

Green Purchasing Policy

**HD HYUNDAI INFRACORE
GREEN PURCHASING
POLICY**

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Section 1 Purpose

HD Hyundai Infracore Co., Ltd. (hereinafter referred to as the “Company”) aims to fulfill its social responsibility by meeting national policies by enacting green purchase guidelines and producing clean production and eco-friendly high-quality products in order to pursue environmentally friendly management.

Section 2 Subject of Application

It targets all materials (direct materials, indirect materials, facility materials) of all products purchased for the purpose of producing the company's products.

Section 3 Definition of Terms

1. The term “green product” means products under Article 66 (4) of the Framework Act on Carbon Neutrality and Green Growth to Cope with Climate Crisis or the following products.
 - 1-1. (Environmental Labelling Products) Products certified for eco-labeling by improving the environmental performance of products compared to other products of the same purpose pursuant to Article 17 (1) of the Environmental Technology and Industry Support Act.
 - 1-2. (Low Carbon Products) Products that reduce greenhouse gas emissions under subparagraph 9 of Article 2 of the Framework Act on Low Carbon, Green Growth according to the standards determined and announced by the Minister of Environment among products certified for environmental product declaration (EPD) under Article 18 (1) of the Environmental Technology and Industry Support Act
 - 1-3. (Excellent Recycling Products) Recycling products and products conforming to the same certification standards determined and announced by the Minister of Trade, Industry and Energy pursuant to Article 33 of the Act on the Promotion of Saving and Recycling of Resources and Article 15 of the Industrial Technology Innovation Promotion Act
 - 1-4. Other goods recognized by the head of the purchasing department
 - ① Products that are easy to reuse, recycle, and reuse
 - ② Products with low energy consumption
 - ③ A durable product
 - ④ Products that reduced resource consumption by reducing the size and weight of the product
 - ⑤ Products that do not use other hazardous substances, etc
 - ⑥ Other similar products
2. The term “green purchase” refers to the purchase of goods prescribed in subparagraph 1. The term “head of the purchasing department” refers to the head of the department that performs purchasing affairs on behalf of a company.

Section 4 Roles of Each Body

1. Company's Purchasing Division

- 1.1. Establishing standards for green purchases, establishing and managing purchasing procedures, and managing purchase performance of green products
- 1.2. Environmental review and preferential treatment of green products in addition to quality and price when purchasing goods
- 1.3. Education in and out of the company and internal and external promotion related to green purchases
- 1.4. Reporting of annual performance and company announcement

2. Supplier company

- 2.1. Presenting evidence of green products when signing a product
- 2.2. Notifying the company when major environmental information of the delivered product is changed after the contract
- 2.3. Notifying of the purchase status of green products at the request of the company
- 2.4. Other items that needed in green purchases

Section 5 Purchase of Green Products

1. One can purchase the product that is most suitable for the purpose of purchase among green products by comparing the quality and price of the product one wants to purchase
2. When selecting a supplier through bidding, additional points can be given to green products compared to non-green products.
3. Exceptions for purchasing green products
 - If the item of the product one wants to purchase does not have a green product
 - Where a product is eligible for a green product line, but there is no product corresponding to the item of the green product one wants to purchase
 - Where it is difficult to purchase green products due to their significant deterioration in quality, etc.
 - Where it is deemed difficult to purchase green products due to unavoidable reasons, such as the occurrence of urgent demand
 - Where urgent demand arises for restoration of damage caused by natural disasters
 - Where it is determined by the head of the purchasing Division by other matters

Section 6 Incentives and Preferential Policies

1. Rewards and support may be provided to Supplier company recognized for their excellent performance by diligently fulfilling the obligations of these guidelines.
2. The company may reward departments or individuals who have discovered and accurately implemented green purchase cases

Appendix 1. Standards for Green Products

1. Criteria for Certification of Environmental Signs

- Environmental subjects (such as reduction of hazardous substances, human safety, power saving, water saving, recycling, low noise, etc.) are considered throughout the whole product process, such as manufacturing, distribution, use, and disposal, for environmental standards
- Quality standards are stipulated to meet the Korean Industrial Standards (KS) for each product

