

# Framework for Local Community Engagement

| Framework Enacted in March, 2019 |

## Part 1. Background of Establishment of Framework and Purpose

### 1. Definition of Local Communication Engagement

Local community engagement aims to ensure that the company understands and addresses problems in local communities. In particular, it aims to encourage engagement with local communities in several decision-making processes and to utilize ideas from the local community to make better-informed decisions.

Local community engagement includes the following activities:

- Providing and sharing information on major issues with local communities
- Measures to deal with local community issues
- Diverse communication methods

Local community engagement as a guideline for decision-making means collecting opinions and information from local communities to achieve sustainability in management decision-making.

### 2. Purpose of Local Community Engagement and Framework Development

The key purposes of local community engagement are as follows:

- To strengthen decision-making in connection with stakeholders
- To support a local community committee on communication
- To improve relationships with local communities and various stakeholders
- To encourage the participation of local communities in dealing with major issues in projects

The framework for local community engagement aims to achieve the targets through the following means:

- Procedures for listening to and identifying the opinions of local communities and reflecting them in the decision-making process
- Taking a consistent approach to local community engagement
- Understanding from employees regarding business decisions that impact local communities
- Communication between local community stakeholders and the decision-makers (management)

## Part 2. Principles of Local Community Engagement

The six main principles of local community engagement are prior engagement, transparent information disclosure, selection and execution of proper engagement methods, inclusivity of information and period of local community engagement, as explained below.

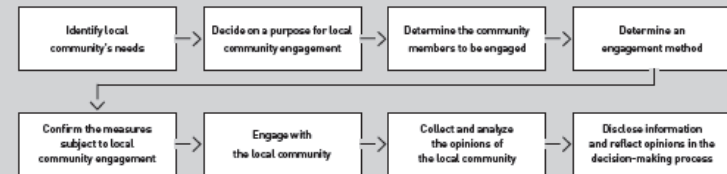
Prior engagement	A pledge to provide local communities or key stakeholders with information at the early stages of project development and to enable local communities to influence decision-making and strategy planning
Transparent information disclosure	Communication with local communities in which relevant information and data are provided to ensure transparency and effective consultation
Inclusive engagement	Providing opportunities to all people for consultation on relevant issues in addition to the entire local community and key stakeholders
Selection and execution of proper engagement methods	Communication with local communities in which relevant information and data are provided to ensure transparency and effective consultation
Inclusivity of information	Efforts by the company to consider all kinds of information before making a decision that can impact a local community and to provide honest feedback
Period of local community engagement	The period during which a local community, its residents or their way of life could be impacted

## Part 3. Local Community Engagement Framework

The framework for local community engagement is organized and operated according to the following process:

Providing information	Providing objective information to help local communities understand the issues, measures or solutions proposed
Collecting opinions	Procedures to collect opinions from local communities regarding decisions made by the company
Engagement activities	Engaging with local communities to identify its members' opinions on major issues directly
Cooperation	Including cooperation with the local community in each aspect of decision-making, such as the development of alternatives and the identification of preferred solutions
Authorization	Giving local communities authority to make decisions directly in the final decision-making process

### Process of Local Community Engagement



## Part 4. Communication Channels for Major Stakeholders

Major stakeholders	Definition	Department in charge	Communication channel	Major issue	Communication cycle
Customer companies	The basis for the creation of economic and corporate value	Marketing Division	Department meetings, technology seminars, customer satisfaction surveys, customer portal site, websites, newsletters	• Enhancing customer satisfaction • Expanding customer communication • Protecting information	any time
Employees	Key members for sustainable growth	Business Management Division	Intranet, OHP, Smart Board, education programs, labor-management cooperation	• Encouraging communication among employees and departments • Work-life balance • Strengthening employee capabilities	any time
Suppliers	Partner cooperation for win-win growth based on stability	Business Management Division Procurement Division Major domestic and overseas works	Win-win growth agreements, meetings, procurement system, technology exchange meetings, websites, newsletters	• Operating fair supply chain management process • Establishing win-win growth culture • Adopting activities to support win-win growth	quarterly, any time
Shareholders and investors	Providing financial capital as a means of corporate management	Finance Division	General shareholder meetings, performance presentations, NCD and conferences, 1:1 meetings, visits to workplaces, public announcement materials	• Securing new growth engines • Improving corporate value	quarterly, any time
Local communities	Local communities and their members interacting through business operations	Business Management Division Design Integrated Stakeworks and other major works	Major social contribution activities, global activities for regional development, holding meetings of local community committees twice a year	• Performing continuous social contribution activities • Supporting socially disadvantaged and vulnerable people • Engaging in communication with stakeholders	quarterly, before and after social contribution activities
NGOs, governments and academia	Proposals for the company's direction	Strategic Planning Department Major domestic and overseas works	Visit workplaces and issue press releases	• Cooperating and participating in government policy • Relating management business announcements • Creating jobs	any time

