reporting system in accordance with the following core values.



Business Ethics: Reporting Channel

HD Hyundai Marine Solution considers business ethics as a core value of fair and transparent business operations. To report violations of our ethical guidelines and related internal regulations and respond promptly, HD Hyundai Group has established an online reporting channel accessible 24/7 through the Reporting section of our Business Ethics homepage, enabling all subsidiaries and stakeholders to submit reports on issues such as compliance violations and unfair business practices. HD Hyundai Marine Solution operates an internal reporting system to strengthen our business ethics, with the protection of whistleblowers as our top priority. The identity of whistleblowers and the content of their reports are strictly kept confidential, and their identities will not be disclosed without their consent. Additionally, we have implemented protective measures to ensure that no adverse actions or discrimination occur due to reporting.



HD Hyundai Ethical Management Homepage



HD Hyundai Ethical Management Operating Guidelines Page

Metrics and Targets

Actions and Achievements: Ethics and Compliance Management

HD Hyundai Marine Solution regards ethical management as a core value, essential for ensuring fair and transparent business practices and creating lasting, sustainable value. We recognize that fostering a strong culture of ethics and compliance is fundamental for a company committed to social responsibilities. Accordingly, we have established and actively manage a comprehensive set of indicators for ethical and compliance management to promote high standards of conduct throughout the organization.

Reporting Channel Operation Status

Ethics Violation Indicators

Total Number of Ethics Violations¹⁾ (2024)

1) Total number of ethics violations reported through online and offline channels, including the ethics management system, email, mail, telephone, interviews, and fax.

1

Total Number of Ethics Violations Resolved²⁾ (2024)

2) Total number of reports of ethical violations that have been fully processed; cases requiring investigation are considered processed upon completion of internal reporting, and cases deemed to be general complaints are considered processed upon transfer to the relevant department.

1

Ethical Violation Resolution Rate³⁾ (2024)

3) Ethical Violation Resolution Rate (%) = (Total number of ethical violations resolved / Total number of ethical violations) X 100

100%

Human Rights-related Reports and Measures Status (2022-2024)

Grievance Handling Status

	2022	2023	2024
No. of human rights-related reports ⁴⁾	0 cases	0 cases	0 cases
No. of human rights-related measures ⁵⁾	0 cases	0 cases	0 cases

4) Total number of human rights-related reports received through employee grievance handling channels during the reporting period

5) Total number of human rights-related reports received through employee grievance handling channels during the reporting period that were resolved through the grievance handling process or naturally resolved

- Human rights-related incidents: Human trafficking, forced labor, child labor, freedom of association, collective bargaining rights, equal pay, workplace harassment, sexual harassment, discrimination, etc.
- Employee grievance handling channels: Employee representative bodies, dedicated grievance handling committees, intranet, hotline, offline channels, etc.
- Discrimination refers to acts of discrimination based on race, gender, religion, political beliefs, national origin, or social status, as defined by the ILO, or similar discriminatory acts related to internal or external stakeholders of the business.

Compliance Management Status

Indicators related to Compliance

		2022	2023	2024
Violations of Fair Trade Regulations	No. of fair trade regulation violations ⁶⁾	0 cases	0 cases	0 cases
	Total financial penalties for fair trade regulation violations ⁷⁾	0 KRW	0 KRW	0 KRW
Violations of Anti-Bribery and Anti-Corruption Regulations	No. of violations of anti-bribery and anti-corruption regulations ⁸⁾	0 cases	0 cases	0 cases
	Total financial penalties for anti-bribery and anti-corruption regulations ⁹⁾	0 KRW	0 KRW	0 KRW

6) Number of sanctions imposed during the reporting period due to violations of fair trade regulations. However, as of the end of the reporting period, cases under litigation or objection proceedings are not included.

7) Total financial penalties (fines, penalties, and surcharges) imposed during the reporting period due to violations of fair trade regulations. However, as of the end of the reporting period, cases under litigation or objection proceedings are not included.

8) Number of sanctions imposed during the reporting period due to violations of anti-bribery and anti-corruption regulations. However, as of the end of the reporting period, cases under litigation or objection proceedings are not included.

9) Total financial penalties (fines, penalties, and surcharges) imposed during the reporting period due to violations of anti-bribery and anti-corruption regulations. However, as of the end of the reporting period, cases under litigation or objection proceedings are not included.

※ The footnotes 6) to 9) above refer to the "XI. Other Matters Necessary for Investor Protection" - "3. Matters Related to Sanctions" section of the business report, where the reasons and applicable laws for sanctions imposed on the company are sourced from the number of sanctions related to fair trade (or corruption and bribery regulations) or the total amount of financial sanctions (in the case of fines, penalties, or surcharges).

