

Sustainable Procurement Policy	Department	Revision No.	Last Updated
	Purchasing Team	3	2024.11.27

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Hyosung TNC Sustainable Procurement Policy

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Hyosung TNC Co., Ltd. (hereinafter referred to as the "Company") is committed to pioneering a sustainable future as a global leader. In alignment with this vision, the Company has evolved beyond a traditional procurement policy that prioritizes quality, adopting a forward-looking approach that expands the acquisition of eco-friendly certified products. Furthermore, the Company is dedicated to establishing a socially responsible supply chain, continuously identifying competitive suppliers, and ensuring long-term sustainable procurement practices.

1. Strengthening Eco-Friendly Procurement

The Company seeks to meet customer needs and contribute to a circular economy by progressively increasing the proportion of purchases of low-carbon, recycled, and bio-based products.

- 1.1. Establish and operate a system to define standards for eco-friendly materials and manage relevant certifications.
- 1.2. Prioritize the procurement of environmentally friendly products.
- 1.3. Continuously review compliance with eco-friendly standards and conduct regular audits.
- 1.4. Minimize unnecessary purchases to conserve resources and manage appropriate inventory levels to prevent surplus.

2. Supply Chain Management

To minimize negative impacts such as environmental, human rights, and ethical concerns within the supply chain, the Company selects partners with the capability to prevent such risks. Furthermore, the Company manages supply chain risks through regular partner evaluations and audits.

- 2.1. Establish criteria, processes, and evaluation systems for environmental, human rights, and ethical standards in supply chain (re)evaluations.
- 2.2. Operate technical support programs, including sharing eco-friendly expertise and encouraging carbon emissions reduction.
- 2.3. Develop qualified personnel for supply chain evaluations and verify concrete metrics through periodic audits.

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2.4. Annually recognize and reward outstanding suppliers, implementing financial support such as shortening payment terms.

3. Enhancing Procurement Competitiveness

The Company strives to establish a stable and competitive procurement system that ensures both tangible and intangible value for customers. By securing alternative supply sources across continents, the Company aims to mitigate geopolitical risks and maintain stable procurement capabilities.

- 3.1. Continuously develop and expand new supply chains aligned with the Company's purchasing policy.
- 3.2. Enhance purchasing efficiency through the establishment of a global integrated procurement process.
- 3.3. Realize optimized purchasing activities through continuous improvements in procurement competitiveness.

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