Hanwha Aerospace

Sustainability Report 2026

Hanwha Aerospace

ABOUT THIS REPORT

INTERACTIVE REPORT User Guide

Hanwha Aerospace's Sustainability Report has been produced as an INTERACTIVE PDF, and it is configured to go to the relevant web page and play the video for better understanding.

- Move to cover page
- Move to table of contents
- Move to previous page
- Move to next page
- Move to link

Report Overview

Through its sustainability report, Hanwha Aerospace transparently discloses its performance and activities across the environmental, social, and governance areas. As a publicly listed company, Hanwha Aerospace publishes this report annually to share its sustainability vision and implementation progress, and to actively engage with its stakeholders.

Reporting Period

This report covers economic, social, and environmental performance and activities from January 1 to December 31, 2025. In addition, quantitative performance data from the past three years (January 2023 to December 2025) have been included to illustrate time-series trends. For material matters, issues from the first half of 2026 are also included beyond the reporting period. This report was published in June 2026.

Independent Assurance

The financial data in this report has been independently audited by Ernst & Young Hanyoung, while the non-financial data has been independently assured by Korea Management Registrar (KMR) to ensure objectivity and reliability.

Reporting Principle

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021 and aligns with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the standards of the Sustainability Accounting Standards Board (SASB). The financial information in this report has been prepared in accordance with the Korean International Financial Reporting Standards (K-IFRS).

Reporting Scope

This report covers Hanwha Aerospace's headquarters, all domestic manufacturing business establishments (Changwon Business Establishments 1, 2, and 3, Asan Business Establishment, Daejeon Business Establishment, Yeosu Business Establishment, Boeun Business Establishment, and Suncheon Business Establishment), research centers (Pangyo R&D Campus and Daejeon R&D Campus), the Hwasun Plant, and the Yangju CS Center. Information disclosed on a consolidated basis, as well as information that requires attention regarding its reporting scope and boundary, is indicated in separate footnotes to facilitate readers' understanding.

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CONTENTS

INTRODUCTION

Hanwha Aerospace

CEO Message

Dear Stakeholders,
Thank you for your continued interest in the growth of Hanwha Aerospace.

Amid ongoing geopolitical uncertainties, 2025 was a year in which Hanwha Aerospace further solidified its position as a leader in global security and sustainable growth.

Financially, Hanwha Aerospace achieved KRW 26.7 trillion in sales and KRW 3.1 trillion in operating profit. In particular, defense exports reached KRW 4.67 trillion, a 28% increase year–on–year and a record performance.

Key orders included the second–phase supply contract for the K9 Self–propelled Howitzer with India, valued at approximately KRW 370 billion, and supply contracts for the Chunmoo guided missile with Estonia and Poland, valued at approximately KRW 440 billion and KRW 5.6 trillion, respectively. Through these continued orders, Hanwha Aerospace is demonstrating the global competitiveness of Korea's defense industry.

In non–financial performance, in the aerospace business, Hanwha Aerospace successfully carried out the fourth launch of the KSLV (Korea Space Launch Vehicle)–II as a system integrator. We have also made every effort to secure world–class, proprietary aircraft engine technology by delivering the first mass–produced engines for the KF–21 Boramae fighter and initiating the localization of core aircraft engine materials.

Along with these financial and non–financial achievements, Hanwha Aerospace has continued to strengthen its sustainable management system, earning an A rating from the Korea Institute of Corporate Governance and Sustainability (KCGS) and an A– rating from the Carbon Disclosure Project (CDP).

Looking ahead to 2026, Hanwha Aerospace is committed to driving more concrete and substantive changes across all environmental, social, and governance dimensions.

First, we will strengthen our response to climate change to achieve "2050 Carbon Neutrality."
We will further advance our greenhouse gas emissions management system (Scope 1, 2, 3) and expand investment in the development of carbon–free energy solutions, such as hydrogen fuel cells. Through technology, we will overcome the climate crisis and lead the transition to a sustainable energy ecosystem.

Second, we will build a responsible global supply chain that grows together with our partners.
To proactively respond to global supply chain issues, we will strengthen ESG education and support systems for suppliers, and foster a fair labor environment and a culture of respect for diversity across the entire supply chain. Through close collaboration with local communities, we aim to become a reliable partner that delivers shared growth.

Third, we will enhance shareholder value and establish transparent corporate governance.
We will further reinforce board–led management to deliver responsible management and maximize corporate value through active communication with the market. Building on the enhanced expertise following the spin–off, we will improve the efficiency of each business division and continue to reinforce shareholder return policies to earn the trust of our stakeholders.

Above all, we will uphold 'safety' as the foremost value across all our business activities. Hanwha Aerospace feels a profound sense of responsibility for the accident that occurred at the Daejeon Business Establishment in June 2026, and has activated an emergency safety management system across all business establishments to comprehensively strengthen safety management. We are conducting a complete, ground–up reassessment of risk factors in existing processes, and on this basis, we will implement fundamental safety enhancement measures — including the expansion of automated facilities and process improvements — to build a safe working environment. In addition, we will strengthen safety accountability at every level, from executives to frontline employees, and continuously improve our practices so that an effective safety culture can take root.

Hanwha Aerospace envisions a future not merely as a company with advanced technologies, but as a company that uses technology to make human life safer and to contributes to leaving a sustainable planet for future generations.

We sincerely appreciate the unwavering trust and encouragement of all our stakeholders, and Hanwha Aerospace will continue striving to be a company that contributes to building a sustainable society and future.

Thank you.

Jaeil SON, CEO of Hanwha Aerospace

Company Profile

Company Profile

Company Name	Hanwha Aerospace Co.,Ltd.
Establishment Date	August 1, 1977
Headquarters Location	1204 Changwon-daero, Seongsan-gu, Changwon-si, Gyeongsangnam-do (Seongju-dong)
Number of Employees	8,172 (as of December 31, 2025)
Credit Rating (Corporate)	Korea Ratings AA (as of January 2, 2026) NICE Credit Rating AA (as of December 31, 2025) Korea Investors Service AA (as of January 2, 2026)
Business Areas	Land systems - Military equipment and precision-guided munitions, etc. Aerospace - Aircraft engines and parts, aircraft mechanical systems, Korean Launch Vehicle (KSLV), etc.
Revenue	KRW 26.7029 trillion (FY2025, consolidated basis)
Total Assets	KRW 53.9537 trillion (FY2025, consolidated basis)
Website	www.hanwhaaerospace.com

Vision and Strategy

Founded in 1977, Hanwha Aerospace has grown into a leading company in Korea's advanced defense and aerospace industries. As an innovative company that pioneers the future with new technologies and creates sustainable value for tomorrow, Hanwha Aerospace provides advanced defense solutions spanning national security and global markets, aspiring to become a world-class defense company. Hanwha Aerospace also aims to lead the New Mobility market through control technologies for high-performance autonomous platforms, including vehicles and drones.

Vision

A world-class innovator pioneering the future through new technologies, creating value for a sustainable tomorrow

Mission

An indispensable partner to humanity and the planet, delivering solutions for a sustainable tomorrow

01 Total Defense Solution

Protecting freedom and peace as Korea's flagship defense company

Capitalizing on growing global security demand to advance beyond Korea's flagship position to become a world-class global defense company

02 Aerospace Global Leader

Pioneering the aerospace frontier through innovative technology

Pioneering new horizons in aerospace through ambitious innovation in areas such as advanced engines and reusable launch vehicles

03 New Mobility Paradigm Driver

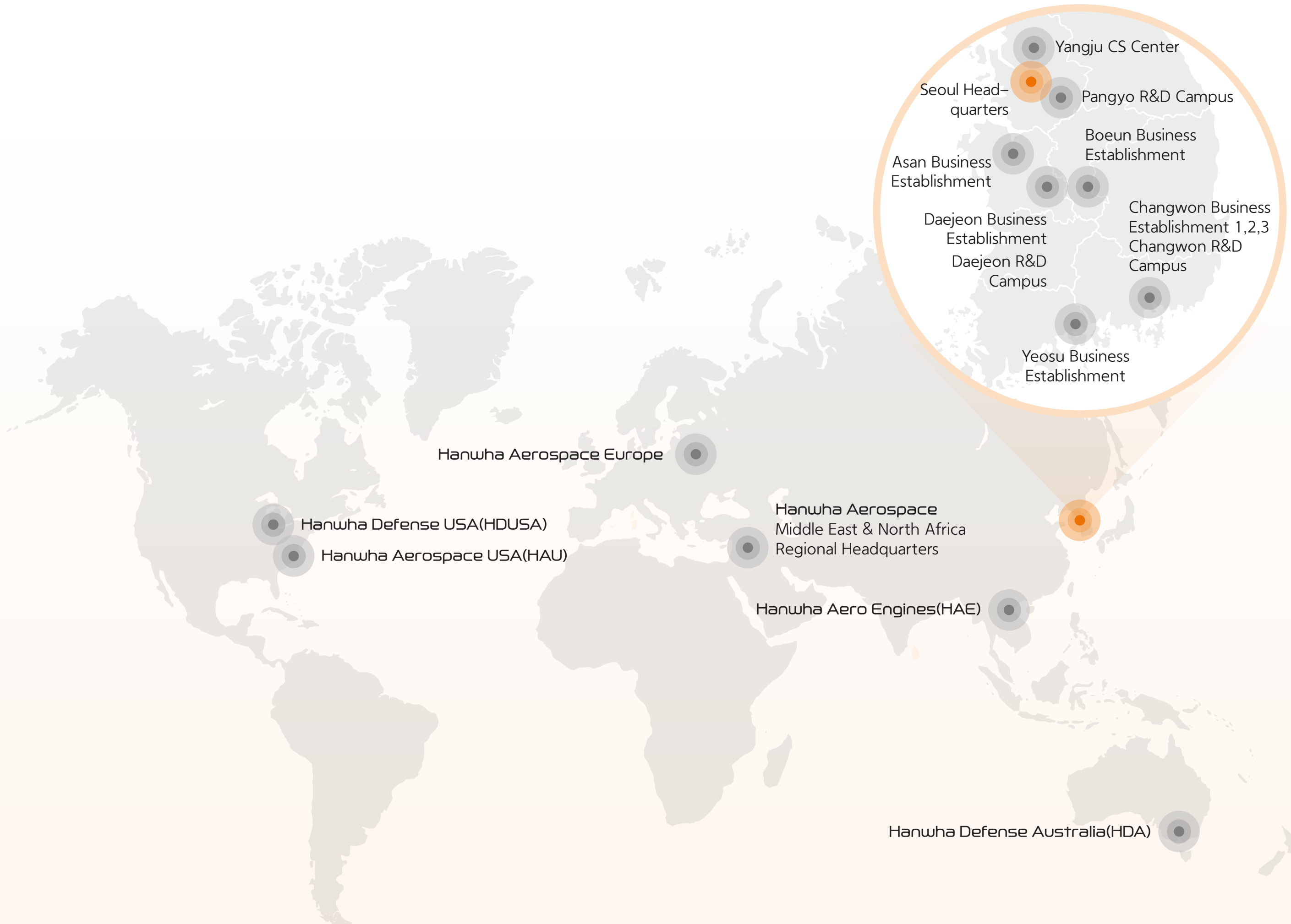
Leading the New Mobility market with next-generation eco-friendly technology

Accelerating uncrewed systems through control technologies for high-performance autonomous platforms (e.g., vehicles and drones)

Company Profile

Global Network

Hanwha Aerospace operates 13 domestic sites, including its headquarters, manufacturing facilities, and R&D campuses, along with overseas operations spanning five regions: the United States, Australia, Europe, the Middle East, and Vietnam.



Major Domestic Business Sites		
Seoul Headquarters		Business support·Domestic/overseas business
Aerospace	Asan Business Establishment	Aircraft mechanical systems (KF-21, T/FA-50, KUH (Surion)) · Actuators for guided weapons · Fuel system parts
	Changwon Business Establishment 1	Production of aircraft engines and parts, KSLV engines, and propulsion systems
Defense	Changwon Business Establishment 2	Production of maneuver systems (e.g., K21), launcher systems, anti-aircraft systems, and CBR systems
	Changwon Business Establishment 3	R&D of firepower systems, maneuver systems, launcher systems, and naval surface systems
	Boeun Business Establishment	Production of precision-guided/large propulsion systems · Propellant mixing and filling · Ammunition and fuze production
	Daejeon Business Establishment	Development/production of large propulsion systems · Propellant mixing and filling · Development/production of tactical surface-to-surface systems
	Yeosu Business Establishment	Development/production of gun propellants · Production of high explosives, pyrotechnics, and raw materials
R&D	Changwon R&D Campus	R&D of firepower systems, maneuver systems, launcher systems, and naval surface systems
	Pangyo R&D Campus	Development of aircraft engines (e.g., turbofans) · Manned and Unmanned Teaming (MUM-T) · Electric power supply systems
	Daejeon R&D Campus	Development of next-generation guided weapons and ammunition systems · KSLV-II Advancement Project and Next-Generation Launch Vehicle Development Project
CS	Yangju CS Center	Equipment delivery and recovery · Customer support

Major Overseas Affiliates	
Hanwha Defense Australia PTY Ltd	Conducting defense business in Australia · Executing the Land 8116 Self-Propelled Howitzer project · Currently participating in Land 400 Phase 3
Hanwha Aerospace Europe	Development and execution of defense business in Europe
Hanwha Defense USA, INC	Development and execution of defense business in the US
Hanwha Aero Engines Company Limited	Manufacturing of commercial aircraft engine parts in Vietnam
Hanwha Aerospace USA LLC	Manufacturing of aircraft engine parts in the US

Business Portfolio | Defense

Land Systems

Hanwha Aerospace absorbed Hanwha Defense in November 2022 and Hanwha Munition in April 2023 through merger. Building on the technology, experience, and exceptional talent of these three companies, Hanwha Aerospace is developing weapon systems for sustainable growth across all areas of the defense industry, including maneuver, firepower, anti–aircraft, and manned and unmanned teaming (MUM–T).

K9 Self–Propelled Howitzer

Redback

Hybrid Biho

Firepower Systems

Hanwha Aerospace's representative products include the K9 Self–propelled Howitzer (K9 SPH), the Cheonmu multiple rocket launcher (comparable to the U.S. HIMARS — High Mobility Artillery Rocket System), the K10 ammunition resupply vehicle, and the K77 fire control vehicle.

The K9 SPH has been recognized for its world–class performance and excellent maneuverability across various environments — from mountainous regions to plains, snowfields, and deserts — and has been successfully exported to nine countries worldwide.

The Chunmoo multiple rocket launcher has also gained international recognition for its outstanding performance and has been exported to several countries.

Maneuver Systems

Hanwha Aerospace offers a diverse product lineup including the K21 infantry fighting vehicle (K21 IFV), known for its excellent mobility and adaptability, and the 120mm self–propelled mortar.

For export markets, Hanwha Aerospace has developed the Redback next–generation infantry fighting vehicle and the TIGON wheeled armored vehicle in–house.

Redback is equipped with the proven powerpack used in the K9 and features rubber tracks for improved operational convenience, earning recognition for its world–class protection and outstanding mobility across all–weather environments.

Air Defense Systems

By maximizing the strengths of artillery and missile systems, Hanwha Aerospace is contributing to the advancement of the Republic of Korea military's air defense capabilities. The company's distinctive technology counters a wide range of anti–aircraft threats — including the Hybrid Biho designed to engage low–altitude penetrating targets, the 30mm wheeled anti–aircraft gun adopted by the ROK military in 2021, and the Chunma short–range surface–to–air guided missile.

Manned and Unmanned Teaming (MUM–T)

To maximize combat efficiency and minimize casualties, Hanwha Aerospace is focusing on the development of products in which manned and unmanned systems operate in cooperation. Through the development of remote unmanned operation of the K9 SPH, uncrewed reconnaissance vehicles, and multipurpose uncrewed vehicles — equipped with core technologies such as artificial intelligence, remote control, and autonomous driving — Hanwha Aerospace is taking the lead in fostering a technologically advanced military based on science and technology.

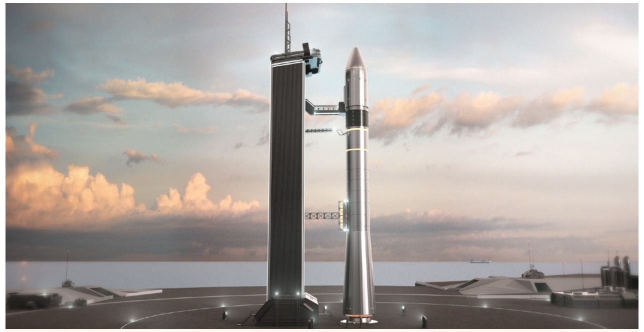
Business Portfolio | Aerospace

Aerospace

Hanwha Aerospace will build a value chain for its space business through continued innovation and technological advancement. Building on its existing military engine business, the company is also pursuing the Risk and Revenue Sharing Program (RSP) to establish itself as a global leader in commercial aircraft engine parts and modules.

Engine Modules & Parts

MRO Solutions



Space Launch Services

Engine Modules & Parts (Commercial Engines)

As a global partner in the aircraft engine sector, Hanwha Aerospace supplies engine parts installed in major commercial aircraft, including the Airbus A320 and Boeing 787.

Through partnerships with leading aircraft engine manufacturers such as General Electric, Rolls-Royce, and Pratt & Whitney, Hanwha Aerospace supplies core engine modules and components.

In addition, Hanwha Aerospace contributes to building a robust domestic aircraft engine ecosystem by localizing materials and parts for advanced aircraft engines and various government-developed engines, while continuously enhancing its global market competitiveness through process optimization and supply chain strengthening.

Maintenance and Assembly (Military Aircraft Engines)

Hanwha Aerospace provides total MRO (Maintenance, Repair & Overhaul) solutions spanning all domains — land, aviation, and maritime (Hanwha Ocean) to electronics (Hanwha Systems).

In land MRO, Hanwha Aerospace has over 30 years of experience and currently delivers projects for seven system types across 11 overseas countries, including self-propelled howitzers and armored vehicles. In aviation MRO, the company brings over 45 years of experience in aircraft engine maintenance with more than 5,800 maintenance projects completed, providing engine maintenance for a wide range of platforms — including engines for fighter jets such as the KF-16 and F-15K, as well as helicopters and transport aircraft.

Building on its accumulated technology and experience, Hanwha Aerospace will continue to deliver world-class maintenance services to domestic and international customers, strengthening its competitiveness in the global aircraft engine maintenance market.

Space

Since 1999, Hanwha Aerospace has actively participated in launch vehicle component development, beginning with the gimbal engine actuator for the KSR-III (Korean Sounding Rocket III). Building on its superior quality and expertise in space launch vehicle development, Hanwha Aerospace was awarded the lead manufacturing role under the Korean Launch Vehicle Advancement Project in October 2022. Under this project, Hanwha Aerospace, as the private-sector system integrator, will manufacture three KSLV-II launch vehicles and conduct four launches by 2027. Following the successful fourth launch in 2025, Hanwha Aerospace is currently preparing for the fifth launch in cooperation with the Korea Aerospace Research Institute (KARI). In addition, Hanwha Aerospace was awarded the lead manufacturing role for the Next-Generation Launch Vehicle Development Project in May 2024 for South Korea's lunar exploration, and is now developing a launch vehicle for a planned lunar probe launch in 2032. Furthermore, through the December 2025 award of the lunar lander propulsion system development project, Hanwha Aerospace plans to develop the propulsion system for the lunar lander scheduled for launch in 2032 using domestic technology.

Hanwha Aerospace

INTRODUCTION
CEO Message
Company Profile
▶ Business Portfolio
ESG HIGHLIGHTS
ESG PERFORMANCE
ESG FACTBOOK
APPENDIX

Business Portfolio | New business

New business

Building on more than 40 years of expertise as an aircraft engine specialist, Hanwha Aerospace is actively pursuing new business areas, including Maritime Digital Solutions (MDS), Drone Integrated Solutions — well-suited to the unmanned and asymmetric attrition warfare of modern combat — and long-endurance uncrewed aerial vehicles designed for fuel efficiency.

MDS

Drone Integrated Solution System Architecture

UAS

Maritime Digital Solution (MDS)

In response to decarbonization and digitalization trends in the maritime industry, Hanwha Aerospace is developing smart ship solutions optimized for integrated control systems essential to ship operation automation, navigation optimization, MRO of ship equipment, environmental regulation compliance, and improvements in power and energy efficiency.

Leveraging these solutions, Hanwha Aerospace aims to build a software-based value chain spanning the entire maritime industry — from manufacturing, supply, and operation to maintenance of eco-friendly vessels.

Drone Integrated Solution

Drawing on strong demand from the Middle Eastern market — a key customer base for existing platforms such as the K9 and Chunmoo — Hanwha Aerospace is prioritizing the early commercialization of Canister Loitering Munitions, Long-range Loitering Munitions, and c-UAS (Counter-UAS) interceptors to enter the global small drone market.

Hanwha Aerospace plans to deliver Drone Integrated Solutions by building collaborative networks with domestic SMEs, ventures, and startups, and by developing in-house technologies including communication modules from Hanwha Systems and warheads developed by Hanwha Aerospace. By applying mass production systems based on Design for Manufacturing (DFM) across global production bases — including Korea, Germany, Australia, the United States, and the Middle East — Hanwha Aerospace aims to become a global leader in the drone industry.

Uncrewed Air Vehicle System (UAS)

The use of uncrewed air vehicle systems is rapidly expanding on modern battlefields and is expected to play a critical role in future warfare. Hanwha Aerospace is securing advanced defense technologies through proactive investments in UAS platforms, engine development, and related facility construction. In partnership with General Atomics, a global UAS specialist, Hanwha Aerospace plans to build comprehensive capabilities across the entire lifecycle — from planning, design, and development of uncrewed air vehicles to system integration, production, operations, and sales. The two companies are targeting first flight in 2027 and will pursue global projects across the United States, Middle East, Asia, and Europe.

Business Portfolio

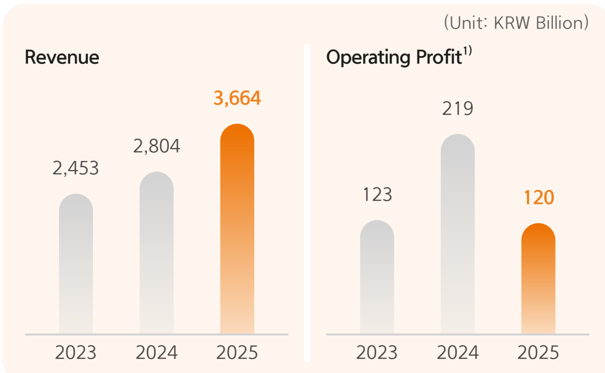
Subsidiary Business Portfolio

Hanwha Systems

Hanwha Systems Defense Division is a comprehensive defense electronics company. It is mainly engaged in radar, electro-optical equipment, tactical communication systems, and combat command systems — which serve as the brain and nervous system of military weapon systems. The Defense Division also offers defense electronic solutions leveraging cutting-edge IT technologies, including avionics, guided-weapon seekers, and electronic and cyber warfare. The ICT Division provides integrated smart solutions optimized for various sectors such as manufacturing, construction, and finance, driven by AX (AI Transformation)-based value creation.

Advanced Defense Electronics and Future ICT Technologies

- Defense
  - Aerospace, surveillance and reconnaissance, command and control communications, naval systems, MRO
- ICT
  - Consulting, solutions, tech, IT operations
- Other Business
  - Digital platforms, commercial ships and support vessels, etc.

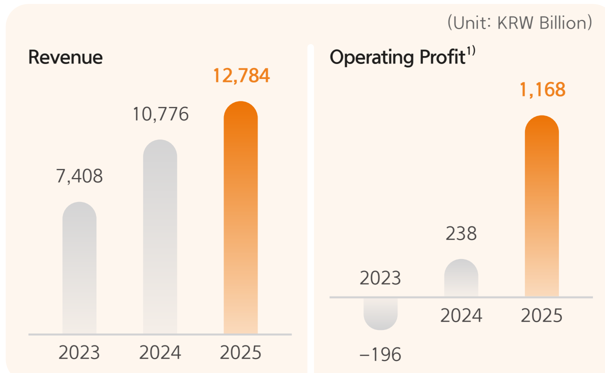


Hanwha Ocean

Hanwha Ocean is a comprehensive shipbuilding and offshore specialist. Drawing on world-class technology, the company leads the market for eco-friendly vessels — including LNG dual-fuel propulsion vessels — and is driving the paradigm shift in the offshore energy industry, with products such as Floating Production, Storage and Offloading (FPSO) units and Wind Turbine Installation Vessels (WTIVs). Building on its accumulated technological capabilities and highly differentiated defense solutions — including the in-house development of 3,000-ton-class submarines — Hanwha Ocean continues to expand into the global defense market, including the U.S. Navy MRO business.

Commercial Ships, Specialty Ships, and EPU

- Commercial Ships
  - Construction of LNG/LPG carriers, Very Large Crude Carriers (VLCC), and container ships, etc.
- Specialty Ships
  - Construction of naval vessels, including submarines and Aegis destroyers, and the U.S. Navy MRO business
- EPU (Energy Plant Unit)
  - Offshore Plant (FPSO, Drillship, etc.) and power generation facilities (wind power, thermal power)

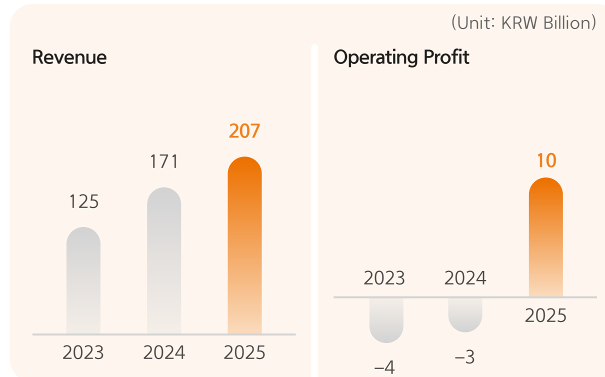


Satrec Initiative

Satrec Initiative possesses space-proven satellite system development capabilities. The company engages in satellite system development, as well as satellite imagery sales and analysis services. With world-class technology, Satrec Initiative independently designs, manufactures, tests, and operates satellite systems. Recently, the company has strengthened its Earth observation data leasing business, advancing its business structure from satellite manufacturing toward a data-driven model.

Satellite System Sector

- Satellite System
  - Manufacturing of EO (Earth Observation) satellites, including satellite bodies, payloads, and ground systems
- Production of Defense Materials
  - Mobile and fixed satellite ground stations, UAV Ground Station & Components (UAV G/S & Comp.), etc.
- Supply of Satellite Imagery Analytics Services
  - Satellite imagery analytics services, analysis platforms, and detection and classification



1) 2023 data revised due to a correction of an earlier error.

ESG HIGHLIGHTS

ESG Management

ESG Management Vision

ESG Management Vision and Implementation Strategy

To build a sustainable future, Hanwha Aerospace has established an ESG governance and formulated implementation strategies for each of the environmental (E), social (S), and governance (G) dimensions. Hanwha Aerospace will continue to respond strategically to the evolving ESG management landscape and implement proactive ESG risk management, fulfilling its role as a responsible member of society.

ESG Vision

Move towards a Sustainable Tomorrow

Environmental

- Achieve carbon neutrality by 2050
- Develop eco-friendly technologies and solutions

Social

- Embed a safety culture
- Contribute to customer safety and national security through flawless product quality
- Pursue win-win cooperation and shared growth with suppliers
- Strengthen information security and prevent classified information leaks

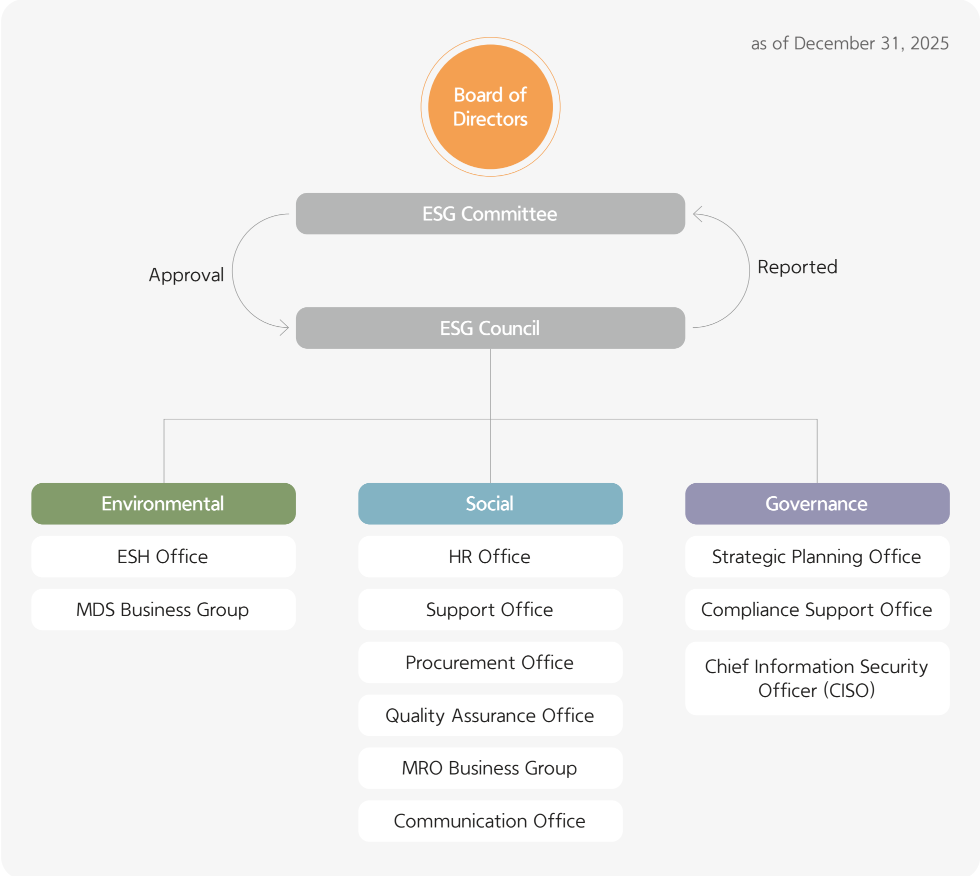
Governance

- Ensure sound corporate governance
- Enhance board independence and diversity
- Establish a transparent corporate culture
- Comply with international export control regimes
- Implement proactive risk management and response

ESG Management

ESG Governance

In 2021, Hanwha Aerospace established the ESG Committee under the Board of Directors to develop ESG strategies and policies and to strengthen ESG management across each domain, driving sustainable growth. The ESG Committee deliberates on matters necessary for ESG management — including environmental, social, and governance policies and materiality assessment — and reviews the progress of ESG-related initiatives such as internal compliance activities and environmental and safety performance and plans. Through formally established ESG Committee regulations, the Board of Directors is empowered to re-examine the Committee's decisions, reinforcing responsible ESG governance. The ESG Committee meets regularly, with ad hoc meetings convened as needed. As of December 2025, the ESG Committee consists entirely of Outside Directors, ensuring transparency and independence in management. Furthermore, to enhance company-wide ESG management capabilities, the ESG Council was established to manage the overall direction of ESG initiatives and oversee the implementation of detailed initiatives, such as environmental regulation compliance and climate change response.



ESG Committee Composition

as of December 31, 2025

Name	Position	Background
Hyounjin KIM	Outside Director, ESG Chairperson	• Expert in Environmental Space Engineering and Future Business Area • Professor, Department of Aerospace Engineering, Seoul National University
Huyjae CHON	Outside Director	• Expert in Compliance and Social Sector • Professor, Sungkyunkwan University Law School
Dojin JUNG	Outside Director	• Expert in Finance & Accounting • Professor, Chung-Ang University Business School & Outside Director, Naver
Jingoo JUN	Outside Director	• Expert in military operations and defense business • Former Commander of the Marine Corps
Jeonggeun LEE	Outside Director	• Korea Institute for Defense Analyses (KIDA) Resource Center Advisory/ Evaluation Committee Member • President of the International Association of Bomb Technicians and Investigators in Korea (IABTI Korea)

Status of ESG Committee Meetings

Date	Agenda	Attendance rate
02.10.2025	• Preliminary review of the Safety, Health and Environment (SHE) plan • Report on the results of the compliance control effectiveness evaluation • Report on key ESG management achievements in 2024 and plans for 2025	100%
02.24.2025	• Report on the review of Shareholder Return Policy	100%
03.25.2025	• Approval of the appointment of the committee chairperson and acting chairperson order	100%
05.28.2025	• Report on the 2025 ESG materiality assessment results	100%
12.24.2025	• Preliminary review of the Corporate Governance Charter revision	100%

2025 ESG Highlights

Climate Change Response

- Enhanced scenario analysis related to physical and transition climate risks
  – Refined financial impact analysis and quantification of impact amounts
- Exceeded the energy consumption reduction target

Environmental Management

- Environmental management system (ISO 14001) certification operation
  – Changwon Business Establishment 1, 2, 3
- Environmental management investment: KRW 12.8 billion
  – Environmental management investment, including investment to reduce environmental risks at business establishments — such as the expansion of wastewater treatment facilities and the construction of new waste storage facilities — as well as the operation of environmental facilities, inspection and measurement, training, etc.
- Conclusion of an ESG environmental win-win cooperation agreement with Seongnam City

Eco-friendly Products and Services

- KRW 5.0 billion invested to secure eco-friendly power sources for marine applications
  – Hydrogen fuel cells, ESS (Energy Storage System) packaging

Health and Safety

- Lost-time injury frequency rate (LTIFR) 0.58, industrial accident rate 0.15%
- Enhancement of the Safety, Environment and Health Management Policy (February 2026)
- Acquisition of company-wide integrated occupational health and safety management system (OHSMS) certification (ISO 45001)
- KRW 283.8 billion in health and safety budget expenditure

Quality Management

- Customer satisfaction survey score: 92.0
- Quality Management Systems Certification
  – KDS STD-0005-1 (LS/PGM/Aero Business Group)
  – ISO 9001:2015 (LS/PGM Business Group)
  – KS Q 9100:2018, EN 9110:2018 (Aero Business Group)

Talent Management

- Total employee training hours 195,081 hours
- Total training expenditures for employees KRW 11,761 million
- 9.4% of female in total management (Junior-Top management within all female employees)

Human Rights Management

- Conducted human rights impact assessment on all business establishments
- 99.5% compliance rate for human rights impact assessment

Supply Chain Management

- Support (benefit) amount for Shared Growth with Suppliers KRW 150.1 billion
- Maintained an excellent grade on the Shared Growth Index for more than 13 years
- 100% of suppliers signed the Code of Conduct
- Provision of ESG certification and assessment support for 113 suppliers

Local Community

- Total Donation* KRW 19.9 billion
  *Including company donations and employee donations
- 178,171 beneficiaries of social contribution activities

Information Security

- Zero cybersecurity incidents
- Zero identified leaks, thefts, or losses of customer data
- Operated a hacking and intrusion-blocking system through 24/7 security monitoring

Corporate Governance

- Separation of the CEO and the Chairperson of the Board of Directors (March 2026)
- Average attendance rate of board of directors 95%
- 11.1% of board directors are female

Ethics and Compliance Management

- Maintained AA (Excellent) rating in the Fair Trade Compliance Program (CP) evaluation organized by the Korea Fair Trade Commission
- Operation of compliance management system certifications (ISO 37001, ISO 37301)
- Enactment of Fair Trade Compliance Program Operation Regulations

INTRODUCTION
ESG HIGHLIGHTS
ESG Management
2025 ESG Highlights
▶ Double Materiality Assessment
ESG PERFORMANCE
ESG FACTBOOK
APPENDIX

Double Materiality Assessment

Overview of the Double Materiality Assessment

Hanwha Aerospace conducts an annual double materiality assessment based on the European Sustainability Reporting Standards (ESRS) to systematically identify and manage material sustainability topics. By comprehensively considering the impacts on the environment and society and the risks and opportunities that sustainability topics pose to the company's financial performance, Hanwha Aerospace identified and prioritized material sustainability topics. In this year's assessment, Hanwha Aerospace enhanced the validity and reliability of the results by expanding stakeholder engagement, advancing the methodology, and strengthening alignment with ESRS requirements.

