

Environmental Management Policy	Department	Revision No.	Last Updated
	ESG Management Team	1	2024.12.9

Date. 2024. 12. 9.

# Environmental Management Policy

**HYOSUNG** TNC

<b>Environmental Management Policy</b>	Department	Revision No.	Last Updated
	ESG Management Team	1	2024.12.9

## 1. Purpose

The purpose of this document is to establish and implement environmental management policy as well as other necessary matters, helping Hyosung TNC (hereinafter referred to as the “Company”) become a sustainable company that contributes to promoting a better life for humanity.

## 2. Environmental Management Philosophy

The Company shall develop a sustainable business model so that people, the environment, and society can coexist in harmony, thus enhancing the quality of life and value of human life.

## 3. Environmental Management Policy

The Company shall respect human values, establish the following global environmental policy to create a prosperous and sustainable society, and strive to preserve the environment in accordance with the principles and standards of responsible business conduct.

- 3.1 The Company shall acknowledge the environment as a critical success factor for the Company and generate corporate value through proactive environmental management..
- 3.2 The Company shall stay committed to fulfilling its social responsibilities on the development and distribution of eco-friendly goods and services for the sustainable use of resources and energy and the reduction of pollutants throughout the entire process of development, production, sale, use, and disposal.
- 3.3 The Company shall regularly provide environmental training to all of its employees, support the environmental management activities of its business partners, and engage in a variety of environmental awareness-raising activities.
- 3.4 The Company shall minimize environmental pollution and impacts by complying with environmental laws and conventions at home and abroad, as well as manage environmental risks efficiently and disclose the results.
  - (1) In accordance with environmental management policies, manuals, and procedures, the Company shall immediately reflect any amendments to environmental laws and regulations, carefully review environmental laws to manage environmental risks efficiently, and assess compliance annually.
  - (2) The Company shall continuously conduct environmental risk management prevention and improvement activities.
  - (3) The Company shall make efforts to reduce its environmental impact by establishing internal standards that are more stringent than legal requirements.
  - (4) The Company shall transparently disclose its compliance with environmental laws and regulations to stakeholders through various channels, such as sustainability reports,

Environmental Management Policy	Department	Revision No.	Last Updated
	ESG Management Team	1	2024.12.9

the Env-Info System, and the CDP.

#### 4. Definition of Terms

- 4.1 The term “environment” refers to everything that surrounds and directly or indirectly affects living things, including humans.
- 4.2 The term “environmental management” refers to activities that aim to promote environmentally sound and sustainable development of businesses while minimizing negative environmental impacts caused by a company’s unique products, production, and service activities.
- 4.3 ‘Environmental impact’ refers to changes in the environment, either positive or negative, that may result from the organization’s activities, products, and services, either wholly or partially.
- 4.4 The term “employees” refers to all company executives and employees (including temporary workers).
- 4.5 The term “stakeholders” refers to all corporations or individuals who are directly or indirectly associated with the Company, such as business partners, customers, and local residents, and who have an interest in the management activities of the Company.

#### 5. Scope of Application

- 5.1 This Policy applies to all employees within the Company’s financial consolidation scope, which includes the Company’s headquarters, domestic and overseas production and sales corporations and branches, and subsidiaries.
- 5.2 Even when interacting with business partners, agencies, and outsourcing partners, employees shall encourage compliance with this Policy.

##### 1) Business Units

All business locations of the Company shall prioritize compliance with the environmental laws and regulations of each country over this policy. In cases where local environmental laws and regulations do not address specific matters or do not include special provisions, the environmental management activities will be carried out in accordance with this policy. Additionally, the establishment of an environmental management system based on internationally recognized standards or country-specific guidelines is encouraged, and to pursue third-party certification.

##### 2) Supply Chain

The Company prevents ESG risks, such as human rights, environmental, and ethical issues, from arising during transactions with suppliers. By adhering to the 'Supply Chain Due Diligence Guidelines,' the company proactively identifies potential negative impacts within the supply chain and takes corrective actions to address them. Furthermore, to build a

<b>Environmental Management Policy</b>	Department	Revision No.	Last Updated
	ESG Management Team	1	2024.12.9

sustainable supply chain system, the company supports the enhancement of suppliers' ESG capabilities, thereby increasing the sustainability of the supply chain.

Annual written or on-site due diligence is conducted for key suppliers defined in the 'Supply Chain Due Diligence Guidelines' policy. Suppliers assessed as 'high-risk' are required to submit a risk mitigation and improvement plan within 12 months. The progress of these improvements is then reviewed through an on-site inspection in the following year. In cases where suppliers are unable to independently identify areas for improvement, the company supports the enhancement of the suppliers' ESG management capabilities through ESG training, consulting, and improvement assistance activities.

### **3) Products and Services**

The Company monitors compliance with environmental policies based on the product Life Cycle Assessment (LCA). The Company measures the carbon emissions and environmental impact of key products across their entire lifecycle and makes every effort to improve emissions while working towards obtaining eco-certifications, to minimize the environmental impact throughout the entire process, including product development and design, raw material procurement, production, logistics, usage, and disposal. The Company continues to promote environmentally friendly research and development, including the development of resource recycling technologies, products using sustainable materials such as bio-based materials, and biodegradable products."

