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HYUNDAI TRANSYS

Environmental Management Policy

2026.09.

Enactment / Revision History	Revision No.	Enactment / Revision Date	Effective Date	Key Changes
	0	2022.10.17	2022.10.17	Initial enactment
	1	2026.09.11	2026.09.11	1. Updates to C items of the Overview section 3. Update to the governance of the implementation system

1. Overview

A. Purpose

HYUNDAI TRANSYS 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 TRANSYS's environmental management guidelines>

- 1) It shall recognize the environment as key to corporate success, creates corporate values through proactive eco-friendly management, and fulfills its corporate social responsibility.
- 2) It shall set out implementable targets to respond to climate change and evaluate their implementation performance.
- 3) It shall make efforts to use resources and energy sustainably and reduce pollutants throughout the lifecycle of the development, production, sale, and discarding.
- 4) It shall actively support suppliers' environmental management activities and establish and implement criteria necessary for an eco-friendly supply chain policy.
- 5) It shall comply with domestic and international environmental laws and conventions and establish and implement necessary policies to promote environmental management.
- 6) It shall protect bio-diversity and draft a policy to preserve the natural environment.
- 7) It shall disclose its environmental management performance to corporate members and stakeholders per reasonable and objective criteria.

B. Scope

This environmental management policy applies to HYUNDAI TRANSYS, its affiliates and their worldwide business units. HYUNDAI TRANSYS recommends that its supply chain, including all suppliers and contract partners, adhere to this environmental management policy and provides the necessary support.

HYUNDAI TRANSYS complies with each country's relevant environmental laws and regulations before this policy. It 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 TRANSYS supports the establishment of an environmental management system by regularly assessing the sustainability of a high-risk supply chain or the supply chain that has a significant impact on each other. Furthermore, it buys more products (raw and subsidiary materials) and services certified for eco-friendliness. It builds a cooperative ecosystem to develop and produce an eco-friendly supply chain and products.

② **Production and Business**

HYUNDAI TRANSYS'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 TRANSYS shall reduce environmental impacts, stemming from logistics and transportation processes such as raw materials, in-process materials, and finished products. It 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 TRANSYS shall improve environmental impacts based on lifecycle assessment results of environment impacts from the input of raw materials, to production/distribution of products, to recovery/recycling of used products. Furthermore, it shall work to develop eco-friendly products and services to transition to a low carbon/renewable energy society.

⑤ **Sales and Marketing**

HYUNDAI TRANSYS 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 TRANSYS 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 TRANSYS shall run a process to conduct environmental due diligence in the case of M&A. Based on environmental data, it will review compliance risks regarding M&A target organization's environmental and potential adverse environmental impacts. Then, it 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, it shall engage in activities to mitigate the environmental impacts.

⑧ **Others (New business and project investment)**

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

C. Implementation plan

HYUNDAI TRANSYS'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 social and corporate environment to refine corresponding implementation measures.

Compliance of laws and regulations	Declaration of environmental management policy	Establishment of an Environmental Management System	Environmental performance monitoring	Identifying risks & implementing countermeasures	Cotinuous improvement of environmental performance
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[Quantitative Environmental Targets]

1) Achieve a 100% Annual Compliance Rate with Integrated Environmental Permit Conditions

Achieve a 100% on-time compliance rate by establishing implementation plans according to the deadlines for the management standards for emission facilities and pollution control facilities, follow-up management requirements, improvement actions, and reporting obligations specified in the Integrated Environmental Permit, and by securing supporting evidence for completion.

2) Achieve a 100% Environmental Training Completion Rate for All Applicable Employees by 2029

Achieve a 100% company-wide environmental training completion rate by providing mandatory environmental training for employees on environmental laws and regulations, waste segregation, pollutant management, and emergency response procedures, as well as conducting supplementary training for employees who have not completed the required courses.

3) Achieve a 75% Waste Recycling Rate by 2030

Achieve a waste recycling rate of 75% by strengthening source separation by waste type, expanding the range of recyclable materials, converting waste currently treated through incineration or landfill to recycling treatment where feasible, and diversifying waste treatment service providers.

Note: The Korean implementation description states an 80% recycling rate, whereas the target title states 75% by 2030. The English text above reflects the stated target of **75%**.

4) Maintain Particulate Matter Emission Concentrations Within 30% of Permitted Emission Limits

Maintain emission concentrations of particulate matter, a key air pollutant, at or below 30% of the permitted emission limits by conducting preventive inspections of air emission facilities and pollution control equipment, replacing consumables in a timely manner, optimizing operating conditions, and continuously monitoring performance based on self-monitoring results.