Double Materiality Assessment Process

Step 1. Topic Identification

Identification of relevant sustainability topics based on an understanding of Hanwha Aerospace's business activities and contextual information

Understanding of the business
- Review of the overall value chain, including business activities, products and services, business relationships, and geographic locations
- Review of affected stakeholder groups

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Building a sustainability topic pool
- Building a pool of 32 topics based on the ESRS topic list and SASB industry-specific standards

▼

Analysis of contextual information
- Analysis of ESG disclosure and evaluation standards
- Media analysis
- Peer industry analysis

▼

Selection of topics subject to materiality assessment
- Review of topics based on internal and external information
  - Internal: existing material topics, ESG management strategies
  - External: results of contextual
- Selection of 9 topics for impact, risk, and opportunity analysis

Step 2. Identification of Impacts, Risks, and Opportunities (IROs)

Identification of environmental and social impacts, as well as financial risks and opportunities, for the 9 selected sustainability topics

Identification of IROs
- Identify IROs related to each topic as follows:
  - Impacts of the Company on the environment and people
  - Risks and opportunities that result in financial impacts on the company

Information sources used
· Internal data
· ESG disclosure and evaluation standards, media, and peer disclosures
· Results of stakeholder engagement, including human rights impact assessment and Labor-Management Council

Classification of IROs

Impact	Risk/Opportunity
Positive/Negative	Current/Expected
Actual/Potential	Drivers of risks and opportunities (considering resource dependencies)
Relevance to adverse human rights impacts	
Short/Medium/ Long-term	Short/Medium/ Long-term

Step 3. Assessment of IROs

Assessment of identified IROs through internal and external stakeholder engagement, using a five-point scale

Impact materiality assessment
- Assessment conducted through surveys targeting internal and external stakeholders related to each impact
  - Survey respondents: employees, suppliers, customers, local communities, and ESG experts
- Impact score: average of severity (scale, scope, irremediability) and likelihood

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Financial materiality assessment
- Assessment conducted through surveys of relevant departments to reflect the perspectives of internal experts with in-depth understanding of financial impacts, followed by validation and finalization of the assessment results through a roundtable
  - Survey respondents: employees from relevant departments
  - Roundtable participants: managers at the deputy general manager level and above from finance and strategy divisions and the ESG office
- Risk and opportunity scores: average of potential magnitude and likelihood

Step 4. Selection of Material Topics

Identification of material topics by integrating impact and financial materiality assessment results, followed by reporting to the Board of Directors

<Criteria for material topic selection>
Topics related to impacts, risks, and opportunities where either the impact materiality score or the financial materiality score exceeds the threshold

FY25 materiality assessment results

Material Topics	Materiality[1)] Impact	Materiality[1)] Financial	Changes from the Previous Year
Climate Change Response	●	●	Maintained
Health and Safety	●	●	New
Compliance Management	●	●	Maintained
Product Safety and Quality Management	●	●	Maintained
Supply Chain Sustainability Management		●	Maintained
Sustainable Products and Technology Development			Excluded

1) Assessment scores for related impacts, risks, and opportunities exceed the threshold

- Assessment results — including the materiality assessment procedure and the impacts, risks, and opportunities for each selected material topic — reported to the ESG Committee under the Board of Directors

Double Materiality Assessment

Material Topic Analysis

Topics	Identification of IROs		Type	Time Horizon	Value Chain	Materiality Background	Response Strategies	Mid- to Long-Term Plans	Linkage to Executive KPIs	Reporting Location
Climate Change Response	Impact	Contribution to achieving national carbon neutrality targets under the Framework Act on Carbon Neutrality and Green Growth for Coping With Climate Crisis through the transition to low-carbon businesses and greenhouse gas reduction	Positive/ Potential	Mid- to long-term	Own	• The defense and aerospace industry contributes to climate change through greenhouse gas emissions generated during production and energy use • Increased financial burden due to strengthened domestic and international carbon regulations and expanded physical risks, including higher emission allowance costs and operating expenses	• Monitoring of greenhouse gas reduction targets and implementation performance through the establishment of greenhouse gas inventories across all business establishments • Identification of physical and transition risks related to climate change and establishment of response measures based on financial impact assessment under climate scenarios • Expansion of eco-friendly investments through the operation of energy reduction projects and issuance of green bonds	• 29% reduction in emissions intensity by 2030 (1.66 tCO_2eq per KRW 100 million) • Participation in achieving carbon neutrality by 2050 (gradual reduction of Scope 1+2 emissions) • Expansion of Scope 3 across the company and support for supplier inventories	• Linkage of greenhouse gas reduction target achievement and CDP rating to CSO KPIs and performance-based compensation	TCFD Report
	Impact	Increased greenhouse gas emissions and intensification of climate change due to increased use of fossil fuels and electricity from business activities	Negative/ Actual	Mid- to long-term	Own					
	Risk	Increased costs due to strengthened regulations on greenhouse gas reduction	Risk/Expected	Mid- to long-term	Own					
	Risk	Recovery costs arising from damage to production facilities and supply chain disruptions caused by extreme weather events	Risk/Expected	Mid- to long-term	Own					
	Opportunity	Reduction in operating costs through improved energy efficiency of production facilities	Opportunity /Expected	Mid- to long-term	Own					
Health and Safety	Impact	Protection of own and supplier workers' health and improvement in quality of life through the establishment of a safe working environment at business establishments	Positive/Actual	Short- to mid-term	Up/Own/ Down	• Compromised occupational health and safety and casualties among own and supplier workers due to high-risk processes • Increased risk of financial and operational losses in the event of safety incidents due to strengthened regulations, including the Serious Accidents Punishment Act and the Occupational Safety And Health Act	• Enhancement of risk assessment through the adoption of SIF (Serious Injury and Fatalities) methodologies • Re-evaluation and enhancement of standard operating procedures • Enhancement and internalization of the safety and health management system • Monthly KPI review based on the PDCA approach • Semi-annual health and safety diagnostics and enhancement of related tools • Health and safety diagnostics for suppliers and inspections of external operations and testing	• Achievement of an industrial accident rate of 0.112% by 2028 • Achievement of a Lost Time Injury Frequency Rate (LTIFR) of 0.57 by 2028 • Achievement of zero serious accidents and zero environmental incidents	• Linkage of safety indicators, including industrial accident rate, corrective action rate, and regulatory compliance rate, to CSO KPIs	Health and Safety
	Impact	Violation of occupational health and safety standards and occurrence of casualties among own and supplier workers due to high-risk processes	Negative/ Actual	Short- to mid-term	Up/Own/ Down					
	Risk	Financial losses from penalties, litigation, and operational disruptions in the event of safety incidents involving own and supplier workers at business establishments	Risk/ Current	Short- to mid-term	Up/Own					
	Risk	Revenue decline due to contract termination and restrictions on contract awards when stakeholder trust is reduced as a result of reputational damage from safety incidents involving own and supplier workers	Risk/Expected	Mid- to long-term	Up/Own					

Double Materiality Assessment

Material Topic Analysis

Topics		Identification of IROs	Type	Time Horizon	Value Chain	Materiality Background	Response Strategies	Mid– to Long–Term Plans	Reporting Location
Compliance Management	Impact	Enhancement of overall social trust and promotion of a compliance culture within the industry through systematic compliance management and compliance practices	Positive/Actual	Short– to long–term	Own	• Systematic compliance risk management contributes to securing social trust and fostering a sound market ecosystem • Due to the characteristics of the defense industry, compliance risk management to address complex regulatory environments serves as a key means to ensure business predictability and sustainability	• Acquisition of ISO 37301 and 37001 certification across all business establishments • Regular identification and control of risks by department • Annual compliance pledge conducted • Operation of fair trade/ anti–corruption training and reporting channels	• Maintenance of ISO 37301 and 37001 certification across all business establishments • Ongoing maintenance of AA rating in the Compliance Program • Enhancement of risk management and strengthening of compliance with export control systems	Ethics and Compliance Management
	Risk	Potential incurrence of sanctions and litigation costs due to violations of domestic and international laws	Risk/ Current	Short– to mid–term	Own				
	Opportunity	Ensuring business stability through systematic compliance risk management	Opportunity /Expected	Mid– to long–term	Up/Own/ Down				
Product Safety and Quality Management	Impact	Improvement of customer satisfaction and national defense competitiveness through the production of products with high levels of safety and quality	Positive/Actual	Long–term	Own/ Down	• Potential for significant harm to human life and public safety in the event of product defects, given the characteristics of the defense and aerospace industry • Systematic quality management ensures product reliability and safety, contributing to national defense capabilities • Potential financial risks and decreased profitability due to recalls, delivery delays, and contract termination in the event of product defects	• Establishment of a quality management system across development, mass production, and operation and maintenance stages • Operation of the Quality Improvement TF for Frequent Failures • Acquisition of quality certifications (ISO 9001, DQMS, AS 9100/9110, NADCAP) • Quarterly comprehensive quality assessment (Q–Hscore) • Operation of the supplier delegated supplier quality representative (DSQR)	• Becoming a global quality leader • Continuous renewal of global quality certifications by business division • Internalization of the Absolute Quality Action Pledge	Quality Management
	Impact	Potential direct and indirect harm to customers and local communities in the event of accidents caused by inadequate product safety design and quality defects	Negative/ Potential	Short– to mid–term	Down				
	Risk	Increased financial losses due to product recalls resulting from defects	Risk/ Current	Short– to mid–term	Own/ Down				
	Opportunity	Expansion of market competitiveness and revenue opportunities through the production of products with superior safety and quality	Opportunity /Expected	Mid– to long–term	Own/ Down				
Supply Chain Sustainability Management	Impact	Establishment of a sound industrial ecosystem through win–win cooperation and fair trade practices	Positive/Actual	Mid– to long–term	Up	• Potential for social harm across the value chain and decline in trust in the event of inadequate ESG management of suppliers • Potential impact on business activities due to increased demands for joint liability and supply chain management responsibilities in the event of supplier ESG violations	• Supply chain ESG assessment and provision of consulting support • Support for greenhouse gas management training and inventory development • Operation of shared growth programs and funds • Ensuring transaction transparency based on electronic procurement system (SRM) and subcontracting transaction system (SDM)	• Expansion of the scope of supplier ESG assessments and enhancement of the management system • Establishment of global supply chain operation strategies and development of regulatory response systems	Supply Chain Management
	Impact	Negative impacts such as human rights violations, environmental pollution, and industrial accidents among suppliers due to inadequate supply chain sustainability management	Negative/ Potential	Short– to mid–term	Up				
	Risk	Revenue decline due to transaction restrictions and increased sanction costs when supplier ESG violations are perceived as a lack of management responsibility	Risk/Expected	Mid– to long–term	Up/Own				
	Opportunity	Ensuring supply stability through systematic supply chain sustainability risk management	Opportunity /Expected	Mid– to long–term	Up/Own				

ESG PERFORMANCE

ESG PERFORMANCE

TCFD REPORT

Hanwha Aerospace

TCFD Report

Governance

Board of Directors	• Make final decisions on climate change and environmental investment matters
ESG Committee	• Approve and review ESG strategies and goals • Deliberate and review major issues related to climate and environment • Conduct final review and approval of ESG disclosures and report publications
ESG Council	• Execute and manage detailed implementation tasks based on the enterprise-wide ESG management direction
Chief Safety Environment Officer (CSO)	• Oversee company-wide ESH (Environment, Safety, Health) management • Supervise implementation progress and key results based on company-wide ESH KPIs
ESH Office	Environmental Planning Team • Establish mid- to long-term environmental goals and strategies, and manage their implementation • Operate climate change and environmental response systems, and support legal compliance • Conduct environmental management system assessments and inspections • Oversee accident prevention activities, including response to various issues Safety and Environment Teams at each business establishment • Establish implementation plans at each business establishment for ESH strategies and objectives • Manage environmental management system implementation • Conduct periodic inspections and management of legal compliance requirements and internal systems

Board Roles

Hanwha Aerospace's Board of Directors regularly reviews the company-wide safety, health, and environmental management plans proposed annually by the ESH Office, and deliberates and decides on investments related to climate change response and environmental management. Through these activities, the Board plays a pivotal role in driving sustainable development and achieving the company's strategic objectives.

ESG Committee Roles

The ESG Committee meets regularly to deliberate on ESG strategy and goal setting, and holds ad hoc meetings as needed to discuss critical climate change and environmental issues. It also oversees ESG disclosures such as the Sustainability Report, reviews annual ESG performance and plans, establishes strategies for achieving the 2050 carbon neutrality target, and continuously monitors implementation to support the company's sustainability objectives.

ESG Council Roles

The ESG Council, chaired by the CEO, consists of executives and staff from ESG areas including environment, safety, information security, compliance, and supply chain. It convenes at least once a year. Based on company-wide ESG management strategies, the Council plans and executes detailed initiatives on climate change, supply chain, shared growth, and governance to fulfill sustainable management goals.

Chief Safety and Environment Officer Roles

Hanwha Aerospace's CSO oversees company-wide safety, environment, and health operations. To ensure effective environmental and health performance management, the CSO's key performance indicators include annual greenhouse gas emission reduction targets and Carbon Disclosure Project (CDP) participation ratings, with evaluation results linked to performance-based compensation.

ESG Committee and the Board Status

Date	Agenda	Key Details	Status
02.10.2025	• Preliminary review of the Safety, Health, and Environment (SHE) plan • Report on the results of the compliance control effectiveness evaluation • Report on key ESG management achievements in 2024 and plans for 2025	• Prevention of serious accidents through high-risk (SIF) assessment • Operation of the compliance index evaluation system • Improvement of key corporate governance indicators • Inclusion of all business establishments in the Emissions Trading Scheme • Issuance of Korean Green Bonds: KRW 150 billion	Approval Report Report
02.24.2025	• Report on the review of the Shareholder Return Policy	• Cash dividend: KRW 3,500 per share (total KRW 159.1 billion, dividend yield 1.1%)	Report
03.25.2025	• Approval of the appointment of the committee chairperson and acting chairperson order	• Appointment of chairpersons of the Outside Director Nomination Committee and ESG Committee	Approval
05.28.2025	• Report on the 2025 ESG materiality assessment results	• Selection of the 2024 assessment process, impact assessment, and material topics	Report
12.24.2025	• Preliminary review of the Corporate Governance Charter revision	• Policy of not appointing directors (including non-registered executives) involved in the impairment of corporate value or infringement of shareholders' rights	Approval

Hanwha Aerospace

INTRODUCTION
ESG HIGHLIGHTS
ESG PERFORMANCE
▶ TCFD Report
Environmental
Social
Governance
ESG FACTBOOK
APPENDIX

TCFD Report

Strategy

Climate Scenario Analysis and Business Strategy

Hanwha Aerospace identifies risks and opportunities, as well as financial impacts on the company, through climate scenario analysis, and establishes and implements business strategies to respond to them. Through physical scenario analysis, Hanwha Aerospace identifies potential disasters that may arise from the regional and meteorological conditions of its business establishments and develops preemptive response measures. Based on findings from transition scenario analysis, Hanwha Aerospace also reviews and updates business strategies and makes investments accordingly.

Climate-related Risks and Opportunities

Hanwha Aerospace identifies climate-related risk and opportunity factors based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and peer industry analysis. The company manages climate-related risks that are expected to have a significant impact by categorizing them into physical risks, such as extreme weather events, and transition risks arising from policy and regulatory changes, the adoption of low-carbon technologies, and changes in market and consumer behavior. Additionally, Hanwha Aerospace considers opportunities such as the expansion of markets related to eco-friendly businesses and improvements in resource efficiency as factors that positively impact the company's mid- to long-term profitability.

Time Horizon for Climate-related Risks and Opportunities

Hanwha Aerospace has defined the time horizons for the impacts of climate-related risks and opportunities as short-term (within 1 year), medium-term (more than 1 year to within 5 years), and long-term (beyond 5 years), taking into consideration the company's business strategy and carbon neutrality roadmap.

Climate Change Risk and Opportunity Analysis Process

Identification of a pool of risks/opportunities
- Identification of a pool of climate-related risks and opportunities based on the TCFD recommendations and peer industry analysis

Identification of risks/opportunities
- Identification of risks and opportunities and assessment of financial impacts by comprehensively considering climate scenario analysis tools, climate-related regulations, and stakeholder requirements

Financial impact assessment
- Qualitative and quantitative assessment of the financial impacts of key risks and opportunities by scenario using climate scenarios reflecting various temperature rise pathways

Resilience assessment
- Analysis of the company's response capabilities to key risks and opportunities
- Enhancement of climate change response strategies

Climate Change Scenario Analysis

Hanwha Aerospace has conducted climate scenario analysis based on the latest climate policies, international organization recommendations, and climate scenarios from globally recognized institutions to comprehensively assess the impact of climate change on its business. The company analyzed transition risks based on the Net Zero Emissions by 2050 (NZE) scenario of the International Energy Agency (IEA) and physical risks based on the Shared Socioeconomic Pathways (SSP) scenarios from the reports of the Intergovernmental Panel on Climate Change (IPCC).

Scenario Analysis Methodology

Category	Physical Risk	Transition Risk
Scenario	SSP1-2.6 SSP2-4.5 SSP5-8.5	NZE 2050
Scenario Source	IPCC	IEA
Description	• SSP1-2.6: A low-emissions scenario in which fossil fuel use is minimized due to the advancement of renewable energy technologies • SSP2-4.5: An intermediate pathway scenario in which social and economic development continue at a pace similar to current levels and partial mitigation policies are implemented • SSP5-8.5: A high-emissions scenario assuming rapid industrial and technological development, high fossil fuel use, and expansion of urban-centered, indiscriminate development	A scenario that presents a pathway to achieve Net Zero in the global energy sector by 2050
Time Horizon	By 2050	By 2050

TCFD Report

Strategy

Physical Risks Analysis

Hanwha Aerospace assessed the financial impacts of climate-related disasters on its domestic business establishments using Jupiter Intelligence, a climate modeling tool. From various risk factors, Hanwha Aerospace identified floods, typhoons (strong winds), wildfires, and heatwaves as the most significant. The company analyzed the impacts of these risks by applying the SSP1-2.6, SSP2-4.5, and SSP5-8.5 scenarios to nine major business establishments selected based on the scale of domestic production facilities or asset size (including PP&E and inventories). Given that the analysis relies on assumptions and estimates, the financial impact results are disclosed as value ranges aligned with financial materiality thresholds in the following section. Hanwha Aerospace will continue to enhance preventive and response systems to minimize potential impacts from climate-related disasters.

Category		Risks and Opportunities	Detailed Risk and Opportunity Factors	Potential Financial Impacts	Hanwha Aerospace Response Strategies
Physical Risks	Acute	Floods	Increased exposure to flooding at business establishments due to changes in precipitation patterns and increased frequency of extreme rainfall caused by climate change, leading to physical damage to assets such as buildings, facilities, and inventories, as well as operational disruptions	• Physical damage to assets such as buildings, facilities, and inventories • Increased labor costs due to operational delays	• Installation of detention basins at flood-prone business establishments and other facility improvements • Establishment of disaster prevention facilities and strengthening of on-site response measures • Regular inspection and maintenance of facilities
	Acute	Typhoons (Strong winds)	Increased intensity and maximum wind speeds of tropical cyclones due to rising sea surface temperatures, resulting in strong winds that cause damage to building exteriors and facilities, as well as power outages and operational disruptions		
	Acute	Wildfires	Increased likelihood and spread of wildfires due to high-temperature and dry conditions and stronger winds, posing risks of asset damage and operational disruptions from wildfires occurring near business establishments	• Physical damage to assets such as buildings, facilities, and inventories • Increased labor costs due to operational delays	• Establishment of firebreaks and installation of firefighting facilities • Periodic internal inspections and training
	Chronic	Heat waves	Increased frequency and intensity of heat exposure due to rising average temperatures and an increase in extreme heat days, resulting in operational impacts such as reduced workforce productivity	• Increased costs of heatwave related consumables for outdoor workers • Increased labor costs due to operational delays • Increased cooling costs due to high temperatures	• Establishment and operation of heatwave guidelines • Provision of heatwave-related supplies internally and externally

TCFD Report

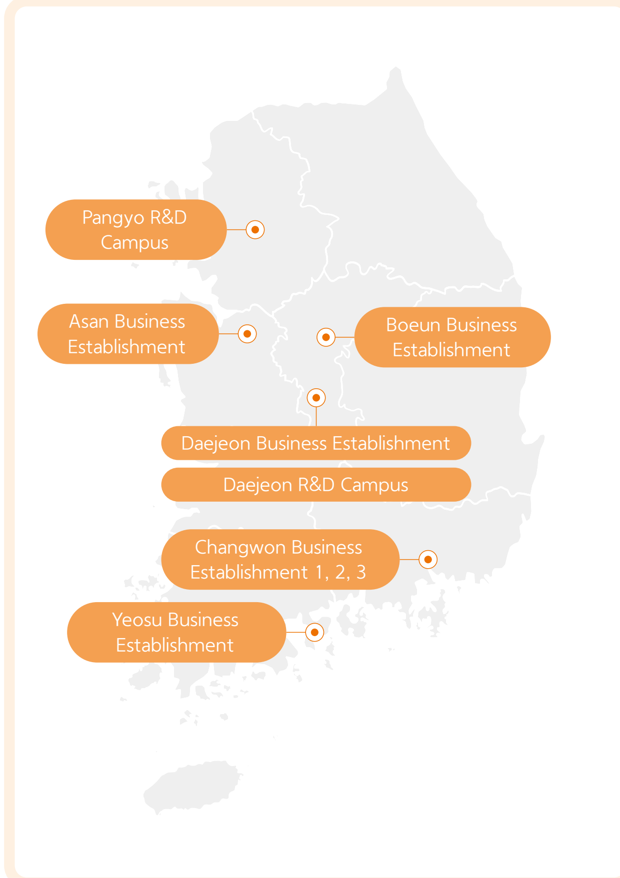
Strategy

Physical Risks Analysis

Hanwha Aerospace analyzed, under three IPCC SSP scenarios, the amounts of asset damage to assets at business establishments (such as buildings, facilities, and inventories) caused by climate-related physical risks—including floods, typhoons (strong winds), wildfires, and heatwaves. The analysis also covered operational delays and additional labor costs resulting from business interruptions, across the short-term (by 2026), mid-term (by 2030), and long-term (by 2050). Among the nine business establishments, Changwon Business Establishment 1 showed the largest financial impact. This is attributed to its location near the southern coast and mountainous areas, combined with its high asset value, which results in elevated potential asset losses from typhoons (strong winds) and wildfires. Yeosu Business Establishment also shows high asset loss impacts from typhoons due to its proximity to the southern coast. Changwon Business Establishment 3, with a relatively high proportion of outdoor workers, and Daejeon Business Establishment, with a relatively large floor area requiring air conditioning, are assessed to have moderate financial impacts from heatwaves. Meanwhile, Asan Business Establishment, Boeun Business Establishment, Daejeon R&D Campus, and Pangyo R&D Campus show relatively low expected losses from physical risks, given their smaller scale of operations and lower proportion of outdoor workers.

Very Low	Low	Medium	High	Very High
Less than KRW 1 billion	KRW 1 billion or more and less than KRW 5 billion	KRW 5 billion or more and less than KRW 10 billion	KRW 10 billion or more and less than KRW 20 billion	KRW 20 billion or more

Business Establishments	Scenario	Floods ~2026	Floods ~2030	Floods ~2050	Typhoons (Strong winds) ~2026	Typhoons (Strong winds) ~2030	Typhoons (Strong winds) ~2050	Wildfires ~2026	Wildfires ~2030	Wildfires ~2050	Heat waves ~2026	Heat waves ~2030	Heat waves ~2050
Asan Business Establishment	SSP1–2.6	Very Low	Very Low	Very Low	Very Low	Very Low	Low	Very Low	Very Low	Very Low	Very Low	Very Low	Very Low
	SSP2–4.5	Very Low	Very Low	Very Low	Very Low	Very Low	Low	Very Low	Very Low	Very Low	Very Low	Very Low	Very Low
	SSP5–8.5	Very Low	Very Low	Very Low	Very Low	Very Low	Low	Very Low	Very Low	Very Low	Very Low	Very Low	Very Low
Changwon Business Establishment 1	SSP1–2.6	Very Low	Very Low	Very Low	Very Low	Low	High	Very Low	Low	High	Very Low	Very Low	Low
	SSP2–4.5	Very Low	Very Low	Very Low	Very Low	Low	High	Very Low	Low	High	Very Low	Very Low	Low
	SSP5–8.5	Very Low	Very Low	Very Low	Very Low	Low	High	Very Low	Low	High	Very Low	Very Low	Low
Changwon Business Establishment 2	SSP1–2.6	Very Low	Very Low	Very Low	Very Low	Low	Medium	Very Low	Very Low	Low	Very Low	Very Low	Low
	SSP2–4.5	Very Low	Very Low	Very Low	Very Low	Low	Medium	Very Low	Very Low	Low	Very Low	Very Low	Low
	SSP5–8.5	Very Low	Very Low	Very Low	Very Low	Low	Medium	Very Low	Very Low	Low	Very Low	Very Low	Low
Changwon Business Establishment 3	SSP1–2.6	Very Low	Very Low	Very Low	Very Low	Low	Medium	Very Low	Very Low	Low	Very Low	Very Low	Medium
	SSP2–4.5	Very Low	Very Low	Very Low	Very Low	Low	Medium	Very Low	Very Low	Low	Very Low	Very Low	Medium
	SSP5–8.5	Very Low	Very Low	Very Low	Very Low	Low	Medium	Very Low	Very Low	Low	Very Low	Very Low	Medium
Boeun Business Establishment	SSP1–2.6	Very Low	Very Low	Very Low	Very Low	Very Low	Low	Very Low	Very Low	Low	Very Low	Very Low	Low
	SSP2–4.5	Very Low	Very Low	Very Low	Very Low	Very Low	Low	Very Low	Very Low	Low	Very Low	Very Low	Low
	SSP5–8.5	Very Low	Very Low	Very Low	Very Low	Very Low	Low	Very Low	Very Low	Low	Very Low	Very Low	Low
Daejeon Business Establishment	SSP1–2.6	Very Low	Very Low	Very Low	Very Low	Very Low	Low	Very Low	Very Low	Very Low	Very Low	Very Low	Low
	SSP2–4.5	Very Low	Very Low	Very Low	Very Low	Very Low	Low	Very Low	Very Low	Very Low	Very Low	Very Low	Low
	SSP5–8.5	Very Low	Very Low	Very Low	Very Low	Very Low	Low	Very Low	Very Low	Very Low	Very Low	Very Low	Medium
Yeosu Business Establishment	SSP1–2.6	Very Low	Very Low	Very Low	Very Low	Low	High	Very Low	Very Low	Low	Very Low	Very Low	Low
	SSP2–4.5	Very Low	Very Low	Very Low	Very Low	Low	High	Very Low	Very Low	Low	Very Low	Very Low	Low
	SSP5–8.5	Very Low	Very Low	Very Low	Very Low	Low	High	Very Low	Very Low	Low	Very Low	Very Low	Low
Daejeon R&D Campus	SSP1–2.6	Very Low	Very Low	Very Low	Very Low	Very Low	Low	Very Low	Very Low	Very Low	Very Low	Very Low	Low
	SSP2–4.5	Very Low	Very Low	Very Low	Very Low	Very Low	Low	Very Low	Very Low	Very Low	Very Low	Very Low	Low
	SSP5–8.5	Very Low	Very Low	Very Low	Very Low	Very Low	Low	Very Low	Very Low	Very Low	Very Low	Very Low	Low
Pangyo R&D Campus	SSP1–2.6	Very Low	Very Low	Very Low	Very Low	Very Low	Very Low	Very Low	Very Low	Very Low	Very Low	Very Low	Very Low
	SSP2–4.5	Very Low	Very Low	Very Low	Very Low	Very Low	Very Low	Very Low	Very Low	Very Low	Very Low	Very Low	Very Low
	SSP5–8.5	Very Low	Very Low	Very Low	Very Low	Very Low	Very Low	Very Low	Very Low	Very Low	Very Low	Very Low	Very Low



INTRODUCTION
ESG HIGHLIGHTS
ESG PERFORMANCE
▶ TCFD Report
Environmental
Social
Governance
ESG FACTBOOK
APPENDIX

TCFD Report

Strategy

Transition Risks Analysis

Hanwha Aerospace is contributing to global efforts to address the climate crisis, has declared its 2050 Net Zero target, and is accelerating the transition to a low-carbon management system. The company has analyzed the financial impacts of each transition risk and opportunity, comparing projected emissions under a business-as-usual (BAU) scenario with target emissions reflecting the reduction pathway of its 2050 Net Zero Scenario.

Category		Risks and Opportunities	Detailed Risk and Opportunity Factors	Potential Financial Impacts	Hanwha Aerospace Response Strategies
Transition Risks	Policy and Regulatory	Implementation of emissions trading schemes	Increased costs of purchasing greenhouse gas emissions allowances due to strengthened climate change-related policies and regulations	• Increased purchase costs of emissions allowances due to increased greenhouse gas emissions • Cumulative financial impact by 2050 estimated at 1.6% of operating profit (Unit: KRW 100 million) Scenario / Short-term / Mid-term / Long-term NZE 2050 / 5 / 11 / 404	• Implementation of greenhouse gas and energy reduction targets • Operation of energy reduction projects • Operation of emissions allowance purchasing guidelines • Strengthening capabilities of dedicated climate change response personnel through training and seminars
		Carbon tax	Increased operating costs due to the imposition of carbon taxes	• Medium- to long-term impacts based on the Network for Greening the Financial System (NGFS)	• Monitoring of domestic and international trends and regulations
	Market	Changes in customer behavior	Revenue decline due to failure to meet customers' technical requirements in line with the decarbonization of the aviation industry	• Revenue impacts due to failure to meet customers' technical requirements in line with the decarbonization of the aviation industry	• Review of restructuring the engine portfolio toward low-carbon and high-efficiency technologies - Prioritization of fuel efficiency improvements and lightweight technologies for new engine models (considered from the development stage of next-generation engines) • Establishment and management of low-carbon manufacturing processes that meet customers' ESG evaluation criteria
	Technology	Emergence of low-carbon alternative technologies and products	Asset impairment (stranded assets) due to the adoption of fossil fuel alternative technologies	• Residual value of fossil fuel-based facilities below 1% of cost of sales and operating profit as of 2025 • Investment costs arising from facility replacement in response to the energy transition (below 1% of cost of sales and operating profit as of 2025)	• Pre-assessment of stranded assets • Gradual application of alternative technology-based equipment
Opportunities	Resource Efficiency	Use of more efficient production and transportation methods	Reduction in utility costs through the adoption of energy-efficient operating systems	• Potential reduction in costs related to emissions trading schemes and carbon taxes	• Operation of energy reduction projects • Operation of emissions allowance purchasing guidelines
	Resilience	Strengthening adaptability to the adoption of new technologies	Reduction in emissions allowance costs through the transition to low- and zero-carbon vehicles	• Gradual replacement with hydrogen and electric vehicles	• Expansion of the gradual replacement of vehicles with alternative technology-based vehicles

Hanwha Aerospace

TCFD Report

Risk Management

Hanwha Aerospace recognizes climate-related risks as one of the company's key risks. Based on this recognition, the climate-related risks and opportunities identified through the materiality assessment are incorporated into the company's risk identification and evaluation processes, and managed comprehensively within the company's enterprise-wide risk management framework.

Climate Risk Management Framework

Risk identification	Risk Assessment	Risk Response	Risk Monitoring
• Practice risk pooling based on internal and external analysis	• Identify and assess major risks • Scenario analysis of major risks	• Develop response strategies for each area • Execution of department-specific tasks	• Report on major risks and response status • Monitor implementation progress and incorporate them into the management strategy

Risk Identification

Hanwha Aerospace identifies climate-related risks and opportunities based on the TCFD recommendations and peer industry analysis. Internally, relevant departments analyze climate change-related issues through the ESG Council.
Externally, Hanwha Aerospace systematically identifies risks by reviewing domestic and international climate policies and regulations relevant to the company, industry trends, and stakeholder interests and requirements.

Risk Monitoring

Hanwha Aerospace manages climate-related risks comprehensively at the enterprise-wide risk level. The Business Planning Team within the Strategic Planning Office, reporting to the CEO, oversees the company's risk management efforts, while the ESH Office manages and monitors climate change risks and response status. Mid- to long-term improvements derived from this process are integrated into the company's management strategy, enabling more systematic and consistent responses to climate-related risks.

Risk Assessment

Hanwha Aerospace conducts materiality assessments of climate-related risks, considering both their likelihood and impact. Risks identified as high-grade through the assessment matrix are designated as material climate-related factors and included in the scope of management. Additionally, scenario analyses are conducted for key climate-related factors deemed likely to have a significant impact on the business, to derive their potential financial impacts on the company.

Risk Response

Hanwha Aerospace manages climate-related risks by categorizing them by type and systematically developing proactive response plans. In alignment with the company's enterprise-wide ESG management direction, Hanwha Aerospace establishes division-specific strategies and detailed implementation tasks to address identified climate-related risks.

Metrics and Targets

Metrics

Hanwha Aerospace has established climate change response and the achievement of carbon neutrality by 2050 as its strategic direction, and systematically manages implementation progress against specific greenhouse gas reduction targets. The company transparently discloses greenhouse gas emissions and energy use through its sustainability reports and CDP responses. In addition, Hanwha Aerospace applies an internal carbon price to key management activities, including investment decision-making and facility introduction. The internal carbon price is calculated by comprehensively considering emissions trading market prices and internal business plans. Hanwha Aerospace plans to continuously enhance the internal carbon pricing framework to support more informed investment decision-making.

Internal carbon price in 2025

KRW **15,000** / ton

Reduction Targets and Results

To achieve carbon neutrality by 2050, Hanwha Aerospace continuously identifies emission reduction opportunities and carries out reduction activities each year. The company monitors annual performance through enterprise-wide energy efficiency initiatives. To reduce greenhouse gas emissions and energy use, Hanwha Aerospace has established a short-term target of a 3% annual reduction on a per-unit basis and is implementing this target. For Scope 1 and 2 emissions, the company has set a target of a 29% reduction (per unit) by 2030 compared to 2023 levels, and has expanded the scope of Scope 3 management to include all business establishments. In 2025, Hanwha Aerospace implemented 11 greenhouse gas reduction initiatives, achieving a reduction of 1,680 tCO_2eq in greenhouse gas emissions. The company also exceeded its 2025 energy reduction target. At Yeosu Business Establishment, as part of energy-saving activities, a waste heat recovery system was implemented — recycling condensate discarded in certain processes as boiler feedwater to improve boiler efficiency — resulting in an annual reduction of approximately 453 tCO_2eq.

ESG PERFORMANCE

ENVIRONMENTAL

Hanwha Aerospace

Environmental Management

GOVERNANCE

Implementation Organization

At Hanwha Aerospace, the ESG Committee actively engages in environmental management governance. The Committee plays an important role in deliberating on and reviewing mid- to long-term ESG strategies as well as other key environmental issues, including climate change. Under the supervision of the ESH Office, Hanwha Aerospace develops a company-wide climate change response strategy and an eco-friendly management plan, and systematically implements and manages detailed tasks.

Board of Directors	• Make final decisions on climate change and environmental investment matters
ESG Committee	• Approve and review ESG strategy and target setting • Deliberate on important issues related to climate and environment • Conduct final review and approval of ESG disclosures and report publication
ESG Council	• Manage the implementation of detailed tasks based on company-wide ESG management direction
Chief Safety Environment Officer (CSO)	• Oversee the company's safety, health, and environment • Supervise implementation progress and major performance based on the safety and environment KPIs
ESH Office	Environmental Planning Team • Establish a mid to long-term environmental strategy and ensure its implementation • Operate climate change and environmental response systems and support legal compliance activities • Conduct environmental management system diagnosis and inspection activities • Supervise accident prevention activities, including responding to various issues Safety and Environment Teams at each business establishment • Establish an implementation plan for each business establishment for ESH strategies and objectives • Ensure the implementation of the environmental management system • Conduct periodic inspection and management of legal compliance and internal regulations

STRATEGY

Environmental Management System

Environmental Impact Management System

Hanwha Aerospace has established a Plan-Do-Check-Action (PDCA) cycle based on the ISO 14001 environmental management system, systematically managing environmental impacts across each sector — including climate change, energy, waste, and water — and developing related environmental goals and plans. The company reviews performance semi-annually to manage the implementation of established goals. In cases of non-conformity, Hanwha Aerospace implements corrective and recurrence-prevention measures, continuously improving its processes. Since 2023, Hanwha Aerospace has been incorporated into the Korea Emissions Trading Scheme (K-ETS), actively contributing to the achievement of the government's carbon-neutrality targets. Following the merger with Hanwha Munition in April 2023, the company newly established an integrated environment, safety, and health management policy and environmental regulations aligned with the standards of the company and its individual business establishments, and currently operates them systematically.

Hanwha Aerospace Safety, environment and health management policy

Vision	Making human life and safety the foundation of all management decisions, we realize the trust and sustainable growth of our global business through systematic and responsible ESH management.		
Mid to Long-Term Targets	Carbon neutrality by 2050	ZERO pollutant and clean workplace	TOP environmentally conscious culture
Strategic Direction and Key Strategic Tasks	Response to climate change	Strengthening ESG management	Raising environmental awareness
	• Improve energy efficiency at business establishments • Increase the use of renewable energy • Engage in biodiversity issues	• Respond proactively to internal and external policies and regulations • Participate in international environmental initiatives • Improve waste recycling rates	• Advance the environmental management system • Strengthen the expertise of environmental practitioners • Boost employee involvement in environmental activities

Environmental Management

STRATEGY

Environmental Management System

External Certification Status

Since obtaining ISO 14001 certification in 1996, Hanwha Aerospace has secured various environment-related certifications and operates a systematic environmental management system. Each business establishment currently holds multiple environment-related certifications, and Hanwha Aerospace continues to work toward securing company-wide environmental management system certification.

Environmental Certification Status

Environmental Management System (ISO 14001)	Certified Business Establishments
	Changwon Business Establishment 1, Changwon Business Establishment 2, Changwon Business Establishment 3

Eco-friendly Investment

Under its internal regulations, Hanwha Aerospace mandates environmental and safety reviews during investment deliberation procedures. For new investments and changes to business establishment processes, the company conducts thorough pre-assessments covering environmental permitting and eligibility, environmental and safety hazards, and greenhouse gas reduction potential. Hanwha Aerospace also makes significant investments in improvements that minimize the environmental impacts of business establishments, and conducts a wide range of activities to transition to an eco-friendly industrial structure across all business areas — land, marine, and aerospace. In 2025, to expand its eco-friendly portfolio, the company invested in facilities to secure power sources for vessels. In addition, Hanwha Aerospace made investments across all areas of environmental management, including investment to reduce environmental risks at business establishments — such as the expansion of wastewater treatment facilities and the construction of new waste storage facilities — as well as the operation of environmental facilities, inspection and measurement, training, etc.

Eco-Friendly Investment Status

Category	Description	2025 Performance
Eco-Friendly Facility Investment	• Equipment investment to secure eco-friendly marine power sources (hydrogen fuel cells, ESS packaging)	KRW 5 billion

Environmental Management Investments

Category	Description	2025 Performance
Environmental Risk Reduction at Business Establishments	• Expansion of wastewater treatment facilities, investment in construction of new waste storage facilities, etc.	KRW 5.6 billion
Environmental Management	• Operation of environmental facilities, environmental inspection and measurement, environmental training, etc.	KRW 7.2 billion

Green Procurement

To achieve its company-wide greenhouse gas reduction targets, Hanwha Aerospace has enhanced its enterprise-wide business processes and established a green management operating system. The company also systematically operates and manages its green-product procurement process under internal green-product purchasing regulations, demonstrating its practical efforts toward sustainable management.

Green Procurement Management Process

Target	Equipment, MRO office supplies and consumables, household goods
Certification	Eco-labeled products, low-carbon products, good recycled products overseas environmental certified products
Management Process	Check/review eco-friendly products ▼ Purchase products ▼ Manage business purchase performance ▼ Manage green procurement performance

Environmental Management

STRATEGY

Environmental Management System

Enhancing Employee Environmental Awareness

Hanwha Aerospace conducts various activities, including environmental training, to raise environmental awareness among employees. In particular, to help employees incorporate low-carbon, green practices into their daily lives, the company operates the company-wide Green Plus Environmental System and the ECO Mileage Program at its business establishments. Employees earn points by completing training on eco-friendly daily practices or by using eco-friendly products and public transportation, thereby strengthening environmental management awareness across the organization. In addition, Hanwha Aerospace marks World Environment Day on June 5 each year with various events designed to raise environmental consciousness among employees. At the Daejeon R&D Campus, the company collected approximately 300 sets of discarded work uniforms and produced 100 upcycled bags, which were distributed to employees as part of an initiative to raise awareness of resource recycling in daily life. Furthermore, in 2026, the company has implemented a 5-day vehicle rotation program to respond to high oil prices and the energy crisis and contributes to reduced traffic jam in surrounding areas.

Participation in Environmental Initiatives

Hanwha Aerospace voluntarily participates in the CDP, which includes over 7,000 companies worldwide, transparently disclosing and being evaluated on corporate strategies and key performance data related to climate change response

Introduction to Environmental Awareness Activities

Green Plus Environmental System (ECO Mileage Program)

- Low-carbon lifestyle pledges
- Energy-saving idea suggestions
- Use of public transport, carpooling, bicycles
- Zero leftover campaign
- Environmental purification volunteer activities
- Eco-friendly product experience activities

Grant Green Plus Point (ECO Mileage) → Purchase items from 'Beautiful Store' → Carry out personal low-carbon activities → Inspire a low-carbon lifestyle

Green Relay Poster

Green Plus Environmental System Poster

Environmental Training

Hanwha Aerospace provides environmental training to all employees company-wide to enhance environmental management awareness. Training topics include carbon-neutral lifestyle practices and reducing everyday waste and plastic use, and company-wide environmental points are awarded upon completion. In addition, the company supports specialized training programs to improve employees' understanding of domestic and international regulations.

Training	Content	Participants	Type	2025 Performance
Eco-Friendly Daily-Life Practice Training	ESG training (Climate change, Zero-waste, etc.)	Employees	Online	53 people / 11 hours
Business Establishment Environmental Management	Business-establishment-related management and legal requirements (water, air, waste, chemicals, etc.)	Employees and supplier employees	In-person / Online	5,365 people / 15,522 hours
Domestic and International Laws and Regulatory Requirements				
Climate Change Response	CDP, CBAM, greenhouse gas emissions trading system training, etc.			
Environmental Incident Response Training	Emergency situation response training	Employees	In-person / Online	36 cases

Environment Month

- Disposables reduction campaign
- Evaluation and award for departments with excellent environmental facility operation
- Cleaning activities around business establishments
- Visits to the International Environmental Industry Technology Show and Green Energy Show

Disposables Reduction Campaign

INTRODUCTION
ESG HIGHLIGHTS
ESG PERFORMANCE
TCFD Report
▶ Environmental
Social
Governance
ESG FACTBOOK
APPENDIX

Environmental Management

Environmental Management Risk Management

Risk Factor Management

Based on its environmental management system process, Hanwha Aerospace minimizes the generation of environmental pollutants across all business areas — including products, business operations, and services — thereby creating environmentally friendly business establishments. The company manages six categories, including renewable energy, water, and waste, and develops and implements action plans to address non-conformities reduction and prevention activities by performing preidentified through monitoring, follow-up inspections, internal audits, and on-site compliance checks at its business establishments. In addition, the company systematically conducts pollutant liminary environmental impact reviews on any changes in regulations or manufacturing processes to reduce and prevent pollutants.

