

HL Klemove

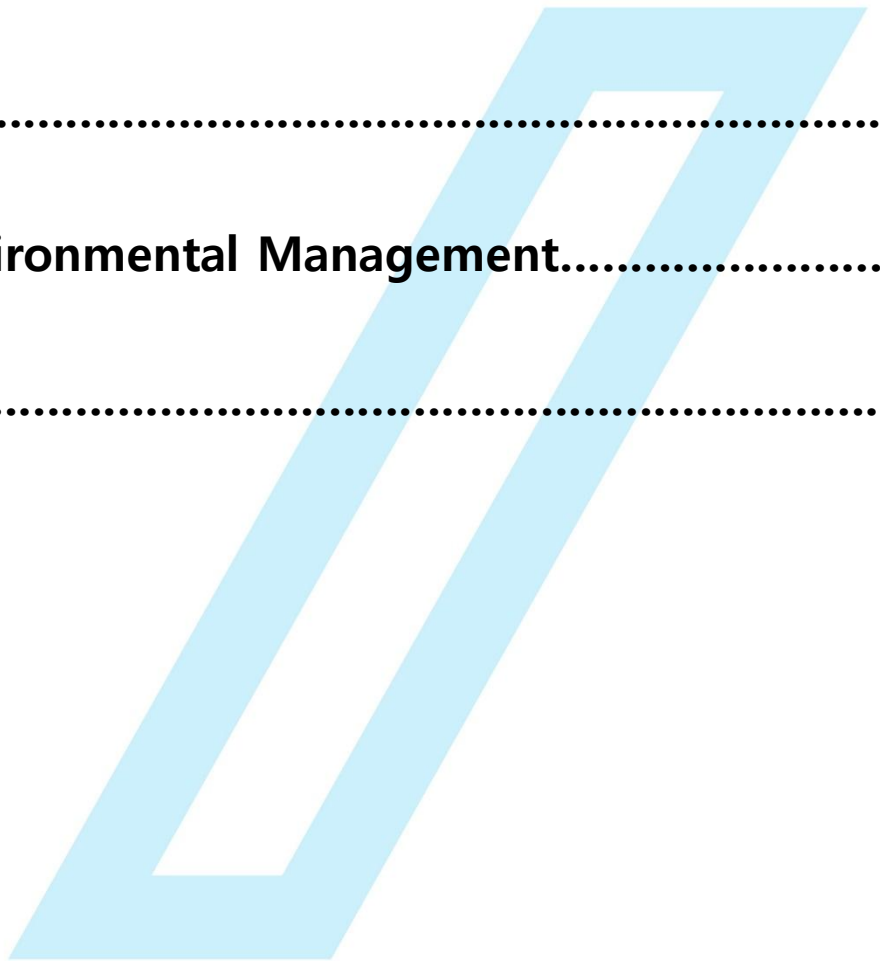
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HL Klemove Corporate Environmental Policy



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HL Klemove Corporate Environmental Policy

1. Purpose

We recognize environmentally friendly management as a key element for sustainable growth, and we aim to establish an environmental management system that prioritizes environmental considerations in all business activities. By doing so, we seek to work together with all stakeholders including employees and partner companies to protect the environment and to create environmental performance through continuous improvement.

2. Scope of Application

This policy applies to all HL Klemove headquarters, domestic and overseas production plants, research centers, logistics centers, and offices. All employees are required to faithfully comply with this policy, and all stakeholders, including partner companies, must also participate in environmental protection and strive to adhere to this policy. If this policy conflicts with local laws and regulations of a particular country, the stricter standard shall apply. In addition, this policy may be revised and applied to reflect the legal requirements and industrial characteristics of the respective country.

3. Promotional Organization and Implementation System

a. Governance

HL Klemove strengthens company-wide environmental management by appointing an executive responsible for overseeing environmental management and climate-related issues and risks across the organization. This executive reviews the performance of environmental management activities and leads the operation of environmental organizations at both headquarters and each business site, securing dedicated personnel to carry out environmental and climate-related tasks. Key environmental issues are reported quarterly to the committee led by the Chief Executive Officer (CEO), which determines the overall direction of corporate environmental management. Additionally, these issues are reported to the Board of Directors on a semi-annual basis.