\* Case 1. Compensation is carried out through legal compliance and community consultation while creating and developing industrial parks

Case 2. Identify the neighborhood needs of the Indian company and conduct a project to build a safety infrastructure through community consultation [Solar energy street lamps and CCTVs for safe passage of woman and children at night / 2018]

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| Framework Revised in June, 2020 |

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<b>Cooperation</b>	Including cooperation with the local community in each aspect of decision-making, such as the development of alternatives and the identification of preferred solutions
<b>Authorization</b>	Giving local communities authority to make decisions directly in the final decision-making process

#### \* Process of Local Community Engagement

- 1) Identify local community's needs
- 2) Decide on a purpose for local community engagement
- 3) Determine the community members to be engaged
- 4) Determine an engagement method
- 5) Confirm the measures subject to local community engagement
- 6) Engage with the local community
- 7) Collect and analyze the opinions of the local community
- 8) Disclose information and reflect opinions in the decision-making process

#### Part 4. Communication Channels for Major Stakeholders in Local Communities

Major Stakeholders	Definition	Point of contact	Communication channel	Major issue	Communication cycle
Customer companies	The basis for the creation of economic and corporate value	Marketing Division	Department meetings, technology seminars, customer satisfaction surveys, customer portal site, websites, newsletters	<ul style="list-style-type: none"> <li>Enhancing customer satisfaction</li> <li>Expanding customer communication</li> <li>Protecting information</li> </ul>	<ul style="list-style-type: none"> <li>frequently</li> </ul>
Employees	Key members for sustainable growth	Business Management Division, Management Planning Division	Intranet, GWP, Future Board, education programs, labor-management cooperation	<ul style="list-style-type: none"> <li>Encouraging communication among employees and departments</li> <li>Strengthening employee capabilities</li> <li>Work-life balance</li> </ul>	<ul style="list-style-type: none"> <li>frequently</li> </ul>
Suppliers	Partner cooperation for win-win growth based on stability	Business Management Division Procurement Division Dangjin Integrated Steelworks and other major works	Win-win growth agreements, meetings, procurement system, technology exchange meetings, websites, newsletters	<ul style="list-style-type: none"> <li>Operating fair supply chain management process</li> <li>Advancing activities to support win-win growth</li> <li>Establishing a win-win growth culture</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly, frequently</li> </ul>
Shareholders and investors	Providing financial capital as a source of corporate management	Finance Division	General shareholders' meetings, performance presentations, NDR and conferences, 1:1 meetings, visits to worksites, public announcement materials	<ul style="list-style-type: none"> <li>Improving corporate value</li> <li>Securing new growth engines</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly, frequently</li> </ul>

Local communities	Local communities and their members interacting thorough business operation	Business Management Division Dangjin Integrated Steelworks and other major works	Major social contribution activities, global activities for regional development, holding meetings of local community committees twice a year	<ul style="list-style-type: none"> <li>• Engaging in communication with stakeholders</li> <li>• Supporting socially disadvantaged and vulnerable people</li> <li>• Performing continuous social contribution activities</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly</li> </ul>
NGOs, government and media	Proposals for the company's direction	Policy Coordination Division Dangjin Integrated Steelworks and major works	Visit worksites and issue press releases	<ul style="list-style-type: none"> <li>• Responding to and participating in government policy</li> <li>• Making transparent business announcements</li> <li>• Creating jobs</li> </ul>	<ul style="list-style-type: none"> <li>• Before and after CSR activity, frequently</li> </ul>

**\* Current Information of community consultation**

- 1) Current production assets required community consultation : 7 asset
- 2) Number of development projects in the process of community consultation : 0  
(there are no development project revenues from mining minerals)

Document Number	H12300019295-20230824-061247
Amended dated	August 25 <sup>th</sup> , 2023
Department in Charge	Sustainability Management Team

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## Hyundai Steel Local Community Framework

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Enactment & Revision History	Version	Record on Enactment and Revision	Contents of enactment /revision
	0	May 2019	Initial Enactment
	1	June 2020	Revised
	2	May 2021	Revised
	3	August 2023	Revised
	4		
	5		

[Team in Charge]

[Division in Charge]

Sustainability Management Team

Head of Strategy Planning Division

## **Part 1. Framework Establishment and Objective**

### **1. Definition of Local Community Engagement**

The objective of local community engagement is for the company to understand and resolve, in cooperation with local communities, the diverse issues that may arise in such communities. In particular, this involves the inclusion of local community stakeholders in a variety of decision-making processes, enabling decisions based on better information through the consideration of local community opinions. Local community engagement includes the following activities.

