

 <b>HYUNDAI SUNGWO CASTING</b>	<b>Responsible Raw Materials Sourcing Policy</b>	Document No.	SWS-TA00-0002
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# Hyundai Sungwoo Casting

## Responsible Raw Materials Sourcing Policy

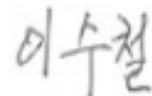
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**August 2025**

**[Approved by]**

CEO of Hyundai Sungwoo Casting

**Lee Su Cheol**



(Signature)

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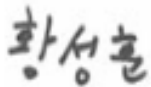
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August 2025

**[Managed by]**

ESG T.F.T. Leader



**Hwang, Sung Hoon**

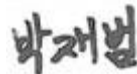
**[Approved by]**

Director of Procurement Division in Pohang Plant




**Song, Kyung IL**

Director of Procurement Division in Chungju Plant



**Park, Jae Beom**

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Hyundai Sungwoo Casting sources raw and subsidiary materials used in the production of its products and services in a sustainable manner in order to minimize unnecessary consumption of natural resources. Hyundai Sungwoo Casting also reviews whether any raw materials are produced through illegal practices that damage natural capital or cause environmental pollution. In addition, Hyundai Sungwoo Casting monitors and manages social impacts, including potential human rights violations, arising from the raw materials sourcing process.

## **A. Principles for Raw Materials Management**

### 1) Minimization of Environmental and Social Impacts

Hyundai Sungwoo Casting strives to reduce environmental and social impacts arising from the sourcing and use of raw materials. To this end, Hyundai Sungwoo Casting continuously expands logistics and transportation networks with high energy efficiency or the use of renewable energy, and makes efforts to reduce greenhouse gas emissions, waste, wastewater, and other pollutants generated during logistics and transportation.

Hyundai Sungwoo Casting also seeks to prevent potential human rights violations throughout the raw materials sourcing and value chain, including the protection of indigenous peoples' rights, and to minimize negative impacts on local communities.

### 2) External Collaboration

Hyundai Sungwoo Casting seeks cooperation with external organizations to promote sustainable raw materials sourcing. By leveraging the expertise of external institutions in raw materials procurement and their understanding of local conditions, Hyundai Sungwoo Casting enhances the effectiveness of its sustainable sourcing activities.

### 3) Traceability of Raw Materials Origin

Hyundai Sungwoo Casting traces raw materials across the entire supply chain, including upstream suppliers involved in the production of goods, and makes efforts to improve identified risks. Hyundai Sungwoo Casting also encourages the use of raw materials produced through environmentally friendly methods or certified under environmental and sustainability certification schemes.

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#### 4) Prioritization of Raw Materials

Hyundai Sungwoo Casting evaluates raw materials based on usage volume and social and environmental impacts to identify priority materials for focused management. Currently prioritized materials include lead and sulfuric acid.

#### 5) Efficiency in Raw Materials Use

Hyundai Sungwoo Casting continuously improves production processes to optimize raw materials input and manages materials based on planned production by comprehensively considering business strategy, production schedules, and inventory management.

#### 6) Reuse and Recycling of Production Waste

Waste materials and by-products generated after raw materials input—such as metals and chemicals including lead and sulfuric acid, waste wood, waste paper, and other residual materials—are reused within internal production processes or transferred and sold to external recycling facilities or other industries. Through these efforts, Hyundai Sungwoo Casting aims to gradually increase the proportion of recycled raw materials in the mid- to long term.


## B. Training and Awareness

### 1) Training

Hyundai Sungwoo Casting provides training to employees engaged in relevant tasks to enhance awareness of sustainable raw materials and support their application in daily operations. Hyundai Sungwoo Casting also encourages reporting of any issues that may undermine sustainability in the sourcing process.

### 2) Disclosure

Hyundai Sungwoo Casting discloses information on sustainable raw materials sourcing and management activities and performance through its website, sustainability reports, or other appropriate channels. Relevant information is disclosed in a clear and accessible manner for stakeholders, including employees.

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### C. Performance Management

#### 1) Setting Performance Targets

Hyundai Sungwoo Casting establishes and manages mid- to long-term performance improvement targets to manage procurement-related risks arising from business operations. These targets are set based on a comprehensive review of domestic and international laws and regulations, industry trends in raw materials sourcing and management, and identified environmental and social impacts across the value chain.

#### 2) Monitoring Implementation

Hyundai Sungwoo Casting regularly reviews the progress of its mid- to long-term sustainable sourcing targets. In addition to monitoring achievement rates, Hyundai Sungwoo Casting assesses the effectiveness of implemented initiatives and challenges encountered during execution. Where necessary, performance targets may be adjusted based on the review results.

### D. Governance

#### 1) Raw Materials Sourcing Oversight


Key risks related to raw materials sourcing are managed and supervised through executive-level management committees involving top decision-makers. The primary roles of these committees include approving sustainable raw materials sourcing policies, reviewing sourcing risks, deliberating response strategies, and addressing other matters deemed necessary for raw materials procurement.

Hyundai Sungwoo Casting's Board of Directors or its affiliated ESG Office reviews and deliberates on compliance with relevant laws and regulations, sourcing risk monitoring and prevention plans, and investment decisions related to raw materials that may have a significant impact on business operations.

### E. Grievance Mechanism

#### 1) Grievance Submission

Hyundai Sungwoo Casting operates reporting channels through which employees and external

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stakeholders (individuals or organizations) may submit grievances related to raw materials sourcing during business operations.

**Main Reporting Channel:**

- Audit Team – Cyber Whistleblowing System  
(<https://www.hdsWCasting.co.kr/tipoff.html>)

2) Grievance Handling

Hyundai Sungwoo Casting establishes response measures for reported cases related to sustainable raw materials sourcing by considering court precedents, relevant regulatory guidelines, and past internal practices.

In cases where there is a high likelihood of legal or regulatory violations, potential impacts on local communities' property rights, or significant corporate reputation risks, response measures are discussed and determined by top decision-making bodies, such as executive management committees.