

Document No.	WMM-BP-A-00200
Lasted edited	2024. 05. 17
Managed by	Business Planning & Management Team

HYUNDAI WIA

Environmental Management Policy

2024. 05.

[Approved by]

[HYUNDAI WIA]

CEO

Jae-Wook Jung

(Signature)



Document No.	WMM-BP-A-00200
Last edited	2024. 05. 17
Managed by	Business Planning & Management Team

HYUNDAI WIA

Environmental Management Policy

2024. 05.

[Managed by]

[HYUNDAI WIA]

Planning & Management Team Leader

Hye-Eun Kwon

(Signature)



[Approved by]

[HYUNDAI WIA]

The head of Planning Div.

Jung-Wook Lee

(Signature)



1. Overview

A. Purpose

HYUNDAI WIA enacts this environmental policy to continuously improve environmental performance through eco-friendly management and to minimize negative environmental impacts throughout its business activities and value chain.

<HYUNDAI WIA's environmental management policy>

- 1) We create corporate value through proactive environmental management and fulfill our social responsibility by recognizing the environment as the key to corporate success.
- 2) We set implementable targets and evaluate implementation performance to respond to climate change.
- 3) We actively make efforts to use resources and energy sustainably and reduce pollutants throughout the entire lifecycle of development, production, sale, use, and discharge.
- 4) We shall actively support suppliers' environmental management activities and establish and implement criteria necessary to carry out an eco-friendly supply chain policy.
- 5) We comply with domestic and international environmental laws and conventions and establish and implement necessary policies to promote environmental management.
- 6) We establish policies to protect bio-diversity and preserve the natural environment.
- 7) We post our environmental management achievement to corporate staff members and stakeholders per reasonable and objective criteria.

B. Scope

This environmental management policy applies to HYUNDAI WIA, its affiliates, and their worldwide business units. HYUNDAI WIA advice all suppliers and contract partners' supply chain to adhere to this environmental management policy and provide necessary support for environmental management policy.

HYUNDAI WIA complies with each country's relevant environmental laws and regulations before this policy. HYUNDAI WIA references this policy when local authorities' environmental laws and regulations do not cover or do not have special provisions regarding environmental management.

① The supply chain

HYUNDAI WIA regularly examines the environmental management achievement and risks, and support the establishment of an environmental management system for high-risk supply chain or supply chain that has a significant impact on one another in a business relationship. Furthermore, HYUNDAI WIA buys more products (raw and subsidiary materials) and services certified for eco-friendliness. HYUNDAI WIA builds a cooperative eco-system to develop and produce an eco-friendly supply chain and products.

Green Purchase

HYUNDAI WIA shall increase the purchase of eco-friendly products, including eco-label products that reduce environmental impacts, low-carbon products certified for reducing GHG emissions, and Good Recycled (GR) products that secure excellent quality. HYUNDAI WIA shall make an effort to produce products in eco-friendly ways, such as establishing and operating an environmental management system, and to obtain certificates for eco-friendly expertise, such as green technology and products.

② Production and Business sites

HYUNDAI WIA's production and business sites shall establish an environmental management system based on internationally recognized standards or national guidelines, and at the same time, they shall introduce internal policies to reduce environmental impacts and pollution and engage in continuous performance-enhancing activities. In addition, they shall achieve a third party's EMS certification for primary production and sales sites whose environmental impacts are significant.

③ Distribution Network

HYUNDAI WIA shall reduce environmental impacts, stemming from logistics and transportation processes such as raw materials, in-process materials, and finished products. HYUNDAI WIA shall boost energy efficiency, expand eco-friendly logistics and transportation networks continuously and plan internal and external cooperative activities to cut GHG, waste, wastewater, and other pollutants generated from logistics and transportation processes.

④ Products and services

HYUNDAI WIA shall improve environmental impacts based on lifecycle assessment results of environmental impacts from the input of raw materials, to production/distribution of products, to recovery/recycling of used products. Furthermore, HYUNDAI WIA shall work to develop eco-friendly products and services to transition to a low-carbon/renewable energy society.