Indicators related to Anti-Corruption

	2022	2023	2024
No. of departments conducting corruption risk assessments ¹⁰⁾	24	24	29
No. of departments subject to corruption risk assessments ¹¹⁾	24	24	29
Corruption risk assessment implementation rate ¹²⁾	100%	100%	100%

10) Number of departments that conducted corruption risk assessments. It is considered that a corruption risk assessment has been conducted not only when the assessment focuses solely on corruption, but also when corruption-related items are included in the overall risk assessment.

11) Number of departments subject to corruption risk assessments. It is considered that a corruption risk assessment has been conducted not only when the assessment focuses solely on corruption, but also when corruption-related items are included in the overall risk assessment.

12) Corruption risk assessment implementation rate (%) = (Number of departments where corruption risk assessments were conducted / Number of departments subject to corruption risk assessments) X 100

5. Appendix

Human Rights and Due Diligence Policy

Indices

- UNGPs, UNGC
- EU CSRD/ESRS, EU CSDDD
- National Human Rights Commission of Korea
- CHRB

Independent Assurance Opinion Statement



Appendix

HD Hyundai Marine Solution Human Rights and Due Diligence Policy

The Human Rights and Due Diligence Policy of HD Hyundai Marine Solution sets out, in detail, the specific actions required to meet international standards such as the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines, the International Labour Organization (ILO) conventions, and the EU Corporate Sustainability Due Diligence Directive (CSDDD). To ensure clarity and effective implementation, the Policy defines key concepts, its scope of application, and our stakeholders. Additionally, to fulfill our responsibilities in conducting human rights impact assessments and due diligence, we clearly delineate the roles and responsibilities of the dedicated units and relevant departments, as well as the Human Rights Committee. This framework forms the foundation of our human rights governance and ensures the systematic execution of our human rights management system.

HD Hyundai Marine Solution Human Rights and Due Diligence Policy

Chapter I. General Provisions

Article 1 (Purpose)

This HD Hyundai Marine Solution Human Rights and Due Diligence Policy (hereinafter referred to as the "Policy") is purposed to promote HD Hyundai Marine Solution (hereinafter referred to as the "Company")'s the protection of human rights of stakeholders, including employees and executives, in line with the general principles of business and human rights.

Article 2 (Definitions)

① The terms used in this Policy shall be defined as follows:

1. "Human Rights" refers to the dignity, value, freedom, and right of individuals as recognized by the Constitution and laws, or by international human rights standards outlined in the "HD Hyundai Marine Solution Human Rights Commitment."
2. The term "Human Rights Management" refers to the Company's activities to respect and protect human dignity and value in all business operations, prevent human rights violations, declare commitment to human rights policy, conduct human rights due diligence, provide remediation to complainants, provide relevant training and education to employees and executives. It also includes transparent and effective communication with stakeholders about the results of the Company's business and human rights activities.
3. The term "Employees and Executives" includes executives/officers of the Company, employees (including workers in non-standard forms of employment) and temporary agency workers.
4. "Stakeholders" means the company's employees and executives, the employees and executives of its subsidiaries, consumers and individuals, groupings, communities or entities whose rights or interests are or could be affected, or employees and executives of its subsidiaries and business partners, as necessary.

Article 3 (Scope)

- ① This Policy applies to all employees and executives as well as domestic and foreign stakeholders. For employees and executives working overseas, this Policy shall be applied in consideration of local laws and regulations.
- ② Unless otherwise specified in applicable laws, regulations and other relevant provisions, matters related to the Company's human rights management systems shall be governed by this Policy.

Chapter II. General Principles of Human Rights Management System

Article 4 (Basic Principles)

The Company respects and complies with United Nations Universal Declaration of Human Rights (UDHR), United Nations Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational enterprises, the OECD Due Diligence Guidelines for Responsible Business Conduct (OECD), International Labour Organisation (ILO), and the EU Corporate Sustainability Due Diligence Directive (CSDDD). The Company shall establish a human rights due diligence system in integration with the Company's risk management systems as a primary means of implementing human rights.

Article 5 (Implementation of Human Rights Management)

The Company respects human dignity and value, prevents human rights violations and provides remediation by adhering to the general principles set forth in this Chapter.

Article 6 (Right to Life)

The Company ensures the prioritisation of right to life in all business activities. The Company identifies and eliminates hazards that may occur in the course of business operations (i.e., industrial accidents, hazardous environments, etc.) and establishes safety measures for emergency situations.

Article 7 (Humanitarian Treatment)

The Company prohibits all forms of torture, cruel, inhumane or degrading treatment or punishment, and shall take proactive measures to prevent any physically or psychologically inhumane or degrading treatment that violate human dignity. In the event of such inhumane treatment, the Company takes strict actions in accordance with relevant internal regulations to ensure effective remediation.

Article 8 (Right to Physical Liberty and Security)

The Company respects and upholds the right of every individual to physical liberty and security. The Company does not tolerate any form of arbitrary detention or unlawful deprivation of liberty under any circumstances.

Article 9 (Prohibition of Invasion of Privacy)

The Company respects the right to privacy and prohibits arbitrary or unlawful interference with a person's privacy, family, home or correspondence. The Company adopts and implements strict data protection and information security policies to prevent such interference.

