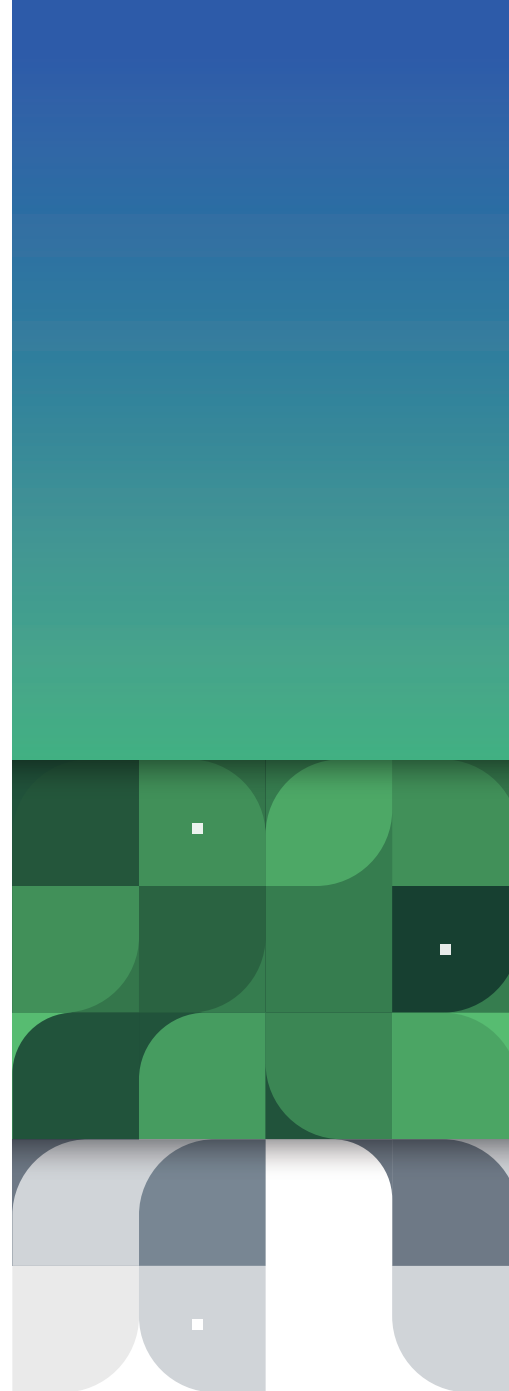


# ECO-FRIENDLY FUTURE WITH GREEN ENERGY

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HYUNDAI OILBANK  
INTEGRATED REPORT 2021

Hyundai Oilbank 



# About this Report

## About this Report

With the publication of Hyundai Oilbank's first Integrated Report for 2021, we are committing ourselves to the sustainable management of our business activities.

We are determined to disclose our direction and performance and communicate proactively with a wide range of stakeholders through this report.

We ensure that annual publication of this report will serve as motivation for us to become the world's leading company in eco-friendly energy industry by transparent disclosure of our performance in the area of sustainable management.

Activities presented in this report will also help us to listen to the voices of stakeholders.

## Reporting Standards

This report has been drafted according to the Core Options of GRI Standards, the global standards for reporting sustainability performance.

In addition, the report discloses indicators following SASB(Sustainability Accounting Standards Board) industry standards and TCFD (Task Force on Climate-related Financial Disclosure) recommendations.

## Reporting Period

This report provides an overview of our performance and financial information of fiscal year 2021 beginning January 1 and ending December 31.

We covered annual quantitative performances from 2019 to 2021 to show changes year to year. As for qualitative data, partial results from 2022 are covered considering timeliness and importance.

## Scope of Reporting

The financial performance presented in this report is based on K-IFRS (Korean International Financial Reporting Standards).

Non-financial performance covers Hyundai Oilbank and affiliates(Hyundai Chemical, Hyundai and Shell Base Oil, Hyundai OCI, Hyundai Cosmo). In cases where the reporting data changes or scope differs, it is indicated separately in the annotation.

## Third Party Assurance

This report has been assured by KMR, an independent assurance corporation, to ensure credibility of the report preparation process and the disclosed information.

(Data on overall sustainable management, GHG emissions and energy consumptions were verified separately).

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# INTRODUCTION

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# CEO's Message

CEO | Vice Chairman **Kang, Dal-ho** & President **Chu, Young-min**



Dear stakeholders,

First and foremost, we appreciate the unwavering support and encouragement you have extended to our company.

Throughout 2021, the prolonged COVID 19 crisis had serious consequences on our society. On the other hand, it was the year that we acknowledged the importance environmental management and mutual growth hold for the sustainable growth of a company.

We worked hard to promote sustainable growth of our business keeping in mind the grave responsibilities and duties corporate entities must take on amid accelerated ESG and Carbon Neutrality movements. Thanks to our efforts, we delivered a record-breaking operating income of KRW 1 trillion on consolidation basis over the last year.

It is true that the global trends present serious challenges to the oil refining and petrochemical industry, but our response will determine the future. Thus, we will make sure to turn the challenge into opportunity.

We will improve corporate value by transitioning our business portfolio into eco-friendly energy platform. We will also actively promote eco-friendly future businesses, including Blue Hydrogen, White Bio, and Eco-friendly Chemical & Materials beyond our existing businesses based on oil refining and petrochemicals.

Hyundai Oilbank performs the critical role of hydrogen production and distribution in the hydrogen value chain that Hyundai Heavy Industries Group has been pushing forward. We implemented a Blue Hydrogen system that produces carbon acid gas/calcium by capturing CO<sub>2</sub> emitted in the process of hydrogen production. We are also engaged in efforts to increase power plant business and charging stations that utilize hydrogen fuel cells.

We launched White Bio business that manufactures chemical materials and energy sources based on biomass. We plan to identify new markets by creating biofuels for cars, vessels and planes, and will expand business areas into bio chemicals through strengthening R&D.

We laid the foundation for eco-friendly chemicals and materials based on facilities of Heavy Feed Petrochemicals that started operations recently. Furthermore, R&D on Li-ion separator is being undertaken following the production of EVA, the material used in solar panels.

Going forward, we will disclose our financial and non-financial performance transparently via the Integrated Report every year and share our directions and plans for ESG management with you.

### “Eco-friendly Future with Green Energy”

is our ESG slogan that encapsulates our goal of becoming a leading company in green energy and a big contributor to achieving a clean environment based on our future businesses.

To do so, we have set strategic directions and tasks for enhancing ESG performance and built detailed roadmaps. In this regard, our ESG Committee, a decision-making body within the BOD for ESG management agendas, was established in 2021.

As the first private oil company in Korea and one of the main players of the key industries engaged in energy supply, we have been working hard tirelessly to serve our customers. Now, we begin our journey towards sustainability. We kindly ask for your continued support and interest in our journey to meet new challenges.

Thank you.

July 2022

# Business Overview

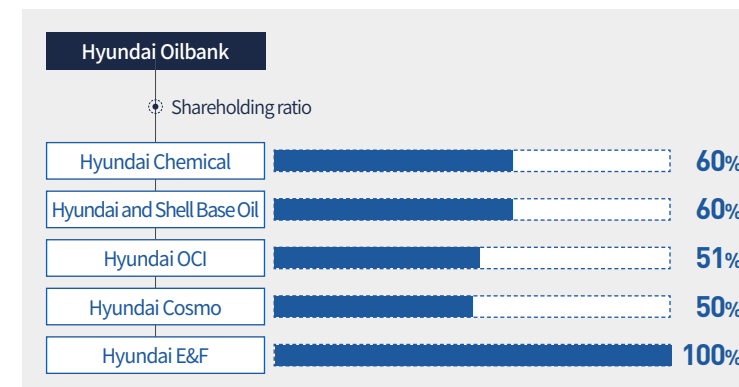
Hyundai Oilbank, the first Korean private oil company established in 1964, owns 5 affiliates, which are Hyundai Chemical, Hyundai and Shell Base Oil, Hyundai OCI, Hyundai Cosmo and Hyundai E&F. We serve customers with unique services and reliable products through our 2,500 gas stations across the nation. We produce the world's best quality petroleum, petrochemical products, lube base oil and carbon black and offer fuels for a wide range of applications ranging from cars, vessels and planes to industrial and household consumption.

We are engaged in efforts to implement CCU business that reuses CO<sub>2</sub> generated during the operation process. Other new areas of interest include Blue Hydrogen business as well as creating an ecosystem of White Bio that produces clean energy and chemicals. We will strive to expand a wide range of eco-friendly businesses including the re-use of waste plastics, solar panels, and secondary battery related materials. We are committed to becoming a trusted company by delivering on the dual corporate responsibility of making profits while fulfilling our social responsibility.

## Business overview

Company Name	Hyundai Oilbank Co., Ltd.
CEO	Kang Dal-Ho, Vice Chairman    Chu Young-Min, President
Business start date	November 19, 1964
Total assets	KRW 18.2 trillion
Sales revenues	Approximately KRW 20.6 trillion (as of 2021)
No. of employees	2,829 (Hyundai Oilbank: 1,993, Affiliates: 836)
Key business	Refining petroleum and selling refined petroleum products
Refining Capacity	690,000 barrels / day(*) (upgrading rate 41.1%) * Capacity of Hyundai Chemical is included.

## Affiliates



## History

### 1964 - 2000

- 1964.11. Established the first private oil company [Kukdong Oil Industry Company] in Korea
- 1988.08. Launched operation of the Atmospheric Distillation Facilities with a daily capacity of 60,000 barrels
- 1993.07. Change of company name to 'Hyundai Oil Refinery Co., Ltd'
- 1994.06. Introduction of the 'OILBANK' brand
- 1996.05. Completion of the Refining Facilities with a daily capacity of 200,000 barrels
- 1998.05. Completion of the BTX Plant with an annual capacity of 400,000 tons

### 2001 - 2010

- 2000.01. Separated from Hyundai Group- Change of the majority shareholder: Hyundai Heavy Industries → IPIC (holding 50% of shares)
- 2002.04. Change of company name to 'Hyundai Oilbank Co., Ltd.'
- 2010.08. Affiliated with Hyundai Heavy Industries Co., Ltd. - Change of the majority shareholder: IPIC → Hyundai Heavy Industries (holding 91% of shares)

### 2011 - 2021

- 2011.09. Launched operations of the 2nd advancement Facilities
- 2013.02. Launched the 2nd BTX Operations of Hyundai Cosmo
- 2014.08. Launched the Lube Base Oil Plant operation of Hyundai and Shell Base Oil
- 2016.11. Launched operations of Hyundai Chemical MX Plant
- 2018.02. Launched operation of 100,000 tons of carbon black plant
- 2018.08. Completion of SDA(Solvent De-Asphalting) Process
- 2020.03. Acquired business rights of around 300 SK Networks gas stations
- 2021.12. Promotion of construction of eco-friendly LNG-Blue hydrogen power plant

# Business Model

We raised business efficiency and laid the foundations for growth through vertical integration and the expansion of business areas.

As of the end of December 2021

## Inputs

### Financial Capital

- Shareholders' equity: KRW 5.7 trillion
- Issuance of green bonds: KRW 400 billion

### Manufacturing Capital

- Tangible assets: KRW 10.7 trillion
- No. of gas stations: 2,515
- No. of charging stations: 168

### Human Capital

- Total number of employees: 2,829
- Hyundai Oilbank: 1,993
- Hyundai Chemical: 681
- Hyundai Cosmo: 25
- Hyundai and Shell Base Oil: 20
- Hyundai OCI: 110

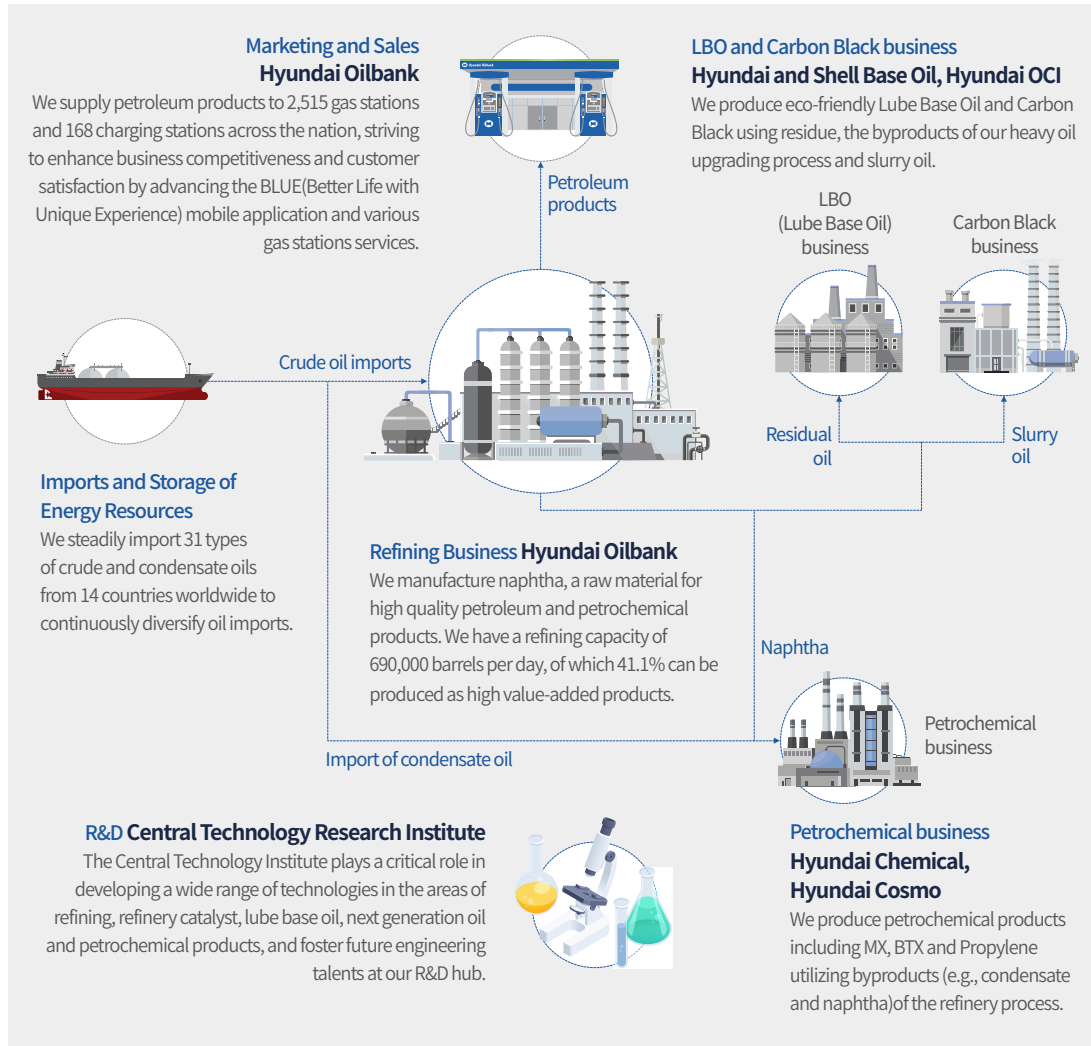
### Social Capital

- Total social contributions: KRW 6.6 billion
- Obtained the Occupational Health and Safety Management System Certificate (ISO 45001) and Quality Management System Certificate (ISO 9001)

### Environmental Capital

- Green R&D costs: KRW 10.1 billion
- Obtained the Environmental Management Certificate (ISO 14001)
- Obtained ISCC PLUS Certificate (Hyundai Oilbank and Hyundai Chemical)

## Business Activities



## Outputs

### Financial Capital

- Sales revenue: KRW 20.6 trillion
- Operating profit: KRW 1.4 trillion
- Credit ratings: AA- (Based on corporate bonds)

### Manufacturing Capital

- Performance
- Refining business: 162.11million barrels
- LBO business: 9.30million barrels
- Petrochemical business (Refinery petrochemical business): 61.61million barrels
- Petrochemical business (Carbon Black): 147,240tons

### Human Capital

- Training hours per person: 234.3 hours
- The ratio of employees who received performance reviews
- Hyundai Oilbank: 97%
- Hyundai Chemical: 81%
- Hyundai Cosmo: 100%
- Hyundai and Shell Base Oil: 100%
- Hyundai OCI: 93%

### Social Capital

- Volunteer hours dedicated by employees: 4,157hours (1.47hour per person)

### Environmental Capital

- Amount of reused waste
- Hyundai Oilbank: 25,292 tons
- Hyundai Chemical: 3,333 tons
- Hyundai Cosmo: 226 tons

# Affiliates and Businesses

## Oil Refining Business

### Hyundai Oilbank

Since its establishment in 1964, Hyundai Oilbank has been producing the world's best petrochemical products for applications ranging from cars, ships and airplanes to industrial and household use with a total refining capacity of 690,000 barrels<sup>1)</sup> per day as the first Korean private oil company. We are committed to grow and become a global leading company through enhancing business competitiveness by measures like diversification of oil imports and expansion of our market share in the global market.

1) including Hyundai Chemical's 170,000 barrels of condensate splitter



## Major Business Activities and Achievements

### Diversification of Crude Oil Imports

As part of the efforts to provide steady supply of oil, we import crude oil from the Middle East with an abundant oil reserves, based on spot price and long-term contracts. We also import oil from Mexico to diversify our oil sources.

### Expanding Exports into Global Markets and Network

We exported 106.4 million barrels to various countries including China, Singapore, Taiwan, Japan, Australia, New Zealand, Vietnam, and the Philippines in 2021. By strengthening the performance of foreign subsidiaries and branches, we are pushing forward with third party business of crude oil and petroleum products and offshore business targeting the Middle East, Africa, Europe and the Americas.

### **Signed a long-term contract to export refined oil products to Hawaii**

On 28<sup>th</sup> December 2021, Hyundai Oilbank signed a long-term contract to export refined oil products (gasoline and diesel) to Hawaii. Through the term supply contract, we expect to supply 3.60 million barrels of refined oil products per annum via local distribution channels. In July 2021, we signed our first spot deal and eventually the long-term contract beginning of 2022, thanks to the stable supply as well as partnerships.

Unlike spot sales, long-term and direct trade enables us to sell products steadily at consistent conditions. We expect that the contract will allow us to occupy greater market shares in Hawaii and serve as a gateway to the US market considering the geological advantages of Hawaii. Since Hawaii is located in the Pacific region, it is advantageous for the US to import refined oil products from Asia through Hawaii in terms of supply stability and economy.

Furthermore, we will actively promote the diversification of export to various regions, as China, once the largest trading partner of Korea seeks to expand refining facilities. Also, developed countries such as Australia are expected to see a decline in self-sufficiency of refined oil products due to aging facilities.



# Affiliates and Businesses

## Gas and Charging Station Business

### Hyundai Oilbank

Hyundai Oilbank generates stable income from our nationwide 2,515 gas stations and 168 charging stations. Based on our business stability, we plan to implement future growth businesses to address changes like the post pandemic era and an increase in green mobility.



#### Advancement of the Gas Station Business

##### “Carshakshak,” a Premium Car Wash Service

###### Self Car Wash Booking Service

We launched a Garage type self car wash service business in partnership with “Team Yper”, a company specialized in cleaning services. Using self car wash tools and machines installed in the entryway of the automatic car wash area at gas stations, car owners can clean their cars even at night. The first garage type self car wash service was launched at Bukak self-gas station at Bukak self-gas stations in April 2022, and we plan to expand the service across the nation.

###### Steam Cleaning Service

We seek to expand our steam car wash business at gas stations in cooperation with ‘Nemosum’. Currently, 5 gas stations provide the service, and we are considering expanding the number to 10 by the end of the year.

###### Premium Pick-up Car Wash Service

We offer premium pick-up car wash services in partnership with “Team Yper”, a company specialized in car-washing services. Once cleaners pick up cars, they wash the cars at gas stations and return the cars to owners after providing additional services such as refueling and changing engine oil. Currently, the first service store is operating at the Sadang self gas station.

##### Premium Car Wash Products

###### PB Detergents

We launched a private brand for car wash shampoos. Purchasing costs declined dramatically with the adoption of our PB products. In addition, transportation efficiency increased as the 20L detergent was replaced with a 3L highly concentrated detergent.

###### Car Wash Service Gift Card

We sell gift cards that allow drivers to use an auto car cleaning service once at the directly-operated gas stations across the nation. SK Rent-a-Car and 4 gas stations sell the cards, and we plan on expanding our sales to EV owners in the future.

###### Dump Station

We introduced the nation's first camper van dump station at gas stations. The station enables camper van drivers to empty the wastewater generated from camping activities and refill the water tank with clean water. The first station was launched in Saemteo gas station in Gangneung in April 2022. We plan to build 5 more stations in 2022.

##### Micro Logistics Center

Thanks to easy ins-and-outs of cars and the best locations, gas stations are emerging as logistics storage facilities. We already signed a strategic partnership with Coupang to use the idle spaces at the stations as logistics hubs for the rocket delivery service of Coupang at certain hours of the day since 2019. We generated additional income by operating 12 micro logistics centers at gas stations, and plan to introduce a wide range of logistics centers to catch up with market trends.

##### Showroom and Sale of Micro EVs

We are the first oil company to enter the micro EV display and brokerage market. We serve as a brokerage agent once the dealer is designated. Businesses like payment, delivery and repair process will be handled by ‘CEVO Mobility’.

We obtained approval from the board of directors and annual general shareholders’ meeting. As of April 2022, micro EVs are being exhibited at 5 directly-operated gas stations. In the second half of 2022, we plan to expand 5 additional showrooms.

# Affiliates and Businesses

## Petrochemical Business

### Hyundai Chemical

Hyundai Chemical, the first JV between oil refining (Hyundai Oilbank) and petrochemical company (Lotte Chemical) firms, was founded in 2014. As a petrochemical company, Hyundai Chemical produces refined oil products(kerosene and diesel), mixed xylene (MX, BTX) and polymer products(PE and PP) based on the raw material and sales networks of the two firms.



### Major Activities and Achievements

Hyundai Chemical produces high quality petroleum and aromatic petrochemical products, and has a total capacity of 170,000 barrels of condensate crude oil a day and 1.4 million tons of mixed xylene annually. After 2 years of the construction project, HPC(Heavy Feed Petrochemical Complex) began commercial operations in the first half of 2022, with a total 1.35 million tons of annual product capacity (850,000 tons of polyethylene and 500,000 tons of polypropylene).

Refined oil products, byproducts and various petrochemical products manufactured by the company go to its shareholding companies, Hyundai Oilbank and Lotte Chemical. The products of Hyundai Chemical are used as raw materials for processes or exported through the sales network of its shareholding companies.



### Hyundai Cosmo

Hyundai Cosmo, a 50-50 joint corporation between Hyundai Oilbank and Cosmo Oil – a Japanese oil company, was established in November 2009. As of now, the corporation produces and supplies BTX (BZ and PX) petrochemical products by purchasing Naphtha and MX, the basic materials of BTX.



### Major Activities and Achievements

With the completion of the #2 BTX plant expansion project that was started in 2010 and completed in February 2013, the production scale increased by 2.5 times compared to previous capacity thanks to the commercial operation. The company has established 1.83 million tons of annual production capacity as of now, by completing PX-plus and crystallization projects that enhance the manufacturing capacity of flagship products such as BZ and PX. Thanks to the advancement of business capability, Hyundai Cosmo generated KRW 2.5 trillion of revenues as of the end of December 2021.

We are pushing forward with eco-friendly businesses to catch up with the global trend of ESG management. For instance, we signed a MOU with the Ministry of Environment in April 2022 to reduce chemical emissions in Daesan. We aim to become a leading company in sustainable management, achieving stable profitability and creating a better environment at the same time through our activities to improve the processes and cut raw costs.



# Affiliates and Businesses

## Lube Base Oil Business

### Hyundai and Shell Base Oil

Hyundai and Shell Base Oil, a joint venture between Hyundai Oilbank and Shell Petroleum Company Limited, produces and supplies API standard Group II 70 Neutral / 150 Neutral / 500 Neutral of lube base oil by processing residue oil generated from the heavy oil upgrading process of Hyundai Oilbank.



### Major Activities and Achievements

Hyundai and Shell Base Oil built a lube base oil (LBO) unit with an annual production capacity of 800,000 tons in 2014. The company expanded its annual capacity up to 1 million tons through revamp project implemented in September 2018.

Hyundai and Shell Base Oil's high quality base oil comes with excellent fluidity at lower temperature, transparent color, low volatility, thermal stability and fuel efficiency improvement, due to which it is used worldwide for automotive engines, industrial purposes, ships, and processed oil. The company supplies its products to over 50 countries across the world including China, India, the Americas, Africa and Europe as of 2021. We aim to generate additional profit through development of products that meet customers' needs while improving sales margin via extending our market share.

## Carbon Black Business

### Hyundai OCI

Hyundai OCI, a joint company between Hyundai Oilbank and OCI, was founded in February 2016. Hyundai OCI manufactures and sells mainly carbon black through processing light crude oil with 150,000 tons of annual production capacity.



### Major Activities and Achievements

Amid grave economic conditions like fluctuations in global oil prices and contraction of the industry, Hyundai OCI achieved KRW 246.8 billion of revenue and 56.9 billion of operating income in 2021 thanks to the stable oil supply from the shareholding company, Hyundai Oilbank and its excellent technology. Furthermore, the company reported fruitful results in ESG sectors like zero rate of disasters at work for 400,000 working hours, and obtaining the permit from the Integrated Environment Permission System.

Though there will be difficulties in 2022 such as a rise in raw cost caused by soaring oil prices and stricter regulations, we will spare no effort in pursuing quantitative and qualitative growth via the advancement of productivity of Carbon Black, a field-oriented safety management system, and reduction in energy consumption. .

1) Carbon black products are produced by inputting slurry oil, a by-product of the refinery upgrading process (RFCC), and coal tar, a by-product of steel mills. Carbon black may be used as a compounding agent to increase the strength of tires and rubber or as a raw material for ink.

# Products Overview

Hyundai Oilbank helps to advance modern industries and expand civilization by producing the best quality petroleum products and petrochemical raw materials ranging from fuels for cars, ships and airplanes to industrial and household fuels. We also contribute to creating a better future for humans through our goods and services that make people's lives more convenient.

## Petroleum Products

### Premium Gasoline

Our Premium Gasoline, a part of our premium product line, is a high-octane gasoline equivalent to a rating of 100. It is an eco-friendly and high-quality product that supports higher power and better fuel economy even for long hours of driving by using mix compounds and significantly reducing harmful exhaust.

In December 2021, we launched Korea's first Ultra Premium Gasoline called "Ultra Kazen" with an octane rating of 102, leading the premium gasoline market. The new gasoline is available at 34 gas stations nationwide and is to be extended to 40 stations by the second half of the year.

### Gasoline

Gasoline is widely used as a fuel in internal combustion engines because it is highly volatile and flammable at room temperature. We improved the injection rate and flammability by mixing engine-cleaning additives. We produce high quality gasoline that emits a lower level of pollutants, which is below the standard set by the Clean Air Conservation Act (under 0.7% of benzene by weight and under 10 mg/kg of sulfur)

### Ultra Low Sulfur Diesel

We supply Korea's first eco-friendly ultra low sulfur diesel, which dramatically reduces exhaust fumes and noise. The premium additives used in the diesel keep the engine clean, and we produce greener diesel by mixing bio-diesels since 2006. We work hard to supply quality diesel with raised flashpoint to enhance customer satisfaction.

