

	<b>Environmental Management Policy</b>	Document No.	Green Strategy Team-2022-01
		Revision No.	1

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	Order	Date of Enactment / Revision	Enforcement Date	Main Contents
Revision History	0	2022.06.24	2022.06.24	Initial Enactment
	1	2023.06.28	2023.06.28	Revision(Deletion of relevant clauses due to enactment of biodiversity protection and deforestation prevention policies)

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## 1. OUTLINE

### A. Purpose of Establishment

Hyundai Mobis establishes this environmental management policy to improve environmental performance continuously through eco-friendly management and minimize negative environmental impacts on business activities and the overall value chain. This environmental management policy was established based on Hyundai Mobis' environmental management plans and includes details on the scope of application and implementation plan, basic principles, and implementation system.

#### [Hyundai Mobis] Environmental Management Policy

1. Conduct periodic reviews of legal standards and check risk status to ensure thorough environmental compliance.
2. Establish medium-to long-term eco-friendly response strategies at the company level, continue to upgrade goals, and prove the effectiveness of results.
3. Realize continuous energy reduction through energy efficiencies such as the transition to renewable energy and the operation of a smart factory.
4. Apply new eco-friendly technologies to reduce the emission of air pollutants and greenhouse gases from business sites and minimize the environmental impact.
5. Establish an eco-friendly technology management system through the development of core carbon-reducing products and investment in the sector.
6. Reduce waste and implement a circulation system through the use of environmentally friendly materials and reuse of resources such as water.
7. Put efforts to manage related business sites in advance and improve the local environment for biodiversity and ecosystem preservation.

### B. Scope Of Application

This environmental management policy includes the headquarters, domestic/overseas R&D centers, manufacturing, part centers, and distribution centers. In addition, stakeholders such as partners, contractors, joint ventures, and other organizations in partnership for projects are required to comply with the environmental management policy.

Environmental-related Acts and subordinate statute (Act on the Allocation and Trading of Greenhouse-gas Emission Permits, Clean Air Conservation Act, Water Environment Conservation Act, etc.) supersede the environmental management policy. Hyundai Mobis conducts environmental management tasks following the policies in the case of the absence of regulations.

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### ① Production and Sites

Hyundai Mobis, including the headquarters and R&D centers, manufacturing, and distribution/parts centers, establishes the international EMS (Environmental Management System) and promotes continuous performance improvement activities by introducing internal regulations to strengthen the environmental impact and reduce environmental pollution. In addition, the company shall establish an EMS following the international standard for key overseas manufacturing and parts corporates determined to have a significant environmental impact and continuously expand its scope. Business sites that have established an EMS shall promote to acquire certifications awarded by a third party to increase the effectiveness of environmental management.

### ② Product and Service

Hyundai Mobis conducts LCAs (Life Cycle Assessments). The purpose of the assessments is to analyze the environmental impacts of its products during their entire life cycle, from the acquisition of raw materials to manufacturing, use, end-of-life treatment, and recycling. Based on the assessment results, the company shall promote life cycle environmental impacts improvement activity. The company also focuses on developing eco-friendly products and services for the transition to a low-carbon/renewable energy society and strengthens the design and engineering of products and services from a recycling perspective.

### ③ Distribution and Logistics

Hyundai Mobis strives to minimize the environmental impacts that occur in the logistics and transportation processes of final products as well as raw materials and intermediate goods. In addition, Hyundai Mobis continuously expands logistics and distribution networks using energy-efficient or eco-friendly energy and organizes internal and external cooperative activities to minimize greenhouse gases, waste, wastewater, and other environmental pollutants generated during logistics and distribution.

### ④ Waste Management

Hyundai Mobis manages the procedures from the generation stage of waste at business sites to the final disposal following the in-house “Waste Management Standard.” It strictly manages rights and responsibility for each dedicated personnel and level, collection and storage/disposal method by waste, internal inspection cycle, and consignment contract with the disposal company through the word standards.

