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HL Mando Environmental Policy



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1. Purpose

HL Mando recognizes environmental management as a major factor in sustainable growth and announces the following environmental policy to protect the environment while carrying out all its business activities. HL Mando will adopt and operate an environmental management system to implement this environmental policy, and will continuously inspect and improve its environmental management system.

2. Scope of application

HL Mando's employees including headquarters, global manufacturing plants, R&D centers, logistics centers, and offices must faithfully implement this policy, and we expect that HL Mando's all interested parties including its business partners will also take part in environmental protection and strive to establish an appropriate management and measuring system in order to compliance with this policy.

If there is a conflict between this policy and the laws of a local country, stricter standards must be followed, and this policy may be revised to reflect the laws of the local country and the industry characteristics.

3. Promotion organization and implementation system

A. Governance

In order to strengthen the promotion of environmental management at a corporate level, the director of HL Mando's environmental management comprehensively manages issues and risks related to environmental management and climate change, and inspects the performance of environmental management activities. Under the leadership of the director of environmental management, we operate an environmental organization at the headquarters and each business site and secure dedicated personnel to work for environment and climate change. Major issues are reported quarterly to the Carbon Neutrality Promotion Committee, chaired by the Chief Executive Officer (CEO), to determine direction of overall environmental management. For key issues, reports are submitted semi-annually to the Sustainability Management Committee, the ultimate decision-making body, to obtain approval for corporate environmental and climate change issues and matters requiring decision-making.

B. Goal setting and performance management

a. Setting environmental indicators goal

During business activities, we establish and manage major factors affecting the

environment as environmental indicators and strive to minimize environmental impact. Indicators are derived by considering environment-related laws, requirements of the interested parties, and other indicators that are considered to have a significant environmental impact. Short-term and intermediate and long-term goals along with implementation plans are established for major management indicators.

b. Implementation and inspection

An implementable and specific action plan must be established to achieve the short-term and intermediate long-term goals. The necessary human and material resources should be secured to carry out the plan, and if necessary, collaboration with relevant departments should be pursued for effective achievement of the goals.

Performance against the goals should be monitored quantitatively on a regular basis. During the goal achievement process, effectiveness of the activities and difficulties should be monitored and reviewed regularly. Efforts to improve the goal achievement strategy should be made by setting the matters that require improvement as major tasks. If necessary, goals may be adjusted based on the review results.

c. Performance management

For effective achievement of the goals across the company and business sites, the performance against the goals and improvement of each indicator should be managed. Relevant executives and business site managers must continuously strive to improve the environmental indicators and achieve the goals.

4. Environmental management policy

A. Compliance with environmental law

We strictly abide by international conventions and environment-related laws that directly apply to our business activities, and thoroughly comply with the requirements of our interested parties, such as customers and local communities. We respond proactively to strengthened and newly enacted environment-related laws and regulations, and continuously improve our level of compliance.

B. Operation of environmental management system

We establish an environmental management system based on ISO14001 to identify environmental impacts in the entire process of business activities, such as R&D, purchase, production, construction, transportation, sales, use, disposal, and service provision, and effectively operate it to improve the environment. We conduct regular management reviews and internal audits for the environmental management, and continuously improve the

environmental management system by reflecting newly enacted and strengthened environment-related laws and regulations and requirements of the interested parties.

C. Business environment impact management

Before starting a new business, we identify potential environmental impacts of proposed business activities and reflect them in our environmental management system. In addition, prior to any mergers and acquisitions, we identify environmental risks in the entire business activities of a target company/acquirer and reflect them in our decision-making.

D. Pollution prevention and environmental protection

We consider the environmental impact in all our business activities and strive to minimize or eliminate environmental loads.

a. Hazardous Chemicals

To minimize the negative impacts related to health and safety that may affect the interested parties including customers and consumers, raw materials and parts are inspected to detect any presence of hazardous chemicals, and for safe management of any chemicals or materials containing chemical substances, the information related to such chemicals or materials such as its identification, manufacture, import, use, transport, and storage are tracked. In addition, to minimize the environmental impact, we continue to promote the conversion of hazardous chemicals into less hazardous substances. Furthermore, in order to handle hazardous chemicals in an appropriate way and prevent accidents, we take various measures including developing response procedures in case of leakage of hazardous materials, and providing Material Safety Data Sheets (MSDS) and employee trainings.

