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Environmental Management Policy

Rev. 2

Chapter 1. General Provisions

Article 1. Purpose

SeAH Steel Corporation (hereinafter referred to as the "Company") is a company primarily engaged in the steel pipe manufacturing business and has implemented this Environmental Management Policy (hereinafter referred to as "this Policy") aimed at minimizing negative environmental impacts and facilitating an eco-friendly transition across all production activities and its value chain. This Policy is pursued in collaboration with the Company's employees, partners, customers, and local communities in support of the Company's commitment to a sustainable future for the next generations.

Article 2. Scope of Application and Key Principles

This Policy applies to all SeAH Steel business sites. In addition, the Company encourages all suppliers and contract partners to comply with this Policy or with a comparable policy, to improve environmental performance throughout the Company's supply chain. To this end, the Company actively strives to support related activities, including education and information provision.

- ① (Supply Chain) The Company minimizes environmental impact by incorporating environmental management evaluation criteria into the selection process for external entities, including suppliers, contractors, and service providers. In particular, the Company supports the establishment of environmental management systems by regularly conducting sustainability assessments of high-risk supply chains or those with significant influence on business operations. In addition, the Company promotes the procurement of products (including raw and auxiliary materials) and services with eco-friendly certifications and fosters a cooperative ecosystem with its supply chain for the development and production of environmentally friendly products.
- ② (Production and Business Sites) The Company's production and business sites establish environmental management systems in accordance with internationally recognized standards or applicable national guidelines. Environmental management is carried out through defined procedures, including goal settings, education and training, document and record control, and internal audits, as well as setting standards for each area (such as integrated environmental management, air, water, waste, chemicals, soil, noise, vibration, and odor management). The Company monitors environmental impacts, implements internal regulations to improve negative environmental impacts and reduce pollution, and promotes continuous improvement initiatives. In addition, it seeks third-party certification of environmental management systems for key production and sales sites that are deemed to have significant environmental impact.
- ③ (Distribution Network) The Company strives to minimize the environmental impact associated with the logistics and transportation of raw materials, work-in-process items, and final products. The Company will continue to expand logistics and transportation networks that are energy-efficient and utilize eco-friendly energy sources, and will promote both internal and external collaborative efforts to reduce greenhouse gas

emissions, waste, wastewater, and other pollutants generated throughout the logistics and transportation process.

- ④ (Products and Services) The Company undertakes initiatives to improve environmental impact across the entire product life cycle—from raw material input and product manufacturing/distribution to end-of-life recovery and recycling—based on the results of environmental impact assessments and by incorporating the Life Cycle Assessment (LCA) methodology. The Company is committed to developing eco-friendly products and services to support the transition to low-carbon and renewable energy society.
- ⑤ (Waste Management) The Company establishes and implements standardized waste management procedures covering the entire process from waste generation to final disposal. These standards address the scope of application, definitions of terms, roles and responsibilities, waste separation bins and storage facilities, waste generation, collection, storage and disposal, inspections, consignment contracts, and monitoring. The Company maximizes the reuse and recycling of resources through collaboration not only with waste disposal companies, but also with both similar and different industries, and contributes to the creation of economic value by promoting resource circularity of waste generated by local communities.
- ⑥ (Mergers and Acquisitions) The Company conducts environmental due diligence in the event of mergers and acquisitions. This process includes a review of potential negative environmental impacts based on environmental data among others, as well as an assessment of environmental compliance risks associated with the target entities. For identified compliance risks, the Company prepares appropriate remediation measures, and for environmental impact mitigation, the results of the environmental review are reflected in the valuation criteria of the target organizations.
- ⑦ (Other – New Business and Project Investments, etc.) The Company has established procedures to identify and address environmental impacts and risks associated with entering new businesses, undertaking new projects, and conducting other internal and external investment activities beyond the areas described above.