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b. Goal Setting and Performance Management

① Establishment of Environmental Goals

Business activities are monitored by establishing and managing key indicators that reflect major environmental factors, and efforts are made to minimize environmental impact. Indicators are selected based on environmental regulations, stakeholder requirements, and other factors deemed to have significant environmental influence. For the key management indicators, short-term and mid- to long-term improvement targets and implementation plans are established.

② Implementation and Monitoring

To achieve the established short-term and mid- to long-term goals, feasible and concrete action plans must be developed. The necessary human and material resources must be secured to support the execution of these plans, and when needed, coordination and collaboration with relevant departments should be undertaken to ensure effective goal achievement. Implementation performance should be regularly reviewed and quantitatively monitored against the targets. During the goal achievement process, the effectiveness of key activities and any challenges encountered should be periodically assessed. Issues requiring improvement should be identified as key action items, and continuous efforts should be made to refine the strategies for achieving the goals. If necessary, targets may be adjusted based on the results of these evaluations.

③ Performance Management

The company and each business site shall manage the improvement of environmental indicators and the performance achieved against the targets in order to effectively meet environmental objectives. Relevant management and the heads of each business site are required to make continuous efforts to improve environmental indicators and achieve the established goals.

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C. Communication

① Government Agencies

We share our environmental management performance with government agencies and proactively respond by identifying government policy directions. We also ensure full understanding and compliance with national environmental laws and regulations.

② Shareholders and Investors

By creating environmental management performance that meets the expectations of shareholders and investors, we aim to build continuous trust and expand investment opportunities that contribute to corporate value enhancement.

③ Suppliers

We share know-how and experience related to environmental management initiatives with our suppliers, and we operate communication channels to collaborate continuously in order to extend environmental value creation across the entire supply chain.

④ Customers

We provide customers with environmental information regarding our products and services, and we reflect their feedback in the development of eco-friendly products and services.

⑤ Local Communities

To mitigate environmental impacts arising from business operations, we collect opinions from local governments, civic organizations, and other stakeholders. We strive to identify and address concerns raised by the local community.

⑥ Employees

We share environmental management policies with employees and enhance their environmental awareness through training. Employee feedback regarding environmental performance and improvement is incorporated into the advancement of our environmental management initiatives.

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4. Basic Principles

a. Compliance with Environmental Laws

To strengthen our social responsibility, we identify and understand the environmental laws applicable to our business sites in accordance with a legal compliance process, and we promote strict adherence to these laws through regular monitoring. We conduct periodic compliance assessments and share the findings across the company to raise environmental awareness among employees. We continuously improve our compliance level by actively responding to newly enacted or revised environmental regulations.

b. Operation of the Environmental Management System

To ensure that environmental considerations are prioritized throughout the entire business process—including design, development, production, sales, and disposal—we establish and operate an environmental management system. We define environmental goals, identify environmental impacts, and develop and implement improvement plans based on continuous monitoring. Through this, we maintain a systematic approach to environmental management and sustainable performance improvement.

c. Business Environmental Management

When pursuing new business activities, we assess and reflect the potential environmental impacts in our environmental management process. We also identify and evaluate environmental risks that may arise during business expansion or relocation to ensure that appropriate measures are incorporated into decision-making.

d. Prevention and Protection of the Environment

1) Hazardous Chemicals

To prevent accidents, we operate a chemical substance management process that reduces potential negative impacts on all stakeholders, including customers and consumers. We identify hazardous chemicals contained in products and raw materials in advance and work to enhance stability and minimize environmental impact. We also continuously pursue the replacement of hazardous chemicals with safer alternatives.