### Kerosene

Our Kerosene is a suitable and affordable fuel for indoor use, as it is free from unpleasant odors and virtually smoke- and soot-free. And our Kerosene is also very economical thanks to excellent combustibility and heating value.

### Fuel Oil

Our fuel oils are commonly used as fuels for ICE and heaters and classified into A,B or C, and low, medium, or high fuel for ships. The last one is categorized by the size and types of engines.

As part of the drive to meet the IMO's 2020 sulfur cap, we integrated new technologies into our upgraded facilities, producing S-TAR, one of VLSFO brands.

### LPG (Liquefied Petroleum Gas)

Propane is commonly used as fuel for households, industry and heating while Butane is used for cars, portable burners, heating and industry. As for car fuels, we supply oil products with improved ignition power by varying the ratio of mixing propane in butane by season. We also mix odor additives with all LPG products before delivery to reassure our customers.

### Jet Fuel

Our Jet fuel is easily evaporated even at lower pressure and temperature, leading to zero rates of vapor lock, and boasting excellent combustibility and heating value. We produce JP-8 for military purpose and Jet A-1 for general purpose.

### Naphtha

Used as raw material for gasoline, solvent, petrochemical and fertilizers, naphtha has a wide range of applications in the petrochemical industry. We produce high quality naphtha with less amount of olefine, and supply the naphtha to petrochemical companies or Hyundai Cosmo for the BTX process.

### Alkylate

Alkylate is an eco-friendly gasoline mixer that barely discharges pollutants as it is high in Octane and does not contain Olefin or BTX compounds.

# Products Overview

## Petrochemical products

### Ethylene

Ethylene is a key raw material of products such as polyethylene, ethylene vinyl acetate, ethylene oxide, ethylene glycol. It serves as the basis for making products such as plastic and polyester.

### Propylene

Propylene is a core petrochemical feedstock, and is used in products such as acetone, isopropyl alcohol, acrylonitrile, nylon 6, polypropylene, propylene oxide, epichlorohydrin, and polyisoprene. These materials are in turn used to make acrylics, synthetic rubbers, plastics, detergents, and various other products.

### BTX (Benzene, Toluene, Xylene)

BTX is an abbreviation for Benzene, Toluene, and P-Xylene, all of which are aromatic chemicals. They are mainly used in the synthesis of chemicals. Benzene is the most important of the aromatic compounds, and is used in the manufacturing of nylon, Styrofoam, and insulation materials. Toluene is used in thinner and other synthetic materials, and P-Xylene is used to make polyester, film, and PET.

### MX (Mixed Xylene)

MX is used in the production of para xylene, ortho xylene, and meta xylene. It is also primarily used in the making of paints and agricultural chemicals.

### MTBE (Methyl t-Butyl Ether)

MTBE is made from the chemical reaction between Mixed C4 and methanol. It is a high-octane gasoline chemical compound and helps reduce the emission of carbon monoxide.

### LDPE (Low Density Polyethylene)

LDPE is polyethylene with 0.91-0.94 of density, made from the monomer ethylene. It is commonly used in agricultural and packaging plastic films, wire insulation and various molded laboratory equipment thanks to its easy machinability and high transparency.

### HDPE (High Density Polyethylene)

HDPE is polyethylene with a density of more than 0.94. It is made from the monomer ethylene. It is widely used for disposable shopping bags, various containers, bottles and pipes with low flexibility and machinability but high durability.

### EVA (Ethylene Vinyl Acetate)

EVA is the copolymer of ethylene and vinyl acetate, and is widely used as raw materials for solar panels, encapsulating products and films.

### PP (Polypropylene)

It is made from the polymerization of propylene gas and, thanks to its rigidity and toughness, it is widely used for plastic packaging, plastic parts for machinery and equipment and even fibers and textiles.

### BD (Butadiene)

It is made by high-temperature cracking of petroleum distillates or by dihydrogen of butane or butenes. It is commonly used as raw materials for synthetic rubber.

# Products Overview

## Others

### Asphalt

Asphalt, a vital material in road paving, is produced at Hyundai Oilbank's Vacuum Distillation Unit (VDU). Asphalt products made by Hyundai Oilbank meet the KS M2201 standards for road paving, and are also the only products from a South Korean company that have obtained certification for the JIS K2207 asphalt standards in Japan.

### Lube Base Oil

Lube base oil is produced through a catalytic process, using hydrowax made at the Hydro Cracking Unit (HCR) as a raw material. Lube base oil is a feedstock that constitutes over 80% of lubricant products. Additives are inserted into lube base oil to produce lubricants for automobiles, ships, and for other industrial purposes.

### Lubricants

Hyundai Oilbank's lubricants include the "XTeer" lubricant brand and the "XTeer" fuel additive.

### Carbon Black

Carbon Black is a carbon powder that is produced by the incomplete combustion or pyrolysis of hydrocarbons (including coal tar and slurry oil). It is used primarily as a raw material for the compounding agents that reinforce tires and other rubber products.

#### **Launch of New engine oils for hybrid vehicles**

We aim to strengthen our market competitiveness by introducing a new engine oil for cars targeting the growing hybrid market.

We are planning to release SAE 0W-16 and 0W-20 products that meet the latest standards of the American Petroleum Association, API SP/ILSAC GF-6, and enhance low-temperature viscosity to improve fuel efficiency. The 'Hyundai XTeer Hybrid' engine oil is currently under development and has been applied with new lubricant viscosity and additives to improve high speed driving and fuel economy.

#### **Launch of a New Lubricant Brand for EVs**

We aim to enter the EV lubricants market through the launch of our new brand, "Hyundai XTeer EVF".

EV fluids can increase mileage by preventing the overheating of gears, bring down energy consumption, and improve motor efficiency through reducing the wearing of parts.

# Business Network

## Overseas Network

### Overseas Subsidiaries

**Singapore**  
Hyundai Oil Singapore Pte. Ltd.

**China**  
Hyundai Oilbank Shanghai Co., Ltd.

### Overseas Branches

**The Middle East**  
Hyundai Oilbank Middle East Branch

**Vietnam**  
Hyundai Oilbank Hanoi Branch

**The U.K.**  
Hyundai Oilbank London Branch

**The U.S.**  
Hyundai Oilbank Houston Branch

## Domestic Network

### Local Offices

**Seoul**  
Seoul Branch

**Capital Region**  
Incheon, Northern  
and Southern  
Gyeonggi Branches

**Yeongnam  
Region**  
Busan, Daegu/  
Gyeongbuk,  
Gyeongnam  
Branches

**Chungcheong  
Region**  
Daejeon, Chungbuk  
and Chungnam  
Branches

**Honam  
Region**  
Gwangju/Jeonnam  
and Jeonbuk  
Branches

**Gangwon  
Region**  
Gangwon Branches  
  
**Jeju Island**  
Jeju Business Office

### Shipping Network

#### Distribution Centers

Incheon Distribution Center  
Okgye Distribution Center (Gangneung-si, Gangwon-do)  
Chungcheong (Cheonan-si, Chungcheongnam-do)  
Mokpo Distribution Center (Yeongam-gun, Jeollanam-do)  
Gunsan Distribution Center (Gunsan-si, Jeollabuk-do)  
Daegu Distribution Center (Chilgok-gun, Gyeongsangbuk-do)  
Busan Center  
Jeju Distribution Center

#### Oil Storage Centers

Seongnam Oil Storage Center (Seongnam-si, Gyeonggi-do)  
Goyang Oil Storage Center (Goyang-si, Gyeonggi-do)  
Ulsan New Port Oil Storage Center

#### Shipping centers

Daejeon Shipping Center  
Yeosu Shipping Center (Yeosu-si, Jeollanam-do)  
Gwangju Shipping Center  
Changwon Shipping Center (Changwon-si, Gyeongsangnam-do)  
Ulsan Shipping Center  
Daegu Shipping Center

#### Lubricant Distribution Centers

Metropolitan Lubricant Distribution Center (Yeoju-si, Gyeonggi-do)  
Chungcheong Lubricant Shipping Center  
Honam Lubricant Shipping Center (Jeollabuk-do)

#### R&D Centers

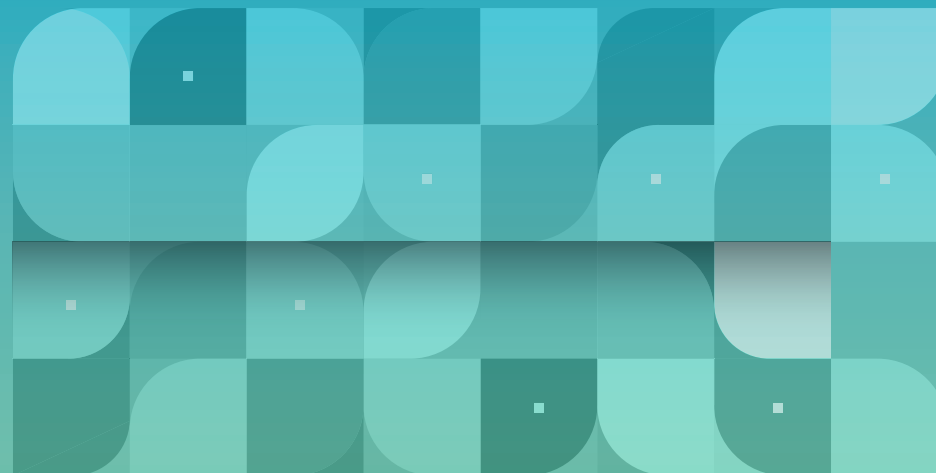
Central Technology Research Institute (Yongin-si, Gyeonggi-do)  
Lubricant Research Institute (Yongin-si, Gyeonggi-do)  
Pangyo Quality Supporting Center (Seongnam-si, Gyeonggi-do)



# SUSTAINABILITY AT HYUNDAI OILBANK

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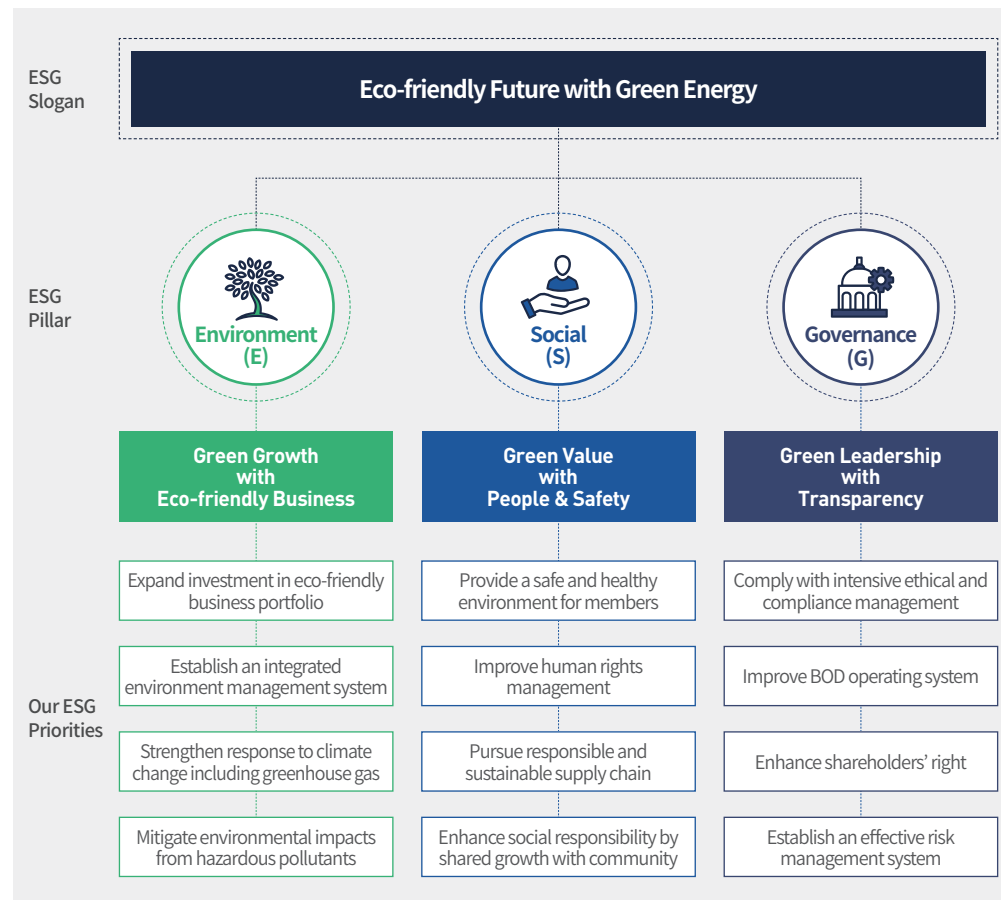




# ESG Management System

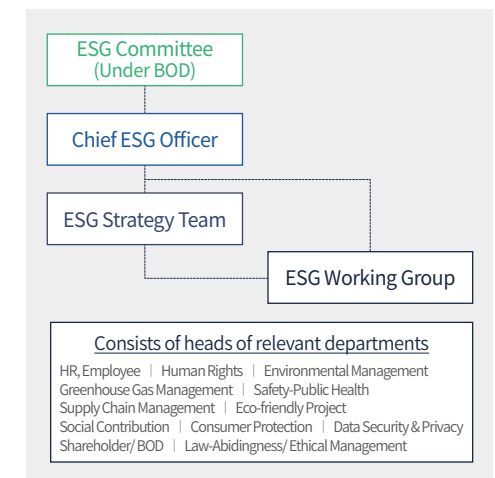
## ESG Vision

Hyundai Oilbank established ESG vision with the aim to grow as a leading company in creating a better environment through the expansion of eco-friendly businesses. We strive to achieve our vision, an “Eco-friendly Future with Green Energy”, by implementing our main tasks for each area related to the ESG vision in a proactive manner.



## ESG Governance Structure

Hyundai Oilbank's ESG Committee, within the BOD, was established in 2021 June to review and make decisions on major ESG strategic directions and agendas for the sustainable management of the company. Furthermore, Hyundai Oilbank created an ESG-dedicated organization called “ESG Strategy Team” as of July 2022, which shall oversee ESG improvements implemented by relevant departments, respond to ESG-related demands of internal/external stakeholders, and present agendas to ESG Committee based on the status of ESG tasks. Hyundai Oilbank also established ESG Working Group which consists of the leaders of departments each dedicated to specific ESG areas. ESG Working Group will collaborate in improving the company's ESG management and also in identifying additional tasks under the leadership of Chief ESG Officer.



# Materiality Assessment

We conducted materiality assessment to identify key ESG-related issues. 10 issues with the greatest stakeholders' interests and business impacts were identified as the material issues of Hyundai Oilbank. We will continue to conduct the assessment in order to practice sustainable management in the consistently changing ESG environment.

## Step 1. Issue Pool Formation

Common ESG issues and industry-specific issues were considered in order to select 21 issues.

### Common ESG Issues

Law, regulatory, social, economic issues  
Latest trends of sustainable management

### Industry-specific Issues

Competitors analysis  
Global and domestic initiatives (SASB, MSCI, KCGS)

## Step 2. Materiality Analysis

We analyzed stakeholders' interests and business impacts for each issue.

### Stakeholders' Interests

#### Media Research

Analyzed valid articles published in 2021 in relation to Hyundai Oilbank and its affiliates

#### Competitor Analysis

Analyzed competitors' material sustainability issues

#### Global Standards

Reviewed ESG disclosure guidelines and rating questionnaires (SASB, MSCI, KCGS, GRI Standards, ISO 26000)

#### Stakeholder Survey

Conducted survey on external stakeholders and ESG experts (survey period: 2022.03.16~03.30)

### Business Impacts

#### Business Documents

Reflected major keywords in business documents and CEO's messages

#### BOD Key Agenda

Reflected agendas reported to or approved by the BoD and committees

#### Business Impacts Survey

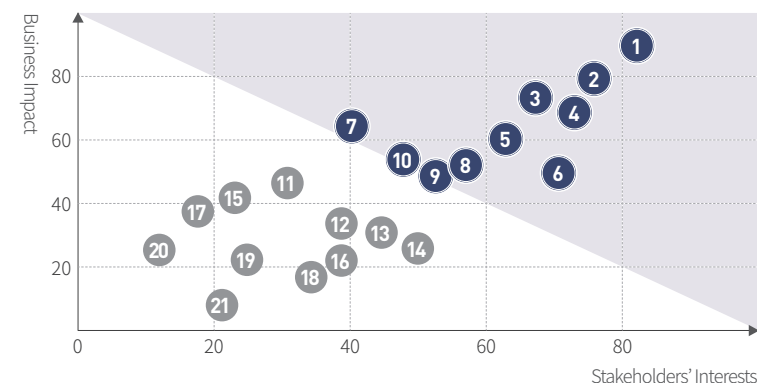
Conducted survey on employees of Hyundai Oilbank and its affiliates (survey period: 2021.10.25~10.29)

#### Validation

Reflected strategic decisions made by the executives of Hyundai Oilbank and its affiliates

## Step 3. Material Issues Selection

Based on the result of stakeholders' interests and business impacts analysis, we identified 10 material issues of Hyundai Oilbank.



Very High: ●●●●, High: ●●●, Medium: ●●, Low: ●

Rank	Area	Material Issues	Stakeholders' Interests	Business Impacts
1	Environment	Eco-friendly future business	●●●●	●●●●
2	Social	Workplace safety	●●●	●●●
3	Environment	Strengthening response to climate change	●●●	●●●
4	Economy/ Governance	Compliance and ethical management	●●●	●●●
5	Economy/ Governance	Economic growth and fair distribution	●●●	●●●
6	Environment	Pollutants and toxic substances management	●●●	●●
7	Economy/ Governance	Risk management system	●●	●●●
8	Social	Stakeholder communication	●●	●●
9	Economy/ Governance	Enhancing leadership of BOD	●●	●●
10	Environment	Integrated environmental management system	●●	●●

# Management Approach

Material issues mean the issues can significantly impact on the economy, environment and society due to higher interests of stakeholders or business activities. We identify material issues and manage them to minimize the potential negative impacts while to expand the positive impacts of the issues.

Material issues	Definition	Background	Approach	Page	Stakeholders
Eco-friendly future business	Secure sustainable business structures based on eco-friendly and future businesses	The rising importance of Carbon Neutrality induced by relevant policies and business trends based on stakeholders' demands	Push forward with our key future businesses – hydrogen, white bio and eco-friendly materials – and increase their share in the business portfolio	23, 29-35	Customers, Shareholders
Workplace safety	Create a safe and healthy workplace for workers	Growing importance of the prevention of severe disasters at work following the enactment of The Serious Accidents Punishment Act	Establish safety management system comprised of 4 major tasks(establish a dedicated team at the enterprise level, strengthen authority, and set vision and targets) and manage targets including suppliers.	24, 44-47	Employees, Suppliers
Strengthening response to climate change	Participate in climate change response initiatives and implement reduction activities to manage GHG emissions	Growing responsibility to reduce GHG emissions as a company subject to the cap-and-trade regulation, and stricter standards stipulated by global initiatives such as TCFD and CDP for disclosing the climate change-related information	Monitor GHG emissions and implement enhancement activities, improve energy efficiency by building an energy management system, push forward with business using CCUS technologies, and respond to climate change-related initiatives	25, 36	Shareholders, Local communities
Compliance and ethical management	Ensure compliance through transparent, fair and ethical management that abides by relevant laws at home and abroad	The call for stricter standards and regulations at home and abroad to implement ethics at work and the possibility of financial loss and harm to brand reputation if a violation occurs	Run programs for fair trade in compliance with domestic and international laws, conduct trainings on Code of Ethics for employees	72-76	Government, Shareholders, Employees
Economic growth and fair distribution	Raise stakeholders' value (dividends, tax) by fair sharing of returns generated through increase in business competitiveness	The growing importance of shareholders' value	Enhance profitability by expanding business areas from refining oil to petrochemicals, lubricants and carbon black through vertical integration	6-15, 50-51, 57, 65-67, 71	Government, Shareholders, Suppliers and Employees
Pollutants and toxic substances management	Minimize the impacts of pollutants and toxic substances(on air, land, etc.) that harm people's health and the environment by monitoring the consumption of various materials as well as emissions	Higher possibility of emitting pollutants and toxic substances in the value chain processes like handling, processing and delivery considering the industrial characteristics	Minimize and prevent the environmental impact caused by business activities through monitoring of pollutants and toxic substances	37-41	Employees, Local community
Risk management system	Build a system to identify and manage potential financial/non-financial risks against business and operate an effective risk management system	Secure business stability by managing financial and non-financial risks comprehensively	Monitor and prevent potential risks through the dedicated department and address risks via the Risk Management Committee in a timely manner	77	Shareholders, Employees
Stakeholder communication	Transparently disclose the business information to stakeholders including shareholders, investors, the government, customers and employees, and communicate effectively with them	Increased stakeholder interests in business management and sustainable management activity	Collect and respond to the voices of different stakeholders via various communication channels	99	Government, Shareholders, Suppliers, Employees, Customers, Local community
Enhancing leadership of BOD	Strengthen expertise, diversity and independence of the BOD members, operate the BOD effectively, and build sustainability related governance	The importance of the BOD's efforts as the highest level decision-making body to create a corporate culture of pursuing mid-and-long term enterprise value and sustainability	Enhance the independence and diversity of the BOD members and appoint expert members	69-71	Shareholders, Employees
Integrated environmental management system	Manage the environment management strategies and system at the enterprise level and establish a dedicated team to monitor relevant issues	The necessity to build a dedicated team to set the strategic direction and monitor environment management activities to push forward with environment management at the enterprise level	Monitor environment related performances in areas like the amount of air/water pollutants, waste, and odors via the Integrated Environment Information System and establish a dedicated environmental team to set action plans for each office	27-28	Employees, Local community

# 2021 Highlight

## Promotion of new eco-friendly business

Developing white bio products  
Promoting eco-friendly power generation and GHG reduction projects  
In the process of building the hydrogen value chain

## Reduction in GHG emissions

Operated the Task Force for managing C-level GHG emissions  
Reduced an average 180,000 tons of emissions annually  
Reflected the cost of GHG emissions when making investment decisions

## Issuance of green bonds and acquisition of green certificates

Issued green bonds worth about KRW 400 billion  
Obtained ISCC and various international certificates

## Establishment of the ESG Committee within the BOD

Composition: 6 directors (inside directors, non-standing directors, outside directors)  
(Chairperson : An outside director)  
Discussing ESG strategies and social responsibilities

## Enhancement of diversity of expertise of BOD members

Appointed a female outside director  
100% BOD attendance rate in 2021  
Provided 2 rounds of trainings on market changes and ESG related issues to independent directors in 2021

## Creation of a safer workplace

Achieved zero rates of LTIR from 2020 to 2021  
Reached 0.3% suppliers incident rate in 2021  
(The suppliers incident rate of the construction industry was 1.09% in 2019)

## Win-win relations between labor and management

Zero cases of conflicts between labor and management since the establishment of company  
Continual increase in the number of male employees taking paternity leave  
[8%(1 person) in 2019 → 21%(3 persons) in 2020 → 33%(3 persons) in 2021]

## Social contribution

Total social contribution: KRW 6.68 billion (as of 2021)  
Rate of employees' participation in the social contribution campaign "Sharing 1%" : 89.6% (as of 2021)

## Operation of ethics management system

Employee declaration of ethical management (Including staffs of suppliers)  
(Submission rate was 98.8% for employees, 99.1% for suppliers in 2021)  
Conducted ethics trainings for employees  
(1,535 employees received the training in 2021)



## SPECIAL

# Digital Transformation

## Project EQR180(Energy Quantum Revolution 180)

We implemented the EQR-180 (Energy Quantum Revolution - 180) project in the second half of the year to check the possibility of creating potential value by applying Big data technology to oil refining factories which operate 365 days a year, 24 hours a day.

As the feasibility of the project was proven, the Hyundai Heavy Industries Group signed a long-term contract with Palantir a US-based software company specialized in big data analytics. It was a record-breaking IT investment decision in the company's history.

We expect that software to be built, will enable us to secure superior analytic capabilities which allows parallel data processing for more than 100 billions of items within seconds.

We also believe that the software will enhance working level employees' job performances by integrating data from legacy systems, which were fragmented in the past, into a single data platform, enhancing the interconnection among data and enabling users to perform analyses based on their professional knowledge. Furthermore, we expect to enhance economic profitability by optimizing each phase of the value chain, from selection of imported oil, safe production to the sale of goods. Big data analysis can support reasonable decision-making process, improve work efficiency, drive changes in the way of work(e.g., paperless), and eventually promote transition to a Data Driven Company Company.



Signing of MOU between Hyundai Heavy Industries Group and Palantir at CES 2022

## Implementation of Digital Twin Process

We have been participating in a national project called "Project to Develop AI-based Core Technology for Maintaining Oil Plants" hosted by KAIST since April 2021

The project was designed to implement an Integrated Virtual Maintenance Platform utilizing AI technology, and we aim to develop various modules for process analysis and prediction, enhancing process effectiveness and the decision-making process, assessing dynamic risks, providing safety training and developing failure prediction diagnosis.

We try to run the existing factories in an effective and smart manner by implementing a Digital Twin process model. The model enable us to manage and operate the process effectively by predicting the lifetime of catalysts. We also plan to support the optimization of facility operation by applying various crude oils into the digital twin process model prior to the actual application.

We have introduced a refinery wide Digital Twin processes from crude distillation unit(CDU) to fluid catalytic cracking(FCC). Among them, the residue desulfurization(RDS) model for the lifetime of catalysts is being developed in partnership with Kwangwoon university.

The Digital Twin will help increase the accuracy of production plans for crude oil change through virtual operational testing. RTO and APC systems also help optimize processes to increase business profitability.

In addition, the OTS simulation system allows operators to experience planned shut-downs, startups and emergency shutdowns indirectly, improving responsiveness.