Appendix

HD Hyundai Marine Solution Human Rights and Due Diligence Policy

Chapter 2 of this Policy—Principles of Respect for Human Rights—translates 16 globally recognized human rights standards into 17 detailed provisions (Articles 6–22). By directly linking these provisions to our human rights management and due diligence policies, as well as to our human rights impact assessments, we ensure these rights are effectively managed and safeguarded throughout our operations.

HD Hyundai Marine Solution Human Rights and Due Diligence Policy

Article 10 (Respect for Diversity, Non-Discrimination, and Freedom of Thought, Conscience, and Religion)

The Company respects and embraces diversity throughout its business activities and guarantees and respects the freedom of thought, conscience and religion. The Company strictly prohibits all forms of discrimination, including, but not limited to, differences in compensation or opportunities based on gender, age, race, disability, religion, sexual orientation, politics, thought or conscience, or place of origin. The Company commits to provide all members with equal opportunities, ensuring dignity and respect for all.

Article 11 (Just and Favourable Conditions of Work)

The Company provides fair wages and a safe and healthy working environment for all employees and executives. The Company complies with the statutory working hours of each country in which it operates and pay fair and living wages, accompanied by payslips, to all employees and executives in return for their work.

Article 12 (Rights Related to Company Housing)

Where the Company provides housing to employees and executives, the Company ensures that access to basic needs such as food, water, clothing, and hygiene is not restricted and that the living environment is adequate.

Article 13 (Prohibition of Child Labour)

The Company does not employ any child or juvenile below the minimum age as defined by internationally recognized standards and applicable laws (i.e., age 15). In countries where the minimum age is 14 in accordance with ILO exceptions, the Company follows the national laws and ILO guidelines. The Company prioritises children's health and education, prohibits all forms of exploitation, and ensures that no child is engaged in hazardous work, slavery, trafficking, or illegal activities such as drug production or trade. The Company fulfills its duty to protect children's health, morality, and rights, and conducts thorough due diligence to prevent such risks within the supply chain.

Article 14 (Prohibition of Forced Labour)

The Company strictly prohibits all forms of forced labour, including slavery, debt bondage, and human trafficking and ensures that all work is conducted voluntarily. In the event of identification of any exploitative labour practices, the Company takes immediate corrective action.

Article 15 (Guarantee of Freedom of Association and Collective Bargaining)

In accordance with the Constitution of the Republic of Korea and relevant labour laws, the Company guarantees the freedom of association and the right to collective bargaining. The Company does not impose any disadvantage or discrimination based on the formation, membership, or activities of labour unions.

Article 16 (Prevention of Workplace Harassment and Sexual Harassment)

The Company recognizes that workplace harassment and sexual harassment are unlawful acts that undermine morale and productivity. All employees and executives actively cooperate in the prevention and elimination of such conduct.

Article 17 (Safety and Health)

The Company ensures safe and healthy working conditions and promote occupational safety and health through the establishment and maintenance of appropriate measures.

Article 18 (Responsible Supply Chain Management)

The Company treats the suppliers fairly and support them in implementing the human rights management system. The Company endeavors to ensure that the its products or distribution processes along with the consequence of distribution do not cause or contribute to adverse human rights impacts.

Article 19 (Conflict Minerals)

In accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and other international norms, the Company excludes the use of minerals sourced from conflict-affected regions and strives to build a transparent and ethical supply chain.

Article 20 (Rights to a Healthy Environment)

The Company complies with domestic and international environmental laws and establish goals for environmental improvement. It regularly reviews these goals to ensure their appropriateness and works to prevent pollution—such as soil and water contamination and excessive resource consumption—by adopting sustainable management practices.

Article 21 (Protection of Human Rights of Local Communities)

The Company respects the rights of local communities to access land, forests, and water necessary for their livelihood. It avoids causing any adverse impacts through unlawful evictions, deforestation, or resource exploitation. The Company obtains community consent and follow transparent procedures in matters concerning the use of land and resources in local areas.

Article 22 (Protection of Human Rights of Consumers)

The Company strives to protect consumers' health, safety, and personal data, ensuring fair and non-discriminatory treatment of all consumers. It provides transparent information about its products and services, ensure accessibility, and establish appropriate procedures for receiving and resolving human rights-related grievances from consumers.

Appendix

HD Hyundai Marine Solution Human Rights and Due Diligence Policy

Chapters 3 and 4 of this Policy—Human Rights Management Governance and the Human Rights Committee—set out clear roles and responsibilities for implementing human rights management across HD Hyundai Group. This structure ensures that risk management related to human rights and environmental impacts is embedded throughout the organization, supporting effective oversight and consistent application at every level.

HD Hyundai Marine Solution Human Rights and Due Diligence Policy

Chapter III. Human Rights Management System

Article 23 (Commitment to Human Rights)

The Company proclaims its commitment to Human Rights to ensure the dignity and value of all individuals in the course of its business operations. All employees and executives adhere to and implement the Commitment as a standard principle for ethical conduct and decision-making.