### **4) Greenhouse Gas / Energy**

The Company implements a greenhouse gas management policy that calculates and discloses greenhouse gas emissions from all its business locations, including both domestic and overseas subsidiaries. The Company establishes global greenhouse gas reduction targets and develops optimal strategies to address climate change. In order to achieve greenhouse gas and energy reductions, the company focuses on reducing energy consumption by improving energy efficiency across the entire lifecycle of products, including product development, raw material procurement, production, logistics, usage, and disposal. The company promotes activities to reduce greenhouse gas emissions and energy consumption, such as replacing outdated facilities with lower energy efficiency, introducing high-efficiency energy equipment, and implementing campaigns to minimize energy usage.

### **5) Water and wastewater**

The Company shall strive to increase the water reuse rate by inspecting and enhancing water facilities to ensure the efficient use of quality water in a timely manner during the

<b>Environmental Management Policy</b>	Department	Revision No.	Last Updated
	ESG Management Team	1	2024.12.9

course of normal business operations. The Company shall minimize pollutant discharge through optimal pollutant control technology and real-time monitoring of water use, reuse, wastewater discharge, pollutant discharge concentration, etc.

**6) Waste**

The Company shall minimize waste generation in all business activities and establish and implement management standards for waste storage, transportation, and treatment so as to ensure efficiency in waste management. In addition, the Company shall store and transport waste in accordance with the management standards for each waste type, and make sure that outsourced waste treatment companies strictly manage waste in compliance with the law.

**7) Closed-loop recycling**

The Company shall continuously strive to enhance its closed-loop recycling capabilities, such as product development utilizing recycled raw and auxiliary materials and process improvement for recycling process-generated waste.

**8) Air Pollutants**

The Company shall strive to minimize air pollutants by establishing internal management standards that are more stringent than the acceptable limits specified by laws and regulations, reviewing the environmental considerations prior to installing production facilities, and employing the most effective pollution control technologies.

**9) Chemical substances**

The Company shall protect workers and communities from chemical exposure and incidents by evaluating potentially hazardous materials prior to their use. The Company shall endeavor to prevent incidents such as spills by equipping and installing safety devices in workplace areas where hazardous materials are handled and conducting regular inspections. In addition, the Company shall establish a response system according to emergency preparedness scenarios and build networks with related departments and organizations. The Company shall provide employee training on a regular basis and continuously promote hazardous materials management in order to prevent environmental incidents and minimize their impacts through prompt response.

**6. Governance**

The Company has established and operates a governance structure to drive environmental

<b>Environmental Management Policy</b>	Department	Revision No.	Last Updated
	ESG Management Team	1	2024.12.9

management across the entire organization, consisting of the Board of Directors, the ESG Management Steering Committee, and the ESG Management Team. The ESG Management Steering Committee, chaired by the CEO, provides strategic direction for environmental management, including climate change response, reviews the implementation of environmental policies and environmental management performance, and oversees the management of environmental risks and overall performance improvement activities.

**7. Sustainable Procurement**

Through sustainable procurement (hereafter referred to as “green procurement”), which contributes to resource conservation and reducing environmental impact, the Company shall fulfill its responsibilities to its customers and society. To conserve resources, the Company refrains from making unnecessary purchases so that there are as little remaining quantities as possible. In addition to quality and price, the Company shall evaluate the environmental impact of products and strive continually to identify and give preference to sustainable products, such as those with low use of hazardous materials, reduced waste, and reduced resource consumption. For the expansion of green procurement, the Company shall inform its business partners of the Company’s Green Procurement Policy and encourage environmental improvement activities for the products delivered.

**8. Sustainable Management Practices**

**8.1 Establishment of Sustainable Brand Strategy and marketing system**

The Company shall contribute to sales growth through brand strategies related to sustainable products as well as related marketing and sales activities while adhering to advertising and marketing ethics policies.

**8.2 Strengthening communication**

The Company shall determine the Company’s internal and external environmental management issues, as well as the needs and expectations of stakeholders, thereby improving communication.

① Expansion of customer-oriented management

The Company shall meet customers’ sustainable requirements and incorporate them into the Company’s management practices.

② Reinforcement of employees’ environmental management capabilities and communication

The Company shall provide education and training to enhance employees’ environmental management capabilities, as well as regular communication regarding environmental

Environmental Management Policy	Department	Revision No.	Last Updated
	ESG Management Team	1	2024.12.9

management issues.

③ Enhancement of business partner relations

The Company shall establish and operate a system for providing diverse programs and ensuring eco-friendly supply chain management to improve the environmental management capabilities of business partners who have a direct or indirect impact on the Company's environmental management.

④ External cooperation for environmental management

The Company shall participate voluntarily in domestic and international environmental initiatives and show active engagement in external cooperation programs.

(End of Document)