# FOCUS AREAS

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- 23** Area 1. Transition to Clean Energy Business Platform
- 24** Area 2. Safety-oriented Management
- 25** Area 3. Strengthening Response to Climate Change



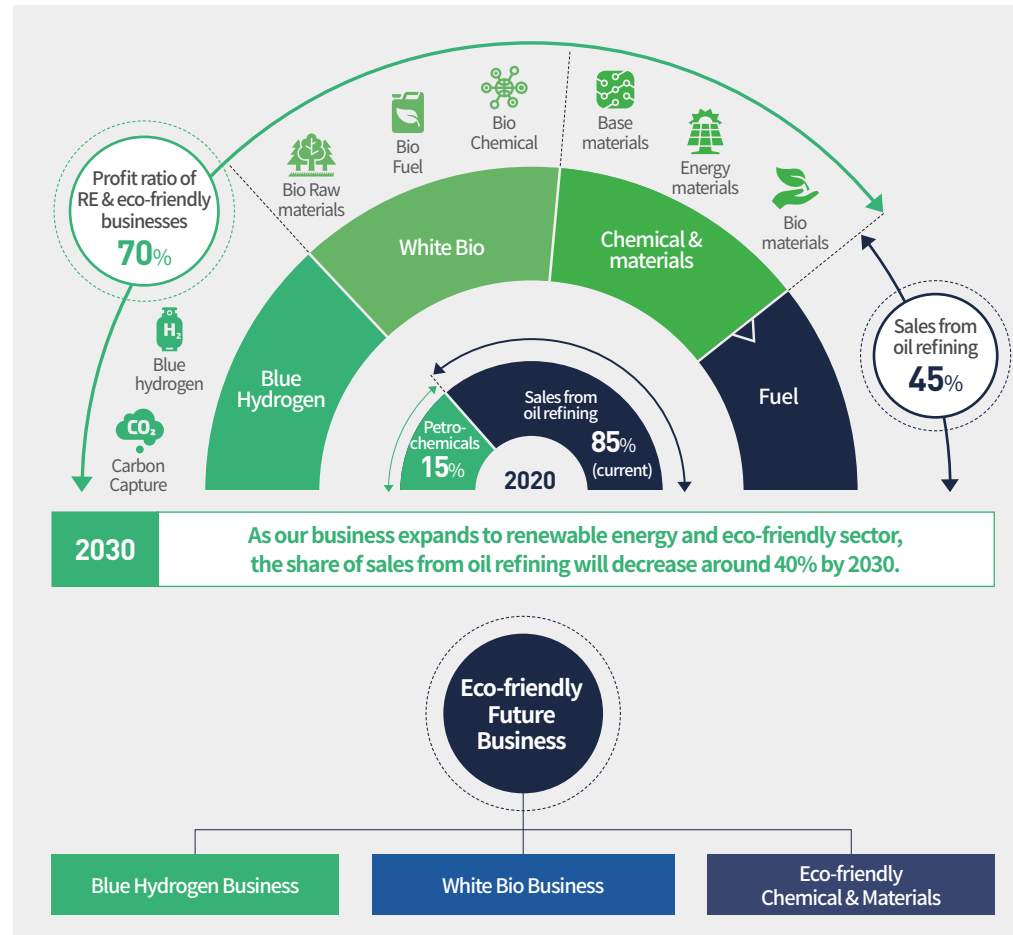
# Area 1. Transition to Clean Energy Business Platform

We seek to transform our oil refining and petrochemical business into a platform for clean energy and materials.

As a short-term strategy, we aim to produce eco-friendly products by utilizing recycled waste resources as feed-stock and minimizing pollutants from refining and petrochemical manufacturing business.

In the long term, we strive to generate stable profitability based on eco-friendly competitiveness by identifying profitable and sustainable businesses like white bio, renewable energy and eco-friendly materials.

## Clean Energy Business Roadmap



### Blue Hydrogen Business

We will push forward with a business to generate blue hydrogen using byproducts of refining plants and utilize carbon generated from the production process. We also plan to implement a project to build more hydrogen charging stations and fuel cell power plants.

### White Bio Business

'White Bio' is a generic term for biofuels, chemicals and plastics generated from biological raw materials. We plan to enter the global bio aviation oil market by 2024, and are considering entering bio chemical and bio pharmaceutical business in the mid-term to long-term. Our ultimate goal is to build up White bio business portfolio to produce 1Mil tons of bio-products by 2030.

### Eco-friendly Chemical and Material Business

We completed construction of the HPC project, the nation's first petrochemical facility that produces plastics made from heavy oil residue. We plan to extend our downstream business centering on eco-friendly chemical and material businesses such as energy materials and secondary cell.

# Area 2. Safety-oriented Management

As part of efforts to prevent serious accidents at work, a wide range of safety working group manage and take decisions on related issues at Hyundai Oilbank.

We strengthened the safety governance system by appointing the Chief Safety Officer(CSO), and continue to improve safety-oriented management by building a company-wide safety management system, which includes a vision, goals and four main tasks.

## Strengthening Health and Safety Governance

### Organizations for Safety Management



#### Occupational Health and Safety Committee

A decision-making body for safety and health agendas per the relevant division

#### Health and Safety Committee for R&Ds and Logistics Centers

A decision-making body for safety and health agendas pertaining to the R&Ds and logistics centers

#### Health and Safety Committee for each Affiliate

Committee for safety and health management of each affiliate (HDC Safety and Health Management Committee)

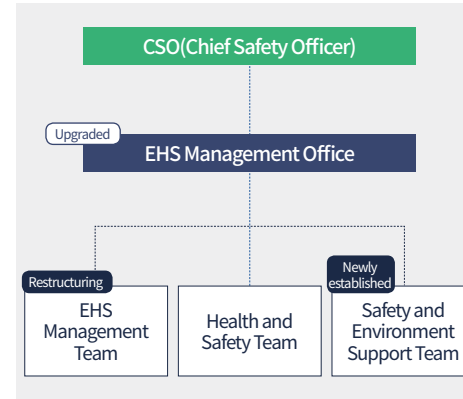
#### Safety Working Group of Hyundai Oilbank Group

The Safety Working Group is composed of safety staff of each affiliate

#### Company-wide health and safety monitoring management

Results for the half-yearly monitoring of corporate-level safety management are reported directly to the CSO, and the dedicated team handles the issues to take action

### Safety Governance of Hyundai Oilbank



#### CSO(Chief Safety Officer)

The CSO is responsible for oversight of safety management at the corporate-level, managing relevant organizations, human resources and budgets

#### EHS Management Office

The EHS Management Office is an upgraded structure of the existing safety management team for plants

#### EHS Management Team

Fill up the staff to perform relevant jobs following the Serious Accidents Punishment Act

#### Safe Environment Support Team

A newly created team to strengthen supports for Daesan plant, the Central Technology Center, nation-wide gas stations, logistics centers and lubricant factories

## Safety Management System



We have set our safety management vision and goal and built the relevant system including four major tasks following the Paragraph 1 of Article 4 of the Serious Accidents Punishment Act enacted in 2021. We have also set safety targets covering our suppliers.

\*Safety Well-being: Set free from unstable working conditions and pursue well-being and happiness of body and mind.



# Area 3. Strengthening Response to Climate Change

Hyundai Oilbank strives to achieve Net Zero by 2050 as the environmental regulations are becoming increasingly stricter in domestic and foreign.

## Background

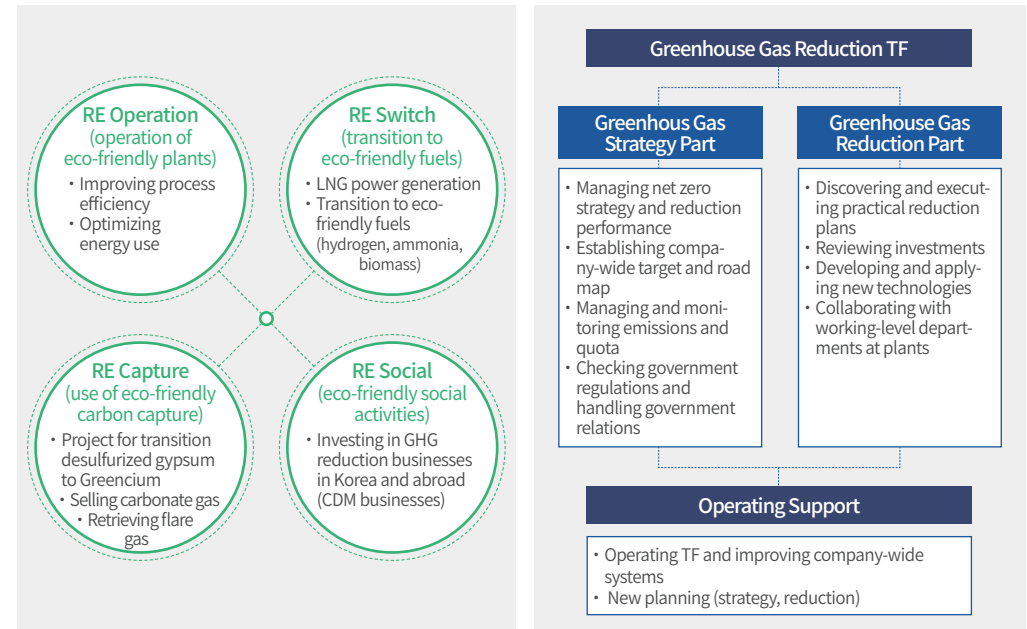
In 2018, the UN Intergovernmental Panel on Climate Change (IPCC) disclosed the “Special Report on Global Warming of 1.5 °C,” announcing that the Earth’s temperature rise must be limited to 1.5 °C until 2100 to prevent a severe collapse of the climate system. In order to do so, GHG emissions must be reduced by 45 % or more by 2030, and net zero must be achieved by 2050.

In October 2021, Korean government announced its 2050 Net Zero Scenario and declared to reduce national GHG emissions by 40% until 2030 and attain net zero by 2050.

Such domestic and global movements suggest that GHG reduction and achievement of net zero have become highly significant, and Hyundai Oilbank endeavors to participate in the worldwide effort.

## Climate Change Response System

Since responding to climate change requires wide-ranged support from the environment, policy, and technology perspectives, Hyundai Oilbank operates a company-wide GHG reduction TF that CEO participates in.<sup>1)</sup> Hyundai Oilbank aims to attain 2050 net zero target by utilizing four GHG reduction levers, including RE Operation (operation of eco-friendly plants), RE Switch (transition to eco-friendly fuels), RE Capture (use of eco-friendly carbon capture), and RE Social (eco-friendly social activities).<sup>2)</sup>



1) An exclusive organization will be formed in the second half of 2022 to further strengthen the overall response to climate change, such as operating a company-wide GHG TF, establishing and managing reduction targets and strategies, and conducting reduction projects.

2) RE stands for Renewable Environment, Reviving Environment, and Re-building Environment(through eco-friendly business portfolio).

# ENVIRONMENT

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- 27** Environmental Management
- 29** Identify Eco-friendly Business Opportunities
- 36** Response to Climate Change
- 37** Reduce Environmental Pollutants

Green Growth  
with Eco-friendly Business

**E**ESG

# Environmental Management

## Environment Management System

### Environment Policy

#### Safety, Health and Environment Policy

Hyundai Oilbank recognizes safety, health, and environment as the top priority core values of companies for sustainable growth. We constantly strive to protect our customers and communities, including all employees and partners, from disasters, and ensure that all management activities minimize their impact on the environment.

With this management will, we strive to reach the world's best level of safety, health, and environment.

- All executives and employees recognize that safety, health, and environmental tasks are their core tasks.
- We prevent disasters by continuously removing unstable behavior and conditions in the workplace.
- We enact and comply with safety, health, and environmental regulations at a level above the law.
- We systematically manage safety, health, and environment so that performance can be continuously improved.
- We continue to strive to prevent pollution and preserve the environment through environmental management.
- We regularly evaluate safety, health, and environmental performance and publish it transparently internally and externally.
- We fulfill our corporate social responsibility for safety, health, and environment.

Safety and environment are the top priorities of our management, and we strive to fulfill our responsibilities and missions by raising awareness regarding safety and environment, and abiding by the relevant policies at work.

### Integrated Environment Management System

Our affiliates, Hyundai OCI, Hyundai and Shell Base Oil and Hyundai Cosmo all obtained the permission on integrated environment from the Ministry of Environment through a review of the adequacy of the facilities for control/ prevention of emissions. The others (Hyundai Oilbank and Hyundai Chemical) plan to obtain the permission in 2022 considering the grace period.

By integrating the environmental licensing and management system, which was previously managed individually such as air, water, waste and odor, it is now possible to comprehensively manage all pollutants generated from one facility and manage pollutants in the entire process from the input of raw materials to the production of products.

Prior to introducing any changes in facilities or operations, we review and assess the environmental impacts through discussions with Ministry of Environment and Korea Environment Corporation. Then, we proceed with changes to minimize the environmental risks.

We also manage environmental performance and data effectively and systemically through the integrated environment management system.

### Major Areas of Monitoring

- 01 Pre-assessment**  
We conduct pre-assessments regarding the environmental impacts of all our business activities and strive to manage impacts effectively.
- 02 Announce targets**  
We conduct regular monitoring and inspections for environmental related performances and declare our actual performances.
- 03 Comply with relevant policies**  
We abide by international environmental standards, rules and regulations at home and abroad, in addition to our own relevant policies.
- 04 Prevent environmental pollution**  
We strive to prevent environmental pollution by setting our own goals and improvement plans and strengthening capabilities to prevent pollution.
- 05 Conduct regular trainings**  
We conduct regular environmental trainings for employees to encourage them carry out responsibilities sincerely and efficiently.

# Environmental Management

## Certified Environmental Management System

We obtained the ISO 14001 certificate in recognition of our efforts to minimize the environmental pollution caused by business activities and run an environment management system following international standards.



ISO 14001 Certificate

## Relevant Organizations

### Environmental Working Group

- Set investment plans for safety and environment and verify performances
- Set action plans for current issues
- Monitor the concentration of pollutants for each emitting facility
- Circulate the amendments made to major policies
- Conduct quarterly monitoring (Sales Division, Daesan Factory, Affiliates)

### Environment Team

- Calculate estimated emissions, develop a plan for reduction and review profitability
- Register/assess chemical substances and improve the monitoring process for the substances
- Manage facilities emitting water/air/odors, monitor pollutants and set reduction plans
- Manage waste at the field and use recyclable materials to minimize waste
- Prevent maritime and land pollution and purify the polluted areas

### Hyundai Chemical

Environment Team

### Hyundai Cosmo

Safety, environment and production team

### Hyundai and Shell base oil

Safety and environment technology support team

### Hyundai OCI

Safety and environment team

## Green Investment

We continued to invest in the environment to reduce the amount of pollutants and prevent pollutions from the Daesan factory. Throughout the period from 2016 to 2018, we invested KRW 45.8 billion toward the reduction of VOCs and prevention of chemical incidents. In 2019, we signed a MOU with Seosan city for environmental investment, showing our will to rebuild a green environment. We invested KRW 51 billion to reduce pollutants and prevent environment incidents for the last 3 years and funded KRW 12.9 billion for reduction of NO<sub>2</sub> and SO<sub>x</sub> as of June 2022. We will continue our efforts to create a sustainable and better future by cutting air pollutants, odors, and VOCs and making additional investment in 2023.

- 2018** Reduction of VOCs and prevention of chemical incidents  
KRW 40.8 billion ('16~'18)
- 2019** Signing an MOU with Seosan city  
KRW 98.3 billion ('19~'23)
- 2021** Prevention of incidents and reduction of pollutants  
KRW 51 billion ('19~'21)
- 2022** NO<sub>x</sub>, SO<sub>x</sub>, VOCs reduction  
KRW 12.9 billion (~June 22)

## Environmental Training

We conduct trainings for persons responsible for handling toxic chemical substances and their supervisors, abiding by relevant policies. We also provide SHE learning programs including measures for waste handling.

# Identify Eco-friendly Business Opportunities

## Goal

We promote eco friendly and sustainable new businesses connecting refined oil and petrochemical businesses to meet consumers' expectations on green business activities in line with climate change and carbon reduction plans at home and abroad. We aim to enhance our business competitiveness by maximizing the eco-friendliness of our refined oil and petrochemical business, and create a sustainable mid-and-long term business portfolio by identifying sustainable future business opportunities.

- 1 Promote the Blue Hydrogen business
- 2 Enter the White Bio market
- 3 Expand eco friendly chemical and material business

## System

### Future Strategic Planning Meeting

We operate the Future Strategic Planning Meeting to identify opportunities for engaging proactively in new business markets. Introduced in early 2021, the Meeting is a new system to promote new businesses by voting on ideas collected from each business division through discussion. A total 68 agendas were selected as of the first half of the year. We aim to take a deep dive into planning for the future business by convening quarterly in-depth meetings starting 2022.

Key agendas (Examples)	
Business operations	Upcycling waste plastics
	Biodegradable plastics
	Market expansion strategy for Electrolyte membrane
Market trends	Plans for expanding the petrochemical business
	Hydrogen industry market trends at home and abroad
	Hydrogen fuel cell and material related market

## Dedicated Team

### Dedicated Team for Eco-friendly Business

We established RE Business team, a special team for promoting eco-friendly business, and RE New Business Division by separating R&Rs of developing new businesses from the planning department in order to facilitate efforts toward identifying opportunities for sustainable and eco-friendly new business. We will strive to promote the new business in a timely manner through thorough review by inhouse experts on various businesses from short term to long term businesses like White Bio, Recycling Waste, Hydrogen, and Ammonia to improve the eco-friendliness of refined oil and petrochemical products to mid-and-long term businesses.

### Central Technology Research Institute

The institute was built in November 2011 to carry out new business and diversify the business structure. It is an institute that brings the dispersed engineering workforce and research talents together from across the nation (Seoul, Busan, nation-wide offices and Daesan institute established in 1989) as a hub of R&D. We have strengthened our core capabilities by acquiring 3 R&D centers and nearby lands in Yongin from Hyundai Electric as of September 2019, and have been expanding the size of lab since 2020 and investing in R&D to hire talents.

**Vision: A global institute with the capability to advance source technologies and strengthen profitability**

**Core tasks**

1) Eco-friendly Net Zero    2) Hydrogen energy  
 3) White Bio    4) Identify downstream of petrochemicals  
 5) Strengthen competitiveness of the existing business

# Identify Eco-friendly Business Opportunities

## Blue Hydrogen

With the growing importance of climate change response and environment protection, the Korean government announced the national roadmap for accelerating hydrogen economy in 2019 and has been facilitating the development of an industrial ecosystem that leads the hydrogen economy with the two pillars of hydrogen cars and fuel cells. In line with this trend, we plan to enter the relevant market in a timely manner by securing business capabilities through acquiring hydrogen related technologies from mid-term to long-term perspectives.

### Strategic Alliance MOU

We signed a mutual MOU to develop a new business with Air Product, a global leading gas company that specializes in hydrogen infrastructures for production, storage and delivery with their technologies. Thanks to the partnership, we have been able to promote projects for building an ammonia terminal.



Signing a MOU with Air Products

We also signed a MOU with ARAMCO for blue ammonia and hydrogen.

Counterpart	Air products
Title	Strategic Partnership for Utilizing Hydrogen Energy
Description	<ul style="list-style-type: none"> <li>Review the hydrogen production business by utilizing direct import natural gas, byproducts of Hyundai Oilbank</li> <li>Review the business of producing high-purity hydrogen for hydrogen cars and fuel cells using the hydrogen we produce</li> <li>Green hydrogen production business by harnessing electrolysis project ad imported green hydrogen project that Air Products has been carrying out</li> </ul>

Counterpart	Aramco
Title	MOU for Reviewing the Business Validity of Investment, Production, Delivery and Sales of Blue Ammonia, Blue Hydrogen
Description	<ul style="list-style-type: none"> <li>Cooperation for information exchange regarding the production, delivery, sales, certification, and regulation of blue ammonia and hydrogen</li> <li>Mutual cooperation on the commercialization process and testing of blue hydrogen and ammonia</li> <li>Mutual cooperation and discussion regarding a joint venture based on blue hydrogen and ammonia if necessary</li> </ul>

### Produce Hydrogen Fuel

To become a pioneer in supplying hydrogen, we have been manufacturing and selling the industry's first ultra high purify hydrogen. Our ultra high purity hydrogen, obtained by additionally refining the hydrogen resources that our factories manufacture, is equivalent to a level at which it can be used as fuel for fuel cells. Furthermore, we compress it up to 200bar and charge the portable tube trailers so that we can supply 800 tons of hydrogen a day. It is equivalent to an amount that is sufficient to charge 400 cars a day. We plan to control the sales volume according to the demands of the domestic market.

### Enter the Hydrogen Power Generation Industry

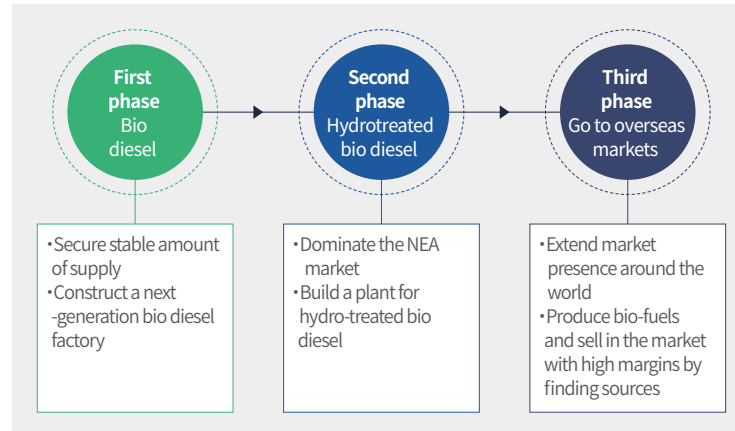
We are promoting a project to build a 20MW hydrogen fuel cell plant in Daesan. Through CCUS technology, we aim to produce clean blue hydrogen for our new business, and participate in an upcoming bid for the selection of hydrogen power generation companies under the Clean Hydrogen Portfolio Standards(CHPS) in partnership with Korea South-East Power Company.

# Identify Eco-friendly Business Opportunities

## White Bio

The Korean government looks to increase the mandatory portion of bio diesels in diesel as well as introducing bio aviation fuel and bio marine fuel.

### Roadmap



We announced a platform transition to the eco-friendly business as a part of our future growth plans in 2021. We declared our plan to foster future new business of White Bio, Blue Hydrogen, as well as eco friendly chemicals and materials. We also plan to push forward with an eco-friendlier White Bio business.

### Bio Diesel

We are in the process of building a bio diesel manufacturing plant with an annual capacity of 130,000 tons with the goal of commercial operation in 2023.

We introduced a supercritical bio diesel process to produce eco-friendly bio diesels through mixing low cost waste, vegetable oil and animal fat.

In view of the expectations for stricter standards regarding mandatory shares of bio diesels in diesel, bio diesel is expected to see a cost reduction and increase in supply.

### Bio Aviation Fuel for Airplanes

We are promoting a project to develop bio-fuels for airplanes to contribute to the global efforts for reducing fossil fuels in the aviation industry, such as Carbon Offsetting and Reduction Scheme for International Aviation(CORSIA). The fuels are produced by a hydro-treated process similar to that of refined plants, and we expect to see the completion of factories with a production capacity of 500,000 tons per annum by the first half of 2025. We plan to supply the fuels to our customers and clients at home and abroad, and we will continue to build a strong partnership with Korean Air to raise the demands from the domestic market and to introduce bio aviation fuels to Korea.



Korean Air by signing a MOU

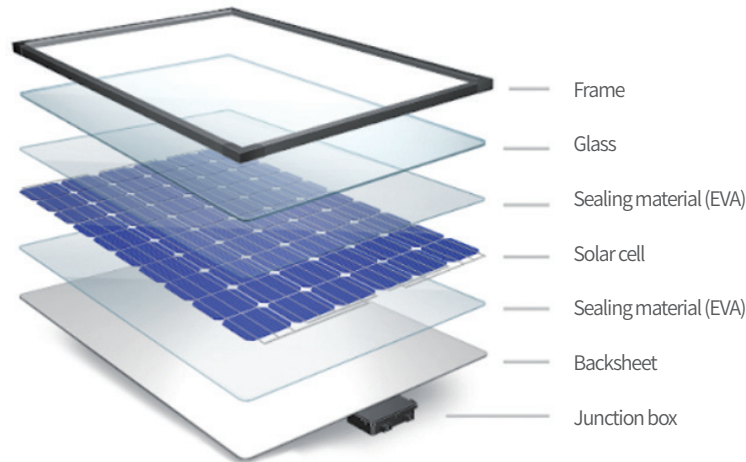
# Identify Eco-friendly Business Opportunities

## Eco-friendly Material and Chemicals

### Solar Panel Material

Globally, as the demands for fossil fuels as well as for green energy are on the rise, an increase in the demand for solar panels is anticipated. Thus, we aim to manufacture EVA, a solar panel material in cooperation with our affiliate, Hyundai Chemical.

Thanks to its excellent light permeability, adhesion, and higher profitability, EVA is widely used as a core material for protecting sola panels. At present, we boasts the nation's largest production capacity of 300,000 tons of EVA annually. The estimated production capacity will be 160,000 tons per annum in the earlier stage, but we aim to increase it further.

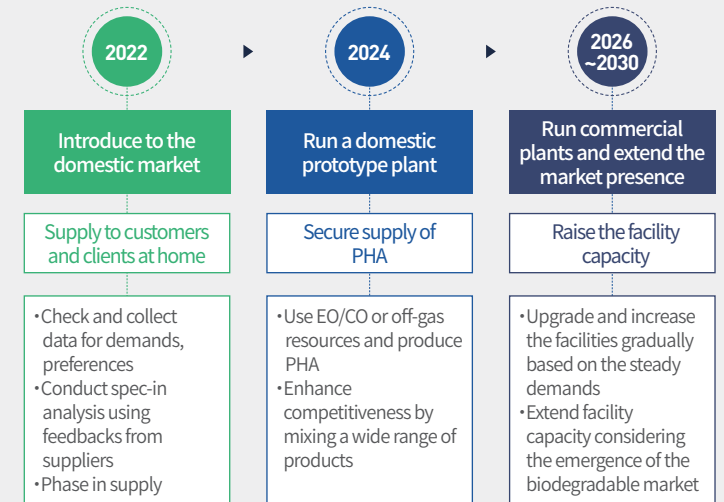


### Chemical Substances from Bio plastics

The handling of plastic waste has emerged as a significant social problem, and accordingly more customers are giving attention to bio-plastics. In response to this trend, we are striving to address environmental problems by supplying biodegradable plastics we produce to the market.

In January 2022, we signed a MOU for mutual cooperation with Danimer Scientific, a US based global leader in PHA<sup>1</sup>. Thanks to the partnership, we have been able to develop and promote new products and expand business areas. We are also striving to carry out new businesses to cut carbon footprints by advancing chemical substances made of bio-mass.

#### PHA Business Roadmap



1) PHA (Polyhydroxyalkanoate)



# Identify Eco-friendly Business Opportunities

## Eco-friendly Chemicals and Materials

### VPE (Material for EV Battery Separator)

#### Develop UHMWPE for VPE

As the demands for EV are growing, the demand for VPE is also rising. We are in the process of developing a technology for mixing and producing Ultra High Molecular Weight Polyethylene(UHMWPE).

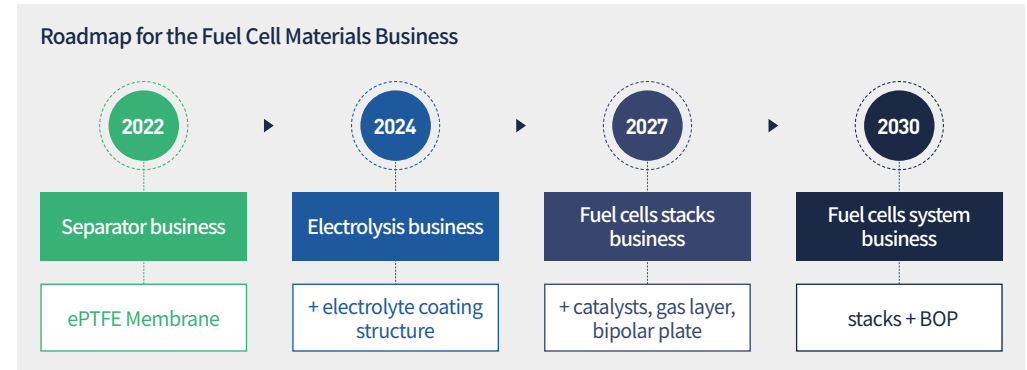
A lot of companies try to secure more molecules of UHMWPE to acquire increased energy density and strengthen the fire proofing of batteries. By 2024, we will obtain technologies to produce UHMWPE in a stable manner. We are also working hard to introduce our own technology into the process line to deal with the increasing demands.