### ⑤ Supply Chain

Hyundai Mobis implements a sustainable supply chain management policy to improve the competitiveness of partners and reduce ESG risks. Eligibility criteria and pre-risk assessment items include ‘Environmental management evaluation’ when selecting a new partner; when signing a contract for a partnership, it specifies compliance with the [Code of conduct for business partners (6 areas: Human Rights•Labor, Safety•Health, Environment, Ethics, Legal Acquisition of Raw Materials, Management System)]. It conducts routine inspections of Tier 1 & core 2 suppliers’ environmental management performance and risk of the supply chain with [ESG diagnosis]. In addition, it implements ESG capability-building activities, including the environmental division, by supporting the establishment of an EMS for high-risk supply chains or supply chains that exchange considerable influence in business relations. Furthermore, it will expand the purchase of raw materials and services with eco-label, and establish a cooperative ecosystem for the development and production of supply chains and eco-friendly products.

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**[Eco-Friendly Acquisition]**

Hyundai Mobis expands the purchase of eco-friendly products such as ecolabel certified products that improve the environmental effect, low-carbon certified products that reduce greenhouse gas emissions, and recycling certified products that secure excellent quality. In addition, the company produces products in an eco-friendly manner, such as establishing and operating an environmental management system, or discovers and manages partners with eco-friendly professional certifications such as green technology and green projects. In particular, from the perspective of life cycle, the company plays the following role to purchase eco-friendly raw materials

- a. Ensure that environmental requirements of Hyundai Mobis are reflected in the design and development of raw materials
- b. Ensure that risk factors such as environmental contamination are in control in the process of raw material production

**⑥ New Business and Project Investment**

Hyundai Mobis reviews the environmental impacts and risks in implementing new business or project and internal/external investment in advance. Considering the possibility of risk occurrence following the characteristics of the project, the company determines whether to implement the project or not after categorizing risks and diagnosing potential risks depending on the improvement plan.

**⑦ Physical Inspection, Merger, and Acquisition**

Hyundai Mobis reviews potential risks with a physical inspection in the environmental sector when pursuing mergers and acquisitions. In addition to the environmental-related compliance risks of the M&A organization, the company identifies potential, negative environmental impacts based on environmental data. It comes up with remedial measures for compliance risks and promotes activities to mitigate environmental impacts, such as the results of the environmental impact review in the value calculation criteria of the target organization.

**⑧ Sales and Marketing**

Hyundai Mobis reflects eco-friendly factors in the branding strategy and promotes sales and marketing activities linked to the branding strategy. It conducts activities to collect opinions from stakeholders, and disseminates eco-friendly products and service performance to the public to amplify the brand of eco-friendly products.

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## 2. Basic Principle

Hyundai Mobis puts the priority on the environment and strives to change the paradigm to future energy, develop eco-friendly products and services, revitalize the circular economy, and create eco-friendly business sites. The company defines the following basic principles for each environmental factor to promote environmental management.

### A. Raw Materials

Hyundai Mobis efficiently utilizes raw materials for product and service production and eliminates the unnecessary waste of natural resources. The company also monitors raw materials produced damaging natural resources illegally and causing environmental pollution.

#### ① Raw Materials Usage Efficiency

It optimizes the input of raw materials by continuously improving the production process of products and services, and manages raw materials under planned production by comprehensively considering business strategy, production schedule, and inventory management.

#### ② Recycle Wastes

A large amount of raw materials, including iron and aluminum, are used in automobile production. The metal scrap derived from them is completely recycled by the company, either in-house or by other businesses.

#### ③ Use Eco-Friendly Raw Materials

It uses and encourages the use of raw materials produced in an eco-friendly manner or ecolabel certified raw materials. In addition, it contributes to improving social standards by minimizing non-renewable raw materials usage and replacing them with renewable or recycled raw materials.

### B. Energy

Hyundai Mobis leads the overall energy conversion in the value chain by establishing an eco-friendly energy-based production system, investing in renewable energy power generation facilities, expanding eco-friendly products, and utilizing hydrogen. Also, it continuously promotes daily energy-saving activities, such as discovering and implementing energy efficiency projects and running energy-saving campaigns.

#### ① Promote Energy Saving

Hyundai Mobis promotes activities to reduce energy consumption, including replacing outdated facilities with low energy efficiency ratings and replacing them with high-efficiency facilities, developing eco-friendly production processes to minimize energy consumption, and implementing energy-saving campaigns.

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### ② Introduce Renewable Energy

Hyundai Mobis applies renewable energy solutions considering business conditions, such as installation of renewable generation facility, acquisition of renewable energy certificates, and conclusion of a contract with power generators, and expands development and business of new energy technologies, including clean hydrogen.