Article 24 (Governance)

① The Company establishes an internal governance structure necessary for the implementation of human rights to uphold human rights in all aspects of its business activities. The governance structure consists of the ESG Committee within the Board of Directors, the Human Rights Committee, a dedicated human rights team, and relevant departments/teams.

② The roles and responsibilities of each body are as follows:

1. The ESG Committee serves as the highest decision-making body on human rights matters and deliberates and approves key policies related to human rights management system.
2. The Chief ESG Officer establishes and leads the Human Rights Committee. However, the Company may separately appoint a Chair of the Committee based on internal needs.
3. The Human Rights Committee deliberates on human rights-related issues and reviews performance to ensure faithful implementation. The Committee reviews and revises the human rights management policy at least every 24 months. Details of the Committee's composition and duties is set forth in Chapter IV.
4. The dedicated human rights team implements tasks including risk identification through due diligence, issue monitoring and reporting, public disclosure, and human rights education/training.
5. Relevant departments/teams (e.g., HR, compliance, procurement, security, EHS) cooperate with the implementation of human rights due diligence and other initiatives.

Article 25 (Dedicated Human Rights Team)

① The Company designates a team dedicated to human rights (the "Dedicated Team") to systematically develop and implement policies and education/training for the promotion of human rights.

② The Dedicated Team carries out the following duties:

1. Conducts annual human rights due diligence
2. Develops and implements annual human rights improvement plans
3. Organizes and implements human rights education/training

4. Regularly reviews and updates due diligence policies in line with global standards
5. Performs other tasks deemed necessary by the Company or the Human Rights Committee Chair

Article 26 (Human Rights Education/Training)

The Company conducts regular education/training for employees and executives to raise awareness of human rights and promote a culture of respect.

1. Education/Training may be delivered through online modules, in-person sessions, or other educational materials depending on the context.
2. The Company may also provide human rights education/training to dispatched workers, partner company employees and executives, and other stakeholders.

Article 27 (Support for Human Rights Initiatives)

The Company may take necessary actions and provide support to human rights-related institutions, organisations, and partner companies to promote human rights protection and enhancement.

Chapter IV. Human Rights Committee

Article 28 (Establishment and Function)

The Human Rights Committee (hereinafter referred to as the "Committee") is established to deliberate and report on the following matters concerning the protection and promotion of the human rights of employees, executives, and stakeholders:

1. Proclamation and revision of the Human Rights Commitment and related regulations
2. Establishment of the Company's human rights management system's master plan
3. Implementation of due diligence in line with international standards
4. Human rights education/training programs
5. Execution of human rights improvement initiatives
6. Handling of grievances and remedial measures
7. Meaningful engagement and participation of stakeholders
8. Any other matters necessary for the protection and promotion of human rights

Article 29 (Composition)

① The Committee is composed of the Chair and executives or department heads from relevant departments.

② The Chair represents and oversees the Committee's operations. In the event the Chair is unable to fulfill the duties, a designated representative act as a delegation.

③ A secretary is appointed to manage administrative affairs and recordkeeping.

Appendix

HD Hyundai Marine Solution Human Rights and Due Diligence Policy

Chapter 5 of this Policy—Human Rights and Environmental Due Diligence—is designed to identify and assess actual and potential adverse impacts on human rights and the environment, prioritize risks, and ensure that such impacts are effectively prevented and managed. The structure and requirements of our due diligence process are fully aligned with the EU Corporate Sustainability Due Diligence Directive (CSDDD), reflecting the highest standards among current international frameworks.

HD Hyundai Marine Solution Human Rights and Due Diligence Policy

Article 30 (Meeting and Quorum for Resolution)

- ① The Committee convenes regularly twice a year and may hold extraordinary meetings upon the Chair’s judgment or at the request of one-third or more of its members.
- ② A meeting is convened with the attendance of a majority of the total members, and resolutions require the approval by a majority of those present.
- ③ Meetings are held in person in principle, but written resolutions may be adopted for urgent or minor matters.
- ④ The Secretary prepares the minutes of the Committee meetings and ensures their proper maintenance and preservation.

Article 31 (Hearing of Opinions and Request for Submission of Data)

- ① The Committee may, if necessary, summon relevant individuals or stakeholders to attend meetings and present their opinions on the matters under deliberation.
- ② The Committee may, if necessary, request relevant departments or other stakeholders to submit materials or information related to the matters under deliberation.
- ③ The Committee may, if necessary, seek the participation and opinions of external advisors.

Article 32 (Confidentiality)

All persons attending meetings shall maintain confidentiality regarding any information obtained in the course of their duties.

Article 33 (Conflict of Interest)

Any Committee member who has a conflict of interest in a particular agenda item shall be excluded from the related discussions and voting.