Management Process

Identification of risk factors	Analysis of risk factors	Improvement and management of risk factors
• Identify issues related to stakeholders and the environment	• Examine environmental impact	• Establish action plans and monitor implementation

Management Scope

Renewable energy use and investment	Water and energy management	Waste recycling and reuse
Eco-friendly campaigns/activities	Reduction of hazardous chemicals use	Greenhouse gas emissions reduction

Key Environmental Management Risks and Opportunities Analysis

Category		Risk & Opportunity Factors	Environmental / Social Impact	Financial Impact	Response Strategy & Key Activities
Environmental Management	Risk	• Need to comply with environment-related requirements for business transactions and to establish an Environmental Management System (EMS); failure to meet requirements may negatively affect eligibility assessments	●●○	●●○	• Establish EMS governance • Strengthen management of overseas chemical regulation information
Water / Forests	Risk	• Requests to participate in water- and forest-related assessments; lack of response or strategy may reduce investor interest	●○○	●○○	• Monitor trends among global companies and peers
Circular Economy	Risk	• Increased demand for waste reduction and recycling; rising waste disposal levies	●○○	●○○	• Monitor regulatory trends
Biodiversity	Risk	• Risk of corporate image damage if biodiversity-related issues arise	●○○	●○○	• Monitor TNFD trends • Monitor environment-related risk and opportunity identification/assessment tools
Environmental Policy	Opportunity	• Strengthened ESG management requirements under government environmental policies, leading to increased revenue from expansion of eco-friendly business and the building of an eco-friendly corporate image beyond the defense sector	●○○	●○○	• Continuous monitoring and compliance management for government policies and regulations
Greenwashing	Risk	• Need to prevent greenwashing and manage exaggerated, false, or insufficiently substantiated environmental information; non-compliance may trigger government corrective orders, fines, and damage to corporate image	●●○	●●○	• Strengthen the system for securing evidence by environmental performance area • Secure evidence and operate a verification system for each improvement task

INTRODUCTION
ESG HIGHLIGHTS
ESG PERFORMANCE
TCFD Report
▶ Environmental
Social
Governance
ESG FACTBOOK
APPENDIX

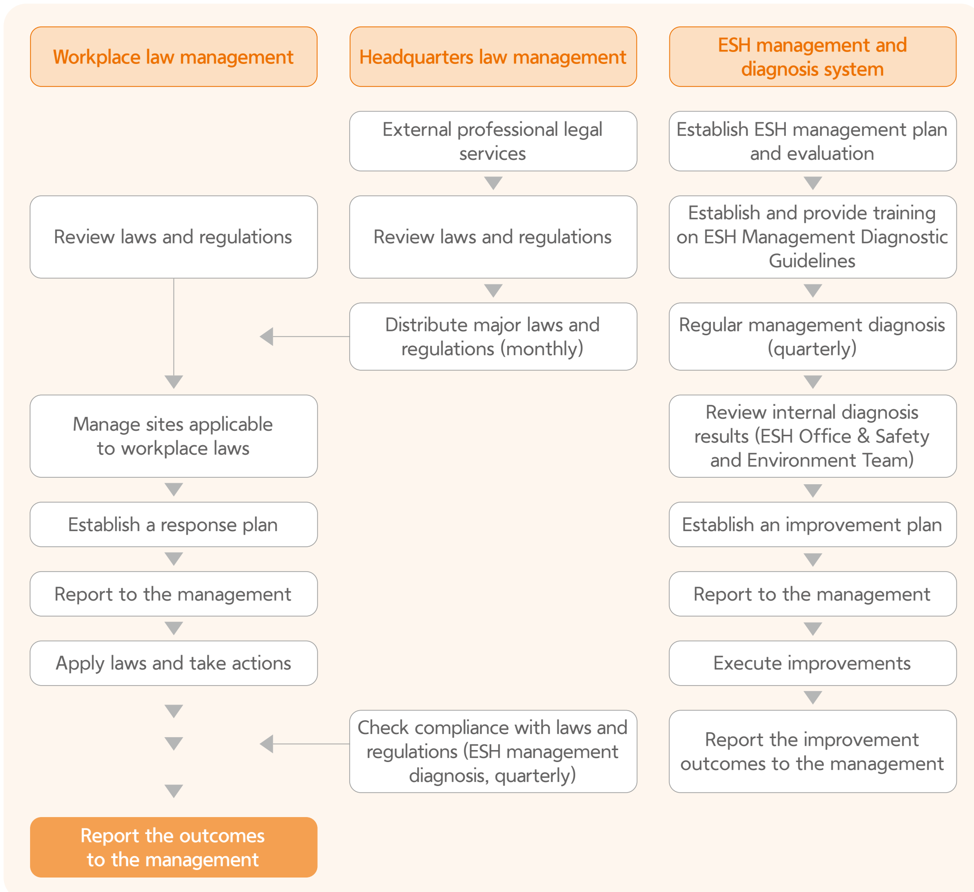
Environmental Management

Environmental Management Risk Management

Environmental Laws and Regulations Monitoring

As environmental regulations become increasingly stringent, various stakeholders — including global markets, governments, and local authorities — are placing greater emphasis on corporate environmental risk management. To respond to this trend, Hanwha Aerospace operates a regulatory monitoring framework to systematically track and manage continuously evolving environmental regulations. For more professional and systematic responses, the company collaborates with specialized regulatory monitoring firms to rigorously perform compliance management. Hanwha Aerospace regularly publishes environmental trend bulletins and distributes them company-wide, enabling timely inspections and responses at its business establishments. To mitigate environmental compliance risks, the company also provides legal advisory services through internal communication channels to address environmental regulatory and policy inquiries from all business establishments.

Environmental Laws and Regulations Management Process



Environmental Laws and Regulations Response Strategy

Category	Relevant Laws & Regulations	Hanwha Aerospace Response Strategy
Greenhouse Gas Emissions	• Framework Act on Carbon Neutrality and Green Growth for Coping with Climate Crisis • Act on the Allocation and Trading of Greenhouse-Gas Emission Permits • Carbon Border Adjustment Mechanism (CBAM)	• Establish carbon neutrality response strategy and derive implementation measures • Operate internal climate risk/opportunity assessment tools • Monitor whether the company's products fall under the Carbon Border Adjustment Mechanism (CBAM)
Environmental Disclosure	• Environmental Technology and Industry Support Act • Mandatory ESG Disclosure • Corporate Sustainability Due Diligence Directive (CSDDD)	• Respond to environmental disclosure requirements and expand disclosure channels — Expand external disclosures including the Sustainability Report, CDP, etc. • Operate the environmental management system and enhance the consistency of environmental performance — Conduct and respond to on-site inspections by external/specialized agencies • Establish supplier EMS guidelines
Chemicals	• Act on Registration and Evaluation of Chemical Substances • Chemical Substances Control Act • Regulation concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)	• Operate chemical substance pre-approval procedures • Review and respond to applicable regulations before chemical purchase • Strengthen chemical substance DB (Database) management and purchase and utilize external specialized agency databases
Air and Water	• Clean Air Conservation Act • Special Act on the Improvement of Air Quality in Air Control Zones • Malodor Prevention Act • Water Environment Conservation Act	• Monitor pollutant emissions and concentrations — Conduct periodic self-measurement through specialized environmental measurement agencies • Manage and invest in pollutant emission and prevention facilities
Waste and Soil	• Wastes Control Act • Act on Promotion of Transition to Circular Economy and Society • Soil Environment Conservation Act	• Detailed classification and generation-volume management of business establishment waste • Activities to improve waste recycling rates and investment in waste reduction • Periodic soil contamination inspection and monitoring • Install soil contamination prevention facilities (oil retention walls, trenches, etc.)
Integrated Environmental Act	• Act on the Integrated Control of Pollutant-Discharging Facilities	• Obtain permits and approvals under the Act on the Integrated Control of Pollutant-Discharging Facilities for applicable business establishments • Conduct post-management activities including measurement/monitoring of pollutant emissions and annual report submission • Operate and invest in Best Available Techniques (BAT)

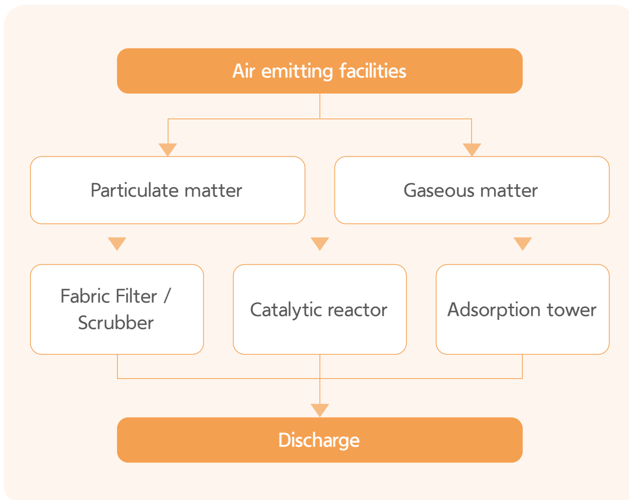
Environmental Management

Environmental Impact Management

Air Management

To reduce air pollutant emissions, Hanwha Aerospace has established and applies internal standards that are more stringent than legal requirements. To minimize air-environmental impact, the company has established self-measurement frequencies ranging at least annually up to monthly, depending on facility scale, and conducts periodic self-measurement and monitoring with specialized agencies. Hanwha Aerospace continuously improves facilities to manage major pollutants at levels below 50% of the legal limits. In particular, as the Yeosu and Boeun Business Establishments are subject to the Act on the Integrated Control of Pollutant-Discharging Facilities, the company obtained an integrated environmental license in 2022 and conducts post-permit management, reporting compliance performance on a monthly basis. Hanwha Aerospace is also actively reducing pollutant emissions by reviewing the expansion of applying the Best Available Techniques (BAT) as mandated by the Act.

Air Quality Management Procedure



Air Pollutant Emissions Reduction Activities

Target Substance	Key Reduction Activities
Nitrogen Oxides (NOx)	• Operate NOx boilers • Apply Selective Catalytic Reduction (SCR) systems
Sulfur Oxides (SOx)	• Use low-sulfur fuel
Dust (PM)	• Install Cyclone dust collector and fabric filter • Install absorption facilities • Periodic replacement of filter cloth and scrubbing water
Volatile Organic Compounds (VOCs)	• Install direct-combustion facilities (Regenerative Thermal Oxidizer, RTO) • Install activated-carbon adsorption facilities • Periodic replacement of activated carbon

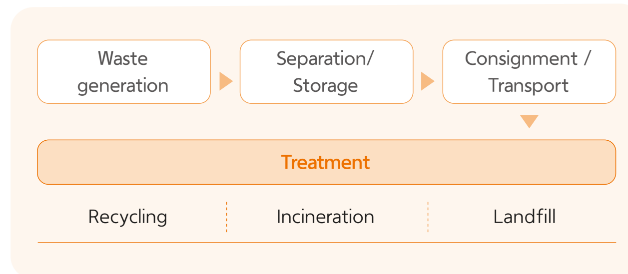
Water Management

Hanwha Aerospace works to mitigate water risks — such as water stress and water depletion, identified based on the World Resources Institute (WRI) Aqueduct Water Risk Atlas Tool and the World Wide Fund for Nature (WWF) Water Risk Filter — by reducing water use and wastewater discharge at each business establishment. The company manages annual performance against established yearly water-consumption targets and continues to invest in facilities for on-site wastewater recycling. The discharge concentration of major water pollutants is also maintained at less than 50% of legal limits. In particular, at the Yeosu Business Establishment and other sites operating wastewater treatment plants, facilities are monitored in real time with around-the-clock staffing, and major water pollutants are measured daily. At the Daejeon and Yeosu Business Establishments, the company also operates a system in which sensors linked to surface-water sluice gates automatically shut the gates upon detection.

Waste Management

Hanwha Aerospace operates a management framework to minimize waste generated during manufacturing processes and reduce environmental impact. All waste, including hazardous chemicals, is managed in compliance with domestic and international regulations to ensure safe processing. The company also analyzes the physical and chemical properties of waste from major business groups to improve recycling rates and thereby further minimize environmental impact. In 2025, the Daejeon and Boeun Business Establishments recycled approximately 248 tons of waste by switching disposal methods from incineration and landfill to recycling.

Waste Treatment Procedure



Waste Treatment Procedure by Classification

Category	Designated waste	General waste
Classification	Waste oil, waste paint, waste hazardous chemicals, etc.	Waste synthetic resins, waste wood, wastewater treatment sludge, etc.
Storage	Waste storage	
Treatment	Consigned treatment (recycling, incineration, landfill, etc.)	

Environmental Management

RISK MANAGEMENT

Environmental Impact Management

Hazardous Chemical Management

Using its in-house environmental safety system, Hanwha Aerospace rigorously reviews related laws and the inherent hazards of substances before any chemical is used. This process is managed through a four-step framework: pre-approval, facility management, material improvement, and environmental enhancement. At the pre-approval stage, the Safety and Environment Team reviews legal requirements using the chemical substance regulatory database and approves for use only in cases that meet established standards. To ensure the safety of facilities handling hazardous chemical substances, inspections are conducted at least once a week. Detailed information on chemical substances is readily accessible in the system through Material Safety Data Sheets (MSDS), and the company conducts thorough training on hazardous chemical substances to ensure their safe use. Based on these efforts, Hanwha Aerospace proactively responds to increasingly stringent hazardous chemical regulations by identifying and applying substitutes to reduce the use of materials containing highly hazardous and high-risk substances.

Biodiversity Management

Hanwha Aerospace's Changwon Business Establishment 1 has committed to biodiversity conservation by signing an agreement with Changwon City in December 2022 to advance nature preservation. The agreement brings together 13 organizations from the public, private, industry, and academic sectors to engage in ecological monitoring and provide funding support for projects aimed at conserving wildlife species.

As part of this initiative, the company established a biological survey team in collaboration with the Gyeongnam Wildlife Conservation Association. The team focuses on safeguarding otters, an endangered species residing near the Changwon Business Establishment. To conserve otter habitats, the team carries out a wide range of activities, including monitoring otter movements through observation cameras equipped with motion-detection sensors, conducting biological surveys of Namcheon Stream, removing ecosystem-disrupting species, and restoring endangered flora and fauna. In addition, at the Pangyo R&D Campus, the company signed an ESG environmental agreement with Seongnam City in 2025 and launched mutually beneficial cooperation activities, including an eradication campaign for invasive fish species disrupting the ecosystem.

Support for Changwon City Sustainable Development Council under the Biodiversity Conservation Agreement (as of 2025)

KRW 5 million

Eradication of Invasive Fish Species Disrupting the Ecosystem


Signing of the ESG Environmental Cooperation Agreement

METRICS & TARGETS

Environmental Management Goals and Performance

To achieve carbon neutrality by 2050 and embed an ESG management culture, Hanwha Aerospace has set strategic directions in three areas: responding to climate change, strengthening ESG management, and raising environmental awareness. The company sets targets accordingly and systematically manages implementation performance on a semi-annual basis.

Mid- to Long-Term Targets

Category	Response to Climate Change		Environmental Management	
Indicator	Greenhouse gas emissions (intensity)	Key implementation measures	Waste recycling rate[1]	Key implementation measures
2026 Target	1.88 tCO_2eq / KRW 100 million	• Improve operational efficiency of energy-using facilities • Replace aging equipment with high-efficiency equipment • Install solar-powered streetlights	82%	• Change waste treatment methods (landfill, incineration → recycling)
2027 Target	1.82 tCO_2eq / KRW 100 million		83%	
2030 Target	1.66 tCO_2eq / KRW 100 million (29% reduction compared to 2023)		90%	

1) Integrated waste recycling rate target (excluding scrap metal and waste paper recycling volume)

2025 Performance Against Targets

Category	Indicator	2025 Target	2025 Actual
Response to Climate Change	Energy consumption (GJ / KRW 100 million)	33.15	24.98
Environmental Management	Waste generation (Ton / KRW 100 million)	0.084	0.077
	Water consumption (m^3 / KRW 100 million)	29.97	21.99

INTRODUCTION
ESG HIGHLIGHTS
ESG PERFORMANCE
TCFD Report
▶ Environmental
Social
Governance
ESG FACTBOOK
APPENDIX

Sustainable Products and Services

STRATEGY

Sustainable Product Development

Hanwha Aerospace defines sustainable products by comprehensively considering environmental, social, and governance factors. Environmental criteria include the use of eco-friendly materials, carbon footprint reduction, energy efficiency, and pollutant minimization. Social criteria include the protection of human rights and labor rights, fair trade practices, and consumer safety. Governance criteria include transparent disclosure and compliance with relevant regulations and standards. In line with these criteria, Hanwha Aerospace is developing hydrogen fuel cells for ships as a sustainable product. Hydrogen fuel cells for ships are power-generation devices that produce electricity through the electrochemical reaction of hydrogen and oxygen, emitting no pollutants other than water during power generation. They are therefore recognized as eco-friendly marine propulsion technology that can contribute to the International Maritime Organization (IMO)'s target of Net Zero greenhouse gas emissions by 2050, and they are positioned as a sustainable energy solution supporting decarbonization of the maritime industry.

CASE

Hydrogen Fuel Cells for Eco-friendly Ships

2024	2025	2026	2027
• Basic approval for development obtained (KR, DNV); prototype (P1) developed	• KR-class type-approval prototype (P2) developed • KR-class certification testing	• KR-class certification obtained • Launch and sale of domestic business • Commencement of DNV-class type approval	• DNV-class certification obtained • Launch and sale of overseas business • Development of MW-class products

Hanwha Aerospace has been developing hydrogen fuel cells for ships since 2024 to provide eco-friendly ship solutions. The hydrogen fuel cell is based on a polymer electrolyte fuel cell and features rapid startup time and scalability, making it well suited for marine applications. In particular, its scalable control function enables parallel connection of multiple fuel cells to deliver high power output, allowing broad application from small to medium and large vessels. The fuel cell also offers higher efficiency than competing products, delivering operating-cost savings. Hanwha Aerospace completed pilot product development in 2024 and development of the Korean Register of Shipping (KR) class certification product in 2025, also carrying out class certification testing, with certification anticipated within 2026. Based on this, the company plans to fully launch its domestic marine hydrogen fuel cell business in 2026. In the second half of 2026, Hanwha Aerospace also plans to commence type approval with Det Norske Veritas (DNV) class certification, the Norwegian classification society, with the goal of obtaining it in 2027, and to expand into the global market from 2028.

Hydrogen Fuel Cell for Eco-friendly Ships

ESG PERFORMANCE

SOCIAL

Hanwha Aerospace

Health and Safety

GOVERNANCE

Implementation Organization

Hanwha Aerospace operates a Safety Management Team under the ESH Office, reporting directly to the CEO, to strengthen company-wide health and safety management. This dedicated team systematically develops health and safety strategies across the enterprise and conducts thorough inspections and assessments of compliance with various health and safety regulations. The team formulates annual health and safety plans, reports them to the Board of Directors for approval, and executes them systematically. At each business establishment, the company develops tailored health and safety management plans based on the company-wide plan, rigorously managing implementation through periodic internal audits and inspections. Furthermore, regular Occupational Health and Safety Committees enable labor-management collaboration to build an autonomous safety management system, and cooperative councils with in-house contractors and external suppliers promote mutual safety. These efforts contribute to Hanwha Aerospace establishing a leading health and safety management system and laying the foundation for systematic management.

Board of Directors	• Review and approve company-wide plans related to health, safety, and environment
ESG Committee	• Establish mid- to long-term ESG strategies and policies and review implementation status • Deliberate on important issues related to climate change and environment • Review health and safety plans and performance
ESG Council	• Implement and manage detailed tasks based on the company-wide ESG management direction
Chief Safety Environment Officer (CSO)	• Oversee the company's safety, environment, and health • Supervise implementation progress against goals and key performance based on safety management KPIs
ESH Office	Safety Management Team • Establish mid- to long-term health and safety plans and policies • Oversee accident prevention activities, including proactive response plans for internal and external issues • Verify the effectiveness of workplace health and safety management through regular performance measurement • Manage core safety management KPIs Safety and Environment Teams at each business establishment • Support site managers and organization leaders with safety, environment, and health duties • Develop and implement workplace safety, environment, and health management plans based on the company-wide direction • Conduct regular internal reviews and inspections of plan implementation
Occupational Health and Safety Committee	
Supplier Council	

STRATEGY

Health and Safety Management System

Vision and Targets

In February 2026, Hanwha Aerospace clarified its "people-centered ESH management philosophy" to align with changes in the business environment driven by global business expansion and in response to the strengthening of occupational safety policies, and revised and enhanced the existing Environment, Safety and Health Management Policy to reinforce company-wide execution capability. To realize its health and safety management vision, the company has set four strategic goals and systematically establishes the Environment, Safety and Health Management Policy and operational plans through the PDCA cycle. Hanwha Aerospace rigorously manages implementation of related processes through monthly KPI reviews and biannual health and safety diagnoses. When areas for improvement are identified, the company develops specific measures and continuously monitors them. The company also tracks and manages improvements to processes and the work environment to drive continuous advancement in the field of health and safety, with the aim of creating a safer and healthier work environment through these efforts.

Hanwha Aerospace Safety, environment and health management policy

Vision	Making human life and safety the foundation of all management decisions, we realize the trust and sustainable growth of our global business through systematic and responsible ESH management.			
Mission	Achieve "ZERO" Serious Accidents and Environmental Incidents			
Key Strategy	Embedding ESH Culture	Embedding Autonomous Safety Management	Advancing Management Systems	Strengthening ESG Management
	• Establish a responsibility-based safety culture • Build a compliance support framework for overseas subsidiaries	• Structure and visualize ESH KPIs and performance • Develop the ESH Academy curriculum • Strengthen response capabilities for serious accidents and emergency situations	• Advance and embed the health and safety management system • Build the safety, environment and health IT system • Develop and apply ESH diagnostic tools	• Build a response framework for environmental and safety disclosure regulations • Respond to ESG and CDP assessments

Safety Management Certification Status

Safety Management Certification Status

Hanwha Aerospace has established a health and safety management system based on ISO 45001 to advance the effective implementation of its health and safety management framework. In particular, in 2025 the company obtained company-wide integrated ISO 45001 certification across all business establishments, enhancing the credibility of its globally aligned health and safety management framework. In addition, the company is continuously enhancing its system by revising regulations and forms in line with the PDCA cycle of the health and safety management system. Hanwha Aerospace will continue to carry out risk management and improvement activities to strengthen the effectiveness of its health and safety management processes and enhance the level of Process Safety Management (PSM).

Health and Safety

STRATEGY

Health and Safety Management Activities

Promoting Employee Health

Work Environment Management

Hanwha Aerospace maintains the latest Material Safety Data Sheets (MSDS) for all hazardous factors present at its business establishments, providing essential health and safety information to employees. For employees exposed to specific hazardous factors, the company conducts special health examinations and monitors their health. Hanwha Aerospace rigorously measures and manages exposure levels, partnering with certified external agencies for periodic work–environment assessments. Based on the recommendations from these assessments, the company proactively implements improvements to ensure a safe working environment.
In addition, the company has conducted chemical–handling and MSDS training for health and safety officers and supervisors at all its business establishments, helping them thoroughly understand the principles of chemical–accident prevention and deepen their understanding of chemical hazards, risks, and MSDS, thereby strengthening its chemical management capability.

Chemical Handling and MSDS Training

High–Risk Worker Management

Given the inherent risk of musculoskeletal disorders associated with handling heavy materials in the industry, Hanwha Aerospace conducts periodic surveys of hazardous factors and in–depth diagnoses of high–risk processes to drive improvements. The company also arranges production–line staffing in consideration of follow–up management for employees with abnormal findings, thereby promoting employee health. Regarding noise, Hanwha Aerospace conducts semi–annual work–environment measurements through an external agency to assess exposure levels. In particular, for production lines posing a heightened risk of hearing impairment at certain business establishments, the company operates a Hearing Conservation Program. Hanwha Aerospace distributes educational materials on noise annually and provides appropriate personal protective equipment, thereby creating a safe working environment.

Dangerous Machinery and Equipment Inspection

Hanwha Aerospace operates a system of statutory safety inspections and in–house inspections to ensure the safety of hazardous machinery and equipment. The company conducts regular safety inspections on 1,144 units of hazardous machinery and equipment, including cranes and pressure vessels, focusing on operating conditions and the proper installation and functioning of protective devices. Through routine, regular, and special inspection systems, Hanwha Aerospace identifies abnormalities in high–risk equipment in advance and implements improvement measures based on inspection results, making every effort to prevent equipment–related accidents. The company will continue to strengthen preventive safety management processes centered on high–risk equipment.

Health Promotion Programs

Hanwha Aerospace supports comprehensive health check–ups for employees and their families, contributing to systematic health management. The company provides group indemnity medical insurance for employees, with the option of family medical–expense support or family indemnity medical insurance based on employee preference. Through these initiatives, Hanwha Aerospace safeguards the well–being of employees and their families, enhancing employee engagement and fostering a healthy working environment. For employee mental health, the company hires professional counselors who provide counseling services and various mental wellness programs. The company also operates exercise programs and offers incentives for employees with hypertension, diabetes, dyslipidemia, and those at risk of obesity. In addition, Hanwha Aerospace runs various programs such as musculoskeletal disorder prevention programs and special lectures on brain health to promote employees' overall health.

Employee Health Promotion Programs

8–Week Health Mission	• Sustained execution of weekly health missions over 8 weeks (blood pressure and InBody measurement, 10,000–step walking, etc.)
Musculoskeletal Disorder Prevention Program	• Stretching tailored to task type and body part • Physical care (strength training, etc.)
Special Lecture on Brain Health	• Detection of mild cognitive impairment through amyloid testing, etc.

Health and Safety

Health and Safety Management Activities

Enhancing Safety Awareness

On-Site Safety Management

To reinforce executive safety leadership and realize responsible safety management, the CEO and the head of the ESH Office regularly visit business establishments to conduct on-site safety management and inspections. Alongside this, safety communication activities promote the importance and necessity of safety management company-wide. In 2025, Hanwha Aerospace held on-site management activities and meetings across all business establishments, identifying and addressing key improvement requests related to health and safety. In 2026, the company will continue its efforts to create a safer and healthier work environment through active safety communication.


On-site Safety Inspections


Company-wide Safety Meeting for Site Leaders

Active Safety Participation by Management

Hanwha Aerospace conducts annual safety meetings and leadership training for Site Leaders at all business establishments to promote active management participation in safety and communication between leaders. Through strategy development for proactive response to the government's health and safety policy stance and training by renowned experts in various fields, managers have cultivated proper safety management mindsets. Starting in 2025, Site Leaders' safety activities have been reflected in KPIs, further strengthening safety leadership through active management involvement.

Fostering a Safety Culture

To nurture a mature safety culture, Hanwha Aerospace conducts an annual safety-culture-level assessment for all employees. Based on the diagnosis and analysis of nine key factors — including management's involvement in safety, the establishment of safety systems, and employee education and training — the company develops and implements strategies to enhance the level of safety culture.

In addition, since 2025 Hanwha Aerospace has introduced the in-house health and safety communication platform "#Safety" and offers diverse content, including an anonymous improvement-suggestion channel ("#Safety ON") and an external trend weekly newsletter ("WE:SH"). The company will continue to strengthen labor-management communication so that a mature safety culture takes firm root.

Promotional Poster of Safety Improvement Cases

Health and Safety Communication Platform "#Safety"

Safety Education

Hanwha Aerospace operates an in-house training curriculum to strengthen the capabilities of personnel in charge of safety and environment. Training courses are subdivided according to years of experience and job characteristics, and the company builds health and safety expertise through ESH Office-led group training on areas such as the health and safety management system, PSM, and health management, along with more than 100 external training courses.

Health and Safety Investment and Budget

Hanwha Aerospace operates delegation-of-authority regulations that require mandatory safety reviews for investments, depending on the nature of the investment. Investment proposals undergo preliminary review covering regulatory compliance, risk assessments, and the use of hazardous substances, and the company maintains continuous monitoring during execution to ensure thorough safety management.

In 2025, Hanwha Aerospace executed approximately KRW 247.0 billion in automation and unmanned operations in high-risk manufacturing lines, and general facility improvements — including ESH investment and repair costs construction of the MCS unmanned plant. The company also spent approximately KRW 14.6 billion on safety expenses (PPE purchases and training) and approximately KRW 22.2 billion on ESH personnel costs.

For 2026, the company plans to increase health and safety investment and budget by approximately KRW 214.7 billion compared to 2025 spending.

Health and Safety Budget Trend and 2026 Plan (Unit: KRW 100 million)

Category		Results			Plan
		2023	2024	2025	2026
Investment / Repair Costs	ESH Investment	72	35	135	316
	Automation / Unmanned Operations / General Facility Improvement	466	1,079	2,335	4,208
	Subtotal	538	1,114	2,470	4,524
Safety Expenses		152	134	146	193
ESH Personnel Costs		143	185	222	268
Total		833	1,433	2,838	4,985

Health and Safety

Health and Safety Risk Management

Risk Factor Management

Hanwha Aerospace takes an in-depth approach to risk assessment and serious-accident risk management to thoroughly control workplace hazards. Risk assessment begins with a detailed analysis of the risks faced in each process. This involves closely reviewing work procedures and quantitatively evaluating risk levels by incorporating legal standards and the frequency and intensity of current health and safety measures. For high-risk tasks in particular, the company establishes concrete improvement measures to minimize risks and re-evaluates improved tasks to quantitatively measure their effectiveness. Serious-accident risk management applies a more specialized approach: Hanwha Aerospace collaborates with specialized safety agencies to identify high-risk operations and minimizes the likelihood of serious accidents through thorough risk assessments. This systematic, specialized approach helps maintain a safe work environment on an ongoing basis, with continued efforts to reduce risks to the lowest possible level across all processes.

Risk Factor Management Process

01 Work Process Categorization	Detailed analysis of work procedures by process
02 Identification of Hazardous Risk Factors	Use of a quantitative damage-prediction program
03 Review of Relevant Legal Standards	Proactive identification and management of risk factors based on health and safety regulations
04 Current Risk Assessment	Quantitative risk-rating assessment based on frequency and severity
05 Development of Risk Mitigation Measures	Identification and separate management of high-risk tasks
06 Post-Improvement Risk Assessment	Company-wide KPI management and monitoring of implementation rates

Risk Assessment

Hanwha Aerospace rigorously evaluates risks and implements improvements through various methods to secure the safety of high-risk processes. To prevent accidents during hazardous-material handling, the company employs the Explosion Damage & Injury Assessment Model (Ex-DAM), a quantitative explosion damage-prediction model, for systematic risk assessment. Before establishing, expanding, or modifying any process, damage-prediction simulations quantitatively analyze the potential accident impact range and support the development of measures to minimize damage. Notably, results from pre-damage prediction simulations are incorporated into worker positioning and safety design, ensuring risk minimization at the process design stage. This approach helps secure efficient worker workflows and establish safe work procedures, contributing to a safer work environment.

ExDAM-Based Risk Assessment Process

Damage Prediction Simulation → Analysis of Potential Accident Scope → Damage Mitigation Planning → Application to Process Design

Mitigation and Improvement Measures

Hanwha Aerospace actively operates response and management systems for potential hazards at its workplaces and supplier sites. For construction and maintenance work performed by suppliers, the company operates a Safe Work Permit System and rigorously manages work-environment safety. All non-routine tasks undergo risk assessment and safety inspection to preemptively eliminate potential hazards and proceed only when safety is assured. Hanwha Aerospace has also established Absolute Safety Rules, requiring employees and on-site contractors to strictly comply; violations result in immediate removal and a permanent access ban, reinforcing safety management. Furthermore, as an activity to enhance workplace safety, Hanwha Aerospace runs a "Hazard Identification Contest" for all employees company-wide. In the Hazard Identification Contest, employees themselves identify hazardous risk factors in their own working environments and apply improvement ideas, demonstrating strong real-world applicability based on actual work characteristics and process understanding. Final evaluations are made through presentations of practical and outstanding ideas, and submitted cases are compiled into a casebook and rolled out company-wide. Building on this framework and these activities, the company strives to continuously raise the level of safety management centered on accident prevention.

Health and Safety

Health and Safety Risk Management

Risk Factor Management

Effectiveness Evaluation of Improvement Measures

Hanwha Aerospace designates improvement actions identified through risk assessments as company-wide KPIs and systematically monitors monthly implementation rates. Through this process, the company manages the number of recommended improvements and completed cases, sustaining continuous risk-reduction effects in each process.

To evaluate the effectiveness of health and safety risk-mitigation measures, Hanwha Aerospace uses an in-house safety grading system to identify hazardous risk factors in line with legal standards. For each risk factor, the existing risk level is assessed based on likelihood and severity, calculated by multiplying likelihood (frequency, scored out of 5) by severity (intensity, scored out of 4). Post-improvement risk levels are calculated in the same way to closely monitor the effectiveness of health and safety measures.

Implementation Status of Improvement Measures for Hazardous Risk Factors (As of December 2025)[1]

Recommended Improvement Measures	Improvements Completed (Action rate 98%)
837 cases	818 cases

1) Based on internal KPI management criteria

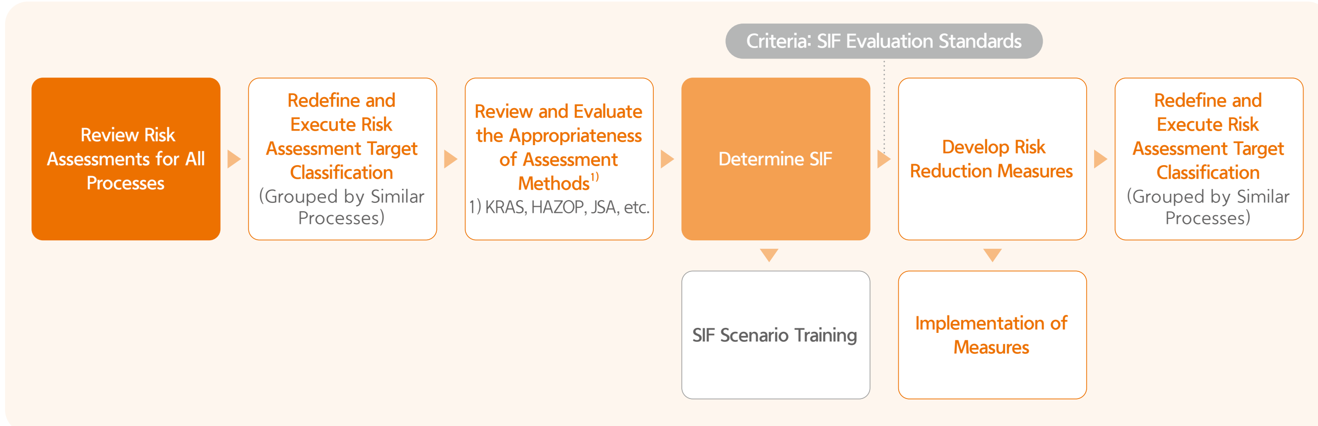
Risk Mitigation Measure Effectiveness Evaluation Process

- 01 Set improvement measures as company-wide KPIs
- 02 Regular monitoring of implementation rates
- 03 Manage the number of improvements and completions
- 04 Maintain risk-reduction effects

Advanced Risk Assessment and SIF Methodology Adoption

Hanwha Aerospace has introduced the Serious Injury and Fatalities (SIF) analysis methodology within risk assessments for reducing serious accidents and operates a system to reduce the risk of serious accidents. Starting with the application of advanced risk assessment and the SIF methodology at PGM business group, the company subsequently completed application across LS and Aero business groups, and in 2025 the company conducted advanced risk assessment at two R&D Campuses. Through the SIF program, risk assessments were conducted on relevant processes at each business establishment to identify key risk factors. Based on this, the company selects priority risk factors and utilizes them for prevention and improvement activities.

Risk Assessment and SIF Methodology Process



Hazardous Risk Factor Status After SIF Implementation

Business Establishment	Process	Risk Assessment Re-evaluation		SIF Process Classification and Measures	
		Work Stages	Scenarios	TBM[1] One-sheet Work Standards	On-site SIF Warning Signs[2]
Campus A	36	792	698	36	22
Campus B	43	3,955	4,415	43	10

1) Tool Box Meeting
2) For serious-injury high-risk processes

Health and Safety

Health and Safety Risk Management

Emergency and Serious-Accident Management

Emergency Training Scenarios and Response Processes

Beyond workplace risk assessments, Hanwha Aerospace has established thorough risk assessments and response processes for various emergency situations that may arise inside and outside its business establishments. The company has categorized major emergency situations — including fires, explosions, leaks, and equipment abnormalities — by type, and has systematized step-by-step procedures from early detection through situation reporting, initial response, and evacuation, operating a process that ensures swift and consistent response. In the event of an emergency, Hanwha Aerospace executes prompt and appropriate responses through the Emergency Response Committee, minimizing human harm and impact on the external environment. In particular, the company regularly conducts scenario-based training tailored to each business establishment's characteristics to improve employees' response proficiency and continuously strengthen response capabilities. Hanwha Aerospace is also building a cooperation framework that enables seamless coordination with related departments and external agencies. Through these efforts, the company is thoroughly prepared for all potential risks inside and outside its business establishments and continuously strives to maintain a safe and stable working environment at its business establishments.

Emergency Situation Management Process

01 Select key risk factors	• Select and intensively manage three key risk factors per department
02 Define emergency situations and response plans	• Define eight types of emergency situations such as fires and explosions, and establish corresponding response processes
03 Operate the Emergency Response Committee	• Operate the Committee for prompt response when emergencies occur
04 Response training and evaluation	• Conduct department-level training once a year, with feedback applied after evaluation
05 Continuous improvement	• Enhance emergency response plans and review the risk management framework

Serious-Accident Prevention and Management Procedure

To prevent serious accidents, Hanwha Aerospace has designated the Safety Management Team as the control tower for compliance with the Serious Accidents Punishment Act, implementing a systematic approach. To this end, the company has established a company-wide risk response system, linking all resources and personnel so that serious accidents are managed preventively and systematically. These efforts strengthen the safety culture within the organization and minimize legal risks. Furthermore, in collaboration with specialized safety agencies, Hanwha Aerospace conducts risk assessments at business establishments subject to PSM and identifies high-risk operations. Based on the assessment results, the company establishes work standards and continuously strengthens safety through employee training. For business establishments where PSM does not apply, Hanwha Aerospace also identifies and manages high-risk factors, operating a consistent safety management framework across all business establishments. In addition, the company strictly manages and regularly monitors the environmental, safety, and health regulations applicable to each business establishment to maintain compliance. As a core element of safety management, regulatory compliance is set as a company-wide key KPI and systematically managed to prevent legal violations. With the support of specialized agencies, Hanwha Aerospace monitors newly enacted and amended regulations, and quarterly sharing of regulatory trends helps prevent review oversights and strengthens legal compliance.

Serious-Accident Response System Establishment Process

Step 1	Step 2	Step 3
Dedicated organization and operation for serious accidents • Designate Safety Management Team as control tower for compliance with the Serious Accidents Punishment Act • Identify and improve serious-accident risks	**Risk management at PSM business establishments** • Identify and select serious risks at each business establishment • Implement serious-risk management activities	**Serious-risk monitoring** • Manage the regulatory list and establish KPIs • Provide regular reports to relevant committees

Health and Safety

Health and Safety Targets and Performance Management

To prevent serious accidents and ensure robust health and safety management, Hanwha Aerospace designates core health and safety indicators as KPIs and manages them systematically. The company's KPIs include both outcome indicators — such as the occupational accident rate and Lost Time Injury Frequency Rate (LTIFR) — and leading indicators that proactively identify and address hazardous risk factors at business establishments, such as the implementation rate of improvement measures arising from inspections and risk assessments. To systematically manage compliance, Hanwha Aerospace also includes key statutory items such as the regulatory review implementation rate and the statutory–training implementation rate among its KPIs. Major health and safety matters — including KPI results, the status of safety personnel deployment, accident–prevention budget execution, the identification status of hazardous risk factors at business establishments, and the results of worker consultations — are reported semi–annually to the CEO. Based on this management framework, the company clearly manages targets and performance and reinforces safety leadership to advance the company–wide level of health and safety management.

2025 Health and Safety Management Performance

(as of December 2025)

Target 1 Embedding a safety culture

	Cases requiring improvement	Improvements made	Action Rate
Employee feedback improvement rate	338	330	98%

Target 2 Strengthening system operation

	Cases requiring improvement	Improvements made	Action Rate
Identification and improvement of hazardous risk factors	837	818	98%

Target 3 Enhancing employee competencies

	Sessions required	Sessions conducted	Action Rate
Emergency response education and training	482	487	101%
Health and safety training	16,301	16,335	100%

Target 4 Strengthening ESG management

	Cases requiring improvement	Improvements made	Action Rate
Review and improvement of relevant laws and regulations	161	160	99%

Health and Safety Management Targets

Occupational Accident Rate

2026	2027	2028
0.124%	0.117%	0.112%

Lost Time Injury Frequency Rate (LTIFR) Number of lost–time injuries per 1 million working hours

2026	2027	2028
0.63	0.60	0.57

INTRODUCTION
ESG HIGHLIGHTS
ESG PERFORMANCE
TCFD Report
Environmental
▶ Social
Governance
ESG FACTBOOK
APPENDIX

Quality Management

GOVERNANCE

Implementation Organization

Hanwha Aerospace conducts efficient quality assurance activities through collaboration between the Quality Assurance Office and the Business Groups, drawing on deep expertise. The company strengthens its system-based quality assurance framework using the Quality Information System (QIS), enabling a rapid response framework for quality issues to realize customer value and quality innovation.

Quality Assurance Office	Quality Planning Team	• Plan quality policy • Operate the quality management system
	Quality Engineering Team	• Quality assurance for mass-produced products
	Supplier Quality Assurance Team	• Component quality assurance • Manage and improve supplier quality
	Development Quality Assurance Team	• Verify quality of development tasks • Manage R&D Center testing/measurement
	Configuration Management Team	• Operate mass-production configuration management and standards management
	Navigation Systems Quality Team	• Quality assurance for quality technology for mass-produced navigation devices
Business Group	Manufacturing Quality Assurance Team	• Process and final inspection • Customer and government verification inspections
	Customer Support Team	• Plan and provide customer service

STRATEGY RISK MANAGEMENT

Quality Management System

Hanwha Aerospace operates a global standard quality management process based on ISO 9001 (Quality Management Systems) and continues to advance it. To respond promptly to rapid changes in the industry and customer demands, the company has expanded its quality management framework by obtaining global quality certifications such as AS 9100 and AS 9110 for each business establishment, in addition to ISO 9001 and DQMS (Defense Quality Management System) certifications. The five Absolute Quality Behavioral Commitments — "Stick to the Principles," "Customer-Centered," "Proactive Quality," "Sense of Ownership," and "Cooperation" — developed through direct employee participation, form the foundation of all work. By faithfully reflecting customer requirements, Hanwha Aerospace continues to grow with customer satisfaction as its top priority. Going forward, Hanwha Aerospace will further strengthen its role as a Global Quality Leader, drawing on world-class quality DNA to enhance global quality innovation and business support capabilities and to realize customer value and Quality 4.0.

