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Hyundai Transys Biodiversity Policy

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	0	2025.05.20	2025.05.20	Initial Establishment
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1. Overview

1. Purpose

Hyundai Transys establishes a Biodiversity Protection Policy to proactively prevent biodiversity-related risks that may arise across its business operations and to promote sustainable automotive parts manufacturing and supply chain management.

This policy is founded on and respects the principles of global initiatives such as the Convention on Biological Diversity (CBD), the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), and the Taskforce on Nature-related Financial Disclosures (TNFD).

2. Scope

This policy applies to all executives and employees of Hyundai Transys, including those at its headquarters, domestic and overseas manufacturing and sales subsidiaries, and affiliated companies. It also encourages responsible behavior from stakeholders with business relationships, such as joint ventures and partners, in accordance with the implementation guidelines of this policy. Based on this policy, Hyundai Transys promotes conservation and restoration activities related to natural habitat preservation, forests, soil, and water resources. These activities are carried out in strict compliance with the relevant laws and regulations of the countries and regions where the company operates.

2. Key Principles

1. Objective

Hyundai Transys is committed to fulfilling its responsibility to protect biodiversity across all aspects of its business operations, including raw material procurement, manufacturing, and sales. The company actively engages in conservation and restoration activities in areas near its business sites, in collaboration with governments, local communities, and expert organizations to prevent biodiversity degradation and loss. Furthermore, this policy is applied and managed throughout the supply chain, including partner companies.

2. Definition of Protected Area

Hyundai Transys identifies and manages protected areas based on domestic and international biodiversity-related laws and the International Union for Conservation of Nature (IUCN) protected area categories (Category I–IV) in order to assess and respond to biodiversity-related risks.

The company complies with biodiversity protection laws and regulations of the countries and regions where its business sites are located, and considers avoidance, mitigation, or restoration measures depending on the proximity to sensitive areas.

1) **Strict Nature Reserve, IUCN Category I a**

An area fully preserved with natural ecosystems and geological or geomorphological features recognized by the international community, where a wide variety of species inhabit and human influence is minimal. Even minimal human activity can damage the ecosystem, so activities other than for scientific research, environmental monitoring, or educational purposes are strictly limited.

2) **Wilderness Area, IUCN Category I b**

An area that retains the characteristics of a pristine, wild natural ecosystem, where the traditional lifestyles of indigenous communities continue. Only minimal human activities for educational or scientific purposes are permitted, while modern infrastructure and large-scale development are strictly prohibited.

3) **National Park, IUCN Category II**

An area designated at the national level to permanently preserve the natural ecosystem's formation processes. It holds high significance for the protection of native flora and fauna, as well as for religious, scientific, educational, recreational, and tourism purposes.

4) **Natural Monument or Feature, IUCN Category III**

An area featuring natural landscapes or specific ecosystems with significant geological, geomorphological, or cultural value. It holds high archival and research importance from archaeological, anthropological, historical, and geographical perspectives.

5) **Habitat or Species Management Area, IUCN Category IV**

An area requiring active management for the conservation of specific species or habitats, where proactive measures such as species protection, habitat restoration, and continuous monitoring are essential.

3. Management System

1. Governance

Hyundai Transys reviews biodiversity-related risks and issues through its ESG committee, with key matters reported

to the Board of Directors and reflected in strategic decision-making. To ensure the effective implementation of biodiversity conservation activities, a dedicated team or department is designated to lead initiatives in collaboration with local communities and external stakeholders, promoting biodiversity preservation and restoration efforts.

2. Implementation Management

Hyundai Transys conducts risk analysis and improvement activities when required by the laws and regulations of the countries or regions where it operates, when concerns are raised regarding potential harm or loss to biodiversity, or in other cases deemed necessary.

1) Identification of Biodiversity Species, Risks, and Opportunities

Hyundai Transys assesses the ecological conditions and identifies sensitive areas within and around its business sites, and determines the potential impacts and dependencies of its business activities on biodiversity.

2) Impact Analysis and Assessment

Hyundai Transys analyses the impacts of its business activities on biodiversity, prioritizes risks based on their likelihood and severity, and simultaneously evaluates potential opportunities arising from ecosystem conservation and restoration.

3) Implementation of Biodiversity Conservation and Restoration Activities

To mitigate identified risks, Hyundai Transys plans and implements direct and indirect activities for biodiversity protection and restoration, such as habitat restoration around business sites, the use of eco-friendly materials, and raw material recycling.

When biodiversity-related risks are detected, Hyundai Transys reviews the relevant issues and conducts risk assessments in response to significant business changes such as updates to environmental regulations, the establishment of new business sites, or changes in the supply chain. Based on the assessment results, the company continuously updates its protection policies and action plans to enhance the level of biodiversity management.

4. Education and Awareness-Raising

Hyundai Transys manages environmental impact factors both within and around its business sites to contribute to biodiversity conservation. The company assigns relevant roles and responsibilities to both headquarters and field

organizations, and carries out related activities such as training, grievance handling, and public disclosure of local collaboration efforts.

1. Training Implementation

Hyundai Transys incorporates biodiversity topics into training programmes for its employees and promotes public awareness and corporate responsibility through campaigns and conservation activities conducted in collaboration with local communities near its business sites.

2. Information Disclosure

Hyundai Transys discloses information on its biodiversity protection activities and achievements through its sustainability report, ensuring that both internal and external stakeholders can easily access and clearly understand the information.

5. APPENDIX

1. Policy Inquiries

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2. References

This policy has been established with reference to the following documents:

- TNFD (The Taskforce on Nature-related Financial Disclosures), LEAP (Locate, Evaluate, Assess, Prepare) approach
- IUCN (International Union for Conservation of Nature), IUCN Management Categories of Protected Areas
- CBD (Convention on Biological Diversity)
- CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora)