

Environmental Management Policy	Revision No.	Last Revision
	0	Feb. 10, 2023

1. Purpose

The purpose of this document is to establish and implement environmental management policy as well as other necessary matters, helping Hyosung (hereinafter referred to as the “Company”) become an eco-friendly company that contributes to promoting a better life for humanity. Hyosung is committed to protecting and preserving our precious natural environment with a sense of responsibility. Hyosung actively contributes to building a cleaner environment for all through environmental preservation activities such as reducing the CO2 and wastewater generated from our production facilities. Furthermore, we also actively develop resources and recycling and energy reduction technologies, and actively engage ourselves in projects involving the use of new energy sources.

2. Definition of Terms

- 2.1 The term “environment” refers to everything that surrounds and directly or indirectly affects living things, including humans.
- 2.2 The term “environmental management” refers to activities that aim to promote environmentally sound and sustainable development of businesses while minimizing negative environmental impacts caused by a company’s unique products, production, and service activities.
- 2.3 The term “employees” refers to all company executives and employees (including temporary workers).
- 2.4 The term “stakeholders” refers to all corporations or individuals who are directly or indirectly associated with the Company, such as business partners, customers, and local residents, and who have an interest in the management activities of the Company.

3. Scope of Application

- 3.1 This Policy applies to all employees within the Company’s financial consolidation scope, which includes the Company’s headquarters, domestic and overseas production and sales corporations and branches, and subsidiaries.
- 3.2 Even when interacting with business partners, agencies, and outsourcing partners, employees shall encourage compliance with this Policy.
- 3.3 However, if the recommended actions in this Policy conflict with the laws of the relevant country, the laws of the country in question shall take precedence.

4. Environmental Management Philosophy

The Company shall develop a sustainable business model so that people, the environment, and society can coexist in harmony, thus enhancing the quality of life and value of human life.

5. Environmental Management Policy

The Company shall respect human values, establish the following global environmental policy to create a prosperous and sustainable society, and strive to preserve the environment in accordance with the principles and standards of responsible business conduct.

- 5.1 The Company shall acknowledge the environment as a critical success factor for the Company and generate corporate value through proactive environmental management.

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5.2 The Company shall stay committed to fulfilling its social responsibilities on the development and distribution of eco-friendly goods and services for the sustainable use of resources and energy and the reduction of pollutants throughout the entire process of development, production, sale, use, and disposal.

5.3 The Company shall regularly provide environmental training to all of its employees, support the environmental management activities of its business partners, and engage in a variety of environmental awareness-raising activities.

5.4 The Company shall minimize environmental pollution and impacts by complying with environmental laws and conventions at home and abroad, as well as manage environmental risks efficiently and disclose the results.

(1) In accordance with environmental management policies, manuals, and procedures, the Company shall immediately reflect any amendments to environmental laws and regulations, carefully review environmental laws to manage environmental risks efficiently, and assess compliance annually.

(2) The Company shall continuously conduct environmental risk management prevention and improvement activities.

(3) The Company shall make efforts to reduce its environmental impact by establishing internal standards that are more stringent than legal requirements.

(4) The Company shall transparently disclose its compliance with environmental laws and regulations to stakeholders through various channels, such as sustainability reports, the Env-Info System, and the CDP.

6. Implementation of the Environmental Management Policy on Products

6.1 Development of recycled products and technologies

The Company shall focus on eco-friendly research and development, including the development of resource recycling technology, products made from eco-friendly materials like biobased, and biodegradable products.

6.2 Measurement and improvement of environmental impact throughout the product life cycle

To minimize the environmental impact of the entire life cycle, from product development and design to procurement of raw and auxiliary materials, production, logistics, use, and disposal, the Company shall calculate carbon emissions and environmental impacts throughout the life cycle of its primary products, make every effort to reduce emissions, and encourage the acquisition of eco-friendly certifications.