Chapter 2. Key Components of Environmental Management

Article 3. Basic Principles

The Company's environmental management framework consists of: (1) complying with environmental laws and regulations; (2) announcing policies that implement environmental management; (3) establishing an environmental management system and implementing related internal regulations; (4) monitoring environmental performance; (5) identifying risks and promoting relevant initiatives; and (6) continuing environmental performance improvements. The organizational unit responsible for environmental management periodically enacts and revises applicable laws and regulations and plays a key role in enhancing implementation plans to reflect changes in the social and business environment.

The Company prioritizes the natural environment and is committed to shifting the future energy paradigm, developing eco-friendly products and services, promoting a circular economy, and

creating environmentally responsible workplaces. To advance its environmental management objectives, the Company has established the basic principles set forth in Articles 4 through 12 for each environmental factor.

Article 4. Operation of Environmental Management System and Compliance with Related Laws and Regulations

- ① All business sites operate in accordance with the Environmental Management System (ISO 14001) which is the international standard and carry out monitoring and improvement activities to prevent legal risks.
- ② Implement compliance programs and measures to prevent legal violations based on the company-wide Compliance Management System (ISO 37301), which is in alignment with the international standard.
- ③ Conduct environmental compliance assessments for all domestic and international business sites in which the Company operates.

Article 5. Environmental Pollutants

The Company is committed to minimizing adverse impacts on the natural environment by reducing emissions of air and water pollutants, among others, as well as safeguarding the health and safety of its customers and employees. In particular, the Company establishes and enforces standards for managing environmental pollutant generation and emissions in accordance with applicable national environmental laws and regulations.

- ① Monitor emissions of air pollutants, including nitrogen oxides (NO_x), sulfur oxides (SO_x), and total suspended particulates (TSP) and invest in air pollution control facilities and new technologies to ensure emissions remain below legal limits.
- ② Monitor emissions of water pollutants, such as suspended solids (SS), total organic carbon (TOC), and biochemical oxygen demand (BOD) anticipated from each process and install and operate the necessary facilities to manage these emissions within legal limits.
- ③ Monitor soil contamination caused by pollutants such as cadmium, fluoride, and total petroleum hydrocarbons (TPH) and take appropriate measures, including periodic inspections and improvements to facilities and processes, to prevent soil contamination.
- ④ Conduct regular noise assessments along site boundaries, monitor vibration levels of major facilities, and oversee emissions from pollution prevention equipment, implementing appropriate measures to maintain compliance with legal limits.
- ⑤ Establish internal management standards for pollutants (air, water, soil, noise, vibration, and odor) based on an internal environmental impact assessment conducted every three years and maintain emissions at or below 30% of the legally permissible concentration limits.

- ⑥ Disclose activities related to environmental pollution and the resources allocated to such initiatives, as well as individual emission level for air, water, and soil pollutants.
- ⑦ Estimate and disclose the potential financial impact of risks and opportunities related to environmental pollution. Where possible, quantitative figures are provided; otherwise, qualitative information is disclosed, along with the expected timeframe for such impacts and the assumptions and level of uncertainty underlying the estimates.

Article 6. Waste

The Company establishes and implements a waste management and recycling policy to reduce waste generated through business operations and to ensure its efficient disposal of waste materials.

- ① Based on the characteristics of waste generated during the production process, the Company determines the optimal recycling methods within the scope of applicable laws, develops strategies to improve recycling rates and enhance added value, and seeks to minimize the proportion of waste sent to landfills or incineration.
- ② To ensure the optimal disposal of generated waste, the Company actively undertakes internal and external initiatives to assess and improve environmental performance, ensure legal compliance with waste-related regulations, and select qualified transportation and disposal service providers.
- ③ The Company transparently discloses information regarding the classification and definition of workplace waste, as well as the processes of waste generation and storage methods.
- ④ For processes generating multiple types of waste, the Company undertakes reduction efforts, such as in-process reuse and regeneration, and promotes expanded recycling through separate waste sorting.
- ⑤ The Company increases resource efficiency by expanding the use of recycled materials generated during the steelmaking process, including recovered steel and processed chips.
- ⑥ The Company minimizes incinerated and landfilled waste and enhances recycling rates by identifying and utilizing specialized recycling companies.
- ⑦ The Company closely monitors the lawful disposal of waste by conducting annual on-site inspections of waste disposal contractors.
- ⑧ The Company develops and implements waste management guidelines to systematically manage the entire lifecycle of waste, from generation to final disposal. These guidelines cover the scope of application, definitions, roles and responsibilities, waste separation bins and storage facilities, generation of waste, collection, storage, disposal, inspection, contracting, and monitoring.
- ⑨ The Company discloses information on significant resource inputs, including products (and packaging) and materials used (specifying critical raw materials and rare earth