b. Resource reduction and waste

To establish a sustainable resource recycling system, we establish a management system that can measure waste in its capability of reduction, reuse, and recycling, and strive to minimize waste during the product life cycle.

c. Air Pollutant Emissions

We establish and manage the air emission control system for various types of organic compounds produced during the process. All air pollutants generated must be monitored and disposed regularly, and managed in accordance with the legal standards or stricter internal standards to reduce air pollutants.

d. Water management

To protect water resources and control pollution routes, we establish a management system that measures the use and discharge of water source, and manage all wastewater

discharged and reduce water use activities thereof. Discharged water pollutants must be managed in accordance with the legal standards or stricter internal standards, and regular inspections are conducted to ensure the optimal performance of disposed facilities in the workplace.

e. **Carbon neutrality**

To contribute to international efforts to combat climate change, we establish a system to measure and disclose energy consumption and greenhouse gas emissions, and strive to improve energy efficiency and minimize greenhouse gas emissions. We positively consider adoption of renewable energy to reduce greenhouse gas emissions and use low-carbon energy. We review various options such as renewable energy generation, purchase of certificates, and PPA, and strive for effective transition to renewable energy by applying certain renewable energy solutions appropriate to the business conditions. HL Mando strives to reduce greenhouse gas with the goal of achieving carbon neutrality across the entire value chain by 2045 in order to limit global temperature rise below 1.5°C in accordance with the Paris Climate Change Agreement. A feasible and reliable greenhouse gas reduction strategy and implementation plan should be established considering the internal and external requirements and international standards for Global Scope 1, 2, and 3.

f. **Local Pollution**

Discharged pollutants must be disposed in an appropriate way to protect the health and safety of all our employees and the local community, and we aim to minimize the emission of pollutants and to reuse and recycle the pollutants to the extent possible.

g. **Development and expansion of eco-friendly technology**

We aim to develop eco-friendly product materials to reduce environmental impact throughout the entire process of design, production, distribution, use and disposal of a product, and to expand eco-friendly technology and products through continuous research to minimize environmental impact.

h. **Biodiversity**

We attach great importance to the restoration of natural ecosystems and conservation of biodiversity, and recognize and understand the potential impact of business on the environment and biodiversity. We aim to minimize adverse impacts on the environment by carrying out as follows:

- i. Prevent and minimize factors that threaten biodiversity when building or expanding facilities or business sites, and conduct monitoring as necessary.
- ii. Acknowledge the international conventions related to protection of biodiversity and

land (World Heritage areas, IUCN Category I-IV protected areas), and comply with the applicable national and local legal requirements for business sites to which the convention applies.

- iii. Help protect the endangered, rare and endemic species, and conduct activities to raise awareness, such as providing relevant information to the employees and interested parties.

E. Transparent environmental management system

We disclose our environmental policy, the goals, and implementation tasks to achieve the goals to all our interested parties and encourage them to actively participate to fulfill a transparent environmental management system. We establish a communication channel through which all interested parties can participate and where we can review their requirements, and reflect them in our environmental management system.

[Supplementary Provisions]

- A. This environmental policy is enacted and has been implemented as of July 29th, 2022.
- B. This environmental policy is revised and has been implemented as of January 22nd, 2024.
- C. Revision history

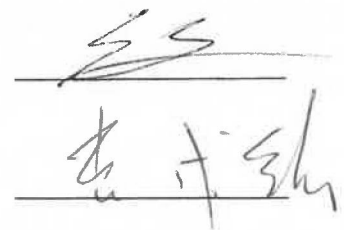
Document No.	Version	Revision date (Effective date)	Major enactments and amendments
Environment&Safety-2022-01	0	July 29 th , 2022	First enacted
Climate&Energy-2024-01	1 st	Jan 22 nd , 2024	Amendments added(promotion organization and implementation system, goal and strategy for carbon neutrality, target setting and performance management)

January 22nd, 2024

HL Mando Corporation

Yun-haeng Lee, COO (Chief Operating Officer)

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HL Mando

Department in charge

Climate & Energy Team

Global Operation hub