7. Implementation of the Environmental Management Policy in Production

7.1 Establishment of a sustainable procurement system

Through sustainable procurement (hereafter referred to as “green procurement”), which contributes to resource conservation and reducing environmental impact, the Company shall fulfill its responsibilities to its customers and to society. To conserve resources, the Company refrains from making unnecessary purchases so that there are as little remaining quantities as possible. In addition to quality and price, the Company shall evaluate the eco-friendliness of products and strive continually to identify and give preference to eco-friendly products, such as those with low use of hazardous materials, reduced waste, and reduced resource consumption. For the expansion of green procurement, the Company shall inform its business partners of the Company’s Green Procurement Policy and encourage activities that improve the eco-friendliness of products delivered.

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7.2 Establishment of a clean production system

The Company shall continually enhance the work environment for information sharing and performance management by implementing an ISO certification system and an environmental management system for all domestic and overseas business sites. The Company shall also reduce emissions from each facility, improve energy efficiency, and enhance the work environment through employee training and the installation of pollution control facilities.

(1) Greenhouse gases (GHGs) and energy

In order to set and meet greenhouse gas (GHG) reduction goals, the Company shall strive to improve energy efficiency and expand the use of new and renewable energies throughout the entire process of product development, procurement of raw and auxiliary materials, production, logistics, use, and disposal. The Company shall develop and implement GHG reduction measures at business sites in accordance with the Company’s Greenhouse Gas Reduction Policy, regularly monitor emission targets and performance, and make this information public.

(2) Water and wastewater

The Company shall strive to increase the water reuse rate by inspecting and enhancing water facilities to ensure the efficient use of quality water in a timely manner during the course of normal business operations. The Company shall minimize pollutant discharge through optimal pollutant control technology and real-time monitoring of water use, reuse, wastewater discharge, pollutant discharge concentration, etc.

(3) Waste

The Company shall minimize waste generation in all business activities and establish and implement management standards for waste storage, transportation, and treatment so as to ensure efficiency in waste management. In addition, the Company shall store and transport waste in accordance with the management standards for each waste type, and make sure that outsourced waste treatment companies strictly manage waste in compliance with the law.

(4) Closed-loop recycling

The Company shall continuously strive to enhance its closed-loop recycling capabilities, such as product development utilizing recycled raw and auxiliary materials and process improvement for recycling process-generated waste.

(5) Air quality

The Company shall strive to minimize air pollutants by establishing internal management standards that are more stringent than the acceptable limits specified by laws and regulations, reviewing the eco-friendliness prior to installing production facilities, and employing the most effective pollution control technologies.

(6) Chemical substances

The Company shall protect workers and communities from chemical exposure and incidents by evaluating potentially hazardous materials prior to their use. The Company shall endeavor to prevent incidents such as spills by equipping and installing safety devices in workplace areas where hazardous materials are handled and conducting regular inspections. In addition, the Company shall establish a response system according to emergency preparedness scenarios and

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build networks with related departments and organizations. The Company shall provide employee training on a regular basis and continuously promote hazardous materials management in order to prevent environmental incidents and minimize their impacts through prompt response.

8. Implementation of the Environmental Management Policy in Management Activities

8.1 Establishment of an eco-friendly brand strategy and marketing system

The Company shall contribute to sales growth through brand strategies related to eco-friendly products as well as related marketing and sales activities while adhering to advertising and marketing ethics policies.

8.2 Strengthening communication

The Company shall determine the Company’s internal and external environmental management issues, as well as the needs and expectations of stakeholders, thereby improving communication.

(1) Expansion of customer-oriented management

The Company shall meet customers’ eco-friendly requirements and incorporate them into the Company’s management practices.

(2) Reinforcement of employees’ environmental management capabilities and communication

The Company shall provide education and training to enhance employees’ environmental management capabilities, as well as regular communication regarding environmental management issues.

(3) Enhancement of business partner relations

The Company shall establish and operate a system for providing diverse programs and ensuring eco-friendly supply chain management to improve the environmental management capabilities of business partners who have a direct or indirect impact on the Company’s environmental management.

(4) External cooperation for environmental management

The Company shall participate voluntarily in domestic and international environmental initiatives and show active engagement in external cooperation programs.

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