### Hydrogen Fuel Cells Materials

#### Develop Materials for Hydrogen Fuel Cells and Water Electrolysis

Commercialization of Polymer Electrolyte Membrane Fuel Cell(PEMFC) requires an improved system performance, higher durability and price competitiveness. This is highly related to the performance of Membrane Electrode Assembly(MEA) and electrolyte membrane, which are essential materials for the stacks used in fuel cells. Accordingly, we have strengthened efforts to develop electrolyte membrane and MEA with higher durability and functions.

We swiftly established a production facility since we acquired the technology related to separators of Expanded Polytetrafluoroethylene(e-PTFE) in 2021. We have set a target to produce relevant products for commercialization with 3 million m<sup>2</sup> of annual capacity. We also plan to commercialize high-quality and durable fluorine composite membranes by 2025. Once the e-PTFE separators and electrolysis are developed, we believe we can enter the fast growing water electrolysis market, meeting the global Net Zero targets. Thus, we have intensified efforts to develop core technologies and look to invest in R&D of MEA and stacks.



# Identify Eco-friendly Business Opportunities

## Reduce Resource Usage and Increase Recycling

### Pyrolysis Oil from Waste Plastics

#### Hyundai Oilbank

We are working to strengthen resource cycling by mixing pyrolysis oils generated from waste plastics at high temperature.

We obtained the ISCC certificate for products using pyrolysis oils in January 2022 nearby petrochemical companies to nearby petrochemical businesses. We plan to increase the ratio of Pyrolysis oil to raise the low carbon products while producing our own pyrolysis oil in line with the increasing demands.

1) ISCC : International Sustainability and Carbon Certification, eligibility to produce international eco-friendly and sustainable products

#### Hyundai Chemical

Hyundai Chemical obtained the industry's first ISCC PLUS certificate for their chemical recycling process of waste plastics as of April 2022.

The certificate verifies that the company is eligible to produce 8 of eco-friendly products: petroleum products(naphtha, diesel, and jet fuel) and petrochemical products(high density polyethylene, EVA, PP and Butadiene).

The company has capacity of producing up to 30,000 tons of eco-friendly plastics per annum and is looking to establish new facilities.

Obtained company  
Hyundai Oilbank

Validity date  
2022.01.11 -  
2023.01.10



Obtained company  
Hyundai Chemical

Validity date  
2022.04.28 -  
2023.04.27



### Eco Moving Cafe

We have been running the “Visiting Barista” service since 2016 to offer fresh coffee to customers at gas stations. There have been concerns over environmental pollution caused by the use of disposable cups as we offered to-go services. To deal with this, we replaced the existing cups and lids with eco-friendly ones and changed the name of the campaign to “Eco Moving Café”



### BLUE App, the Rewards Card

We provide membership services to our customers via the Bonus Card app (BLUE), the bonus card application. The system is renewed regularly to extend the convenience of application, and we aim to reduce waste by encouraging consumers to issue app cards instead of plate cards.

### Eco-friendly Clothes

We designed uniforms for workers at Daesan factory and gas station workers using eco-friendly fabrics developed by recycling of waste plastics. By doing so, we used re-cycled plastics amounting to 100,000 bottles for employee uniforms, and 280,000 bottles for the workers' uniforms, totaling 380,000 bottles.

# Identify Eco-friendly Business Opportunities

## Eco-friendly Energy Charging Stations

### Development of e-Fuel

In November 2021, we signed a MOU for technology cooperation with Haldor Topsoe, a Danish based company specialized in eco-friendly energy and chemicals with relevant patents.

E-fuel is the term used for brand-new synthetic fuels made by mixing CO<sub>2</sub> and hydrogen generated by water electrolysis. Properties and characteristics similar to those of gasoline and diesel can be artificially realized without using crude oil. In addition, it is emerging as a carbon-neutral eco-friendly energy resource since CO<sub>2</sub> generated from the combustion process is captured and reused as fuel.

Haldor Topsoe possesses excellent technologies in separating hydrogen from blue and green ammonia and generating hydrogen from water electrolysis. The two companies plan to jointly develop the e-fuel technologies utilizing our outstanding technologies in utilization of hydrogen and CO<sub>2</sub>.

### Establishment of a Dedicated Team

We established a TF for EV development in September 2021 to diversify the profit structure and find new growth engines for eco-friendliness. The team is reviewing ways to raise business value by changing the existing operating system of gas stations as well as utilizing networks and infrastructures to redesign them as futuristic energy stations. We plan to build a business model by reviewing additional eco-friendly businesses based on the EV charging station business.

### Construction of Energy Infrastructures

#### LNG Charging Stations

We are reviewing a plan to build infrastructures for charging stations to shift outdated diesel cars into LNG fuel cars. Korea Gas Corporation(KOGAS) and Hyundai Oilbank are working to find ways for building the LNG stations.

### EV Charging Stations

We are considering a business plan to promote EV charging station projects and will make a decision by the first half of 2022 to build a roadmap and launching plan. Once the project is launched, we target to build 200 High-fast charging stations by June 2023.

### Portable Hydrogen Charging Stations

We are promoting the nation's first pilot service for building a portable hydrogen charging station in partnership with Hyundai Glovis and Ministry of Environment in line with the increased demand for hydrogen infrastructure from the government.

The estimated date of completion is by the end of September 2022. Following the roadmap of Hyundai Heavy Industries Group, we plan to increase the number of stations to maximum 180 and 300 by 2030 and 2040 respectively.



# Response to Climate Change

## GHG Reduction Activities

### Liquefied Carbon Dioxide

We promote a project to build carbon reducing hydrogen plants in line with the global carbon neutrality trends and the national hydrogen energy policy.

We supply 100,000 tons per annum of carbon dioxide generated from gas from the hydrogen plants to nearby liquefied carbon dioxide factories as raw materials, achieving reduction in carbon emissions and an increase in sales at the same time.

We plan to produce up to 360,000 tons of carbon dioxide annually starting from 2023 by promoting a project to extend facilities in partnership with companies specialized in liquefied carbon dioxide.

### Eco-friendly Construction Materials

We contribute to GHG reduction by producing construction materials utilizing CO<sub>2</sub> and FGD, a byproduct from our process. It is Carbon Capture and Utilization(CCU) technology that secures economic feasibility.

The materials produced are set to be used for construction projects of DL E&C, hence a great synergy between two companies is expected. We target to complete the project by 2022 and finalize by 2023.

### High Purity PCC<sup>1)</sup> Business

It is a type of CCU business that produces high purity PCC products that are used as additives when manufacturing paper, plastics and lubbers. High purity PCC products are manufactured by separating gypsums and limes from the byproduct FGD and mixing CO<sub>2</sub> and separated limes. Through the integration of Hyundai Oilbank's gypsums separation technology and Taekyung Group's PCC technology, we expect to dominate the market through the sales network of the Taekyung Group.

1) Precipitated Calcium Carbonate

### Sea Freight Shipping of Cokes

We produce 300,000 tons of cokes every year, which induces about 33 trucks of transportation a day. In order to reduce the GHG emitted from land transportation, we began shipping of cokes in April 2021.

The delivery of about 50% of the sales volume of coke was shifted from land transportation to marine shipping, thereby reducing CO<sub>2</sub> emissions and fine particles and improving traffic related problems. We expect to see cost reduction worth KRW 19.8 billion<sup>2)</sup> thanks to the sea freight shipping of cokes. Furthermore, in order to prevent potential scattering of dust during coke loading operations, we have invested KRW 25 billion for a fully-enclosed modern marine shipping infrastructures.

2) Based on the social and environmental cost calculation formula for the transportation conversion support project (Social and environmental cost of land transportation: KRW 60.52 /ton, km, socio-environmental cost of sea transportation: KRW 5.16 /ton, km)

## Eco-friendly Plant Operation

### Eco-friendly Power Plants

We established Hyundai E&F in June 2021 to construct eco friendly power plants, and obtained permissions for integrated energy business. Hyundai E&F plans to build eco-friendly power plant that uses LNG and blue hydrogen as fuels by investing a total of KRW 400 billion.

We plan to inject 30% of hydrogen to LNG power plants to reduce GHG emissions by up to 56% compared to conventional fossil fuel power plants. Once it is operational, we expect to see 11% of additional reduction.

# Reduce Environmental Pollutants

## Air Pollutants

### Control of Total Pollutants

We are operating the total pollutant load management system, a precautionary system that manages emissions based on the total amount of emissions, rather than the conventional emission intensity management based on post management perspective. We take the lead in reducing pollutants by establishing annual emission plans for sulfur oxides, nitrogen oxides, and dust every year and strengthening eco-friendly investments and self-management standards.

### Monitor air pollutants

#### Optical Gas Imaging(OGI) Camera

A flare stack is a safety facility that incinerates and discharges materials to prevent accidents when an abnormal situation occurs during process operation.

OGI Camera enable us to monitor gas emitted through flare stacks so that we can manage the incineration process.

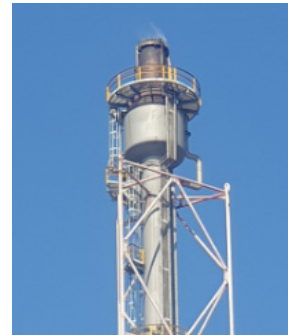


OGI

### Smokeless Monitoring System

We strive to reduce the cause of fine particles and hydrocarbons by improving the incineration conditions of flare stacks. Flare stacks are chimneys that burn the combustible gases generated during the process for stability reasons. It was difficult to install tele-monitoring system(TMS) due to the flame and high temperature at the top, so it was managed indirectly by CCTV or OGI Camera.

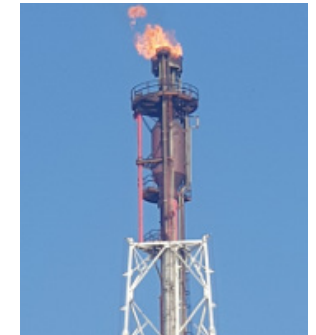
We are planning to introduce a smoke-free observation system technology in collaboration with the National Institute of Environmental Research. The system is based on a technology that uses advanced spectroscopy to measure the quantitative combustion efficiency of the flare stacks in real time and adjust combustion conditions to reduce fine dust-causing substances such as hydrocarbons and prevent excessive steam input.



Incomplete combustion



Smoke-free observation



Complete combustion

### Flare Gas Recovery Unit

Hyundai Oilbank is promoting a business that re-uses flammable gas produced from the process as energy resource to reduce the amount of gas incinerated from flare stacks. Flare Gas Recovery Unit(FGRU) is a facility that re-produces fuel gas to be used at oil refining process through the process of compressing, eliminating impurities and eliminating sulfur oxides after separating some flammable gas before entering flare stacks.

We are determined to install the facility promptly and expect to see improvements economically and environmentally once FGRU operates from 2023. The facility is expected to save energy by reusing flammable gas, reduce GHG gas emissions by reducing gas emitted from flare stacks, and prevent bad odor in the factory.

# Reduce Environmental Pollutants

## Air Pollutants

### Signed a VA for Reducing Fine Dust

As a part of our efforts to reduce fine dust, we signed a Voluntary Agreement(VA) for managing fine particles with the Ministry of Environment. We try to minimize the emissions of pollutants by operating prevention facilities at maximum during January to March and December, a season that shows the highest concentration of fine particles. We mobilize two sprinkler trucks to reduce fine particle emissions in the morning and in the afternoon, as part of the efforts made within the plant.

### Activities for Reduction of Air pollutants

#### Daesan Plant

We established air pollution reduction facilities in the plant, thereby reducing emissions.

Pollutants	Reduction facilities
SOx	Dry Desulfurizer, Absorber
NOx	SCR, SNCR, ULNB
Dusts	Electrostatic precipitator, Bag filter
VOCs	VRU, RTO

We plan to incorporate additional ULNB in the processes of heating facilities and preventive facilities to reduce VOCs emissions in storage facilities, and install FGD(Flue Gas Desulfurizer) to reduce SOx.

### Logistics Center And Gas Stations

We are committed to preserving the air environment by reducing the emission of VOCs and NOx at our logistics centers and gas stations.

We replaced old diesel boilers in logistics centers at Mokpo and Busan in 2018 and 2019 with low NOx kerosene boilers, reducing emissions of NOx. Since 2015, we have been recovering volatile organic compounds emitted through Vapor Recovery Unit from 5 logistics center's Truck Loading Shelter including Incheon and Busan.

As for highly volatile UG, we collect volatile organic compounds by installing Vapor Recovery Unit in tank lorries and pumps. In order to reduce the emission of organic compounds from the top of the UG storage tank to the atmosphere, we plan to reinforce the facilities by 2025, by means such as redundancy of sealing facilities and application of additional gaskets to the Internal Floating Roof.



Low NOx Kerosene Boiler at the Logistics Center in Busan

# Reduce Environmental Pollutants

## Water Resources

We strive to find ways to secure enough water resources in collaboration with KWATER and Seosan City, and are planning measures to manage industrial water in the mid-and-long term by 2030. The collected resources will be managed for the purposes of monitoring water consumption and managing wastewater quality.

### Monitor water consumption

We continue to monitor water consumption and optimize production volume by eliminating soluble substances of a certain size or more through reverse osmosis(R/O) facilities according to water usage patterns.

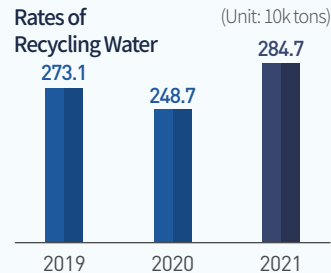
### Manage Wastewater Quality

We utilize the real-time analyzer installed in the wastewater inflow pipe to manage contamination in the discharged water below the management criteria when injecting wastewater treatment chemicals or adjusting operating variables.

### Recycle Water

#### An increased ratio of water recycling

we recycled 2.847 million tons of wastewater per annum. We use Blowdown water from cooling towers and boilers as mixed water, or we use process sour water for cleaning, and various water recycling measures are being considered.



## Waste

### Achievements of the Resource Circulation Management System

We implement resource circulation performance management targets every year following the Framework Act on Resource Circulation. In 2021, we achieved 5.72% of the final disposal rate (Allocation target of 46.68% or less) and circulation utilization rate of 87.58% (Allocation target of 35.81% or more).

### Waste Manage and Recycling

We conducted training on waste management for suppliers and workers in the field and strengthened waste management activities by assigning workers to oversee the waste management facility.

As part of the drive to minimize the landfill and incineration of waste, we've been conducting waste recycling activities since 2014. As a result, in 2021, we achieved 90% rate of recycling through recycling of waste insulation materials, sludge from operations, and wastewater sludge.

#### Hyundai Chemical

Hyundai Chemical saw a 373% increase in waste generation compared to last year due to the operation of the HPC project, but we are working hard to recycle waste and minimize the landfill and incineration process.

By examining the types, characteristics, and quantity of new waste generated by HPC operations, we found possibilities for recycling waste synthetic resin, oil, organic solvents, and scrap.

Therefore, to recycle our waste, we identified recycling companies and signed contracts. With these efforts, we achieved a recycling percentage of 84% which is a 78% increase compared with the mean of 2019 and 2020's recycling percentages.

# Reduce Environmental Pollutants

## Toxic Chemical Substances

### Signed a MOU for Management of Toxic Substances

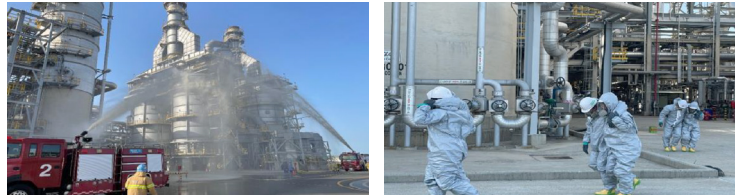
We signed a MOU with the Ministry of Environment, Seosan City and the civil society to protect the citizens' health and prevent environmental impacts by reducing the air concentration of benzene in Daesan.



MOU for Management of Toxic Substances in Daesan

### Training to Respond to Chemical Incidents

We built a chemical accident prevention management plan and monitor chemical processes continually to ensure user safety and prevent chemical incidents. We conduct a joint training with Hyundai Chemical, Hyundai Cosmo and Hyundai Shell Base Oil to deal with unexpected accidents in the fields.

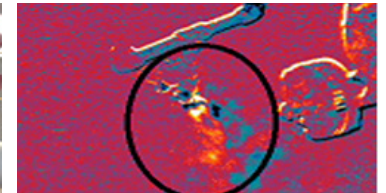


Training for Unexpected Chemical Incidents

### ECHO<sup>1)</sup> Champion Program

The Field Department engages in eco-champion programs and uses gas leakage detection cameras to find leakage points and improve risk factors preemptively. At the end of every year, we host a reward system by selecting excellent participating departments to encourage active and continuous participation among employees. In 2021, 342 cases were found, up by roughly 200% from 115 cases in 2020.

1) Environment management Creative, Health & safety Organize



Eco Champion Program

### Build a Emergency Response Plan

Hyundai Oilbank and its affiliates run a Emergency Response team that operates 24/7, and organized firefighters to address emergency accidents swiftly prior to and following an incident. We strive to inform residents of the situation by establishing a village broadcasting system and an emergency text system and safely evacuate nearby residents by designated shelters<sup>1)</sup> based on the scale of the accident.



Alert System for the Village

We are equipped with in-house disaster prevention vehicles and provide disaster prevention supplies and medicines to enable prompt response in the case of an emergency.



Disaster Prevention Trucks

1) First designated shelter: Daesan Elementary/Middle School, Seosan Middle/High School



# Reduce Environmental Pollutants

## Soil Environment

### Monitoring Soil Pollution

#### Survey on Soil Pollution Level

In accordance with the Soil Environment Conservation Act, we conduct a soil pollution inspection every two years targeting sites across the nation which are directly run by the company. The inspection is conducted by a special investigation agency registered with the Ministry of Environment. If soil pollution is found, it is reported to the local government and purification is carried out through a purification company registered with the Ministry of Environment.

#### Voluntary Soil Pollution Inspection

We signed a voluntary agreement with the Ministry of Environment to preserve the soil environment and conduct voluntary inspections. Since we acquired SK Networks Gas Station, we are performing a scrutiny beyond the legally required level and conducting purification work.

### Prevention of Soil Pollution

#### Inspection of Pipe Leakage

According to the Soil Environment Conservation Act, leak testing should be conducted every eight years. However, we perform our own pipe inspection every year for gas stations that have been operating for more than 10 years to prevent pipe leakages, the root cause of soil pollution. When a leakage is identified, it is immediately reported to the local government, and if soil contamination is confirmed, purification work is carried out in the early stages of contamination before the pollutant spreads, in order to minimize damage caused by pipe leakage and prevent soil contamination.

#### Find Leaked Oil

We run a self-developed Hyundai Homes System established at directly-run gas stations to minimize pipe leakages. The system is based on an eco-friendly patented technology to identify leakage by special sensors fitted in the inspection modules. When a leakage is identified, the operation is halted immediately, and the pipe is replaced with a new one to prevent soil contamination. We will expand the system to minimize environmental pollution.

## Marine Environment

### Prevent Maritime Incidents

- Assign responsible shift workers to prevent maritime pollutions and avoid any incidents during the night shifts
- A veteran vessel safety management service company that has experienced navigators boards a shoreline vessel to perform safety management
- Prevent maritime pollution by patrolling waters around the pier
- Conduct joint enterprise-wide and public-private trainings to enhance the capabilities to deal with initial incidents related to any marine pollution accidents(Semi-annual)
- Install CCTVs to monitor every seats of vessels at key locations



# SOCIAL

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- 48** Employees
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Green Value  
with People & Safety

ESG

# Human Rights Management

## Operation

Hyundai Oilbank respects the human dignity and rights of all stakeholders. By setting up a dedicated organization and complying with the Code of Ethics and regulations, we are making efforts to implement human rights management.

### Code of Ethics ‘Chapter 8 Respect and Protection of Human Rights’

#### Chapter 8 Respect and Protection of Human Rights

##### 1. Respect for Human Rights

- Company and employees shall respect the dignity and human rights of its members as well as its suppliers, business partners, and all the interested parties in the community, and shall practice human rights management based on this principle.

##### 2. Duties to Protect and Respect the Human Rights

- We set up strategies and policies of human rights management in order to respect the human rights of all the interested parties and to prevent any infringement, and share this with all the relevant parties. In particular, we try to protect the general principles of human rights including the following cases.
  - We support and observe the basic principles of protection and respect of human rights implemented by relevant labor laws in each county, United Nations Universal Human Rights Declaration and its substantive guidelines, and the Fundamental Rights and Principles of the International Labor Organization Declarations.
  - We prohibit any form of child labor and forced labor based on our support for United Nations Universal Human Rights Declaration.
  - We give everyone a fair and equal chances not to be discriminated on the grounds of race, nationality, gender, educational background, religion, age, disability status, birth place, marital status, gender identity, and so on.
  - We protect and observe motherhood and children and provide healthy and safe working conditions.
  - We observe all the relevant labor laws, respect the autonomy in management of our suppliers and business partners, and try to spread human rights management to them.business partners, and tries to expand human rights management.

## Management Approach

Following the keynote of the Hyundai Heavy Industries Group, Hyundai Oilbank organized human rights management consultative body under ESG Working Group in 2022 to declare human rights management, conduct human rights impact assessment and prevent human rights violations in business operations.

### Grievance Handling System

Hyundai Oilbank and affiliates operate a grievance handling system to address employees’ grievances, such as bullying and sexual harassment at work. When a case is reported, further details and factual relations are investigated. To enhance the accessibility of the system, banners are placed on the main screen of the in-house groupware. When grievances are received through counseling or various reporting channels, we consider the gender of a victim and investigate the case in the presence of a female attorney if necessary. Moreover, we take adequate measures, such as disciplinary actions against the offenders and protective measures for victims, based on the results of investigation. Operation of the grievance handling system is also specified in the collective agreement. Hence, two grievance committee members are appointed at each business sites to handle the grievances reported by union members.

### Human Rights Impact Assessment

Hyundai Oilbank plans to conduct human rights impact assessment based on the guidelines of the National Human Rights Commission of Korea, according to the Hyundai Heavy Industries Group plan.

Human rights impact assessment would be conducted by the human rights management consultative body under ESG Working Group. Assessment reports would be prepared after conducting the assessment based on the checklist on anti-discrimination, forced labor, and child labor. Areas of improvement identified as a result of the assessment would be reported to the top management in order to establish human rights-centered management system.

In the future, Hyundai Oilbank will continue to manage potential human rights issues and risks through regular human rights impact assessments.

### Grievance Handling Procedure According to Collective Agreement



\* Matters that cannot be handled by the members of the grievance committee can be submitted to the labor-management council.

# Health and Safety

## Safe Working Environment

### Safety, Health and Environment Policy

Hyundai Oilbank upholds safety, health and environment as top-priority core values, and has announced the policy signed by the CEOs of Hyundai Oilbank and affiliates.

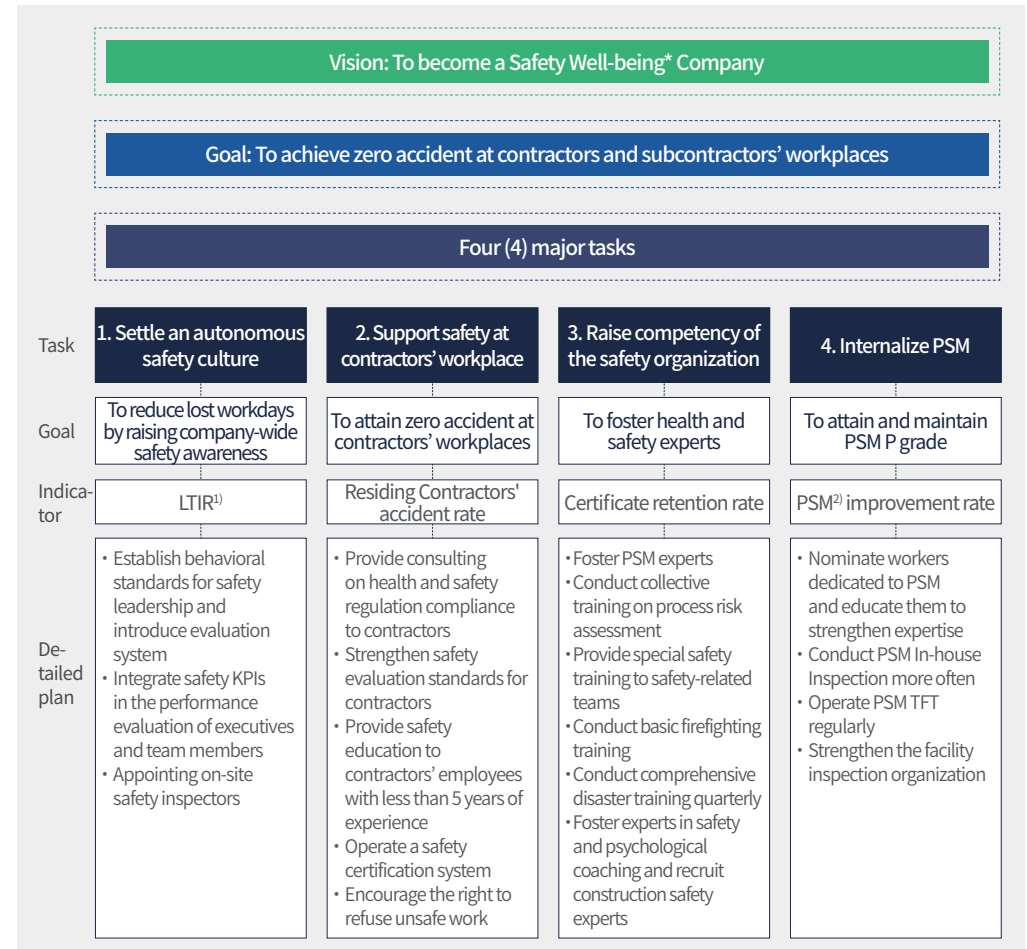
#### Safety, Health and Environment Policy

Hyundai Oilbank recognizes safety, health, and environment as the top priority core values of companies for sustainable growth. We constantly strive to protect our customers and communities, including all employees and partners, from disasters, and ensure that all management activities minimize their impact on the environment.

With this management will, we strive to reach the world's best level of safety, health, and environment.

- All executives and employees recognize that safety, health, and environmental tasks are their core tasks.
- We prevent disasters by continuously removing unstable behavior and conditions in the workplace.
- We enact and comply with safety, health, and environmental regulations at a level above the law.
- We systematically manage safety, health, and environment so that performance can be continuously improved.
- We continue to strive to prevent pollution and preserve the environment through environmental management.
- We regularly evaluate safety, health, and environmental performance and publish it transparently internally and externally.
- We fulfill our corporate social responsibility for safety, health, and environment.

