

| | |
|---------------------|-----------------------------------|
| Document No. | 2022-00011 |
| Last Edited | 2022. 06. 30 |
| Managed by | Sustainability Management Team |

Hyundai Motor Company

Biodiversity Protection Policy

2022. 06. 30

1. Preamble

A. Purpose of enactment

Hyundai Motor Company shall monitor and evaluate risks of biodiversity degradation and loss throughout business operations such as parts procurement, business site operation, and product distribution/sale. At the same time, Hyundai Motor Company declares this biodiversity protection policy to conserve, restore, and expand the biodiversity of local communities. This biodiversity protection policy has been established regarding Convention on Biological Diversity, Convention on International Trade in Endangered Species of Wild Fauna and Flora, IUCN Guidelines for Applying Protected Area Management Categories.

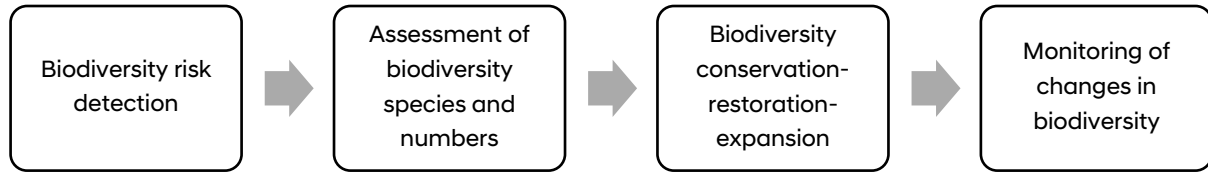
B. Coverage

Hyundai Motor Company's domestic headquarters and business sites, overseas subsidiaries, subsidiaries, etc. shall be subject to this biodiversity protection policy. In addition, Hyundai Motor Company shall recommend this biodiversity protection policy to stakeholders such as suppliers and business partners. The company shall spread and disseminate the need to prevent biodiversity damage and loss and protect biodiversity in local communities. Hyundai Motor Company shall promote biodiversity assessment and conservation-restoration-expansion activities throughout the business operation based on this biodiversity protection policy. When there are local laws and regulations on biodiversity promotion, wildlife management, natural habitat conservation, and other use of forest, soil, and water resources, Hyundai Motor Company shall follow them first.

C. Implementation system

Hyundai Motor Company shall operate a system to protect the biodiversity of the workplace and its surrounding areas or natural ecosystems nearby under this Biodiversity Protection Policy. Hyundai Motor Company's business sites, etc., shall conduct biodiversity assessment in consideration of the natural environment characteristics of each country/region where business sites are located, when required by laws and regulations, or when a stakeholder such as a local community raises a reasonable concern about biodiversity degradation or loss. Hyundai Motor Company shall identify the species and numbers of organisms (plants, animals, and microorganisms) affected by the business operation as a result of the biodiversity assessment. The company shall also establish and implement a plan to conserve, restore, and expand the species and numbers of those species in a

state of considerable risk or vulnerability. In addition to the initial biodiversity assessment, Hyundai Motor Company shall build and operate a system that can monitor the increase or decrease of biodiversity according to biodiversity conservation-restoration-expansion activities.



2. Declaration

A. Goal

Hyundai Motor Company shall do its best to protect biodiversity throughout its business operations, such as the purchase/procurement of raw materials, the operation of business sites, the distribution/sale of products, and the collection/recycling of waste products, etc. To this end, Hyundai Motor Company declares the following goals regarding the prevention of biodiversity damage and loss due to business operation, the prohibition of business operation in biodiversity protected areas, and the expansion of investment and activities for biodiversity protection.

① **[No Net Loss]**

Hyundai Motor Company shall complete a value chain structure that operates a business without jeopardizing or losing biodiversity in the mid-to-long term.

② **[Not Operate]**

Hyundai Motor Company shall not install and operate business facilities and devices in biodiversity-protected areas in the mid-to-long term.

③ **[Positive Impact]**

Hyundai Motor Company shall expand and promote investments and activities for biodiversity conservation-restoration-expansion.

