

HS Hyosung Advanced Materials Corp.

Biodiversity Policy



Sustainability Management Team
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01. CEO MESSAGE

HS Hyosung Advanced Materials Corporation is committed to our economic, social, and environmental responsibilities to achieve sustainability. Our goal is to realize a Creating Social Eco-system (CSE), where businesses and civil society collaborate closely to address social issues and enhance the sustainability of humanity.

To achieve this, we have established three sustainability strategies for green management in the environmental sector: "Zero Emission," "Zero Waste," and "Zero Impact." Among these, biodiversity conservation is an essential value we pursue under the Zero Impact principle.

In particular, we deeply recognize the importance of biodiversity conservation in realizing CSE. Biodiversity plays a crucial role as a "safety net" for all life on Earth by maintaining the balance of natural ecosystems, which in turn provides environmental purification, soil conservation, climate regulation, and disease control.

However, biodiversity is increasingly threatened worldwide due to climate change, natural resource depletion, and ecosystem destruction, regardless of region or species. Accordingly, we consider biodiversity conservation a key global environmental issue and a vital component of climate change response. We are dedicated to preserving biodiversity and ensuring the sustainable use of resources. Rather than adopting a short-term problem-solving approach, we will strive to develop products and technologies that enhance biodiversity considering the interests of future generations of stakeholders.

This principle has been established to prevent and mitigate biodiversity risks that may arise within and beyond our value chain, while also promoting the sustainable use of ecosystems in our business operations. All employees are expected to adhere to this principle and policy with the utmost commitment. Furthermore, we will ensure that not only our employees but also our upstream and downstream partners faithfully implement these principles.

CEO of HS Hyosung Advanced Materials Corporation

02. DEFINITION

HS Hyosung Advanced Materials Corporation (hereinafter referred to as "the Company"), defines biodiversity as the species diversity on Earth, the ecosystem diversity where these species exist, and the genetic variability within living organisms.

03. IMPORTANCE OF BIODIVERSITY

Biodiversity provides various ecosystem services to humanity and significantly impacts not only the sustainability of the Earth and its ecosystems but also human survival. Therefore, it is essential for the Company to establish a systematic conservation and sustainable utilization policy at the corporate level.

04. SCOPE OF APPLICATION

This principle and policy apply to the Company and all its subsidiaries. All employees recognize biodiversity conservation as a key value of green management and shared growth management. Furthermore, the Company will strive to ensure that this principle is also applied to both upstream and downstream partners.

05. REVIEW OF BIODIVERSITY PRINCIPLE AND POLICY

The Company will promote compliance with its biodiversity principles by conducting regular reviews and performance evaluations of adherence by employees and both internal and external stakeholders within and beyond the value chain.

06. BIODIVERSITY PRINCIPLE AND POLICY

01) Mainstreaming Biodiversity

The Company will promote continuous awareness raising activities in which employees voluntarily and actively participate.

(1) The Company will foster consensus in order to enhance understanding of biodiversity issues through education and information provided to employees and various stakeholders, including the supply chain.

(2) The Company will ensure that its employees and those of its suppliers actively engage in biodiversity education to raise awareness about sustainable resource use and strive to activate related initiatives.

02) Biodiversity Risk & Opportunity Management

The Company will realize “Zero Impact” through proactive biodiversity risk & opportunity management.

(1) The Company will protect biodiversity and land by complying with international conventions (such as World Heritage areas and IUCN Category I-IV protected areas) and national biodiversity-related compliance requirements.

(2) The Company will comprehensively predict, analyze, and assess the environmental impacts when expanding its business, increasing production, or launching new projects, in order to prevent or minimize elements and factors that may threaten biodiversity.

(3) The Company will periodically monitor the impacts of business activities on ecosystems through environmental impact assessments that consider the social and environmental characteristics of the countries and regions where its facilities are located.

(4) The Company will regularly assess performance in product development, production, and service differentiation in accordance with its biodiversity principle and policy.

03) Biodiversity Conservation and Promotion

The Company will lead a better life for mankind by considering ecosystem conservation and biodiversity enhancement throughout the life cycle of its products.

(1) The Company will identify endangered species, endemic species, and habitats near all of its facilities and engage in biodiversity conservation and enhancement activities in collaboration with relevant organizations, including local communities, public institutions, and academic circles.

(2) The Company will realize “No Net Loss” of biodiversity by ensuring that any biodiversity degradation due to its operations near important biodiversity habitats is offset by restoration efforts, thus making Zero Impact to minimize negative environmental impacts.

(3) The Company will strengthen ecosystem monitoring, including the removal of invasive species near its facilities, as part of its climate change risk and opportunity management.

04) Sustainable Use of Ecosystems

The Company will consider sustainable use of resources and develop eco-friendly technologies & products.

(1) The Company will expand the use of sustainable resources during the product design and raw material selection stages.

(2) The Company will reduce waste and increase reuse during the product manufacturing stage to minimize the need for the extraction and additional use of resources.

(3) The Company will contribute to a circular economy and resource conservation by offering products that extend their lifespan for customers.

(4) The Company will develop products that have minimal environmental impact at the end of their life cycle when discarded.

05) Strengthening Biodiversity Engagement

The Company will actively participate in initiatives to promote biodiversity and cooperate with various stakeholders.

- (1) The Company will participate in global initiatives to conserve and enhance biodiversity and promote the sustainable use of ecosystems.

06) Transparent Information Disclosure

The Company will strengthen stakeholder trust by accurate and transparent disclosure of biodiversity information based on facts.

- (1) The Company will establish an indicator system to demonstrate the efforts and outcomes related to compliance with its biodiversity principle and policy, and will regularly assess each indicator.
- (2) The Company will disclose not only evaluation results but also various information related to biodiversity risks associated with its business, ensuring accuracy and transparency.