- Provision and sharing of information relating to key issues with the local community.
- Action plans to respond to issues arising within the local community.
- Diverse communication channels.

Local community engagement is used as a decision-making guideline that facilitates sustainable management through decisions based on a diverse collection of opinions and information.

### **2. Objective of Local Community Engagement and Framework Development**

The main objectives of local community engagement are as follows.

- Enhancing decision-making through engagement with stakeholders.
- Supporting local community councils to promote communication with local communities.
- Improving relationships between local communities and a broad range of stakeholders.
- Mutual cooperation within local communities to facilitate resolution of key project-related issues.

To achieve the above objectives, a Local Community Engagement Framework was developed to cover the following.

- A process to listen to, and acknowledge, local community opinions, and to reflect these opinions in the decision-making process.
- Operations with a consistent approach to local community engagement.
- Employees' understanding of corporate decisions that impact local communities.
- Communication between decisions-makers (senior management) and local community stakeholders.

## **Part 2. Principles of Local Community Engagement**

### **Definition of the Principles of Local Community Engagement**

The Principles of Local Community Engagement consist of a total of six principles (preliminary engagement, transparent disclosure, inclusive engagement, selection and implementation of appropriate engagement methods, information inclusivity, local community engagement period), which are described as follows.

#### **1) Preliminary Engagement**

A commitment to provide local communities or key stakeholders with actual opportunities to influence decision-making and strategy through the provision of information in the early stages of project development.

#### **2) Transparent Information Disclosure**

Ensuring transparency and effective cooperation by communicating with local communities through the provision of relevant information and materials.

#### **3) Inclusive Engagement**

Providing all individuals – outside of local communities or key stakeholders – impacted by relevant issues with the opportunity for negotiation.

#### **4) Selection and Implementation of Appropriate Engagement Methods**

Prior to making any final decisions, we shall provide local communities with the appropriate information, tools, engagement methods, and other such relevant details.

#### **5) Information Inclusivity**

Prior to making any decisions that may impact the local community, we shall consider all available information and strive to provide honest feedback.

#### **6) Local Community Engagement Period**

Whenever an issue arises which impacts, or may potentially impact, local communities, local residents, or their lifestyles.



## **Part 3. Local Community Engagement Framework**

### **Article 1. No Discrimination or Harassment**

The Local Community Engagement Framework is comprised of the following items, and is managed in accordance with the relevant processes.

#### **1) Provision of Information**

Providing helpful, balanced, and objective information that enables local community stakeholders to better understand the issues, alternatives, and solutions presented by the local community.

#### **2) Collection of Opinions**

Implementing a process to collect local community feedback on decisions made by the company.

#### **3) Engagement Activities**

Implementing diverse engagement activities to directly collect local community opinions on key issues.

#### **4) Cooperation**

Promoting cooperation with local communities on each aspect of decision-making, including the development of alternatives and confirmation of preferred solutions.

#### **5) Delegation of Authority**

Empowering local communities with the authority to make direct decisions during final decision-making.

#### **※ Implementation Process for Local Community Engagement**

Identifying local community needs → Deciding the objectives of local community engagement → Deciding the subjects of engagement → Deciding the method of engagement → Local community engagement

Confirming a plan → Implementing local community engagement → Collecting and analyzing local community opinions