Quality Vision

Global Quality Leader realizing customer value and Quality 4.0 by strengthening global quality innovation and business support capabilities based on advanced quality DNA

Five Absolute Quality Behavioral Commitments

Stick to the Principles	Customer-Centered	Proactive Quality	Sense of Ownership	Cooperation
For the highest quality, we will be the first to follow the principles.	We respond to customer needs with quality	We focus on proactive quality activities rather than corrective actions.	The products we vouch for are the pride of K-Defense.	Together, we build world-class quality.

Quality Management System

Management Responsibility	Plan	Do	Check	Action
• Statement of commitment • Quality Policy • Responsibility and authority	• Risks and opportunities • Quality goals • Change planning	• Quote and contract • Design and development • Purchase • Production, maintenance, etc.	• Customer satisfaction • Internal audit • Analysis and assessment • Management review	• Corrective action • Continuous improvement

Quality Policy

❶ **Customer-Centered:**	Consider customer requirements from the customer's perspective and incorporate them into work to resolve issues.
❷ **Fundamentals First:**	Strictly comply with the quality management system and uphold quality as a matter of company pride.
❸ **Absolute Quality:**	Strive to maintain a consistent level of quality regardless of which country or business establishment produces the same product.
❹ **Quality Innovation:**	Resolve quality issues at the root and focus on risk prevention to continuously improve quality levels.
❺ **Voluntary Participation:**	Each individual fulfills their responsibilities and collaborates with and is dedicated to the success of customers, colleagues, and partners.

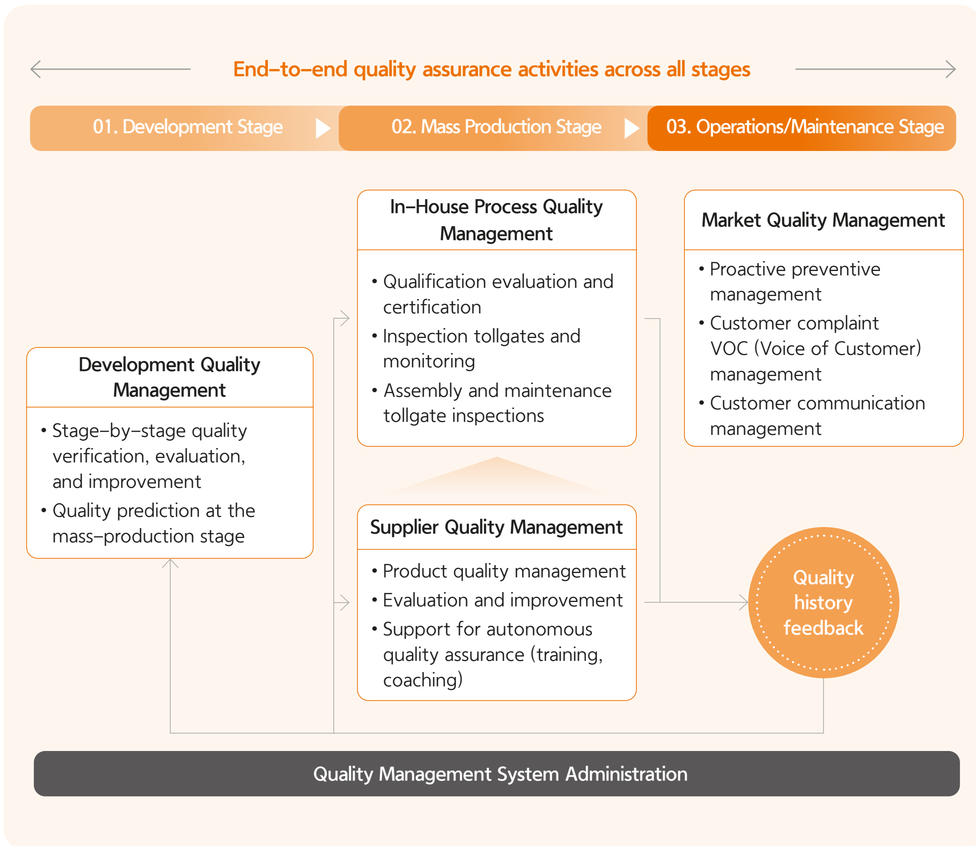
Quality Management

Quality Management Activities

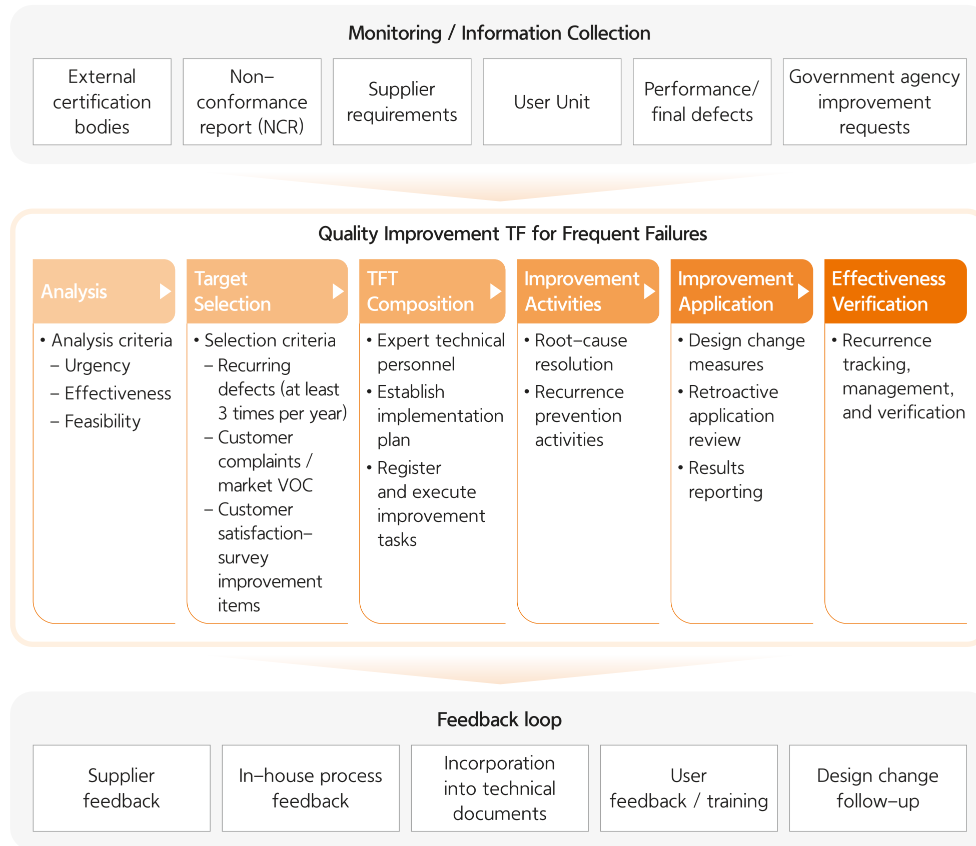
Quality Control and Product Safety

Hanwha Aerospace establishes systematic measures to ensure quality at every stage from product development through operations and maintenance. To fully address quality risks that may arise at each stage, the company operates a quality management system, through which it drives continuous improvement activities to prevent product defects and ensure the highest level of quality. In particular, to fundamentally resolve quality issues that recur in processes and in the field, Hanwha Aerospace conducts Quality Improvement TF for Frequent Failures and First-Article Production Reviews. Through these activities, the company enhances customer satisfaction and, by introducing a process-level human-error prevention system, focuses on proactively identifying and eliminating potential defects. In addition, through the comprehensive supplier quality assessment (Q-Hscore), Hanwha Aerospace presents Outstanding Supplier Awards to suppliers with excellent quality performance and actively encourages underperforming suppliers to improve through manufacturing process inspections, quality meetings, and countermeasure meetings.

Quality Control and Improvement Process



Quality Improvement TF for Frequent Failures



Quality Management

Quality Management Activities

Quality Certification

Hanwha Aerospace conducts a thorough annual assessment of the operation of its quality management and quality control systems. For this purpose, each business establishment and business group obtains quality certification through rigorous audits by the Defense Agency for Technology and Quality (DTaQ) and external certification bodies, and continuously renews these certifications. All business establishments have obtained the ISO 9001-based Quality Management System certification and the DQMS certification, establishing systematic quality management processes. In particular, the Aerospace Business Group has additionally obtained AS 9100, the Aerospace Quality Management Systems standard, and AS 9110, the standard for aircraft maintenance organizations, thereby adhering to even higher quality standards. In addition, in the special process area, the company has obtained NADCAP (National Aerospace and Defense Contractors Accreditation Program) certification, further strengthening quality credibility. By obtaining these quality certifications, Hanwha Aerospace demonstrates its efforts to ensure quality credibility and to meet global quality standards.

Quality Certification Status

Certification / Standard	Certification Body	Business Group	Business Establishment	Renewal & Expiry Year (Initial)
KDS STD-0005-1 (DQMS)	DAPA	LS Business Group	Changwon Business Establishment 2/3	22/08~26/08 (2013)
		PGM Business Group	Daejeon Business Establishment	23/06~27/06 (1999)
			Boeun Business Establishment	23/11~27/11 (1999)
			Yeosu Business Establishment	23/10~27/10 (1999)
		Aero Business Group	Changwon Business Establishment 1	23/08~27/08 (1999)
			Asan Business Establishment	22/12~26/12 (2001)
ISO 9001:2015	BSI	LS Business Group	Changwon Business Establishment 2/3	24/04~27/04 (1999)
		PGM Business Group	Daejeon Business Establishment, Boeun Business Establishment, Yeosu Business Establishment	25/06~28/06 (2021)
KS Q 9100 : 2018 (AS9100)	KIWA	Aero Business Group	Changwon Business Establishment 1	26/05~29/05 (2002)
			Asan Business Establishment	23/10~26/10 (2005)
EN 9110 : 2018 (AS9110)	KIWA	Aero Business Group	Changwon Business Establishment 1	24/05~27/05 (2006)
			Asan Business Establishment	23/10~26/10 (2014)

DQMS Certificate
ISO 9001 Certificate
KS Q 9100 Certificate

Quality Training

Hanwha Aerospace operates a training framework that systematically develops the capabilities required for quality work by field and stage. Through this, the company continuously enhances employees' expertise and strengthens quality competitiveness to honor the trust of its stakeholders.

Quality Training Programs

Program	Content	Participants	Frequency
Q-Academy	• Run online and offline programs on the Quality Management System (QMS) and related topics (69 courses, 972 completions)	All employees	Average 6 sessions per month
New-Hire Development	• Design and run customized training tailored to new and experienced employees (69 completions)	Experienced / new employees	Semi-annually
Quality Certification Training	• Run in-house Quality Assurance Specialist qualification certification training (114 completions)	Our Quality Assurance Specialists	Semi-annually

INTRODUCTION
ESG HIGHLIGHTS
ESG PERFORMANCE
TCFD Report
Environmental
▶ Social
Governance
ESG FACTBOOK
APPENDIX

Quality Management

STRATEGY RISK MANAGEMENT

Customer Satisfaction

Customer VOC Management

Hanwha Aerospace systematically analyzes and resolves customer requirements and complaints to continuously enhance customer satisfaction. The company carefully assesses external risks and impacts to steadily improve internal processes, and through weekly Q1-Meetings and monthly quality KPI reports, it shares customer complaints and major quality issues with management and relevant departments. These issues are systematically tracked as agenda items, effectively minimizing customer complaints. Hanwha Aerospace will continue these systematic efforts to secure customer trust and remain committed to continuously improving customer satisfaction.

Promoting Customer Satisfaction

Hanwha Aerospace conducts customer satisfaction surveys and analyzes the results in detail to prepare a customer satisfaction survey report. Based on these results, management sets improvement targets for the following year, selects tasks by job function to enhance customer satisfaction, and actively drives improvement activities based on these tasks. In particular, for customer complaints requiring top-priority improvement, the company promptly shares them with relevant departments and continuously works to reflect customer needs in management strategy and operational improvements.

Customer Satisfaction Survey Process

01 Survey Planning ▶ 02 Customer visits and surveys ▶ 03 Result analysis ▶ 04 Feedback

Customer Support

Hanwha Aerospace operates a variety of customer support programs through online and offline channels to promptly identify and respond to customer needs. The company strategically deploys dedicated customer-management personnel to major bases of the Army, Navy, and Air Force to provide swift and appropriate support, and through the Situation Management Office, it effectively responds to customer requests and complaints, driving service innovation and expansion. In addition, Hanwha Aerospace continuously monitors received customer complaints until they are fully resolved, actively taking improvement measures to address them. The company will continue striving to meet customer needs and put customer-centered management into practice.

Customer Complaint Management Process

Customer	Customer Complaint Management Framework		
User/Defense Agency for Technology and Quality/Defense Acquisition Program Administration, etc.	Quality Incident/Customer Requirements ▶	QIS System ▶	Complaint Handling Procedures by Type
	Field Operation Complaints (Urgent/Caution/Interest) ▶	CSM System ▶	AS, BS, Retroactive Application, etc.

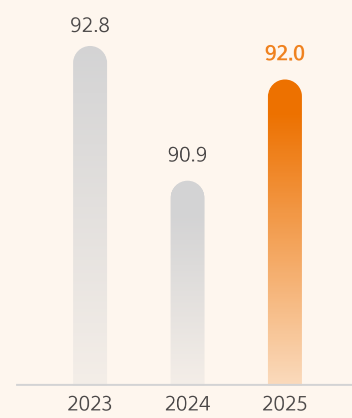
3C-Based Customer Satisfaction Services

Care	Stored-arms maintenance / live-fire / close-in maintenance support and seasonal/On-Plus services, etc.
Communication	Delivery coordination meetings / initial quality meetings / regular visits to field units
Capability	Initial training / production and distribution of training materials / military maintenance training

Customer Communication Channels

Operation of Customer Support Center	Design Review Based on Customer Requests	Regular Meetings	Customer Invitations	Exhibitions
• Field equipment after-sales support • VOC collection during customer visits	• New equipment demand intake • Equipment improvement feedback collection	• Customer opinion gathering	• Invitations to business establishments and the R&D Center	• Participation in ADEX and other domestic and international exhibitions

Customer Satisfaction Survey Results[1)] (Unit: Points)



1) 2023~2024 data restated due to a change in metric definition (calculated based on the average of scores by sector: Land, Aerospace, and PGM).

Talent Management

GOVERNANCE

Implementation Organization

Hanwha Aerospace continually strengthens its employees' core competencies through the recruitment and development of outstanding domestic and international talent, and further advances them through a fair evaluation and compensation system. This foundation serves as a key driver for Hanwha Aerospace's efforts to leverage core technologies in the space, aviation, and defense sectors to achieve substantial growth and a sustainable future.

Talent Management Organization

HR Office	HR Planning Team HR Operations Team	• HR system design • Talent Management • HR Digital Transformation • Workforce, and labor costs • Compensation, performance evaluation, promotion
	Talent Development Team	• Onboarding for new hires (new and experienced employee) • Leadership, global, and job training • Organizational culture and change management
	Global Talent Acquisition Team	• New and experienced employees recruitment • Core talent recruitment • Global recruitment
Support Office	ER Planning Team	• Salary and attendance • Labor relations, welfare and benefits
	Integrated Support Team	• General affairs, welfare and benefits • Asset and corporate management

STRATEGY

Talent Management System

Talent Development Framework

Hanwha Aerospace establishes a talent development direction in line with the organizational vision and provides customized training programs for employees by subdividing the training framework into Leadership, Global, Job, Onboarding, and Organizational Culture areas. Above all, to continuously enhance and develop individual job competencies, the company provides internal and external training linked to the Individual Development Plan (IDP).

Talent Development Programs

Category	Program	Participants	Key Content
Leadership	Executive 1:1 Coaching	Newly appointed Business Group heads	Business and leadership coaching, external networking
	Executive 1:1 Session	Newly appointed executives	Business strategy and policy understanding, onboarding support
	In-house EMBA	Core talent	Management strategy, organization/HR management, financial management and accounting, Digital Transformation (DX)
	Insight Camp (DX)	Team leaders and above	DX concepts and trends, generative AI hands-on, etc.
	Performance Management Course	Team leaders	Performance system, goal setting, mid-point review, performance feedback
	Coaching Skill Certification Course		Coaching definition, process, skills (feedback, recognition and praise, etc.)
Global	Phone-Based Language Training	Employees who apply	1:1 video-based language training
	In-house Language Training		In-person and remote group language training by business establishment
	Intensive Language Training	Personnel assigned to overseas business	Off-the-job (Job-Off) intensive language capability building, weekly
Job	JT Academy	New employees (R&D)	Job-unit Structured-OJT (On the Job Training)
	Job Expertise Course	Employees	PMP, problem-solving, project management, negotiation skill enhancement, etc.
	Defense Fundamentals Course		Understanding defense, project management, cost management, etc.
	Defense Project Management Specialist Course		Defense project structure, contracting and procurement, technical quality, cost and finance, etc.
Onboarding	Onboarding for Lateral Hire Executives	Newly recruited executives / advisors	Group and company introduction, mission-based business introduction, etc.
	New Joiner Orientation	New and experienced hires	Group, company, and division introduction; foundational job competencies, etc.
	Onboarding School	New employees	Strengthening foundational competencies in global, DX, and defense
Organizational Culture	Communication Activities	All employees	Town Hall meetings, Culture Day, and other communication activities
	Organizational Transformation Workshop	By Business Group / Division	Select key tasks at the Business Group / Division level and establish execution plans

Training Effectiveness Measurement

Hanwha Aerospace currently evaluates the satisfaction, achievement, and on-the-job applicability of external job-related courses that directly contribute to enhancing current job performance. Going forward, we plan to conduct periodic on-the-job applicability assessments even after in-house job training has concluded, to systematically monitor the practical effectiveness of each training program.

INTRODUCTION
ESG HIGHLIGHTS
ESG PERFORMANCE
TCFD Report
Environmental
▶ Social
Governance
ESG FACTBOOK
APPENDIX

Talent Management

Talent Recruitment/Development

Recruitment

In line with its business expansion, Hanwha Aerospace is increasing its recruitment scale and making diverse efforts to secure outstanding talent early. To provide fair opportunities to all applicants, the company prohibits discrimination based on gender, nationality, race, and other factors, and pays particular attention to recruiting persons with disabilities and persons of national merit. With the recent increase in the share of overseas business and the expansion of local subsidiaries, Hanwha Aerospace focuses on securing global talent, recruiting outstanding local talent overseas and conducting global recruiting at overseas universities. Domestically, the company identifies talent suited to its corporate culture and roles through employment-linked internship programs, and has regularized quarterly open recruitment for experienced employees to enhance recruitment efficiency. Hanwha Aerospace also focuses on industry-academia cooperation activities with various schools to secure outstanding talent early and strengthen technological competitiveness. Through these multifaceted recruitment strategies, the company continuously attracts talent and drives sustainable growth and innovation.

Internal Job Posting System

Hanwha Aerospace operates an on-demand internal transfer system and a regular Job Market program to meet workforce needs in operational departments and to support employees' career development. Through this, employees can apply for desired departments and roles, and department heads can secure personnel that fit organizational needs without the burden of new external recruitment. Internal transfer candidates are selected through document review and interview procedures, and the program systematically supports employees' career development and internal talent cultivation.

Evaluation and Compensation

Fair Performance Management

Hanwha Aerospace has established a systematic framework for fair and transparent performance management, creating an environment in which employees can continuously deliver results. Work goals are divided into strategic goals linked to the company's management objectives and departmental goals, and individual operational goals. These goals are continuously shared with department heads to manage progress and inform the feedback process. The annual performance evaluation is operated based on a five-tier rating system, enabling the company to systematically evaluate employees' achievements.

Rational Compensation System

In addition to base salary and regular bonuses, Hanwha Aerospace operates a variable pay program that reflects each individual's work performance and the company's financial and strategic results, and this program applies to all employees. The company applies differential raises based on the results of performance evaluations and operates a compensation system that reflects both individual and company performance through management performance pay linked to achievement of management and strategic targets, as well as ad-hoc incentives at the CEO's discretion. Hanwha Aerospace also operates an Employee Stock Ownership Plan (ESOP) for all employees and executives, providing interested employees and executives with opportunities to subscribe to company stock and loan interest support to enhance motivation.

Living Wage and Equal Pay Guarantee

Hanwha Aerospace pays all employees salaries above the statutory minimum wage. For promotions and compensation of employees and executives at the same grade and tenure, the company does not discriminate by gender and pays equal wages for equal work.

Talent Management

Work-Life Balance

To improve employees' quality of life and create a family-friendly work environment, Hanwha Aerospace systematically operates a variety of welfare programs centered on Work-Life Balance enhancement. These programs cover all employees, including those on fixed-term contracts, and broadly support family health, children's education, and employees' stable retirement.

To support work-family balance, the company also provides Moms Packages and gift certificates, and enables flexible management of working hours through flexible work arrangements, including flextime. Through these various welfare programs, Hanwha Aerospace drives improvement in employees' quality of life, job satisfaction, and work engagement.

Work-Life Balance Support System

Category	Program	Eligible Employees
Work Arrangements	• Flextime	Headquarters and R&D Center
	• Staggered working hours	Business establishments (general staff)
Housing	• Housing allowance and subsidy program	All employees
Leisure	• Provision of cultural and educational programs • Cost and facility support for resort/leisure activities	
Healthcare	• Regular employee health check-ups • Medical support and healthcare expense support	
Family	• Scholarship program (support for children's tuition and quality education) • Workplace childcare center • Mothers' rooms • Childbirth congratulations bonus and gifts • Working hour adjustments and reduced working hours • Family care leave • Parental leave • Paternity leave • Infertility leave	
Later Life Planning	• Pension program	
Retirement·Reemployment	• Provision of reemployment support services	Employees approaching mandatory retirement

Talent Management

Employee Communication

Organizational culture is a company's unique core competency that shapes the values, mindset, and behavior of its members. Based on this, Hanwha Aerospace clarifies its business direction and change strategy and operates various communication channels and activities to build a shared understanding.

A world-class innovator pioneering the future through new technologies, creating value for a sustainable tomorrow

Company-wide Strategic Innovation Activities	Business Group / Organizational-level Continuous Cultural Improvement
Responding to major changes such as external environmental shifts and mid- to long-term vision	Improvement activities to enhance foundational soundness, with CLs (Culture Leaders) and CAs (Culture Agents) playing key roles

Diverse Communication Channels

Hanwha Aerospace continuously gathers and shares employees' opinions through diverse communication channels. Through Town Hall meetings, the company strengthens direct communication between the CEO and employees and builds shared understanding of the company's vision and direction. Hanwha Aerospace also uses Organizational Transformation Workshops to diagnose organizational culture and ways of working, derive improvement tasks, and implement them — building and operating a change management framework that each Business Group can drive autonomously. In addition, the company operates a Talent Vision Internalization Program for new and experienced employees to help them adapt smoothly to the organization, and develops and provides onboarding materials for overseas subsidiaries to strengthen alignment with the global One Aerospace vision. Through these activities, Hanwha Aerospace continuously strengthens the organization's culture based on communication and engagement.

Organizational Culture Diagnosis

Hanwha Aerospace conducts an organizational culture diagnosis annually covering all employees to systematically evaluate the current state of the organizational culture and derive insights for change. The diagnosis collects feedback across the areas of Vision Sharing, Strategy, Leadership, System, Purpose of Work, Way of Working, and Work Capability, and the company uses the results to establish improvement directions and drive related activities.

2025 Organizational Culture Diagnosis Results — Employee Satisfaction (Engagement) Scores

Area	Diagnostic Items	Score
Vision Sharing	• Awareness of the existence and content of the company vision • Expectations for achieving the company vision and its alignment with personal goals	79
Strategy	• Sharing of the company's strategic direction and key goals • Linkage between employees' work goals and strategy	69
Leadership	• Provision of clear goals and support • Support for pursuing change goals aligned with the company's direction of change • Holding the expertise needed for business and work execution • Avoiding the pursuit of self-interest and acting in accordance with the greater good and principles	73
System	• Clear job assignments, goals, and responsibilities by task • Fair evaluation and reasonable compensation based on sound criteria • Encouragement of suggestions and collaboration to achieve goals • Strengthening work capabilities through training programs • Securing optimal work processes	58
Purpose of Work	• Awareness of the company mission and its connection with personal values • Awareness of the meaning of work and its connection with the company mission	76
Way of Working	• Optimal decision-making for the long-term realization of the vision • Proactive decisions and actions, with accountability for results • Accurate judgment and prompt execution of decisions • Pursuing exceptional results and attempting innovation without settling • Focusing on the essence of work and tenacity in achieving goals • Pursuing completeness in detail and perseverance in difficult situations • Recognizing that performance is a result of both internal and external factors, and growing with humility • Facing reality objectively and recognizing a sense of urgency • Responding agilely to internal and external changes	63
Work Capability	• Sharing experience based on expertise and confidence and enhancing efficiency	73

Labor-Management Communication

Hanwha Aerospace has established and operates a policy that guarantees the rights of the labor union and the basic rights of employees. As of 2025, the company held 32 Labor-Management Council meetings and discussed 113 agenda items, actively engaging in labor-management communication.

2025 Labor-Management Committee Key Agenda Items

Key Agenda

- Improvement of working environment (expansion of amenities and other support)
- Provision and arrangement of office supplies and coordination of work schedules
- Matters related to in-house events and employee benefits

Sessions Held	Number of Items
32	113

Human Rights Management

STRATEGY

Human Rights Management System

Hanwha Aerospace prioritizes the protection of human rights and the prevention of human rights violations as a core management value, covering all stakeholders — including employees, customers, shareholders, suppliers, local communities, and the government. The company has codified the values of human rights and respect for diversity in its Employee Code of Conduct, and has established and operates the Human Rights Management Declaration and Human Rights Management Regulation that align with international human rights standards such as the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the International Labour Organization (ILO) Conventions. The Declaration and the Regulation, both approved by the CEO, are published on the company's website, openly demonstrating Hanwha Aerospace's strong commitment to human rights management internally and externally. In particular, by extending the scope of human rights management to all stakeholders, the company is fulfilling its responsibility to protect and promote human rights across society as a whole.

Hanwha Aerospace Human Rights Management Regulation
Hanwha Aerospace Human Rights Management Declaration
Hanwha Aerospace 2025 Human Rights Management Report

Human Rights Management Activities

Human Rights Protection and Grievance Handling

In line with the principles of integrity-based management and ethical management, Hanwha Aerospace makes a wide range of efforts to protect employees' human rights and foster a healthy organizational culture. Employees may report workplace bullying, sexual harassment, and other grievances through the Smart Grievance Center, an in-house online reporting channel. Reports received through this channel are handled promptly in accordance with strict confidentiality principles.

In addition, through the company's website, employees as well as all external stakeholders may report human rights grievances. The personal information and identity of reporters are kept strictly confidential to ensure protection from retaliation under strict confidentiality. Through these efforts, Hanwha Aerospace is building a safer and more trusted working environment.

Definitions of Human Rights Grievance Types

Area	Description
Non-Discrimination in Employment	Prohibition of discrimination based on religion, disability, gender, etc.
Prohibition of Forced Labor	Prohibition of any form of coercive labor
Prohibition of Child Labor	Prohibition of employment of children
Workplace Bullying / Sexual Harassment	Prohibition of bullying including verbal abuse, and of sexual harassment

Human Rights Reporting Channels

Channel	Eligible Users
Smart Grievance Center	Employees
Compliance Reporting System	Employees and all external stakeholders
Anti-Corruption Reporting System	Employees and all external stakeholders

2025 Human Rights Grievance Resolution Rate 100%

RISK MANAGEMENT

Human Rights Education

Hanwha Aerospace conducts statutory mandatory training — "Workplace Sexual Harassment Prevention Training" and "Disability Awareness Improvement Training" — once a year. The company also fosters a culture of mutual respect through "Workplace Discriminatory and Harassment Prevention Education" and "Department-Tailored Business and Human Rights Training". In particular, based on the results of the Human Rights Impact Survey, Hanwha Aerospace conducts ad-hoc special training for executives and team leaders at business establishments where improvement is needed, focusing on proactively managing and preventing human rights risks.

Human Rights Education Program Performance

Program	Participants	2025 Performance
Mandatory Human Rights Training • Workplace Sexual Harassment Prevention Training • Disability Awareness Improvement Training	All employees • including the CEO, contract workers, and dispatched workers	Completion rate 99.8%
Special Training • Workplace Discriminatory and Harassment Prevention Education	Employees, relevant departments, requesting departments	19 sessions held
• Department-Tailored Business and Human Rights Training		3 sessions held
Human Rights Training for Executives and Team Leaders	Executives, team leaders, etc.	2 sessions held

Human Rights Management

Human Rights Management

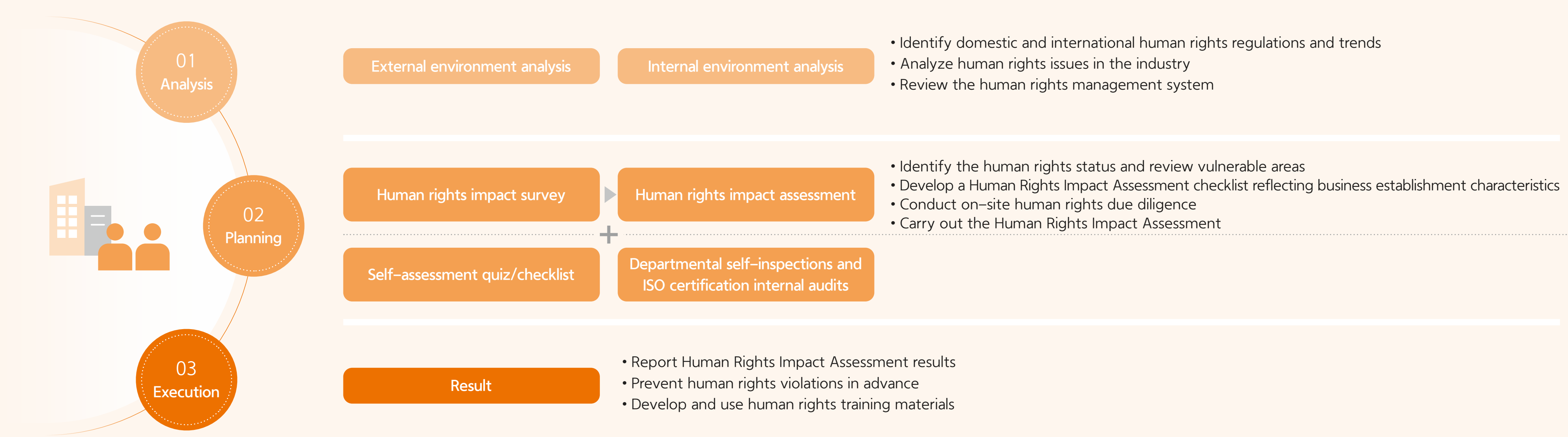
Culture of Diversity and Inclusion

Hanwha Aerospace continuously strives to realize innovative business with a diverse pool of talent, holding fairness and equality as core values. The company prohibits discrimination based on gender, race, age, religion, disability, or social status, and creates a fair working environment across all areas of work. In particular, in its recruitment process, Hanwha Aerospace grants bonus points to persons with disabilities and persons of national merit, and also operates a special recruitment program for the bereaved families of the fallen sailors of ROKS Cheonan. These efforts reflect respect for employees' diversity and contribute to strengthening a positive culture within the company, helping Hanwha Aerospace build a strong foundation that drives continuous innovation and growth.

Human Rights Risk Management

Since announcing its Human Rights Management Declaration in December 2023, Hanwha Aerospace has been operating a management framework that proactively identifies and addresses human rights risks across its business activities. The Human Rights Impact Survey was expanded from employees in management support functions in 2023 to all employees in 2024, and in the 2025 survey, 41.9% of all employees participated, demonstrating strong interest in human rights management. In addition, through the Human Rights Impact Assessment conducted each year, the company closely analyzes vulnerabilities and implements effective preventive measures. Furthermore, Hanwha Aerospace has regularized quizzes, checklist reviews, and department-level self-inspections so that employees themselves manage risks, practicing employee-driven human rights management.

Human Rights Risk Management Process



Human Rights Management

Human Rights Impact Assessment

Overview of the 2025 Human Rights Impact Assessment

Hanwha Aerospace developed a Human Rights Impact Assessment checklist based on ISO 26000, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the guidelines of the National Human Rights Commission of Korea. Since 2023, the company has regularized the Human Rights Impact Assessment by combining in-person interviews with on-site reviews. The 2025 assessment recorded a high achievement rate of 99.5%, demonstrating the strength of its human rights management framework. Without becoming complacent, Hanwha Aerospace plans to further refine its human rights management by closely reviewing the supplementary tasks identified for advancing remedy procedures and strengthening humane treatment.

Scope of the Human Rights Impact Assessment

Evaluation Target	All Hanwha Aerospace business establishments
Evaluation Categories	The potential impact of corporate management activities on human rights — based on the public-institution Human Rights Impact Assessment checklist standard — covering the human rights management system, employment and labor rights, occupational safety, supply chain, local residents, and other areas

Key Evaluation Categories and Results

No.	Area	Result (Achievement Rate)
1	Human rights management system and remedy procedures	99.1%
2	Prohibition of child labor and forced labor	100%
3	Freedom of association and assembly	100%
4	Humane treatment (wages, working hours, parental leave, prohibition of discrimination, prohibition of violence (sexual harassment, sexual violence), prohibition of bullying)	98.6%
5	Responsible supply chain management	100%
6	Occupational health and safety	100%
7	Right to a healthy environment	100%
8	Improvement of working conditions	100%
	Total	99.5%

Effectiveness Evaluation of the Human Rights Impact Assessment

As part of the follow-up to the 2024 Human Rights Impact Assessment, Hanwha Aerospace held human rights training and survey result-sharing sessions for team leaders and above at high-risk business establishments. As a result of these sustained, on-site-focused improvement activities, the human rights risk indicator (negative response rate) at the relevant business establishments improved from 6.4% in the prior year to 4.8% as of 2025.

Identification of Key Human Rights Issues and Establishment of Improvement Tasks

Hanwha Aerospace conducted a materiality assessment on human rights issues identified through the Human Rights Impact Assessment, considering variables such as implementation level, impact severity, and likelihood of occurrence. As a result, improvement tasks were identified in the areas of the human rights management system and remedy procedures, and humane treatment.

Improvement Tasks for Identified Key Human Rights Issues

Key Human Rights Issues	Improvement Tasks
Human Rights Management System and Remedy Procedures	• Expand and revise the scope of the Human Rights Policy Declaration to cover key stakeholders and core human rights risks
Humane Treatment	• Strengthen grievance-resolution capabilities by building a dedicated external counseling channel

Human Rights Management

METRICS & TARGETS

Human Rights Management Targets and Performance Management

Since introducing its human rights management framework in 2023, Hanwha Aerospace has been progressively embedding human rights values in line with its mid– to long–term roadmap. For the Human Rights Impact Survey, the company completed the expansion to all business establishments in 2024 and, in 2025, ran parallel surveys with specialized questions for vulnerable groups to improve survey precision. Hanwha Aerospace is also faithfully executing the improvement tasks identified through the Human Rights Impact Assessment and conducting special training at high–risk business establishments, advancing a practice–oriented human rights management framework. The company will continue to strengthen its sustainable management foundation and aim to become a company that leads a culture of respect for human rights.

	2025	2027	2030
Target	Embedding Human Rights Management	Expanding Human Rights in the Supply Chain	Realizing Global Human Rights Management
Detailed Plan	• Strengthen the in–depth survey and diagnostic framework with specialized questions for vulnerable groups • Advance the framework for identifying and managing human rights risks	• Support the human rights management for suppliers • Conduct Human Rights Impact Assessment for suppliers	• Support the human rights management at overseas subsidiaries and business establishments • Conduct the Human Rights Impact Survey at overseas subsidiaries and business establishments
Metrics	Implementation rate of improvement actions from the Survey: **100%** (2025–2030)		
		Number of suppliers that conducted the Human Rights Impact Assessment: **3** companies	Number of suppliers that conducted the Human Rights Impact Assessment: **5** companies
			Number of overseas subsidiaries and business establishments that conducted the Human Rights Impact Survey: **2** companies

Diversity Target — Expanding Employment of People with Disabilities

As part of its continuous efforts to expand the employment of persons with disabilities, Hanwha Aerospace is increasing its recruitment scale every year. The company employed 123 employees in 2023, 164 in 2024, and 183 in 2025, and aims to employ 200 in 2026. This reflects the company's commitment to continuously expanding employment opportunities for persons with disabilities — through both compliance with the mandatory employment rate under the Act on the Employment Promotion and Vocational Rehabilitation of Persons with Disabilities and the voluntary setting of additional targets beyond the legal requirement.

Average annual growth rate (CAGR basis)

+21.9%

2026 Target (+9.3% YoY)

200 people

Supply Chain Management

Implementation Organization

With the goal of building a sustainable supply chain ecosystem, Hanwha Aerospace puts site-centered ESG management into practice through close coordination across relevant departments. The company also operates practical supply chain management policies that reflect industry-specific characteristics, and incorporates each function's responsibilities into its annual business goals (KPI) to realize an enduring supply chain management framework.

Cooperative Partnership Team	• Establish win-win cooperation and supply chain ESG policies • Operate the Mutual Growth Program • Operate the Subcontracting Transaction Review Committee • Operate the Four Fair Trade Guidelines
Procurement Planning Team	• Establish procurement and sourcing strategies • Conduct regular supplier evaluations and post-evaluation management • Manage supply chain risks
Environmental Planning Team, Safety Management Team	• Health and safety win-win cooperation projects with suppliers • Risk assessment consulting • Provision of health and safety training
Quality Planning Team, Supplier Quality Team	• Establish a supply chain quality assurance system/policy • Conduct comprehensive supplier quality evaluation and follow-up management • Operate supplier quality capability training (Q-Academy) • Operate supplier communication channels (quality exchange meetings and roundtable discussions)

Supply Chain Management System

Sustainable Supply Chain Management Policy

- Business Guidelines
- Four Fair Trade Guidelines
- Supplier Code of Conduct

Sustainable Supply Chain Management Policy

Based on its social responsibility, Hanwha Aerospace is establishing a sustainable supply chain policy to build a healthy enterprise ecosystem that grows together through Win-Win Cooperation with suppliers. Through this policy, the company comprehensively manages key areas including human rights management, health and safety, environment, ethics and compliance, the Supplier Code of Conduct, and supply chain risk management. By formalizing compliance with the Supplier Code of Conduct and guidelines when entering into business relationships with suppliers, Hanwha Aerospace aims to promote more systematic and responsible business practices.

Goal	Build a responsible supply chain management framework — managing environmental and social risks across the supply chain and spreading excellent ESG practices

Supplier Code of Conduct

The Supplier Code of Conduct has been established to ensure that all domestic and overseas business establishments of Hanwha Aerospace suppliers, in connection with the production of Hanwha Aerospace products, build a safe working environment, guarantee the dignity and respect of workers, and operate in an environmentally friendly and ethical manner. The Code applies to all suppliers that design, sell, manufacture, or provide raw materials, components, and equipment used in Hanwha Aerospace products, and it also imposes compliance obligations on the lower-tier supply chain that provides sub-assemblies, raw materials, packaging, and the like to those suppliers. In addition, all suppliers that begin a new business relationship with Hanwha Aerospace are required to agree to the Supplier Code of Conduct before signing a purchase contract, thereby implementing a purchase contract process that reflects the importance of sustainable supply chain policy.

Supplier Code of Conduct

Composition of the Supplier Code of Conduct

Section	Items
Respect for Human Rights	❶ Voluntary employment, ❷ protection of young workers, ❸ compliance with working-hour rules, ❹ wages and welfare benefits, ❺ humane treatment, ❻ prohibition of discrimination and harassment, ❼ freedom of association
Health and Safety	❶ Occupational safety, ❷ emergency preparedness, ❸ prevention of occupational accidents and disease, ❹ occupational health, ❺ management of physical demands, ❻ machinery and equipment safety management, ❼ sanitation, food, and housing, ❽ health and safety activities
Environment	❶ Acquisition and management of environmental permits, ❷ pollution prevention and resource conservation, ❸ management of hazardous substances, ❹ management of solid waste, ❺ management of air pollution, ❻ compliance with regulations on substances used, ❼ water resource management, ❽ reduction of energy and greenhouse gases
Ethics Management	❶ Integrity, ❷ prohibition of improper gains, ❸ information disclosure, ❹ intellectual property protection, ❺ fair trade, advertising, and competition, ❻ identity protection and prohibition of retaliation, ❼ responsible resource management, ❽ privacy protection, ❾ quality management, ❿ mutual growth and social contribution

Supply Chain Management

GOVERNANCE

Supply Chain Management System

Procurement Policy

To respond to global environmental changes such as the expansion of manufacturing bases and ongoing inflation, Hanwha Aerospace has established a comprehensive global supply chain operating strategy. Along with the expansion of global sales, the company strengthens its supplier base to build a sustainable supply chain ecosystem, focusing on securing quality and stabilizing costs. To this end, Hanwha Aerospace has established a strategy to strengthen competitiveness with the goals of supplier efficiency, excellence, and strategic alignment. Based on product characteristics, the company has restructured the supply chain into Sourcing Groups and, through Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis, classified these into three strategic operating types, operating differentiated management policies to maximize supply chain capabilities. In addition, to establish a fair subcontracting transaction order and prevent violations of the Fair Transactions in Subcontracting Act, Hanwha Aerospace has incorporated the Four Fair Trade Guidelines established by the Korea Fair Trade Commission (KFTC) into its work, and pursues rational and fair transaction practices between large enterprises and SMEs. These regulations apply to subcontracting transactions at all business establishments, and all departments performing related work are required to comply with the standards. The regulations are also publicly disclosed on the company's website so that anyone can easily access them.

