Document No.	2026-E-01
Initial Enactment	2020.06.30
Last Update	2026.11.26
Managed by	Sustainability Planning Team

Hyundai Motor Company

Environmental Management Policy

2026.11

This document contains proprietary information of Hyundai Motor Company and is protected under relevant laws.

1. Overview

A. Purpose

Hyundai Motor Company establishes this Environmental Policy to continuously improve its environmental performance through environmentally friendly management and minimize adverse environmental impacts throughout its business activities and value chain.

Hyundai Motor Comapny's Environmental Management Principles

1. Recognize the environment as a key factor in corporate success, create corporate value through proactive environmental management, and fulfill corporate social responsibility.
2. Set achievable targets to address climate change and evaluate progress toward their achievement.
3. Actively strive to use resources and energy sustainably and reduce pollutants throughout the entire product life cycle, including development, production, sale, use, and disposal.
4. Actively support suppliers' environmental management activities and establish and implement the criteria necessary to implement environmentally friendly supply chain policies.
5. Comply with domestic and international environmental laws and conventions and establish and implement the policies necessary to promote environmental management.
6. Strive to protect biodiversity and preserve the natural environment.
7. Disclose environmental management performance to employees and stakeholders based on reasonable and objective criteria.

B. Scope of Application

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

Hyundai Motor Comany 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 Supply Chain

Hyundai Motor Comany shall assess environmental management performance and risks across its supply chain using a risk-based approach in accordance with the [Supplier Code of Conduct] and [Supply Chain Assessment Criteria]. It shall support the establishment of environmental management systems among high-risk supply chain partners and those with which it has significant mutual influence through business relationships. It shall also expand the procurement of environmentally certified products, including raw and auxiliary materials, and services, and establish a collaborative ecosystem with supply chain partners to develop and produce environmentally friendly products. The detailed scope and methods of supply chain environmental due diligence, as well as material-specific due diligence criteria, shall be governed by the [Supply Chain Sustainability Management Policy], [Responsible Raw Materials Sourcing Policy], and [Responsible Minerals Sourcing Policy].

② Business sites

Hyundai Motor Hyundai Motor Company's global business sites shall establish environmental management systems based on internationally recognized standards or national guidelines and introduce internal rules to improve environmental impacts and reduce pollution, thereby pursuing continuous performance improvement. Major production and sales sites deemed to have significant environmental impacts shall pursue third-party certification of their environmental management systems.

③ Transportation & Logistics

Hyundai Motor Company shall strive to reduce environmental impacts arising from the logistics and transportation of raw materials, work-in-progress, and finished products. It shall continuously expand logistics and transportation networks that are highly energy-efficient or use environmentally friendly energy, while organizing internal and external collaborative activities to reduce greenhouse gas emissions, waste, wastewater, and

other pollutants generated during logistics and transportation.

④ **Products and services**

Hyundai Motor Company shall undertake activities to improve environmental performance throughout the product life cycle based on Life Cycle Assessment (LCA) results for each product, covering raw material inputs, production and distribution, and the recovery and recycling of end-of-life products. It shall also focus on developing environmentally friendly products and services to support the transition to a low-carbon society based on renewable energy, while enhancing product and service design with a focus on recyclability.

⑤ **Sales and Marketing**

Hyundai Motor Company shall incorporate environmental considerations into its product brand strategies and undertake sales and marketing activities aligned with those strategies. It shall seek stakeholder input to strengthen its environmentally friendly product brands and publicly disclose and communicate the environmental performance of its products and services. Sales branches and service centers shall also comply with environmental laws and regulations and strive to minimize environmental pollution.

⑥ **Recovery and Recycling**

Hyundai Motor Company shall design and develop products with consideration for the circular use of end-of-life products. In accordance with the principle of producer responsibility, it shall expand product recovery and recycling activities and increase resource reuse and recycling rates through collaboration with end-of-life product treatment companies and other partners. It shall also promote the creation of economic value through resource recovery, including collecting and processing waste generated in local communities for use in products.

⑦ **M&A**

In mergers and acquisitions, Hyundai Motor Company shall review the target organization's environmental compliance risks and potential adverse environmental impacts based on environmental data and other relevant information. It shall develop measures to address compliance risks and undertake environmental impact mitigation activities, including incorporating the results of environmental impact reviews into the valuation of the target organization.

