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<b>Responsible Department</b>	Strategic Support Team

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## Hyundai Transys Climate Change Policy

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# 1. Overview

## A. Purpose of Enactment

Hyundai Transys hereby establishes this Climate Change Policy in order to systematically manage greenhouse gas emissions generated throughout its business operations and value chain, and to promote carbon reduction and energy transition in response to climate change. This Policy has been developed with reference to major international standards and guidelines, including the Paris Agreement, the Science Based Targets initiative (SBTi), and the Carbon Disclosure Project (CDP), and is intended to define the Company's principles and management framework for climate change response.

## B. Scope of Application

This Climate Change Policy applies to Hyundai Transys and all of its affiliated entities and business units operating worldwide. Hyundai Transys recommends that supply chain participants, including suppliers and contractual partners, comply with the purpose and principles of this Policy in responding to climate change, and shall provide relevant support where necessary. Hyundai Transys shall comply with the climate change-related laws and regulations of each country as a matter of priority over this Policy, and for matters not otherwise prescribed by local laws and regulations, climate change response activities shall be carried out in accordance with this Policy.

### ① Supply Chain

In accordance with the [Supplier Code of Conduct] and the [Supply Chain Assessment Criteria], Hyundai Transys regularly reviews climate change response performance and related risks across its supply chain. In addition, it supports the establishment of climate response systems for high-risk suppliers or suppliers with significant business impact. The Company also expands the purchase of raw and auxiliary materials and services that have obtained low-carbon product certification, and builds a collaborative ecosystem with its supply chain for the development and production of low-carbon products.

### ② Operations

Hyundai Transys production and sales sites establish climate change response systems to

systematically manage greenhouse gas emissions and energy use. In addition, site-level greenhouse gas reduction activities are continuously promoted through improved energy efficiency, the introduction of low-carbon processes, and the expanded use of renewable energy. For major business sites, the Company promotes the establishment of management systems based on international standards and the acquisition of third-party certification in order to strengthen greenhouse gas and energy management.

**③ Distribution Network**

Hyundai Transys seeks to reduce greenhouse gas emissions arising from the logistics and transportation of raw materials, work-in-progress, and finished products. The Company expands the use of highly energy-efficient transportation modes and low-carbon logistics systems, and promotes both internal and external collaboration to reduce emissions in logistics processes.

**④ Products and Services**

Based on Life Cycle Assessment (LCA), Hyundai Transys evaluates and promotes reduction activities for greenhouse gas emissions generated throughout the entire product life cycle, from raw material sourcing and production to distribution, use, and disposal. In addition, in order to contribute to the transition to a low-carbon society, the Company expands the development of energy-efficient products and products and services based on low-carbon technologies..

**⑤ Sales and Marketing**

Hyundai Transys conducts sales and marketing activities that reflect the carbon reduction characteristics of its products and services and its climate change response performance. The Company also provides stakeholders with transparent information related to eco-friendly and low-carbon products, and strengthens external communication to disseminate its climate response achievements.

**⑥ Recovery and Recycling**

Hyundai Transys designs and develops products with consideration for resource circulation and carbon emission reduction. The Company also expands end-of-life product recovery and recycling activities to reduce greenhouse gas emissions generated from raw material use and production processes, and promotes carbon reduction activities based on the circular

economy, including the expanded use of recycled materials.

⑦ **Other (New Business, Project Investment, etc.)**

In the course of entering new businesses, promoting new projects, and making investments, Hyundai Transys reviews in advance greenhouse gas emission impacts as well as climate change-related risks and opportunities, and considers business opportunities that can contribute to the low-carbon transition.

### **C. Implementation Measures**

To respond to climate change and achieve greenhouse gas reduction targets, Hyundai Transys shall pursue the following implementation measures throughout its business operations and value chain.