Hanwha Aerospace Four Fair Trade Guidelines
Hanwha Aerospace Business Guidelines

STRATEGY

Supply Chain Management Activities

Operation of Procurement and Subcontracting Systems

To manage the supply chain, Hanwha Aerospace has built and operates an integrated electronic procurement system, Supplier Relationship Management (SRM), and a subcontracting transaction system, Small & Medium-sized business Development Management (SDM). In addition to the basic procurement procedures required for transactions, supplier-protection procedures for compliance with the Fair Transactions in Subcontracting Act and the Act on the Promotion of Mutually Beneficial Cooperation — such as the subcontracting price-linkage contract and the request for technical data — are seamlessly integrated, enabling Hanwha Aerospace to lead a fair trade culture.

Mutual Growth Promotion Strategy

Hanwha Aerospace's vision is to build a sustainable industrial ecosystem together through stronger win-win partnerships. To realize this, the company strives to achieve four core goals: strengthening supplier competitiveness, advancing sustainable management, building a Win-Win Cooperation network, and fostering a culture of mutual growth. The mutual growth roadmap consists of three stages: foundation building, supplier competitiveness enhancement, and advancement of sustainable growth. Foundation building, grounded in the company's sustainable supply chain policy, includes the Integrity Business Guideline, the Four Fair Trade Guidelines, and the Supplier Code of Conduct established based on the Responsible Business Alliance (RBA) standards. To strengthen supplier competitiveness, Hanwha Aerospace actively operates customized technology and quality support programs, and advances sustainable growth through ESG support programs, financing, and training that enhance suppliers' self-reliance.

Mutual Growth Roadmap

STEP 1. Mutual Growth Foundation Building	STEP 2. Supplier Competitiveness Enhancement	STEP 3. Advancement of Sustainable Growth
• Comply with the practical commitments of the 'Four Fair Trade Guidelines' to foster a fair-trade culture • Establish the 'Integrity Business Guideline' and 'Supplier Registration Standards' to maintain a transparent transactional relationship	• Operate customized technology and quality support programs that reflect technology level and product-specific characteristics	• Encourage localization and new-product development • Operate supplier ESG training, evaluation, and consulting programs • Support self-reliance for in-house suppliers through detailed programs covering financing, management, and training

Supply Chain Management

Supply Chain Management Activities

Mutual Growth Program

Strengthening Manufacturing Competitiveness

Hanwha Aerospace provides defense and aerospace industry-customized programs to help strengthen suppliers' manufacturing competitiveness.

1) Management Consulting and Technical Support | To address management difficulties at suppliers and boost their competitiveness, Hanwha Aerospace collaborates with the credit-evaluation agency NICE D&B to provide a 'System Management Diagnosis Platform' that helps suppliers analyze management risks. We also have a dedicated department for suppliers of aircraft engine parts that primarily use difficult-to-machine materials, sharing technical support and manufacturing know-how to enhance their technical capabilities. We also operate a program that reduces loss costs incurred from quality defects, which helps mitigate suppliers' avoidance of high-difficulty manufacturing items and contributes to advancing technical capabilities.

2) Productivity Improvement Support | For over a decade, Hanwha Aerospace has operated productivity improvement, manufacturing innovation, process efficiency, and Smart Factory support programs to strengthen suppliers' manufacturing competitiveness. We combine manufacturing-innovation consulting with equipment support to assist with product and process improvement, cost reduction, inspection efficiency, and Smart Factory build-outs. Through external expert consulting, we also help suppliers drive innovation activities voluntarily. Furthermore, even after support programs end, we help embed output-management techniques so that suppliers can sustain and expand their own improvement activities.

Sustainable Management Support

Hanwha Aerospace operates a variety of programs to promote sustainable management across its supply chain, including financial support, workforce and recruitment support, technology protection, and health, safety, and environmental management support.

1) Financial Support | To address suppliers' liquidity challenges, Hanwha Aerospace has established and operates a Win-Win Fund of KRW 150 billion through which suppliers can receive loan-interest reductions of approximately 3.5%. In addition, the company makes multi-faceted efforts to ease suppliers' management pressures through measures such as export financing support, defect-cost relief, early payment of supply prices during holidays, tool purchase agency services, and guarantee-fee reductions.

2) Environmental Management Support | Hanwha Aerospace conducts a range of support activities to strengthen the environmental management of in-house small and medium-sized suppliers. In 2025, the company provided greenhouse gas emissions management training and a greenhouse gas management tool to six suppliers, and supported their 2024 emissions calculations. Hanwha Aerospace also developed guidelines to strengthen suppliers' environmental management capabilities and distributed them through the in-house supplier system.

3) Job Capability Training and Workforce Support | Hanwha Aerospace operates a variety of training programs to enhance supplier employees' capabilities and support sustainable management. To strengthen suppliers' job capabilities and technical competitiveness, the company runs a supplier-customized training program called "Win-Win STEP," which is structured by area — quality, production, and technology — to reflect the requirements of each role. Through this, Hanwha Aerospace provides practice-oriented training for supplier employees, and offers supplier-focused courses through Business Group-specific quality guidance training, supplier quality exchange meetings, and technical guidance via dispatched personnel.

2025 Supplier Job Capability Training Performance

Training Program	Number of Suppliers
Job training for strengthening manufacturing competitiveness (12 courses)	479
Sustainable management training (2 courses)	111
Q-Academy (supplier demand-based quality training)	49
Quality certification training (capacity-building training for Designated Supplier Quality Representatives (DSQR))	78

Win-Win Cooperation

Health and Safety Win-Win Cooperation Program | To strengthen suppliers' safety management, Hanwha Aerospace operates a Health and Safety Win-Win Cooperation Program. The program covers in-house and external suppliers and includes a variety of support activities such as risk assessment, health and safety consulting, training, and the provision of on-site signage.

In particular, with the expanded application of the Serious Accidents Punishment Act to business establishments with five or more employees, in 2025 Hanwha Aerospace conducted Health and Safety diagnoses on regulatory compliance and on-site safety management for 177 suppliers to enhance their level of regulatory response and Health and Safety management capabilities. Based on the diagnosis results, the company selected priority support suppliers and operated support programs to assist with risk assessment — including hazard identification and Risk Map development for high-risk operations — and to help build a Serious Accidents Punishment Act response framework. In 2026, Hanwha Aerospace plans to expand the scope of Health and Safety diagnoses to approximately 190 suppliers, and will continue to build and improve a safer working environment based on win-win cooperation with its suppliers.

Supply Chain Management

STRATEGY

Supply Chain Management Activities

Mutual Growth Program

Fostering a Culture of Mutual Growth

Welfare Support for Supplier Employees | Hanwha Aerospace has continued to support welfare for supplier employees and, in 2025, held the Win-Win Art Festa at the Gyeongnam Provincial Museum of Art. The program invited the artist Jung Eun-hye to hold a pop-up exhibition and talk show, and provided a cultural experience program for the families of supplier employees. At the same time, a flea market for small business owners in the Gyeongnam region was set up, supporting local sales growth and regional promotion. At year-end, the company provided Nonghyup Rural Love Gift Certificates as a token of appreciation for supplier employees' hard work, also contributing to the revitalization of rural and fishing community economies.

Eliminating Supplier Wage Gaps

Win-Win Gap Mitigation Support | To ease supplier workforce management challenges resulting from the turnover of core personnel in the aerospace industry, Hanwha Aerospace aims to bridge wage gaps and establish measures that encourage long-term retention. Accordingly, the company is working to secure skilled personnel and improve employee welfare, thereby enhancing the working environment.


Family Invitation Event for Suppliers — Win-Win Art Festa

Sales Channel Expansion and Promotional Support

1) Operation of Win-Win Cooperation Pavilions at Major Defense Exhibitions | At major defense exhibitions, Hanwha Aerospace sets up "Booth-in-Booth" style Win-Win Cooperation Pavilions that introduce suppliers' joint technology development achievements and components, helping suppliers expand their sales channels. Visitors — both domestic and international — can intuitively see how supplier components and technologies connect to weapon systems, and on-site QR codes provide immediate access to supplier introductions and information for those interested in business consultations.

2) Export Channel Expansion Support | To strengthen suppliers' global competitiveness, Hanwha Aerospace operates a Global Benchmarking Program that jointly explores overseas markets. By attending global defense exhibitions and visiting leading companies, the company gains exposure to global technology trends and market conditions and explores new business opportunities together with its suppliers.

2025 ADEX (Seoul International Aerospace & Defense Exhibition)

2025 Defense Components, Materials and Equipment Exposition

Visit to HSW (Polish state-owned defense company)

Poland MSPO Exhibition Participation

2025 Mutual Growth Program Performance

Hanwha Aerospace operates customized programs specialized for the defense and aerospace industries to enhance supplier competitiveness. The programs implemented in 2025 are as follows.

Category		Programs	2025 Performance
Strengthening Manufacturing Competitiveness		• ESG management support • Aerospace defect cost relief program • Productivity improvement support project • Overseas benchmarking	79 companies (KRW 1.44 billion)
Sustainable Management Support	Financial Support	• Win-Win Fund • Export financing support • Early payment of supply prices during holidays	620 companies (KRW 148.3 billion)
	Environmental Management and Training Support	• Environmental management training • Specialized job training (Win-Win STEP) • Win-Win Cooperation Program	585 companies (KRW 0.14 billion)
Technical Support and Technology Protection		• Technology escrow system • New-product / technology development support	76 cases
Wage Gap Mitigation and Welfare		• Win-Win Art Festa • Welfare gift certificate support • Aerospace prime-subcontractor dual-structure improvement activities	132 companies (KRW 0.26 billion)

Hanwha Aerospace

Supply Chain Management

STRATEGY

Supply Chain Management Activities

Supplier Quality Management Support

Hanwha Aerospace builds the foundation for securing incoming quality across supplier selection, manufacturing, and delivery. The company also enhances the overall quality level of its suppliers by strengthening their independent quality assurance capabilities through training, quality monitoring, and improvement activities. When registering and selecting regular suppliers, Hanwha Aerospace conducts a Quality System Audit (QSA) to identify suppliers with strong quality capabilities, and periodically conducts Quality Process Audit (QPA), Special Process Audit (SPA), and Raw Material Supplier Quality System Audit (RMSQS) certifications based on the characteristics of each supplier's products. For suppliers requiring quality stabilization, the company operates the Designated Supplier Quality Representative (DSQR) and Hanwha Aerospace Certified Welding Supervisor (HCWS) programs to help them strengthen their own quality assurance capabilities. In addition, through the Comprehensive Supplier Quality Assessment (Q-Hscore), Hanwha Aerospace recognizes suppliers with outstanding quality performance through awards and guides underperforming suppliers to improve quality through manufacturing process inspections, quality meetings, and similar activities.

Incorporation of evaluation results

01 Supplier Selection ▶ 02 Registration and Selection Evaluation ▶ 03 Quality Assurance Activity Plan ▶ 04 Monitoring / Audit ▶ 05 Supplier Evaluation ▶ 06 Supplier Engagement

Improvement

01 Supplier Selection

Registration and Selection Evaluation
- QSA

02 Registration and Selection Evaluation

Supplier Training
- Quality management system
- Quality control regulations
- Introduction to the DSQR program
- Quality mindset
- Quality control techniques
- Quality assurance handbook
- Forgery/alteration cases and management procedures
- Understanding of special processes
- Introduction to HCWS program

03 Quality Assurance Activity Plan

Requirement Identification

Quality Plan Development

First-Article Management
- Perform step-by-step quality assurance activities
- Mass-production transfer briefing
- Approval of first-article product

Change Approval
- Manufacturing change management

04 Monitoring / Audit

QPA/SPA/RMSQS
- Establish and execute annual plan
- Quality system inspection
- Manufacturing process audit
- Special process audit/certification
- Issuance and reception of corrective action requests

Warehousing / On-Site Inspection
- RPN (Risk Priority Number) evaluation by item
- Quality assurance grade management

Process / Market Inspection
- Quality issue control

05 Supplier Evaluation

Regular Evaluation
- Establish and execute annual plan
- Q-Hscore evaluation (quarterly)
- Improvement activities for underperforming suppliers
- Awards for outstanding suppliers
- Regular purchase evaluation (35 points in quality category)

06 Supplier Engagement

Supplier Support
- Quality Exchange Meeting (semi-annually)
- Sharing of best practices
- Expansion of delegated items (Q grade)
- Q-Academy (quality training)
- VOC collection, etc.

Supply Chain Management

Supply Chain Risk Management

Internal and External Risk Management

Operation of the Subcontracting Transaction Review Committee

To strengthen a fair and transparent transaction environment with suppliers, Hanwha Aerospace has established a Subcontracting Transaction Review Committee and conducts monthly reviews of transaction issues. Key inspection items include the appropriateness of new contract execution and supplier registration and de-registration, the presence of unfair special terms or improper transfer of responsibility, subcontract payment adjustments, the prohibition of unfair requests for technical data, and supplier VOC and grievance handling. Through this, Hanwha Aerospace continues efforts to prevent unfair transactions with suppliers and to protect their rights and interests.

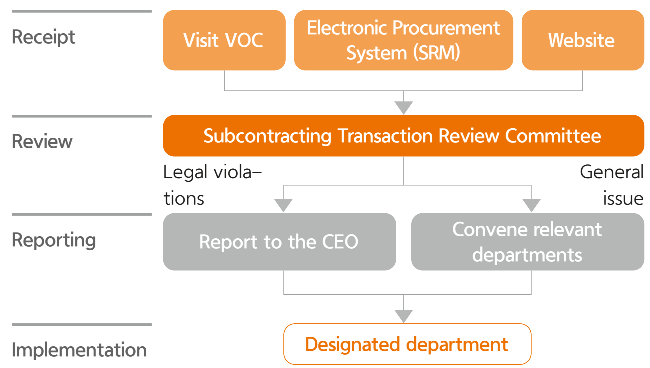
2025 Supplier Employee Training (Win-Win With Compliance Seminar) Performance

Training Topics	Participants
• Delivery-payment-linkage system • Ethics management • Improper Solicitation and Graft Act	124 people

Operation of Supplier Grievance Handling Channels

To listen to suppliers' voices — including suggestions arising in transactions, reports of unfair practices, and ideas for improving transaction practices — Hanwha Aerospace operates a variety of communication channels. In addition to direct reporting through visits by Win-Win Cooperation officers, suppliers can submit reports anonymously through the Sinmungo (an anonymous reporting channel) and ethics-management reporting on the electronic procurement system within the company's website, enhancing the convenience of reporting. In addition, if a serious issue suspected of violating subcontracting laws arises, Hanwha Aerospace escalates it as an item to the Subcontracting Transaction Review Committee, with all relevant departments participating in developing a resolution. Based on these efforts, the company strengthens trust with suppliers and takes the lead in fostering a fair transaction environment.

Supplier VOC and Unfair Transaction Response Process



2025 Supplier Grievance Handling Performance

Supplier Grievance Reports Received	8 cases
Supplier Grievance Resolution Rate	100%

Strategic Items Management

Hanwha Aerospace faithfully fulfills its corporate social responsibility to maintain international security and world peace, and strictly complies with related laws including the Foreign Trade Act. The company also faithfully implements the Compliance Program (CP) for Self-Compliance Traders of Strategic Items administered by the Korea Strategic Trade Institute (KOSTI). Through strengthened export management of strategic items, Hanwha Aerospace contributes to international peace and national security and takes the lead in preventing international corporate transactions from escalating into disputes between nations. Furthermore, the company blocks trade retaliation arising from export-control violations and supports safe exports by companies, while improving transparency in the trade of strategic items and promoting the import of advanced materials.

Conflict Minerals

Hanwha Aerospace strives rigorously to prevent human rights violations caused by conflict and to maintain an ethical supply chain. Accordingly, the company does not purchase or use the four conflict minerals — tin, tantalum, tungsten, and gold (3TG) — or components containing them, when they are mined in ten African conflict-affected regions such as the Democratic Republic of the Congo, South Sudan, and Rwanda. Hanwha Aerospace also requires certificates of origin from suppliers providing raw materials of unclear origin, and works continuously with suppliers to extend the conflict-minerals procurement prohibition to second- and third-tier suppliers.

Supply Chain Management

Supply Chain Risk Management

Supplier Selection, Assessment, and Management

Supplier Selection and Registration

To ensure objectivity and fairness in the supplier selection and registration process, Hanwha Aerospace operates a systematic new-supplier registration process for each business division. In this process, the company strictly complies with the Supplier Selection and Operation Guidelines — one of the Korea Fair Trade Commission's (KFTC) four practical commitments — focusing on selecting suppliers with strong capabilities and quality systems. When registering new suppliers, Hanwha Aerospace first verifies asset soundness and compliance issues through an automatic screening function and conducts a document review based on the supplier status survey. Suppliers who pass the document review then undergo an on-site evaluation across four areas — procurement (management and pricing), technology, environment and safety, and quality — leading to final selection and registration. Through these efforts, Hanwha Aerospace builds a reliable supplier network, maintains efficient partnerships, and pursues successful business outcomes.

Supplier Selection Process

01. Pre-Screening
- Financial credit evaluation and compliance issue verification

02. Document Review
- Document review across procurement / technology / quality / environment & safety

03. On-Site Inspection and Comprehensive Assessment
- Registration and selection through on-site inspection and comprehensive assessment

Supplier Environment, Health and Safety Qualification Assessment

Considering the characteristics of the industry, Hanwha Aerospace has set supplier safety management as a key management area and operates an eligibility assessment system for the Health, Safety, and Environment (HSE) area to carry out this management systematically. Suppliers' safety management systems are evaluated at both the pre-contract and post-contract stages, and suppliers that fail to meet the standards may be excluded from future contracts. In addition, each year the company conducts regular evaluations of suppliers on key Health and Safety items, including occupational accident history, safety management plans, and completion of statutory training. Suppliers meeting a certain level receive incentives based on the standards, while underperforming suppliers face penalties and receive improvement support, promoting shared safety. In particular, building on the analysis of evaluation results, Hanwha Aerospace plans and operates a variety of Win-Win Cooperation programs. In 2025, the company conducted Serious Accidents Punishment Act response support programs and risk-assessment re-evaluations for selected in-house and external suppliers, advancing the health and safety management system and on-site risk management framework, and promoting shared safety with suppliers.

Supplier Environment, Health and Safety Management

Qualification Assessment	• Conduct supplier environment, health and safety management assessment – Suppliers failing to meet standards are excluded from selection
Regular Safety Assessment	• Annual safety-area assessments of suppliers – Provide incentives to outstanding suppliers – Apply penalties and provide improvement support to underperforming suppliers
Win-Win Cooperation Program	• Support capability building in environment, health and safety management for in-house and external suppliers
Monitoring	• Continuous monitoring of occupational accident occurrences, regulatory compliance, etc.

Regular Supplier Assessment

Through regular assessments of suppliers, Hanwha Aerospace enhances suppliers' quality, delivery, and other performance metrics, and reflects the results in supplier operation plans to realize supplier excellence. The assessment reviews various items including quality, delivery, financial and ESG ratings, business management, and contribution. Based on the results, outstanding suppliers receive bonus points when being selected for new projects and are provided with various incentives such as outstanding-supplier awards and overseas benchmarking opportunities, actively supporting their capability enhancement. Conversely, suppliers requiring improvement receive type-specific improvement requests, along with guidance and development for weak areas, ensuring thorough follow-up management of supply chain risks.

2025 Outstanding Supplier Awards

Regular Assessment — Incentives and Penalties by Rating

Rating	Distribution	Follow-up Action
S	Top 10%	• Apply bonus points when being selected as a development supplier • Outstanding-supplier awards
A	Top 20%	• Apply bonus points when being selected as a development supplier
B+	Middle 40%	• No additional incentives or penalties
B	Bottom 20%	• Establish and implement type-specific improvement measures – Support Level-Up for weak areas through guidance and development
C	Bottom 10%	• Establish and implement type-specific improvement measures – Support Level-Up for weak areas through guidance and development • Restrict bidding on new items for two consecutive years with C rating (exclusion from the Vendor Pool)

Supply Chain Management

Supply Chain Risk Management

Supplier ESG Management and Assessment

Hanwha Aerospace systematically manages ESG risks that may arise in the supply chain and is strengthening its sustainable management foundation. To this end, the company regularly conducts ESG management and assessments across its entire supplier relationships and establishes and operates ESG standards that apply across the supply chain. Supply chain ESG assessments are conducted on critical suppliers and major export trading partners, comprehensively assessing the ESG activity level of the target suppliers. Through document review and on-site inspection, Hanwha Aerospace verifies the implementation level across all environmental, social, and governance domains, and identifies improvement needs and response directions with the participation of external experts. The company also presents customized improvement tasks based on each supplier's ESG level and operates stepwise training and support programs to support task execution. In addition, Hanwha Aerospace systematically sets short-, mid-, and long-term tasks so that suppliers can continuously achieve ESG goals, and by reviewing and managing implementation status, supports suppliers in strengthening their ESG capabilities. Furthermore, the company links the results of supplier ESG assessments with standard and advanced consulting, advancing the level of ESG management across the entire supply chain. This strengthens partnerships with suppliers and, in response to changes in the global regulatory environment, supports the systematic identification of and response to supply chain–related regulatory requirements. Based on this ESG management and support framework, Hanwha Aerospace pursues sustainable management together with suppliers and effectively manages ESG risks across the entire supply chain.

Supplier ESG Assessment Process

Classification of the Target Supply Chain for ESG Assessment		• Review of critical suppliers and suppliers requiring strategic cooperation • Classification of suppliers currently exporting or planned to export
Supply Chain ESG Assessment	Document	• Environmental indicators (16 items) • Social indicators (23 items) • Governance indicators (8 items)
	On-site Inspection	• On-site audit of safety and environmental management • Verification of document review items • Development of corrective action guidelines for deficient items
Results		• Derive results and conduct standard and advanced consulting* * Use of external specialized assessment agency
Improvement and Management System Development		• Develop improvement plans tailored to each supplier's ESG level • Provide ESG training • Establish short-, mid-, and long-term improvement tasks • Continuously review and manage implementation

Supplier ESG Assessment (Document / On-site Inspection) Items

Assessment Items			Method
Environment	Environmental policy, Environmental performance	• Environmental strategy • Environmental management • Environmental performance • Environmental management activities	Document / On-site
Social	Labor, Human Rights, Safety, Ethics Management	• Employment safety • Employment conditions • Respect for human rights • Social contribution • Training management • Sustainability • Health and safety management framework • Health and safety operational management • Health and safety investment • Health and safety performance	Document / On-site
Governance	Management stability, Management control	• Management stability • Accounting transparency • Ethics management • ESG management	Document / On-site

2025 Assessment Results

In 2025, Hanwha Aerospace conducted ESG assessments of 268 suppliers and supported ESG certification and assessment for 113 critical suppliers through specialized ESG consulting agencies.

Across all categories — environmental, social, governance, and overall — performance is maintained above the industry average; however, in the environmental area, progress in eco-friendly business initiatives and the expansion of facility investment was found to be insufficient. Accordingly, Hanwha Aerospace has set a mid- to long-term improvement direction and, starting in 2026, plans to launch a new Supplier Environmental Improvement Facility Support Program.

Among these, 40 suppliers receive advanced consulting that provides improvement guidelines and training for each detailed indicator. In addition, Hanwha Aerospace provides further support for on-site improvement costs related to occupational safety and serious-accident prevention, strengthening site-customized ESG management support for suppliers.

Supporting the Development of a Management System Through ESG Diagnostics and Consulting

Step 1 — Phase 1 — Diagnostic / Assessment and Standard Consulting

Selection of improvement tasks and implementation-guideline support

• Advise on improvement direction and enhance suppliers' understanding

Step 2 — Phase 2 — Diagnostic / Assessment and Advanced Consulting

Review and management of improvement-implementation status, with close support

• Establish suppliers' ESG improvement Road-Map

Step 3 — Phase 3 — ESG Environment Building Support and Management Framework Establishment

Risk response and management framework establishment

• Establish and execute mid- to long-term tasks by period, and respond to issues

Local Community

GOVERNANCE

Implementation Organization

Based on the social contribution philosophy of "Far Together," Hanwha Aerospace faithfully fulfills its corporate social responsibility, and its employees collaborate with local communities to build "hope for the future." Social contribution activities are overseen by the Social Service Office under the Hanwha Community Service Group, which is responsible for annual planning, training, recognition, and donations. In addition, the Community Service Committee and site-level secretariats develop monthly volunteer plans and broadly run a variety of social contribution activities in which employees participate, thereby contributing to local communities.

Hanwha Community Service Group
- Oversight of social contribution

Social Service Office
- Establishment of annual plan
- Training, rewards, and donations

Community Service Committee

Secretariats at each business establishment
- Establishment of monthly volunteer plans
- Execution of employee volunteer activities

STRATEGY

Social Contribution Strategy

Social Contribution Vision

Through cooperation with local communities, Hanwha Aerospace is committed to building a society that grows together based on sharing and consideration. To this end, we strategically pursue diverse activities that support sustainable environmental preservation, the growth of future generations, and the resolution of community issues. Building on our corporate vision, Hanwha Aerospace also continuously develops forward-looking social contribution activities that reflect the requirements of both internal and external stakeholders — activities that our employees and the local community shape together.

Vision	A Warm Journey Together with the World		
Core Values	ECO / Environment	DREAM / Hope	TOGETHER / Companionship
Mission	A defense industry that walks with local communities	A society that grows together through sharing and consideration	A future we build together
Strategy	**Preserving Sustainable Environment** Strengthening support to pass on an improved environment to future generations Contributing through awareness-raising and support activities climate and environmental conservation	**Supporting the growth of future generations** Building a talent development roadmap to strengthen space and aviation competitiveness Providing education to nurture future space and aviation talent	**Contributing to local community improvement** Continuous efforts to promote community contributions and volunteer service Mutual prosperity with the local community through the exchange of human and material resources

Key Activities	**Eco-Friendly**	**Talent Development**	**Volunteer Service**	**Empowerment / Support**
	• One Company, One stream • Masan Bay Cleanup • Environmental Cleanup (Plogging and Used-Pharmaceutical Collection) Activities	• Aerospace Science Classroom (Aerospace Mentoring Education) • Space Bridge Project (youth career lecture)	• "Sharing Kimchi with Love" Volunteer Activity	• Coffee Truck Program for People with Disabilities • "Gift of Life" Blood Donation Campaign • "Holiday Giving" Campaign • Safe Narrumi-Cart • Jeju Camp for Youth with Disabilities • Home Improvement Program

Local Community

Social Contribution Activities

Eco-Friendly

One Company, One stream

Each quarter, Hanwha Aerospace conducts stream-cleanup activities near its business establishments. Through the "One Company, One Stream" initiative, the company removes debris carried down by the stream and tidies the surrounding areas, contributing not only to environmental protection but also to improvements in the local community's environment, leading to positive change.

One Company, One stream

Total waste collected through One Company, One Stream (as of 2025) **0.9** tons

Masan Bay Cleanup

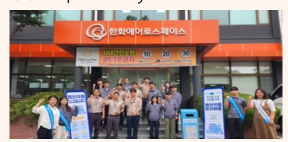
Each year on May 31, "Day of the Sea," Hanwha Aerospace conducts marine-environment improvement activities at Masan Bay, working to provide a pleasant marine environment for residents of the bay area.

Masan Bay Grand Cleanup

Environmental Cleanup (Plogging and Used-Pharmaceutical Collection) Activities

Hanwha Aerospace's Daejeon Business Establishment designates June as "Environment Month" to commemorate the statutory holiday "Environment Day (June 5)" and "World Environment Day." During this period, in partnership with the local government Yuseong-gu Office linked to the business establishment, the company leads community cleanup activities. In addition, used pharmaceuticals discarded indiscriminately can introduce antibiotics and similar substances into soil and waterways, disrupting ecosystems. Accordingly, Hanwha Aerospace has installed dedicated collection bins for used pharmaceuticals to safely collect items that would otherwise be discarded as general waste. Employees' voluntary environmental cleanup and used-pharmaceutical collection activities contribute to enhancing the image of a business establishment that fulfills its responsibility to the local community.

Environment Month Cleanup Activity



Used-Pharmaceutical Collection Activity

Talent Development

Aerospace Science Classroom (Aerospace Mentoring Education)

As a leading New Space company in the Republic of Korea, Hanwha Aerospace actively works to nurture future space talent. The company conducts theoretical education and maker education in the space and aviation fields for middle schools near its business establishments, laying a solid foundation for cultivating specialized talent in space and aviation. By providing diverse opportunities to more students, Hanwha Aerospace aims to spark their interest in space and aviation science and technology and open up possibilities for them to grow into future talent in the space and aviation field.

Middle school students who participated in the program (as of 2025) **600** people

Employees & assistant instructors who supported the program (as of 2025) **34** people

Space Bridge Project (Youth Career Lecture)

Space Bridge Project is a guest-speaker lecture program that provides career-exploration opportunities for youth from underserved groups within Seongnam City. The program supports increased self-awareness and self-esteem, and provides motivation to make career choices.

Youth who participated in the Space Bridge Project (as of 2025) **300** people

Aerospace Science Class

Space Bridge Project

Local Community

STRATEGY

Social Contribution Activities

Volunteer Service

"Sharing Kimchi with Love" Volunteer Program

Hanwha Aerospace's business establishments in the Gyeongnam region run kimchi-making volunteer events twice a year to support healthy meals for low-income and underserved households in the province. Going beyond simple sponsorship, our employees participate directly in the activity, making a tangible contribution to the local community.

Kimchi delivered (cumulative as of 2025): **7,500 households** (10 kg per household, approximately KRW 700 million)

Sharing Kimchi with Love

Empowerment / Support

Coffee Truck Program for People with Disabilities

As part of our support for the self-reliance of people with disabilities, Hanwha Aerospace helps sell bread and beverages — made directly by people with disabilities — through coffee trucks. All revenue is delivered to welfare centers for people with disabilities, supporting them in living self-reliantly as members of the community.

"Gift of Life" Blood Donation Campaign

Through regular blood donation campaigns, Hanwha Aerospace contributes to a stable blood supply and gives life-saving support to those in need. Each quarter, blood-donation buses visit our business establishments, and many employees participate consistently.

"Holiday Giving" Campaign

During Lunar New Year and Chuseok — Korea's traditional holidays — Hanwha Aerospace employees visit underserved neighbors to carry out volunteer activities. In addition to team-led volunteer activities, company-wide donation drives put warm sharing into practice within the local community.


Coffee Truck Program


Holiday Giving Campaign

Safe Narrumi-Cart

Hanwha Aerospace's "Safe Narrumi-Cart" program is run in cooperation with the Gyeongsangnam-do Volunteer Center and the Korea Federation of Volunteer Centers, to help seniors and people with disabilities who are struggling financially become self-reliant. Safe Narrumi-Carts produced through employees' skill donations are delivered to volunteer centers across the country and donated to seniors and people with disabilities, helping improve their mobility and safety.


Safe Narrumi-Cart

Number of Safe Narrumi-Carts delivered (cumulative as of 2025): **458 carts** (approximately KRW 200 million)

Jeju Camp for Youth with Disabilities

Hanwha Aerospace actively supports the participation of low-income youth with developmental disabilities — who have had limited access to cultural and tourism experiences — in the "Jeju Camp." Hanwha Aerospace employees are matched one-on-one with the youth in this contribution program, which is conducted continuously to provide them with a wide range of leisure-based socialization experiences and cultural-tourism opportunities. Through the Jeju Camp, we make every effort to support youth with disabilities so that they can step out of daily life and experience physical, social, and cultural leisure activities and travel.


Jeju Camp for Youth with Disabilities

Local Community

STRATEGY

Social Contribution Activities

Empowerment / Support

Home Improvement Program

Hanwha Aerospace consistently runs home improvement programs for vulnerable and under-served groups within local communities, working to create safer and more comfortable living environments. Through these activities, the company enhances the quality of life of community members and contributes to the overall improvement of community welfare.

Households whose home environment was improved (as of 2025) **7 households**

Home Improvement Program Activity

Local Community Communication

Hanwha Aerospace actively communicates with stakeholders in the local communities adjacent to its business establishments through a variety of channels. Through this, the company identifies community concerns and proactively takes the necessary measures, working to ensure that Hanwha Aerospace and the local community can coexist in harmony.

Local Community Communication Channels

Internal / Affiliates	• Hanwha Group Chungcheong / Gyeongnam Regional Council (held 4 times per year) • Volunteer Operations Committee
External	• Haengbok Nuri Foundation, Community Chest of Korea, Korean Red Cross, etc. • Resident Self-Governing Council, Volunteer Centers, Welfare Centers for People with Disabilities, etc. • Local governments and affiliated civic organizations

Local Community

RISK MANAGEMENT

Local Community Risk Management

Hanwha Aerospace systematically identifies and manages relevant impacts to minimize potential negative impacts on local communities arising from business operations, and to pursue sustainable coexistence with local communities.

Negative Impact Identification and Management Process

To systematically manage the environmental and safety impacts on local communities arising from business operations, Hanwha Aerospace has built and operates a management process covering the entire cycle — from impact identification to assessment, response, follow-up improvement, and disclosure. Based on this process, the company proactively prevents negative impacts on local communities and works to secure stable business establishment operations.

Process	Problem Identification and Potential Impact Derivation	Quantification of Impact List and Priority Assessment	Mitigation Strategy Development	Response and Management	Assessment and Improvement	Stakeholder Feedback and Disclosure
Activities	• Identify community physical and environmental touchpoints based on facilities and processes • Receive and manage community grievances, complaints, and requests	• Risk assessment of issues and potential impacts • Prioritize tasks based on risk-assessment results	• Set root-cause control measures and KPI indicators for tasks requiring improvement	• Execute and manage tasks based on the mitigation strategy and action plan	• Annually assess performance against established KPIs • Reassess risk levels after improvements and analyze effectiveness	• Manage feedback collection and disclosure-related actions (scope, method, key content)
Responsible function	Each business establishment, ESH Office	Each business establishment, ESH Office	Task-specific owners	Each business establishment, ESH Office	Each business establishment, ESH Office	Each business establishment, ESH Office, ESG Secretariat, Business Planning Team

Safety Emergency Response Framework

To prepare for safety-related emergencies at business establishments, Hanwha Aerospace has established and operates Emergency Response Management Regulations. The company has built a management framework for prompt and systematic response in the event of emergencies such as fire, explosion, or leaks. In addition, to secure community safety, Hanwha Aerospace has established cooperation-based communication frameworks with relevant agencies and neighboring communities, so that relevant information is promptly shared in the event of an emergency and joint responses can be carried out.

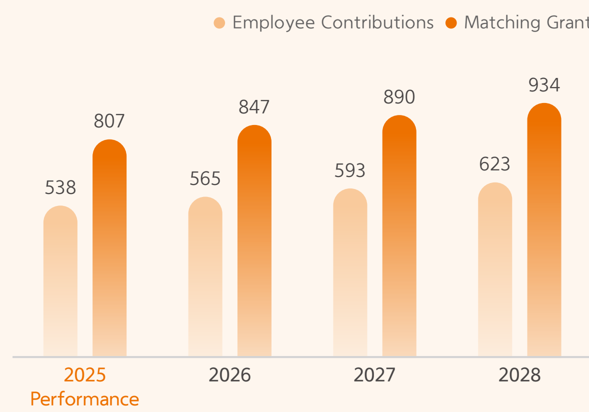
Safety Emergency Response Framework				
	Emergency occurs ▶	Report to relevant agencies and nearby residents ▶	Operate the Emergency Response Committee ▶	Community communication through external bulletins and similar means

METRICS & TARGETS

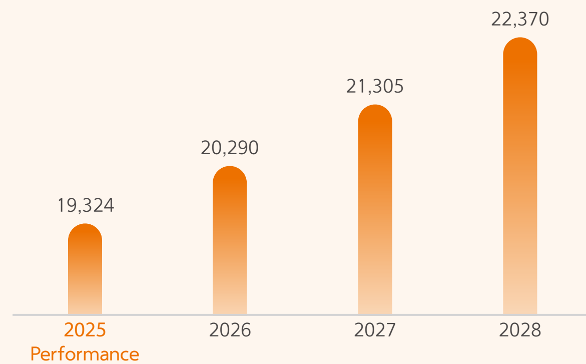
Local Community Targets and Performance Management

Hanwha Aerospace has set goals to put the social contribution philosophy of "Far Together" into practice and to build a society that grows together with the local community.

Total Funds Raised (Unit: KRW million)



Company Contributions[1] (Unit: KRW million)



1) Including Matching Grant

Information Security

Information Security Management System

Hanwha Aerospace operates a systematic organization to strengthen information security. Centered around the Chief Security Officer (CSO), the company operates three Business Group Security Teams; under the Chief Information Security Officer (CISO), the Security Team and the Information Security Team carry out information-security-related work. Through this organizational structure, Hanwha Aerospace strengthens the information-security management framework and establishes an effective foundation for risk management. To support major information-security decision-making, the company also operates the Security Operations Committee and the Defense Technology Protection Council. In each committee, the Security Team and the Information Security Team handle the work, with senior leaders from relevant departments participating in major decisions. Through this systematic operation, Hanwha Aerospace secures an integrated response capability for information security risk management.

Information Security Management Framework — Organization Chart

Information Security Declaration

Hanwha Aerospace deeply recognizes that protecting the core technologies and information assets of the aerospace and defense industries is a critical responsibility directly linked to national security. To protect the company's core technologies and important information assets, Hanwha Aerospace must comply with relevant laws and regulations, regularly review the information security management framework, and continuously improve it. Accordingly, all employees must comply with the following information security practices to protect the company's information assets and establish a trusted security culture.

01. We will, without exception, comply with the company's information security regulations.
02. We will strictly comply with defense-industry-related laws and regulations and with domestic and international information security standards.
03. We will safely protect and manage important information assets, including defense industry technologies and R&D information.
04. We will recognize the importance of information security and continuously enhance our security level through information security activities.

Information Security System

Based on a systematic information security management framework, Hanwha Aerospace maintained zero cyber-security incidents and zero customer personal-information leaks in 2025. To achieve this, each year the company conducts an Integrated Defense Industry Technology Protection Survey jointly with external agencies, and strengthens data security through physical separation of the defense network and the general network. Through a 24/7 security operations framework, Hanwha Aerospace operates intrusion prevention and intrusion detection systems effectively. In addition, the company maintains a wide range of security systems — including malicious-email reporting, PC-level file encryption, data-loss-prevention (DLP) solutions, and network access control — to thoroughly manage its level of information protection. Through regular penetration testing and information-system inspections, Hanwha Aerospace proactively responds to cybersecurity threats.

Information Security Systems

Integrated Defense Industry Technology Protection Survey	Physical separation of defense network / general network	24/7 Security Operations Center
Intrusion Prevention and Intrusion Detection Systems	Malicious-email reporting	Endpoint file encryption
Data-Loss-Prevention (DLP) solution	Network access control	Automatic deletion program for stored data

Information Security

Defense Industry Technology and Confidentiality Protection

Given the nature of the defense industry, Hanwha Aerospace deeply recognizes that protection of core technologies and confidential information is the top priority and rigorously enforces security management for both employees and supplier personnel. Company–wide, in accordance with government guidelines from the Defense Acquisition Program Administration (DAPA), the National Intelligence Service (NIS), and the Defense Counterintelligence Command (DCC), the company has physically separated the defense network from the general network to fundamentally block the illegal leakage of information, and carries out systematic security management through this system. Going forward, through annual security activities and the Defense Industry Technology Protection Implementation Plan, Hanwha Aerospace will effectively conduct defense–industry–related confidential information and technology protection activities, and periodically inspect and remediate potential security vulnerabilities to maintain a robust security framework.