### Safety Management System



\* Safety Well-being: Pursuing comfort and happiness of body and mind, free from unstable working conditions

1 Lost Time Injury Rate (LTIR)

2 Process Safety Management (PSM)

# Health and Safety

## Safe Working Environment

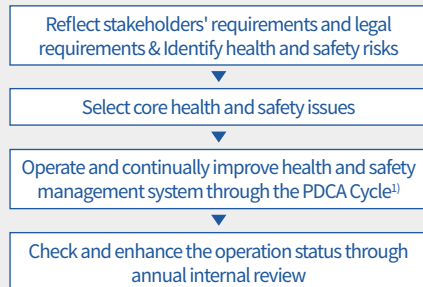
### Health and Safety Management System Certification

Hyundai Oilbank initially acquired OHSAS 18001 and KOSHA 18001 in 1999, and all business sites has acquired ISO 45001 since 2020.



ISO 45001 Certificate

### Operating Procedure for the Health and Safety Management System



1) 'PDCA Cycle' refers to the cycle of Plan-Do-Check-Act.

### Organizational Structure



# Health and Safety

## Safe Working Environment

### Activities to Prevent Safety Accidents

#### Conducting Regular Maintenance Accident-free Workshop

As part of preparations for regular maintenance, Hyundai Oilbank invited CEOs of contracting companies to the Daesan Plant to establish a zero-accident resolution and share best practices for safety management in 2022. In addition, we invited professional instructors from the Ministry of Employment and Labor to conduct special education on the Serious Accidents Punishment Act, encouraging reinforcement of activities to prevent serious accidents.

#### Strengthening Safety Communication through Well-organized Safety Meetings

We have built a safety communication system so that suggestions regarding health and safety made by on-site workers can be delivered to the management.

#### Raising Safety Awareness of the Management

The CSO issues a monthly Safety Letter to proclaim the management's commitment to health and safety and share on-site risk management affairs.

The Daesan Plant makes safety announcements twice a month to remind employees and contractors about the safety rules to be followed for each dangerous work. Further, the CSO sends out daily safety text messages to all employees of contractors at Daesan Plant, continually reaffirming the safety commitment of the management.

#### Safety Education for Gas Stations and Logistics Centers

Hyundai Oilbank provides monthly educational materials to directly-run gas stations and logistics centers in Korea and conducts offline safety education programs at each branch office to raise safety awareness and prevent safety accidents.

#### Activities to Prevent Safety Accidents of Affiliates

The Health and Safety Management Committee of Hyundai Chemical forms resolutions on health and safety decisions. In addition, the Safety Education Center has been established to prevent safety accidents. The safety performance management(KPI) system encourages all employees to participate actively in activities to strengthen safety.



Regular Maintenance Accident-free Workshop



Accident-free Resolution

#### Safety Communication System

- Safety action meetings: Finding on-site risk factors and improvements for each shift, once every month
- Team safety meetings: Supervised by team managers of each department to discuss the matters found by shift employees
- HQ safety meetings: Supervised by the EHS Management Office and organized bimonthly to gather the results of team safety meetings, identify exemplary safety management practices and near misses, and share information on exemplary practices and accidents
- Reporting health and safety suggestions to the management or taking immediate actions



#### Hyundai Chemical Health and Safety Management Committee

- Chairperson: Hyundai Chemical CSO
- Members: All Hyundai Chemical executives, manager of EHS Team
- Reviewing and resolving obligations to secure health and safety

Hyundai Chemical and Hyundai OCI strive to secure safety in the work environment. Hyundai Chemical has strengthened its risk assessment, and Hyundai OCI listens to the opinions at sites to draw up a list of improvement points for risk factors in plants. Hyundai OCI will set aside additional budgets to make improvements this year.

# Health and Safety



Management's activities to settle safety culture

## Safe Working Environment

### Safety Inspection Activities

#### Establishing The Safety Golden Rule and Pedestrian Safety Rules

Hyundai Oilbank established nine The Safety Golden Rule and hosted a proclamation ceremony in 2014. Later in 2021, Hyundai Oilbank established and proclaimed the Pedestrian and Driver Safety Rules based on the firm conviction that observing small safety rules in everyday life is the first step to creating a safety culture.

**Safety Promises of Hyundai Oilbank**

Hyundai Oilbank and all contractors secure the safety of all employees and fulfill safety promises to settle a safety-first culture.


**The Safety Golden Rules of Hyundai Oilbank**

#### Conducting Company-wide Health and Safety Inspection

With the enforcement of the Serious Accidents Punishment Act, Hyundai Oilbank conducts health and safety inspections twice a year to improve the level of serious accident prevention measures at all business sites. The Daesan Plant, Central Research Institute, directly-operated gas stations, oil reservoirs, and logistics centers are inspected. We identify the current status, hazards, and risk factors pertaining to health and safety management based on Article 4 of the Serious Accidents Punishment Act and other health and safety laws.

#### Conducting In-house Inspection on Process Safety Management (PSM)

Hyundai Oilbank conducts annual in-house inspections on the level of PSM. The inspection team composed of PSM experts from Hyundai Oilbank and affiliates and the managers of field departments form a PSM TFT to conduct annual in-house inspections. The inspection team visits field departments every quarter in order to support on-site PSM and prevent serious accidents.

#### Conducting Joint Safety Inspections and Workplace Safety Walk-around Inspections

The management of Hyundai Oilbank and its contractors conduct joint safety inspections bimonthly, and daily safety routine inspections are organized at the contractors' worksites.

#### Appointing a Person in Charge of Safety at Each Department and Safety Inspector in Each Region

A person in charge of safety of on-site production department is responsible for managing health and safety with regard to high-risk tasks. Safety inspectors in the EHS Management Office supervise safety measures before, during, and after work.

#### Regular Inspections at Gas Stations, Logistics Centers, and Research Institutes

Hyundai Oilbank conducts safety inspections at about 260 directly-run gas stations, logistics centers (7 oil reservoirs, 3 lubricant centers), lubricant plants, Central Research Institute, and the Pangyu, Gunsan, Busan Quality Support Center.

# Employees

## Principles

Hyundai Oilbank has stipulated clear responsibilities for employees in the Code of Ethics, such as respect for employees, fair treatment, talent development, and safe working environment and strives to ensure compliance.

### Code of Ethics 'Responsibility Towards Employees'

#### Chapter 6 Responsibility Towards Employees

##### 1. Respect for Employees

- We shall recognize all Employees' inherent value and respect their individual rights and dignity.
- We shall create a work environment where all Employees feel dignity and pride in their work performance.
- To prevent sexual harassment and bullying within the workplace, we shall provide appropriate educational trainings for all Employees.

##### 2. Equal Treatment

- We shall provide all Employees with an equal opportunity to develop their talents and allocate tasks impartially based on their capability.
- We shall not discriminate all Employees based on gender, nationality, religion, academic background, hometown, age and/or any other factors that are not related to their duty.

##### 3. Human Resources Development

- We shall respect our Employees' autonomy and creativity and support their self-development.
- We shall establish a system necessary to carry our all Employees' duty and personal development and also provide an environment where it can be executed.

##### 4. Safe Working Environment

- We shall make our best endeavor to prevent accidents at work and shall ensure all Employees work in a clean and safe working environment.
- We shall hold regular health and safety inspection of our facilities and provide regular safety training to all Employees in order to secure all Employees's safety at work.

## Respect for Employees

### Awareness Education

Hyundai Oilbank conducts annual compulsory statutory education programs, such as sexual harassment prevention education and disability awareness education to raise employees awareness and sensitivity regarding human rights. In addition, in July 2019, definitions and guidelines related to the prohibition of workplace harassment were stipulated and provided to employees.

### Communication Programs and Channels

Hyundai Oilbank engages in various communication activities to ensure seamless communication among employees and create a collaborative working atmosphere.

### Junior Board and Junior Talk Systems

Junior Board and Junior Talk are operated as communication channels for junior-level employees, creating a flexible corporate culture in line with trends in Korea and overseas. By listening to suggestions for improvement, Hyundai Oilbank strives to enhance job satisfaction and improve the corporate culture continually.

### Company-wide Communication

We are strengthening communication between management and employees through town hall meetings and HR sessions to resolve pending personnel issues at each headquarter. These are part of our efforts to practice communication centered on employees.

### Various Communication Channels

Besides the systematic communication channel with the labor union, Hyundai Oilbank operates various communication channels, such as the Labor-Management Council, and Industrial Health and Safety Committee. In particular, online communication channels such as the Warm Contact Exchange Meeting have been introduced recently following the routinized contact-free working-from-home system.

### Change Agent System

Hyundai Oilbank plans to run 'Change Agent system' to spread positive changes among intermediate-level managers. This system will help managers engage in continual management of changes by deriving and implementing tasks for the company and each organizational unit.



# Employees

## Respect for Employees

### Employees Diversity

Since 2003, Hyundai Oilbank has been cooperating with the Korea Employment Agency for the Disabled and employing the mentally disabled as car wash assistants at our directly-operated gas stations. As the end of 2021, 17 disabled car wash assistants have been working for 10 years or longer at 11 directly-operated gas stations in Korea. In addition, Hyundai Oilbank celebrates the National Disabled Day every year by hosting family invitation events. Disabled employees can invite their family members and build precious memories together at the event. We will continue to offer stable job opportunities for the disabled and assist their independence.

### Reverse Mentoring

As the ratio of young employees increase as a result of continued promotion of new businesses, Hyundai Oilbank introduced 'reverse mentoring' in 2020 to close the gap between generations. Reverse mentoring is a policy where young employees serve as mentors of executives and department heads and share the culture of young generations. The policy enables employees to understand each other despite of generational differences and contributes to the creation of young corporate culture. As participants' feedback suggests that the policy also helps new employees adapt to company better, Hyundai Oilbank is considering expanding the policy company-wide. We are consistently developing programs for employees to gain mutual understanding and respect.

### Proposal Policy

In 2014, Hyundai Oilbank introduced the proposal policy, which allows employees to propose new business ideas regardless of their duty in charge. Once an employee proposes an idea, the idea and expected profit improvement effects are assessed in steps. As a result of the assessment, outstanding proposals are selected, and the employee is awarded with prize money. In 2022, Hyundai Oilbank plans to enhance the operation by accepting proposals at all times and reviewing them once every quarter at each department. In addition, we hope to further encourage voluntary participation by expanding the scope of awardee and selecting outstanding proposals for each department. In 2021, Hyundai Oilbank rewarded 134 proposals, and the total profit improvement effect of these proposals was estimated to be KRW 348.5 billion.



# Employees

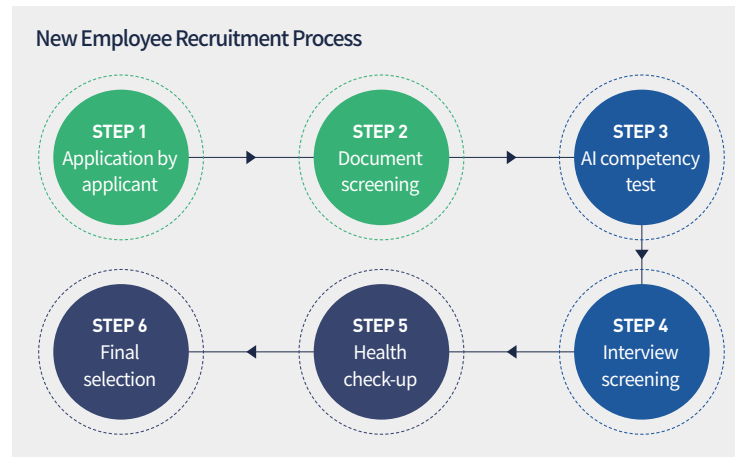
## Fair Treatment of Employees

### Transparent Recruitment

Hyundai Oilbank hopes to recruit creative individuals who can create values pursued by the organization. We try to recruit and train innovative, honest, and reliable individual who work to change our world for the better.

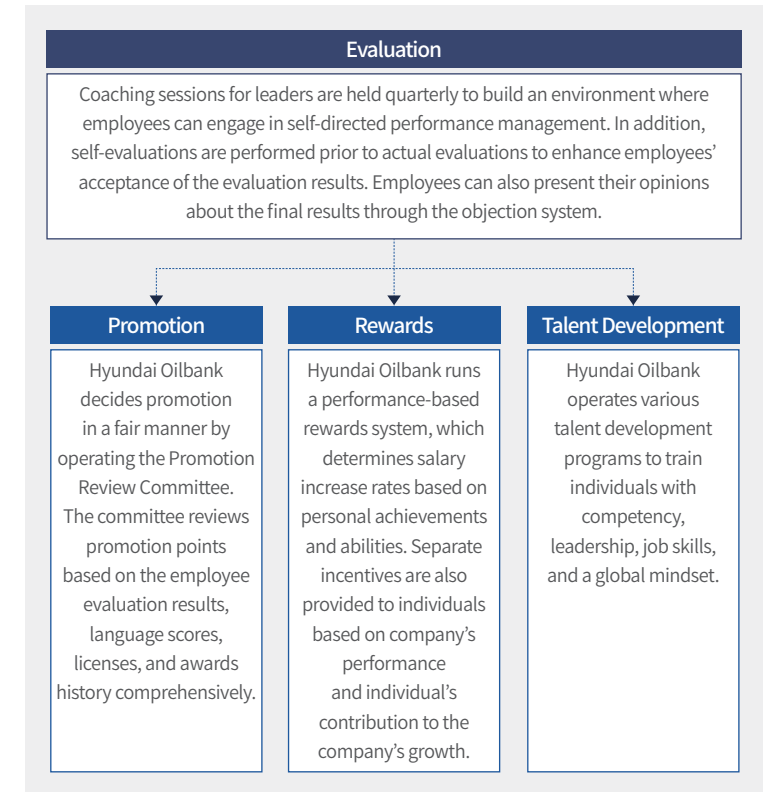
While abiding strictly by the Fair Hiring Procedure Act to secure the fairness of the recruitment procedure, Hyundai Oilbank provides periodic education to its interviewers so that they can evaluate the competency of applicants objectively, ruling out subjective opinions and prejudices.

Hyundai Oilbank prioritizes recruiting talented individuals who can lead the future through transparent and fair procedure.



### Employee Evaluation

Hyundai Oilbank performs objective and fair employee evaluation every year. Evaluation results are used to decide promotions and rewards and drive the growth of excellent employees.



# Employees

## Promoting Happiness of Employees

### Welfare Benefits

#### Support for Stable Living

Hyundai Oilbank provides housing loans to stabilize the residence of employees and cover loan interests. We provide houses nearby for employees working at the Daesan Plant. In addition, employees from remote places are provided with the rent deposit or monthly rents based on separately established operational standards.

#### Support for Family Events and School Expenses

Hyundai Oilbank offers family event allowances and leaves to congratulate and console employees during various family events. School expenses are provided if employees' children attend middle or high schools and universities. Those who were unable to enter university or dropped out of school are provided with fees for private educational institutions.

#### Support for Healthcare

Hyundai Oilbank implements regular health checkup and medical examination policy based on its internal regulations. Medical expenses incurred by employees and their family members(spouse, children) are supported based on the actual expenses, except for copay, within the annual limit.

#### Support for Rest and Rejuvenation

In order to support employees to relax comfortably during their leaves, Hyundai Oilbank offers benefits to employees who visit Hyundai Hotel and enables employees to use various recreational facilities nationwide through condominium memberships. In addition, we encourage employees to use their leaves by operating a focused leave policy.

#### Support for Childbirth and Parenting

In order to reduce the burden in childbirth and parenting, Hyundai Oilbank finances the medical expenses and offers special leaves for employees treating subfertility. In addition, we support shortened working hours during pregnancy, childbirth gifts, schooling and medical expenses for children. We further operate lactation rooms, shortened working hours during the parenting period, family care leaves, daycare centers, and parental leaves.

Hyundai Oilbank provides three months additional to the three-month maternity leave guaranteed by law. Under the '3+3' policy, Hyundai Oilbank pays the full wage for these six months, improving welfare of employees who give birth.

#### Mental Health Care

The Daesan Plant of Hyundai Oilbank operates an in-house consultation policy called 'Counseling Plus.' Under the policy, counseling experts provide professional psychology consultation services on topics such as work stress, interpersonal relationships, and private concerns.

#### Health Promotion Program

Hyundai Oilbank Daesan Plant implements an annual health promotion program called the 'Nice Body Project' to encourage employees to maintain physical health.

# Employees

## Talent Development

### Training System

Hyundai Oilbank has established an training system to manage employees' career, support them pursue continual growth and enhance their competency.

Division	Common Education				Job, Global, and Other Education										
Executives	Education for new executives	Leadership education for executives /team leaders	Mentoring	Course for core talents	Online job training	Online Reading Communication	Com-pulsory education	Foreign language support system	External training	Graduate school support system	Global leaders	Overseas technical training for engineers	Overseas training	DT MIND SET	Job training for engineers
	Education for new team leaders														
Team Leader/ Staff	Intro-ductory education for experienced employees	Educa-tion for promoted employees	Common compe-tency education												
	Intro-ductory education for new employees														

### Employee Career Development

#### Job Rotation Program

Job rotation program is operated based on the job record cards. Employees fill out job record cards for self-directed design and management of their career.

#### Career Development Session

Hyundai Oilbank plans to introduce Career Development Session in 2022 to support employee's career development. We are also preparing a coaching program for team managers to cultivate leadership skills.

#### Regular Interview

Through regular interviews on MBO<sup>1)</sup> (held four times a year) and CDP<sup>2)</sup>, team managers motivate and provide feedback to employees so that they can set goals and be more immersed in work.

1) Management By Objectives

2) Career Development Plan

# Employees

## Talent Development

### Strengthening Employees' Competencies

#### Competency by Position and Leadership

Hyundai Oilbank promotes the development of common leadership and performance competency by providing introductory training for new employees, trainings for individuals promoted to each position, and trainings based on years of service. Leader groups, ranging from department heads to top management, are enrolled in leadership courses to strengthen their business capabilities.

#### Industrial Understanding

Hyundai Oilbank has been operating an online practical training course for ten years to enhance new employees' understanding of the oil refinery business. In 2021, Hyundai Oilbank established the first petrochemistry course in the industry.

#### Job Skills

Hyundai Oilbank is running a systematic curriculum across nine fields, including chemical engineering, mechanical engineering, and safety, in order to strengthen engineers' job expertise. In addition, we provide online courses at all times to cultivate various function-related capabilities, such as sales, finance, accounting, and job-related capabilities, such as presentation and language skills.

#### Job Expertise

Hyundai Oilbank supports employees who pursue MBA or master's and doctorate degree in engineering graduate school, as well as those who aim to acquire licenses. Such efforts allow Hyundai Oilbank to grow as a global energy company.

#### Global Competitiveness

Hyundai Oilbank provides overseas training programs for employees in various positions to enhance their global competitiveness. Talent development programs run by the Hyundai Heavy Industries Group assist our employees in becoming future leaders. In addition, our foreign language support system helps employees study foreign languages and foster global competency.

#### Digital Competency

In 2022, Hyundai Oilbank started to conduct Digital Transformation(DT) training program for all employees, focusing on cultivating DT experts to expand the DT culture.

# Employees

## Labor-Management Culture

### Labor Union

The labor union of Hyundai Oilbank, established in 1988, comprises of four full-time union workers and 43 representatives.

Hyundai Oilbank guarantees that its employees can freely join the labor union and participate in union activities. As of December 2021, all 812 eligible employees are members of the labor union.

### Collective Agreement

Hyundai Oilbank abides by the collective agreement signed with the labor union and complies with all relevant labor-related laws.

The collective agreement of Hyundai Oilbank has helped to build a stable labor-management relationship by stipulating that any matters significantly affecting the employment stability of union members shall be handled through negotiations with the labor union. Significant changes in business, such as mergers, transfers, and divestitures, must be discussed with the labor union in advance.

### Stable Labor-Management Relationship

Hyundai Oilbank gathers opinions from the labor union via diverse channels of communication, such as the Labor-Management Council and Occupational Health and Safety Committee. Based on such activities, Hyundai Oilbank has maintained a stable labor-management relationship free of disputes for 34 years, since the establishment of labor union.

Hyundai Oilbank has established an unprecedented cooperative relationship by declaring no strike and wage-freezing for four consecutive years from 2011 to 2014. As a result, Hyundai Oilbank received commendation from the Ministry of Labor for its excellent labor-management culture in 2004 and 2012. Hyundai Oilbank also had the honor of winning the 'Presidential Award for Labor-Management Culture' in 2014.

### Company Newsletter

Hyundai Oilbank publishes company newsletter every month in order to deliver major news and industry trend, and share information on employees. As a result, company newsletter connects employees together and serves as a communication channel.



# Employees

## Innovation of Corporate Culture

### Horizontal Organizational Culture

Aiming to settle and expand a horizontal culture, Hyundai Oilbank and energy affiliates reorganized the job position system in January 2022, integrating five levels of job position (department head, deputy head, section manager, assistant manager, employee) into three levels (chief manager, senior manager, manager). Through this system, we have created an efficient work culture where decisions are made horizontally and swiftly instead of a top-down corporate culture.

### Creating Hybrid Work Environment

Hyundai Oilbank is continually improving the living environment of employees who work at the Daesan Plant located in Seosan, Chungcheongnam-do, to reduce their inconveniences.

For a flexible work environment, Hyundai Oilbank will implement a remote working system for engineers in the capital area by establishing operations plans for each organization.

### Innovating Way of Working

Beyond the contact-free work environment that was initiated by COVID-19, Hyundai Oilbank seeks a transition in the way of working by building an innovating work environment that both satisfies employees and produces meaningful outcomes.

Through gathering opinions from employees, Hyundai Oilbank is considering various work patterns such as working from home and seat selection system.

In addition, Hyundai Oilbank plans to promote innovation projects such as the settlement of a paperless work culture that would remove unnecessary tasks and simplify inefficient work processes.

environment along with the office relocation to GRC(Global R&D Center) scheduled in the end of 2022.

### Work Life Balance

#### Time-selective Work System

Hyundai Oilbank operates a 'time-selective work system,' where employees can adjust their clock-in and clock-out times to keep the work-life balance and increase work efficiency.

In particular, the Daesan Plant has a 'Friday noon clock-out system' to help employees from remote areas, such as the capital area, go home without traffic issues.

#### Support for Hobbies and Leisure Activities

Hyundai Oilbank runs a self-approval system for employees to use their leaves freely. There are welfare benefit systems in operation to support various hobbies and leisure activities, including camping support and online one-day classes.



# Suppliers

## Supply Chain ESG Management

### Health and Safety Management Systems of Suppliers

Hyundai Oilbank establishes plans to strengthen health and safety management, delivers them to suppliers, and reviews operating status and results based on document reviews, on-site evaluation, and interviews with suppliers' employees. Moreover, Hyundai Oilbank continually monitors the diagnostic results and supplements matters that require improvement.

■ : Hyundai Oilbank ■ : Suppliers





# Suppliers

## Supply Chain ESG Management

### Supply Chain Evaluation

#### Selecting Companies Through Comprehensive Evaluation

Hyundai Oilbank conducts a comprehensive evaluation of safety, technology, and contract amount when selecting companies. The supplier selection standards have been reestablished recently to select qualified suppliers in terms of safety based on effective evaluation standards.

#### Focused Evaluation Standards

The safety and technical competency of companies are evaluated based on four grades (S, A, B, C), and C-grade companies are excluded from selection. In addition, we doubled the ratio of the safety score compared to other areas to prevent serious accidents.

#### Next Plans

In the future, Hyundai Oilbank plans to implement ESG evaluation on suppliers by a third-party agency using objective data in areas such as environment, health, safety, human rights, and labor. By identifying and managing supply chain risks through continual evaluation, Hyundai Oilbank aims to boost the ESG capabilities of its suppliers.

## Win-Win Cooperation

### Supporting Cost of Acquiring Certification

Since 2020, Hyundai Oilbank is supporting the cost of acquiring health and safety management system certification (KOSHA 18001) of residing suppliers. Through this system, Hyundai Oilbank encourages suppliers to build an autonomous safety management system, and certifications are reflected in regular evaluations of suppliers.

### Supporting Suppliers

#### Early Payment Before Traditional Holidays

When our suppliers in charge of extension construction and new projects complete material delivery and construction, we make early payment of prices before traditional holidays to help our suppliers operate their funds seamlessly.

#### Three-time Payments a Month

Hyundai Oilbank makes its payments three times a month, on the 5th, 15th, and 25th days, to all suppliers to reduce their financial difficulties.

## Comprehensive Evaluation – Preliminary Safety Evaluation

Among evaluations to review qualification of suppliers, safety evaluation focuses on evaluating five items: Health and safety management systems; composition and operation of health and safety organization; level of industrial accidents; risk assessment; and planning and implementation of health and safety activities.

Our company has established 16 detailed indicators under five items to be reflected in the evaluation score to fairly select suppliers with appropriate health and safety capabilities.

We inspected non-financial risk factors by conducting safety evaluations using fair and objective indicators, evaluating about 150 suppliers for 50 contracts that involved a high probability of industrial accidents in the 1st quarter of 2022 (December 2021–March 2022).

In addition, Hyundai Oilbank progressively sophisticates its processes by regularly evaluating the appropriateness and usefulness of the preliminary evaluation method upon establishing new health and safety goals.

### Prior Safety Evaluation Standards

Item	Detailed Indicator	Item	Detailed Indicator
Health and safety management systems	Health and safety management policy	Previous health and safety activity plans and outcomes of our company/ other companies	Health and safety education
	Health and safety goals and promotion plans		Health and safety inspection
	Certification of health and safety management systems		Safety management for hazardous and dangerous works
Composition and operation of health and safety organizations	Composition, authority, and responsibility of health and safety management organization		Management of hazardous and dangerous machines and instruments
	Competency of health and safety organization and qualification, career, and experience of employees		Accident management
	Appropriateness of health and safety management questionnaire for health and safety authorities		Response to emergencies
Level of industrial accidents	Industrial accident rate compared to industrial accident rate		Health management
Risk assessment	Details of risk assessment		Management of subcontract suppliers

# Customers

## Responsibilities for Customers

Hyundai Oilbank declares its responsibilities for customers through the Code of Ethics and strives to observe such responsibilities.

### Chapter 2 Commitment to Our Customers

#### 1. Customer Satisfaction

- We recognize that customer satisfaction is best achieved with supplying the highest quality products on time and we shall make our best efforts to achieve this goal.
- We recognize that customers are the foundation of our company [the "Company"]'s inspiration and development. Customer satisfaction shall be our top priority and basis of our decisions and actions.
- We shall preserve our customers' interests and safety.

#### 2. Improvement of Customer Value

- We commit ourselves to providing customers with material value and services based on the idea that our customers' success leads to the Company's success.
- We shall offer the best quality products and services at a reasonable price and actively take our customers' suggestions into account.

## Quality Management

### Quality Management Regulations

Hyundai Oilbank endeavors to reach the world's top quality level by establishing the Quality Guideline. There are other detailed regulations in operation.