### ③ Operate Energy Management System

With the energy and greenhouse-gas management system, the company enhances energy management efficiency based on the data analysis on the system.

## C. Water

Hyundai Mobis recycles water to ease the water stress and minimize water intake and carries out the construction of additional reservoirs to extend its water storage capacity in the area that is running out of water. In addition, it promotes internal and external activities to identify and improve the water stress in water supply areas other than industrial water.

### ① Water Recycling

For water sustainability, the company continues 3R(Reduce, Reuse, Recycle) water conservation activities and minimizes the wastewater emission with a zero liquid discharge system and purification facility.

### ② Water Storage

The company installs water reservoirs to store water within its business site and a drainage canal to collect/store rainwater.

### ③ Water Supply Area Inspection

The company promotes activities to protect water shortage and depletion risk areas with significant influence on the operation of the business site by regularly monitoring to identify business sites in a water shortage.

## D. Greenhouse Gas

Hyundai Mobis pursues carbon neutrality by inducing a greenhouse-gas reduction in the supply chain and reducing greenhouse gas generated from using products and services beyond the reduction of greenhouse gas from the business sites. By promoting the transition to renewable energies by stage, the company achieves 'RE100' by simultaneously performing carbon absorption/offsetting activities.

### ① Carbon Reduction at Sites

The company achieves carbon neutrality utilizing the transition to renewable energies, energy efficiency, and clean hydrogen energy. The company also implements a carbon-neutral production base by upgrading manufacturing technologies such as eco-smart factories and innovating platforms.

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### ② Carbon Reduction in Supply Chain

The company supports the development of a guideline for carbon neutrality in the supply chain, induces it to practice carbon neutrality, and conducts reduction activity considering the characteristics of the supply chain. In particular, the company promotes recycling/new material expansion projects to reduce the supply chain in collaboration with raw materials suppliers.

### ③ Carbon Reduction in Products and Service

The company develops platforms and technologies exclusively for eco-friendly products and expands infrastructure for eco-friendly products and the distribution of eco-friendly products and services. The company reduces emissions/greenhouse gases generated from the use of products and services.

## E. Waste

Hyundai Mobis minimizes waste generated in the business operation and establishes the standards for waste storage, delivery, and treatment for efficient waste disposal. The company manages its performance every month for the estimated annual waste generation and reduction plan.

### ① Waste Disposal Tracking Management

It checks and manages waste disposal processes, waste management companies, treatment price, etc. through the waste management system in real-time, and strictly controls waste management companies to treat waste legally.

### ② Improve Waste Recycling

The best waste treatment method is determined depending on the type and amount of waste generated during the operation of a business or project. The company minimizes the waste ratio to be buried/incinerated and improves the recycling rate.

### ③ Rending Waste to Resources

After identifying waste with higher landfill/incineration rate in the production process, it builds up-cycling ecosystem which creates value by turning the waste into new product and services.

## F. Disposal Products

Hyundai Mobis improves recycling possibilities by considering whether the product can be recycled from the design stage and operates waste product recovery and recycling services in cooperation with waste treatment companies. The company also provides information on the disposal product collection system to induce customers to dispose of waste products properly.

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### ① Provide Waste Product Collection Information

The company provides customers with sufficient information to legally and reasonably handle waste products and operates systems and procedures to support them to deal with waste products in an eco-friendly manner.

### ② Disposal Products Collection

For more collection and recycling of disposal products, the company cooperates with waste product management companies and continuously improves the reuse and recycling ratio.

### ③ Recycling Of Disposal Products

Materials recycled from disposal products are applied to products. To this end, Mobis promotes localization of recycled materials and development of parts, focusing on major production/sales bases.

## G. Other Environmental Pollutants

Hyundai Mobis does its best to minimize the negative impact on the environment and protect the safety and health of customers, employees, and residents by reducing the emission of air, water, soil pollutants, and harmful chemicals in the sites and causing less noise and vibration to areas located nearby. In addition, the company maintains continuous communication by actively accepting opinions to preserve community biodiversity and maintain mutual positive influence with residents and NGOs.

The company manages air, water, and soil pollutants generated at its sites by setting stricter management standards than those mandated in each country in which they are located.

### ① Air Pollutants

By monitoring air pollutants, including NO<sub>x</sub>, SO<sub>x</sub>, TSP and etc., It introduces new technologies and air pollutants reduction equipment to manage pollutant below the legal limit.