Defense Industry Technology and Confidentiality Protection Activities

Category	Activity	Details
Employees / Suppliers	Employee background checks	• Once before hiring, and periodically after hiring based on role
	Personal–information communications–network log management	• Monthly security vulnerability inspections
	Data–flow management at employee transitions	• At transitions (resignation, business trip, etc.), inspect logs and any data taken out
System Build–out	Defense network separation	• Build out and operate physical network separation of defense network and general network
	Information–leak–prevention monitoring system	• Operate photo–prevention solutions and eavesdropping–prevention systems
	Real–time intrusion detection and response	• Real–time response via intelligent security solutions and intrusion detection / prevention solutions
	Facility and cyber–security framework build–out	• Build out and operate 24/7 security operations framework
Internal Regulations Establishment / Revision	Annual security–related internal regulation revisions and updates	• Revise the Defense Industry Technology Protection and Security Operations Internal Regulations • Revise and publish internal regulations for overseas offices and subsidiaries, by business establishment

Personal Information Protection

Hanwha Aerospace strictly complies with the Personal Information Protection Act and the Act on Promotion of Information and Communications Network Utilization and Information Protection, and operates a multi–faceted management framework to protect customers' personal information. In terms of technical controls, the company encrypts and manages important personal information in storage, and operates an intrusion–prevention system to block unauthorized external access, thereby preventing information leakage in advance. In addition, Hanwha Aerospace appoints a Personal Information Protection Officer and dedicated personnel, and conducts regular training to enhance accountability and expertise in carrying out their duties. Detailed information on the purposes of personal–information use and the company's protection policies is publicly available through the Privacy Policy posted on Hanwha Aerospace's website.

Hanwha Aerospace Privacy Policy

Integrated Survey

Key Inspection Areas	• Technology identification / management (40 items) • Personnel control (42 items) • Facility protection (25 items) • Information protection (93 items) • R&D and export technology transfer / supplier technology protection (45 items) • Military confidential information (58 items)
Survey Details	• 6 areas, 303 items in total • Ranked 1st overall in the FY25 Integrated Survey

Personal Information Infringement Grievance Handling

In accordance with Article 12 of the Hanwha Aerospace Privacy Policy, we post the company's Personal Information Protection Officer and dedicated personnel on a website accessible to both internal and external parties. The company also receive complaints related to personal information through telephone and email, and any received items are promptly reviewed and the results are transparently communicated.

Strengthening Employee Security Awareness

As the importance of cybersecurity continues to grow across all business areas, Hanwha Aerospace continuously runs activities to raise employees' cybersecurity awareness and understanding. The company operates annual security training programs for all employees and resident supplier personnel, and conducts regular training each month based on internally developed training materials. Hanwha Aerospace also encourages employee participation in security training organized by government and external agencies such as DAPA and DCC. These activities are part of systematic efforts to establish a security culture across the organization and raise the level of information asset protection. Going forward, Hanwha Aerospace will continue to enhance employees' cybersecurity awareness and expand activities to strengthen information asset protection capabilities.

Information Security Training Programs

Program	Content	Target
Online Security Training	Online Technology Protection Training Hosted by the DAPA (Annually)	All employees
Training Based on Self–Produced Materials	Employee Personal Information Protection/Security Compliance (Monthly (Cybersecurity Day))	
Information Protection/ Security Training	Hacking/Technology Leakage Response Training (Annually)	All employees (including resident supplier personnel)
Additional Security Training	Training on Security Regulations and Incident Cases	Employees with two or more security violations per year
Security Training Hosted by External Organizations	DCC convened training/ Attendance at Security Workshops Hosted by External Organizations (Recommended)	All employees

ESG PERFORMANCE

GOVERNANCE

Hanwha Aerospace

Corporate Governance

Board Composition

Current Board Composition

In accordance with Article 23 of the Articles of Incorporation, Hanwha Aerospace maintains a Board of Directors consisting of nine members, including four inside directors and five outside directors. This composition adheres to the configuration requirements stipulated in Article 542-8 (Appointment of Outside Directors) of the Commercial Act.

Outside directors are selected from candidates recommended by the Outside Director Nomination Committee, ensuring that the Board operates independently from management and controlling shareholders. The Board is composed to value expertise and diversity, with internal committees and support organizations well-established to ensure effective and prudent discussion and decision-making. The previous Articles of Incorporation and Regulations had specified that the CEO automatically serves as the ex officio Chairperson of the Board of Directors. To enhance flexibility and transparency in Board operations, Hanwha Aerospace revised these provisions during the 43rd Annual General Meeting of Shareholders in 2020 and the 4th Board of Directors Meeting in 2020, establishing a framework that allows the Board to flexibly appoint a Chairperson from among its directors (including the CEO) based on the circumstances. As part of these efforts, at the Board of Directors Meeting on March 24, 2026, Inside Director Seungmo KIM was appointed as the Chairperson of the Board of Directors, separating the role of Chairperson from that of the CEO.

(As of March 31, 2026)

Category	Name	Gender	Position	Term	Expertise	Background
CEO	Jaeil SON	Male	• CEO of the Business Division • Chairperson of the Executive Committee	03.24.2026.–03.24.2029	Head of Corporate Management	• B.A. in Business Administration, Korea University • Former CEO of Hanwha Land Systems / Hanwha Defense • Former Head of HR Team, Support Division, Hanwha Corporation / Former CEO of Hanwha Munition • Director, Hanwha Aerospace USA • Non-Executive Director, Satrec Initiative • CEO, Hanwha Systems
CEO	Dongkwan KIM	Male	• CEO of the Strategy Division	03.25.2025–03.25.2027	Head of Corporate Strategy	• B.A. in Political Science, Harvard University • Former CCO, Hanwha SolarOne / Hanwha Q CELLS • CEO of Strategy Division, Hanwha Corporation • CEO of Strategy Division, Hanwha Solutions • Non-Executive Director, Hanwha Ocean • CEO of Investment Division, Hanwha Impact Corporation
Inside Director	Michael Coulter	Male	• Head of U.S. Operations	03.25.2025–03.25.2027	International Business	• M.A. in National Security Affairs, U.S. Naval War College • Former Senior Deputy Assistant Secretary for International Security Affairs, U.S. Department of Defense • Former Vice President of Global Business Development, General Dynamics • Former Senior Vice President of Business Development Division and President of Global Subsidiaries, Leonardo DRS • CEO, Hanwha Defense USA, Inc. • Director, Hanwha Global Defense Inc.
Inside Director	Seungmo KIM	Male	• Head of Defense Strategy in the Strategy Division • Chairperson of the Board of Directors • Member of the Executive Committee	03.24.2026–03.24.2029	General Corporate Management	• B.A. in Industrial Engineering, Sungkyunkwan University • Former CEO of Hanwha Munition • Former CEO of Hanwha Corporation Construction Division • Non-Executive Director, Hanwha Systems • Head of Defense Strategy in the Strategy Division, Hanwha Aerospace
Outside Director	Hyounjin KIM	Female	• Chairperson of the ESG Committee • Member of the Related Party Transaction Committee • Member of the Compensation Committee • Member of the Outside Director Nomination Committee	03.25.2025–03.25.2027	Aerospace Expert	• B.S. in Mechanical Engineering, KAIST • M.S. / Ph.D. in Mechanical Engineering, UC Berkeley • Former Outside Director, Hyundai Transys • Professor, School of Aerospace Engineering, Seoul National University • Director, The Korean Society for Aeronautical and Space Sciences • Fellow of the National Academy of Engineering of Korea
Outside Director	Jingoo JUN	Male	• Chairperson of the Outside Director Nomination Committee • Member of the Audit Committee • Member of the Related Party Transaction Committee • Member of the Compensation Committee • Member of the ESG Committee	03.25.2025–03.25.2027	Defense Expert	• B.A., Republic of Korea Naval Academy • M.A. in Public Administration, Hankuk University of Foreign Studies • Former Commander, Republic of Korea Marine Corps • Former Advisor, Ministry of National Defense • Named Professor, Seokyung University • Senior Observer, Republic of Korea Joint Chiefs of Staff
Outside Director	Huyjae CHON	Male	• Chairperson of the Related Party Transaction Committee • Member of the Audit Committee • Member of the Outside Director Nomination Committee • Member of the Compensation Committee • Member of the ESG Committee	03.24.2026–03.24.2029	Legal Expert	• B.A. in Law, Seoul National University • LL.M., University of Texas School of Law • Former Judge, Seoul Central District Court • Former Chief Judge, Suncheon Branch, Gwangju District Court • Former Judge, Seoul High Court • Professor, Sungkyunkwan University Law School
Outside Director	Jeonggeun LEE	Male	• Chairperson of the Compensation Committee • Member of the Related Party Transaction Committee • Member of the Outside Director Nomination Committee • Member of the ESG Committee	03.25.2025–03.25.2027	Defense Expert	• B.A., Korea Military Academy • Former Chief of Logistics, Army Headquarters • Former Commander, Army Logistics Command • Chairman, Korea Association of Explosive Engineers • Director, YB Chemical Co., Ltd.
Outside Director	Uhong JEON	Male	• Chairperson of the Audit Committee • Member of the Related Party Transaction Committee • Member of the Compensation Committee • Member of the Outside Director Nomination Committee • Member of the ESG Committee	03.24.2026–03.24.2029	Finance and Accounting Expert	• B.A. in Statistics, Sungkyunkwan University • Former Regional Representative (General Manager), Gyeongin/Southwest Regional Headquarters, Hana Bank • Former Deputy President (CCO), Credit Group, Hana Bank • Former Deputy President of Sales, Central Sales Group, Hana Bank • Auditor, H-Line Shipping Co., Ltd.

Corporate Governance

Board Composition

Board Independence

Hanwha Aerospace strictly complies with the eligibility and exclusion requirements for appointing outside directors as outlined in Article 382, Paragraph 3, and Article 542-8, Paragraph 2 of the Commercial Act. If an outside director no longer meets these criteria after appointment, they will lose their position. Moreover, in accordance with Article 34, Paragraph 5 of the Enforcement Decree of the Act, Hanwha Aerospace ensures that candidates who have worked for an affiliated company in the past or have significant conflicts of interest are excluded from consideration to ensure they can perform their duties without conflicts of interest.

To maintain fairness and independence in the appointment of directors and the operation of the Board, the company has established an Outside Director Nomination Committee, which consists entirely of outside directors. This committee conducts a thorough assessment to determine whether potential candidates have any significant interests that could compromise their independence from the company. Hanwha Aerospace is committed to providing shareholders with comprehensive information about director candidates — including their biographies, areas of expertise, and current employment status — to facilitate understanding of candidates, through convocation notices for general shareholders' meetings. Furthermore, the company regularly discloses the activities of current directors within the Board and its committees through reports, allowing shareholders to make informed decisions regarding the re-election of directors. In particular, for outside directors, detailed information such as their attendance rates at board meetings, their voting records on board agendas, and their participation in board committees' activities is provided to enable shareholders to make well-informed decisions.

Board Diversity and Expertise

Hanwha Aerospace's Board of Directors is comprised of nine directors, each bringing expertise in various aspects of corporate management — including management strategy, general management, legal affairs, and financial accounting — along with business expertise in the defense and aerospace sectors. Their diverse expertise contributes to enhancing the Board's own competitiveness and to informed decision-making on crucial corporate matters. In 2025, Hanwha Aerospace further enhanced the diversity of its Board by re-appointing a female director.

Inside Directors

Inside director Jaeil SON, CEO of the Business Division, oversees the company's aviation and defense sectors and provides steady management of external affairs. Dongkwan KIM, CEO of the Strategy Division, demonstrates outstanding capabilities in defense, energy, and global networks, leading business growth while driving overseas expansion and new business development. Inside director Michael Coulter brings experience as Vice President of Business Development and President of Overseas Operations at a global defense firm, along with senior roles at the U.S. Department of Defense and leads Hanwha Aerospace's overseas business expansion and growth. Inside director Seungmo KIM, with prior experience as CEO of Hanwha Munition and currently serving as Head of Defense Strategy at the company, is expected to contribute to formulating and executing global business strategy based on his deep understanding of the defense industry. Thus, Hanwha Aerospace's inside directors leverage their expertise to drive sustainable growth, innovation, and strategic performance.

Outside Directors

Outside director Hyounjin KIM, an aerospace expert and current professor in the Department of Aerospace Engineering at Seoul National University, contributes significantly to our aerospace sector's management operations with deep expertise. Outside director Jingoo JUN, an expert in military operations with a background as Marine Corps Commander, Northwest Islands Defense Commander, and ROK-US Marine Corps Commander, plays a crucial role in managing our defense business and ensuring organizational stability.

Outside director Huyjae CHON, a professor at Sungkyunkwan University Law School and a licensed attorney, possesses legal expertise and prior experience as a judge, and contributes to the company's compliance management by leveraging his extensive network in the legal community. Outside director Jeonggeun LEE, a military logistics expert and former Chief of Army Logistics Staff and Logistics Commander, plays a crucial role in defense-related business and corporate management.

Outside director Uhong JEON, a corporate finance expert who served as Deputy President of the Credit Group and Deputy President for Sales of the Central Sales Group at Hana Bank, is expected to provide extensive professional guidance on the company's global business and investment expansion. Together, this Board of outside directors — with their diverse backgrounds and expertise — makes a critical contribution to Hanwha Aerospace's sustainable management and strategic decision-making.

Board Skills Matrix

Category		Inside Directors				Outside Directors				
		Jaeil SON	Dongkwan KIM	Michael Coulter	Seungmo KIM	Hyounjin KIM	Jingoo JUN	Huyjae CHON	Jeonggeun LEE	Uhong JEON
Leadership		●	●	●	●	●	●	●	●	●
Global		●	●	●	●	●		●		
Management / Accounting		●	●	●	●					●
Legal / Regulatory								●		
Industry Expertise	Defense	●	●	●	●		●		●	
	Aviation	●	●	●		●				
ESG		●	●	●	●	●	●	●	●	●

Corporate Governance

Board Composition

Board Committees

To strengthen the Board's professional operation, Hanwha Aerospace operates six committees within the Board, all of which are comprised of outside directors[1] to enhance their independence. Each committee functions according to formal regulations detailing its specific purpose, authority, composition, and duties, and the attendance and participation of each director are disclosed separately in business reports. The Audit Committee conducts comprehensive audits of the company's overall business, with a focus on its financial status. To strengthen expertise, the company appoints a financial accounting expert as the Chairperson of the committee. The Outside Director Nomination Committee is responsible for screening and recommending candidates for outside directors to be appointed at the general shareholders' meeting, contributing to Board composition. The Related Party Transaction Committee conducts pre-deliberations on internal transactions between affiliated companies to establish a voluntary fair trade compliance system and ensure transparency in company management. The Compensation Committee conducts preliminary reviews of the compensation limit of the registered executives, ensuring an objective and transparent decision-making process regarding director remuneration. Additionally, the Executive Committee examines and decides on the company's management status and common issues delegated by the Board of Directors, facilitating efficient decision-making. The ESG Committee is established to strengthen ESG management and achieve long-term sustainable growth. This committee structure supports more systematic and effective Board operations.

1) The Executive Committee comprises only inside directors due to its specific function and role in deliberating and deciding on matters delegated by the Board of Directors.

(As of March 31, 2026)

General Shareholders' Meeting

Board of Directors (4 inside directors, 5 outside directors)

Composition	Audit Committee	Outside Director Nomination Committee	Compensation Committee	Related Party Transaction Committee	ESG Committee	Executive Committee
Chairperson	Uhong JEON	Jingoo JUN	Jeonggeun LEE	Huyjae CHON	Hyounjin KIM	Jaeil SON
Members	Jingoo JUN, Huyjae CHON	Jeonggeun LEE, Uhong JEON, Huyjae CHON, Hyounjin KIM	Jingoo JUN, Uhong JEON, Huyjae CHON, Hyounjin KIM	Jeonggeun LEE, Jingoo JUN, Uhong JEON, Hyounjin KIM	Jeonggeun LEE, Jingoo JUN, Uhong JEON, Huyjae CHON	Seungmo KIM
Key Roles	• Audit overall business • Conduct quarterly and annual management performance audits • Investigate business and property status	• Nominate outside director candidates after verifying their independence, diversity, and capabilities	• Preliminary review of the compensation limit of the registered executives	• Preliminary review of related party transactions • Suggest corrective measures for related party transactions that violate serious laws/regulations	• Reinforce ESG management aimed at long-term and continuous growth	• Review, deliberate, and decide on the matters delegated by the Board, management status, and common issues
Number of Meetings[2]	7	2	4	15	5	19
Agenda[2]	5 resolutions 18 reports	2 resolutions	8 resolutions	53 resolutions 2 reports	3 resolutions 4 reports	24 resolutions

2) Number of meetings and agenda items as of 2025

Corporate Governance

Board Operations

Board Activities

Hanwha Aerospace's Board of Directors meetings are categorized into two types: regular and ad hoc meetings. Regular board meetings are scheduled for the fourth Wednesday of every odd month, and ad hoc board meetings are convened as necessary in accordance with Article 7 of the Board of Directors Regulations. These regular meetings occur at least six times a year and typically involve the quarterly approval of significant internal transactions and general shareholders' meetings. Urgent matters are flexibly addressed through ad hoc board meetings. As stated in Article 28 of the Articles of Incorporation and Article 9 of the Board of Directors Regulations, the chairperson is responsible for convening these board meetings. Every director receives notice of the meeting date, location, and agenda at least seven days in advance. The seven-day advance notice may be waived and the meeting convened promptly if all directors consent. For decision-making based on a full understanding of all agenda items, a briefing session is held in advance for outside directors to gather diverse opinions. Board resolutions require the presence of a majority of directors and the approval of a majority of those in attendance, as stipulated in Article 29 of the Articles of Incorporation and Article 10 of the Board of Directors Regulations. This framework ensures efficient and prudent decision-making. Through this structured and rigorous Board operating process, Hanwha Aerospace realizes sustainable management and transparent corporate governance, continuously strengthening stakeholder trust.

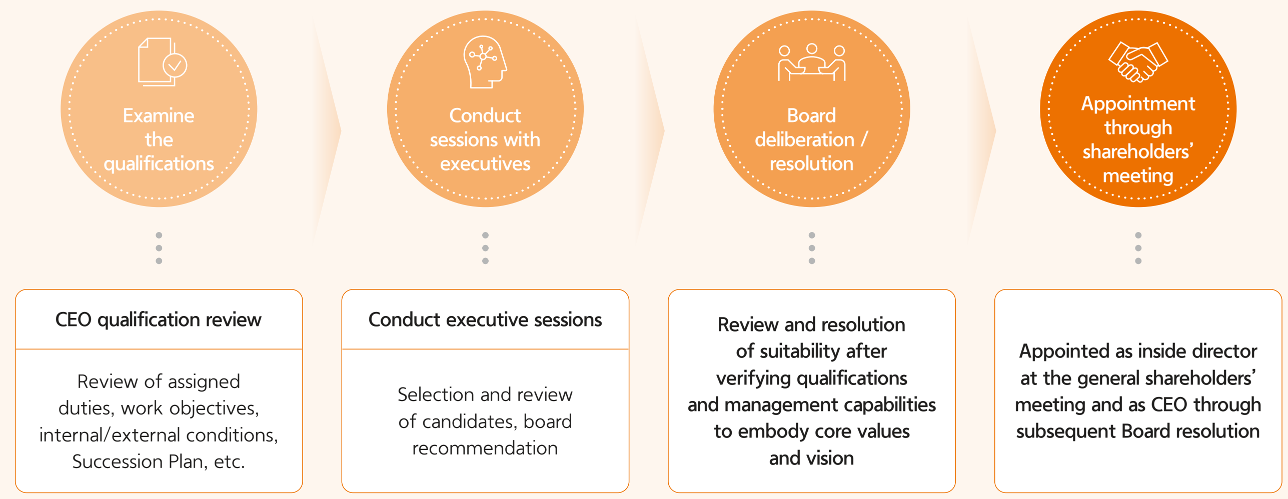
2025 Board Operations Summary

Meetings Held	19 times
Approved	85 times
Reported	27 times

<u>CEO Succession Planning</u>

If it becomes necessary to change the CEO due to shifts in the business environment, Hanwha Aerospace identifies suitable candidates in advance through documented CEO Succession Management Regulations, conducting a meticulous examination of management competency and leadership to appoint the most qualified individual. The appointed candidate undergoes company-level review before being recommended to the Board of Directors. The Board then conducts a final screening to assess the candidate's management skills and qualifications before appointing them as an inside director. Subsequently, the appointed candidate is elected as the CEO through a general shareholders' meeting and a subsequent Board of Directors resolution. Throughout this process, the CEO candidate is required to attend CEO courses, management coaching, and training programs to prepare for succession. Through this systematic process, Hanwha Aerospace effectively manages its CEO candidate pool, ensuring continuity and stability in management.

CEO Succession Process



INTRODUCTION
ESG HIGHLIGHTS
ESG PERFORMANCE
TCFD Report
Environmental
Social
▶ Governance
ESG FACTBOOK
APPENDIX

Corporate Governance

Board Operations

Evaluation and Compensation

Hanwha Aerospace conducts comprehensive evaluations of each director's experience, expertise, and qualities such as fairness, objectivity, integrity, and responsibility in the execution of their duties. These evaluations play a significant role in determining whether directors should be re-elected. For outside directors nearing the end of their term, re-election decisions are made based on factors including board meeting attendance, the quality of advice provided on critical management decisions, and contributions to internal control and monitoring systems.

For inside directors, the company conducts regular CEO performance assessments based on the achievement of strategic goals covering both financial and non-financial performance. The Compensation Committee within the Board reviews the compensation limit of registered executives in advance, ensuring objectivity and transparency in director remuneration decisions. Directors' remuneration is disbursed transparently within the limits approved by the general shareholders' meeting.

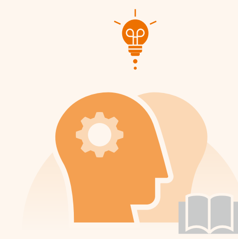
To instill a sense of ownership in the CEO and future leader candidates and to enhance decision-making for long-term growth, Restricted Stock Units (RSUs) are granted through a Board resolution, and are paid out sequentially upon completion of the vesting period and satisfaction of vesting conditions. Through this structured and rigorous evaluation and compensation system, Hanwha Aerospace strengthens executive accountability and motivation while pursuing sustainable management based on transparency and fairness.

Outside Director Education and Support

Hanwha Aerospace provides a wide range of training for outside directors to enhance their expertise. This includes introductory materials and specialized training to deepen their understanding of the aerospace and defense industry, along with regular updates on the latest management issues. The company also holds briefing sessions for outside directors before each Board meeting to support informed decision-making on major agenda items.

To strengthen the Audit Committee's audit expertise, Hanwha Aerospace provides targeted training programs through industry experts and relevant institutions. Under the company's internal regulations, committee members may also seek outside expert advice at the company's expense — a framework that actively supports effective Audit Committee operations. Through this comprehensive education and support framework, the company continuously improves the Board's expertise and accountability, laying a solid foundation for sustainable management.

Date	Organized By	Attendees	Details
05.28.2025	Samil PwC	Hyounjin KIM, Jeonggeun LEE, Jingoo JUN, Huyjae CHON, Dojin JUNG	• ESG Trends and Climate Disclosure
04.29.2026	Samjong KPMG	Jeonggeun LEE, Jingoo JUN, Uhong JEON, Huyjae CHON, Hyounjin KIM	• Mandatory ESG Disclosure and Regulatory Trends • Mandatory Climate-Related Disclosure and Corporate Response Strategies
05.11.2026	Samjong KPMG Audit Committee Support Center	Uhong JEON	• 13th Auditor On-boarding Program



Corporate Governance

Shareholder-Friendly Management

Enhancement of Shareholder Value

Shareholder Status

As of December 31, 2025, the company had issued a total of 51,563,401 shares. The largest shareholder is Hanwha Corporation, which holds 32.18% of the total shares. The total number of shares that can be issued under Hanwha Aerospace's Articles of Incorporation is 200,000,000 shares, with a par value of KRW 5,000 per share. All issued shares are common shares, and voting rights are equally allocated based on the number of shares held.

Shareholder Return Policy

Hanwha Aerospace takes appropriate measures such as share repurchases and dividends to return a portion of company profits to shareholders and maximize their benefits. Over the past three years, consistent cash dividends have been paid, establishing this as a key method to promote shareholder interests. Going forward, the company plans to continue shareholder returns, comprehensively considering the company's business performance, securing investment resources for sustained growth, the maintenance of a sound financial structure, and the scale of shareholder returns in the market and within the same industry.

Protection of Shareholder Rights

Hanwha Aerospace makes various efforts to protect shareholder rights. The company convenes regular general shareholders' meetings within three months following the conclusion of each fiscal year, with ad hoc meetings organized when required. These provide shareholders with opportunities to participate in key corporate decisions. In accordance with the Corporate Governance Code, Hanwha Aerospace issues meeting notices four weeks in advance to ensure shareholders have timely access to information needed to exercise their rights. The company also employs an electronic voting system to support minority shareholders in exercising their rights lawfully. To facilitate voting participation, Hanwha Aerospace actively encourages proxy voting through an electronic power-of-attorney system available to all shareholders on the register at fiscal year-end.

Shareholder Proposal Right

Hanwha Aerospace operates a shareholder proposal system to strengthen communication with shareholders and actively reflect shareholder views in management decisions. All shareholders may submit proposals — such as director nominations — in writing or electronically up to six weeks before the date of the regular general shareholders' meeting for the previous fiscal year. Upon receipt, a proposal is included as an agenda item after verification of the submitter's shareholder status and legal review of the proposed matter. This system is part of the company's efforts to protect shareholder rights and incorporate shareholder views into company management.

Hanwha Aerospace provides clear guidance on the overall shareholder proposal process on the company's website and supports the lawful inclusion of proposals as general meeting agenda items. Through this, shareholders are given the opportunity to participate more actively in company management.

Shareholder Communication

Hanwha Aerospace conducts a range of Investor Relations (IR) activities to communicate transparently and proactively with shareholders. Each quarter, the company hosts IR Meetings on quarterly performance and provides updates on business progress. Hanwha Aerospace also organizes Non-Deal Roadshows (NDR) with both domestic and foreign institutional investors to clearly convey company results and strategies while listening to their feedback. IR materials, key IR schedules, and stock issuance information are available on the company's website, with a dedicated system in place to respond promptly to shareholder inquiries. In particular, through the company's audio webcasting system, Hanwha Aerospace hosts open conference calls that allow shareholders to listen in real time and engage during performance announcements and business updates. Recordings of presentations and Q&A sessions are also made available in English for foreign shareholders. To ensure equal access to information, the company discloses key company matters in both English and Korean. Hanwha Aerospace plans to continue expanding these activities to improve information accessibility and foster more active communication.

2025 Key IR Activities

Category	Frequency
Investor Relations (IR) Meeting	5 times
NDR/DR	8 times (5 domestic, 3 overseas)
Conference / Corporate Day	11 times (7 domestic, 4 overseas)
1 on 1 / Group meetings	101 times

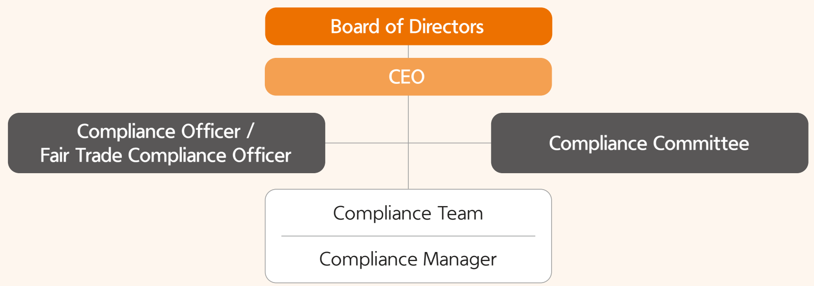
Analyst Visit Event to U.S. Business Establishment

Ethics and Compliance Management

Implementation Organization

Hanwha Aerospace has established a dedicated organization to strengthen Ethics and Compliance Management, proactively preventing compliance violations and systematically responding to a range of legal risks.

Ethics and Compliance Management



The Board of Directors appoints and supervises the Compliance Officer (Fair Trade Compliance Officer) and receives reports at least once a year, through the Compliance Officer, on whether the compliance control standards and related systems are designed effectively and whether the compliance activities based on them are operating appropriately, properly, and effectively. The CEO establishes, maintains, and operates the company's compliance control system in accordance with the compliance control standards and the Board's decisions. To this end, the Compliance Committee chaired by the CEO is convened regularly to review activity results, deliberate on key matters, and present operational directions, ensuring effective operation and oversight. The Compliance Officer is responsible for compliance control duties — including establishing, implementing, and monitoring the compliance control program — and concurrently serves as the Fair Trade Compliance Officer responsible for operating the Fair Trade Compliance Program.

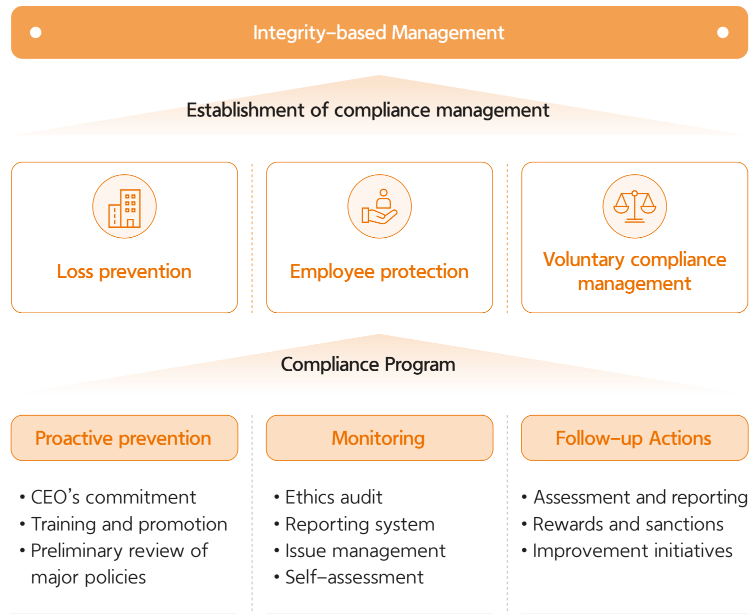
The Compliance Team manages and operates the compliance control system, identifies internal and external compliance issues, analyzes performance, and develops compliance control strategy. The team also provides compliance-related policies and standards to employees and conducts compliance training, inspections, and monitoring. The Compliance Team supports the Compliance Officer, department managers, internal whistleblower investigators, and internal auditors in meeting the competency standards established in the Compliance Control Standards Detailed Implementation Rules, and conducts periodic evaluations. Compliance Managers appointed for each operating unit work with the Compliance Team to support more proactive and efficient voluntary compliance activities in field departments. They disseminate compliance guidelines and work manuals, conduct departmental self-inspections, and foster a company-wide culture of compliance.

Ethics and Compliance Management System

Compliance Management System

Hanwha Aerospace pursues sustainable and sound growth by establishing an ethics and compliance management system and operating various compliance control programs to comply with laws and implement corporate ethics. The company has obtained ISO 37001 (anti-bribery management systems) and ISO 37301 (compliance management systems) certifications. Hanwha Aerospace continues to reinforce its governance for a sustainable future by implementing a Fair Trade Compliance Program to prevent fair trade violations, and by introducing human rights management to protect and promote the human rights of all stakeholders, including employees.

Ethics and Compliance Management Direction



ISO 37001 Certificate

ISO 37301 Certificate

Hanwha Aerospace pursues integrity-based management and, to realize a sustainable future, conducts ethics audits across all business establishments and subsidiaries in which it holds effective management control, and continuously promotes risk management and improvement activities based on the results.

Hanwha Aerospace

INTRODUCTION
ESG HIGHLIGHTS
ESG PERFORMANCE
TCFD Report
Environmental
Social
▶ Governance
ESG FACTBOOK
APPENDIX

Ethics and Compliance Management

Ethics and Compliance Activities

Compliance Regulations

Guided by Hanwha's philosophy of integrity-based management, Hanwha Aerospace has established internal regulations to ensure that ethics and compliance management functions effectively. These regulations are periodically revised to reflect changes in the internal and external legal environment and are presented as substantive standards of conduct for employees.

Ethics and Compliance Management Internal Regulations

Employee Code of Conduct	• Under the subtitle 'Hanwha Standards (H-Standard),' it sets out standards of conduct and attitudes that employees should uphold in their relationships with themselves, the company, and society.
Compliance Control Standards	• Reflects the Ministry of Justice's Changes to Standard Compliance Control Standards for Listed Companies, the introduction of ISO 37001 and ISO 37301[1], and the operation of the Fair Trade Commission's Compliance Program (CP)[2]. Detailed Implementation Rules • Defines specific implementation details, procedures, organization, personnel responsibilities, and detailed items for ensuring compliance with ISO requirements.
Anti-Corruption Regulations	• Provides sound decision-making and ethical judgment standards to comply with domestic and international anti-corruption laws and regulations Detailed Implementation Rules • To support compliance with the Improper Solicitation and Graft Act and the Act on the Prevention of Conflict of Interest Related to Duties of Public Servants, provides practical conduct guidelines, checklists, and reporting forms.

1) Establishment of compliance obligations (Article 2), establishing the basis for supporting compliance control activities of business partners (Article 3), addition of anonymous reporting (Article 18), updating standards and procedures for effectiveness evaluation (Article 21)
2) Compliance Officer concurrently serving as Fair Trade Compliance Officer (Article 6)

Compliance Manual

Based on analysis of risk factors relevant to the company's business, Hanwha Aerospace developed a Compliance Manual that codifies the standards of conduct employees should follow when engaging with domestic and international customers and stakeholders. The Manual is built around eight risk management items that employees should be aware of in the course of their work, helping them faithfully implement ethics and compliance management. The Manual is structured around applicable laws and key provisions, sanctions for violations, checkpoints during execution, anticipated Q&A, and related cases — providing practical guidance for everyday compliance.

Fair Trade Compliance Handbook

Hanwha Aerospace periodically revises the Fair Trade Compliance Handbook, which includes introductory materials for understanding the company's Fair Trade Compliance System, alongside overviews and key compliance requirements of the Monopoly Regulation and Fair Trade Act, the Fair Transactions in Subcontracting Act, and the Act on the Promotion of Mutually Beneficial Cooperation, as well as sanction criteria, cases, precedents, Q&A, and checklists. In 2025, a chapter on unfair trade practices under the Monopoly Regulation and Fair Trade Act was added to support related risk prevention.

Ethics and Compliance Pledge

Hanwha Aerospace conducts an employee compliance pledge at least once a year to reinforce the company's commitment to ethics and compliance management and to foster a company-wide compliance culture. Through this pledge, employees commit to strictly adhering to domestic and international laws and company regulations — including prohibitions on improper solicitations, providing money or entertainment, unfair bidding practices, leakage of defense-related information, and unfair subcontracting. By doing so, employees pledge to maintain a high level of compliance awareness and to perform their duties fairly and transparently in line with the company's compliance policy.

2025 Compliance Pledge Results

Participants	Hanwha Aerospace employees
Period	March 24, 2025 — April 4, 2025 (12 days)
Purpose	• Enhance commitment to compliance through the compliance pledge • Raise compliance awareness among employees and establish a transparent corporate culture • Reflect 2025 compliance index evaluation results

Hanwha Aerospace

Ethics and Compliance Management

STRATEGY

Ethics and Compliance Activities

Ethics and Compliance Training

To strengthen employees' ethics and compliance awareness, Hanwha Aerospace offers universal and diverse training programs to all employees regardless of employment type (full-time, contract, etc.). Beyond basic training for all employees, the program is structured into basic, advanced, and specialized tracks that address risks arising at different levels, functions, and business areas. Employees in departments with a higher likelihood of legal violations receive additional targeted training. The company has also established an "Education/Training Process" manual that systematizes the full cycle from training planning to follow-up actions. Training status is posted on the internal compliance support system so that employees can check it at any time.

Fair Trade and Anti-Corruption Training

Hanwha Aerospace conducts annual basic compliance training for all employees, covering compliance and anti-bribery, with separate training tracks for executives and team leaders. For new hires, quarterly special training was conducted to convey the company's commitment to fair trade and equip new employees for proper work practices. Through CP School, the company's online training platform, employees newly assigned to risk departments and other relevant teams can take fair trade and anti-corruption modules at any time and from any location — with 3,360 participants completing the courses. For high-risk departments, Hanwha Aerospace also provided customized advanced training called "On-Site Tailored Training," comprising 23 modules covering the Monopoly Regulation and Fair Trade Act, the Fair Transactions in Subcontracting Act, the Act on the Promotion of Mutually Beneficial Cooperation, and anti-bribery laws.

Ethics and Compliance Training Program Performance

Category	Training Name	2025 Training Outcomes
Basic Training	Basic Compliance Management Training for All Employees	4,790 participants completed
	Compliance Training for Management	272 participants completed (Executives 51 including CEO; Organizational Heads 221)
	Orientation Training for New and Experienced Employees	844 participants completed (489 new; 355 experienced)
Advanced Training	Practical Compliance Course (Special Training on Subcontracting)	215 participants completed
	On-Site Tailored Training	23 courses, 155 sessions (4,342 participants)
	CP School	3,360 participants completed (7,898 including duplicates)
Specialized Training	Ethics Management Training for Organizational Heads	226 team leaders completed
	Special Subcontracting Training for New Hires	453 participants completed
	Overseas Subsidiary (Vietnam) Training	673 participants completed
	Special Ethics Management Training (Corporate Card)	4,546 participants completed
	Human Rights Training at High-Risk Business Establishments	Conducted at 2 business establishments
	ISO Internal Auditor Training	16 participants completed

Performance Evaluation and Follow-up Actions

Hanwha Aerospace conducts an internal validity evaluation of its compliance management system once a year to ensure it continues to operate appropriately, reporting the results to the CEO and Board of Directors. This effectiveness evaluation plays a crucial role in setting operational directions by reviewing not only the structure and content of the compliance control management system, but also considering changes in the company's external environment and legal risks, as well as the company's ability to respond to these changes. Specific measures are reported in the following year, ensuring continuous improvement and effective operation of the compliance management system. Reflecting management feedback from the 2024 effectiveness evaluation, in 2025 Hanwha Aerospace strengthened ethics management training and revised the Fair Trade Compliance Handbook.

Validity Evaluation Criteria

01 Actions taken on previous management recommendations

02 External and internal issues

03 Changes in stakeholder needs

04 Management system monitoring results
- Comprising18 detailed sub-items based on ISO 37301/37001

Ethics and Compliance Management

Ethics and Compliance Activities

Internal and External Communication

Through various exchanges and activities with government agencies and private organizations, Hanwha Aerospace continuously expresses the company's firm commitment to ethics and compliance management. By continuously participating in the Public-Private Council on Integrity in National Defense (organized by the Ministry of National Defense) and the Public-Private Council on Integrity in Defense Acquisition Projects (organized by the Defense Acquisition Program Administration), the company contributes to establishing a culture of integrity in the defense industry. Hanwha Aerospace participates in the UN Global Compact (UNGC) BIS Summit pledge ceremony and continues to engage with the UNGC. The company has also joined the TI Korea Forum, established by Transparency International Korea, where it continuously works toward anti-corruption and human rights management, and as a member of the Fair Competition Federation, contributes to the dissemination of a fair-trade culture.

Defense Acquisition Program Administration, Integrity in Defense Projects Public-Private Council

Korea Transparency Organization

Compliance Events

Hanwha Aerospace implements various engagement programs for employees to promote a culture of compliance. The company designates one week annually as Compliance Journey Week to operate diverse programs related to compliance management, and continued this initiative in 2025. Through this, the company strives to ensure that employees can easily access its ethics and compliance management philosophy and vision and to increase their understanding of related internal regulations such as the Employee Code of Conduct, compliance control standards, and anti-corruption regulations. The annual Compliance Manager Day event presents the company's ethics and compliance vision, shares yearly activities, and communicates plans for the next year. The company also recognizes outstanding employees to help establish ethics and compliance as part of its organizational culture.

Event	Timing	Activity Details
Compliance Journey Week	July 2025	**Event aimed at establishing a compliance culture** • Compliance Quiz Challenge, Compliance Seminar, internal compliance-regulation engagement events, etc.
Compliance Manager Day	December 2025	**Annual compliance activity results report by department** • Award for outstanding Compliance Manager • Special lecture on compliance management, Fair Trade Voluntary Compliance Initiative, compliance activity performance report, compliance performances, etc.

Compliance Journey Week

Compliance Manager Day

External Evaluation and Awards

Hanwha Aerospace was the first defense company in Korea to simultaneously obtain ISO 37301 (Compliance management) and ISO 37001 (Anti-bribery) certifications, and through continuous follow-up management, the company maintains its compliance policy and risk response framework in line with global standards. Hanwha Aerospace also earned an AA (Excellent) rating in the "Fair Trade Voluntary Compliance Program (CP)" evaluation administered by the Korea Fair Trade Commission in 2024, gaining external recognition for the systematic structure and effectiveness of its internal compliance control system for fair trade compliance. To continuously maintain and strengthen its fair trade voluntary compliance system, and in consideration of the existing rating's validity period (two years, January 1, 2025 — December 31, 2026), the company has re-applied for the rating evaluation, and the evaluation is currently in progress.