④ **[Strategic Mitigation]**

Hyundai Motor Company shall protect and observe species with a high risk of biodiversity, particularly endangered species.

⑤ **[External Collaboration]**

Hyundai Motor Company shall establish a cooperative system with industries, local communities, and expert organizations to protect biodiversity.

B. Biodiversity Assessment and Protected Areas

Hyundai Motor Company shall define biodiversity assessment and protected areas by comprehensively considering domestic and foreign biodiversity or wildlife protection laws and regulations, or IUCN Category I ~ IV Protected Areas. Hyundai Motor Company shall promote conservation-restoration-expansion activities by taking into account the composition/role/potential of biodiversity in the region and the historical/cultural/scientific/educational significance of biodiversity when its business site is located in or near the relevant region or when the supply chain including suppliers and origins is located or when the negative impact on the region is clearly identified as a result of business operation.

① International Conservation Area (IUCN Category Ia etc.)

An area where a natural ecosystem recognized by the international community is established, and various species prosper. An area that has not been affected by anthropogenic factors and that can be destroyed even by the slightest human influence.

② Primordial Integrity Area (IUCN Category Ib etc.)

An area that maintains the natural ecosystem of the pristine wilderness and is inhabited by an indigenous community with a pristine and wild lifestyle and allows only minimal impact for educational/scientific purposes.

③ National Protected Area (IUCN Category II etc.)

An area designated at the national level to permanently preserve the natural ecosystem formation process. An area of high importance for protecting native flora and fauna, religious, scientific, educational, recreation/tourism, etc.

④ National and Cultural Relics Area (IUCN Category III etc.)

An area with high historical value from the viewpoint of archaeology/anthropology/history/geography as a natural ecosystem formed naturally or through faith and culture.

⑤ Species/Habitat Management Area (IUCN Category IV etc.)

An area designated by an international, national, or local organization to protect species and habitats and requires active management/intervention to promote biodiversity.

C. Biodiversity Assessment and Protection Procedures

Hyundai Motor Company intends to establish a procedure to monitor 1) biodiversity species and

numbers status, 2) potential biodiversity risks to achieve the 'goal' of this biodiversity protection policy, focusing on areas near business sites and 'protected areas'. Hyundai Motor Company shall prepare appropriate measures and response systems to protect biodiversity when biodiversity degradation or loss is confirmed, or biodiversity-related risks are recognized. In addition, Hyundai Motor Company shall monitor whether biodiversity protection measures and response systems are being implemented as planned.

- ① Hyundai Motor Company shall monitor the current status of biodiversity in or near the business site, considering the natural environment characteristics of each country/region where business sites are located when required by laws and regulations or when a stakeholder such as a local community raises a reasonable concern about biodiversity degradation or loss. Hyundai Motor shall implement natural habitat protection activities to maintain/expand biodiversity within its business sites and check the progress of its implementation.
- ② Hyundai Motor Company shall recommend that suppliers monitor and mitigate biodiversity risks in business operations as part of the 'Supplier Code of Conduct.'
- ③ Hyundai Motor Company shall check whether there is any act of biodiversity degradation or loss at the sourcing process of raw materials in the mid-to-long-term for sustainable raw material procurement and recommend improvement measures to protect endangered species.
- ④ Hyundai Motor Company shall collect opinions from local communities and stakeholders on biodiversity damage/loss and natural habitat destruction due to business operation and prepare improvement plans for reasonable concerns.

3. Management

A. Governance

① Responsibility

Hyundai Motor Company shall manage/supervise biodiversity risks through the management committee, etc., where the highest decision-makers or major decision-makers participate. The primary role of the management committee shall be reviewing the risk of biodiversity degradation and loss, risk response plans, and other matters deemed necessary for biodiversity conservation-restoration-expansion. Hyundai Motor Company's Board of Directors or sub-committees (Sustainability Management Committee, etc.) shall review and deliberate on the response to laws and regulations on biodiversity that significantly affects business operation, establish biodiversity assessment and protection plans, and make related investment decisions.