### ② Water Pollutants

By monitoring the emission of water pollutants such as TOC, BOD, COD, SS, T-N, and T-P, the company upgrades waste water treatment facilities to manage them below legal limits.

### ③ Harmful Chemical Substances

The company preemptively responds to regulations related to industrial safety and hazardous chemical substances at home and abroad, identifies the current status of hazardous substances, and evaluates risks through MSDS and Chemical Information System.



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#### ④ Soil Pollutants

It prevents soil pollution and minimizes environmental pollution by continuously monitoring density of soil pollutants at discharge, such as cadmium, copper, and arsenic, and safely managing facilities subject to control of soil contamination and specified facilities subject to control of soil contamination (petroleum manufacturing and storage facilities, etc.).

#### ⑤ Noise and Vibration

The company tries to maintain the quality of life environment of the employees and residents by effectively managing noise and vibration generated from the equipment, apparatus, and objects in the sites.

### H. Violations of Environmental Laws and Regulations

Hyundai Mobis clearly recognizes environmental management laws and regulations to be observed during the business operations and actively conducts investment and improvement activities to solve risks accordingly. The company monitors environmental legislation and amendments continuously and leads compliance through legal reinforcement education for executives and employees. In addition to violations of laws and regulations, the prevention of recurrence is managed strictly by reporting reasons for occurrence, improvement plans, and action results.

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### 3. Implementation System

#### A. Governance

##### ① Decision-Making Committee

Hyundai Mobis manages environmental management risks through ESG implementation meeting where all heads of BU/Division(executives) join under the supervision of the CEO, and monitors overall environment improvement activities. Furthermore, the committee discusses legislation and amendment review of the environmental management policy, performance inspection, responsive measures to risks, and other items, deemed necessary to spread the environmental management. As for the business operation of Hyundai Mobis, the sustainable management committee of the Board of Directors must approve the medium-to long-term environment business strategies, and facility investment plans for environmental management.

##### ② Environmental Management Implementation Team

Hyundai Mobis has a dedicated team for environmental management implementation in the headquarter and each site to conduct related tasks. The major roles of the dedicated team are to build and operate EMS, install environment equipment, prepare for operational licensing, protect and restore natural resources, control the discharge of pollutants generated in the business operation, identify and improve risks, spread the environmental management, accept and resolve environmental-related difficulties, and conduct other overseas cooperation activities. In addition, the dedicated team cooperates with other organizations, such as design/research/development, acquisition, production, and sales, and expanding eco-friendly products and services.

##### ③ Environmental Management Data Management System

Hyundai Mobis establishes an energy management system, GMEMS, at its major sites in Korea to monitor energy usage status by equipment in real-time and manage energy efficiency by analyzing the data. In addition, with the greenhouse-gas management system(MGMS) at business sites in Korea, the company manages the list of the carbon-emitting facilities and responds to GHG Emission Trading Scheme by quantifying and conducting time series analysis of monthly fuel usage and emission. Furthermore, it plans to expand the management scope overseas to effectively monitor RE100 and its performance through the IT system by advancing MGMS.

In the case of pollutants other than greenhouse gases and energy, emission concentrations and measurement records for each pollutant according to the legal treatment cycle, the compliance status with the legally acceptable concentration level, and the list and inspection records (plan, result, corrective action, etc.) of the environment basic facility. Hazardous chemical substances introduced into the workplace through the purchase of raw and subsidiary materials, etc. are regularly checked using the Material Information Management System (MCMS) to prevent them and systematically manage the information on the substances in use.

Hyundai Mobis also establishes an ESG management platform to respond effectively to issues and various ESG assessments at home and abroad, playing a role in connecting the bridge between supply chains and employees and multiple stakeholders. The ESG management platform lessens input time for responding to ESG assessment, sharing related information in a timely manner, and provides information with high reliability.

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## B. Education and Spread

### ① Environmental Education

Hyundai Mobis conducts environmental education to employees and other stakeholders to improve the awareness of the necessity of environmental management. The education induces employees to have an eco-friendly perspective when working.

### ② Overseas Cooperation

Hyundai Mobis improves the efficiency of environmental management implementation and builds a cooperation system with external specialized organizations to improve the environmental management performance and efficiency. The company also enhances environmental management system based on the experiences, including Environmental Impact Assessment and expertise on the environmental management system construction that external organizations retain.

