

Safety & Health Management Policy

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■ Safety & Health Policy

Safety, Health, & Environment Management Policy

HD Hyundai Construction Equipment Co., Ltd. values a safe and pleasant eco-friendly workplace as a top management priority, based on the principle of respect for humanity by establishing the following policy to continuously drive and develop it, and announces that all employees and stakeholders will actively embrace it into practice.

⊙ Establishing a safety culture based on core basics & principles

- Strengthen compliance with laws & regulations and activities to mitigate risk factors;
- Establish a preemptive safety culture by raising safety awareness

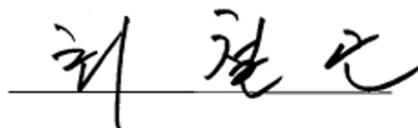
⊙ Creating a pleasant & healthy workplace

- Implement ongoing activities to improve work environment;
- Enhance disease prevention & health promotion programs

⊙ Maintaining a sustainable environmental Management system

- Strengthen activities to develop eco-friendly products & produce low carbon emissions;
- Execute ongoing activities to prevent and mitigate environmental pollution

January 2024



Cheol-gon Choi, CEO of HD Hyundai Construction Equipment Co., Ltd.

■ Safety & Health Goals

2024 Safety, Health, & Environment Goals

"The safety of the HD Hyundai Construction Equipment family is a precious value that can never be compromised no matter what."

○ Achieving LTIR 0.4 or lower

* LTIR (lost time incident rate): No. of accidents resulting in suspension of work for more than 1 month per 100 employees;

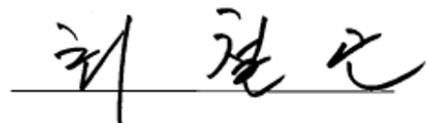
- Foster/bolster execution prowess of risk assessment experts;
- Ensure that new facilities, etc. instill preemptive safety

○ Driving employee health promotion thru preventative health management

- Cultivate emergency response capabilities for all employees;
- Enhance operation of health care/preventative management programs

○ Achieving an A- rating from CDP (Carbon Disclosure Project)

- Devise a climate change response strategy & activities to reduce carbon emissions;
- Strengthen reduction activities by monitoring environmental pollution



HD Hyundai Construction Equipment Co., Ltd.
CEO Cheol-gon Choi

1. Purpose of Enactment

HD Hyundai Construction Equipment complies with laws and standards related to industrial safety and health and pursues universal safety standards by “prioritizing safety and health management”. The purpose of this management policy is to create a safe work environment for employees and in-house subcontracting firm employees, as well as to ensure the safety and health of all stakeholders, including customers.

2. Scope of Application

All domestic and overseas workplaces of HD Hyundai Construction Equipment adopt and follow this safety and health management policy, and this policy is recommended to customers, business partners, and other stakeholders in business relationships.

3. Implementing Organization

HD Hyundai Construction Equipment operates the “Environment-Health-Safety (EHS) Session” to undertake safety and health management companywide and conducts final deliberation, resolution, and decision-making on safety and health matters. The CEO verifies whether the safety and health policies and systems in place are adequate and supports the Board of Directors as the highest decision-making body, and EHS Session in making decisions on material issues.

4. Safety & Health Management Policy

HD Hyundai Construction Equipment has established a safety and health management system to implement its corresponding policy, as well as safety and health management standards and guidelines (i.e. ISO 45001) and internal standards, while complying with domestic and international safety and health-related laws and regulations.

1) Prevention of serious accidents

HD Hyundai Construction Equipment determines and manages key management elements every month to prevent serious accidents and industrial accidents and emphasizes onsite safety and health management by setting the results of safety and health activities as key performance indicators (KPIs) to enhance the safety and health capabilities of management and prompt active participation.

Workplace hazard element Management (risk assessment)

All executives and employees are required to participate in the annual risk assessment. A top-performing team in the risk assessment is selected and rewarded semi-annually to motivate employees to secure tangible safety at all workplaces.

Support for safety & health systems of contractors

HD Hyundai Construction Equipment actively works together to establish and strengthen the safety and health systems of in-house subcontracting firm employees, including support for their safety managers, self-initiated safety and environmental assessments, and accident-free awards, in support of their safety and health systems.

In addition, to secure safe workplaces for external contractors, it

selects key management elements every month and then provides technical guidance on hazardous and risky elements with the mutual aim of ensuring safety.

2) Fire & explosion prevention

HD Hyundai Construction Equipment operates an EHS monitoring room and emergency response organization to prevent accidents, such as fires and explosions. Through this, it is committed to securing workplace safety by operating an emergency response system, alerting accidents and emergencies in real time, and ensuring rapid response.

Fire prevention & inspections

HD Hyundai Construction Equipment continues to invest in and improve firefighting facilities to prevent fires due to short circuits, overheating, and dust, while making efforts to prevent fires at all workplaces and contractors by conducting ad hoc inspections of workplaces and major external contractors during fire-susceptible periods, such as winter.