Ethics and Compliance Management

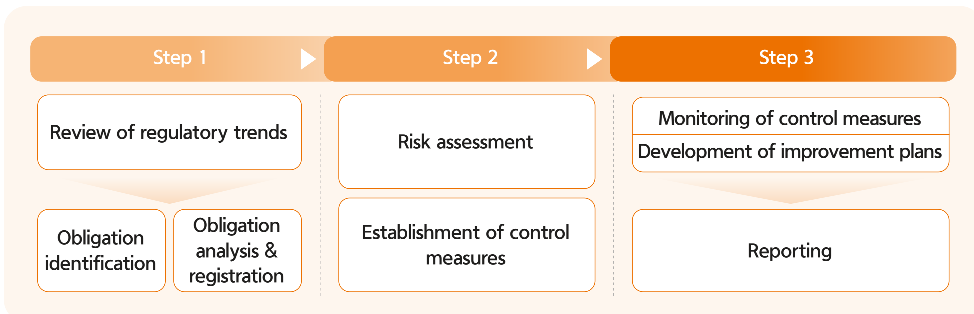
Ethics and Compliance Risk Management

Compliance Risk Management

In relation to its compliance management system, Hanwha Aerospace regularly identifies — by department — compliance obligations that may be subject to violation, based on stakeholder requirements and relevant laws and regulations; the company evaluates the risks and takes appropriate management measures based on the results. To this end, Hanwha Aerospace has established the "Obligation Identification & Analysis, Risk Assessment & Control Measure Setting Process" manual, proceduralizing every aspect of risk management work. Each department, based on this manual, identifies and evaluates its unique risks, sets appropriate control measures and conducts monitoring, and records these processes in the internal compliance support system.

Category	Risks Subject to Management
Fair Trade / Subcontracting	Fair trade (collusive practices, resale price maintenance, unfair trade practices), subcontracting transactions
Product Liability	Manufacturing and quality standards under the Product Liability Act and the Framework Act on Consumers
Intellectual Property / Trade Secrets	Intellectual property rights, trade secret protection, security, personal information protection
Finance / Accounting	Disclosure, insider trading, general shareholders' meeting, board of directors, accounting standards, trade
Environment / Safety	Laws and regulations related to on-site quality, safety, and the environment
Respect for Human Rights	Respect for diversity and prohibition of discrimination, prohibition of sexual harassment and bullying, protection of stakeholder human rights
Anti-Corruption	International laws related to bribery prevention (solicitation, acceptance, embezzlement, misappropriation, and offering of bribes), including the U.S. Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act 2010
Defense Business	Designation of defense materials and defense companies, refund of unfair profits under integrity agreements, defense technology protection

Compliance Risk Management Process



CP (Compliance Program) Operation

Hanwha Aerospace respects the order of a fair and free market economy and seeks to compete in the marketplace in compliance with all applicable laws and regulations. To identify and review risks with a high likelihood of violation and to take appropriate follow-up actions, the company revised the "Compliance Control Standards" (November 2025) and enacted the "Internal Regulations on Fair Trade Voluntary Compliance Operations" (December 2025), thereby specifying the basis criteria for the fair trade voluntary compliance system and risk assessment.

2025 Fair Trade Risk Assessment Results

Through the fair trade risk assessment procedure, Hanwha Aerospace categorized risks into three levels — High, Medium, and Low — based on "likelihood" and "impact." Of the 194 fair trade risks identified in 2025, the company established primary control measures for the 148 cases at Medium level or above. For the 45 cases requiring additional measures, Hanwha Aerospace established secondary control measures and conducted related assessments and monitoring. After one year of implementing the control measures, residual risks were reduced from 57 cases at the High level to 0 cases, and from 91 cases at the Medium level to 5 cases. The remainder was evaluated as 130 cases at the Low level and 13 cases at the Resolved (Accepted) level, confirming an overall reduction in risk.

Fair Trade High-Risk Management Activities

Category	Risks Identified by Level		Total	Control Measures (1st & 2nd Implementation)
	High	Medium		
Subcontracting	56	82	138	• Training (basic / advanced / special) • Pre-consultation / advisory • Pledge collection • Compliance with internal procedures • self-inspection (checklists, etc.) • on-site inspection
Consignment Transactions	1	1	2	
Collusion (Bidding)	–	4	4	
Internal Transactions	–	4	4	

Fair Trade Compliance Activities

Compliance Organizations	• Compliance Committee: oversees CP operations • Fair Trade Compliance Officer: CP operational responsibility and oversight • Compliance Team: practical CP management
Fair Trade Training	• Establish a specialized fair trade course (strengthening fair trade special training tailored to general / related / high-risk departments)
Compliance Officer & Fair Trade Compliance Officer (Concurrent Role)	• The Compliance Officer concurrently serves as Fair Trade Compliance Officer under the Regulations on Fair Trade Compliance Program Operation and Incentives
Voluntary Compliance Program Assessment	• Develop a fair trade voluntary compliance handbook and submit a voluntary-compliance performance report

Hanwha Aerospace

Ethics and Compliance Management

Ethics and Compliance Risk Management

Ethics and Compliance Reporting

To establish a transparent and fair ethics and compliance management framework, Hanwha Aerospace operates a variety of channels through which all employees and external stakeholders may submit suggestions or reports related to ethics and compliance. First, the Compliance Reporting System is hosted on the company website, allowing employees to use it when they face difficulties in complying with regulations during work or have suggestions for improvement. Separately, the Anti-Corruption Reporting System receives reports from external stakeholders and employees regarding unfair work practices, improper acts using one's position, and other misconduct; reports are, in principle, submitted under real names, but anonymous submissions are also permitted.

Whistleblower Protection Measures

Hanwha Aerospace stipulates the protection of internal and external whistleblowers in its "Compliance Control Standards," "Reporting and Management Procedures for Whistleblowing," and related internal regulations, and publicly discloses these measures via the company website, the compliance support system, and other internal channels. In addition to prohibiting any disadvantage to whistleblowers, the company maintains recognition provisions for whistleblowers and contributors to compliance activities, going beyond mere non-retaliation policies.

Category	Description	Basis Regulations
Confidentiality	Strict confidentiality is guaranteed for the whistleblower's personal information and the contents of the report.	• Employee Code of Conduct • Compliance guideline • Company policy for compliance with anti-corruption acts • Internal Regulations on Fair Trade Voluntary Compliance Operations • Reporting and Management Procedures for Whistleblowing
No Retaliation	Whistleblowers are guaranteed protection against any disadvantage in employment or other relations arising from their report.	

Key Reporting Channels

Compliance Reporting System

• Report Types
- Fair-trade violations or concerns such as unfair collusion or unfair subcontracting transactions
- Violations or concerns related to the Improper Solicitation and Graft Act and the U.S. Foreign Corrupt Practices Act (FCPA), including bribery and improper solicitation
- Other business-related violations of laws or regulations

• Responsible Department: Compliance Team, Compliance Support Office

• How to Report
- Email: compliance1@hanwha.com
- Address: Compliance Team, Hanwha Aerospace, Hanwha Building, 86 Cheonggyecheon-ro, Jung-gu, Seoul 04541

Anti-Corruption Reporting System

• Report Types
- Embezzlement or extortion of public funds by employees
- Unfair processing of work or demands for money, goods, or hospitality by employees
- Unfair equity participation in privately held trading companies
- Dual employment of employees
- Other matters that violate the Code of Ethics

• Responsible Department: Business Auditing Team, Business Auditing Office

• How to Report
- Email: aero.audit@hanwha.com
- Address: Business Auditing Team, 1204 Changwon-daero, Seongsan-gu, Changwon-si, Gyeongsangnam-do 51542
- Phone: 02-729-4698 – Fax: 0504-495-5681

Training and Promotion of Reporting Channels

Hanwha Aerospace informs employees of the ethics and compliance reporting channels and how to use them by incorporating related content into training programs and internal communication events — including company-wide basic compliance management training for all employees, orientation training for new hires, and On-Site Tailored Training. By operating multiple channels in parallel, the company minimizes barriers to reporting, ensuring that employees can report — without limitation — not only legal violations, misconduct, and grievances but also any other improper conduct.

Ethics and Compliance Reporting Process

01. Report Submission
- Receive reports through the Compliance Reporting System, the Anti-Corruption Reporting System, and other reporting channels

02. Investigation
- Investigate the alleged misconduct and related matters

03. Resolution
- Take follow-up measures such as disciplinary actions
- Provide feedback on the actions taken
- Strengthen recurrence-prevention activities

When an ethics or compliance report is received, the department operating the reporting channel reviews its contents in accordance with the "Reporting and Management Procedures for Whistleblowing." The department then either transfers the matter to the relevant department or conducts a direct fact-finding investigation, and forwards its opinion on corrective or disciplinary action — based on the investigation results — to the HR department. The HR department then implements follow-up measures, including disciplinary action against the parties involved, through the prescribed procedures under the company-wide Rewards and Disciplinary Regulations.

Risk Management

Risk Management System

Risk Management Implementation Organization

To enable proactive responses and effective follow-up measures for the various risks that may arise during business operations, Hanwha Aerospace has established an enterprise-wide risk management system. Under the CEO's oversight, the Business Planning Team of the Strategic Planning Office oversees company-wide risk management and audit practices, and the company operates dedicated departments for each risk type to enable efficient response. When an issue arises, Hanwha Aerospace enhances the effectiveness of risk management by promptly coordinating with the relevant risk-type department and implementing immediate response measures.

Risk Management Regulations

Hanwha Aerospace operates an enterprise-wide risk management system based on company-wide risk management regulations. These regulations include specific guidelines on the risk identification and assessment process, the establishment of response measures, and the operation of the Risk Council. Through this, the company has established a framework that systematically identifies, proactively prevents, and effectively responds to the various risks that may potentially arise across its overall business operations.

Risk Management Process

01	Risk Identification	Regular and ad-hoc risk assessments • Based on stakeholder demands
02	Risk Analysis & Assessment	Determine risk levels (grades) • Consider frequency of occurrence, severity, and other factors comprehensively
03	Risk Response	Make response decisions • Develop action plans, and report the action plans to the responsible risk department
04	Follow-up Actions	Evaluate response activities • The head of the risk department: Reports the evaluation results to the Board of Directors

Risk Management Organization Chart

CEO

Business Planning Team, Strategic Planning Office

Risk Council

Responsible Departments by Risk Type

ESH Office	Safety, environmental disasters	• Occupational accidents and illnesses • Pollutant / chemical leaks
Security Team	Security / defense-technology-related incidents	• Data leakage • Malware intrusion and hacking
ER Planning Team	Labor relations	• Labor disputes • Anonymous letter
Quality Assurance Office	Quality	• Customer damage due to product defects • Social-issue claims
Procurement Planning Team	Suppliers	• Supply chain disruptions
Compliance Support Office	Unethical business practices	• Sanctions arising from unfair practices such as accounting fraud, tax evasion, and unfair transactions
Communication Office	Media reports	• Litigation and legal proceedings • Misinformation and media activities

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Each Business Group (Business Operations Team) / Business Establishment / Office / Research Center in the affected function (department where the incident occurs)

Risk Management

Risk Identification and Response

Financial Risk

Risk Category		Description	Hanwha Aerospace Response Status
Market	Foreign Exchange Rate, Interest Rate	• Risk of losses from changes in the value of foreign-currency-denominated transactions and financial-statement items due to exchange-rate fluctuations • Risk of losses from changes in interest income / expense on variable-rate deposits and borrowings	• Periodically assess and manage foreign exchange exposure through the foreign-currency receivables / payables management system • Execute borrowings at an appropriate scale based on required funding, and regularly monitor interest-rate trends
Credit	Financial Asset Collection	• Risk of non-recovery of financial assets held by the company (excluding derivatives)	• Implement credit-enhancement policies for financial assets • Secure collateral or payment guarantees from counterparties when signing contracts with new counterparties • Report on collection-delay status and recovery plans for delayed financial assets and take appropriate measures by cause of delay
Liquidity	Non-Derivative Financial Liabilities	• Short-term liquidity risk arising from the maturity of non-derivative financial liabilities • Risk of payment obligations arising from default by subsidiaries for which the company has provided payment guarantees	• Identify liquidity risk in advance through periodic aging analysis of non-derivative financial liabilities • Review payment-guarantee details periodically

Non-Financial Risk

Risk Category	Description	Hanwha Aerospace Response Status
Environment	Climate Change & Environmental Pollution	• Conduct climate-change scenario analysis once a year • Operate the environmental management system based on ISO 14001 • Invest in reducing environmental risks at business establishments, such as expanding wastewater treatment facilities and constructing new waste storage facilities • Continuously monitor environmental regulations and set management standards and periodic inspections for air, water resources, waste, and hazardous chemicals
Health and Safety	Workplace Safety Incidents	• Implement a Permit-to-Work (PTW) system and conduct risk assessments • Operate the occupational health and safety management system based on ISO 45001 • Operate Absolute Safety Rules and manage on-site hazards through worker-participation safety and health communication channels • Reevaluate and enhance the Standard Operating Procedure (SOP), and conduct detailed diagnosis and audits
Quality	Product Quality	• Conduct quality-management reviews based on ISO 9001, DQMS, and AQAP-2110 • Identify quality-process, product, and manufacturing-process risks in advance through internal audits • Manage customer VOC and implement improvement actions • Operate the customer-complaint management framework based on the QIS and CSM systems
Supply Chain	Supplier ESG Risk	• Manage supply-chain transactions based on the integrated electronic procurement system (SRM, Supplier Relationship Management) and the Consigned-Subcontract Transaction System (SDM, Small & Medium-sized business Development Management) • Conduct supplier registration evaluations and regular evaluations of critical suppliers • Provide integrated support for supplier ESG certification / assessment in-depth consulting and on-site improvement consulting • Prevent unfair transactions through the Subcontracting Transaction Review Committee, the Transaction Dispute Mediation Committee, and grievance handling channels
Compliance	Regulatory Compliance	• Identify, assess, and execute control measures for key risks through the Compliance Committee and dedicated organizations • Conduct self-inspection and regular / ad-hoc inspections based on ethics and compliance internal regulations • Strengthen compliance awareness through ethics, anti-corruption, and fair-trade training and the Compliance Pledge • Continuously operate the compliance-activity assessment system to strengthen the ethics and compliance management framework and encourage active employee participation

ESG FACTBOOK

Economic

Consolidated Statement of Financial Position[1)2)]

(Unit: KRW million)

Item	2023	2024	2025
Assets			
Current Assets	9,192,042	22,981,710	30,705,420
Cash and cash equivalents	1,806,359	2,967,733	7,713,356
Other current financial assets	92,828	353,822	188,464
Trade and other current receivables	1,723,943	3,377,790	3,734,950
Current derivative financial assets	1,855	6,446	27,519
Contract assets	402,531	5,518,509	6,487,721
Current Inventories	2,868,572	6,404,051	7,741,658
Other current assets	2,251,352	4,308,999	4,767,409
Non-current assets or disposal groups classified as held for sale or for distribution to owners	44,601	44,360	44,343
Non-current assets	10,350,858	20,580,224	23,248,250
Other non-current financial assets	651,628	1,104,204	1,893,221
Trade and other non-current receivables	144,005	408,324	303,617
Non-current derivative financial assets	36,811	81,542	11,248
Other non-current assets	227,288	212,258	121,845
Property, plant and equipment	3,410,332	8,385,866	9,524,442
Intangible assets and goodwill	2,202,808	7,756,320	7,497,790
Investments in associates and joint ventures	3,203,778	965,841	2,190,158
Right-of-use assets	231,150	421,029	442,823
Deferred tax assets	243,059	1,244,840	1,263,106
Total Assets	**19,542,900**	**43,561,934**	**53,953,670**
Liabilities			
Current liabilities	12,076,598	25,516,145	29,976,397
Trade and other current payables	1,879,294	4,269,928	6,041,072
Contract liabilities	1,382,331	13,647,933	15,990,679
Current lease liabilities	70,982	81,315	83,443
Current borrowings	2,538,080	6,117,727	6,982,167
Current derivative financial liabilities	3,497	361,959	66,699
Current provisions for employee benefits	5,958	97,493	48,559
Current tax liabilities	130,917	378,856	385,687
Other current liabilities	6,062,296	555,558	350,458
Other current financial liabilities	3,243	5,375	27,632
Non-current liabilities	2,782,077	6,553,783	7,189,088
Trade and other non-current payables	342,258	439,685	572,289
Non-current lease liabilities	159,929	329,386	347,045
Non-current portion of non-current borrowings	1,401,027	4,164,783	5,412,719
Non-current provisions for employee benefits	668,424	851,476	669,610
Non-current derivative financial liabilities	16,000	53,182	3,651
Deferred tax liabilities	120,975	592,983	27,565
Other non-current liabilities	6,871	46,305	87,207
Other non-current financial liabilities	66,593	75,984	69,003
Total liabilities	**14,858,675**	**32,069,927**	**37,165,485**
Equity			
Equity attributable to owners of the parent	3,528,357	4,995,125	9,684,907
Issued capital	265,650	240,406	270,317
Capital surplus	191,832	(510,432)	2,887,295
Elements of other stockholders equity	(2,198)	(21,020)	(21,020)
Other comprehensive income/loss accumulated amount	445,656	539,651	565,579
Retained earnings	2,627,418	4,746,520	5,982,736
Non-controlling interests	1,155,868	6,496,882	7,103,278
Total equity	**4,684,225**	**11,492,007**	**16,788,185**
Total equity and liabilities	19,542,900	43,561,934	53,953,670

1) Based on the annual report. Figures may not sum due to rounding.
2) The FY2024 financial information represents restated figures in which the provisional amounts have been retrospectively adjusted, in accordance with the accounting standards for business combinations, to reflect additional information about facts and circumstances that existed as of the acquisition date. (For details, refer to "Note 45. Business Combinations" in the consolidated financial statements of the Annual Report.)

Economic

Economic Value Creation and Distribution

Category		Unit	2023	2024	2025
Total Economic Value Generated					
Customers	Revenue	KRW million	4,978,993	7,935,102	9,525,138
Total Economic Value Distributed					
Employees	Employee Benefits Expenses[1]	KRW million	795,443	1,196,858	1,300,239
	Employee Benefits[1]	KRW million	77,205	112,413	150,552
Suppliers	Purchase Costs	KRW million	4,047,079	5,278,929	3,623,187
Shareholders	Total Dividends[1]	KRW million	91,025	159,133	360,142
Creditors	Interest Expenses[1]	KRW million	104,281	189,161	223,823
Government	Corporate Income Tax[1]	KRW million	127,089	389,957	488,569
	Taxes and Due[1]	KRW million	10,002	12,579	15,612
Local Community	Total Donations	KRW million	8,383	14,850	19,862

1) Data for 2023 and 2024 have been restated due to a change in metric definition; figures are on a Hanwha Aerospace non-consolidated basis.

Contributions and Other Expenditures

Category	Unit	2023	2024	2025
Association Membership Fees	KRW million	2,278	1,973	3,558
Lobbying and Interest Group Contributions	KRW million	0	0	0
Political Contributions	KRW million	0	0	0
Other	KRW million	0	0	0

Stock Ownership Status

Category		Unit	2023	2024	2025
Shareholding Ratios	Hanwha Corporation	%	34.0	34.0	32.2
	CEO	%	0.02	0.02	0.03
	National Pension Service	%	9.1	7.4	7.9
Total Shares Issued	Total Issued Shares	Shares	50,630,000	45,581,161	51,563,401
Outstanding Shares	Outstanding Shares	Shares	50,569,412	45,466,548	51,448,788

Research and Development (R&D)[1]

Category		Unit	2023	2024	2025
R&D Investment	R&D Expenses	KRW million	814,168	887,856	1,065,119
	R&D-to-Sales Ratio[2]	%	9.0	7.9	4.0

1) Consolidated basis.
2) 2023 data revised due to a correction of an earlier error.

Government Financial Support[1]

Category	Unit	2023	2024	2025
Government Subsidies	KRW million	11,552	12,561	29,278

1) Consolidated basis.

Environmental

Greenhouse Gas (GHG) Emissions

Category		Unit	2023	2024	2025
Total GHG emissions[1]					
Total GHG emissions (Scope 1 + location-based Scope 2)[2]		tCO_2eq	102,318	114,390	121,745
Total GHG emissions (Scope 1 + market-based Scope 2)		tCO_2eq	102,318	114,390	121,745
Scope 1 emissions		**tCO_2eq**	**32,160**	**37,211**	**40,333**
Scope 2 emissions					
(Location-based) Gross Scope 2 emissions		tCO_2eq	70,158	77,179	81,412
(Market-based) Gross Scope 2 emissions		tCO_2eq	70,158	77,179	81,412
Scope 3 emissions[3]		**tCO_2eq**	**547,885**	**445,288**	**473,041**
Upstream	Total Scope 3 upstream GHG emissions[4]	tCO_2eq	160,223	203,933	192,704
	① Purchased goods and services	tCO_2eq	96,093	140,651	126,751
	② Capital goods	tCO_2eq	41,717	31,565	31,053
	③ Fuel- and energy-related activities	tCO_2eq	7,473	13,516	1,365
	④ Upstream transportation and distribution	tCO_2eq	624	1,291	1,368
	⑤ Waste generated in operations	tCO_2eq	1,496	2,074	2,970
	⑥ Business travel	tCO_2eq	8,700	10,546	11,357
	⑦ Employee commuting	tCO_2eq	4,120	4,289	4,578
	⑧ Upstream leased assets	tCO_2eq	0	0	0
Downstream	Total Scope 3 downstream GHG emissions[3][4]	tCO_2eq	387,662	241,355	280,337
	⑨ Downstream transportation and distribution	tCO_2eq	2,032	2,931	2,227
	⑩ Processing of sold products	tCO_2eq	0	0	0
	⑪ Use of sold products	tCO_2eq	238,153	80,246	92,553
	⑫ End-of-life treatment of sold products	tCO_2eq	102	120	112
	⑬ Downstream leased assets	tCO_2eq	3,737	7,151	6,178
	⑭ Franchises	tCO_2eq	0	0	0
	⑮ Investments[3]	tCO_2eq	143,638	150,905	179,266
CO_2 emissions from biomass					
Scope 1		tCO_2eq	45	26	31
Scope 2		tCO_2eq	0	0	0
Scope 3		tCO_2eq	0	0	0
GHG emissions intensity		**tCO_2eq/ KRW 100 million**	**2.05**	**1.44**	**1.28**

1) Greenhouse gas emissions are increased due to higher production volumes and business expansion.
2) 2024 data corrected based on the Ministry of Environment's conformity assessment criteria.
3) 2023-2024 data revised due to a correction of an earlier error.
4) Figures may not sum due to rounding.

Environmental

Energy Consumption

Category			Unit	2023	2024	2025
Total energy consumption[1]			TJ	2,011	2,242	2,379
Fuel consumption	Subtotal		TJ	549	635	681
	Non-renewable fuel		TJ	549	635	681
Purchased electricity / steam / heating / cooling consumption	Non-renewable energy	Subtotal[1)2)]	TJ	1,451	1,598	1,687
		Electricity[1]	TJ	1,400	1,539	1,623
		Steam	TJ	51	58	64
Self-generated renewable energy consumption	Subtotal		TJ	11	10	11
	Electricity		TJ	11	10	11
Renewable energy	Total renewable energy consumption		TJ	11	10	11
	Share of total energy consumption		%	0.5	0.4	0.4
Total non-renewable energy consumption[1]			TJ	2,000	2,232	2,368
Energy intensity			**TJ/ KRW 100 million**	**0.04**	**0.03**	**0.02**
Energy sold			**TJ**	**0**	**0**	**0**

1) 2024 data revised due to a correction of an earlier error.
2) Figures for 2024 may not sum due to rounding.

Air Pollutant Emissions

Category	Unit	2023	2024	2025
Total air pollutant emissions	ton	17.7	27.8	31.5
NOx	ton	13.9	21.4	22.9
SOx	ton	0.6	0.7	2.2
PM	ton	3.2	5.6	6.4

Water Pollutant Discharges

Category	Unit	2023	2024	2025
TOC	ton	11.9	21.4	20.4
BOD	ton	10.7	14.5	23.1
SS	ton	42.9	42.8	28.6

Ozone-Depleting Substances

Category	Unit	2023	2024	2025
Production	tCFC-11eq	0	0	0
Imports	tCFC-11eq	0.100	0.017	0.001
Exports	tCFC-11eq	0.100	0.021	0.001

Hazardous Chemicals

Category	Unit	2023	2024	2025
Hazardous chemicals use	ton	16,003	19,743	15,022
Chemical emissions	ton	0.9	3.2	0.9

INTRODUCTION
ESG HIGHLIGHTS
ESG PERFORMANCE
ESG FACTBOOK
Economic
▶ Environmental
Social
Governance
APPENDIX

Environmental

Water Consumption and Withdrawal

Category			Unit	2023	2024	2025
Water consumption			**m³**	**1,164,775**	**1,348,677**	**1,510,507**
Water withdrawal[1]			**m³**	**1,802,487**	**2,029,353**	**2,094,334**
Changwon Business Establishment 1	Subtotal		m³	230,274	245,618	268,619
	Fresh water	Third-party sources	m³	230,274	245,618	268,619
Changwon Business Establishment 2	Subtotal		m³	41,267	42,328	39,068
	Fresh water	Groundwater	m³	20,835	22,337	21,605
		Third-party sources	m³	20,432	19,991	17,463
Changwon Business Establishment 3	Subtotal		m³	73,149	78,050	95,574
	Fresh water	Third-party sources	m³	73,149	78,050	95,574
Asan Business Establishment	Subtotal		m³	22,601	19,833	19,605
	Fresh water	Third-party sources	m³	22,601	19,833	19,605
Daejeon Business Establishment[1]	Subtotal		m³	73,779	85,267	118,847
	Fresh water	Third-party sources	m³	73,779	85,267	118,847
Daejeon R&D Campus	Subtotal		m³	14,026	17,598	19,099
	Fresh water	Third-party sources	m³	14,026	17,598	19,099
Pangyo R&D Campus	Subtotal		m³	60,993	65,006	68,966
	Fresh water	Third-party sources	m³	60,993	65,006	68,966
Boeun Business Establishment	Subtotal		m³	432,068	584,848	594,270
	Fresh water	Groundwater	m³	432,068	584,848	594,270
Yeosu Business Establishment	Subtotal		m³	854,330	890,805	870,286
	Fresh water	Groundwater	m³	73,458	78,052	70,801
		Third-party sources	m³	780,872	812,753	799,485

Category		Unit	2023	2024	2025
Water reused and recycled		**m³**	**619**	**594**	**555**
Water discharge		**m³**	**637,712**	**680,676**	**583,827**
Discharge to surface water		m³	0	0	0
Discharge to groundwater		m³	0	0	0
Discharge to seawater		m³	0	0	0
Other discharge (treated by third-party operators)		m³	637,712	680,676	583,827
Water use and discharge in water-stressed areas					
Water consumption in water-stressed areas		**m³**	**818,198**	**981,108**	**1,092,051**
Water withdrawal in water-stressed areas		**m³**	**1,374,203**	**1,578,518**	**1,602,502**
Freshwater	Groundwater	m³	505,526	662,900	665,071
	Third-party sources	m³	868,677	915,618	937,431
Water discharge in water-stressed areas		**m³**	**556,005**	**597,410**	**510,451**
Freshwater		m³	556,005	597,410	510,451
Change in water storage		**m³**	**0**	**0**	**0**

1) 2023 data revised due to a correction of an earlier error.

Environmental

Waste

Category			Unit	2023	2024	2025
Waste generation[1]			**ton**	**5,563**	**5,822**	**7,334**
General waste			ton	3,129	3,451	4,525
Designated (hazardous) waste[1]			ton	1,862	2,269	2,705
Construction waste			ton	573	101	104
Waste disposal[2]			**ton**	**5,563**	**5,822**	**7,334**
General waste			**ton**	**3,128**	**3,451**	**4,525**
By type	Diverted from disposal	Recycling	ton	2,223	2,787	3,292
	Directed to disposal	Incineration (without energy recovery)	ton	436	419	575
		Landfill	ton	295	199	284
		Other	ton	174	46	374
By method	Diverted from disposal	Off-site processing	ton	2,223	2,787	3,292
	Directed to disposal	On-site processing	ton	73	86	99
		Off-site processing	ton	832	578	1,134
Designated (hazardous) waste			**ton**	**1,862**	**2,269**	**2,705**
By type	Diverted from disposal	Recycling	ton	1,613	1,932	1,932
	Directed to disposal	Incineration (without energy recovery)[1]	ton	165	241	248
		Landfill	ton	16	24	28
		Other	ton	67	72	496
By method	Diverted from disposal	Off-site processing	ton	1,613	1,932	1,932
	Directed to disposal	Off-site processing[1]	ton	248	337	773
Construction waste			**ton**	**573**	**101**	**104**
By type	Directed to disposal	Other	ton	573	101	104
By method	Directed to disposal	Off-site processing	ton	573	101	104
Waste recycling rate			**%**	**69.0**	**81.1**	**71.2**
Total recycled volume[2]			**ton**	**3,837**	**4,719**	**5,224**

1) 2024 data revised due to a correction of an earlier error.
2) Figures for 2023 may not sum due to rounding.

Materials Use

Category	Unit	2023	2024	2025
Total major materials used	ton	38,471	52,560	45,880

Environmental Management System (EMS)

Category	Unit	2023	2024	2025
Share of sites with ISO 14001 certification	%	33.3	33.3	33.3

Green Procurement

Category	Unit	2023	2024	2025
Green procurement spending	KRW million	166	331	49
Green procurement share of total purchasing	%	0.0041	0.0063	0.0013

Low-Emission Vehicle

Category	Unit	2023	2024	2025
Share of low-emission vehicles	**%**	**1.2**	**1.0**	**0.7**
Number of low-emission vehicles	Vehicles	4	3	3
Total number of vehicles owned	Vehicles	325	310	446

Social

Employee Status

Category			Unit	2023	2024	2025
Total number of employees and executives			Persons	6,819	7,662	8,172
Registered executives[1][2]			Persons	3	3	4
Employees			Persons	6,816	7,659	8,168
By gender	Male		Persons	6,298	7,019	7,395
	Male share		%	92.4	91.6	90.5
	Female		Persons	518	640	773
	Female share		%	7.6	8.4	9.5
By employment type	Permanent	Subtotal	Persons	6,368	6,895	7,572
		Male	Persons	5,884	6,306	6,864
		Female	Persons	484	589	708
	Temporary	Subtotal	Persons	448	764	596
		Male	Persons	414	713	531
		Female	Persons	34	51	65
By position	Top management[3]		Persons	107	123	118
	Middle management[1][4]		Persons	2,502	2,769	3,042
	Junior management[1][5]		Persons	518	542	645
	Staff		Persons	521	766	1,203
	Others[6]		Persons	3,168	3,459	3,160
By age group	Under 30 years old		%	11.0	15.7	17.1
	30–50 years old		%	62.6	60.1	60.1
	Over 50 years old		%	26.4	24.2	22.8
Non-employees[1]			Persons	1,026	1,178	979

1) Data for 2023 and 2024 have been restated due to a change in metric definition.
2) Inside directors
3) Non-registered executives
4) Manager, senior manager, general manager
5) Assistant Manager; Data for 2023 have been restated due to a change in metric definition.
6) Advisors, specialists, and specialized contract workers

Diversity

Category		Unit	2023	2024	2025
Gender diversity					
Female representation in management	Total management (Junior-Top management)[1]	%	8.5	9.1	9.4
	Top management	%	2.8	2.4	2.5
	Middle management	%	6.6	7.2	7.4
	Junior management	%	18.7	20.3	20.0
Female representation by function	Revenue-generating functions[2] — Management	%	5.6	6.4	7.0
	STEM functions[3]	%	8.0	9.6	10.2
Workforce diversity					
Employment rate of persons with disabilities[1][4]		%	1.8	2.1	2.2
Employment rate of persons of national merit		%	3.8	2.7	2.4
Nationality diversity					
Employees					
Share by region	Republic of Korea	%	99.0	99.1	99.0
	Asia (excluding Republic of Korea)	%	0.4	0.3	0.4
	Middle East	%	0.1	0.2	0.2
	Americas	%	0.3	0.2	0.2
	Europe and Africa	%	0.2	0.2	0.2
Headcount by region	Republic of Korea	Persons	6,752	7,592	8,085
	Asia (excluding Republic of Korea)	Persons	24	24	30
	Middle East	Persons	6	13	19
	Americas	Persons	21	17	19
	Europe and Africa	Persons	13	13	15
Management (Junior to Top management)					
Share by region	Republic of Korea	%	98.0	98.1	97.9
	Asia (excluding Republic of Korea)	%	0.8	0.7	0.8
	Middle East	%	0.2	0.3	0.4
	Americas	%	0.6	0.5	0.5
	Europe and Africa	%	0.4	0.4	0.4
Headcount by region	Republic of Korea	Persons	3,064	3,368	3,724
	Asia (excluding Republic of Korea)	Persons	24	24	30
	Middle East	Persons	5	12	17
	Americas	Persons	21	17	19
	Europe and Africa	Persons	13	13	15

1) Data for 2023 and 2024 have been restated due to a change in metric definition.
2) Business divisions (excluding R&D centers), Procurement, Quality Assurance, Cost, and Business Groups; excludes staff functions and R&D functions.
3) R&D functions, Systems Engineering, Production Engineering, Manufacturing Engineering, Process, Quality, and intra-division development organizations; excludes staff functions, specialists, and non-development functions within business units.
4) Based on the disability employment levy filing criteria.

INTRODUCTION
ESG HIGHLIGHTS
ESG PERFORMANCE
ESG FACTBOOK
Economic
Environmental
▶ Social
Governance
APPENDIX

Social

Recruitment

Category			Unit	2023	2024	2025
New employee hires[1]			**Persons**	**844**	**1,350**	**1,332**
By gender	Male		Persons	753	1,187	1,129
	Male share		%	89.2	87.9	84.8
	Female		Persons	91	163	203
	Female share		%	10.8	12.1	15.2
By age group	Under 30 years old		Persons	426	775	808
	Under 30 years old share		%	50.5	57.4	60.6
	30–50 years old		Persons	307	497	458
	30–50 years old share		%	36.4	36.8	34.4
	Over 50 years old		Persons	111	78	66
	Over 50 years old share		%	13.1	5.8	5.0
By region	Share	Republic of Korea	%	100.0	100.0	99.8
		Asia (excluding Republic of Korea)	%	0.0	0.0	0.1
		Middle East	%	0.0	0.0	0.1
		Americas	%	0.0	0.0	0.0
		Europe and Africa	%	0.0	0.0	0.0
	Headcount	Republic of Korea	Persons	844	1,350	1,330
		Asia (excluding Republic of Korea)	Persons	0	0	1
		Middle East	Persons	0	0	1
		Americas	Persons	0	0	0
		Europe and Africa	Persons	0	0	0
Internal hiring rate[2]			**%**	**N/A**	**N/A**	**23.5**
Average hiring cost per permanent employee			**KRW million / person**	**6.1**	**7.3**	**9.7**

1) Data for 2023 and 2024 have been restated due to a change in metric definition.
2) Data collection began in 2025; based on Job Market and job rotation headcount.

Turnover and Retirement

Category		Unit	2023	2024	2025
Total turnover[1]		**Persons**	**372**	**526**	**837**
Voluntary turnover		**Persons**	**210**	**248**	**258**
By gender	Male	Persons	347	483	765
	Female	Persons	25	43	72
By age group	Under 30 years old	Persons	70	198	430
	30–50 years old	Persons	139	135	188
	Over 50 years old	Persons	163	193	219
Total turnover rate		**%**	**5.5**	**6.9**	**10.2**
Voluntary turnover rate		%	3.1	3.2	3.2
By gender[1]	Male	%	5.5	6.9	10.3
	Female	%	4.8	6.7	9.3
By age group	Under 30 years old	%	9.3	16.5	30.7
	30–50 years old	%	3.3	2.9	3.8
	Over 50 years old	%	9.1	10.4	11.8

1) Data for 2023 and 2024 have been restated due to a change in metric definition.

Employee Satisfaction

Category	Unit	2023	2024	2025
Satisfaction survey response rate[1]	%	N/A	84.6	76.2

1) Data collection began in 2024.

Social

Remuneration and Pay Gap

Category			Unit	2023	2024	2025
Gender pay gap (hourly)						
Mean gender pay gap[1]			%	16.0	13.4	16.2
Median gender pay gap[2]			%	18.7	20.7	24.6
Mean gender bonus gap[3]			%	52.3	41.9	43.5
Median gender bonus gap[4]			%	48.6	41.3	38.3
Average remuneration by gender						
Average remuneration per person						
Base salary	Executive level[5]	Male	KRW million	1,429	1,594	1,089
		Female[6]	KRW million	–	–	–
	Management level[7]	Male	KRW million	78	91	92
		Female	KRW million	70	80	78
	Non-management level[8]	Male	KRW million	55	60	67
		Female	KRW million	43	53	61
Total remuneration (Base + Variable)	Executives level	Male	KRW million	1,488	1,603	1,095
		Female[6]	KRW million	–	–	–
	Management level	Male	KRW million	114	135	142
		Female	KRW million	98	115	118
	Non-management level	Male	KRW million	83	102	114
		Female	KRW million	54	74	86
Female-to-male average remuneration ratio by position						
Executives[6]	Base salary		%	–	–	–
	Total remuneration (Base + Bonus)		%	–	–	–
Management	Base salary		%	90.6	87.9	84.4
	Total remuneration (Base + Bonus)		%	85.7	85.1	83.1
Non-management	Base salary		%	77.8	88.1	91.9
	Total remuneration (Base + Bonus)		%	65.0	72.6	75.4
Annual total remuneration ratio						
Ratio of highest-paid individual's annual total remuneration to the median annual total remuneration of all employees			Ratio	1:32.2	1:25.8	1:39.3

1) (Male employees' average hourly pay – Female employees' average hourly pay) ÷ Male employees' average hourly pay × 100
2) (Male employees' median pay – Female employees' median pay) ÷ Female employees' median pay × 100
3) (Male employees' average hourly variable pay – Female employees' average hourly variable pay) ÷ Female employees' average hourly variable pay × 100
4) (Male employees' median hourly variable pay – Female employees' median hourly variable pay) ÷ Female employees' median hourly variable pay × 100
5) Registered inside directors; includes settlement amounts received under settlement agreements with concurrently held companies for the concurrent service periods; excludes remuneration for periods of service prior to appointment as a registered executive.
6) Not calculated as there were no female executives in the relevant year.
7) Assistant manager, manager, senior manager, general manager, non-registered executives
8) Staff, advisors, specialists, and specialized contract workers

Retirement Pension Plans[1]

Category	Unit	2023	2024	2025
Present value of defined benefit obligation	KRW million	479,686	591,160	661,134
Fair value of plan assets	KRW million	(175,979)	(250,731)	(386,179)

1) Data for 2023 and 2024 have been restated due to a change in metric definition; based on Hanwha Aerospace's separate (non-consolidated) basis.

Parental Leave

Category		Unit	2023	2024	2025
Parental leave usage					
Employees eligible for parental leave	Subtotal	Persons	1,846	1,735	1,591
	Male	Persons	1,709	1,598	1,464
	Female	Persons	137	137	127
Employees who took parental leave[1]	Subtotal	Persons	88	93	103
	Male	Persons	54	54	70
	Female	Persons	34	39	33
Return-to-work from parental leave					
Employees who returned to work after parental leave[2]	Subtotal	Persons	66	65	72
	Male	Persons	39	40	52
	Female	Persons	27	25	20
Return-to-work rate after parental leave	Overall	%	98.5	100.0	94.7
	Male	%	97.5	100.0	98.1
	Female	%	100.0	100.0	87.0

1) 2023 data restated to include parental leave usage by the absorbed entity following the April 2023 merger with Hanwha Defense.
2) Data for 2023 and 2024 have been restated due to a change in metric definition.