elements) as well as significant resource outputs such as products, materials, and waste. Waste information includes total waste generated and discloses waste handled through recovery operations (reuse, recycling, etc.) and disposal operations (incineration, landfilling, etc.), categorizing them into hazardous and non-hazardous waste.

- ⑩ The Company estimates and discloses the potential financial impacts of risks and opportunities related to resource use and the circular economy. Where possible, quantitative figures are provided; otherwise, qualitative information is disclosed, along with the expected timeframe for such impacts and the assumptions and level of uncertainty underlying the estimates.

Article 7. Chemicals

The Company identifies the status of hazardous chemical substances used in the course of its business operations or contained in its products and publicly discloses the necessary information. The Company also establishes and implements a hazardous substance management policy that includes reducing the use of hazardous substances, managing associated risks, and preventing the spread of leaks.

- ① Establish and actively implement plans to prevent chemical-related accidents and reduce the use and discharge of hazardous chemical substances in compliance with chemical management standards and applicable regulations.
- ② Conduct safety training for employees who handle hazardous chemical substances, provide education on proper handling procedures, and periodically conduct drills to prepare for environmental and safety-related incidents.
- ③ Monitor the status and volume of hazardous chemical substances discharged and used and transparently disclose information, including the total quantity of hazardous chemical substances produced, used, and procured in the production process, as well as the total amount of hazardous chemical substances leaving the workplace through products, services, or emissions. High-risk hazardous chemical substances are identified separately. The Company also strives to reduce the use of hazardous chemicals and to develop alternative substances.
- ④ When handling new chemicals, the Company ensures traceability from receipt to disposal following a review by the department dedicated to safety & environment and establishes infrastructure to prevent the spread of leaks, such as hazardous chemical substances storage tanks.
- ⑤ Invest in reduction facilities and adopt new technologies to decrease the volume of chemicals used.
- ⑥ Manage the full lifecycle of chemicals (from procurement to use) in accordance with internal standards and strictly control the inflow and outflow of hazardous chemical substances based on a prior approval system for all substances entering the workplace.

Article 8. Greenhouse Gas / Energy

To actively address climate change and achieve its Net Zero goal, the Company establishes and implements policies for greenhouse gas management and carbon neutrality, including carbon absorption and offset initiatives. These efforts are aimed at developing substantive greenhouse gas reduction measures, gradually transitioning to a renewable energy system, and achieving carbon neutrality in alignment with the Company's business operations.

In particular, the Company is committed to energy transformation across the value chain by establishing an eco-friendly, energy-based production system, investing in renewable energy facilities (including carbon-free power sources), expanding eco-friendly products, and utilizing hydrogen and carbon capture, utilization, and storage (CCUS) technologies. The Company also promotes day-to-day energy-saving initiatives, including the identification and implementation of energy efficiency projects and energy conservation campaigns. Each of the Company's affiliates establish and implement its own energy management policies to reduce energy consumption and increase the use of renewable energy.