### Quality Policy

For the sustainable growth of the company, Hyundai Oilbank recognizes quality as the top priority of the company. To become a company trusted by customers by providing high-quality products and the best service. Efficiently strive to improve the quality system, strive for the prosperity of the local community as well as customers, and take the lead in ethical management to become a respected company. We make sustainable efforts to secure a competitive edge in quality.

With this management will, we strive to reach the world's highest quality level.

- All employees recognize that quality is the core mission.
- To secure quality competitiveness, we comply with international standards including our internal regulations and standards.
- Systematically manage quality for continuous improvement of performance.
- Establish and maintain the highest level of quality management corporate culture and organizational capabilities through continuous awareness raising and education and training.

### Quality System Diagram

#### 1st priority document

Quality Manual

#### 2nd priority documents

General regulations, quality regulations

#### 3rd priority documents

General standards, work standards, work manuals, product specifications, raw and side material specifications, instructions

### Quality Management Certification

With strict quality control, Hyundai Oilbank is annually certified for fuel quality at gas stations by the Ministry of Trade, Industry and Energy (Korea Petroleum Quality & Distribution Authority) and the Ministry of Environment. In addition, Hyundai Oilbank has demonstrated top-tier reliability of its quality tests for all oil types and items from 2014 through the 'comparative precision test on fuel oils, LPG, and asphalt' hosted by the Korea Petroleum Quality & Distribution Authority, in which four major oil refining companies and laboratories of various petroleum companies in Korea. Hyundai Oilbank continually maintains its international quality control capability by annually renewing ISO 9001 quality management system certification.

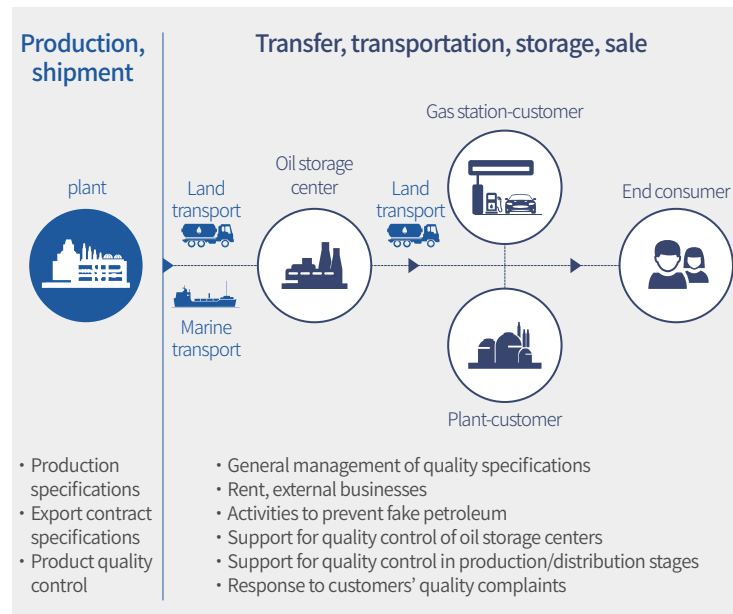


# Customers

## Quality Management

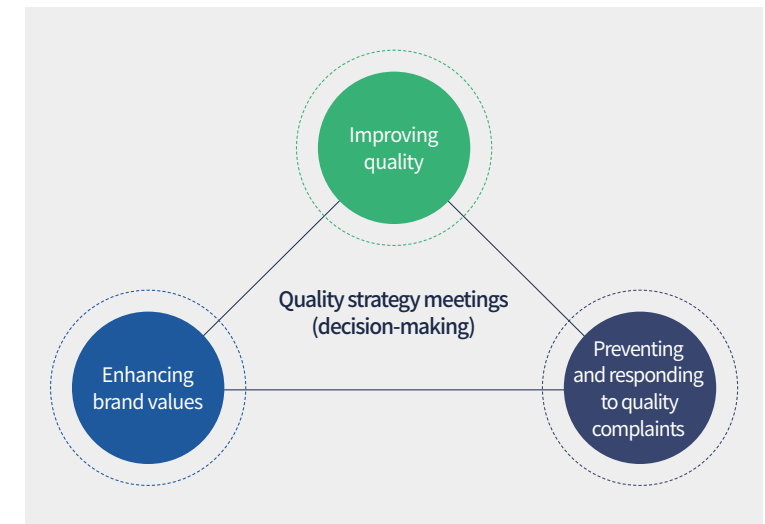
### Quality Management System

Hyundai Oilbank strives to find and remove factors that can cause quality risks throughout the lifecycle of products, from production to sale. In addition, Hyundai Oilbank implements follow-up tasks to prevent the recurrence of quality risks, such as establishing measures and applying them company-wide.



### Company-wide Quality Strategy Meetings

Hyundai Oilbank conducts company-wide quarterly quality strategy meetings to prevent customers' quality complaints and recurrences and remove quality risks.



#### Details

- Responding to quality complaints in the distribution stage and establishing recurrence prevention plans
- Coordinating quality-related tasks between sales and production
- Managing quality risk prevention in storage facilities
- Responding to policies related to the Petroleum Business Act
- Analyzing and reporting quality trend information of global petroleum products

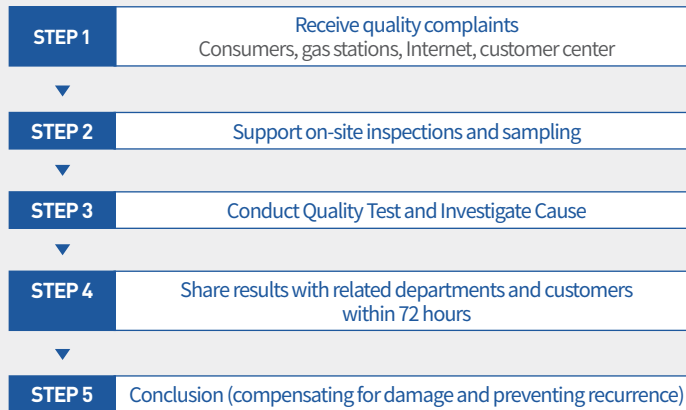
# Customers

## Quality Management

### Quality Complaint Response System

The Quality Control Team of Hyundai Oilbank handles quality complaints of customers. The team takes swift measures by discussing complaints with related departments and shares the results with customers. Even when the causes of complaints are unclear, we always visit customers within 72 hours to discuss the matter.

#### Quality Complaint Handling Procedure



### Quality Control Activities

#### Conducting Quality Tests and Inspections

Hyundai Oilbank conducts quality inspections according to legal regulations in all distribution stages, from production to sale of products. Prior quality inspections are performed throughout the year for thorough control of product quality.

### Operating Mobile Lab Vehicles

Hyundai Oilbank has invented mobile lab vehicles mounted with the latest experimental devices to strengthen quality services of affiliated gas stations, respond to quality complaints of customers, and prevent abnormal petroleum. Beyond collecting samples at sites, we analyze products with customers at their sites and provide results, aiming to agilely respond to quality claims and build the trust of customers.



### Operating Customer Quality Support Centers

Hyundai Oilbank operates Customer Quality Support Centers with cutting-edge experimental and analytical devices in Pangyo, Gunsan, and Busan to actively cope with various quality complaints and handle technical duties for preventing and managing quality risks in the distribution stage. Customer Quality Support Centers collect samples for quality testing and promptly notify related departments and customers of the test results.

### Conducting Regular Quality Education for Employees

Hyundai Oilbank conducts regular quality education for all salespersons and gas station operators. The 'Quality Control Guide of Hyundai Oilbank' is published every year to guide all employees on the response to quality complaints of customers.

### Providing Hazard Information

Hyundai Oilbank provides hazard information related to products and services to ensure the health and safety of customers, strictly abiding by health and safety regulations.

# Customers

## Customer Satisfaction Services

### Customer-centered Marketing

Hyundai Oilbank conducts marketing activities while prioritizing customer satisfaction. We continue to communicate with customers and provide various customer-centered services to diversify trends, satisfy the needs of customers, and settle inconveniences of customers.

In the future, Hyundai Oilbank will continue to reflect the opinions of customers and improve shortcomings through communication, offering the optimal services desired by customers.

### Building Various Communication Channels

Hyundai Oilbank strengthens its communication with customers using various channels, such as the customer center, website, and ARS. Counseling services are provided based on the 'Speedy, Easy, and Simple' principles. Hyundai Oilbank places continual improvement efforts, preparing and managing manuals to handle complaints agilely and enhance customer satisfaction services.

In addition, Hyundai Oilbank communicates with customers by operating various programs and providing benefits using online platforms (bonus card website/app), such as credit card/affiliate-linked promotions and retention promotions.

Hyundai Oilbank will continually strive to become a company familiar to consumers.

### Improving Service Quality

#### Call Center and Counselors

The Hyundai Oilbank Call Center has a '333 Response System,' which means 'receiving calls within 3 seconds, completing counseling within 3 minutes, and completing reply to inquiries within 30 minutes,' based on the philosophy that 'time is the greatest asset to customers.' Hyundai Oilbank consistently improves the capabilities of counselors with in-house on-the-job training programs and various training programs run by external institutions.

### Professional Service Consulting Organization

Hyundai Oilbank operates a professional service consulting organization comprising regional market designers (MD). By managing the unique and standard corporate identity (CI), Hyundai Oilbank increases the reliability of products and spreads the service manual (DWS) for customer satisfaction and safety.

### 'Blue Clean Activity' at Gas Stations

Under the slogan for Blue Clean Activity allowing customers to use clean gas stations, Hyundai Oilbank has introduced a system that regularly improves the environment and strengthens the safety of company operated gas stations, providing differentiated services that satisfy customers. In addition, Hyundai Oilbank standardizes gas station services to improve its customer services in various ways.

### Service Quality Award from Association

In 2021, Hyundai Oilbank was ranked 1st for gas stations in the 'Korean Standard Well-being Environment Index (KS-WEI)' supervised by the Korean Standards Association. KS-WEI surveys general customers in the five largest cities and the capital area in Korea about the well-being of products and services, thus contributing to the creation of eco-friendly consumption culture.

### Consumer Index Awards

- Selected as an Outstanding Call Center by the 'Korean Service Quality Index (KSQI)' supervised by the Korea Management Association Consulting for 13 consecutive years
- Ranked 1st among gas stations by the 'Korean Standard-Service Quality Index (KS-SQI)' supervised by the Korean Standards Association for 7 consecutive years
- Ranked 1st among gas stations by the 'Korean Standard Well-being Environment Index (KS-WEI)' supervised by the Korean Standards Association

# Customers

## Customer Satisfaction Services

### Strengthening Online Platform Businesses

Hyundai Oilbank accurately identifies the diversifying needs of consumers and actively responds to the changing marketing environment by engaging in diverse marketing activities.

The Bonus Card app (BLUE) is undergoing a full-scale renewal to upgrade the online platform business to follow the trends of the contact-free age.

A one-stop system has been applied to 'Refueling Reservation,' a contact-free refueling payment service that allows users to make payments and refueling reservations using an app. Many payment methods are offered for increased convenience.

In addition, Hyundai Oilbank is about to launch a new paid membership service for discounts on refueling and car washing. Car-related services like visiting car wash and visiting light maintenance are available on the app. Members of Bonus Card can enjoy a total car service.

### Expanding Affiliate Marketing

Hyundai Oilbank entered into business partnerships with leading companies in Korea for department stores, online shopping, automobile, food and beverages, and dining to expand the use of Bonus Card mileage points.

Mileage points are linked to Blue Points of Hyundai Motor Company and Red Points of Kia Motor Company. Besides refueling, consumers can use their mileage points to receive total car care, such as purchase and maintenance.

In addition, Hyundai Oilbank introduced a convenient payment service with Kakao Pay and Naver Pay to increase the convenience of customers. Customers who visit Hyundai Oilbank can pay for refueling using their smartphone without using credit card or cash.

### Business Partner for Mutual Growth

Hyundai Oilbank strives to provide useful help to business partners that run gas stations and charging stations. A co-purchasing system is in place to purchase promotional materials at low prices, and gas stations and charging stations can attract customers through various mass promotions and events like New Rice Promotion.

In addition, the 'Honeymoon Program' is conducted for newly opened business sites. The program gives away welcome gift boxes, offers a consulting service on service operations, and helps plan sales promotions. There are other family care programs like birthday presents and mutual aid supplies.

#### CASE

##### Superrace Sponsorship

As a part of our sales promotion activities to raise brand awareness and expand stations that sell high-grade gasoline, Hyundai Oilbank is participating in the CJ Logistics Superrace Championship, the largest racing competition in Korea, as the official fuel supplier for four consecutive years. 'KAZEN,' high-grade gasoline of our company, has been selected as the official fuel of the Super Race and is used by all participating cars. We use this sponsorship to find new marketing opportunities and invite customers.



# Customers

## Information Security and Personal Information Protection

### Information Protection Management System

Hyundai Oilbank has been certified with its systems for protecting information and personal information pursuant to the Act on Promotion of Information and Communications Network Utilization and Information Protection, etc., striving to strictly abide by relevant laws.

Our company maintained the PIMS, a certification in Korea for personal information protection systems, from 2017 to 2019 and has been maintaining ISMS-P certification since 2020.

Moreover, an external security consulting company annually inspects and supplements our systems.



### Information Protection Organization

Hyundai Oilbank strengthened its capabilities by separating the information security part, which belonged to the IT Department, into a standalone organization in 2021.

The information security organization has built a system to manage information security managerially and technologically, including investments for company-wide information security, enhancement of employees' security awareness, diagnosis of vulnerabilities, and establishment of security policies.

The information security organization flexibly responds to internal and external security threats and takes agile measures in cooperation with professional security companies.

The organization closely collaborates with the information security organization of the Group to improve the level of information security throughout affiliates of the Group.

### Information Protection Organization

#### Information Security Organization

**Information Protection Officer**

- General manager of information protection
- Convenes Information Protection Committee meetings and introduces agendas

**Information Protection Manager**

- Establishes and executes plans for protecting information
- Implements and manages various matters during emergencies

#### Employee in Charge of Information Protection

- Prevents and responds to information protection accidents
- Regularly inspects technical security vulnerabilities

#### Organization Protecting Personal Information

**Personal Information Protection Officer**

- General manager of personal information protection
- Handles personal information infringements

**Personal Information Protection Manager**

- Establishes and executes plans for protecting personal information
- Reviews regulations for personal information protection of related institutions

#### Employee in Charge of Personal Information Protection

- Handles complaints related to personal information and relieves damage
- Conducts regular/non-regular inspection of companies entrusted to handle personal information

# Customers

## Information Security and Personal Information Protection

### Information Security Monitoring

Hyundai Oilbank installs and operates various security equipment to detect and block external hacking threats and internal abnormalities.

DDoS protection equipment, web firewall, and intrusion prevention system (IPS) are used to detect and block external hacking attacks and unauthorized access. Hyundai Oilbank builds and operates a defense system against emails attempting APT attacks.

In addition, we monitor malicious data leakage by insiders using a data leakage prevention system and a medium control system. By analyzing internal network traffics, we check for abnormal behaviors.

Logs generated by each system are collected in real-time by the security control and analytical devices and monitored 24/7. Furthermore, Hyundai Oilbank continually improves and sophisticates security equipment to cope with security threats that are becoming intellectualized.

### Vulnerability Diagnosis and Response to Security Accidents

Hyundai Oilbank establishes investigation and response process when security accident arises and conducts annual infringement response training to prepare for quick accident responses.

In addition, Hyundai Oilbank identifies vulnerabilities that can cause infringements by hosting website hacking simulations and performing vulnerability diagnoses twice a year. Furthermore, Hyundai Oilbank guarantees the rights and interests of information owners by taking out indemnity insurance to cover indemnities for infringement accidents.

### Handling Personal Information

Hyundai Oilbank places continual efforts to safely manage personal information and improve the level of personal information protection.

The personal information system network has been separated to build an environment for safe use, and risks are minimized by inspecting the company entrusted to handle personal information at least once a year. Hyundai Oilbank also monitors and controls violations of relevant laws.

### Information Security Education and Training

Hyundai Oilbank conducts regular information security education for its employees to protect information. In particular, employees who handle personal information are annually educated on personal information protection to raise the level of personal information protection.

In addition, employees receive simulated malicious email training at least twice a year to improve their security awareness. Monthly information security newsletters are sent out to all employees to inform the latest security trends and in-house security rules.





# Local Communities

## Social Responsibility

Hyundai Oilbank aims to fulfill its corporate social responsibility by supporting neighbors who are neglected in our society to live a better life. We also spread the donation culture by encouraging many employees to voluntarily participate in donations and volunteer activities.

### Code of Conduct

#### Chapter 5 Social and National Responsibility

##### 2. Contribution to Social and National development

- We shall contribute to the development of our national economy and the community through improving productivity, creating jobs, paying correct tax, etc.
- We shall fulfill our societal role and responsibility faithfully and assist the development of the local community.
- We shall work to preserve nature, maintain clean environment, and observe all relevant laws and regulations.

## 1% Nanum Foundation

In September 2011, employees of Hyundai Oilbank decided to donate 1% of their payroll to help out neighbors in need and established the 1% Nanum Foundation. Hyundai Oilbank became the first Korean conglomerate to have employees donate 1% of their payroll every month. After establishing the Foundation, gas stations and suppliers of Hyundai Oilbank started to make donations one after another. After our establishment, other conglomerates started to establish foundations based on the donation of employees. By doing so, Hyundai Oilbank presented a new donation paradigm to our society.

In 2020, the scope of the 1% Nanum Foundation was expanded from Hyundai Oilbank to employees of all affiliates of the Hyundai Heavy Industries Group to grow the size of sharing. The Foundation was acknowledged for its social contributions based on voluntary participation and sharing of employees by receiving the Prime Minister's Citation at the 2019 Korea Sharing National Awards.

Employees of Hyundai Oilbank enthusiastically participate in the planning and operation of Foundation's projects.

### Youth Scholarship Project

In 2021, the youth scholarship project funded 200 children of maritime police officers, truck drivers, and vulnerable families.

### 1% Sharing Nest

The volunteer activity that rebuilds houses burned by fire, which had been consistently performed by employees at Daesan Plant, was incorporated into a project called '1% Sharing Nest.' Through this project, we rebuilt a house and constructed a temporary movable house.

### Heating Oil of Love

Hyundai Oilbank selected about 450 vulnerable households and facilities around the country to conduct the 'Heating Oil of Love' Project by means of providing heating oils and supporting repair constructions to improve heating efficiency.

### 1% Sharing Meal House

'1% Sharing Meal House' is one of the representative projects of the Foundation, providing lunch meals to vulnerable elders at senior welfare centers. Hyundai Oilbank runs five 1% Sharing Meal Houses in regions like Seoul, Busan, Daejeon, and Seosan.

### Barrier-free Films

In 2021, barrier-free versions of the films House of Hummingbird and The Kindness of Strangers were made. This project is intended to increase the cultural accessibility of the visually and hearing impaired.



Heating Oil of Love



Barrier-free Films

# Local Communities

## Local Community Contribution Activities

### Win-Win Activities

As a member of the local community, Hyundai Oilbank vigorously promotes various social contribution projects seeking win-win development of the company and residents.

### Local Rice Purchase Project

Hyundai Oilbank has been purchasing local rice worth KRW 1 billion per year since 2003 to stabilize rice sales of local farmers. Purchased rice is donated in the name of 'Sharing Rice of Hope and Energy' to low-income families and social organizations in 15 cities and districts of Chungcheongnam-do.



Local Rice Purchase Project



Sea Tending Project



Sharing Kimchi of Love Event



Hwagok Reservoir Park Project

### Sea-Caring Project

The 'Sea-Caring Project' has been carried out since 2003 by spending KRW 200 million each year, releasing fish into the sea nearby our plant. In 2021, we released 250,000 small fries of rockfish into the coastal sea of Samgilpo. Through this project, Samgilpo has grown into Korea's largest rockfish distributing center and is producing income for fishers. The Rockfish Festival is hosted to revitalize the regional economy.

### Hyundai Oilbank Scholarship foundation

The Hyundai Oilbank Scholarship foundation was established in 2006 to offer scholarships to middle school, high school, and university students in regions near the Daesan Plant it endowed scholarships to 100 local students from the nearby regions in 2021.

In addition, university entrance information sessions are held for students and parents in places that relatively lack access to information compared to metropolitan cities. Undergraduates about to graduate are given an opportunity to explore career paths through job-seeking and career expositions.

### Kimchi-making Charity Event

The 'Kimchi-making Charity Event' event has been held every October since 2012, involving local organizations and employees. In the event, participants make kimchi for the winter and deliver it to neighbors in need nearby the plant, such as elders who live alone. In 2021, about 30 employees made 3,000 kg of kimchi.

### Activities to Preserve Community Environment

Employees who work at our plant continue their efforts to protect the marine environment by cleaning the coast. Hyundai Oilbank actively promotes sea purification activities in Samgilpo and projects demolishing large-sized waste in villages. Moreover, we endeavor to create natural shelters for residents by preserving trees, cleaning coasts, and managing ecological parks.

### Hwagok Reservoir Park Project

The 'Hwagok Reservoir Park Project' was promoted in June 2014 to build a trail in the Hwagok Reservoir located near the plant. Hyundai Oilbank is consistently maintaining the park by conducting an environmental improvement project, spending about KRW 50 million every year.

# Local Communities

## Local Community Contribution Activities

### Public Services and Sponsorship

#### Sisterhood with Marine Corps Yeonpyeong Unit

Hyundai Oilbank formed a sisterhood with the Marine Corps Yeonpyeong Unit in 2012. Since then, Hyundai Oilbank has been holding invitational and military consolation events every year. In 2021, we donated 200 spine correction chairs to improve the health of soldiers and installed basketball hoops in gyms.

#### Jointly Operating Youth Soccer Program

Hyundai Oilbank started to jointly operate a youth soccer program with the Korea Professional Football League in 2020. The 2nd season of ‘Dream Assist’ took place in 2021, recruiting 23 young soccer players and providing one-on-one mentorship of professional soccer players.



Dream Assist

### Supporting Public Organizations

Since 2005, Hyundai Oilbank has been enhancing public service projects in the region by supporting representative public organizations, such as voluntary crime prevention groups, volunteer firefighting groups, lifesaving groups, and Junior Chamber International (JCI).

### Volunteer Activities of Employees

#### Happiness Sharing Volunteer Program

In 2005, employees of Hyundai Oilbank began to participate in the ‘Happiness Sharing Volunteer Program’ to visit places that need a helping hand.

Hyundai Oilbank runs a matching grant to donate a fixed amount for every hour of volunteer activities performed by employees. We also donate supplies worth up to KRW 2 million for each place where our help is needed to make a better world.

In 2021, a total of 4,157 hours of volunteer activities was performed by our employees, which was mostly spent on contact-free activities due to the COVID-19 social distancing policy. We made 1,600 mask straps and 130 cushions made of recycled sock scraps and delivered them to 133 childcare facilities and senior welfare facilities.

Total hours of volunteer activities performed by employees in 2021

 **4,157** hours

### Hiring the Disabled

Hyundai Oilbank has been operating a program to create jobs for the disabled with the Korea Employment Agency for the Disabled since 2003. Seventeen disabled employees, including the severely disabled, have been working as car wash assistants at 11 directly-run gas stations around the country for ten years or longer, fulfilling their roles as members of society.

Furthermore, Hyundai Oilbank hosts a picnic event and invites families of disabled employees so that they can build good memories. In 2021, gas station uniforms were provided twice for free.

# GOVERNANCE

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Green Leadership  
with Transparency

ESG

# Governance

## Leadership of Board of Directors

### Roles and Composition of Board of Directors

The Board of Directors makes strategic decisions about pending issues of management, secures transparency of management by providing advice and monitoring, and allows the company to achieve greater values. The Board of Directors appoints the CEOs, supervises the job performance of the management, and presents opinions. Hyundai Oilbank pursues transparency and efficiency of business management through BOD activities and strives to gain trust from shareholders, investors, and markets.

The Board of Directors of Hyundai Oilbank is comprised of seven members, including two inside directors elected at the general meeting of shareholders, one non-standing director, and four outside directors. The CEO serves as the chairman of the Board of Directors. The Board of Directors is a body that makes decisions about the work proceedings of the company. It deliberates on and resolves major decisions related to management activities, such as the improvement of financial structures, investments, and other affairs, based on liberal and in-depth discussions.

★ : Chairman, (As of March 2022)

Division	Name	Gender	Specialty	Term	Committee Activities	Career
CEO (BOD Chairman)	Kang Dal-ho	Male	-	2 years	Outside Director Candidate Recommendation Committee ESG Committee	Current) CEO, Hyundai Oilbank
CEO	Chu Young-min	Male	-	2 years	-	Current) CEO, Hyundai Oilbank
Non-standing director	Samer A. Hokail	Male	Global network	2 years	ESG Committee	Current) General Manager, Saudi Aramco Affiliates (2021-) CEO, Saudi Petroleum International (2016-2021)
	Lee Kyoo-yong	Male	Environment	3 years	Audit Committee Outside Director Candidate Recommendation Committee Committee for Internal Transactions ESG Committee★	Current) Senior Advisor, Kim & Chang Law Firm Minister, Ministry of Environment (2007-2008) Deputy Minister for Policy Management and Public Information Office, Ministry of Environment (2003-2006)
Outside directors	Kim Hyun-Woong	Male	Law	3 years	Audit Committee Outside Director Candidate Recommendation Committee★ Committee for Internal Transactions ESG Committee	Current) Managing Partner, Barun Law LLC Current) Outside Director, Hotel Shilla (2022-) Minister, Ministry of Justice (2015-2016) Chief Prosecutor, Seoul High Prosecutors' Office (2015)
	Hahn Hoon	Male	Corporate management	2 years	Audit Committee Outside Director Candidate Recommendation Committee Committee for Internal Transactions★ ESG Committee	Current) Visiting Professor, Graduate School of Engineering Practice, Seoul National University (2016-) Vice President, KT Management Planning Sector (2014-2015) Director, Space Information Industry Promotion Agency (2012-2014) CEO, KT Networks (2009-2011)
	Choi Sun-hwa	Female	Finance	3 years	Audit Committee★ Outside Director Candidate Recommendation Committee Committee for Internal Transactions ESG Committee	Current) Associate Professor, Business School, Seoul National University Current) Outside Director, Kiwoom Securities (2021-) Assistant Professor/Associate Professor, College of Business Administration, Sungkyunkwan University (2017-2020) Assistant professor, Management School, Lancaster University (2011-2018) Supervisory Senior, KPMG Korea (2001-2004)

# Governance

## Leadership of Board of Directors

### Transparency of Board of Directors

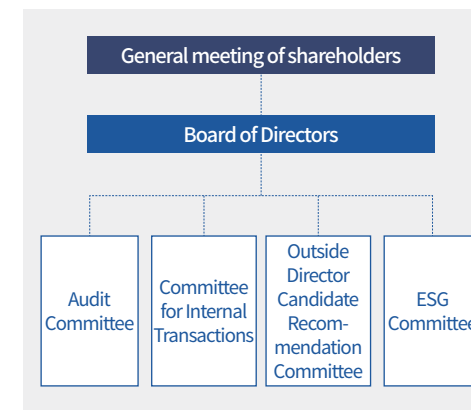
Directors are appointed by the resolution of shareholders at the general meeting of shareholders pursuant to Article 382 of the Commercial Act. Inside directors are appointed among candidates recommended by the Board of Directors, and outside directors are appointed among candidates recommended by the Outside Director Candidate Recommendation Committee pursuant to Article 542-8 of the Commercial Act. Based on the regulation, the majority of members of the Outside Director Candidate Recommendation Committee shall be comprise of outside directors. The Outside Director Candidate Recommendation Committee of Hyundai Oilbank is comprise of one inside director and four outside directors, abiding by the regulation. Candidates for outside directors are recommended based on a fair procedure. The term of directors is defined as 1-3 years, according to the articles of incorporation.