Emergency response training

HD Hyundai Construction Equipment is committed to improving its rapid response capability in case of an emergency by conducting and evaluating emergency response training in each workplace at least once every six months.

Strengthening our response capability in emergencies

It provides practical training on emergency situations that employees may encounter at work through onsite CPR training and enlists external expert organizations for periodic CPR experience training for managers and supervisors to improve their competency to respond to emergencies.

3) Enhancement of safety awareness

HD Hyundai Construction Equipment conducts safety awareness level assessments to improve safety awareness companywide and strives to establish a people-centered safety culture throughout its business activities.

Evaluation of safety & health compliance levels

The company takes initiative as a leader in prioritizing safety by evaluating compliance levels semi-annually to enhance the safety and health awareness of chief safety and health officer and supervisors.

4) Health promotion activities

HD Hyundai Construction Equipment strives to provide a safe and pleasant work environment and maintain a healthy work life for employees.

Expanding health checkups

The company conducts health checkups for employees following the statutory cycle and supports comprehensive checkups once every two years for the spouses of all employees aged 40 or above.

During health checkups, a risk prognosis of cerebrovascular disease is performed, with separate counseling and follow-up care being provided for the risk group.

Occupational illness management

The company conducts work environment measurements and hazardous factor investigations to prevent occupational illnesses, such as noise-induced hearing loss and musculoskeletal diseases. Labor and management continuously cooperate to improve these conditions.

5) Detailed Safety & Health Activities and Target-Specific Policies

| Classification | Policies |
|---|--|
| Production operations/ Business facilities | <p>For construction, expansion, or rollout of new facilities, HD Hyundai Construction Equipment applies construction methods and secures operational safety as a top priority by operating the 3 GATE Process system to prevent safety risks in advance during mass production and minimize the emission of various pollutants as a top priority.</p> <p>*3 Gate Process: A system designed for safety verification in phases separated into pre-licensing/safety verification (G1), safety assurance during construction (G2), and test operation & risk assessment (G3).</p> |
| Suppliers, service providers, contractors | <p>Corporate safety and health policy of HD Hyundai Construction Equipment is applied equally to suppliers/vendors, service providers, and contractors.</p> <p>At their request, the company supports safety & health training, accident prevention activities/measures, emergency response systems, etc., and actively contributes to improving and supplementing unreasonable matters or areas for improvement.</p> |
| Support for contractors | <p>HD Hyundai Construction Equipment is committed to fulfilling its safety & health requirements for outsourcing, OEM, and other contractors, and pursues shared growth with them by conducting safety & health diagnosis on contractors and rolling out a support system for overall safety management based on the results.</p> |

■ Implementation System

1. Corporate Governance

HD Hyundai Construction Equipment delegates a chief safety and health officer to effectively implement safety and health management at each workplace, and also operates an EHS support team, which is dedicated to safety and health and directly reports to the CEO, to brief the managing director and the Board of Directors on major safety and health issues across the company.

The company has established and operates the Industrial Safety and Health Committee to deliberate and decide on major safety and health issues at each workplace by listening to employees' opinions on these.

The EHS Session is convened to deliberate and decide on safety and health management policies, goals, and plans, including major safety and health issues at the company, and make prompt decisions on necessary measures.

These decisions are communicated to employees through a companywide notice.

2. Training

To enhance safety awareness among employees and contractors and prevent industrial accidents, information on workplace hazards and risks is provided, and safety and health training focused on managing these factors for each process is conducted.

To minimize damage in emergencies, such as major accidents and fires, an in-house fire brigade is established and operated, and emergency response drills are regularly conducted according to specific procedures and scenarios.

3. Implementing Status Inspection & Performance Management

HD Hyundai Construction Equipment transparently and reliably manages the performance of safety and health management through the P-D-C-A (Plan-Do-Check-Act) model of the safety and health management system (ISO 45001).

- ① Plan (Safety & health goal setting and planning): To achieve policy goals and comply with basic principles, we review applicable laws and regulations, etc., and establish goals and operational plans to enable safety and health activities that exceed the legally stipulated level.
- ② Do (Implement): We implement and practice safety and health management goals and operational plans, define responsibilities and roles in execution, and maximize scale of safety and health activities with voluntary participation and consultation of all executives and employees.
- ③ Check (Inspecting implementation status): We regularly inspect the level of implementation of safety and health management goals and plans, while communicating with related departments, and apply stakeholders and inspection results to adjust safety and health goals, given identified areas for improvement and efficiency of the activities undertaken.
- ④ Act (Evaluation & improvement): We evaluate the level of attaining safety and health management goals, report to the managing director through the Safety Management Committee and derive and manage improvement items through review and approval by the Board of Directors.