## C. Communication with Stakeholder

### ① Government Agency and Media

The company takes a preemptive response to the government's eco-friendly policy direction and actively participates. The company shall understand and comply with laws and regulations related to the environment by country. In addition, the company proposes progressive change through publishing hearings on environmental policies and shares environmental management performance, activities, and plans through articles and websites of media outlets.

### ② Stockholder and Investor

By making a result corresponding to requirements by stockholders and investors, the company builds a sustainable trust relationship and contributes to investment expansion for its value improvement.

### ③ Supply Chain

The company operates a communication channel with stakeholders to cooperate with supply chains to create environmental values throughout the value chains by sharing experiences on implementing environmental management and supply chains.

### ④ Customer

The company provides environmental information on products and services and reflects collected opinions through the customer contract points to the products and service development process.

### ⑤ Community and NGO

To mitigate the environmental impact caused by the business operation, the collects opinions from local bodies and NGOs and strives to identify and solve issues raised by the local communities.

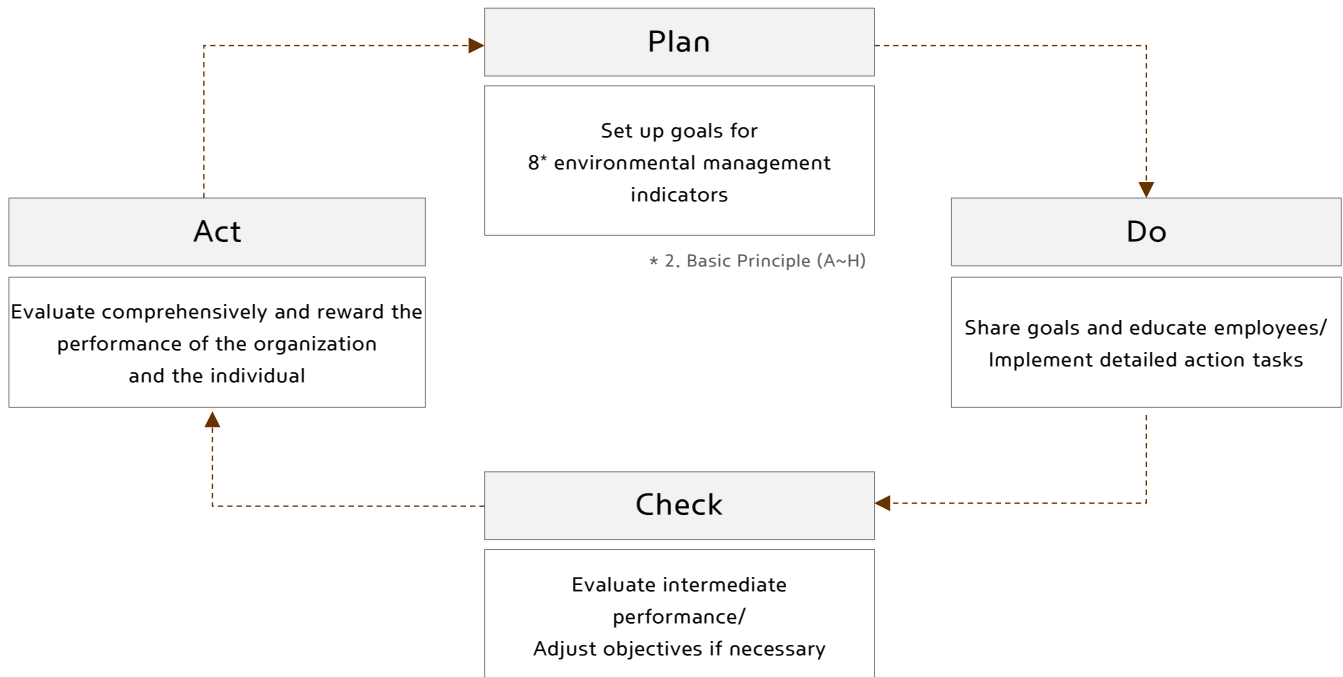
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**⑥ Executives and Employees**

The company shares environmental management plans and policies and improves awareness through environmental education. Opinions on the environmental performance improvement are reflected when implementing environmental management.