### Diversity and Expertise of Board of Directors

The Board of Directors appoints directors by considering professional capabilities in areas essential for decision-making, such as energy, chemicals, law, environment, corporate management, accounting, finance, and global network. Based on such expertise, the Board of Directors makes reasonable decisions with a deep understanding of corporate and business systems. In 2022, we are placing efforts to secure gender diversity by appointing a female outside director.

## Board Committee

Hyundai Oilbank installed four committees to strengthen the independence, expertise, and efficiency of the Board of Directors, including the Audit Committee, Committee for Internal Transactions, Outside Director Candidate Recommendation Committee, and ESG Committee. All committees were installed and organized in accordance with the articles of incorporation and regulations. They are operated according to the regulations of each committee (Audit Committee Regulation, Outside Director Candidate Recommendation Committee Regulation, Committee for Internal Transactions Regulation, ESG Committee Regulation).



### Composition and Roles of Board Committee

(As of March 2022)

Division	Member	Role
Audit Committee	Lee Kyoo-yong Kim Hyun-woong Hahn Hoon Choi Sun-hwa (chairman)	<ul style="list-style-type: none"> <li>Accounting and business audits</li> <li>Demanding sales reports and investigating financial status of the company</li> <li>Handling matters defined in laws or articles of incorporation and matters delegated by the Board of Directors</li> <li>Right to select, change, and dismiss auditors</li> </ul>
Committee for Internal Transactions	Lee Kyoo-yong Kim Hyun-woong Hahn Hoon (chairman) Choi Sun-hwa	<ul style="list-style-type: none"> <li>Reviewing and approving large-scale internal transactions according to the Fair Trade Act</li> </ul>
Outside Director Candidate Recommendation Committee	Kang Dal-ho Lee Kyoo-yong Kim Hyun-woong (chairman) Hahn Hoon Choi Sun-hwa	<ul style="list-style-type: none"> <li>Recommending candidates for outside directors to be elected at the general meeting of shareholders</li> </ul>
ESG Committee	Kang Dal-ho Samer A. Hokail Lee Kyoo-yong (chairman) Kim Hyun-woong Hahn Hoon Choi Sun-hwa	<ul style="list-style-type: none"> <li>Deciding ESG strategies of the company and reviewing major ESG issues</li> </ul>

# Governance

## Operation of Board of Directors

### Activities of Board of Directors

The Board of Directors of Hyundai Oilbank holds regular and special meetings. Regular meetings are notified to directors one month in advance, and special meetings two weeks in advance. Agendas are provided beforehand so directors can sufficiently review them before the meetings. In 2021, nine BOD meetings were held, and the participation rates were 100% for inside directors and 100% for Outside directors.

### Remunerations for Board of Directors

Remunerations for registered directors are paid according to regulations within the annual limit of KRW 3 billion approved at the general meeting of shareholders. Remunerations of inside directors comprise the basic salary and performance-based salary. They are appropriated for each job rank and position based on the remuneration standards for executives. Performance-based salary is determined by considering metric indicators like sales and operating profit and non-metric indicators like leadership, job expertise, and responsibility. In the case of members of the Audit Committee, the basic salary is equally divided into months and paid at a flat rate within the limit approved at the general meeting of shareholders to guarantee the independence of the Audit Committee.

### Increasing Competency of Board of Directors

Hyundai Oilbank regularly conducts internal and external education for Outside directors to strengthen their expertise.

### Outside Director Education Status

Date of Education	Details of Education
January 2019	Current status of the internal accounting management system and responsibilities and roles of the Board of Directors/Audit Committee
September 2019	Roles and execution methods of the internal accounting management system and Audit Committee
February 2020	Procedures of the internal accounting management system and accounting audits, etc.

Date of Education	Details of Education
October 2020	Changes in the financial environment in 2020, roles and responsibilities of the Audit Committee, strategies for executing the consolidated accounting management system, etc.
January 2021	Procedures of the internal accounting management system and accounting audits, etc.
June 2021	Major laws and amendments in 2021, roles and responsibilities of the Audit Committee, changes in the market environment and ESG

## Protecting Rights of Shareholders

### Dividend Policy and Shareholder Status

HD Hyundai<sup>1)</sup>, the largest shareholder of Hyundai Oilbank, is a holding company that was split off from Korea Shipbuilding and Offshore Engineering (formerly called Hyundai Heavy Industries) in April 2017. The number of shares held by HD Hyundai is 180,991,117 as of the end of 2021.

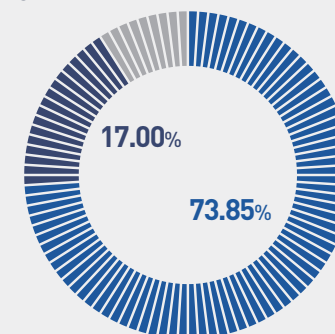
The dividend policy of our company is determined by comprehensively considering the financial structure and dividend stability. The Board of Directors can resolve interim dividends according to management conditions.

1) Changed company name from Hyundai Heavy Industries Holding to HD Hyundai in March 2022

### Shareholders with 5% Share or Larger

■ HD Hyundai  
180,991,117 Shares

■ ARAMCO OVERSEAS COMPANY  
41,664,012 Shares



# Ethical Management

## Core Value & Direction

Hyundai Oilbank has established the 'Code of Conduct' setting the standard behaviors for employees and the 'Business Ethics Guidelines' for judging and handling specific behaviors based on the 'Charter of Ethics,' promoting effective ethical management. In addition, Hyundai Oilbank enhances the effectiveness of ethical management regulations by reflecting on the changing social aspects, such as anti-corruption laws, social awareness of ethical management, and prohibition of illegal solicitation and bribery.

### Value Structure

Like a "FOREST" that contributes to the coexistence of all surrounding lives, we will foster an environment for all stakeholders' growth and development and pursue a sense of fairness, ownership, responsibility, enthusiasm, safety, transparency and trust.



## Charter of Ethics

The Hyundai Heavy Industries Group established the Principles of Purchasing Ethics in 1994 and has expanded ethical management systems by revising ethical management regulations and opening an online reporting center and online lectures. In October 2005, the 'Charter of Ethics' was declared internally and externally based on the management philosophy to implement ethical management on a full scale.

### Charter of Ethics

We pursue to be a respected and trusted company that positively contributes to its customers, shareholders and society with the Hyundai Spirit.

To achieve this goal, we hereby establish this Charter of Ethics, which defines our standards of conduct to follow in accomplishing faithfully our original role and social responsibilities as a corporate entity and we declare that we shall comply with this Charter of Ethics.

1. We shall be an ethical company that abides by all domestic and international laws and regulations through fair and transparent management practices.
2. We shall achieve customer satisfaction by meeting their needs and expectations.
3. We shall pursue to maximize shareholder's value through fair and efficient management.
4. We shall work to fulfill our social responsibilities and duties as a member of our community, and contribute to the development of our nation and society.
5. We shall work to create a transparent and clean corporate culture through fair competition and trading practices.
6. We shall pursue to be a company with the highest quality human resources that offers equal opportunities to our employees in a safe and comfortable working environment.

## Code of Conduct

The 'Code of Conduct' divides the Charter of Ethics into detailed parts, and the 'Business Ethics Guidelines' is a guideline for judging and handling specific behaviors. Ethical management practice activities and internal inspections guide employees to follow ethical management regulations.

Employees

### Code of Conduct

- Enforced on October 4, 2005
- 2nd revision on July 1, 2019
- 3rd revision on April 1, 2020 (added an article on respect for and protection of human rights)
- Standards for behaviors and values of employees

### Special Code of Conduct

- Enforced on May 2, 2007
- Additional obligations for employees of six jobs that require high level of morality and integrity (purchase, personnel, sales, finance and accounting, design, computing)

### Business Ethics Guidelines

- Enforced on January 1, 2002
- 8th revision on July 1, 2020 (revised practice ethics to prevent bullying at work)
- Employees' understanding of ethical management policies and standards for practice

Suppliers

### Code of Conduct for business partners

- Enforced on October 4, 2005
- 3rd revision on December 1, 2019
- Obligations to be followed by employees of suppliers during transactions with the Hyundai Heavy Industries Group



# Ethical Management

## Practice Programs

### Ethical Management Practice Pledge

All executives and employees (section managers and higher positions in the case of production engineers) and suppliers are required to annually submit the Ethical Management Practice Pledge, which is a form promising to be aware of the ethical management regulations and follow the systems. The Pledge states that the pledgers will abide by the ethical management regulations and anti-corruption laws and not engage in unfair transactions, corruptive behaviors, or illegal solicitation and bribery prohibited by laws.



### Traditional Holiday Practice Campaign

Letters are sent out to suppliers before Korean New Year's and Thanksgiving holidays every year to remind them not to provide gifts or valuables to employees of Hyundai Oilbank. Employees of Hyundai Oilbank are guided not to receive gifts from stakeholders.

### Gift Return System

When employees inevitably receive gifts from stakeholders, such as suppliers, they can return the gifts through the designated delivery company or donate them to social welfare organizations.

### Reporting Interest Relations

If conflicts of interest arise during the performance of duties, employees must report them in advance to prevent unfair results, settling a transparent practice. As a part of such efforts, all of our employees (section managers and higher positions in the case of production engineers) and employees of suppliers are required to annually submit the Interest Relations Report.

# Ethical Management

## Practice Programs

### Education and Publicity of Ethical Management

Hyundai Oilbank annually conducts collective and online education on ethical management. Ethical management promotion videos are made and spread to raise the level of understanding of employees and improve their willingness to comply. The contents of education include examples of various unethical issues, such as anti-corruption and discrimination. Q&A sessions are held to form a consensus.

In particular, all new employees and officials are educated on ethical management to internalize ethical management throughout the company. New employees learn about the Charter of Ethics and guidelines of the Hyundai Heavy Industries Group, and officials can cultivate the ability to make business decisions based on ethical judgment.

Number of employees who completed ethical education in 2021



1,535 persons

Title of Education	Cycle	Targets	Topics
Education on upright job performance	Twice a year	All executives and employees	Precautions for performing duties in the Job Ethics Practice Guideline
Self-check on ethical management compliance	Once a year	All executives and employees	Understanding of the Code of Ethics and Job Ethics Practice Guideline
Collective education (replaced by ZOOM education due to COVID-19)	Non-regularly	All executives and employees	Understanding of the Group's ethical management system and regulations, unethical behaviors found during inspections, other practice programs, etc.
Online education	Non-regularly	All employees	Understanding of ethical management, environmental changes, trends, etc.

### Self-check on Ethical Management Compliance

Each year, employees use a questionnaire-type checklist to self-check their compliance with ethical management regulations. Through this self-check, our employees improve their understanding of relevant regulations and seek directions for improvement.

### Listening to Voices Related to Ethical Management

We listen to the voices of employees and suppliers at sites to diagnose the level of ethical management practice, gather opinions about necessary improvement points, and inspect the fulfillment status to be reflected in business operations.

### Unethical Behavior Report System

There is an online report system (integrated ethical management website of the Group) that takes reports 24/7 on violations of ethical regulations and laws, such as receiving valuables or hospitality, gaining unfair benefits by abusing job position or duty, and abusing authority. We also receive reports via phone call, fax, email, and postal mail.

In addition, the anonymity of reporters is guaranteed to prevent the exposure of their identity, and reporters are rewarded based on the rewarding standards.

We received eight reports in 2021, three of which were investigated. One of them was found to be a violation of ethical management, and personnel measures were taken against related employees according to the relevant regulations and procedures. The remaining five cases, such as complaints, were transferred to related departments, and the results were confirmed.

# Compliance

## Governance

In 2009, Hyundai Oilbank introduced the Fair Trade Regulation and Fair Trade Compliance Guideline. The Head of the Management Support Division was designated as the Chief Compliance Officer (CCO), and the Compliance Program (CP) was applied throughout management activities.

By implementing the CP that provides action guidelines to comply with fair trade laws, Hyundai Oilbank prevents potential breaches of laws in management activities, reducing legal expenses in the short term and enhancing corporate values in the long term.

In addition, Hyundai Oilbank established detailed legal compliance control standards in 2018, appointing the Legal Affairs Team Manager as the Compliance Officer. We regularly report the operating status of legal compliance control standards to the Board of Directors each year.

## Fair Trade Compliance Programs

### CEO's Declaration of Compliance Commitment

At Hyundai Oilbank, all executives and employees, ranging from new employees to the CEO, endeavor to voluntarily comply with relevant laws.

At the beginning of each year, the CEO of our company declares its compliance commitment by specifying the major goals of the year about free trading and law-obedience.

The Declaration of Ethical and Legal Compliance Management Practice signed by the CEO is posted on the website for employees to review, creating an in-house culture for observing laws.

### Compliance with International Laws

Hyundai Oilbank reinforced the company's CP to also abide by relevant international laws when engaging in transactions with overseas customers besides domestic laws.

The Legal Affairs Team Manager was appointed as the Anti-trust Compliance Officer (ACO). We provided guidelines for overseas sales activities, such as the overseas fair trade compliance procedure, anti-corruption compliance guideline, and economic sanction compliance guideline. In addition, all employees who belong to departments related to overseas sales are obliged to receive annual education on the anti-trust law of the United States.

### Declaration of Ethical and Legal Compliance Management Practice

Dear employees of Hyundai Oilbank and its affiliates,

In order for our company to solidify its position as an oil & gas company with the best competitiveness in Northeast Asia and to keep pace with eco-friendly megatrends such as global carbon neutrality, it is essential to practice ethical compliance management. In addition, the demands for corporate roles are evolving into the practice of ESG management (i.e. Environmental protection, social value creation, transparent governance) beyond the prevention of legal and ethical problems, and sanctions are being strengthened against companies that do not meet these demands. At the end of last year, the laws related to fair economy including the Fair Trade Act were amended, and the discussions on the enactment of the Corporate Punishment Act for Serious Accidents are in full swing. These circumstances show that an effective compliance monitoring system must be established within us and that ethics and compliance must be established as our company's culture.

The practice of ethical and law-abiding management is a firm policy of our company.

In order to become a company that responds to the needs of the times for the role of a company, let's always check whether the internal monitoring system is functioning properly and strengthen our will to practice ethical and compliance management. In the new year, to prepare for a new leap forward, such as expanding new future-growth businesses, so that our company can go beyond the waves of change and develop into a representative company respected by the people of Korea, once again, we urge you to actively practice ethical and compliance management.

Jan. 2021

# Compliance

## Fair Trade Compliance Programs

### Operating Education Programs for Employees

Hyundai Oilbank conducts various education programs several times during the year so that employees can be aware of fair trade laws to be followed in the work process.

Employees of the Sales Division are educated on fair trade compliance at least once a year, and new employees of the company and persons assigned to relevant departments are also educated. Moreover, all new employees, whether they are experienced or not, receive various fair trade education materials within 30 days after joining so they are well-informed of relevant laws.

In addition, online education is provided to employees by external institutions, such as law firms and the Fair Competition Federation.

Meanwhile, with the aim of preventing the recurrence of bid-rigging, regarding the bid-rigging related to the U.S. Forces in Korea, our company is sincerely making effort by conducting annual in-depth education sessions on the U.S. Anti-trust Act, State Contract Act and the Korean Fair Trade Act.

### Building Internal Supervision System

Hyundai Oilbank builds and enforces various internal supervision systems to quickly identify and improve fair trade risks that can arise in the business process.

In addition, the Fair Trade Commission performs regular investigations pursuant to the Fair Trade Act, Agency Act, and Subcontracting Act to reconfirm legal violations of our company, ensuring that our company maintains a perfect legal compliance system.

Furthermore, Hyundai Oilbank inspects fair trade compliance of departments under the Sales Division, and efforts are placed to identify and improve fair trade compliance risks through an external report system (Fair Trade Compliance Report menu on the company's website).

#### Reporting Unfair Trade

Please email us any case against fair trade and person in charge will contact you. Your report will be handled based on the regulation violation and in accordance with Fair Transaction Act.

#### Fair Trade Contact

Email - 1 : friends@oilbank.co.kr | Email -2 : targetkim@oilbank.co.kr

Title of Education	Cycle	Targets	Topics
Regular compliance education	Twice a year	High-risk and medium-risk departments based on risk inspection	Bid-rigging, illegal support, economic sanctions, subcontracting, fair trade, illegal dispatch, anti-corruption
Fair trade compliance education during training of new employees who are university graduates	Twice a year	New employees who are university graduates	Structure of the Fair Trade Act and major examples of our company
Education on Fair Trade Act regarding bid-rigging related to U.S. Forces in Korea	Once a year (-2023)	CEOs and corporate business executives and employees	Fair Trade Act, Article 40 Unfair Collaborative Acts
Education on U.S. Anti-trust Act/State Contract Act regarding bid rigging related to U.S. Forces in Korea	Once a year (-2025)	CEOs and members of departments that are likely to trade with the United States	Bid-rigging in the U.S. Anti-trust Act, details of the State Contract Act
Seminars/education related to economic sanctions	Non-regularly	Executives and employees of departments related to U.S. economic sanctions	Grounds/types/details of economic sanctions by the United States, risks related to economic sanctions, precautions in business
Education on amended Fair Trade Act (Kim & Chang Law Firm)	Non-regularly	331 employees in the sales headquarters and retail sector	Details of the amended Fair Trade Act (concerted practice of information exchange), criminal leniency program, etc.
Education for branches during inspection on fair trade compliance	Non-regularly	Sales branches	Details related to branches in the Fair Trade Act

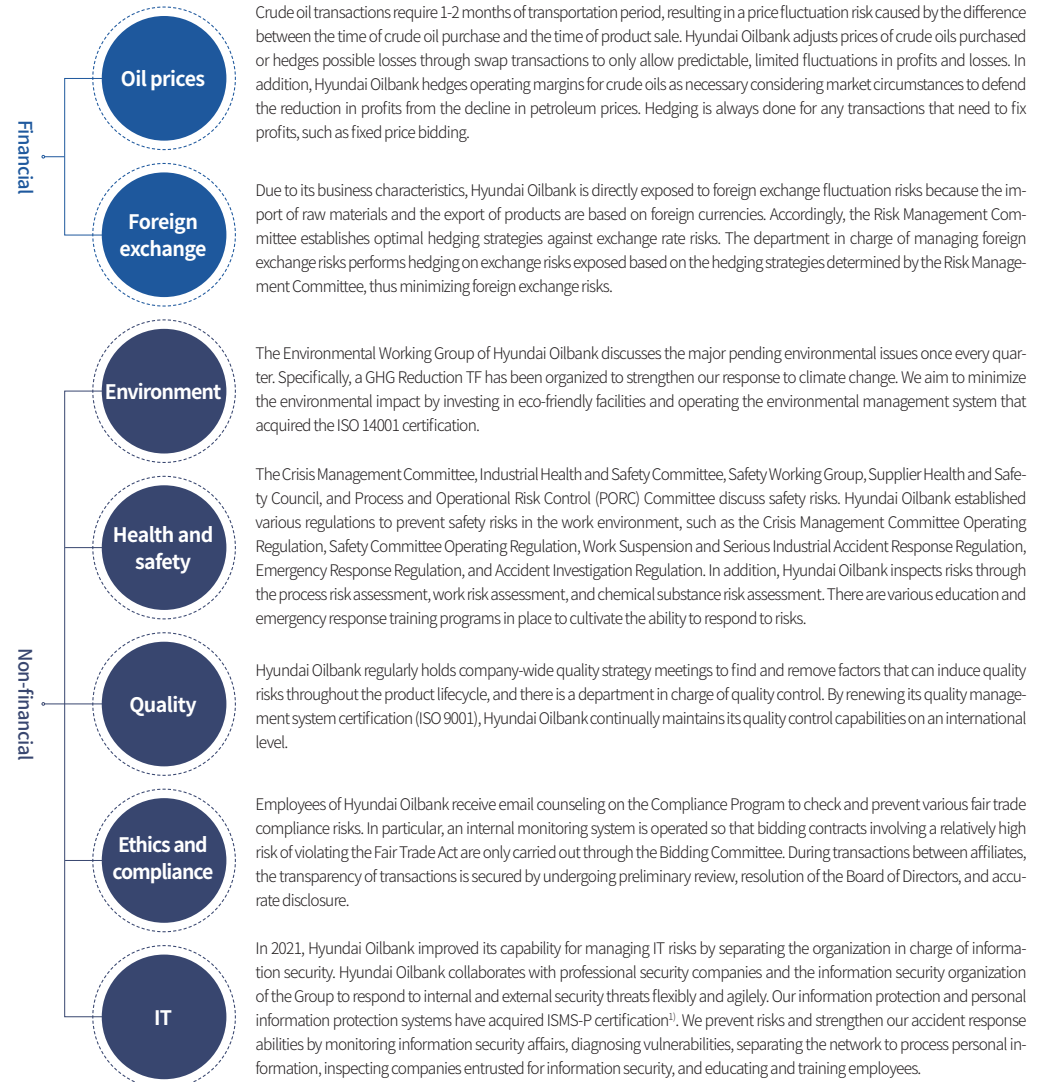
# Risk Management

## Risk Management System

Hyundai Oilbank operates a working-level department that manages detailed risks to cope with various risk factors of the oil refinery market, such as oil prices, foreign exchange, and compliance. The working-level department prevents risks by identifying and predicting them and continually monitors the market situation. The Risk Management Committee is held annually and as necessary, with the CEO being the chairman, to respond to oil price and foreign exchange risks timely. Through these efforts, Hyundai Oilbank stably manages its profits and losses despite the rapidly changing market circumstances.



## Risk Management



1) Acquired ISMS-P certification for Bonus Card customer management

# APPENDIX

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## ESG Data

## Financial Performance

(Unit: KRW million)

Item	56th Term	57th Term	58th Term
Condensed Consolidated Statement of Financial Position	(End of Dec. 2019)	(End of Dec. 2020)	(End of Dec. 2021)
Current assets	4,565,449	3,292,680	5,384,238
Cash and cash equivalents	480,436	301,665	323,088
Financial assets	19,538	58,093	102,082
Trade and other receivables	1,472,184	1,030,590	1,729,047
Inventory assets	2,494,509	1,774,262	3,138,864
Other current assets	98,782	128,070	87,389
Assets held for sale	-	-	3,768
Non-current assets	8,290,413	11,383,560	12,841,842
Joint investments	415,930	284,155	255,484
Financial assets	4,000	35,613	59,627
Trade and other receivables	181,487	278,610	307,944
Tangible assets	7,192,400	9,345,574	10,760,253
Intangible assets	95,568	210,675	200,156
Right-of-use assets	397,242	1,217,538	1,253,982
Deferred tax assets	2,252	9,864	1
Other non-current assets	1,534	1,531	4,395
<b>Assets total</b>	<b>12,855,862</b>	<b>14,676,240</b>	<b>18,226,080</b>
Current liabilities	4,086,675	3,237,509	5,238,728
Non-current liabilities	3,327,593	6,167,829	7,226,544
<b>Liabilities total</b>	<b>7,414,268</b>	<b>9,405,338</b>	<b>12,465,272</b>
Capital	1,225,412	1,225,412	1,225,412
New capital securities	224,273	428,924	428,924
Capital surplus	(433)	(176,016)	(176,016)
Accumulated other comprehensive income	219,767	454,199	433,854
Earned surplus	3,110,144	2,535,019	2,824,947
Equity attributable to non-controlling interests	662,431	803,364	1,023,687
<b>Equity total</b>	<b>5,441,593</b>	<b>5,270,902</b>	<b>5,760,808</b>
Sales	21,116,844	13,689,914	20,606,618
Operating profit	521,977	(593,344)	1,142,377
Consolidated net profit during the term	312,919	(359,771)	528,078
Net profit attributable to owners	276,372	(366,659)	364,423
Earnings per share	1,084원	(1,575)원	1,425원
Number of consolidated companies	7 companies	8 companies	8 companies

(Unit: KRW million)

Item	56th Term	57th Term	58th Term
Consolidated Income Statement	from Jan. 1, 2019 to Dec. 31, 2019	from Jan. 1, 2020 to Dec. 31, 2020	from Jan. 1, 2021 to Dec. 31, 2021
Sales	21,116,844	13,689,915	20,606,618
Cost of sales	20,181,785	13,808,865	18,916,936
Gross profit (loss)	935,059	(118,951)	1,689,682
Selling and administrative expenses	413,082	474,394	547,305
Operating profit (loss)	521,977	(593,344)	1,142,377
Financial income	61,572	176,031	35,061
Financial expense	218,423	182,912	277,950
Other non-operating profit	304,560	391,037	350,789
Other non-operating expense	306,625	362,953	426,779
Equity method income (loss)	40,466	1,170	(30,014)
Income (loss) before income tax	403,526	(570,972)	793,484
Income tax expense (revenue)	90,607	(211,201)	265,406
Net profit (loss) during the term	312,919	(359,771)	528,078
Equity attributable to owners	276,372	(366,659)	364,423
Equity attributable to non-controlling interests	36,547	6,888	163,655
Basic earnings per share (unit: KRW)	1,084	(1,575)	1,425

# ESG Data

## Non-financial Performance - Environment

### Greenhouse Gas Emissions

	Item	Unit	2019	2020	2021						Remarks	
					Total	HDO	HDC	HSB	HOC	HCP		
GHG emissions	Total emissions <sup>1)</sup>	tCO <sub>2</sub> e	8,194,419	8,142,732	9,159,488	7,505,499	1,244,118	N/A	409,871	N/A	Emission data are based on GHG Emissions Verification Statement.  Emissions of Hyundai and Shell Base Oil and Hyundai Cosmo are managed by Hyundai Oilbank.  The intensity of each company is based on sales stated in the business report. Total intensity is based on consolidated sales.	
	Total	tCO <sub>2</sub> e	6,899,547	6,915,278	7,649,418	6,609,096	669,821	N/A	370,501	N/A		
	CO <sub>2</sub>	tCO <sub>2</sub> e	6,861,837	6,881,729	7,615,555	6,580,006	665,251	N/A	370,298	N/A		
	CH <sub>4</sub>	tCO <sub>2</sub> e	31,972	27,814	27,489	23,207	4,200	N/A	82	N/A		
	N <sub>2</sub> O	tCO <sub>2</sub> e	5,738	5,735	6,374	5,883	370	N/A	121	N/A		
	By type of GHG	HFC s	tCO <sub>2</sub> e	0	0	0	0	0	N/A	0		N/A
	Direct GHG emissions (Scope 1)	SF6	tCO <sub>2</sub> e	0	0	0	0	0	N/A	0		N/A
		PFC	tCO <sub>2</sub> e	0	0	0	0	0	N/A	0		N/A
		NF3	tCO <sub>2</sub> e	0	0	0	0	0	N/A	0		N/A
	By emission activity	Stationary combustion	tCO <sub>2</sub> e	4,785,677	4,680,141	5,302,476	4,273,728	658,808	N/A	369,940		N/A
		Mobile combustion	tCO <sub>2</sub> e	1,274	1,863	1,547	1,324	206	N/A	16		N/A
		Process emission	tCO <sub>2</sub> e	1,890,572	1,958,687	2,126,978	2,123,935	3,044	N/A	0		N/A
		Fugitive emission	tCO <sub>2</sub> e	29,309	25,120	24,566	20,618	3,948	N/A	0		N/A
		Others	tCO <sub>2</sub> e	192,713	249,466	193,852	189,492	3,815	N/A	545		N/A
		Indirect GHG emissions (Scope 2)	tCO <sub>2</sub> e	1,294,872	1,227,454	1,510,070	896,403	574,297	N/A	39,370		N/A
GHG Emissions Intensity		tCO <sub>2</sub> e /KRW 1 billion	388.05	594.79	444.48	369.38	335.79	N/A	1659.40	N/A		
GHG reduction	Total reduction	tCO <sub>2</sub> e	(690,990)	51,687	(1,016,756)	(664,484)	(274,037)	N/A	(78,235)	N/A	Emissions from previous year - emissions during the current year	
	Scope 1 reduction	tCO <sub>2</sub> e	(556,360)	(15,731)	(734,140)	(546,949)	(107,577)	N/A	(79,614)	N/A		
	Scope 2 reduction	tCO <sub>2</sub> e	(134,630)	67,418	(282,616)	(117,535)	(166,460)	N/A	1,379	N/A		

1) GHG emissions in the verification statement are calculated by truncation and summation of each business site, and may differ from the actual value.



