

Tax Strategy

| Strategy Enacted in February, 2019 |

OUR APPROACH

Hyundai Steel establishes and operates tax strategies, policies and documented standards and procedures for risk management to ensure accurate tax payments and reports. With these activities, we fully implement the corporate duty of tax payments at home and abroad.

Domestic Tax

- Employees in charge of taxation fulfill the duty to report and pay taxes in accordance with relevant laws, and they work based on the principle of transparent relations with the tax authorities.
- When tax laws change, or other laws, rules and precedents are amended or enacted, we monitor any areas that could apply to the company and review potential risks in advance.
- The company's tax information is disclosed through external notification in a transparent way. The financial statement and the footnotes of the audit report contain information on corporate tax calculation standards, deferred tax assets, liabilities, composition and rate of corporate tax. Transparency and objectivity are ensured by an external audit.

International Tax

- The company fully complies with its legal duty to report and pay taxes in every country where it does business at and fulfills its duty as a taxpayer in close cooperation with the tax authorities of each country.
- The company does not conduct income transfers between countries and it does not evade taxes by exploiting tax law differences, loopholes in the international tax system or tax havens. The company ensures that taxable income is legally distributed based on its value in each country where the company does business at.
- The company appoints external experts to deal with regulations such as the duty to prepare and submit BEPS-related reports in each country, and it implements BEPS risk analysis and documentation projects in overseas offices.

FUTURE ACTION

Hyundai Steel stipulates the chain of responsibility for tax payment in the company regulations, and it will continue to fulfill its tax obligations and minimize tax-related risk elements from a long-term perspective.

Tax Strategy

| Strategy Revised in June, 2020 |

The globalization of business means that companies must comply with the tax-related laws of each country and the OECD transfer guidelines for international trade. One emerging issue is tax avoidance by multinational companies, which is why society is calling on companies to faithfully pay their taxes. To this end, Hyundai Steel recognizes this as a grave risk, not only as a risk to corporate reputation, but also a risk from a financial perspective and, as such, we stipulate a tax-related chain of command and authorization responsibility in our company regulations. Going forward, we will commit to minimizing tax-related risk factors in the long term by making faithful tax payments.

Tax Policy

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- The company fully complies with our legal duty to report and pay taxes in every country where we do business, and fulfill our duty as a taxpayer in close cooperation with the tax authorities of each country.
- The company does not conduct income transfers between countries and we do not evade taxes by exploiting tax law differences, loopholes in the international tax system or tax havens. We ensure that taxable income is legally distributed based on its value in each country where the company does business.

- The company appoints external experts to deal with regulations such as the duty to prepare and submit BEPS-related reports in each country, and we implement BEPS risk analysis and documentation projects in overseas offices.
- Our tax information is transparently disclosed through an external notice. The financial statements and the footnotes of audit reports contain information on corporate tax calculation standards, deferred tax assets, liabilities, composition, and corporate tax rates. Transparency and objectivity are ensured by external audit.

Tax Risk Management

Hyundai Steel sets “stringent compliance with regulations” as the core of our tax risk management. We maintain a transparent relationship with the tax authorities and provide them with evidence at their request. We do not own any subsidiary company established for the purposes of tax evasion, and we do not transfer any income to companies located in tax havens. We recognize the risk of double taxation in transfer pricing that involves our major overseas business sites, as caused by the competition between taxation authorities for taxation rights. To address this issue, we have established a principle to always transact within the “normal price range”.

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- Hyundai Steel does not attempt to avoid taxes using tax structures that serve no commercial purpose.
- All transactions with our subsidiaries are based on regular prices(normal prices are applied to transactions with third parties that do not have special relations with Hyundai Steel). In addition, the appropriateness of transfer prices is evaluated through confirmation by external experts.

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