5) Achieve the Voluntary Air Pollutant Reduction Agreement under the Air Pollutant Total Load Management System for the 2025–2029 Period

Achieve a 100% target reduction rate against the allocated emission levels for pollutants subject to the Total Load Management System, in accordance with the voluntary pollutant reduction agreement with the Regional Environmental Office and Chungcheongnam-do Provincial Government for the five-year period from 2025 to 2029.

6) Achieve a 100% On-Time Compliance Rate for Self-Monitoring and Statutory Inspections

Achieve a 100% on-time compliance rate for self-monitoring and statutory inspections by proactively managing applicable monitoring and inspection items and their due dates, and by completing each step—including testing and inspection, result verification, reporting to relevant authorities, and

retention of supporting records—within the required timeframes.

7) Achieve a 100% Completion Rate for Environmental Risk Corrective Actions

Achieve a 100% completion rate for environmental risk corrective actions by identifying environmental risks through regular environmental inspections, reviews of regulatory amendments, internal audits, and on-site assessments; establishing corrective-action deadlines based on risk severity; and verifying the effectiveness and completion of corrective measures.

2. Basic principles

HYUNDAI TRANSYS is committed to natural capital conservation, carbon neutrality & energy transition, developing clean tech products & services, activating circularity, and operational eco-efficiency. HYUNDAI TRANSYS defines the following basic principles for each environmental element to facilitate environmental management.

A. Raw and subsidiary materials

HYUNDAI TRANSYS 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, it 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 TRANSYS shall continuously improve the production process for products and services to optimize raw and subsidiary materials input. And it 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 Steel 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 Steel shall encourage the use of raw and subsidiary materials produced in an eco-friendly way or certified for eco-friendliness. Furthermore, it shall track down the production of raw and subsidiary materials that damages the natural capital and try to reduce a significant risk.

④ **Biodiversity protection**

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

Biodiversity protection policy

HYUNDAI TRANSYS shall prepare actionable measures to minimize the impact to biodiversity, and can establish a specific implementation procedure by setting achievable goals.

- a. HYUNDAI TRANSYS shall establish a system to pre-identify and avoid or minimize risk factors that may impair biodiversity near business sites.
- b. HYUNDAI TRANSYS shall not install or operate business facilities or devices in biodiversity protected areas.
- c. HYUNDAI TRANSYS shall expand and promote activities for biodiversity conservation, restoration and expansion.

⑤ **Prevention of deforestation**

HYUNDAI TRANSYS shall recognize the problems of deforestation that may occur throughout the project, including the purchase/procurement of raw and subsidiary materials, and shall prepare and implement a deforestation prevention policy that can minimize the negative impact in the project process.

Deforestation prevention policy

HYUNDAI TRANSYS shall do its best to prevent deforestation throughout its business operations. HYUNDAI TRANSYS shall maintain/protect the green area inside the business site and surrounding areas and contribute to preventing deforestation in the community and contribute to preventing deforestation in the community and forest conservation.

- a. HYUNDAI TRANSYS shall inspect the risk of deforestation when reviewing business expansion and construction of new business sites.
- b. HYUNDAI TRANSYS shall actively promote afforestation and reforestation activities to help the natural ecosystem flourish.
- c. HYUNDAI TRANSYS shall complete a value chain structure that operates a business without deforestation in the mid-to-long term.

B. Energy

HYUNDAI TRANSYS shall lead 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, it will deploy energy-saving activities daily, such as discovering and implementing energy efficiency tasks and staging energy-saving campaigns. Each affiliate HYUNDAI TRANSYS shall develop and enforce energy management policies to save energy and use renewable energy more.

① Energy conservation

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

② Introduction of renewable energy

It 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

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

① Water recycling

It 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

It 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

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

① Reduction of business sites

It shall achieve carbon neutrality by utilizing a transition to renewable energy, higher energy efficiency, and clean hydrogen energy. In addition, it 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

It 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, it shall implement projects with raw and subsidiary materials suppliers to expand renewable and new materials to reduce the supply chain..

③ Reduction of products and services

It 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 TRANSYS 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

It 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

It 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

It 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 TRANSYS 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, it 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

It 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

It 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, it shall promote the localization of recycled materials and the development of parts centering on major production/sales bases.

G. Pollutants

HYUNDAI TRANSYS 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 customers and employees. Hyundai Motor Group 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**

It 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**

It shall monitor the emission level of water pollutants produced from each process, including SS, TOC, and BOD, and install and operate necessary facilities to control the level below the legal limit.