① **Greenhouse Gas Emissions Management and Reduction**

The Company systematically measures and manages greenhouse gas emissions generated in the course of business operations and continuously promotes emission reduction activities in accordance with its mid- to long-term reduction targets. Greenhouse gas emissions shall be calculated in accordance with internationally recognized standards such as the GHG Protocol, and management and verification systems shall be operated based on relevant international standards such as ISO 14064.

② **Energy efficiency Improvement and Expansion of Renewable Energy**

The Company continuously improves energy use efficiency at business sites and expands the use of renewable energy in order to advance the low-carbon transition of its energy consumption structure. In addition, by expanding the adoption of renewable energy and strengthening energy management systems, Hyundai Transys reduces greenhouse gas emissions generated from business operations.

③ **Development of Low Carbon Products and Technologies**

Based on Life Cycle Assessment (LCA), Hyundai Transys manages greenhouse gas emissions generated in the stages of raw material sourcing, production, distribution, use, and disposal, and expands the development of low-carbon products and technologies. Through these efforts, the Company continuously improves product energy efficiency and carbon reduction

performance.

④ **Supply Chain Carbon Management**

Hyundai Transys manages greenhouse gas emissions throughout the supply chain in collaboration with suppliers and supports the enhancement of suppliers' climate response capabilities. The Company also promotes carbon reduction activities across the supply chain by expanding the procurement of low-carbon raw and auxiliary materials and products.

⑤ **Climate Change Governance and Performance Management**

The Company establishes internal governance for climate change response and regularly monitors greenhouse gas emissions and reduction performance. Hyundai Transys also transparently discloses key achievements related to climate change response activities to stakeholders and continuously pursues improvement activities.

⑥ **Climate Risk and Opportunity Management**

Hyundai Transys identifies and assesses physical and transition risks arising from climate change and reflects them in business operations and mid- to long-term strategies. The Company also identifies new business opportunities arising from the transition to a low-carbon economy and incorporates them into its sustainable growth strategy

⑦ **Operation of Internal Carbon Pricing(ICP)**

Hyundai Transys will introduce Internal Carbon Pricing (ICP) in phases in order to consider the financial impacts of greenhouse gas emissions and promote low-carbon investment. The internal carbon price shall be used for investment decision-making related to greenhouse gas reduction, energy transition, and the adoption of low-carbon technologies, and shall support the establishment and implementation of the Company's mid- to long-term carbon neutrality strategy.

⑧ **Climate Scenario Analysis**

Hyundai Transys conducts various climate scenario analyses to assess the potential impact of climate change on its financial position and business operations. The results of such scenario analyses are reflected in the establishment of mid- to long-term management strategies, investment decision-making, and risk management systems in order to strengthen the Company's climate response capabilities.

### ⑨ Employee and Supply Chain Engagement

Hyundai Transys promotes education, collaboration programs, and awareness-raising activities to strengthen the climate response capabilities of employees and supply chain participants. The Company also expands carbon reduction activities across the supply chain through collaboration with suppliers and fosters a culture of climate action.

## 2. Fundamental Principles

Hyundai Transys supports the direction and goals of the Paris Agreement and recognizes climate change response as a core element of its sustainable growth and social responsibility. The Company continuously promotes activities to achieve carbon neutrality by systematically managing and reducing greenhouse gas emissions generated throughout its value chain, including business site operations, raw and auxiliary material purchasing and procurement, and distribution and sales.

### A. Policy Direction

Hyundai Transys recognizes climate change response as a key task for ensuring corporate sustainability and competitiveness, and strengthens its environmental responsibility through a strategic approach to achieving carbon neutrality. To this end, the Company establishes greenhouse gas reduction targets aligned with international standards and the Science Based Targets initiative (SBTi), and systematically promotes carbon reduction activities throughout the value chain.

