
Safety, Health and Environment Policy

(HSE Management Policy)

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1. Declaration of HSE Management Guidelines

HSE Policy

“Creating a Safe and Happy Workplace”

1. Building a collaborative safety and health management culture

- Establish a safety and health managing system to prevent serious accidents
- Enhance cooperation with subcontractors and improve safety standards
- Establish a self-regulatory prevention system based on risk assessment

2. Creating a participatory health-friendly company

- Strengthen preventive health promotion programs
- Improve the work environment and manage hazardous factors related to occupational diseases

3. Building a sustainable eco-friendly workplace

- Implement low-carbon focused energy and resource efficiency strategies
- Cooperate with community to make eco-friendly society



HD Hyundai Electric Co., Ltd
Kim Young-ki, CEO

2. Purpose

Under the slogan "Cultivating a Safe and Happy Workplace", HD Hyundai Electric aims to achieve the highest health, safety, and environmental standards for people- and environment-centered management. In particular, recognizing the climate crisis as a top shared priority for humanity, the Company seeks to establish a sustainable environmental management system that promotes the safety and health of customers, society, and ultimately, humanity, by providing safe products and services. In alignment with the global shift toward carbon neutrality, HD Hyundai Electric aims to contribute to a sustainable future and shared prosperity of various stakeholders, including customers, business partners, shareholders, and society, by actively fulfilling expectations of client companies, investors, and other external stakeholders and establishing an HSE Management Policy based on South Korea's Nationally Determined Contribution (NDC).

3. Scope of Application

This HSE Management Policy applies to all members of HD Hyundai Electric. In addition, HD Hyundai Electric recommends that its customers, supply chain, and business partners also adhere to the Policy.

4. Implementation Organization

1) Health and Safety Management

HD Hyundai Electric operates a health and safety organization under the direct supervision of the Chief Executive Officer (CEO) for company-wide implementation of health and safety management and performs tasks to reduce and respond to occupational accidents, including reporting, recording, and classifying occupational accidents. The CEO assesses the appropriateness of the implemented health and safety policies and systems, allocates personnel and funds necessary for establishing a health and safety management system, and ensures that key issues are decided by the Board of Directors, the highest decision-making body, or the Occupational Safety and Health Committee, which involves participation from workers and worker representatives.

2) Environmental Management

At HD Hyundai Electric, the ESG Committee, which reports to the Board of Directors, deliberates and makes decisions regarding environmental management to ensure company-wide implementation of the initiative. The CEO makes major decisions required to execute environmental policies and

provides support so key issues can be presented to the Board of Directors and the ESG Committee, the highest decision-making bodies, for decision-making. The Company's dedicated environmental management organization and ESG organization continuously manage and improve environmental performance and respond to climate change through joint efforts. These organizations analyze environmental opportunities and risk factors that may arise from business operations, as well as the causes of internal and external environmental issues and response strategies, in addition to developing efficient management measures.

5. HSE Management Policy

All business sites of HD Hyundai Electric have established and apply a health and safety management system (ISO 45001) in compliance with domestic and international health and safety-related laws, regulations, standards, and guidelines. They also formally endorse international environmental declarations, standards, and specifications in compliance with environmental laws and regulations, and strive to minimize environmental impacts arising from corporate activities. Our environmental management system (ISO 14001) for environment-related areas allows for more systematic process management through continuous efforts to enhance environmental performance, including monitoring and performance management according to internal policies and objectives.

1) Health and Safety Management

① Prevention of Serious and Occupational Accidents

HD Hyundai Electric has established and operates a self-regulatory prevention system through various activities to prevent serious and occupational accidents, such as Health and Safety Officer-led inspections, identification of high-risk work by department, and special inspections of high-risk work. In addition, potential health and safety risks at work are identified in advance and systematically managed through measures such as elimination, substitution, and engineering or process improvements. In particular, for physically demanding labor, efforts are made to identify and manage related risks by considering the impact on workers' health. Appropriate budgets and personnel are secured to ensure the effective implementation of necessary measures such as risk assessment, work redesign, provision of protective equipment and tools, worker training, and cooperation with local authorities.

Furthermore, the Company sets priorities to achieve health and safety

objectives and formulates and executes detailed action plans for each health and safety activity in an effective manner. The results of health and safety activities are regularly reported to top management to disseminate best practices across the organization and to continuously improve identified deficiencies.