Article 34 (Term of Office Members)

Internal members of the Committee serve ex officio based on official position.

Article 35 (Dismissal of Members)

A Committee member may be dismissed prior to the expiration of term if he/she:

1. Fails to faithfully perform duties
2. Discloses confidential information
3. Is unable to perform duties due to illness or other reasons
4. Is involved in human rights violations
5. Experiences changes in position affecting membership eligibility
6. Commits acts damaging the dignity required for the role

Article 36 (Implementation of Human Rights and Environmental Due Diligence)

- ① The Company conducts human rights and environmental due diligence (hereinafter referred to as the “due diligence”) at least once a year in accordance with Chapter V.
- ② The Committee may conduct additional due diligence if a policy or activity may significantly impact stakeholders’ rights.
- ③ The dedicated human rights team supervises the due diligence and may request relevant materials from relevant team/department.
- ④ The due diligence may be outsourced to qualified external experts.
- ⑤ The results of the due diligence are reviewed by the Committee and reported to the CEO.
- ⑥ Separate action plan may be developed depending on the nature and scope of the due diligence.

Chapter V. Human Rights and Environmental Due Diligence

Article 37 (Purpose and Approach of Due Diligence)

The Company conducts due diligence in accordance with the EU Corporate Sustainability Due Diligence Directive (CSDDD), the United Nations Guiding Principles on Business and Human Rights (UNGPs), and the OECD Due Diligence Guidance for Responsible Business Conduct. Through due diligence, the Company identifies adverse human rights and environmental impacts in its operations, subsidiaries, and chains of activities, including its business partners, and takes appropriate measures to prevent, mitigate, and bring to an end or minimise such adverse impacts.



Article 38 (Identifying and Assessing Adverse Impacts and Prioritisation of Identified Adverse Impacts)

- ① The Company identifies and assesses actual or potential adverse impacts that may arise from its own operations or those of their subsidiaries and business partners.
- ② The Company conducts an in-depth assessment in accordance to the identification of adverse impacts’ severity and likelihood.
- ③ Where a company cannot prevent, mitigate, bring to an end or minimise the extent of all the identified actual and potential adverse impacts at the same time to the full extent, the Company prioritises and takes appropriate measures according to [Article 39 and 40] based on their severity and likelihood.

Appendix

HD Hyundai Marine Solution Human Rights and Due Diligence Policy

Through this Due Diligence Policy, HD Hyundai Marine Solution not only conducts rigorous reviews of human rights risks but also mandates that such risks be systematically identified, addressed, and mitigated through strict preventive and corrective measures. To this end, we develop and manage Prevention Action Plan (PAP) for potential risks and Corrective Action Plan (CAP) for actual risks, ensuring a comprehensive and proactive approach to human rights risk management.

Article 39 (Preventing Potential Adverse Impacts)

- ① The Company develops and implements a prevention action plan and takes appropriate measures to prevent identified potential adverse effects.
- ② The Company seeks to obtain contractual assurances from direct business partners that it will ensure compliance with the Code of Conduct, as necessary, the prevention action plan, including by seeking corresponding contractual assurances from the Company's indirect, second-tier partners.
- ③ If the Company is unable to prevent or adequately mitigate the potential adverse impacts despite the action plans, contractual assurance among others efforts that the Company has requested from its direct business partner, the Company shall, where the law governing their relations so entitles them, (1) refrain from entering into new contracts or extending existing contracts with the Supplier that are related to the adverse impacts; (2) require the adoption and implementation of an enhanced prevention action plan without delay provided that there is a reasonable expectation that those efforts will succeed; and (3) use or enhance its leverage through the temporary suspension of business relationships related to the identified risks.

Article 40 (Bringing Actual Adverse Impacts to an End)

- ① The Company shall develop and implement a corrective action plan and take appropriate measures to bring identified potential adverse effects to an end.
- ② The Company shall seek to obtain contractual assurances from a direct business partner that it will ensure compliance with the Code of Conduct, as necessary, the corrective action plan, including by seeking corresponding contractual assurances from its partners.
- ③ If the Company is unable to prevent or adequately mitigate the potential adverse impacts despite the action plans, contractual assurance among others efforts that the Company has requested from its direct business partner, the Company shall, where the law governing their relations so entitles them, (1) refrain from entering into new contracts or extending existing contracts with the Supplier that are related to the adverse impacts; (2) require the adoption and implementation of an enhanced corrective action plan without delay provided that there is a reasonable expectation that those efforts will succeed; and (3) use or enhance its leverage through the temporary suspension of business relationships related to the identified risks.

Article 41 (Meaningful Engagement with Stakeholders)

For the process of carrying out the due diligence actions, the following provisions are consulted with stakeholders to reasonable extent, and relevant and comprehensive information shall be provided to stakeholders, as appropriate. Article 41(5) shall be consulted with an appropriate scope and method, if necessary.

