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Hyundai Motor Company Environmental Management Policy

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1. Environmental Management Principle

Hyundai Motor Company will respect the values of humankind by protecting the environment and will fulfill its social responsibilities for the harmony of humans, the environment, and society.

2. Environmental Management Policy

Based on the spirit of corporate citizenship, Hyundai will establish the following global environmental policy and exert its best effort to preserve the environment of the earth, with the aim to respect the values of humans and create an abundant and sustainable society.

- 1. Recognize the environment as the key success factor of a company and create corporate values through proactive environmental management.**
- 2. Fulfill its social responsibility as an auto company by developing and distributing eco-friendly cars.**
- 3. Strive for sustainable consumption of energy and reduction in pollutants throughout the entire process ranging from the development to the production, sales, use, and disposal of products.**
- 4. Actively support environmental training of employees as well as the environmental management activities of vendors, and try its best for CSR activities.**
- 5. Comply with environmental laws and regulations in and outside of Korea, try to carry out and improve environmental management, and disclose related outcomes.**

3. Scope of Environmental Management Policy

Employees of Hyundai HQ, production plants, and sales corporations in and outside of Korea, as well as Hyundai's affiliates, will run their business in accordance with this environmental policy. In addition, when dealing with vendors, contractors, joint ventures, outsourcing partners, and other suppliers and sales/service companies, Hyundai employees will recommend they comply with this environment management policy.

4. Implementation of Environmental Management Policy

Hyundai Motor Company is committed to establishing an integrated portal system related to the environment and safety of entire business sites to systematically manage overall processes, including checking the current situation and managing outcomes according to Hyundai's internal policy. In addition, HMC will carry out a regular internal inspection as well as on-site inspections by a third-party to strengthen the monitoring of greenhouse gas emission, water resources, and environmental pollutants.

I . Product

- Eco-friendly design

Hyundai will strive for eco-friendly design and the environmental impact assessment of the entire processes. Hyundai is committed to the establishment and continuous improvement of technology development processes (e.g., creating environmental impact assessment data, environmental impact assessment on vehicles and major parts, and environmental product declaration (EPD)) to optimize environmental costs.

- Improve Recycling

Hyundai will strive to create a design support system to develop recycling-friendly vehicles; and to minimize environmental pollution by systematically managing harmful substances (e.g., metals), developing disassembly technologies for scrapped cars, and recycling scrapped parts.

- Develop Eco-friendly Vehicles

Hyundai will strive to promote the use of eco-friendly cars by developing key element technologies for EVs and FCEVs and securing their competitiveness. In addition, Hyundai will focus on the development of eco-friendly products. For this, HMC will take necessary actions, including improving technologies for higher fuel economy and lower greenhouse gas emission, to comply with laws and regulations.

II . Production

- Establish a Green Procurement System

Hyundai will reflect environmental factors when assessing its vendors and will ensure that vendors supply eco-friendly parts by acquiring ISO14001 and using IMDS.

- Establish a Clean Production System

Hyundai will continuously improve the working environment for information sharing and performance management by establishing ISO certification systems and running an environmental management system in its entire plants in and outside of Korea. Also, Hyundai will reduce the amount of pollutants

generated from its facilities, improve energy efficiency and the working environment by providing environmental training of its employees and improving environment-related facilities.

- **Greenhouse Gas/Energy**

To reduce greenhouse gas emissions in response to climate change, Hyundai Motor Company is committed to reinforcing energy efficiency in the entire process (product development, procurement, production, logistics, use, and disposal) and increasing new & renewable energy use. In addition, Hyundai will develop and apply ideas that can decrease greenhouse gas emissions in its business sites and will monitor the progress with achieving emission targets on a regular basis through a consultative body for a corporate-wide response to greenhouse gas emission. Also, Hyundai is committed to accomplishing the Korean government's 2030 target related to greenhouse gas emission by reinforcing investment in innovative energy-saving technologies and increasing the installation of solar panels on plant rooves and at parking lots. Furthermore, Hyundai will pursue innovative improvement activities to accomplish carbon neutrality in its operation by 2050.

- **Water/Wastewater**

Hyundai will inspect and improve its water facilities so that it can use water of high quality in a timely manner in the operation process; and will secure wastewater treatment facilities to increase the wastewater recycling rate. Hyundai will manage efficient use of water as planned at its business sites; and reinforce real-time monitoring of the amount of use/reuse of water as well as the amount of wastewater/sewage discharge. In addition, Hyundai will reduce the amount of wastewater discharged and the annual amount of pollutants generated by improving the wastewater discharging system of its wastewater treatment facilities and running a zero liquid discharge (ZLD) system.

- **Wastes**

In order to minimize and efficiently treat wastes generated throughout the operation process from vehicle production to delivery and scrapping, Hyundai will develop and apply waste storage, delivery, and processing management standards. In addition, Hyundai will store and transport wastes as per their management standard by waste type, and strictly manage outsourced waste treatment companies so that they will handle wastes according to laws. Hyundai HQ and business sites will internally monitor progress regarding their annual waste volume target and reduction plans based on what was achieved in the previous year.

- **Resources/Waste Products**

Hyundai will run waste product collection and recycling services and provide customers with information about the collection system to ensure proper collection of waste products. In addition,

Hyundai will strive to increase the recyclability of waste products by considering recyclability from the product design phase. In addition, a resource circulation network will be operated to increase the number of new scrap car recycling companies as well as the overall recycling rate. Also, Hyundai will introduce systems and policies to continuously enhance capabilities for the circulation of scrap cars.

- Logistical Efficiency

To prevent environmental pollution and save energy, Hyundai will efficiently operate and manage an integrated logistics system with vendors for the transportation of parts and vehicles; optimize inventory management; and develop, apply and monitor standards for environment-related facilities, air, water quality, waste, soil, marine environment and greenhouse gases.

III. Managerial Environment

- Establish Green Marketing/Sales System

Hyundai will contribute to the sales of eco-friendly products through brand strategies for eco-friendly cars as well as related marketing and sales activities.

- Establish Green Service Systems

Hyundai will comply with car scrapping regulations of each region, minimize pollutants generated from service centers, and require maintenance service providers to obtain ISO 140001 certification.

- Reinforce Communication

Hyundai will disclose its eco-friendly management activities through sustainability reports and ESG assessments and will try to reflect stakeholders' needs and communicate with them via environment experts.

5. Global Standard Policy for Four Major Heavy Metals

According to its global environmental management policy, Hyundai will not use four major heavy metals (lead, mercury, chromium VI, and cadmium) for its vehicles and parts that are sold across the world.

Hyundai is committed to voluntary compliance with this policy.

- 1. All of Hyundai Motor Company employees will fulfill their responsibilities so that the four major heavy metals will not be used throughout the entire process from product development, production, sales, use, and scrapping.**
- 2. All Hyundai vendors in and outside of Korea will fulfill their responsibilities to ensure that the four major heavy metals are not included in the parts or materials supplied to Hyundai.**
- 3. Hyundai and its vendors in and outside of Korea will reinforce processes related to responding to regulations on the four major heavy metals; and will strengthen the environmental training of related employees.**
- 4. In implementing the global standard policy regarding the four major heavy metals, Hyundai and all its vendors in and outside of Korea will do their best for mutual cooperation.**