⑧ **Others (New business and project investment)**

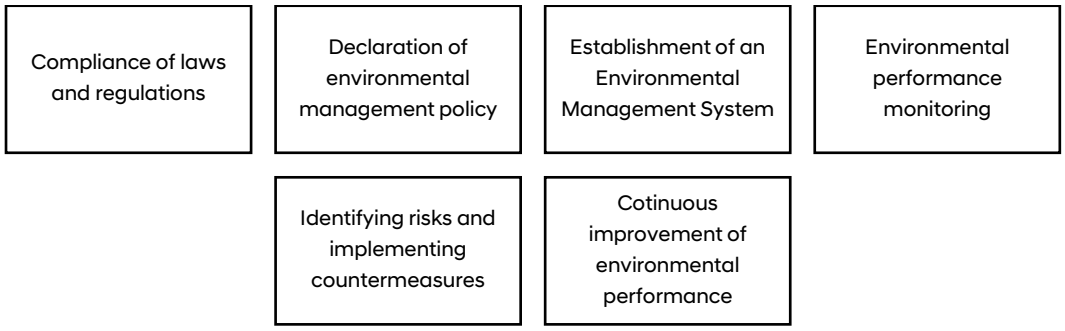
Beyond the scope described above, Hyundai Motor Company shall implement procedures to identify and address environmental impacts and risks when entering new businesses, undertaking new projects, or engaging in other internal or external investment activities.

C. Implementation Framework

Hyundai Motor Company shall implement environmental management through the following activities:

1. Compliance with environmental laws and regulations
2. Declaration of policies for environmental management
3. Establishment of environmental management systems and introduction of management rules
4. Monitoring of environmental performance
5. Identification of risks and implementation of measures to address them
6. Continuous improvement of environmental performance

The organizations responsible for environmental management shall periodically enhance the relevant implementation measures by incorporating new or amended domestic and international environmental laws and regulations, as well as changes in the social and business environment.



D. Related Policies

Hyundai Motor Company has separately established and maintains the following policies and guidelines for specific areas of environmental management. Detailed criteria not otherwise specified in this Policy—including the raw materials and auxiliary materials covered, due diligence methods and frequency, and quantitative targets—shall be governed by the relevant policies and guidelines listed below.

- Biodiversity Protection Policy
- No Deforestation Policy
- Carbon Emissions Reduction Guide for Suppliers
- Responsible Minerals Sourcing Policy
- Responsible Raw Materials Sourcing Policy
- Supply Chain Sustainability Management Policy
- Supplier Code of Conduct

2. Basic Principles

Prioritizing the natural environment, Hyundai Motor Company shall strive to advance the transition to a new energy paradigm, develop environmentally friendly products and services, promote a circular economy, and create environmentally friendly business sites. The following basic principles shall guide its environmental management in each environmental area.

A. Raw and Subsidiary Materials

Hyundai Motor Company shall establish policies to minimize unnecessary waste of natural resources by efficiently using raw and auxiliary materials in the production of products and services. It shall also monitor whether any such materials have been produced through illegal damage to natural capital or through activities that cause environmental pollution.

① **Efficient Use of Raw and subsidiary Materials**

Hyundai Motor Company 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 **Reuse of Production Waste**

Metal waste such as iron and aluminum, other waste such as scrap wood and waste paper, and by-products generated from the use of raw and auxiliary materials shall be reintroduced into Hyundai Motor Company's own production processes or transferred or sold to other industries and external facilities capable of recycling them.

③ **Inspection of Raw and Subsidiary Material Production Sites**

Hyundai Motor Company shall encourage the use of raw and subsidiary materials produced using environmentally friendly methods or certified as environmentally friendly. It shall also trace materials whose production damages natural capital and strive to address significant risks. Detailed criteria for the phased expansion of due diligence on raw materials that pose high risks to human rights and the environment, as well as for the responsible sourcing of minerals, including conflict minerals, shall be governed by the [Responsible Raw Materials Sourcing Policy] and the [Responsible Minerals Sourcing Policy].

④ **Biodiversity Protection**

Hyundai Motor Company shall establish and implement policies to protect biodiversity throughout its business activities, including the purchase and procurement of raw and auxiliary materials. The detailed implementation framework for biodiversity protection shall be governed by the [Biodiversity Protection Policy].

⑤ **Prevention of Deforestation**

Hyundai Motor Company shall recognize the risks of deforestation that may arise throughout its business activities, including the purchase and procurement of raw and auxiliary materials. Where its business activities may cause adverse impacts related to deforestation, it shall establish and implement a deforestation prevention policy to minimize those impacts.