Social

Occupational Health and Safety

Category			Unit	2023	2024	2025
Occupational health and safety management system						
OHSMS Certification						
Share of employees covered by certified OHSMS[1]			%	73.9	71.1	100.0
Share of sites covered by certified OHSMS			%	66.7	66.7	100.0
Safety risk assessment						
Share of sites with risk assessment conducted			%	100.0	100.0	100.0
Workplace safety performance						
Workplace incidents						
Employees	Serious accidents	Number of serious accidents	Cases	1[2]	0	0
	Work-related injuries	Number of work-related injuries[1]	Cases	12	13	11
		Industrial accident rate[1][3]	%	0.19	0.17	0.15
		Number of injured workers	Persons	13	13	12
		Lost-time injury frequency rate (LTIFR)[1][4]	Cases per 1,000,000 hours worked	0.92	0.81	0.58
			Cases per 200,000 hours worked	0.18	0.16	0.12
		Lost-time injuries (LTI)[1]	Cases	13	13	10
	Recordable injuries	Total recordable incident rate (TRIR)	Cases per 1,000,000 hours worked	0.99	0.81	0.70
		Recordable work-related injuries (RI)[1]	Cases	14	13	12
Non-employees	Serious accidents	Number of serious accidents	Cases	0	0	0
	Work-related injuries	Number of work-related injuries	Cases	3	3	0
		Industrial accident rate	%	0.12	0.11	0.00
		Number of injured workers	Persons	3	3	0
		Lost-time injury frequency rate (LTIFR)	Cases per 1,000,000 hours worked	0.57	0.53	0.00
			Cases per 200,000 hours worked	0.11	0.11	0.00
		Lost-time injuries (LTI)	Cases	3	3	0
	Recordable injuries	Total recordable incident rate (TRIR)	Cases per 1,000,000 hours worked	0.57	0.53	0.00
		Recordable work-related injuries (RI)	Cases	3	3	0

Category			Unit	2023	2024	2025
Work-related ill health						
Cases of recordable work-related ill health	Employees		Cases	4	1	2
	Non-employees		Cases	0	0	0
Work-related fatalities						
Number of work-related fatalities	Total		Persons	2	0	0
	Employees	Subtotal	Persons	2	0	0
		Fatalities from work-related injuries and accidents	Persons	2[2]	0	0
		Fatalities from work-related ill health	Persons	0	0	0
	Non-employees	Subtotal	Persons	0	0	0
		Fatalities from work-related injuries and accidents	Persons	0	0	0
		Fatalities from work-related ill health	Persons	0	0	0

1) Data for 2023 and 2024 have been restated due to a change in metric definition.
2) The Company received a no-charge decision regarding this case under the Occupational Safety and Health Act and the Serious Accidents Punishment Act.
3) Calculated based on Korea Workers' Compensation and Welfare Service criteria and internal management criteria (occurrence date basis); may differ from the Ministry of Employment and Labor's injury rate calculation criteria (approval date basis).
4) Number of lost-time injuries (accident-related) × conversion factor (1,000,000 or 200,000) ÷ total working hours

Collective Bargaining

Category	Unit	2023	2024	2025
Share of employees covered by collective bargaining agreements[1]	%	35.0	30.6	29.7

1) Certain provisions of the collective bargaining agreements apply equally to all employees, including those who are not union members.

Social

Employee Training

Category		Unit	2023	2024	2025
Training expenditure					
Total training expenditure[1]		KRW million	3,165	7,122	11,761
Average training expenditure per employee		KRW 10,000 / person	46	93	144
Training participants					
Number of employees who completed training		Persons	6,017	6,418	7,700
Training hours					
Average training hours per employee[1]		Hours/person	9.7	4.6	23.9
Total employee training hours		Hours	65,838	35,164	195,081
By gender[1]	Male	Hours/person	9.2	4.5	21.3
	Female	Hours/person	15.3	5.8	48.8
By position	Top management	Hours/person	6.6	4.4	7.9
	Middle management	Hours/person	16.6	6.8	20.5
	Junior management	Hours/person	19.8	7.0	31.5
	Staff	Hours/person	6.4	4.8	81.6
	Others	Hours/person	3.2	2.4	4.2

1) Data for 2023 and 2024 have been restated due to a change in metric definition.

Performance Evaluation

Category		Unit	2023	2024	2025
Share of employees receiving regular performance reviews					
By gender	Male	%	100.0	100.0	100.0
	Female	%	100.0	100.0	100.0
By position	Senior management	%	100.0	100.0	100.0
	Middle management	%	100.0	100.0	100.0
	Junior management	%	100.0	100.0	100.0
	Staff	%	100.0	100.0	100.0
	Others	%	100.0	100.0	100.0

Human Capital Investment

Category	Unit	2023	2024	2025
HC ROI(a–(b–c))/c	%	1.6	2.1	2.4
Total revenue (a)	KRW million	4,978,993	7,935,102	9,525,138
Total operating expenses (b)	KRW million	4,459,895	6,435,401	7,502,533
Total employee-related expenses (c)[1]	KRW million	875,812	1,316,392	1,462,552

1) Sum of employee salary expenses, welfare benefits, and education and training expenses.

Human Rights Management

Category		Unit	2023	2024	2025
Human rights grievance mechanism[1]					
Operating results	Cases received	Case	N/A	N/A	12
	Cases under investigation	Case	N/A	N/A	0
	Cases with remedial / mitigation plans established	Case	N/A	N/A	12
	Cases resolved	Case	N/A	N/A	12
	Resolution rate	%	N/A	N/A	100.0
Grievance type	Discrimination and harassment	Case	N/A	N/A	12
	Other human rights incidents (excluding discrimination and harassment)	Case	N/A	N/A	0
Human rights impact assessment					
Assessment coverage	Share of sites where human rights impact assessment was conducted	%	100.0	100.0	100.0
Risk identification[2]	Share of sites with identified human rights risks	%	N/A	20.0	30.0
Remediation actions[2]	Share of risk-identified sites with mitigation actions implemented	%	N/A	100.0	–[3]
	Number of sites with mitigation / improvement plans established	Sites	N/A	2	3

1) Data collection began in 2025.
2) Data collection began in 2024.
3) Scheduled for implementation in the second half of 2026.

Social

Supply Chain Management

Category			Unit	2023	2024	2025
Number of suppliers						
Total number of suppliers[1]			Suppliers	1,801	967	430
New suppliers			Suppliers	1	4	0
Tier-1 suppliers	Total Tier-1 suppliers		Suppliers	431	363	430
	Total significant Tier-1 suppliers		Suppliers	56	56	55
Non-Tier-1 suppliers	Total significant Non-Tier-1 suppliers		Suppliers	33	35	34
Significant suppliers	Total significant suppliers		Suppliers	89	91	89
Supplier risk mitigation						
Share of suppliers that signed the Supplier Code of Conduct[2]			%	N/A	37.5	100.0
Share of suppliers that signed contracts containing ESG clauses			%	23.9	37.5	100.0
Supplier assessment						
Sustainability (ESG) assessment						
Suppliers assessed		Number	Suppliers	77	196	268
		Share[3]	%	4.3	20.3	62.3
Significant suppliers assessed[4]		Number	Suppliers	N/A	N/A	40
		Share	%	N/A	N/A	44.9
Environmental criteria screening						
Suppliers screened using environmental criteria		Number	Suppliers	110	130	174
		Share	%	6.1	13.4	40.5
Suppliers identified as having significant negative environmental impacts		Number	Suppliers	0	0	0
		Share with on-site inspections conducted	%	-	-	-
Suppliers with identified negative impacts that implemented corrective actions		Number	Suppliers	0	0	0
		Share	%	-	-	-
Suppliers with contracts terminated due to environmental assessment results		Number	Suppliers	0	0	0
		Share	%	-	-	-

Category		Unit	2023	2024	2025
Social criteria screening					
Suppliers screened using social criteria	Number	Suppliers	46	66	106
	Share	%	2.6	6.8	24.7
Suppliers identified as having significant negative social impacts	Number	Suppliers	0	0	0
	Share with on-site inspections conducted	%	-	-	-
Suppliers with identified negative impacts that implemented corrective actions	Number	Suppliers	0	0	0
	Share	%	-	-	-
Suppliers with contracts terminated due to social assessment results	Number	Suppliers	0	0	0
		%	-	-	-
Supplier grievance mechanism					
Cases received		Case	4	3	8
Cases resolve		Case	4	3	8
Resolution rate		%	100.0	100.0	100.0
Shared Growth					
Shared Growth Index rating		Rating	Excellent	Excellent	Excellent

1) From 2025, the calculation scope is limited to regular Tier-1 suppliers; previously, the scope included all suppliers including one-time-transaction suppliers.
2) Data collection began in 2024.
3) Data for 2023 and 2024 have been restated due to a change in metric definition.
4) Data collection began in 2025.

Social

Customer Satisfaction

Category	Unit	2023	2024	2025
Customer satisfaction survey score[1)2)]	Score	92.8	90.9	92.0

1) Calculated based on the average of scores by sector: Land, Aerospace, and PGM.
2) Data for 2023 and 2024 have been restated due to a change in metric definition; includes results for Aviation and PGM divisions.

Local Community

Category	Unit	2023	2024	2025
Total donations	**KRW million**	**8,383**	**14,850**	**19,862**
Company donations[1)]	KRW million	7,982	14,333	19,324
Employee donations	KRW million	400	517	538
Number of beneficiaries	Persons	84,717	248,159	178,171

1) Data for 2023 and 2024 have been restated due to a change in metric definition.

Information Security

Category		Unit	2023	2024	2025
Information security incidents					
Number of data breaches		Cases	0	0	0
Customer privacy					
Number of identified leaks, thefts, or losses of customer data		Cases	0	0	0
Substantiated complaints concerning breaches of customer privacy	Subtotal	Cases	0	0	0
	Complaints from outside parties	Cases	0	0	0
	Complaints from regulatory bodies	Cases	0	0	0

Governance

Board of Directors

Category		Unit	2023	2024	2025
Board composition					
Number of directors		Persons	7	7	9
Inside directors		Persons	3	3	4
Other non-executive directors		Persons	0	0	0
Outside (Independent) directors		Persons	4	4	5
Board diversity					
By gender	Male share	%	85.7	85.7	88.9
	Female share	%	14.3	14.3	11.1
By age group	Under 30 years old share	%	0.0	0.0	0.0
	30–50 years old share	%	28.6	28.6	11.1
	Over 50 years old share	%	71.4	71.4	88.9
Board operations					
Number of board meetings held		Meetings	13	19	19
Average attendance rate		%	97	96	95
Total board agenda items	Total agenda items	Items	63	100	112
	Resolution items	Items	54	75	85
	Reporting items	Items	9	25	27
Average director tenure		Months	34	26	32

Compliance

Category			Unit	2023	2024	2025
Ethics management system						
Share of sites with corruption risk assessment conducted[1]			%	100.0	100.0	100.0
Share of sites with ISO 37001 certification[1]			%	100.0	100.0	100.0
Compliance pledge participation	Employees	Number	Persons	3,158	3,457	3,875
		Share[2]	%	46.3	45.1	47.4
	Suppliers	Number	Persons	1,172	607	430
		Share[2]	%	65.1	62.8	100.0

Compliance

Category		Unit	2023	2024	2025
Legal and regulatory compliance					
Number of sanctions for violations of laws and regulations	Environmental laws and regulations[3]	Cases	1	0	6
	Anti-corruption violations	Cases	0	0	0
	Others	Cases	0	0	2
Monetary value of sanctions for violations of laws and regulations	Environmental laws and regulations[3]	KRW million	1.6	0	60.8
	Anti-corruption violations	KRW million	0	0	0
	Others	KRW million	0	0	3.6
Anti-competitive practices and antitrust violations					
Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Pending	Cases	0	0	0
	Completed	Cases	0	0	0
Internal compliance management					
Number of employees dismissed or disciplined for corruption / bribery[2]	Dismissals	Cases	0	5	2
	Disciplinary actions	Cases	3	17	9
Convictions for violations of anti-corruption and anti-bribery laws	Number of convictions	Cases	0	0	0
	Monetary value of fines	KRW million	0	0	0
Number of compliance reports filed	Subtotal	Cases	0	0	0
	Anti-corruption	Cases	0	0	0
	Conflicts of interest	Cases	0	0	0
	Money laundering or insider trading	Cases	0	0	0
	Customer information / data	Cases	0	0	0
Ethics and Compliance Training					
Executive ethics training[2]	Number of participants who completed training	Persons	1	1	1
	Completion rate	%	33.3	33.3	25.0
Employee ethics training	Training hours	Hours	3,795	4,190	4,790
	Number of participants who completed training	Persons	3,795	4,190	4,790
	Completion rate[2]	%	55.7	54.7	58.6
Workplace sexual harassment prevention training	Training hours	Hours	6,621	7,459	7,986
	Number of participants who completed training	Persons	6,621	7,459	7,986
Disability awareness training	Training hours	Hours	6,621	7,459	7,986
	Number of participants who completed training	Persons	6,621	7,459	7,986
Personal information protection training	Training hours	Hours	326	378	1,104
	Number of participants who completed training	Persons	326	302	883
Fair trade training[2][4]	Training hours	Hours	2,728	1,378	866
	Number of participants who completed training	Persons	1,364	689	2,120

1) Based on headquarters and production sites.
2) Data for 2023 and 2024 have been restated due to a change in metric definition.
3) Data for 2023 has been restated due to a change in metric definition.
4) Hours for 2023 and 2024 are calculated based on offline classroom training time; hours for 2025 are calculated based on cumulative online content learning time (in 15-minute increments).

APPENDIX

UN SDGs Commitment

UN SDGs Goals	Detailed Goals	Hanwha Aerospace Key Activities
End poverty in all its forms everywhere	• **1.3** Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable • **1.5** By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate–related extreme events and other economic, social and environmental shocks and disasters	• Hanwha Aerospace delivers "Safe Narrumi–Cart," produced through employees' skill donations, in collaboration with the Gyeongsangnam–do Volunteer Center and other volunteer centers nationwide, to support mobility safety and self–reliance for seniors and persons with disabilities facing livelihood difficulties (a total of 458 Safe Narrumi–Cart units delivered as of 2025). • Through coffee truck volunteer activities, the company supports the sale of bread and beverage products produced by self–reliance projects for persons with disabilities, with all proceeds donated to disability . • Hanwha Aerospace implements home improvement programs for vulnerable groups in local communities.
End hunger, achieve food security and improved nutrition and promote sustainable agriculture	• **2.1** By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round	• Hanwha Aerospace delivers kimchi twice a year to low–income and underserved groups in the Gyeongnam region through employees' kimchi–making volunteer activities.
Ensure healthy lives and promote well–being for all at all ages	• **3.8** Achieve universal health coverage, including financial risk protection, access to quality essential health–care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	• The company provides comprehensive health checkups for employees and their families, group indemnity insurance for individual employees, and supports medical expenses or indemnity coverage for family members. • Hanwha Aerospace obtains Material Safety Data Sheets (MSDS) for all hazardous factors at business establishments and provides them to employees. • The company operates employee health promotion initiatives, including counseling and psychological support led by professional counselors, disease management based on exercise prescriptions, smoking cessation and responsible drinking programs, and other offerings such as health missions, musculoskeletal disorder prevention, and special lectures on brain health.
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	• **4.5** By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations • **4.7** By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non–violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development	• Aerospace Science Classroom (Aerospace Mentoring Education): Through aerospace education activities, Hanwha Aerospace provides middle school students near business establishments with theoretical learning and hands–on maker experiences in the space and aviation field. • Space Bridge Project (Career Guidance Program for Youth): The company hosts guest speaker lectures to provide career exploration opportunities for youth from underserved groups in Seongnam City.
Achieve gender equality and empower all women and girls	• **5.1** End all forms of discrimination against all women and girls everywhere	• Hanwha Aerospace supports female employees during pregnancy, childbirth, and childcare by operating family–friendly benefit programs, including Moms Packages and the Mothers' Rooms. • The company supports flexible work arrangements through both the flexible working hours system and the autonomous commuting system. • Hanwha Aerospace provides parental, infertility, paternity, and family care leave to foster an environment where all employees can actively support their families.
Ensure availability and sustainable management of water and sanitation for all	• **6.3** By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally	• The company is investing in the expansion of wastewater treatment facilities and managing water resources by maintaining the discharge concentrations of major water pollutants below 50% of legal limits. • The Yeosu Business Establishment and other business establishments operating wastewater treatment plants conduct real–time monitoring of facilities through a 24–hour operation system and measure major water pollutants on a daily basis.

UN SDGs Commitment

UN SDGs Goals	Detailed Goals	Hanwha Aerospace Key Activities
8 DECENT WORK AND ECONOMIC GROWTH Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	• **8.2** Achieve higher economic productivity through diversification, technological upgrading, and innovation focusing on high value-added and labor-intensive sectors • **8.3** Promote development-oriented policies supporting productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including expanding access to financial services	• Quality support: Hanwha Aerospace established stringent quality management processes by obtaining ISO 9001 and DQMS (Defense Quality Management System) certifications at all business establishments. The Aerospace Business Group has additionally secured AS 9100 (Aerospace Quality Management Systems), AS 9110 (Aircraft Maintenance), and NADCAP (National Aerospace and Defense Contractors Accreditation Program) certifications. • Manufacturing competitiveness support: The company offers ESG evaluation, certification, and advanced consulting; covers on-site improvement costs; provides manufacturing innovation consulting and equipment; operates a cost reduction system for defective aerospace materials; expands market reach through exhibitions at the Win-Win Cooperation Pavilion; and runs global benchmarking initiatives (79 companies, KRW 1.44 billion in 2025). • Financial support: Hanwha Aerospace assists suppliers through the Win-Win Fund, early payment of goods during holiday periods, tool procurement agency service, and export financing (620 companies, KRW 148.3 billion in 2025). • Education support: The "Win-Win STEP" program offers suppliers customized training in quality, production, and technology, along with basic education on industrial safety and occupational health (585 companies, KRW 140 million in 2025). • Technical support: Hanwha Aerospace covers costs for technical data bailment contracts to prevent technology leakage and funds the purchase and development of new technologies and products (76 cases in 2025).
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	• **9.4** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	• In 2024, Hanwha Aerospace launched the development of hydrogen fuel cells for ships, aiming to provide eco-friendly maritime solutions. • Following completion of pilot development in 2024, Hanwha Aerospace is now developing products for Korean Register of Shipping (KR) class certification, conducting classification testing in 2025, certification approval is expected in 2026. • Hanwha Aerospace plans to initiate type approval from Det Norske Veritas (DNV) class certification in the second half of 2026 and aims to obtain approval in 2027.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION Ensure sustainable consumption and production patterns	• **12.3** By 2030, achieve the sustainable management and efficient use of natural resources	• The company implements facility investments to manage water usage in line with annual targets and to enable wastewater recycling within business establishments. • Hanwha Aerospace operates a management system to minimize waste and mitigate environmental impact, achieving approximately 248 tons of material circulation in 2025 by shifting treatment methods toward expanded recycling.
13 CLIMATE ACTION Take urgent action to combat climate change and its impacts	• **13.2** Integrate climate change measures into national policies, strategies, and planning • **13.3** Improve education, awareness-raising, human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning	• Hanwha Aerospace has declared a 2050 Net Zero target, established carbon neutrality scenarios, and continues to implement greenhouse gas reduction initiatives in pursuit of this goal. • Hanwha Aerospace identifies and manages climate-related risks and opportunities, drawing on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and analyses of industry peers. • Hanwha Aerospace operates the "Green Plus Environmental System" and the "ECO Mileage Program" to promote low-carbon green practices in daily activities among employees and to enhance environmental awareness.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	• **16.5** Substantially reduce corruption and bribery in all forms • **16.6** Develop effective, accountable and transparent institutions at all levels	• Compliance certification: First domestic defense company to simultaneously obtain ISO 37301 (Compliance management) and ISO 37001 (Anti-bribery); ISO 37001 certification obtained across all business establishments. • External certification: Compliance Program (CP) grade evaluation AA (Excellent). • Embedding compliance awareness among employees: Compliance pledge conducted at least annually (3,875 employees in 2025). • Annual effectiveness assessment of the compliance management system conducted and reported to the CEO and Board of Directors.

Hanwha Aerospace

Stakeholder Communication

Key Stakeholders	Key Interests	Key Communication Channels
Customers	• Product and service quality innovation • After-sales services • Latest technology and trends • Safe use of the product • Information security	• In-person customer meetings, user training, and technical support (As needed) • Customer satisfaction survey (Annually) • Customer complaint submission, contact center, and VOC channel (24/7) • Customer technical information exchange events and quality evaluation meetings (As needed) • Hanwha Aerospace website, newsroom, and social media channels (24/7)
Employees	• Employment and working environment management • Education and career development • Diversity and inclusion • Work-life balance • Fair performance evaluation • Respect for human rights • Understanding labor relations • Compliance management	• Labor-Management Council meetings (32 held in FY2025) • Innovation Idea bulletin board (24/7) • Intranet (24/7) • Culture Camp activities centered on Culture Leaders (CL) and Change Agents (CA) in each department (As needed) • Reporting channels including Compliance Reporting System, Anti-Corruption Reporting System (24/7) • Town Hall meetings (As needed) • Compliance Journey Week
Local Community	• Boosting the local economy • Environmental preservation • The impact of the company on society and the environment • Implementation of corporate social responsibility (CSR) activities	• Media Day and press releases (24/7) • NGOs and related organizations, and employee volunteer groups (As needed) • Hanwha Aerospace website and social media channels (24/7)
Shareholders and Investors	• Economic and financial performance • Investment strategy • Financial and non-financial risk management • Sharing management information • Ensuring sound governance	• General Meeting of Shareholders (Annually) • Electronic disclosures (Periodic — quarterly/semi-annual) • Regular and ad hoc IR meetings (Ongoing) • Non-Deal Roadshows (NDRs) (1—2 times per month) • Brokerage-hosted conferences (Quarterly)
Suppliers	• Establishing fair and honest business relationships • Sustainable shared growth programs • Productivity and technological competitiveness of suppliers • Supply chain ESG management	• Win-Win Cooperation Council — divisional meetings and regular plenary meetings (Periodic) • Win-Win Cooperation seminars and briefing sessions for support programs (Semi-annually) • Subcontracting Review Committee (Monthly) • Online/offline VOC channel for suppliers (24/7) • Integrated electronic procurement system
Government and Academia	• Create indirect economic value • Participation in compliance management and policy • Paying taxes • Transparent disclosure of information • Achieving carbon neutrality	• Policy meetings (As needed) • Government collaboration programs (As needed) • Academic and association activities (As needed)

GRI Content Index

- Hanwha Aerospace, a listed company, reports sustainability-related information for the reporting period in accordance with the GRI Standards 2021 reporting principles.
- The report was prepared using GRI 1: Foundation 2021, and the Aerospace and Defense sector standard was not applied as it has not yet been published.

Topics		Disclosures	Reporting Location(Page)
	GRI 2	General Disclosures	
The organization and its reporting practices	2-1	Organizational details	6-8
	2-2	Entities included in the organization's sustainability reporting	2
	2-3	Reporting period, frequency and contact point	2
	2-4	Restatements of information	2
	2-5	External assurance	108-109
Activities and workers	2-6	Activities, value chain and other business relationships	6-11
	2-7	Employees	92
	2-8	Workers who are not employees	92
Governance	2-9	Governance structure and composition	71-73, 99
	2-10	Nomination and selection of the highest governance body	72
	2-11	Chair of the highest governance body	71
	2-12	Role of the highest governance body in overseeing the management of impacts	73
	2-13	Delegation of responsibility for managing impacts	73
	2-14	Role of the highest governance body in sustainability reporting	14, 73
	2-15	Conflicts of interest	71-72
	2-16	Communication of critical concerns	14, 74
	2-17	Collective knowledge of the highest governance body	72
	2-18	Evaluation of the performance of the highest governance body	75
	2-19	Remuneration policies	75
	2-20	Process to determine remuneration	75
	2-21	Annual total compensation ratio	75, 94

Topics		Disclosures	Reporting Location(Page)
	GRI 2	General Disclosures	
Strategy, policies and practices	2-22	Statement on sustainable development strategy	5, 13
	2-23	Policy commitments	13, 28, 37, 44, 51, 55, 69, 78
	2-24	Embedding policy commitments	28, 37, 44, 48, 51, 55, 69, 77, 83
	2-25	Processes to remediate negative impacts	52, 60, 96
	2-26	Mechanisms for seeking advice and raising concerns	82, 99
	2-27	Compliance with laws and regulations	99
	2-28	Membership associations	108
Stakeholder engagement	2-29	Approach to stakeholder engagement	103
	2-30	Collective bargaining agreements	95
	GRI 3	Material Topics	
Disclosures on material topics	3-1	Process to determine material topics	16
	3-2	List of material topics	16-18

GRI Content Index

Topics	Disclosures		Reporting Location(Page)
Climate Change Response	GRI 3	Material Topics	
	3–3	Management of material topics	17
	GRI 102	Climate Changes 2025[1]	
	102–1	Transition plan for climate change mitigation	21, 22, 25–26
	102–2	Climate change adaptation plan	22–24, 26
	102–3	Just transition	Information unavailable / incomplete
	102–4	GHG emissions reduction targets and progress	26, 34
	102–5	Scope 1 GHG emissions	88
	102–6	Scope 2 GHG emissions	88
	102–7	Scope 3 GHG emissions	88
	102–8	GHG emissions intensity	88
	102–9	GHG removals in the value chain	N/A
	102–10	Carbon credits	N/A
	GRI 103	Energy 2025[2]	
	103–1	Energy policies and commitments	28
	103–2	Energy consumption and self–generation within the organization	89
	103–3	Upstream and downstream energy consumption	Information unavailable / incomplete
	103–4	Energy intensity	89
	103–5	Reduction in energy consumption	34
Health and Safety	GRI 3	Material Topics	
	3–3	Management of material topics	17
	GRI 403	Occupational Health and Safety 2018	
	403–1	Occupational health and safety management system	37
	403–2	Hazard identification, risk assessment, and incident investigation	40–42
	403–3	Occupational health services	38–39
	403–4	Worker participation, consultation, and communication on occupational health and safety	39
	403–5	Worker training on occupational health and safety	39
	403–6	Promotion of worker health	38
	403–7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	40
	403–8	Workers covered by an occupational health and safety management system	95
	403–9	Work–related injuries	95
	403–10	Work–related ill health	95

Topics	Disclosures		Reporting Location(Page)
Compliance Management	GRI 3	Material Topics	
	3–3	Management of material topics	18
	GRI 205	Anti–corruption 2016	
	205–1	Operations assessed for risks related to corruption	81, 99
	205–2	Communication and training about anti–corruption policies and procedures	78–80, 99
	205–3	Confirmed incidents of corruption and actions taken	99
	GRI 206	Anti–competitive Behavior 2016	
	206–1	Legal actions for anti–competitive behavior, anti–trust, and monopoly practices	99
Product Safety and Quality Management	GRI 3	Material Topics	
	3–3	Management of material topics	18
Supply Chain Sustainability Management	GRI 3	Material Topics	
	3–3	Management of material topics	18
	GRI 308	Supplier Environmental Assessment 2016	
	308–1	New suppliers that were screened using environmental criteria	Information unavailable / incomplete
	308–2	Negative environmental impacts in the supply chain and actions	97
	GRI 414	Supplier Social Assessment 2016	
	414–1	New suppliers that were screened using social criteria	Information unavailable / incomplete
	414–2	Negative social impacts in the supply chain and actions taken	97

1) Replacement disclosure of GRI 305: Emissions 2016 through early adoption of GRI 102: Climate Change 2025
2) Replacement disclosure of GRI 302: Energy 2016 through early adoption of GRI 103: Energy 2025

SASB Index

Resource Transformation (Aerospace & Defense)

Topics	Code	Metrics	Unit	2023	2024	2025
Energy Management	RT-AE-130a.1	(1) Total energy consumed[1]	GJ	2,010,846.7	2,242,358.2	2,379,061.6
		(2) Percentage grid electricity[2]	%	69.6	68.6	68.2
		(3) Percentage renewable	%	0.53	0.44	0.45
Hazardous Waste Management	RT-AE-150a.1	(1) Amount of hazardous waste generated[2]	Ton	1,861.6	2,269.3	2,704.8
		(2) Percentage recycled[1]	%	86.7	85.1	71.4
	RT-AE-150a.2	(1) Number and aggregate quantity of reportable spills	Case	0	0	0
		(2) The quantity of spills recovered	kg	0	0	0
Data Security	RT-AE-230a.1	(1) Number of data breaches	Case	0	0	0
		(2) Percentage involving confidential information	%	0	0	0
	RT-AE-230a.2	(1) Description of approach to identifying and addressing data security risks in entity operations	-		p.68-69	
		(2) Description of approach to identifying and addressing data security risks in products	-		p.68-69	
Product Safety	RT-AE-250a.1	Number of recalls issued and total units recalled	Case, number	Classified	Classified	Classified
	RT-AE-250a.2	Number of counterfeit parts detected and percentage avoided	Case, %	0	0	0
	RT-AE-250a.3	Number of Airworthiness Directives received and total units affected	Case, number	Undisclosed	Undisclosed	Undisclosed
	RT-AE-250a.4	Total amount of monetary losses as a result of legal proceedings associated with product safety	KRW	Undisclosed	Undisclosed	Undisclosed
Fuel Economy & Emissions in Use-phase	RT-AE-410a.1	Revenue from alternative energy-related products	KRW	Undisclosed	Undisclosed	Undisclosed
	RT-AE-410a.2	Description of approach and discussion of strategy to address fuel economy and greenhouse gas (GHG) emissions of products	-		p.35	
Materials Sourcing	RT-AE-440a.1	Description of the management of risks associated with the use of critical materials	-		p.55-56	
Business Ethics	RT-AE-510a.1	Total amount of monetary losses as a result of legal proceedings associated with incidents of corruption, bribery, and/or illicit international trade	KRW million	0	0	0
	RT-AE-510a.2	Revenue from countries ranked in the "E" or "F" Band of Transparency International's Government Defense Anti-Corruption Index	KRW	Classified	Classified	Classified
	RT-AE-510a.3	Discussion of processes to manage business ethics risks throughout the value chain	-		p.77-82	
Activity Metrics	RT-AE-000.A	Production by reportable segment	Number	Classified	Classified	Classified
	RT-AE-000.B	Number of employees	Persons	6,816	7,659	8,168

1) Data for 2023 and 2024 revised due to a correction of an earlier error.
2) Data for 2024 revised due to a correction of an earlier error.

Hanwha Aerospace

Initiatives and Association Memberships

Gyeongnam Enterprises Federation	Korea Exchange	Military Operations Research Society of Korea
Korea Air Force Development Association Corp.	Korean Association for Radiation Protection	Industrial Security Council
Korean Master Hand Association	Gyeongnam Regional Defense Industry Security Council	Emergency Planning Council of the Ministry of Trade, Industry and Resources
Korea Industrial Safety Association	Gyeongnam Environmental Engineers Association	Seoul Bar Association
Korea Enterprises Federation	Korean Institute of Fire Science & Engineering	Regional Defense Security Council
The Federation of Korean Industries	Gun & Explosives Safety Technology Association	Korea Chamber of Commerce and Industry
Korea Association of Standards & Testing Organizations	Korean Association of Occupational Health Nurses	Yeosu Petrochemical Safety Committee
Korea Fair Competition Federation	Korea Construction Engineers Association	Korea Mech. Const. Contractors Association
Korea Customs Logistics Association	Electrical Safety Managers Association	Changwon National Industrial Complex Integrated Defense Council
Korea Armaments Safety Association	Korea Electrical Engineers Association	Changwon Regional Fire Safety Council
Korean Association for Radiation Application	Daedeok Innopolis Integrated Defense Council	Chungbuk Environmental Engineers Association
Korea Defense Industry Association	Daedeok Research Association of Safety	Gyeongnam Safety Council
Korea Association of Defense Industry Studies	Daejeon Chamber of Commerce and Industry	Korean Institute of Military Science and Technology
Korea Industrial Technology Association	Daejeon–Sejong–Chungnam Environmental Engineers Association	Korea Defense Industry Security Association
The Korean Industrial Hygiene Association	Busan–Ulsan–Gyeongnam Green Company Council	Korea Foundation of Nuclear Safety
Korea Listed Companies Association	Korea Aerospace Industries Association	Korea Intellectual Property Association
Korea Fire Safety Association	Military Robotics Society	Korean Standards Association
Korea Association for Space Technology Promotion	Korean Space Association for National Defense	The Korean Society of Chemical, Biological and Radiological Defense
Korean Society for Fluid Machinery	Korea Anti Drone Industry Association	The Society for Aerospace System Engineering
The Korean Society of Propulsion Engineers	The Korean Society of Combustion	CDP
Korea Chemicals Management Association	Korean Society of Hazardous Materials	Transparency International Korea Forum
Korean Society for Safety	The Korean Society for Aeronautical and Space Sciences	

GHG Assurance Statement

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by Hanwha Aerospace Co., Ltd. (here after "Company" or "Hanwha Aerospace") to perform third party verification for the Company's Greenhouse Gas Statement. The Company is responsible for the preparation of the GHG statement on the basis set out within the guidelines on the operation of GHG emissions trading scheme (ETS) (Notification No. 2025-64), Korea Ministry of Environment) based on 'ISO 14064-1:2018'. The Company has full responsibility of the GHG statement. According to terms of contract, DNV expressly disclaims any liability or responsibility for any decisions, based upon the verification opinion.

Objective and Scope of Verification

The objective of the verification is to present an independent verification opinion on the company's GHG statement, and the scope of verification is as follows;

- Organizational Boundary: Hanwha Aerospace's domestic business sites in Korea
- Reporting Boundary: Scope 1 (Direct emissions), Scope 2 (Indirect emissions)
- Reporting Period: 2025.01.01 ~ 2025.12.31

Verification Approach

The verification has been conducted in accordance with the verification principles and tasks outlined in the guidelines on the operation of GHG ETS (Notification No. 2025-165, Korea Ministry of Environment) based on 'ISO 14064-3:2019'. DNV planned and concluded our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level. As part of the verification process, we have reviewed as follows;

- Adequacy of GHG data control, collection and emission calculation applied in GHG inventory report and report process
- The GHG inventory is based on measurements and has inherent limitations that may arise from the process of calculating, estimating, and finalizing the reported data.

Conclusions

Based on the verification conducted, the infomation related to the GHG statement has been properly calculated and reported.

- DNV represents "unmodified" opinion on Greenhouse Gas Emissions

(Unit: tCO_2eq)

Year 2025	Direct emissions (Scope 1)	Indirect emissions (Scope 2)	Total emissions
Hanwha Aerospace	40,333	81,412	121,740

※ There is a difference between each emissions sum and total emissions as total emissions are sum up with each rounded business sites' emissions according to the related regulation.

June 5, 2026
Seoul, Republic of Korea

Lee, Jang Sup Country Representative
DNV Business Assurance Korea Ltd.

This Assurance Opinion is valid as of the date of the issuance. Please note that this Assurance Opinion would be revised if any material discrepancy which may impact the Greenhouse Gas Emissions of the Company is subsequently brought to our attention.

Independent Assurance Statement

To readers of Hanwha Aerospace Sustainability Report 2026

Introduction

Korea Management Registrar (KMR) was engaged to conduct an independent assurance of Hanwha Aerospace Sustainability Report 2026 for the year ending December 31, 2025. The preparation, information and internal control of the report are the sole responsibility of Hanwha Aerospace's the management. KMR's responsibility is to comply with the agreed engagement and express an opinion to Hanwha Aerospace's management.

Subject Matter

The reporting boundaries included the performance and activities of sustainability-related organizations as described in Hanwha Aerospace's report:

- Hanwha Aerospace Sustainability Report 2026

Reference Standard

- GRI Standards 2021

Assurance criteria

KMR applied the quality management system in accordance with ISO 17029 and KMR EDV 01, and carried out the verification in accordance with the assurance criteria of AA1000AS v3 and KMR's proprietary SRV1000. Under AA1000AS v3, we assessed the adherence to the four principles presented in AA1000AP:2018—Inclusivity, Materiality, Responsiveness, and Impact—and evaluated the reliability and quality of the data and information using. Under SRV1000, we conducted a multidimensional review aimed at zero data errors, applying expert judgment to determine the materiality criteria.

- ISO 17029 : 2019, ISO 14065 : 2020, AA1000AS v3 : 2020 (AccountAbility), AA1000AP : 2018 (AccountAbility), SRV 1000 : 2022 (KMR), KMR EDV 01 : 2024 (KMR)
- Levels of assurance/materiality: AA1000AS v3 — Type 2/moderate

Scope of assurance

The information subject to verification in the sustainability report is as follows.

- GRI Standards 2021 reporting principles
- Universal Standards
  - GRI 2 General Disclosures 2021
  - GRI 3 Material Topics 2021
- Topic Specific Standards
  - GRI 101: Biodiversity(101-2, 101-4), GRI 102: Climate Change(102-1, 102-2, 102-4, 102-5, 102-6, 102-7, 102-8), GRI 103: Energy(103-1, 103-2, 103-4, 103-5),
  - GRI 201: Economic Performance, GRI 205: Anti-corruption, GRI 206: Anti-competitive Behavior, GRI 207: Tax(207-2),
  - GRI 301: Materials(301-1), GRI 303: Water and Effluents, GRI 306: Waste, GRI 308: Supplier Environmental Assessment(308-2),
  - GRI 401: Employment, GRI 403: Occupational Health and Safety, GRI 404: Training and Education, GRI 405: Diversity and Equal Opportunity, GRI 406: Non-discrimination, GRI 407: Freedom of Association and Collective Bargaining, GRI 408: Child Labor, GRI 409: Forced or Compulsory Labor, GRI 413: Local Communities, GRI 414: Supplier Social Assessment(414-2), GRI 418: Customer Privacy

As for the reporting boundary, the engagement excludes information external to Hanwha Aerospace, such as financial information and greenhouse gas emissions data.

Hanwha Aerospace

Independent Assurance Statement

KMR's Approach

Our Assurance Team undertook the following activities for the agreed scope of assurance using the standard outlined above:

- Evaluating the appropriateness of the reference standard used as a basis for preparing sustainability information and the reliability of the materiality assessment process and its findings;
- Conducting inquiries to understand the data management and control environment, processes, and information systems (the effectiveness of controls was not tested);
- Evaluating the appropriateness and consistency of the methodology for estimation (note that the underlying data was not tested and KMR has not made any estimates);
- Visiting the headquarters, determining visit sites based on the site's contribution to sustainability and the possibility of unexpected changes since the previous period and sampling data, and carrying out due diligence on a limited number of source records at the sites visited;
- Interviewing people in charge of preparing the report;
- Considering whether the presentation and disclosures of sustainability information are accurate and clearly defined;
- Identifying errors through comparison and check against underlying information, recalculation, analyses, and backtracking; and
- Evaluating the reliability and balance of information based on independent external sources, public databases, and press releases.

Limitations and Recommendations

The absence of generally accepted reporting frameworks or well-established practices on which to draw to evaluate and measure non-financial information allows for different measures and measuring techniques, which can affect comparability between entities. Therefore, our assurance team relied on professional judgment. In a limited assurance engagement, the scope of the risk assessment procedures and the subsequent procedures performed in response to the assessed risks are limited than in a reasonable assurance engagement. Our assurance team conducted our work to a limited extent through inquiries, analysis, and limited sampling based on the assumption that the data and information provided by Hanwha Aerospace are complete and sufficient. To overcome these limitations, we confirmed the quality and reliability of the information by referring to independent external sources and public databases, such as DART and the National GHGs Management System (NGMS).

Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with Hanwha Aerospace on the revision of the Report. We reviewed the Report's final version in order to make sure that our recommendations for improvement and revision have been reflected. We found that the report was prepared in accordance with the criteria presented by Hanwha Aerospace, and nothing comes to our attention to suggest that the evidence obtained regarding its content is insufficient to provide a basis for our opinion. Our opinion on the principles is as follows:

- **Inclusivity**
  Hanwha Aerospace has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.
- **Materiality**
  Hanwha Aerospace has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.
- **Responsiveness**
  Hanwha Aerospace prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of Hanwha Aerospace's actions.
- **Impact**
  Hanwha Aerospace identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.
- **Reliability of Specific Sustainability Performance Information**
  In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of sustainability performance data, including economic, environmental, and social performance data. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

Independent Assurance Statement

KMR's Competence, Independence, and Quality Control

Korea Management Registrar (KMR) is a verification body for the Republic of Korea Emissions Trading Scheme (K-ETS), accredited to ISO/IEC 17029:2019 (Conformity Assessment – General principles and requirements for validation and verification bodies), ISO 14067, the additional accreditation criteria ISO 14065, and ISO/IEC 17021:2015 (Requirements for bodies providing audit and certification of management systems). Additionally, KMR maintains a comprehensive quality control system that includes documented policies and procedures of the KMR EDV 01:2024 (ESG Disclosure Assurance System) based on ISO/IEC 17029 requirements and compliant with IAASB ISQM1:2022 (International Standard on Quality Management 1 by the International Auditing and Assurance Standards Board). Furthermore, KMR adheres to the ethical requirements of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior in accordance with the IESBA Code:2023 (International Code of Ethics for Professional Accountants). Our assurance team consists of sustainability experts. Other than providing an independent assurance, KMR has no other contract with Hanwha Aerospace and did not provide any services to Hanwha Aerospace that could compromise the independence of our work.

Limitations of Use

This assurance statement is made solely for the management of Hanwha Aerospace for the purpose of enhancing an understanding of the organization's sustainability performance and activities. We assume no liability or responsibility for its use by third parties other than the management of Hanwha Aerospace. As this assurance statement may be subject to revision after the assurance date below, we recommend verifying whether this is the latest version.

June 24, 2026

KMR SRV1000 Sustainability Committee Assurance AA1000 Licensed Report 000-129/V3-RXNC4

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