1. Gathering of the necessary information on actual or potential adverse impacts, in order to identify, assess and priorities adverse impacts pursuant to Article 38
2. Development of enhanced prevention and corrective action plans pursuant to Article 39(1) and Article 40(1)
3. Suspension or termination of the business relationship pursuant to Article 39(3) and Article 40(3)
4. Adoption of appropriate measures to remediate adverse impacts pursuant to Article 39(1), Article 39(2), Article 40(1) and Article 40(2)
5. Development of quantitative and qualitative indicators for monitoring required under Article 43(1) as appropriate

Article 42 (Notification Mechanism and Complaints Procedure)

- ① Persons and organisations may submit complaints directly to Company's grievance mechanism in case of legitimate concerns regarding actual or potential adverse impacts.
- ② The grievance mechanism may take appropriate corrective or disciplinary action such as recommending respondent to refrain from non-compliance actions, taking disciplinary action in accordance with the Company regulations, or reporting to the National Human Rights Commission of Korea or an investigative agency.
- ③ If the complaint is well-founded that the adverse impact is deemed to be identified within the meaning of Article 39, the Company notifies the department in charge.
- ④ Company shall ensure the confidentiality of the identity of the person or organisation submitting the complaint and take reasonably available measures to prevent any form of retaliation.
- ⑤ Persons or entities that have legitimate concerns or information regarding actual and potential adverse impacts may make notifications either anonymously or confidentially when using the grievance mechanism.
- ⑥ The complainant shall have the following rights pursuant to Article 42(1):
 1. The right to request appropriate follow-up on the complaint from the Company
 2. The right to meet with the Company's representatives at an appropriate level to discuss severe adverse impacts and potential remediation when actual or potential adverse impacts on human rights and environment that are subject matter of the complaint are severe
 3. The right to be provided by the Company with the reasons a complaint has been considered founded or unfounded and, where considered founded, with information on the steps and actions taken or to be taken

Article 43 (Monitoring)

- ① The Company shall, without undue delay, carry out an assessment after a significant change occurs, such as starting to operate in a new economic sector or geographical area, initiating the production of new products, or if there are reasonable grounds to believe that new risks of adverse impact may arise. In any event, such assessment shall be carried out at least every 5 years to assess the implementation and effectiveness of the due diligence measures.
- ② The Company updates the due diligence policy and identified adverse impacts and measures against them, as appropriate, based on the results of the assessment.

Article 44 (Review and Reporting)

The Company due diligence report that explains the identified adverse impacts, actions and measures is written and disclosed on website in both Korean and English annually. Nonetheless, due diligence information can be disclosed as part of other publicly available reports including sustainability/ESG report or other standalone report in accordance with internal company requirements.

Article 45 (Operation and Documentation Storage)

- ① The Company reviews its due diligence process policy at least once every 24 months and revises them where necessary. The policy is revised without undue delay where a significant change occurs.
- ② The Company retains all documents and records collected or produced in the course of carrying out its due diligence for a minimum period of 5 years.

Appendix

UNGPs Reporting Framework

Governance of Respect for Human Rights		
A1.	Policy commitment	8, 32~36
A2.	Embedding respect for human rights	9, 13
Defining a Focus of Reporting		
B1.	Statement of salient issues	12, 25
B2.	Determination of salient issues	25
B3.	Choice of focal geographies	-
B4.	Additional severe impacts	25
Management of Salient Human Rights Issues		
C1.	Specific policies	8, 32~36
C2.	Stakeholder engagement	10
C3.	Assessing impacts	16~20
C4.	Integrating findings and taking action	14, 17, 20~23, 26~30
C5.	Tracking performance	17
C6.	Remediation	14

UN Global Compact (UNGC)

Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	8
Principle 2	make sure that they are not complicit in human rights abuses.	8
Labour		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	8
Principle 4	the elimination of all forms of forced and compulsory labour;	8
Principle 5	the effective abolition of child labour; and	8
Principle 6	the elimination of discrimination in respect of employment and occupation.	8

Appendix

EU CSRD/ESRS

ESRS S1. Own Workforce

Impacts, risks and opportunities management

S1-1	Policies related to own workforce	32~36
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	10, 14, 29, 30
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	14, 29, 30
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	17, 27, 28~30

Metrics and targets

S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	26, 27
S1-6	Characteristics of the undertaking's employees	28
S1-7	Characteristics of non-employees in the undertaking's own workforce	-
S1-8	Collective bargaining coverage and social dialogue	28
S1-9	Diversity metrics	28
S1-10	Adequate wages	-
S1-11	Social protection	-
S1-12	Persons with disabilities	-
S1-13	Training and skills development metrics	28
S1-14	Health and safety metrics	27
S1-15	Work-life balance metrics	-
S1-16	Remuneration metrics (pay gap and total remuneration)	-
S1-17	Incidents, complaints and severe human rights impacts	25

ESRS S2. Workers in the Value Chain

Impacts, risks and opportunities management

S2-1	Policies related to value chain workers	4, 8, 32~36
S2-2	Processes for engaging with value chain workers about impacts	28
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	29, 30
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	21~23