### B. Carbon Neutrality Goals

Hyundai Transys supports the Paris Agreement goal of limiting the increase in global average temperature to 1.5°C and establishes greenhouse gas reduction targets based on the reduction pathway of the Science Based Targets initiative (SBTi). Accordingly, Hyundai Transys aims to achieve carbon neutrality across its entire value chain by 2045, including direct emissions (Scope 1), indirect emissions (Scope 2), and other indirect emissions (Scope 3), while also pursuing RE100 (100% renewable electricity). The Company prioritizes the reduction of greenhouse gas emissions, and for

residual emissions that are technically or economically difficult to abate, may use internationally recognized carbon removal or offset mechanisms to help achieve its carbon neutrality goals.

### 3. Implementation Framework

#### A. Operational Implementation Process

Hyundai Transys shall operate its climate change response and carbon neutrality initiatives in accordance with the following operational implementation process in order to ensure the effective execution of its climate response and carbon neutrality goals. 국내외 기후변화 관련 법규, 규제, 공시기준, 시장 동향 및 이해관계자 요구사항을 상시 모니터링한다.

1. The Company shall continuously monitor domestic and international climate change-related laws, regulations, disclosure standards, market trends, and stakeholder requirements.
2. The Company shall identify and assess greenhouse gas emissions, energy consumption, climate-related risks, and opportunities arising across its business sites, overseas subsidiaries, supply chain, and product life cycle.
3. Based on the results of such assessments, the Company shall establish mid- to long-term reduction targets, annual action plans, and key implementation initiatives.
4. Relevant departments shall carry out detailed implementation initiatives, including greenhouse gas emissions reduction, energy efficiency improvement, renewable energy expansion, development of low-carbon products and technologies, and supply chain carbon management.
5. The Company shall regularly review the implementation status of action initiatives, investment plans, performance, and key issues, and examine any necessary corrective or improvement measures.
6. The results of such reviews shall be shared through the Carbon Neutrality Working-Level Council, the Carbon Neutrality Committee, and the management reporting system, and where necessary, targets, action plans, and resource allocation shall be adjusted.
7. The Company shall disclose major performance and information related to climate change response to internal and external stakeholders and, where necessary, conduct external verification.

8. The Company shall review the need to revise this Policy and related regulations in response to changes in applicable laws and regulations, international standards, the business environment, and corporate strategy.

## **B. Governance**

Hyundai Transys shall manage and oversee the implementation status of carbon neutrality through a consultative body in which the chief decision-maker or other key decision-makers participate. In addition, the Company operates a Carbon Neutrality Committee in order to effectively manage climate change-related risks and strengthen management accountability and execution capabilities with respect to climate issues.

### **① Board of Directors (Role of management)**

The Board of Directors determines the authority, responsibilities, and reporting system of the Carbon Neutrality Committee and bears final decision-making responsibility for carbon reduction plans. In addition, it establishes the Company-wide direction for climate response by reviewing and approving carbon neutrality strategy reports.

### **② Carbon Neutrality Committee**

The Carbon Neutrality Committee establishes policies concerning the design and operation of greenhouse gas reduction plans, and oversees the review, reporting, and implementation of such plans. It also inspects operational status, evaluates performance, and secures the execution of strategy by directing and managing the working-level consultative body.

### **③ Carbon Neutrality Working Level Consultative Body**

The Carbon Neutrality Working-Level Consultative Body serves as the execution organization for achieving carbon neutrality by establishing carbon reduction plans, identifying tasks, and promoting implementation. Through interdepartmental collaboration, it coordinates resource allocation and formulates implementation measures in response to changes in policies and regulations. It also regularly reviews carbon neutrality implementation performance and supports reporting to management and external stakeholders.

## **C. Implementation Monitoring**

Hyundai Transys oversees the establishment of carbon neutrality-related targets and regularly

reviews progress. The Company comprehensively reviews the implementation status and performance of carbon neutrality initiatives, as well as the annual budget and major capital expenditure items necessary for the execution of such initiatives..

#### **D. Performance Evaluation**

Hyundai Transys operates performance indicators for executives and organizations responsible for carbon neutrality. Performance evaluation quantitatively assesses the level of target achievement through a comprehensive review of the implementation status of reduction initiatives established under the carbon neutrality strategy and carbon reduction performance.

