

Document Number	H12300019295-20230726-230903
Amended dated	July 27 th , 2023
Department in Charge	Corporate Culture Team
	Sustainability Management Team
	Carbon Neutrality Planning Team
	Environment & Energy Research Team
	Environment Management Team
	Safety, Health & Environment Management
	Cold Rolling Safety Health Environment Team

Hyundai Steel Environment Management Policy

Enactment & Revision History	Version	Record on Enactment and Revision	Contents of enactment /revision
	0	February 2018	Initial Enactment
	1	May 2021	Revised
	2	June 2022	Revised
	3	July 2023	Completely Revised
	4		

[Team in Charge]

Sustainability Management Team
 Carbon Neutrality Planning Team
 Environment & Energy Research Team
 Cold Rolling Safety Health Environment Team
 Environment Management Team
 Safety, Health & Environment Management
 Mobility Materials Safety Health Environment Team

[Division in Charge]

Head of Strategy Planning Division
 Head of Blast Furnace Business Division
 Head of Electric Arc Furnace Business Division
 Head of Mobility Materials Business Division

1. Overview

A. Purpose

Hyundai Steel has developed this environmental policy to continually improve environmental performance through eco-friendly business management and minimize negative environmental impacts across its business activities along with employees & executives, suppliers, customers and the local community as well as an entire value chain.

〈Hyundai Steel's environment management policy〉

- 1) It shall recognize the environment as key to corporate success, create corporate values through proactive eco-friendly management, and fulfill its corporate social responsibility.
- 2) It shall set out implementable targets for environmental factors that significantly impact business operation (Climate change, pollutant emissions, waste, chemicals, water etc.), and evaluate their implementation performance.
- 3) It shall comply with domestic and international environmental laws and conventions and preemptively respond to strengthened or newly introduced environmental laws.
- 4) It shall make efforts to use resources and energy sustainably and reduce pollutants throughout the lifecycle of the supply, purchase, production, use, and recycling of materials after discarding.
- 5) It shall actively support suppliers' environmental management activities and establish and implement criteria necessary for an eco-friendly supply chain policy.
- 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.
- 8) It shall conduct training on environmental management for employees, executives and other stakeholders to improve their perceptions of the need for environmental management.
- 9) It shall supervise overall risk management and performance-enhancing activities for environmental management through the senior management meetings where CEO or key decision-makers attend.
- 10) It shall set up an organization dedicated to handling the establishment and operation of

environmental management, including drawing up and implementing a policy to manage pollutant emissions, identifying and reducing environmental risks, and receiving and resolving environment-related grievances.

B. Scope

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

Hyundai Steel 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 Steel considers the environmental management level as one of the assessment items when selecting an external supplier (that provides supply, contract, or service) to minimize the environmental impacts. Also, Hyundai Steel 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.

<Green purchase>

Hyundai Steel shall increase the purchase of eco-friendly products, including eco-label products that reduce environmental impacts, low-carbon products certified for reducing GHG emissions, and Good Recycled (GR) products that secure excellent quality. Furthermore, it strives to produce products in an eco-friendly way such as establishing and operating Environmental Management System (EMS). It also seeks to discover and manage suppliers with a certificate for eco-friendly expertise, such as green technology and products. In particular, it will perform the following roles to procure eco-friendly raw and subsidiary materials from the lifecycle perspective.

a. Check if Hyundai Steel's environmental requirements are reflected in raw and subsidiary

materials' design and development phases

b. Check if risk factors such as environment pollution are under control in producing raw and subsidiary materials.

② Production and Business sites

Hyundai Steel's production and business sites shall establish an Environmental Management System based on internationally certified standards or national guidelines. An EMS manages and monitors impacts through process procedures, including objective management, training and education, documents and records management and internal screening, and standards for each element (Integrated environmental management and management of air, water, waste, chemical, soil, noise, vibration and odor). They shall introduce internal policies to reduce environmental impacts and pollution, engage in continuous performance-enhancing activities, and achieve a third party's EMS certification for primary production and sales sites whose environmental impacts are significant.

③ Distribution Network

Hyundai Steel 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 Steel 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/new renewable energy society.

⑤ Waste Management

Hyundai Steel shall set out, operate and manage standards for waste management from waste generation to final disposal. Through these standards, it will manage the scope of implementation, terminology, roles and responsibilities, separate containers for waste disposal and storage facilities, waste generation, waste collection, waste storage, waste disposal, waste inspection, waste outsourcing, and waste monitoring.

6 M&A

Hyundai Steel 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.

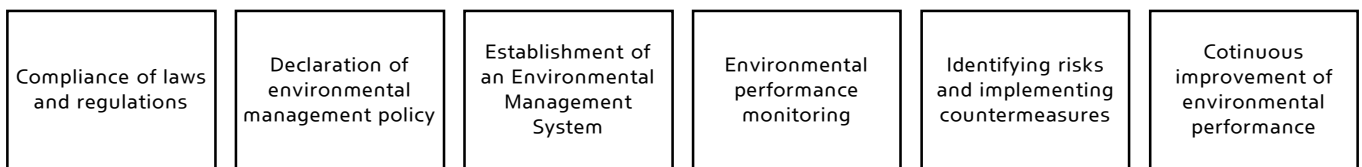
7 Others (New business and project investment)

Hyundai Steel 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 Steel's environmental management shall do the followings: comply with environment-related laws and regulations; declare policies to implement ecological management; establish an Environmental Management System and introduce management guidelines; monitor the environmental performance; discover risks and execute measures to address them; engage in continuous improvement for better environmental performance.