Metrics and targets

S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	23
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EU CSDDD

Article 7	Integrating due diligence into company policies and risk management systems	16
Article 8	Identifying and assessing actual and potential adverse impacts	17~20
Article 9	Prioritisation of identified actual and potential adverse impacts	25, 26
Article 10	Preventing potential adverse impacts	14, 27~30
Article 11	Bringing actual adverse impacts to an end	14, 27~30
Article 12	Remediation of actual adverse impacts	14, 27~30
Article 13	Meaningful engagement with stakeholders	10
Article 14	Notification mechanism and complaints procedure	29, 30
Article 15	Monitoring	14
Article 16	Communicating	Disclosure through this report, Sustainability Report

Appendix

National Human Rights Commission Human Rights Management Report and Evaluation Guidelines

Business and Human Rights Reporting Guidance

A. Report on the Business and Human Rights Management System and the Human Rights Policy Commitment	1) Report on Business and Human Rights Management System.	9
	2) Report on the Human Rights Policy Commitment.	4, 8, 32~36
B. Report on Human Rights Impact Assessment	1) Report on the conduction of Human Rights Impact Assessment for the given.	18
	2) Report on salient human rights issues identified as a result of the Human Rights.	25
	3) Report on plans of countermeasures for salient human rights issues of the given year.	27~30
	4) Report on the performance of the countermeasure plan for salient human rights issues.	27~30
C. Report on Remedies and Grievance Mechanisms	1) Describe the remedies and grievance mechanisms.	29~30
	2) Report the performance of a remediation mechanism in the given year.	29~30
D. Report on the Business and Human Rights Management Training	1) Describe the business and human rights management training system in the institution(company).	-
	2) Describe the performance of human rights management education for the relevant year.	-
E. Comprehensive Evaluation, Principle of Disclosure, and Communication	1) Report yearly comprehensive evaluation of the result of human rights management.	3
	2) Report the method of business and human rights management reporting.	9
	3) Describe the communication process of the report.	9

Appendix

CHRB (Corporate Human Rights Benchmark) Index

A Policy Commitments		
A01	Commitment to respect human rights	3, 4, 8, 32
A02	Commitment to respect the human rights of workers	4, 32
A03	Commitment to respect working hours	33
A04	Commitment to respect the human rights of vulnerable groups	33
A05	Commitment to respect land, natural resources and Indigenous peoples' rights	33
A06	Commitment to responsible sourcing of minerals	33
A07	Commitment to security and human rights	4, 8, 33
A08	Commitment to remedy	4, 32
A09	Commitment to respect the rights of human rights defenders	-
B Board-level Accountability		
B01	Commitment from the top	3, 4
B02	Board responsibility	4, 9, 35
B03	Incentives and performance management	-
B04	Business model, strategy and risks	3, 13, 27
C Embedding Respect for Human Rights in Company Culture and Management Systems		
C01	Responsibility and resources for day-to-day human rights functions	9, 34
C02	Incentives and performance management	-
C03	Integration with enterprise risk management	21, 22, 23, 27
C04	Communication/dissemination of policy commitment(s)	10, 28, 36
C05	Training on human rights	9, 28

C06	Monitoring and corrective actions	16, 22, 23, 26, 36
C07	Engaging and terminating business relationships	21
C08	Aligning purchasing decisions with human rights	21
C09	Mapping and disclosing the supply chain	6, 13, 21
C10	Transparency and accountability	35, 36
D Human Rights Due Diligence		
D01	Identifying human rights risks and impacts	14, 16, 18, 19, 20, 25
D02	Assessing human rights risks and impacts	16, 17, 19, 20, 25
D03	Integrating and acting on human rights risk and impact assessments	14, 16, 20, 26
D04	Tracking the effectiveness of actions to respond to human rights risks and impacts	16, 17, 20
D05	Communicating on human rights impacts	10, 16
E Remedies and Grievance Mechanisms		
E01	Grievance mechanism(s) for workers	29
E02	Grievance mechanism(s) for external individuals and communities	-
E03	Users involvement in the design and performance of the mechanism(s)	29
E04	Procedures related to the grievance mechanism(s) are equitable, publicly available and explained	29
E05	Prohibition of retaliation for raising complaints or concerns	29
E06	Company involvement with state-based judicial and non-judicial grievance mechanisms	-
E07	Remedying adverse impacts	30
E08	Communication on the effectiveness of grievance mechanism(s) and incorporating lessons learned	-