⑤ Sales and Marketing

HYUNDAI WIA reflects eco-friendly factors in the product brand strategy, and promotes sales and marketing activities linked to the brand strategy. In order to strengthen the eco-friendly product brand, we conduct stakeholder opinions gathering activities, and disclose and disseminate the results of eco-friendly products and services. In addition, sales branches and service centers strive to minimize environmental pollution while complying with environmental laws.

⑥ Recovery and Recycling

HYUNDAI WIA shall design and develop products in consideration of the circular use of waste products. Based on the producer's responsibility, we expand and promote the recovery and recycling of waste products, and at the same time expand the resource reuse and recycling rate through collaboration with waste product processing companies. In addition, we spread economic value through recycling, such as collecting/processing waste generated in the local community and applying it to products.

⑦ M&A

HYUNDAI WIA shall run a process to conduct environmental due diligence in the case of M&A. Based on environmental data, HYUNDAI WIA will review compliance risks regarding M&A target organization's environmental and potential adverse environmental impacts. Then, HYUNDAI WIA will develop countermeasures to address compliance risks, and the review results of environmental impacts will be factored into the valuation of the target organization. As such, HYUNDAI WIA shall engage in activities to mitigate the environmental impacts.

⑧ Others (New business and project investment)

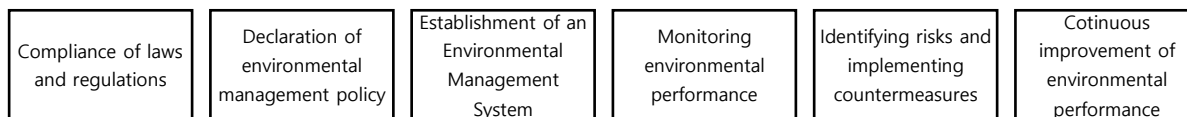
HYUNDAI WIA shall outline procedures to identify and improve environmental impacts and risks when HYUNDAI WIA operates a new business or a project or makes an internal or external investment outside the scope above.

C. Implementation plan

HYUNDAI WIA's environmental management shall

1. Comply with environment-related laws and regulations
2. Declare policies to implement the environmental management
3. Establish an Environmental Management System and introduce management guidelines
4. Monitor environmental performance
5. Discover risks and implement measures to address them
6. Engage in continuous improvement for better environmental performance

The organization in charge of environment management shall capture new or revised regulations and changes in the social and corporate environment to refine corresponding implementation measures.



2. Basic principles

HYUNDAI WIA is committed to natural capital conservation, carbon neutrality & energy transition, clean tech products & services development, circular economy revitalization, and eco-friendly business construction. HYUNDAI WIA defines the following basic principles for each environmental element to facilitate environmental management.

A. Raw and subsidiary materials

HYUNDAI WIA shall develop a policy to minimize unnecessary waste of natural resources by efficiently using raw and subsidiary materials used to produce products and services. In addition, HYUNDAI WIA shall monitor whether raw and subsidiary materials are produced by illegally damaging natural resources or causing environmental pollution.

① Efficient use of raw and subsidiary materials

HYUNDAI WIA shall continuously improve the production process for products and services to optimize raw and subsidiary materials input. And HYUNDAI WIA shall control raw and subsidiary materials according to the production plan, comprehensively considering business strategy, production schedule, and inventory management.

② Re-use of production waste

HYUNDAI WIA shall re-use metal waste, such as iron and aluminum, the byproduct of raw and subsidiary materials, and other debris, such as scrap timber and scrap paper and their byproducts, into the production process or transfer and sell to other industries or external facilities.

③ Inspection of raw and subsidiary materials production site

HYUNDAI WIA shall encourage its partners to promote environmental management on their own, and regularly evaluates and inspects the performance of environmental management in the supply

chain. In particular, HYUNDAI WIA encourages the production of eco-friendly products in supply chains and the acquisition of environmental certification. Efforts shall be made to check and improve the amount of energy and water used and waste emissions in the supply chain.

④ Biodiversity protection

HYUNDAI WIA shall establish and implement policies for biodiversity protection throughout the procurement/procurement of raw materials and business.