- ① To achieve carbon neutrality, the Company's business sites actively implement greenhouse gas reduction plans, including energy efficiency measures and the use of alternative energy sources, with a targeted reduction of 15% of 2018 greenhouse gas emissions by 2023 in pursuit of Net Zero by 2050. In addition, the Company promotes carbon-neutral production bases through advancements in manufacturing technologies and platform innovations such as eco-friendly smart factories.
- ② The Company develops carbon neutrality guidelines for its supply chain, encourages carbon neutrality practices, and conducts reduction activities tailored to supply chain characteristics. In particular, it promotes recycling and new material expansion projects in collaboration with raw material suppliers to reduce emissions across the supply chain.
- ③ The Company develops dedicated platforms and technologies for eco-friendly products, expands infrastructure for such products, and increases the distribution of eco-friendly products and services. These efforts contribute to the reduction of greenhouse gas emissions from products and usage of services.
- ④ The Company reduces greenhouse gas emissions by purchasing eco-friendly raw materials and developing products in accordance with the Green Procurement Policy.
- ⑤ The Company removes pollutants generated during production through pollution prevention facilities. To ensure continuous compliance with permissible emission standards, the Company installs automatic Tele-Monitoring systems (TMS) to measure pollutant concentrations in real time and conducts regular monitoring through self-measurement of air pollutants. The Company also communicates with local communities by periodically measuring air pollution levels at site boundaries to assess potential impacts on surrounding areas.
- ⑥ The Company promotes energy reduction initiatives by replacing outdated, inefficient facilities, introducing energy-efficient equipment, developing and applying eco-friendly construction methods, and implementing energy-saving campaigns.
- ⑦ The Company considers the application of renewable energy solutions tailored to site-specific conditions, such as installing renewable energy generation facilities, purchasing

renewable energy certificates, and entering into power purchase agreements with electricity generators. It also advances eco-friendly energy technologies, including clean hydrogen and expands related business initiatives.

- ⑧ The Company implements energy-saving activities through employee participation, including energy rationalization programs and awareness campaigns.
- ⑨ The Company enhances energy management efficiency through data-driven analysis enabled by a greenhouse gas and energy monitoring system.
- ⑩ All business sites pursue and maintain certification under ISO 50001 (Energy Management System).
- ⑪ The Company transparently discloses its climate change mitigation and adaptation activities and the resources committed to their implementation. It reports on key activities undertaken during the reporting year, the expected GHG emission reductions resulting from those activities, and the associated capital and operating costs.
- ⑫ The Company discloses total energy consumption (MWh), categorized by energy source: fossil fuels, nuclear, and renewable energy sources and greenhouse gas emissions (tCO₂eq), broken down by Scope 1 and Scope 2. The Company also calculates and discloses greenhouse gas emissions intensity (as a percentage of net revenue).
- ⑬ The Company discloses the amount of greenhouse gas removed and stored (tCO₂eq) from its operations or value chain, as well as the amount of greenhouse gas reduced or removed through the purchase of carbon credits.
- ⑭ The Company provides estimates of and discloses potential financial impacts from physical risks, transition risks, and material climate-related opportunities. Where possible, quantitative figures are provided; otherwise, qualitative information is disclosed, along with the expected timeframe for such impacts and the assumptions and level of uncertainty underlying the estimates.

Article 9. Raw Materials

The Company has established a policy to minimize unnecessary waste of natural resources by using raw materials efficiently in the production of its products and services. The Company will continuously monitor whether any raw materials are produced through illegal practices that harm natural capital or cause environmental pollution.

- ① The Company optimizes raw materials input by continuously improving its product and service production processes and manages raw and auxiliary materials through planned production, taking into account business strategy, production schedules, and inventory management.
- ② Waste and byproducts such as metal waste (e.g., steel and aluminum), waste wood, and wastepaper generated during raw materials input are either reintegrated into the Company's own production processes or transferred to other industries and external facilities for recycling and resale.

- ③ The Company encourages the use of raw materials that are produced in an environmentally responsible manner or have obtained eco-friendly certification. It also tracks raw materials produced at the expense of natural capital and takes steps to remediate significant risks.

Article 10. Water Use

The Company recognizes the importance of preserving a sustainable water environment and actively seeks to reduce and recycle water usage. In regions facing severe water shortages, the Company also considers operating water storage facilities to expand water retention capacity. Furthermore, it promotes both internal and external initiatives to identify and address water depletion risks in water supply sources beyond industrial water such as commercial and residential water supply.