B. Energy

Hyundai Motor Company shall lead energy transition across an entire value chain, including establishing a production system based on eco-friendly energy, investing in renewable energy generation facilities, expanding eco-friendly products, and utilizing hydrogen. Furthermore, it will deploy energy-saving activities daily, such as discovering and implementing energy efficiency tasks and staging energy-saving campaigns. Hyundai Motor Company shall develop and enforce energy management policies to save energy and use renewable energy more.

① **Energy Conservation**

It shall undertake energy conservation activities, including replacing aging facilities with low energy efficiency, introducing highly energy-efficient equipment, developing and applying environmentally friendly production methods to minimize energy consumption, and conducting energy conservation campaigns.

② **Adoption of Renewable Energy**

It shall consider renewable energy solutions suited to the conditions of each business site, including the installation of renewable energy generation facilities, the purchase of renewable energy certificates, and power purchase agreements with power producers. It shall also develop measures to expand environmentally friendly energy technologies and related businesses, including clean hydrogen.

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 Motor Company 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. In addition, it promotes internal and external activities to identify and improve water depletion risks in water supply areas other than industrial water.

① **Water Recycling**

It shall continue the 3R activities—Reduce, Reuse, and Recycle—to improve the

sustainability of water resources and minimize wastewater discharge through measures such as zero liquid discharge systems and wastewater treatment facilities.

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 **Review of Water Supply Catchments**

It shall regularly monitor whether its business sites are located in areas at risk of water scarcity or depletion and undertake activities to protect such areas where water scarcity or depletion could significantly affect business operations.

D. Geen House Gases(GHG)

Hyundai Motor Company shall develop practical measures to reduce greenhouse gas emissions in response to climate change and to achieve its net-zero target. It shall pursue a phased transition to renewable energy and establish and implement policies for greenhouse gas management and carbon neutrality, including carbon removal and offsetting activities, taking into account its business circumstances.

① **Carbon Emissions Reduction at 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 **Supply Chain Carbon Emissions Reduction**

It shall develop guidelines for supply chain carbon neutrality, encourage the implementation of carbon-neutral practices, and undertake emissions reduction activities tailored to the characteristics of its supply chain. In particular, it shall collaborate with suppliers of raw and auxiliary materials on initiatives to expand the use of recycled and new materials to reduce supply chain carbon emissions. Specific carbon reduction targets and implementation requirements for suppliers shall be governed by the [Carbon Emissions Reduction Guide for Suppliers].

③ Reduction of Products and Services

It shall develop dedicated platforms and technologies for environmentally friendly products, expand supporting infrastructure, and promote the wider adoption of environmentally friendly products and services. Through these activities, it shall reduce exhaust and greenhouse gas emissions arising from the use of products and services.

E. Waste

Hyundai Motor Company 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 Improvement of Waste Recycling

It shall determine the optimal treatment method according to the type and amount of waste generated throughout business operation. Through this, the ratio of waste to be landfilled/incinerated is minimized, and the recycling rate of waste is improved.

③ Waste Upcycling

It shall identify waste streams with high landfill or incineration rates in the production process and create an upcycling ecosystem that generates value by transforming such waste into new products and services.

F. End-of-Life Products

Hyundai Motor Company shall improve recyclability by considering recyclability from the design stage of a product and operates waste product recovery and recycling services in cooperation with waste product disposal companies. In addition, it shall provide information on the waste product recovery system to induce customers to properly dispose of waste products.

① **Provision of information on End-of-Life Product Recovery**

It shall provide relevant information to help customers dispose of end-of-life products lawfully and appropriately and operate systems and procedures that support environmentally friendly disposal.

② **Recovery of End-of-Life Products**

It shall cooperate with waste product treatment companies to expand waste product recovery and recycling and continue to improve resource reuse and recycling rates after collecting waste products.

③ **Recycling of End-of-Life Products**

It shall incorporate recycled materials derived from resources recovered from end-of-life products into its products. To this end, it shall promote the localization of recycled materials and the development of components using such materials, focusing on major production and sales locations.

G. Environmental Pollutants

Hyundai Motor Company 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 Motor Company 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 nitrogen oxides(Nox), sulfur oxides(SOx), and total suspended particulates(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 suspended solids(SS), total organic carbon(TOC), and biochemical oxygen demand(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.