## Part 4. Engagement Channels for Key Stakeholders

Stakeholder	Definition	Responsibility	Communication Channel	Key Issues	Frequency
<b>Client companies</b>	The source of economic and corporate value creation	Each business division	Discussions, technology seminars, customer satisfaction surveys, customer portal site, corporate homepage, etc.	<ul style="list-style-type: none"> <li>Enhancing customer satisfaction</li> <li>Expanding communication with customers</li> <li>Information Protection</li> </ul>	Ongoing
<b>Employees</b>	The key to sustainable growth	Business Management Division, Strategy Planning Division	Intranet, Future Board, training programs, labor-management cooperation, etc.	<ul style="list-style-type: none"> <li>Work-life balance</li> <li>Strengthening employee capabilities</li> <li>Promoting communication between employees and departments</li> </ul>	Ongoing
<b>Suppliers</b>	Partners for shared growth, based on trust	Procurement and Logistics Group, each business division, domestic and overseas business sites	Shared growth agreements, discussions, procurement system, technological exchanges, corporate homepage, etc.	<ul style="list-style-type: none"> <li>Fostering a culture of shared growth</li> <li>Promoting activities for shared growth</li> <li>Operating a fair supply chain management process</li> </ul>	Quarterly, ongoing
<b>Shareholders &amp; investors</b>	Individuals and groups that, through the provision of economic capital, are the source of corporate management	Financial Management Division	Annual general meeting of shareholders, performance meetings, public disclosures, non-deal roadshows, conferences, on-site visits, etc.	<ul style="list-style-type: none"> <li>Enhancing Hyundai Steel's corporate value</li> <li>Securing new growth engines</li> </ul>	Quarterly, ongoing
<b>Local communities</b>	Local groups and constituents that interact as a result of business operations	Business Management Division, domestic and overseas business sites	Social contribution council within local communities, feedback on social contribution activities, corporate homepage, integrated report, etc.	<ul style="list-style-type: none"> <li>Supporting the socially disadvantaged and vulnerable groups</li> <li>Continuously implementing social contribution activities</li> </ul>	Quarterly, before/after social contribution activities
<b>NGO, government, media</b>	Individuals and groups that propose directions for corporate progress and that engage in policy setting	Business Management Division, Strategy Planning Division, domestic and overseas business sites	On-site visits, press releases	<ul style="list-style-type: none"> <li>Engaging with, and responding to, government policies</li> <li>Transparent management disclosures</li> <li>Job creation</li> </ul>	Ongoing

Document Number	H12300019295-20250725-061234
Initial Enactment Date	March 2019
Department in Charge	Sustainability Management Team

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## Hyundai Steel Community Engagement Policy

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Enactment & Revision History	Version	Record on Enactment and Revision	Contents of enactment /Revision
	0	March 2019	Initial Enactment
	1	June 2020	Revised
	2	May 2021	Revised
	3	August 2023	Revised
	4	July 2025	Completely Revised

**[Team in Charge]**

Sustainability Management Team

**[Division in Charge]**

Head of Strategy Planning Division

## 1. Overview

### A. Purpose of Enactment

Hyundai Steel enacts and declares this policy to identify the local community that may be affected by both the actual and potential impacts of the business activities pursued by the company in all countries and regions, and to listen to the needs and opinions of the local community and communicate with them to regulate appropriate principles and implementation measures.

This policy serves as the foundation for the implementation of the community-related guidelines specified in Hyundai Steel's Human Rights charter, Environment Management Policy, Health and Safety Policy, Biodiversity Policy, Deforestation prohibition Policy, and Conflict Minerals (Responsible Minerals) Policy, and can serve as a framework for interconnected activities.

### B. Definition of Community

Hyundai Steel defines "Community" as below:

- Individuals or groups that may be affected by the business activities and value chains operated by the company.
- This includes Indigenous People who may be affected by both the actual and potential impacts of the business activities pursued by the company.

### C. Definition of Community Engagement

Community engagement aims to understand and tackle various issues arising from the local community in cooperation with the company. In particular, it is regarded as a process of utilizing opinions by having the local community engaged to make better-informed decisions in the decision-making process. Community engagement includes the following activities:

- Providing and sharing information about the local community and key issues
- Countermeasures against community issues
- Various communication methods

Community engagement can be utilized as a guidance on decision-making for sustainable management with various opinions and information collected from the local community.

### D. Scope of Application

This policy applies to Hyundai Steel's headquarters, domestic and overseas production and sales corporations, subsidiaries from all business locations, and their employees. It is also recommended that suppliers, partners, and stakeholders with whom there are business

relationships adhere to the basic principles outlined in this policy. Hyundai Steel will engage in community participation activities based on this policy, prioritizing compliance with relevant local laws and regulations.

## **2. Basic Principles**

Hyundai Steel strives to actively gather and communicate the opinions of the community throughout its business activities and value chain, including the purchase and procurement of raw materials, production of products, distribution and sales, disposal, and collection. In doing so, the company implements activities that help minimize negative impacts, promote a positive influence on community development, and foster mutual growth within the community.

### **A. Goal**

Hyundai Steel promotes community engagement activities to execute social responsibilities, support sustainable development of the local community, and effectively tackle community issues. In doing so, it promotes the creation of positive relationships with the local community, boosts employee satisfaction and participation, and establishes long-term partnerships with the community.