- ① To improve the sustainability of water resources, the Company continues to implement the 3Rs (Reduce, Reuse, Recycle) initiatives and minimizes wastewater discharge through the use of wastewater reuse and purification facilities.
- ② The Company stores water through on-site water storage facilities and installs and operates water collection systems and drainage ditches to manage and retain stormwater.
- ③ The Company regularly monitors whether its business sites are located in areas at risk of water scarcity or depletion and undertakes initiatives to protect such areas when they are deemed to have a significant impact on business operations.
- ④ To monitor pollution levels near its sites, the Company conducts semi-annual pollution analyses of drainage ditches and stormwater around its business locations.
- ⑤ The Company discloses its water-related activities and the resources allocated to implement them.
- ⑥ The Company discloses water consumption data in the context of material impacts, risks, and opportunities, including total water consumption, water use in water-stressed areas, and the volume of water recycled and reused. Disclosures are accompanied by specific contextual information, including the methodologies and assumptions used in calculating the figures.
- ⑦ The Company estimates and discloses the potential financial impact of water-related risks and opportunities. Where possible, quantitative figures are provided; otherwise, qualitative information is disclosed, along with the expected timeframe for such impacts and the assumptions and level of uncertainty underlying the estimates.

Article 11. Local Communities

The Company recognizes that both the Company and its employees are part of the local community and considers the environmental impact of its business operations on the surrounding community. Accordingly, the Company establishes and implements reasonable

measures to manage such impacts. To this end, the Company publicly discloses environmental information and establishes appropriate procedures to incorporate community input and engage in communication with direct stakeholders.

Article 12. Biodiversity and Natural Ecosystems

Biodiversity plays a critical role in maintaining ecosystem balance by purifying pollutants, regulating the climate, and preventing natural disasters and disease outbreaks. It also provides various resources—including food, clothing, shelter, medication, and ingredients/materials used for various industries—and offers cultural benefits such as leisure and tourism. To reduce the negative impacts that may result from the Company's production and management activities on biodiversity and natural ecosystems, and to preserve habitats and species, the Company has established and is committed to implementing the following principles:

- ① The Company strives to restore natural ecosystems and preserve biodiversity through the efficient use of natural resources and by-products.
- ② To minimize harm to the global environment—including green spaces, forests, wetlands, and oceans—the Company conducts risk assessments when expanding or establishing new business sites and undertakes restoration efforts, such as reforestation and greening, upon withdrawal from business activities.
- ③ When opening, expanding, or withdrawing from business sites, the Company conducts thorough environmental risk assessments to preserve ecosystems and the global environment and endeavors to achieve zero net environmental impact. The Company does not engage in business activities that destroy forests or wetlands and actively seeks the most effective methods to mitigate ecological impact, including forest and wetland restoration efforts.
- ④ In pursuing new business opportunities, the Company minimizes impacts on local communities through the preparation of environmental impact assessment reports and implements measures to protect local ecosystems.
- ⑤ The Company discloses activities related to biodiversity and ecosystems, along with the resources committed to their implementation. It also discloses the application of the mitigation hierarchy (avoidance, minimization, restoration/remediation, compensation/offset) and whether biodiversity offsets have been incorporated into the action plan.
- ⑥ The Company discloses metrics related to significant impacts on biodiversity as well as estimates of potential financial impacts arising from biodiversity and ecosystem-related risks and opportunities. Where possible, quantitative figures are provided; otherwise, qualitative information is disclosed, along with the expected timeframe for such impacts and the assumptions and level of uncertainty underlying the estimates.

Chapter 3. Environmental Management Governance

Article 13. Role of Management

- ① The Company oversees environmental risk management and performance improvement activities through regular management meetings involving the chief decision-maker or other key personnel responsible for environmental management.
- ② The primary functions of the management council includes deliberating on the establishment and amendment of environmental management policies, reviewing environmental risks, monitoring progress, discussing response measures, and addressing other matters necessary for the advancement and integration of environmental management practices.
- ③ When reporting to or obtaining approvals from the Board of Directors or its subcommittees for environmental matters—such as mid- to long-term environmental strategies or significant facility investment plans—such decisions are executed in accordance with the applicable governance procedures.