**D. Implementation And Performance Management**

Hyundai Mobis unifies implementation and performance management of environmental management, brings efficiency to works and enhances the reliability of the ESG assessment by utilizing the implement management system based on P-D-C-A of ISO14001 as a guideline for environmental management activity.



**① Set the Environmental Goals (Plan)**

Hyundai Mobis manages environmental regulation, direct and indirect, based on the environmental management policy, minimizes environmental impacts, and derives indicators that improve internal performance in the environment sector. At this time, the company establishes detailed implementation plan and short-term (1 year) and medium-to long-term environmental goals (3 years or more) for 8 items of "2. Basic Principles" (raw materials, energy, water, greenhouse gases, waste products, disposal products, other environmental pollutants, violations of environmental laws and regulations). Environmental objectives, in consideration of internal performance management and external reliability, shall: 1) be detailed, realistic, and achievable. 2) be measurable relative to the performance status. 3) be presenting the exact time required to achieve the objectives. 4) be able to presume expected effect influence by achieving the objectives. 5) be set in consideration of external economic conditions, government policy direction, and internal business plan.

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According to the global carbon neutrality stance, Hyundai Mobis has set medium-to long-term environmental goals as follows:

**[Hyundai Mobis] RE100 and Detailed Implementation Plan**

Hyundai Mobis aims to transition to 65% renewable energy by 2030 and 100% by 2040 and launches the ‘RE Promotion Team’ consisting of 130 environmental/energy managers. As Hyundai Mobis finally received approval from the Korea RE100 Committee in April 2022, it plans to transition energy sequentially in consideration of cost-efficiency. The company works to use renewable energy more efficiently by looking for ways to implement such as self-generation and direct purchase of renewable energy through solar installation in individual business facilities; the company continues to discuss these measures with related sectors.

**[Hyundai Mobis] Carbon-Neutral Goal**

Hyundai Mobis aims to achieve the carbon-neutral goal of 2045, including supply chains and plans to implement four major strategies to expand to “workplace → supply chain and product value chain → community” to become a global component company that leads the creation of a sustainable carbon-neutral ecosystem.

1. Green Plant: accelerate carbon reduction at sites with energy transition and efficiency
2. Green Supply: manage supply chains systemically for Scope 3 reduction
3. Green Product: expand products to reduce carbon footprints according to the industrial paradigm shift
4. Green Partnership: operate a sustainable partnership to create a green ecosystem

In principle, the company shall set and renew the short-term GHG reduction target and other environmental goals yearly based on the requirements of ISO14001. In the case of determining the degree of external impact of each environmental indicator, the company complies with 「Identification of Environmental Aspect and Impact Assessment(MK-SHE-PRO-02-A2)」 the of ISO14001.

**② Implementation (Do)**

Hyundai Mobis implements detailed implementation plans by utilizing governance and resources, focusing on short-term and medium-to long-term environmental goals. In this process, the company conducts education and training for executives and employees and contents include the purpose of environmental management policy, understanding of goal setting, and how to achieve them. It shall adjust the goals in coordination with related teams if necessary.

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**③ Check the Implementation Status (Check)**

Hyundai Mobis regularly checks the implementation status of the short-term and medium-to long-term environmental goals. In addition to the implementation rate compared to the goal, the effectiveness of activities promoted to achieve the goals and the difficulties in the goal implementation process are checked comprehensively. The company shall adjust short-term and medium-to long-term environmental goals based on the check results if necessary.

**④ Performance Evaluation of Executives (Act)**

Hyundai Mobis manages medium-to long-term environmental performance improvement goals and implementation status by reflecting them in the management performance evaluation index (KPIs). It evaluates executive performance management comprehensively, including environmental performance improvement, major ESG evaluation results at home and abroad, and implementation of internal ESG improvement projects.

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#### 4. Appendix

**A. This environmental management policy takes effect in 2022. 06. 24.**

**B. Hyundai Mobis' work standards are enacted and revised in accordance with the laws and regulations of domestic the Ministry of Environment for the following climate change and other environmental pollutants.**

- Work Standards for Air Pollution Prevention Management
- Work Standards for Water Pollution Prevention Management
- Work Standards for Soil Pollution Prevention Management
- Work Standards for Waste Management
- Work Standards for Chemicals Management
- Work Standards for Noise and Vibration Management
- Work Standards for Greenhouse Gas Management

**C. This revision of environmental management policy takes effect in 2023. 06. 28.**