Biodiversity protection policy

HYUNDAI WIA shall prepare actionable measures to protect biodiversity throughout its business operations, such as the purchase/procurement of raw materials, the operation of business sites, the distribution/sale of products, and the collection/recycling of waste products, etc.

⑤ Prevention of deforestation

HYUNDAI WIA shall recognize the problems of deforestation that may occur throughout the business, and shall prepare and implement a deforestation prevention policy that can minimize the negative impact on the business process.

Deforestation prevention policy

HYUNDAI WIA shall do its best to prevent deforestation throughout its business operations, such as the purchase/procurement of raw materials, operation of business sites, distribution/sale of products, and the collection/recycling of waste products, etc. To this end, HYUNDAI WIA shall contribute to preventing deforestation in the community, forest conservation, and improvement of forest carbon absorption through carbon offset programs including REDD+ (Reducing Emission from Deforestation and Forest Degradation Plus Conservation) activities as well as maintaining/protecting the green area inside the business site and surrounding areas.

B. Energy

HYUNDAI WIA shall lead the energy transition across an entire value chain, including establishing a production system based on eco-friendly energy, investing in renewable energy generation facilities, expanding eco-friendly products, and utilizing hydrogen. Furthermore, HYUNDAI WIA will deploy energy-saving activities daily, such as discovering and implementing energy efficiency tasks and staging energy-saving campaigns. HYUNDAI WIA affiliates prepare and implement specific energy management policies, including whether to participate in global initiatives such as RE100, to reduce energy and expand renewable energy use.

① Energy conservation

HYUNDAI WIA shall run activities for energy conservation, such as replacing outdated low energy-efficient facilities, using highly efficient energy facilities, developing and implementing eco-friendly technologies for minimum energy consumption, and launching energy campaigns.

② Implementation of renewable energy

HYUNDAI WIA shall draft measures to develop and expand eco-friendly energy technologies, including clean hydrogen, considering appropriate renewable energy solutions suitable for the conditions of a business site, such as installing facilities to generate renewable energy, buying a renewable energy certificate, and signing a power supply contract with power producers.

③ Operation of an Energy Management System

HYUNDAI WIA shall establish a system to monitor energy and GHG and review a measure to boost energy management efficiency based on the data analysis in the system.

C. Water

HYUNDAI WIA shall recognize the need for sustainable conservation of water resources and seek ways to reduce water consumption and recycle water. HYUNDAI WIA shall actively consider water storage facilities to expand the capacity to contain water, centering around water-scarce areas. In addition, HYUNDAI WIA promotes internal and external activities to identify and improve water depletion risks in water supply areas other than industrial water.

① Water recycling

HYUNDAI WIA shall minimize wastewater generation through recycling and water purification facilities for wastewater and continue the 3Rs (Reduce, Reuse, Recycle) for the sustainability of water resources.

② Water storage

HYUNDAI WIA shall install and operate rainwater catchment and drainage to store and manage rainwater and to store water in a reservoir on a business site.

③ Inspection of potable water

HYUNDAI WIA shall regularly monitor to see if there is a business site in areas of water shortage and depletion and implement measures to protect areas with water shortage and depletion, which may significantly impact the operation of a business site.

D. GHG

HYUNDAI WIA shall actively respond to climate change and prepare practical greenhouse gas reduction measures to achieve the Net Zero goal, by promoting the transition to the renewable energy system in stages, and considering the current status of the business to achieve the carbon-neutral goal. HYUNDAI WIA shall establish and implement policies for greenhouse gas management and carbon neutrality, including carbon absorption/offset activities.

① Reduction of business sites

HYUNDAI WIA shall achieve carbon neutrality by utilizing a transition to renewable energy, higher energy efficiency, and clean hydrogen energy. In addition, HYUNDAI WIA shall build a production platform for carbon neutrality by advancing manufacturing technologies and innovating platforms, including an eco-friendly smart factory.

② The supply chain reduction

HYUNDAI WIA shall develop guidelines for carbon neutrality of the supply chain, induce practices of carbon neutrality, and work on reduction, taking into account the characteristics of the supply chain. In particular, HYUNDAI WIA checks the carbon emission status of its partners subject to regulations such as the carbon target management system and emission trading system, presents carbon-neutral implementation goals in the supply chain, and monitors progress.