Article 14. Role of the Dedicated Department

- ① The Company has established a dedicated department responsible for the company-wide implementation and management of environmental management. This organization oversees all related activities, while environmental management officers at each business site are responsible for sharing this Policy and promoting awareness among employees.
- ② The primary responsibilities of the dedicated department include establishing and operating the environmental management system, protecting and restoring environmental capital, formulating and implementing policies for the management of pollutant emissions arising from business operations, identifying and addressing environmental risks, promoting and disseminating environmental management practices, handling and resolving environmental complaints, and conducting external cooperation activities among others.
- ③ The dedicated department contributes to the expansion of eco-friendly products and services by collaborating with departments such as design, research and development, procurement, production, and sales.

Article 15. Training and Outreach

- ① The Company provides environmental management training to key stakeholders, including executives and employees, to promote awareness of the importance of environmental management. Through such training, the Company encourages employees to adopt environmentally conscious mindsets in the performance of their duties.

- ② In addition, to enhance the efficiency of environmental management implementation and improve the effectiveness of environmental performance, the Company may establish cooperative relationships with external expert organizations. By leveraging the expertise and experience of such organizations in building environmental management systems, the Company strengthens its own environmental management framework.

Article 16. Communication

- ① The Company shares its environmental management performance with government agencies and proactively responds to government policy directions. The Company also ensures compliance with all applicable national environmental laws and regulations.
- ② By delivering environmental management performance that meets the expectations of shareholders and investors, the Company seeks to build long-term relationships of trust and also expand investment to enhance corporate value.
- ③ The Company shares its environmental management know-how and experience with suppliers in the supply chain and maintains communication channels to engage in ongoing dialogue aimed at creating environmental value throughout the value chain.
- ④ The Company transparently provides customers with environmental information related to its products and services and strives to reflect customer input on environmental management in the development of eco-friendly products and services.
- ⑤ The Company gathers feedback from local governments and public-private partnerships to mitigate the environmental impacts of its business operations and makes every effort to identify and address concerns raised by local communities.
- ⑥ The Company regularly communicates its environmental management policies to employees and enhances environmental awareness through targeted training programs.

Chapter 4. Operations and Performance

The Company enhances its operations and effectiveness by utilizing a performance management system, including specific KPIs, in the planning and execution of detailed goals related to ESG and environmental management.

Article 17. Establishment of Goals and Management of Implementation Progress

[Reference] SeAH Steel's Carbon Neutrality Goal

To preserve the sustainability of the ecosystem, SeAH Steel will achieve carbon neutrality by 2050 and establish a carbon-neutral, high-end product manufacturing system. This goal will be pursued through two key strategies that are developed from its business expertise and accompanied by detailed implementation plans.

- a) Carbon neutrality in the production process
- b) Decarbonization of products

- ① The Company establishes mid- and long-term ESG plans to identify tasks across each sector and develop detailed implementation plans.
- ② Based on the mid- and long-term ESG plan, the Company formulates a detailed plan to establish company-wide quantitative targets in the environmental and energy sectors.
- ③ In setting these targets, the Company takes into account not only projected emissions and usage data (Business As Usual), but also external economic conditions, national policy paradigms, and overall business strategies.

Article 18. Performance Review

- ① The Company regularly reviews performance on the ESG mid- to long-term plan and company-wide quantitative targets in the environmental and energy sectors. This review comprehensively assesses not only the rate of progress toward the targets but also the effectiveness of the activities undertaken to achieve them and any challenges encountered during implementation.
- ② Where necessary, interim adjustments are made based on the review results, including modifications to the mid- to long-term plan or changes in the implementation direction.

Article 19. Performance Evaluation

To internalize the ESG mid- and long-term strategy, the Company incorporates the ESG mid- and long-term plan and its implementation performance into management KPIs. In addition to improvements in environmental performance, the results of major domestic and international ESG evaluations and the advancement of internal ESG initiatives are comprehensively considered in management performance assessments.

Addendum

This Policy is enacted and takes effect as of May 17, 2023.

This Policy is amended and takes effect as of June 28, 2024.

This Policy is amended and takes effect as of June 20, 2025.