#### **E. Performance Management**

##### **① Establishment of Performance Targets**

Hyundai Transys establishes mid- to long-term performance targets for factors that have a significant impact on climate change due to its business operations. Such mid- to long-term performance targets are established in consideration of not only projected emissions and usage data (Business As Usual), but also the external economic environment, government policy directions, and internal business strategies..

##### **② Review of Implementation Status**

Hyundai Transys regularly reviews the implementation status of its mid- to long-term performance improvement targets. In addition to the rate of implementation against targets, the Company comprehensively reviews the effectiveness of the activities undertaken to achieve the targets and any difficulties encountered in the course of implementation. Where necessary, the Company may adjust the mid- to long-term performance improvement targets based on the review results.

##### **③ Management Performance Evaluation**

Hyundai Transys reflects mid- to long-term climate change-related performance improvement targets and implementation status in management performance indicators (KPIs). In addition to environmental performance improvement, management performance evaluation comprehensively considers major domestic and overseas ESG assessment results and the

implementation of internal ESG improvement initiatives.

## **F. Reporting**

Hyundai Transys regularly reports to management on the implementation status and performance of its carbon neutrality strategy. Report contents include carbon emission status and progress toward targets, performance of carbon reduction initiatives, and results of external assessments, thereby enabling a comprehensive review of implementation levels and the appropriateness of resource utilization. Where necessary, the reliability and objectivity of reporting shall be secured through external verification.

## **G. Disclosure and Transparency**

Hyundai Transys transparently discloses key climate-related information to stakeholders, including its climate change response strategy, greenhouse gas emissions status, and reduction performance. Relevant information shall be disclosed on a regular basis through major disclosure channels such as the Sustainability Report (SR), CDP (Carbon Disclosure Project), and SBTi (Science Based Targets initiative), and where necessary, the reliability and objectivity of such information shall be secured through external verification.

# **4. Policy Management and Revision**

## **A. Policy Management**

This Policy shall be managed by the Strategy Support Team. In order to ensure the currency, appropriateness, and operational effectiveness of this Policy, the Strategy Support Team shall continuously monitor relevant laws and regulations, international standards, disclosure requirements, customer requirements, and changes in the Company's business environment.

## **B. Periodic Review and Ad Hoc Revision**

As a general principle, this Policy shall be reviewed on a regular basis at least once a year. In the following cases, the Company may review whether this Policy should be revised on an ad hoc basis:

- ① where climate change-related domestic or international laws or regulations are enacted or amended;
- ② where there are changes to major standards or guidelines, including SBTi, CDP, ISSB, TCFD, and the GHG Protocol;
- ③ where there are material changes in the Company's business strategy, investment plans, manufacturing operations, business structure, or management environment;
- ④ where material risks or issues arise in relation to climate change response; or
- ⑤ where management or the Carbon Neutrality Committee determines that revision of this Policy is necessary.

### **C. Alignment with Related Regulations and Guidelines**

For the effective implementation of this Policy, Hyundai Transys may establish and operate separate standards, guidelines, or procedures governing detailed operational matters, including greenhouse gas emissions accounting, data management, operation of reduction initiatives, verification response, information disclosure, and supply chain management. Such standards, guidelines, or procedures shall be managed in a manner consistent with the direction and principles of this Policy. If this Policy is revised, the consistency of related regulations and guidelines shall also be reviewed, and simultaneous or subsequent revisions shall be made where necessary.

## **5. Supplementary Provisions**

- ① This Climate Change Management Policy shall enter into force on April 1, 2026.
- ② This Climate Change Policy is prepared in both Korean and English, and in the event of any discrepancy between the Korean version and the English version, the Korean version shall prevail.
- ③ This Climate Change Policy shall be reviewed regularly in consideration of relevant international standards, regulatory environments, and changes in the Company's management strategy, and shall be revised where necessary.

### **Climate Change Policy Contact Information**

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