③ Reduction of products and services

HYUNDAI WIA shall develop a platform and a technology dedicated to eco-friendly products, expand infrastructure for eco-friendly products, and spread eco-friendly products and services. Through this, products and services will produce fewer emissions and GHG.

E. Waste

HYUNDAI WIA shall develop and implement policies for **waste management and recycling** to reduce waste generated out of business operations and efficiently dispose of waste.

① Tracking waste disposal

HYUNDAI WIA shall follow procedures defined under the relevant laws and regulations to track the proper disposal of waste generated from business sites.

② Improving waste recycling

HYUNDAI WIA shall determine the optimal treatment method according to the type and amount

of waste generated throughout business operation. Through this, the ratio of waste to be landfilled/incinerated is minimized, and the recycling rate of waste is improved.

③ Waste recycling

HYUNDAI WIA shall create an upcycling ecosystem that creates value by discovering wastes with a high rate of landfill/incineration during production process and by reinventing them into new products and services.

F. Waste product

HYUNDAI WIA shall improve recyclability by considering recyclability from the design stage of a product, and operates waste product recovery and recycling services in cooperation with waste product disposal companies. In addition, HYUNDAI WIA shall provide information on the waste product recovery system to induce customers to properly dispose of waste products.

① Provision of waste product recovery information

HYUNDAI WIA shall provide enough information to enable customers to dispose of waste products legally and reasonably, and operate systems and procedures that support waste products in an environmentally friendly way.

② Collection of waste products

HYUNDAI WIA shall cooperate with waste product treatment companies to expand waste product recovery and recycling, and continue to improve resource reuse and recycling rates after collecting waste products.

③ Recycling of waste products

Recycled materials recovered from waste products are applied to products. To this end, HYUNDAI WIA shall promote the localization of recycled materials and the development of parts centering on major production/sales bases.

G. Pollutants

HYUNDAI WIA shall reduce emissions of air pollutants and water pollutants, minimize negative impacts on the natural environment, and do its best to protect the health and safety of cutomers and employees. HYUNDAI WIA shall establish and apply criteria to manage the generation and emission of pollutants based on the respective nation's environmental laws and regulations.

① Air pollutants

HYUNDAI WIA shall monitor the emission level of air pollutants such as NO_x, SO_x, and TSP, invest in pollution mitigation facilities, and introduce new technologies to control air pollutants below the legal limit.

② Water pollutants

HYUNDAI WIA shall legally store and manage water pollutants to prevent leakage, and when discharged, it is treated through a legitimate consignment treatment company with verified water pollutant treatment capabilities or through a water pollutant prevention facility to monitor the level of emission and comply with legal standards related to water pollutants such as SS, TOC and BOD below the legal limit.

③ Soil pollutants

HYUNDAI WIA shall monitor soil contamination caused by soil pollutants, such as cadmium, fluorine, and TPH, and implement necessary measures such as periodic inspection and facility and process improvement to prevent soil contamination.

H. Hazardous Materials

HYUNDAI WIA shall identify the status of (harmful) chemicals used during the business process or contained in the product and provide the necessary information to stakeholders. Also, HYUNDAI WIA shall establish and implement policies for hazardous materials management, including reducing the use of hazardous materials and managing the risk.

I. The local community

HYUNDAI WIA shall recognize that the company and its employees are local community members and develop measures to manage the environmental issues reasonably considering their impacts on the local community. HYUNDAI WIA shall prepare procedures necessary to disclose its environmental information to the local community, reflect opinions from the local community, and continuously engage in communication with the stakeholders.

3. Implementation system

A. Governance

① The role of the senior management

HYUNDAI WIA shall manage environmental management risks and oversee overall performance enhancement activities through the senior management meetings, which where CEO or main decision-makers attend. The primary role of the senior management meetings is to establish or revise environmental management policies, review environmental management risks, check ecological management performance, discuss countermeasures to environmental management risk, and others that are considered necessary to spread environmental management. The senior management shall implement concrete measures following the relevant procedure in case a Board of Directors or subcommittees report or approval is deemed necessary to make decisions related to environmental management such as mid-to-long term environmental management strategy and major facility investment plan.