○ **Setting Performance Targets and Monitoring Implementation**

To build a safer work environment and reinforce its safety capabilities, HD Hyundai Electric sets detailed indicators for achieving zero serious accidents, reducing accident rates, and improving the Enterprise Health Promotion Index and its participation in health promotion programs as its major health and safety objectives, and monitors their progress.

○ **Management of Workplace Hazards (Risk Assessment)**

The Company identifies workplace hazards through weekly safety inspections, labor-management inspections, special inspections of high-risk work, and on-site risk identification, and related workers directly participate to identify potential risk factors and develop improvement measures to prevent accidents. It also conducts risk assessment competitions as an effort to encourage active employee participation in safety campaigns and discovering potential hazards.

○ **Support for Supplier Health and Safety Systems**

To build stronger health and safety systems for internal and external suppliers, HD Hyundai Electric has established and operates health and safety councils with internal and external suppliers, through which health and safety issues and information are shared on a monthly basis. In addition, it carries out co-prosperity activities such as joint safety campaigns, safety meetings, and provision of health and safety supplies, striving to improve the level of health and safety management in internal and external suppliers, as well as local SMEs.

○ **Compliance with Health and Safety Laws and Regulations**

The Company conducts compliance assessments to identify permits, tests, and inspections required by law and reviews health, safety, and environmental laws prior to facility investment to ensure compliance. In addition, it carries out legally required inspections on machinery and equipment, such as hazardous machinery inspections and non-destructive testing of heavy objects, half yearly, while maintaining mandatory permits and licenses up to date. It prepares permits, licenses, tests, and inspection reports required for occupational safety and health, and ensures that they can be submitted in a timely manner upon a government agency's request.

② Safety Communication and Mindset Enhancement

HD Hyundai Electric ensures that all employees and supplier employees make efforts to establish a safety culture and the formation and internalization of a self-regulatory prevention system.

○ Health and Safety Training

The Company strives to improve safety awareness of all workers by conducting legally required health and safety training, equipment operator qualification training according to internal standards, and union member health and safety training.

○ Safety Awards

The Company promotes an autonomous safety culture of autonomously improving high-risk work through a process-oriented safety award system such as accident prevention merit awards, safety compliment coupons, excellent risk assessment activity awards, and excellent safety prevention evaluation team awards.

③ Establishment of Emergency Response System

HD Hyundai Electric has established and operates an in-house fire brigade to prevent disasters such as fires and strives to comply with the most stringent standards among the legal requirements as well as the standards presented by external stakeholders regarding emergency response measures, related facilities, and training. In addition, it allocates appropriate levels of budget and personnel for maintaining necessary facilities, worker training, and operating a cooperative system with related organizations to enhance the effectiveness of the emergency response system, and mutual support and cooperation are provided in the event of an emergency through a cooperative system with nearby affiliated companies. In the event of a disaster or emergency, HD Hyundai Electric makes every effort to secure the safety of the workplace and surrounding areas through real-time information dissemination and prompt response.

○ Fire Prevention and Inspection

The Company invests in and improves fire prevention facilities, such as emergency exits, detectors, and fire suppression systems. It also places emergency smoke masks in the main buildings and conducts regular operational and functional inspections of fire facilities.

○ Emergency Response Drills

The Company regularly carries out emergency and fire drills, making every effort to ensure prompt response in the event of an emergency.

④ Health Promotion Activities

HD Hyundai Electric provides a safe and pleasant work environment and continuously supports workers in maintaining a healthy working life. In particular, it provides nursing rooms to protect pregnant women and nursing mothers from work environments that may pose risks to them or their children.

○ Occupational Disease Management

To prevent occupational diseases such as noise-induced hearing loss and musculoskeletal disorders, the Company conducts work environment measurements and musculoskeletal risk factor surveys. When shortcomings are identified, it takes corrective measures with the Safety and Environment Department, site managers, and workers.

○ Health Promotion Activities

The Company provides employees with various health programs, such as the Mental Peace Bus, Workplace Mind Garden, smoking cessation clinic, digital walking program, and health experience center, providing support for employees in managing major diseases, mental health, and job stress, and building a health-friendly company.