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2) Resource Conservation and Waste Reduction

We aim to reduce waste generation and improve waste treatment by enhancing recycling efficiency, reducing material use, and optimizing resource consumption. We improve reusability of waste and strengthen waste management, including segregating and handling hazardous waste, to reduce final disposal volumes.

3) Air Emissions

We operate air emission management systems to systematically manage various emissions generated at our business sites. We monitor emissions regularly and ensure they comply with internal standards as well as legal requirements to prevent environmental pollution.

4) Energy Consumption and Greenhouse Gas Emissions

We work to reduce energy use and greenhouse gas emissions by improving energy efficiency and expanding the use of low-carbon energy sources. We also establish a management system to track and monitor energy consumption and greenhouse gas emissions to ensure continuous environmental performance improvement.

5) Development and Expansion of Eco-Friendly Technologies

We strive to develop and expand eco-friendly technologies and products by assessing environmental impacts throughout the entire product lifecycle—from design and production to distribution, use, and disposal—and minimizing negative effects on the environment.

6) Water Management

We establish systems capable of tracking water usage and discharge and preventing pollution, and we work to manage all wastewater and water-related activities to minimize environmental impact. We comply with legal standards and internal guidelines that are equal to or stricter than relevant regulations and strive to protect water resources through responsible wastewater treatment. Additionally, we work to reduce water consumption by improving water efficiency through regular inspections and environmental management efforts at each business site.

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7) Carbon Neutrality

To contribute to global carbon neutrality and climate-change mitigation, we implement systems that help reduce energy use and greenhouse gas emissions, and we pursue continuous improvements in energy efficiency. We actively review options such as reducing GHG emissions, increasing the use of low-carbon and certified renewable energy, and adopting renewable energy solutions including on-site solar, certified renewable energy certificates, and PPAs. We aim to transition 100% of the energy used at our business sites to renewable energy sources. In alignment with the Paris Climate Agreement, HL Klemove strives to reduce carbon emissions so that the increase in global temperature is limited to below 1.5°C, with the long-term goal of achieving full carbon neutrality by 2050. We also implement GHG reduction and management activities based on both domestic Scope 1, 2, and 3 emission requirements and global sustainability standards and expectations.

8) Local Environmental Pollution Prevention

We work to minimize pollution by properly managing emissions at each business site and by identifying, addressing, and mitigating environmental risks that may arise within local communities. Additionally, we seek to reduce emissions and responsibly manage waste to protect the surrounding environment.

9) Biodiversity

We consider the conservation of natural ecosystems and biodiversity to be essential. We recognize the environmental and social impacts that business activities may have on biodiversity and strive to minimize negative effects.

- A. We identify and monitor factors that may threaten biodiversity around our facilities and business sites, and take measures to prevent or minimize them.
- B. We acknowledge international agreements related to biodiversity conservation (e.g., World Heritage areas, IUCN Category I–IV protected areas). When these agreements apply, we comply with relevant national and regional regulations.
- C. We make every effort to protect endangered species, enhance awareness through education, and share relevant information with employees and stakeholders.

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5. Transparent Environmental Management

To achieve environmental goals and action plans, we ensure transparency through open disclosure of environmental policies and performance to employees and stakeholders, and we actively promote participation. We also establish communication channels that allow stakeholders to engage, and we gather diverse opinions to reflect them in our environmental management system for continuous improvement.

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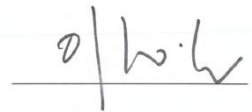
[Appendix]

- A. This company-wide environmental policy shall take effect beginning August 18, 2023.
- B. The revised company-wide environmental policy shall take effect beginning January 1, 2026.
- C. Revision History

Version	Date of Revision	Main Revision Details
Initial (0th)	2023.08.18	Initial establishment
1st Revision	2024.12.01	Added implementation organization/system, carbon-neutral goals and strategy, goal setting and performance indicators
2nd Revision	2026.01.01	Added environmental protection (including CEO reporting and disclosure), legal compliance process operation, renewable energy 100% transition intent

(주)HL Klemove

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