② The role of a dedicated organization

HYUNDAI WIA shall form an organization dedicated to implementing environmental management and have it handle the tasks. The primary role of the organization is to draft and enforce policies for the establishment and operation of an Environmental Management System, protection and restoration of ecological capital, and the management and execution of policies to manage pollutant emissions generated from business operations, identification and reduction of environmental risks, the spread of environmental management, receipt and handling of environmental grievances and other external cooperation activities. Furthermore, the organization shall expand eco-friendly products and services by cooperating with engineering, R&D, purchasing, production, and sales functions.

B. Training and dissemination

① Environmental training

HYUNDAI WIA shall conduct environmental training for employees, executives, and other stakeholders to raise their awareness of the need for environmental management. In addition, the training aims to induce participants to attain an eco-friendly way of thinking.

② External cooperation

HYUNDAI WIA shall build a cooperative system with specialized external organizations to enforce environmental management efficiently and make environmental management performance more efficient. HYUNDAI WIA will strengthen EMS by utilizing the expertise and experience of external

partners.

C. Communication

① Government agencies

HYUNDAI WIA shall share its environmental management performance with the government agencies and confirm the government's policy direction to respond preemptively. In addition, HYUNDAI shall adequately understand and comply with the respective nation's environmental laws and regulations.

② Shareholders and investors

HYUNDAI WIA shall generate environmental management performance meeting the requirements of the shareholders and investors, in order to build trust and engage extension of investment for a higher corporate value.

③ The supply chain

HYUNDAI WIA shall share its know-how and experiences in implementing environmental management with the supply chain and run a communication channel to consult with the supply chain to create environmental values.

④ Customer

HYUNDAI WIA shall provide environmental information about products and services to customers, capture their opinions gathered through a customer contact channel, and reflect them in the development process for eco-friendly products and services.

⑤ The local community

HYUNDAI WIA shall gather views from the local community and public-private consultative council to alleviate environmental impacts of business operations to identify and resolve grievances raised from the local community.

⑥ Employees and executives

HYUNDAI WIA shall share an environmental management policy with employees and executives and raise their awareness of environmental management. When implementing environmental management, their views to improve environmental performance shall be considered.

D. Performance management

① Setting performance targets

HYUNDAI WIA shall set up mid-to-long-term performance targets for environmental factors that impact business operations severely. These targets shall be determined by taking into account emissions and usage data outlook (Business As Usual) and external economic conditions, the government's policy direction, and internal business strategies.

[HYUNDAI WIA] RE100 Implementation Plan

HYUNDAI WIA is pushing for a 100% conversion of renewable energy by 2045. HYUNDAI WIA plans to apply it first to overseas factories that are easy to supply and demand renewable energy. In addition, HYUNDAI WIA will be expanded to all factories in Korea in consideration of the renewable energy supply and demand environment, government policies, and regulations. To achieve 100% renewable energy by 2045, HYUNDAI WIA will devise and implement optimal measures such as installing a solar power generation system, purchasing a certificate of renewable energy, and signing a power supply contract with external renewable energy generators.

② Examining the implementation status

HYUNDAI WIA shall check the implementation status of mid-to-long-term performance enhancement targets regularly. HYUNDAI WIA shall comprehensively check the progress rate against the target, efficiency of activities implemented to achieve the targets, and challenges in the target achievement process. If necessary, mid-to-long-term targets will be adjusted based on the check results.

③ Performance Assessment of the senior management

The senior management's performance evaluation indicators (KPIs) shall include the mid-to-long-term environmental performance improvement goals and implementation status. In addition to environmental performance improvement, the performance evaluation for the senior management shall comprehensively consider significant ESG evaluation results at home and abroad and internal ESG improvement tasks.

4. Supplementary provision

- ① This environmental management policy shall be enacted as of September 1st, 2022.
(Last edited : May 17, 2024)
- ② This environmental management policy is written in Korean and English, and if there is any discrepancy between the Korean and English versions, the Korean version shall prevail.