### **B. Implementation Guidance**

#### **① Community Impact Evaluation**

Hyundai Steel aims to identify the local community affected by its business activities and proactively work towards improving their economic, environmental, and social impacts. In doing so, the company shall respect the rights of Indigenous Peoples in the local community based on the ILO's Convention No. 169 or the UN Declaration on the Rights of Indigenous Peoples, and endeavor to realize the social, economic, and cultural rights of Indigenous Peoples. It also explores methods to revise and enhance policies and programs as needed.

#### **② Community Engagement and Communication**

Hyundai Steel establishes communication channels and processes to actively engage with the local community and stakeholders. These channels enable the company to collect necessary opinions and set informed goals based on insights received.

#### **③ Cooperation and Support Programs**

Hyundai Steel can organize programs for the development of the local community through collaboration with community stakeholders. This involves providing resources tailored to the needs of the local community, considering Hyundai Steel's business model. Hyundai Steel periodically strives to share the achievements and plans related to the operation of the program.

#### ④ Establishment of Sustainable Co-op Relationship

Hyundai Steel strives to form collaborative relationships with the local community when developing programs that meet their needs and desires, enabling the establishment of cooperative partnerships with the community. In doing so, the company aims to contribute to the creation of a sustainable growth foundation for the local community and the generation of economic and social values.

### 3. Management System

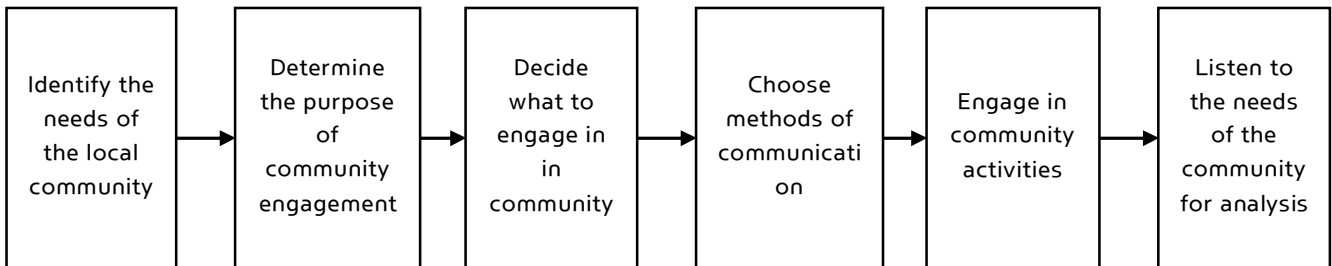
#### A. Governance

Hyundai Steel establishes a management system to fulfill its role and responsibilities in community engagement through committees and business meetings involving top decision makers, decision makers from key departments, and those supervising working-level meetings for community participation. Through the ESG governance structure — ESG Working Group, Heads' Council, and the Board of Directors(Transparent Management Committee) — the company discusses current issues and response measures relating to community engagement and reviews the promotion process of community engagement activities. The company also builds an organization to execute the policy and undertake corresponding tasks. The primary responsibilities of this organization include enacting and revising policies, building and implementing execution plans, analyzing risks, and promoting external communication.

#### B. Implementation

To achieve the goals of this policy, Hyundai Steel identifies the needs of the local community in business sites and nearby areas, analyzes the risks of business activities, and performs improvement activities to alleviate those risks. Hyundai Steel establishes an organization at its headquarters and business sites to execute this policy and undertake corresponding tasks. The primary responsibilities of this organization include the tasks outlined in the implementation guidance, as well as receiving and resolving grievances from the local community, conducting educational initiatives, and promoting empathy within and outside the organization.

#### ※ Community Engagement Promotion Process



### C. Grievance Mechanism

Hyundai Steel operates a grievance mechanism for individuals and local communities negatively affected by its business activities. The company shall endeavor to address grievances swiftly and reasonably by using existing methods such as the Cyber Audit Office, stakeholder communication channels, and website inquiry channels. It shall endeavor not to penalize those who file a complaint, victims, and cooperators on the ground that they apply for counseling or investigation and provide cooperation.

## 4. External Cooperation

### A. Information Disclosure

Hyundai Steel discloses information on main community engagement activities and outcomes through its website, Sustainability Report, or other channels that are readily accessible and easily understandable by employees and external stakeholders.

### B. Cooperation with Stakeholders

Hyundai Steel cooperates with external stakeholders, including local residents, government and municipal authorities, specialized institutions, non-profit organizations, suppliers, and industry partners, to engage in community participation activities in and around its business sites.

When planning and implementing community engagement activities, the company enhances the effects of these activities by reflecting the expertise of external institutions and their understanding of the characteristics of the local community.