③ **Soil pollutants**

It 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 TRANSYS 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, it 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 TRANSYS 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 TRANSYS 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

Environmental Management Governance and Allocation of Responsibilities

Hyundai Transys operates an environmental management governance system in which the ESG Management Council, including the CEO, oversees environmental management policies and key environmental risks; the Safety and Environment Office and dedicated environmental management organizations coordinate and manage company-wide environmental management; and individual business and functional departments implement site-level environmental management activities. Through this system, Hyundai Transys clearly defines roles and responsibilities across the entire environmental management process—from environmental decision-making and policy formulation to on-site implementation, performance monitoring, and corrective actions—and promotes company-wide environmental accountability and sustainable management.

① Oversight and Decision-Making: CEO and ESG Management Council

The CEO and the ESG Management Council serve as the highest-level oversight body for Hyundai Transys' environmental management, making decisions on environmental policies, strategies, targets, and key environmental risks. The ESG Management Council is responsible for establishing and revising environmental management policies; reviewing mid- to long-term environmental management strategies and targets; monitoring key environmental risks and regulatory compliance; overseeing environmental performance and the implementation status of improvement initiatives; and discussing response measures for environmental incidents and other material environmental issues.

In particular, matters requiring management-level judgment—such as significant environmental risks, large-scale environmental investments, and major issues related to environmental permits and approvals at business sites—are reviewed and decided through the ESG Management Council. Where reporting to, or approval from, the Board of Directors is required, the relevant procedures are followed accordingly. Through this process, management oversees the effective company-wide implementation of environmental management performance improvement and risk response activities.

② Company-Wide Coordination: Safety and Environment Office and Dedicated Environmental Management Organizations

The Safety and Environment Office and dedicated environmental management organizations serve as the central coordinating bodies for company-wide environmental management. Their responsibilities include establishing and operating the environmental management system; developing environmental policies and detailed implementation plans; identifying, assessing, and improving environmental risks; managing environmental laws, regulations, permits, and approvals; monitoring environmental performance; and reporting to management.

Dedicated environmental management organizations manage emissions and discharge conditions

related to environmental pollutants—including air emissions, wastewater, waste, and soil—at each business site, and verify compliance with legal requirements and internal management standards. They also carry out environmental incident prevention activities; operate emergency response systems; receive and address environmental grievances; respond to external stakeholders and authorities; provide environmental education for employees; and promote an environmental management culture across the Company.

In addition, these organizations collaborate with teams responsible for energy, greenhouse gas, and water management to support climate change response initiatives, including carbon emission reductions, energy efficiency improvements, and water conservation. They also coordinate environmental targets and departmental action plans to ensure that company-wide environmental objectives are effectively linked to implementation initiatives across all departments.

③ On-Site Implementation: Business Sites and Functional Operating Departments

Operating departments—including production, facilities, research and development, purchasing, quality, and logistics—are responsible for implementing environmental management activities within their respective areas of responsibility in accordance with environmental policies and management standards established by the dedicated environmental management organizations.

Production and facility departments appropriately manage pollutants generated during operational processes, including air emissions, wastewater, and waste. Their responsibilities include ensuring the proper operation of pollution prevention facilities, conducting environmental facility inspections, preventing environmental incidents, and taking initial response measures in the event of abnormal conditions. Research and development and purchasing departments cooperate in expanding environmentally friendly products, processes, and raw and auxiliary materials, while reducing hazardous substances and improving resource circularity. In addition, departments responsible for energy, greenhouse gas, and water management monitor consumption, identify and implement reduction initiatives, and contribute to achieving company-wide environmental targets.

All implementing departments shall comply with applicable environmental laws and regulations, internal standards, and assigned improvement initiatives. Where environmental risks or potential regulatory non-compliance are identified, such matters shall be promptly shared with the dedicated environmental management organizations to ensure that necessary corrective actions are taken without delay.

B. Training and dissemination

① Environmental training

HYUNDAI TRANSYS 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 TRANSYS shall build a cooperative system with specialized external organizations to enforce environmental management efficiently and make environmental management performance more efficient. It will strengthen its EMS built on external partners' expertise and experiences in establishing an EMS.

C. Communication

① **Government agencies**

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

② **Shareholders and investors**

It shall generate environmental management performance meeting the requirements of the shareholders and investors, building trust among them, and increasing the investment for a higher corporate value.

③ **The supply chain**

It 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**

It 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**

It 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**

It 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 TRANSYS 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.

② Examining the implementation status

HYUNDAI TRANSYS shall check the implementation status of mid-to-long-term performance enhancement targets regularly. It 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 2022. 10. 17.
- ② This environmental management policy shall be revised as of 2026.09.11
- ③ 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.