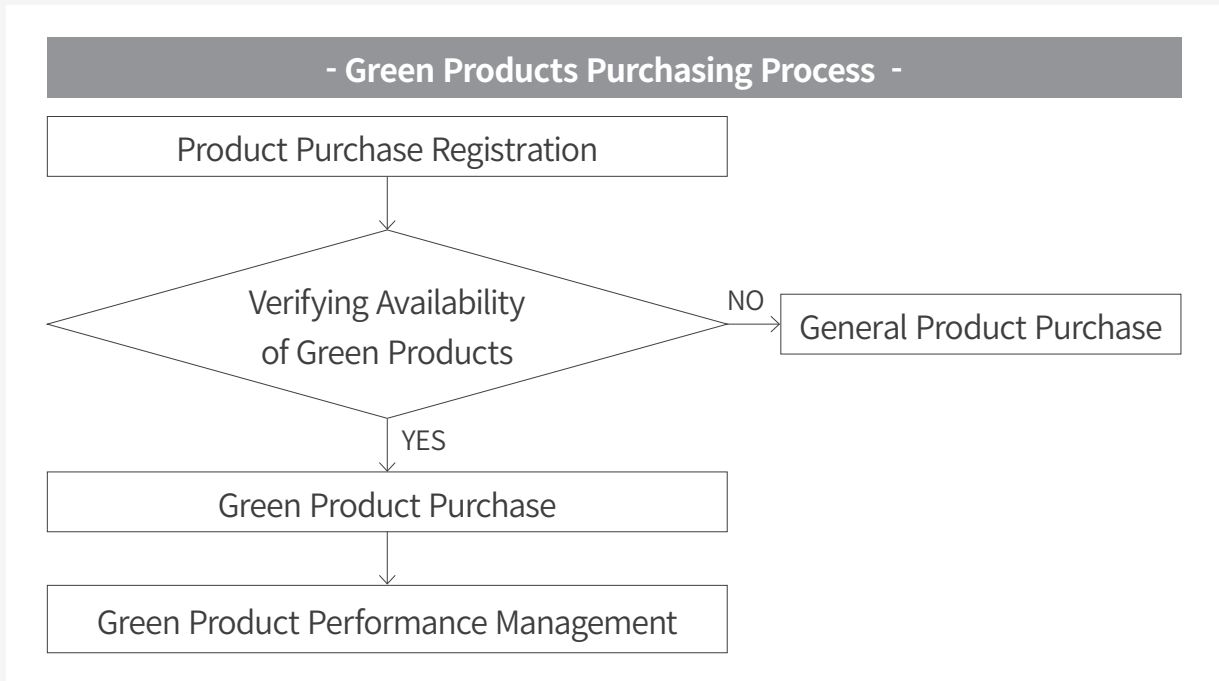
2. Certification Standards for Low-Carbon Products

- Considers the amount of greenhouse gas emissions from the entire process of production (such as raw material collection, transportation, manufacturing, use, disposal, etc.)
- Among products that are certified for environmental product declaration (EPD), products that are less than or equal to “maximum allowable carbon emission” or above “minimum carbon reduction rate” as notified in the Low Carbon Product Standards
 - ※ Maximum allowable carbon emissions: Value calculated based on the average carbon emissions of the products in the same field certified from environmental product declaration (EPD)
 - ※ Minimum carbon reduction rate: 3.3% based on the government’s ‘national greenhouse gas reduction target and industry-specific reduction target’

3. Certification Criteria for Good Recycled Products (GR)

- The on-site review criteria not only review the comprehensive quality control system of the product but also review the excellence of products such as recycling technology and domestic waste resource
- Product standards are reviewed for quality, performance, and environmental performance according to the quality certification standards for each recycled product and recycled raw material

Appendix 2. Green Product Purchasing Procedure



Step 1: Checking the target items and products of green products

- If there is a purchase request, there will be a verification whether the item one wants to purchase is eligible for the green product
- If the item is subject to green products, there will be a process to check whether there is an actual certified product

Step 2: Checking the availability of green products

- Reviewing of green product exceptions, etc. will be done to finally confirm whether one can purchase the product that they want to purchase

Step 3: Purchasing a green product

- Purchasing a green product by referring to the distributor registered in the green product information system and the product information system

Step 4: Green product purchase performance management

- Monthly/annual performance collection and management of green product purchases