H. Hazardous Substances

Hyundai Motor Company shall identify chemicals, including hazardous chemicals, used in its business processes or contained in its products and provide relevant information to stakeholders. It shall strive to reduce hazardous substances and assess and manage the risks they pose. Hazardous substances shall be managed in accordance with the standards set forth in relevant international conventions.

I. The local community

Hyundai Motor Company 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 Motor Company 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 Framework

A. Governance

① **Responsibility**

Hyundai Motor Company shall manage environmental management risks and oversee overall performance improvement activities through management committees or meetings attended by its highest-level decision-maker or other key decision-makers.

Their principal responsibilities shall include reviewing environmental management risks, reviewing environmental management performance, discussing measures to address environmental management risks, and addressing other matters deemed necessary to promote and disseminate environmental management practices.

Where decisions concerning environmental management, such as mid-to-long-term strategies or major capital investment plans, require reporting to or approval by the Board of Directors or its committees, the relevant procedures shall be completed before specific measures are implemented.

② **Role of a Dedicated Organization**

Hyundai Motor Company shall maintain a dedicated organization responsible for implementing environmental management. Its principal responsibilities shall include establishing and operating environmental management systems; protecting and restoring natural capital; developing and implementing policies to manage pollutant emissions arising from business operations; identifying and addressing environmental risks; promoting and disseminating environmental management practices; receiving and handling environmental grievances; and undertaking other external cooperation activities. The organization shall also collaborate with design, research and development, purchasing, production, and sales functions to expand environmentally friendly products and services.

B. Training and dissemination

① **Environmental Training**

Hyundai Motor Company 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. Such training shall also encourage employees to adopt environmentally friendly approaches in the performance of their duties.

② **External Cooperation**

Hyundai Motor Company shall establish cooperative arrangements with specialized external organizations to improve the efficiency of environmental management

implementation and the effectiveness of its environmental performance improvement efforts. It shall strengthen its environmental management framework by drawing on these organizations' expertise and experience.

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 Supply Chain

It shall share environmental management know-how and experience with supply chain partners and maintain communication channels for ongoing consultation to create environmental value throughout the value chain.

④ Customers

It shall provide environmental information on products and services and incorporate feedback collected through customer contact channels into the development of environmentally friendly products and services.

⑤ Local Communities

It shall seek input from local authorities, public-private consultative bodies, and other relevant parties to mitigate the environmental impacts of business operations and strive to identify and resolve grievances raised by local communities.

⑥ Employees and Executives

It shall share this Policy with employees and raise their awareness of environmental management through environmental training. Employee feedback on improving

environmental performance shall be taken into account when implementing environmental management.

D. Performance Management

① Setting Performance Targets

Hyundai Motor Company shall set mid-to-long-term performance targets for environmental aspects associated with significant environmental impacts arising from its business operations. These targets shall be set taking into account business-as-usual (BAU) projections of emissions and resource consumption, external economic conditions, government policy directions, and internal business strategies.

Hyundai Motor Company's Carbon Reduction Target

Reflecting its commitment to sustainable progress for future generations and protection of the global environment, Hyundai Motor Company shall achieve its 2045 carbon reduction target across all stages, from automotive parts procurement to vehicle production and operation.

Hyundai Motor Company's strategic directions for carbon reduction are as follows:

- Transition to vehicle electrification
- Creation of synergies in the hydrogen business
- Carbon emissions reduction at business sites
- Encouragement of carbon emissions reduction across the parts supply chain
- Carbon emissions reduction initiatives in society

② Review of Implementation Status

Hyundai Motor Company shall regularly review the implementation status of its mid-to-long-term performance improvement targets. Such reviews shall comprehensively assess progress against the targets, the effectiveness of activities undertaken to achieve them, and challenges encountered during implementation. Ad hoc reviews shall also be conducted when significant changes in environmental risks occur or when there are reasonable grounds to question the effectiveness of existing measures. If necessary, the mid-to-long-term performance improvement targets shall be adjusted based on the review results.

③ Senior Management Performance Evaluation

Hyundai Motor Company shall incorporate its mid-to-long-term environmental performance improvement targets and implementation status into senior management's key performance indicators (KPIs). In addition to environmental performance improvement, senior management performance evaluations shall comprehensively consider major domestic and international ESG assessment results and progress on internal ESG improvement initiatives.

④ Policy Review and Revision Cycle

This Policy shall be reviewed at least once every two years or whenever significant amendments are made to relevant domestic or international laws and regulations, and revised as necessary.