

**HD Hyundai Marine Solution Co., Ltd.**  
**Biodiversity Conservation and**  
**No Deforestation Policy**

2025. 6.

# Biodiversity Conservation and No Deforestation

HD Hyundai Marine Solution strives to contribute to the UN Sustainable Development Goals (SDGs) and recognizes the importance of conserving biodiversity and forests in the context of climate change. Accordingly, we prohibit activities that harm biodiversity or cause deforestation, and all members of the Company will work together to achieve these goals.

For the purposes of this policy, “deforestation” refers to the conversion of natural forests and forested areas to non-forest land uses (including land-use conversion) or any activity that materially degrades the ecological functions of forests, regardless of whether such activities are legal or illegal. Across our business operations and project execution, we prioritize avoiding deforestation. Where avoidance is not feasible, we will implement measures to minimize impacts. This policy takes effect on June 26, 2025.

We integrate related risks into our enterprise risk management system. When significant biodiversity- or forest-related risks are identified, decisions are made by the ESG Committee, our highest decision-making body. In addition, for new investments, construction activities, operational changes, and major projects, we will conduct pre-screening to identify biodiversity and forest-related risks and, where necessary, undertake additional assessments and establish and implement management plans.

We incorporate measures to conserve biodiversity and prevent deforestation into our environmental management policies and guidelines. We also intend to share the principles of this policy across our value chain—including suppliers and joint business partners—and to request compliance. We will progressively embed no-deforestation requirements into procurement, purchasing, contracting, and evaluation processes, and we will pursue due diligence and improvement actions for supply chains associated with high-risk commodities and high-risk regions. We will transparently disclose our activities and key performance outcomes through our annual Sustainability Report and collaborate and communicate with stakeholders.

This Policy was approved by the CEO and takes effect on June 1, 2025.

# **Biodiversity Conservation Policy**

## **1. Purpose**

HD Hyundai Marine Solution (the “Company”) recognizes the need to conserve biodiversity for sustainable development and has established this Policy to build and implement a system for conserving and enhancing biodiversity. This Policy draws on the Convention on Biological Diversity adopted under the leadership of the UN Environment Programme (UNEP) and on the International Union for Conservation of Nature (IUCN) Guidelines for Applying Protected Area Management Categories.

## **2. Scope of Application**

This Policy applies to the Company’s business sites and employees. We also encourage stakeholders—including local communities, customers, suppliers, and other business partners—to align with this Policy. Based on the Policy, the Company will conduct biodiversity assessments and conservation activities; where local laws and regulations exist—such as those governing the protection of natural habitats—those requirements take precedence.

The Company will also share the intent of this Policy across the value chain, including suppliers, contractors, and joint venture partners. We will require the avoidance of non-essential operational activities in or near areas of globally or

nationally important biodiversity (e.g., legally protected areas, IUCN protected areas, and key habitats), and we will endeavor to incorporate related requirements into contractual terms, supplier evaluations, and procurement and sourcing processes on a phased basis.

### **3. Fundamental Principles**

- ① We prioritize biodiversity conservation across all business operations and seek to minimize adverse impacts on biodiversity. To this end, we will make best efforts to achieve No Net Loss (NNL) and pursue a Net Positive Impact (NPI).

In managing biodiversity impacts, the Company applies the mitigation hierarchy and prioritizes actions in the following order: (1) Avoid → (2) Minimize → (3) Restore/Rehabilitate → (4) Offset residual impacts.

- ② We strengthen partnerships with relevant organizations and build cooperative relationships with local communities and expert institutions.
- ③ Through biodiversity impact assessments—focused on our industry and key business sites—we identify our dependencies and impacts on natural capital, implement appropriate measures and responses, and continuously review their effectiveness to minimize biodiversity impacts.

In addition, the Company will conduct regular biodiversity risk assessments to proactively identify high-risk areas, activities, and supply chain issues. For new investments, construction projects, or material changes in operations, we will promote risk management by linking pre-screening with impact assessments.

Based on the results of biodiversity impact assessments, we will identify priority areas (business sites and areas of influence) and will endeavor to set quantitative and qualitative targets by area to work toward achieving NNL and to manage implementation performance.

**Process:** Biodiversity Impact Assessment → Results Analysis & Plan Development → Biodiversity Conservation Activities → Monitoring of Activity Outcomes

#### **4. Governance**

The Company's policy direction, targets, and implementation related to biodiversity conservation are discussed by the ESG Committee under the Board of Directors, ensuring accountable governance for the ongoing management and oversight of biodiversity issues.

#### **5. Stakeholder Communication**

We will disclose details of our biodiversity conservation activities through official communication channels and

promote conservation through close communication and collaboration with stakeholders. We will also gather stakeholder feedback to help identify priority areas and targets, develop improvement actions for conservation activities, and share response outcomes on material issues.