The organization in charge of environment management shall capture new or revised regulations and changes in the social and corporate environment to refine corresponding implementation measures.



2. Basic principles

Hyundai Steel shall think about the natural environment first and work towards a paradigm shift for future energy, developing eco-friendly products and services, activating cycle economy, and

creating eco-friendly business sites. Hyundai Steel defines the following basic principles for each environmental element to facilitate environmental management.

A. Raw and subsidiary materials

Hyundai Steel 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 Steel 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.

B. Energy

Hyundai Steel shall lead energy transition across an entire value chain, including establishing a production system based on eco-friendly energy, investing in new renewable energy(including Carbon Free Electricity) generation facilities, expanding eco-friendly products, utilizing hydrogen and CCUS. Furthermore, it will deploy energy-saving activities daily, such as identifying areas to enhance the energy efficiency, implementing measures, and staging energy-saving campaigns.

Each affiliate of Hyundai Steel 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 new renewable energy

It shall draft measures to develop and expand eco-friendly energy technologies, including clean hydrogen, considering appropriate new renewable energy solutions suitable for the conditions of a business site, such as installing facilities to generate new renewable energy, buying a new 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 Steel 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.

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 Steel shall devise proactive measures to respond to climate change and cut GHG substantially to achieve the Net Zero target. It shall gradually transition to a renewable energy system and develop and implement policies to manage GHG and meet carbon neutrality, including carbon sequestration/offset activities to achieve the carbon neutrality target.

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 Steel 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 Waste recycling

It shall determine optimal recycling methods within a legal boundary according to the characteristics of waste generated from the production process. Through this, it shall develop measures to increase the recycling rate and add value. And it shall also devise ways to recycle the waste destined to go to a landfill or be incinerated and minimize them.

F. Pollutants

Hyundai Steel 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 Steel 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 Nox, Sox, 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.

④ Noise/Vibration/Odor

It shall monitor noise, vibration, and odor by regularly measuring the noise at a site's boundary, checking for vibration of major facilities, and using measuring devices to detect an odor in stacking prevention facilities and control them below the legal limits.

G. Chemicals

Hyundai Steel 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, managing the risk, and preventing the diffusion of leakage.

① Use

It shall monitor the amount of hazardous chemicals used, reduces the amount of hazardous chemicals used, and strives to develop alternative substances.

② Management

It is managed in accordance with legal procedures for receiving, storing, and using chemicals, and construct infrastructure to prevent the spread of leakage of hazardous chemical storage tanks, etc. Training for related persons and training for environmental/safety accidents are conducted periodically.

③ Emission

It shall monitor chemical emissions, and push ahead with investment the reduction facilities and introduction of new technologies to manage below the legal limit.

H. The local community

Hyundai Steel 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 Steel 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

. Governance

① The role of the senior management

Hyundai Steel shall manage environmental management risks and oversee overall performance-

enhancing activities through the regular senior management meetings where CEO or main decision-makers attend. The primary role of the senior management meetings is to establish or revise environmental management policies, review environmental management risks, check ecological management performance, discuss countermeasures to environmental management risk, and others that are considered necessary to spread environmental management. The senior management shall implement concrete measures through relevant procedures in case a report to the Board of Directors or subcommittees for approval is deemed necessary to make decisions on a mid-to-long-term environmental management strategy and a significant facility investment plan.

② The role of a dedicated organization

Hyundai Steel shall form an organization dedicated to implementing environmental management and have it handle the tasks. The primary role of the organization is to draft and enforce policies for the establishment and operation of an Environmental Management System, protection and restoration of ecological capital, and the management and execution of policies to manage pollutant emissions generated from business operations, identification and reduction of environmental risks, the spread of environmental management, receipt and handling of environmental grievances and other external cooperation activities. Furthermore, the organization shall expand eco-friendly products and services by cooperating with engineering, R&D, purchasing, production, and sales functions.

〈Environmental management organization〉

Classification	Department name	E-mail	Tel	
ESG	Sustainability Management Team	sustainable@hyundai-steel.com	82-31-510-2496	
Carbon Neutrality	Carbon Neutrality Planning Team	dongkuk.kim@hyundai-steel.com	82-31-510-2462	
Factory Environment Management	General	Environment & Energy Research Team	namu77@hyundai-steel.com	82-41-680-5215
	Dangjin Integrated Steelworks	Environment & Energy Research Team	namu77@hyundai-steel.com	82-41-680-5215
	Incheon Works	Environment Management Team	kwansic.park@hyundai-steel.com	82-32-760-2657
	Pohang Works	Safety, Health & Environment Management	bh0830@hyundai-steel.com	82-54-271-1313
	Suncheon Works	Cold Rolling Safety Health Environment Team	hh1004@hyundai-steel.com	82-61-720-4185
	Ulsan Works	Mobility Materials Safety Health Environment Team	jeonenv@hyundai-steel.com	82-52-280-0145

B. Training and dissemination

① Environmental training

Hyundai Steel 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 Steel 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 Steel 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.

〈Hyundai Steel's carbon neutrality target〉

Hyundai Steel shall materialize carbon neutrality by 2050 based on two strategies based on business know-how for environmental sustainability and detailed measures to implement the strategies. Also, it shall establish a production system to produce carbon-neutral high-end products.

- a) Carbon-neutral processes
- b) Low carbon products

② **Examining the implementation status**

Hyundai Steel shall check the implementation status of mid-to-long-term performance enhancement targets. 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. Additional clause

① This environmental management policy is to be enacted as of July 27th 2023 and distributed to each affiliate of HYUNDAI STEEL.