② Implementation

Hyundai Motor Company shall have an organization that implements biodiversity protection policies at its headquarters and business sites to carry out related tasks. The primary roles of the organization shall include the operation of biodiversity assessment and risk monitoring procedures, the implementation of biodiversity conservation-restoration-expansion activities, receiving and handling biodiversity-related grievances, education and dissemination of biodiversity protection, and collaboration with external stakeholders and partner organizations, etc.

B. Grievance and Handling

① Filing a grievance

Hyundai Motor shall operate a channel through which employees and other organizations (individuals) can report grievances related to biodiversity that arise in the course of business operation.

Reporting channels

- **Name of department: Sustainability Management Team**
- **E-mail: ESG@hyundai.com**
- **Phone: +82 2-3464-4773, Fax: +82 2-3464-3477**
- **Mail: Sustainability Management Team, Hyundai Motor Company Headquarter / 12, Heolleung-ro, Seocho-gu, Seoul, Republic of Korea**

② Grievance handling

Hyundai Motor Company shall prepare countermeasures for reported cases related to biodiversity degradation and loss in consideration of court precedents, regulations of the competent authority, and past internal handling practices. If the reported case is highly likely to violate laws/regulations, exert influence on local residents' property rights, etc., or spread to corporate reputation/reputation risks, the highest decision-making body, such as the Management Committee, discusses countermeasures.

C. Education and diffusion**① Education**

Hyundai Motor Company shall improve the awareness of the need for biodiversity conservation-restoration-expansion through environmental management education for its employees. Hyundai Motor Company shall enhance the understanding of the importance and necessity of biodiversity and encourage its employees to consider biodiversity in its business processes. The Company shall also encourage its employees to report any biodiversity-related issues when found.

② Information disclosure

Hyundai Motor Company shall disclose biodiversity conservation-restoration-expansion activity and performance information through its website, sustainability report, or a separate channel. The Company shall disclose relevant information through channels easy to access and clearly understandable by stakeholders, including executives and employees.

③ External cooperation

Hyundai Motor Company shall establish a cooperative system with external partners such as industries, local communities, and expert partners to promote biodiversity conservation-restoration-expansion activities. Hyundai Motor Company shall promote the effectiveness of biodiversity conservation-restoration-expansion activities based on the expertise in the field of biodiversity possessed by external partners and understanding of local natural habitats.

D. Performance management

① Performance goal setting

Hyundai Motor Company shall set and manage mid-to-long-term performance improvement goals regarding the prevention of biodiversity damage and loss due to business operation, the prohibition of business operation in biodiversity-protected areas, and the expansion of investment and activities for biodiversity protection. Hyundai Motor Company shall set performance improvement goals by comprehensively considering domestic and foreign laws and regulations, trends in industrial biodiversity management, and biodiversity risks identified in the value chain.

② Implementation status check

Hyundai Motor Company shall monitor the mid-to-long-term biodiversity goal implementation. The Company shall comprehensively consider the effectiveness of the activities pursued to achieve the goal and difficulties in implementing the goal and the implementation rate against the target. If necessary, Hyundai Motor Company shall adjust its mid-to-long-term performance improvement goals based on the inspection results.

③ Management performance evaluation

Hyundai Motor Company shall reflect environmental goals and implementation status in management key performance indicators (KPIs) and manage them.

4. Activity & Performance

A. Marine Ecosystem Restoration Project

① Activities

- Hyundai Motor Company carries out marine ecosystem restoration projects by building partnership with Healthy Seas, marine conservation organization.
- As a major activity for restoring the marine ecosystem, volunteer divers collect abandoned fishing nets and marine waste from the sea.
- The fishing nets we collected are regenerated into brand-new products through upcycling.

② Performance goal

- By 2025, Hyundai Motor Company aims at collecting 300 tons of fishing nets and marine waste.

(The marine ecosystem restoration project has been promoted since 2021.)

③ Implementation status

- Hyundai Motor Company has collected 78 tons of fishing nets and marine waste by the end of 2021. (26% of the target achieved)
- Hyundai Motor Company has collected 101.5 tons of fishing nets and marine waste by June 2022. (33.8% of the target achieved)

5. Addendum

- ① This biodiversity protection policy shall be enacted and enforced as of 2022. 06. 30.