○ Hygiene Management Activities

For hygiene management in company buildings/workplaces and employees' health, the Company conducts hygiene inspections on and disinfects its catering facilities every summer. In addition, it maintains the food, hygiene, and residential environment related permits and certifications required by relevant laws up to date, and inspects and improves the hygiene of facilities used by employees, such as company dormitories, restrooms, and common areas, according to international standards, to ensure cleanliness and safety.

2) Environmental Management

① Product Environment

HD Hyundai Electric actively strives to develop sustainable and eco-friendly power products and services to overcome the global climate change and environmental pollution crisis.

○ **GREENTRIC Product and Service Development Investment**

HD Hyundai Electric strives to minimize negative environmental impacts of its products by introducing GREENTRIC products, such as SF6-free high-voltage circuit breakers, natural ester/synthetic oil-immersed power transformer, and high-efficiency electrical equipment, through continuous investment.

② Production Environment

HD Hyundai Electric defines environmental management as a key task across its production activities and business facilities and strives to preserve the environment through greenhouse gas reduction and minimization of environmental pollutants. It identifies environmental impacts arising from workplace production activities in relation to internal and external stakeholders, and the entire process from establishing environmental management objectives to planning, execution, and improvement is regularly evaluated to minimize environmental impacts.

○ **Greenhouse Gas/Energy**

In response to climate change, HD Hyundai Electric manages carbon emissions by improving energy efficiency and expanding the use of renewable energy across the entire lifecycle, spanning product development, procurement, production, logistics, consumption, and disposal.

HD Hyundai Electric will make continuous efforts to achieve RE100 by 2040 and carbon neutrality by 2050 through regular performance monitoring for the set greenhouse gas emission targets, increasing energy-saving investments for production processes and operational facilities, and expanding the use of renewable energy.

○ **Waste**

The Company formulates and operates management standards for waste storage, transportation, and treatment to minimize waste generated from business operations and for more efficient waste treatment.

In addition, it monitors the process of waste treatment service providers through regular internal verification and prioritizes recycling waste to minimize environmental pollution.

○ **Water Resources and Wastewater**

The Company is committed to efficient use of water resources, such as reducing water usage and reviewing water reuse measures.

All wastewater generated from its business facilities is treated in compliance with applicable laws through specialized wastewater treatment contractors, alongside measures to prevent leak accidents and monitor wastewater generation through wastewater discharge facility management.

③ **Management Environment**

HD Hyundai Electric is strengthening company-wide efforts to minimize negative impacts on the environment based on environmental management objectives. In addition, the Company strengthens communication by transparently disclosing detailed environmental management practices and performance to various stakeholders, such as customers and investors, according to global standards.

○ **Strengthening Communication**

The Company transparently discloses its environmental management activities and performance through the publication of Sustainability Reports and ESG evaluations and strengthens communication by providing necessary information to various stakeholders.

○ **Supply Chain Management**

The Company works to fulfill social responsibility throughout its supply chain by defining ESG responsibility compliance requirements for all suppliers in accordance with the Supplier Code of Conduct for a sustainable supply chain.

○ **Environmental Management at Business Sites**

HD Hyundai Electric strives to build eco-friendly workplaces as the foundation of environmental management through minimizing environmental pollutant emissions and managing greenhouse gas reductions in compliance with relevant environmental laws and regulations. In addition, the Company has established processes to collect and evaluate environmental information regarding its business sites and proactively identify and manage

environmental impacts based on site location.

○ **Creating an Environmentally Friendly Culture**

The Company reinforces environmental education to raise awareness about the environmental impact of work performed by all employees and is leading the promotion of an environmentally friendly culture through various CSR activities.

○ **Due Diligence, Acquisitions, and Mergers**

When pursuing acquisitions and mergers, the Company conducts due diligence to identify potential risks that fail to comply with environmental laws or environmental management system standards and reflects them in corporate value calculation.

④ **Chemical Substance Management Policy**

HD Hyundai Electric manages the use of chemicals through self monitoring at the procurement stage to prevent the use of hazardous chemicals within the Company. It also provides material safety data sheets (MSDS) and handling instructions at its workplaces to ensure that all personnel handling chemicals can easily access relevant information.

In addition, in preparation for emergencies, the Company strives to strengthen employees' safety awareness through chemical spill response drills, training on chemical substances, and inspections.