Appendix

CHRB (Corporate Human Rights Benchmark) Index

F	Performance: Company Human Rights Practices	
F01	Living wage (in own operations and joint ventures)	33
F02	Living wage (in the supply chain)	33
F03	Prohibition of child labour (in own operations and joint ventures)	33
F04	Prohibition of child labour (in the supply chain)	33
F05	Prohibition of forced labour (in own operations and joint ventures)	33
F06	Prohibition of forced labour (in the supply chain)	33
F07	Freedom of association and collective bargaining (in own operations and joint ventures)	33
F08	Freedom of association and collective bargaining (in the supply chain)	33
F09	Health and safety (in own operations and joint ventures)	27, 33
F10	Health and safety (in the supply chain)	27, 33
F11	Women's rights (in own operations and joint ventures)	28
F12	Women's rights (in the supply chain)	-
F13	Working hours (in own operations and joint ventures)	33
F14	Working hours (in the supply chain)	33
F15	Water and sanitation (in own operations and joint ventures)	-
F16	Water and sanitation (in the supply chain)	-
F17	Land rights (in own operations and joint ventures)	-
F18	Land rights (in the supply chain)	-
F19	Indigenous peoples' rights and free, prior and informed consent (in own operations and joint ventures)	-
F20	Security (in own operations and joint ventures)	27

F21	Arrangements with suppliers and smelters/refiners in mineral supply chains	-
F22	Risk identification in mineral supply chains	-
F23	Risk management in mineral supply chains	-
F24	Responsible sourcing of materials	-
G Performance: Response to Serious Allegations		
G01	Public response	-
G02	Investigation and appropriate action	-
G03	Provision of remedy	-

Appendix

INDEPENDENT ASSURANCE OPINION STATEMENT

Holds Statement No.: SRA 831118

The British Standards Institution (BSI) has conducted a limited assurance engagement on the HD Hyundai Marine Solution 2024 Human Right Report.

Scope

HD Hyundai Marine Solution to prepare used the criteria UN Guiding Principles Reporting Framework and WBA Corporate Human Rights Benchmark. The sustainability information subject to assurance included in the report are as follows.

- Information in the UN Guiding Principles Reporting Framework Index presented on the Appendix.
- Information in the WBA Corporate Human Rights Benchmark Index presented on the Appendix.

Opinion Statement

We have conducted a limited assurance engagement on the sustainability information described in the "Scope" above Sustainability Information. The limited assurance is compared to the reasonable assurance, and provides a lower level of assurance than the reasonable assurance. As a result, the procedure for collecting evidence, such as the nature, scope and sampling of the procedure carried out by the assurer, is planned at a lower level than that of the reasonable assurance, and may not be aware of the important points that may be identified through the reasonable assurance. Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the accompanying Sustainability Information is not prepared, in all material respects and assurer has found no findings that would determine that the information and data contained were improperly described in accordance with the criteria used by HD Hyundai Marine Solution Corporation in view of the importance of the information to be verified.

Methodology

Our assurance engagements were carried out in accordance with ISAE3000 (Revised). Our work was designed to gather evidence on which to base our conclusion. As part of its independent assurance, the assurer has used the methodology developed to collect relevant evidence to comply with the verification criteria and to reduce errors in the reporting, and has performed the following activities.

- the top-level review of issues raised by external parties that could be relevant to organizations policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers and staffs on organization's approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- document review of relevant systems, policies, and procedures where available.
- review of the findings of internal audits.

Responsibility

HD Hyundai Marine Solution Corporation is responsible for the preparation and fair presentation of the sustainability information and report in accordance with the agreed criteria and is responsible for designing and implementing an internal control system related to the content of the report and maintaining it to ensure that there are no significant errors due to forgery or alteration or distortion.

British Standards Institution (BSI) is responsible for providing an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described. We have conducted review the information presented by HD Hyundai Marine Solution Corporation according to expert judgment, and prepared assurance opinion based on the assurance procedure and conclusion performed. We assume that all information provided by HD Hyundai Marine Solution Corporation is true, accurate, and complete. We shall not bear any responsibility to a third party other than HD Hyundai Marine Solution Corporation regarding the work performed by the assurer and the conclusions presented in this opinion.

Independence, Quality Control and Competence

British Standards Institution (BSI) is a leading global standards and assessment body founded in 1901 and an independent professional institution that specializes in quality, health, safety, social and environmental management with over 120 years history in providing independent assurance services and complied with the other ethical requirements of BSI. BSI Group Korea implements a comprehensive system that meets the accreditation requirements of ISO 14065 (General principles and requirements for bodies validating and verifying environmental information) and ISO/IEC 17021 (Requirements for bodies providing audit and certification of management systems), which complies with the Code of Ethics requirements of ISQM1 (International Standard on Quality Management 1) and IESBA (Certified Public Accountant of International Ethics Standards Board for Accountants). No member of the assurance team has a business relationship with HD Hyundai Marine Solution Corporation Group. The Assurer has conducted this verification independently, and there has been no conflict of interest. The Assurer applies Quality Control of BSI scheme and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. All assurers who participated in the assurance have qualifications as an ISAE3000 assurer, have wide assurance experience and in-depth understanding of the BSI Group's assurance standard methodology.

Issue Date: 24/07/2025

For and on behalf of BSI:

bsi. 

Jungwoo Lee,
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