## ESG Data

### Non-financial Performance - Environment

#### Energy

Item	Unit	2019	2020	2021						Remarks
				Total	HDO	HDC	HSB	HOC	HCP	
Total energy use	TJ	96,455	91,747	107,729	80,714	21,971	N/A	5,044	N/A	Energy data are based on GHG Emissions Verification Statement. Energy usage of Hyundai and Shell Base Oil and Hyundai Cosmo are managed by Hyundai Oilbank.
Direct energy	Fuel	73,742	70,380	80,704	63,560	12,923	N/A	4,221	N/A	
Indirect energy	Electricity	18,581	17,154	21,539	15,117	5,599	N/A	823	N/A	
	Steam	4,132	4,213	5,486	2,037	3,449	N/A	0	N/A	
Energy intensity	TJ/ KRW 1 billion	4.57	6.70	5.23	3.97	5.93	N/A	20.42	N/A	The intensity of each company is based on sales stated in the business report. Total intensity is based on consolidated sales.

#### Renewable Energy

Item	Unit	2019	2020	2021						Remarks
				Total	HDO	HDC	HSB	HOC	HCP	
Solar power	TJ	0.12	0.16	0.13	0.09	0	0	0.04	0	

#### Air Pollutants

Item	Unit	2019	2020	2021						Remarks
				Total	HDO	HDC	HSB	HOC	HCP	
Ozone depleting substances (ODS)	tCFC-eq	0	0	0	0	0	0	0	0	
Nitrogen oxides (NOx)	Emissions	2,967,966	3,870,334	4,102,562	2,965,876	316,711	9,926	194,648	615,401	
	Concentration	62	51	-	52	43	22	38	57	2019, 2020: HDO
Sulfur oxides (SOx)	Emissions	1,979,277	2,067,623	2,009,723	1,766,239	8,878	5,730	213,715	15,162	
	Concentration	22	24	-	20	1	10	30	2	2019, 2020: HDO
Volatile organic compounds (VOC)	kg	70,150	208,509	221,718	189,163	0	0	0	32,555	
Hazardous air pollutants (HAP)	kg	24,724	24,205	26,540	5,489	0	0	2,612	18,439	
Particulate matter (PM)	Emissions	62,568	74,160	114,443	71,691	11,456	758	6,388	24,150	
	Concentration	5	3	-	5	4	3	2	3	2019, 2020: HDO
Hydrogen sulfide (H <sub>2</sub> S)	kg	62	298	466	0	0	0	466	0	
Other substances	kg	30,697	93,261	53,756	43,162	0	0	10,594	0	Pollutants other than dust, NOx, and SOx are included (e.g., hydrogen chloride, carbon monoxide, and ammonia).

# ESG Data

## Non-financial Performance - Environment

### Water

Item	Unit	2019	2020	2021						Remarks		
				Total	HDO	HDC	HSB	HOC	HCP			
Water intake	Total water intake	m <sup>3</sup>	29,212,813	24,665,097	31,015,831	26,227,601	1,967,350	0	1,620,012	1,200,868		
	Surface water	m <sup>3</sup>	9,698,523	6,850,215	10,054,406	8,024,791	1,967,350	0	0	62,265		
	Sea water	m <sup>3</sup>	936,039	815,775	979,762	0	0	0	0	979,762		
	Produced water	m <sup>3</sup>	5,136,543	3,329,121	5,657,333	5,657,333	0	0	0	0		
	Third-party water	m <sup>3</sup>	13,441,708	13,669,986	14,324,330	12,545,477	0	0	1,620,012	158,841		
Water discharge (waste-water)	Total discharge	m <sup>3</sup>	8,718,229	7,999,929	9,441,756	7,510,185	1,460,000	89,378	300,028	82,165		
	By discharge site	Sea water	m <sup>3</sup>	8,483,454	7,756,636	9,141,728	7,510,185	1,460,000	89,378	0	82,165	
		Third-party water	m <sup>3</sup>	234,775	243,293	300,028	0	0	0	300,028	0	
	By type	Fresh water (≤1,000 mg/L TDS)	m <sup>3</sup>	8,404,829	7,691,666	9,059,563	7,510,185	1,460,000	89,378	0	0	
		Others (>1,000 mg/L TDS)	m <sup>3</sup>	313,400	308,263	382,193	0	0	0	300,028	82,165	
Water use	Total water use	m <sup>3</sup>	23,194,699	20,924,537	24,154,048	18,202,810	1,967,350	295,169	2,487,851	1,200,868		
	Total reused water	m <sup>3</sup>	4,194,984	3,993,954	4,635,825	2,847,628	0	0	867,839	920,358		
	Water reuse rate	%	18.09	19.09	19.19	15.64	0	0	34.88	76.64		

### Water Pollutants

Item	Unit	2019	2020	2021						Remarks		
				Total	HDO	HDC	HSB	HOC	HCP			
Water pollutants	Chemical Oxygen Demand (COD)	Emissions	Tons	225	209	198	163	25	2	6	2	
		Concentration	ppm	27	25	-	21	17	21	21	21	2019, 2020: HDO
	Biological Oxygen Demand (BOD)	Emissions	Tons	108	71	82	67	9	3	3	1	
		Concentration	ppm	13	9	-	9	6	33.3	9	9	2019, 2020: HDO
	Nitrogen in water and total nitrogen (TN)	Emissions	Tons	135	147	153	125	21	3	2	1	
		Concentration	ppm	11	16	-	16	14	16	7	16	2019, 2020: HDO
	Suspended Solids (SS)	mg/l	11	16	-	18	11	18	31	18	2019, 2020: HDO	

# ESG Data

## Non-financial Performance - Environment

### Waste

Item	Unit	2019	2020	2021						Remarks				
				Total	HDO	HDC	HSB	HOC	HCP					
Waste generated	Total amount of waste generated	Tons	29,843	28,487	33,148	28,189	3,983	16	360	600	Due to carry over etc., the sum of the total amount of waste treated and recycled may differ from the total amount of waste generated.			
	Hazardous waste (specified waste)	Tons	7,761	9,139	10,029	9,767	191	8	56	7				
	Non-hazardous waste (general waste)	Tons	22,082	19,348	23,118	18,422	3,791	8	304	593				
Waste treated	Total amount of waste treated	Tons	4,594	5,751	4,320	2,897	650	16	383	374				
	Subtotal	Tons	1,189	2,046	1,574	1,442	60	8	57	7				
	Hazardous waste (specified waste)	By treatment type	Landfilled	Tons	27	38	100	60	0	0		40	0	
			Incinerated	Tons	1,163	1,999	1,474	1,382	60	8		17	7	
			Others	Tons	0	9	0	0	0	0		0	0	
	Non-hazardous waste (general waste)	By treatment method	Internal	Tons	0	0	0	0	0	0		0	0	
			Third-party	Tons	1,189	2,046	1,574	1,442	60	8		57	7	
			Subtotal	Tons	3,405	3,705	2,746	1,455	590	8		326	367	
	Waste recycled	Non-hazardous waste (general waste)	By treatment type	Landfilled	Tons	2,247	2,739	1,696	856	547		0	158	135
				Incinerated	Tons	757	561	513	295	43		8	161	6
				Others	Tons	402	405	537	304	0	0	7	226	
			By treatment method	Internal	Tons	0	175	0	0	0	0	0	0	
				Third-party	Tons	3,405	3,530	2,746	1,455	590	8	326	367	
Subtotal				Tons	25,305	22,722	28,858	25,292	3,333	0	7	226		
Total ratio of waste recycled	%	84.80	79.76	87.06	89.72	83.68	0	1.94	37.70					
Waste recycled	Non-hazardous waste (general waste)	By recycling type	Pretreatment for recycling	Tons	6,578	7,094	8,456	8,325	131	0	0	0		
			Recycling	Tons	5,871	2,870	969	969	0	0	0	0		
			Restoration	Tons	708	4,224	7,487	7,356	131	0	0	0		
		By recycling method	Internal	Tons	0	0	0	0	0	0	0	0		
			Third-party	Tons	0	0	0	0	0	0	0	0		
			Subtotal	Tons	6,578	7,094	8,456	8,325	131	0	0	0		
		Hazardous waste (specified waste)	By recycling type	Pretreatment for recycling	Tons	18,727	15,628	20,401	16,967	3,201	0	7	226	
				Recycling	Tons	5,656	2,529	1,752	1,526	0	0	0	226	
				Restoration	Tons	13,071	13,099	18,649	15,441	3,201	0	7	0	
				Internal	Tons	0	0	0	0	0	0	0	0	
				Third-party	Tons	0	0	0	0	0	0	0	0	
				Subtotal	Tons	18,727	15,628	20,401	16,967	3,201	0	7	226	

## ESG Data

### Non-financial Performance - Environment

#### Environmental Compliance

Item	Unit	2019	2020	2021						Remarks	
				Total	HDO	HDC	HSB	HOC	HCP		
Environmental compliance	Damage from monetary sanctions (penalties)	KRW million	9.8	9.8	2.1	0.5	0	0	0	1.6	
	Number of non-monetary sanctions (administrative dispositions)	Cases	1	2	7	6	0	0	0	1	
	Number of cases posed by dispute settlement mechanisms	Cases	0	0	1	1	0	0	0	0	

#### Environmental Certification

Item	Unit	2019	2020	2021						Remarks
				Total	HDO	HDC	HSB	HOC	HCP	
Ratio of business sites that acquired ISO 14001	%	100	100	-	100	-	100	100	100	HDC is currently under certification acquisition process after returning it in 2020

#### Eco-friendly Businesses and Investments

Item	Unit	2019	2020	2021						Remarks	
				Total	HDO	HDC	HSB	HOC	HCP		
Eco-friendly businesses	Eco-friendly R&D expenses	KRW million	N/A	N/A	10,100	10,100	N/A	N/A	N/A	N/A	Affiliates combined
	Number of patents	EA	0	1	2	2	N/A	N/A	N/A	N/A	Based on number of patents filed
Environmental investments	Environmental investment expenses	KRW 100 million	349	182	394	394	N/A	N/A	N/A	N/A	Affiliates combined

# ESG Data

## Non-financial Performance - Social

### Current Status of Employees

Item	Unit	2019	2020	2021						Remarks			
				Total	HDO	HDC	HSB	HOC	HCP				
Total number of employees	Persons	2,397	2,691	2,840	1,998	683	21	111	27				
Registered executives	Total	11	11	11	5	2	1	1	2				
	By gender	Male	11	11	11	5	2	1	1	2			
		Female	0	0	0	0	0	0	0	0			
Total	Persons	2,386	2,680	2,829	1,993	681	20	110	25	Excluding registered executives			
Total	Persons	2,319	2,593	2,630	1,935	551	19	101	24	Excluding non-regular employees such as temporary/part-time, agency, and service employees			
Employees	Permanent employees	By gender	Male	Persons	2,145	2,419	2,447	1,786	529	16	96	20	
			Female	Persons	174	174	183	149	22	3	5	4	
	By age	Under 30 years	Persons	574	658	632	464	138	3	24	3		
		30-49 years	Persons	1,224	1,331	1,310	925	300	13	54	18		
		50 years and over	Persons	521	604	688	546	113	3	23	3		
	Contract employees	Total	Persons	67	87	199	58	130	1	9	1		
		By gender	Male	Persons	62	72	185	47	128	0	9	1	
			Female	Persons	5	15	14	11	2	1	0	0	
By age		Under 30 years	Persons	11	19	62	37	17	1	7	0		
		30-49 years	Persons	12	13	47	9	38	0	0	0		
50 years and over	Persons	44	55	90	12	75	0	2	1				
Employees by nationality	South Korea	Persons	2,380	2,674	2,824	1,993	681	20	110	20			
	India	Persons	1	1	0	0	0	0	0	0			
	Japan	Persons	5	5	5	0	0	0	0	5			

## ESG Data

### Non-financial Performance - Social

#### Employment

Item	Unit	2019	2020	2021						Remarks		
				Total	HDO	HDC	HSB	HOC	HCP			
Employment scale	Persons	157	294	149	(31)	175	(1)	5	1	Based on business sites in Korea and overseas, total number during current year – total number from previous year		
Total number of new hires												
New hires	Permanent Employees	Total number of new hires	Persons	230	280	266	113	140	1	8	4	
		Total number of permanent employees		197	241	123	72	44	1	2	4	
		By gender	Male	Persons	185	237	105	60	41	1	0	3
			Female	Persons	12	4	16	12	3	0	0	1
		By age	Under 30 years	Persons	150	164	88	57	28	1	0	2
			30-49 years	Persons	47	77	34	14	16	0	2	2
			50 years and over	Persons	0	0	1	1	0	0	0	0
		By region	South Korea	Persons	197	241	123	72	44	1	2	4
			By recruitment type	Non-regular recruitment	Persons	49	88	36	15	19	0	0
		Open recruitment		Persons	148	153	87	57	25	1	2	2
Contract Employees	Total number of contract employees		33	39	143	41	96	0	6	0		
Diversity	Employees with disabilities	Number of employees	Persons	20	20	17	17	0	0	0	Rate calculated for companies that employ people with disabilities	
		Employment rate	%	0.96	0.96	0.83	0.83	0	0	0		
	Veterans	Number of employees	Persons	63	70	78	70	8	0	0	Rate calculated for companies that employ veterans	
		Employment rate	%	2.76	2.71	2.87	3.43	1.17	0	0		

#### Turnover

Item	Unit	2019	2020	2021						Remarks	
				Total	HDO	HDC	HSB	HOC	HCP		
Total employee turnover	Persons	27	44	79	58	17	1	1	2	Permanent and contract employees	
Voluntary turnover rate	%	1.21	1.84	2.95	2.87	3.36	4.76	0.95	8.33	Number of voluntary turnovers during current year / number of employees from previous year	
Voluntary turnover	Subtotal	Persons	27	44	79	58	17	1	1	2	
	By gender	Male	Persons	19	35	67	49	14	1	1	2
		Female	Persons	7	9	12	9	3	0	0	0
	By age	Under 30 years	Persons	3	14	30	21	8	0	0	1
		30-49 years	Persons	22	26	46	37	7	0	1	1
		50 years and over	Persons	2	4	3	0	2	1	0	0
	By region	South Korea	Persons	27	44	79	58	17	1	1	2

## ESG Data

### Non-financial Performance - Social

#### Labor-Management Relations

Item	Unit	2019	2020	2021						Remarks	
				Total	HDO	HDC	HSB	HOC	HCP		
Labor union	Number of employees eligible to join the union	Persons	905	1,191	1,173	812	361	N/A	N/A	N/A	Permanent employees, with employees of some subsidiaries joining the labor union of Hyundai Oilbank
	Number of employees who joined the union	Persons	905	1,191	1,173	812	361	N/A	N/A	N/A	
	Union membership rate	%	100%	100%	100%	100%	100%	N/A	N/A	N/A	
	Collective agreement coverage rate	%	100%	100%	100%	100%	100%	N/A	N/A	N/A	
Labor-management council	Total number of labor and employer representatives	Persons	26	26	28	12	8	N/A	8	N/A	Hyundai and Shell Base Oil Base and Hyundai Cosmo not subject to labor-management council
	Number of discussions and disputes	Cases	0	0	0	0	0	N/A	0	N/A	

#### Employee Benefits

Item	Unit	2019	2020	2021						Remarks
				Total	HDO	HDC	HSB	HOC	HCP	
Employee benefits	Employee benefit expenses	KRW million	54,114	47,276	51,002	42,713	5,110	417	2,354	408
	Employee benefit expenses per person	KRW million	92	82	85	21	7	20	21	16

#### Parental Leaves

Item	Unit	2019	2020	2021						Remarks	
				Total	HDO	HDC	HSB	HOC	HCP		
Number of employees subject to parental leaves	Male	Persons	494	545	544	387	122	3	28	4	Permanent employees
	Female	Persons	35	40	42	36	3	1	1	1	
Number of employees who used parental leaves	Male	Persons	1	3	3	2	1	0	0	0	
	Female	Persons	12	11	6	6	0	0	0	0	
Number of employees who returned from parental leaves	Male	Persons	1	3	2	1	1	0	0	0	
	Female	Persons	6	8	12	10	1	0	1	0	
Number of employees who worked for 1 year or longer after returning from parental leaves	Male	Persons	1	0	0	-	0	0	0	0	Number of employees who worked for 12 months or longer after returning during previous year
	Female	Persons	6	5	6	6	0	0	0	0	
Rate of return from parental leaves	Male	%	100	100	100	100	100	0	0	0	Rate of employees who returned to employees planning to return from parental leaves
	Female	%	100	100	100	100	100	0	100	0	
Rate of employees who worked for 1 year or longer after returning from parental leaves	Male	%	100	0	0	0	0	0	0	0	Rate of employees who worked for 1 year or longer after returning from parental leaves
	Female	%	85	100	75	75	0	0	0	0	

# ESG Data

## Non-financial Performance - Social

### Industrial Accidents

Item	Unit	2019	2020	2021						Remarks	
				Total	HDO	HDC	HSB	HOC	HCP		
Number of industrial accidents	Cases	2	0	0	0	0	0	0	0		
Industrial accident rate	%	0.08	0	0	0	0	0	0	0	Business sites in Korea and overseas	
Lost Time Injury (LTI)	Cases	2	0	0	0	0	0	0	0		
Lost Time Injury Rate (LTIR)	-	0.08	0	0	0	0	0	0	0		
Lost Time Injury Frequency (LTIF)	-	0.42	0	0	0	0	0	0	0		
Lost Time Injury Severity Rate (LTISR)	-	0.02	0	0	0	0	0	0	0		
Total Recordable Incident Rate (TRIR)	-	0.08	0.04	0	0	0	0	0	0		
Employees	Total	Persons	0	0	0	0	0	0	0		
	Fatalities	Permanent employees	Persons	0	0	0	0	0	0	0	
		Contract employees	Persons	0	0	0	0	0	0	0	
		External workers	Persons	0	0	0	0	0	0	0	
Fatality rate	%	0	0	0	0	0	0	0	0		
Work loss days	Days	112	0	0	0	0	0	0	0		
Total working hours	Hours	4,772,000	5,360,000	5,658,000	3,986,000	1,362,000	40,000	220,000	50,000		
Contractors	Lost Time Injury (LTI)	Cases	5	1	5	5	0	N/A	0	N/A	Suppliers of Hyundai and Shell Base Oil and Hyundai Cosmo managed by Hyundai Oilbank
	Lost Time Injury Rate (LTIR)	-	0.26	0.03	0.23	0.23	0	N/A	0	N/A	
	Lost Time Injury Frequency (LTIF)	-	1.29	0.15	1.16	1.16	0	N/A	0	N/A	
	Lost Time Injury Severity Rate (LTISR)	-	2.03	0.01	0.14	0.14	0	N/A	0	N/A	
	Total Recordable Incident Rate (TRIR)	-	0.26	0.03	0.23	0.23	0	N/A	0	N/A	
	Number of fatalities	Cases	1	0	0	0	0	N/A	0	N/A	
	Total working hours	Hours	3,872,710	6,487,620	4,315,400	4,315,400	0	N/A	0	N/A	



## ESG Data

### Non-financial Performance - Social

#### Occupational Illness

Item	Unit	2019	2020	2021						Remarks		
				Total	HDO	HDC	HSB	HOC	HCP			
Employees	Number of fatalities from occupational illnesses	Cases	0	0	0	0	0	0	0	0	0	Approved by Korea Workers' Compensation and Welfare Service
	Number of occupational illnesses	Cases	0	0	0	0	0	0	0	0	0	Approved by Korea Workers' Compensation and Welfare Service
	Occupational illness frequency rate (OIFR)	No. per million hours	0	0	0	0	0	0	0	0	0	Approved by Korea Workers' Compensation and Welfare Service
Non-affiliated employees	Number of fatalities from occupational illnesses	Cases	0	0	0	0	0	0	0	0	0	Approved by Korea Workers' Compensation and Welfare Service
	Number of occupational illnesses	Cases	1	0	0	0	0	0	0	0	0	Approved by Korea Workers' Compensation and Welfare Service

#### Health and Safety Management System

Item	Unit	2019	2020	2021						Remarks		
				Total	HDO	HDC	HSB	HOC	HCP			
Health and safety management system	Rate of business sites that acquired health and safety certification	%	100	100	-	100	0	100	100	100	100	HDC newly acquired ISO45001 certification in 2022 after returning it in 2020
	Number of employees covered by the system	Persons	1,527	1,323	1,361	1,196	0	22	115	28		
	Rate of employees covered by the system	%	100	100	-	100	0	100	100	100	100	

#### Occupational Safety Training

Item	Unit	2019	2020	2021						Remarks	
				Total	HDO	HDC	HSB	HOC	HCP		
Occupational safety training	Hours of occupational safety training	Hours	54,699	69,527	69,062	42,010	18,460	1,152	2,736	4,704	Occupational safety training for Hyundai and Shell Base Oil has been aggregated since July 2019. Data of Hyundai Cosmo included in Hyundai Oilbank before the spin-off in 2019.
	Average hours of occupational safety training	Hours	1.72	1.75	1.75	1.58	2.43	1.33	1.66	1.65	
	Number of occupational safety training sessions	Times	115	188	210	90	16	36	32	36	

#### Employee Training and Career Management

Item	Unit	2019	2020	2021						Remarks	
				Total	HDO	HDC	HSB	HOC	HCP		
Training hours	Total hours of training	Hours	585,441	624,019	662,734	489,516	166,164	1,009	4,447	1,598	Excluding registered executives
	Hours of training per employee	Hours/person	245.4	232.8	234.3	245.6	244.0	50.5	40.4	63.9	
Training expenses	Total training expenses	KRW million	2,552	1,577	1,737	994	687	12	31	13	
	Training expenses per employee	KRW million/person	1.07	0.59	0.61	0.50	1.01	0.60	0.28	0.52	
Rate of employees who received regular performance evaluation	%	96.4	96.0	93.1	97.1	80.9	100	92.7	100		

## ESG Data

### Non-financial Performance - Social

#### Equal Opportunities

Item	Unit	2019	2020	2021						Remarks	
				Total	HDO	HDC	HSB	HOC	HCP		
Ratio of female's remuneration compared to male	%	47	51	56	52	58	60	46	39		
Average remuneration per person	Male	KRW million	113	91	112	128	67	136	109	133	
	Female	KRW million	54	46	63	66	39	82	50	52	
Ratio of female employees	%	7.5	7.1	7.0	8.0	3.5	20.0	4.5	16.0	Excluding registered executives	

#### Protection of Human Rights

Item	Unit	2019	2020	2021						Remarks	
				Total	HDO	HDC	HSB	HOC	HCP		
Human rights training	Total hours of human rights training	Hours	5,008	5,386	5,584	4,042	1,214	44	226	58	
	Ratio of employees who received human rights training	%	100	99.96	97.88	100	91	100	100	100	

#### Social Contribution

Item	Unit	2019	2020	2021						Remarks	
				Total	HDO	HDC	HSB	HOC	HCP		
Social contribution	Hours of activity	Hours	5,745	3,719	4,157	4,157	-	-	-	-	
	Number of participants	Persons	2,525	2,791	N/A	N/A	-	-	-	-	Limited number of participants due to avoidance of face-to-face activities because of COVID-19

## ESG Data

### Non-financial Performance - Social

#### Product/Service Marketing and Labeling

Item	Unit	2019	2020	2021						Remarks	
				Total	HDO	HDC	HSB	HOC	HCP		
Violation of laws/regulations related to product/service information and labeling	Subtotal	Cases	0	0	0	0	N/A	N/A	N/A	N/A	Based on HDO
	Penalties on legal violations	Cases	0	0	0	0	N/A	N/A	N/A	N/A	Based on HDO
	Warnings on legal violations	Cases	0	0	0	0	N/A	N/A	N/A	N/A	Based on HDO
	Violation of internal organizational regulations	Cases	0	0	0	0	N/A	N/A	N/A	N/A	Based on HDO
Violation of laws/regulations related to marketing and communication	Subtotal	Cases	0	0	0	0	N/A	N/A	N/A	N/A	Based on HDO
	Penalties on legal violations	Cases	0	0	0	0	N/A	N/A	N/A	N/A	Based on HDO
	Warnings on legal violations	Cases	0	0	0	0	N/A	N/A	N/A	N/A	Based on HDO
	Violation of internal organizational regulations	Cases	0	0	0	0	N/A	N/A	N/A	N/A	Based on HDO

#### Information Protection

Item	Unit	2019	2020	2021						Remarks	
				Total	HDO	HDC	HSB	HOC	HCP		
Number of personal information protection violations	Total number of violations	Cases	0	0	0	0	N/A	N/A	N/A	N/A	Based on HDO
	Monetary sanctions	Cases	0	0	0	0	N/A	N/A	N/A	N/A	Based on HDO
	Non-monetary sanctions	Cases	0	0	0	0	N/A	N/A	N/A	N/A	Based on HDO
Information security training	Number of employees who received the training	Persons	68	78	68	68	N/A	N/A	N/A	N/A	Based on HDO
	Number of employees targeted	Persons	68	78	68	68	N/A	N/A	N/A	N/A	Based on HDO

#### Social and Economic Compliance

Item	Unit	2019	2020	2021						Remarks	
				Total	HDO	HDC	HSB	HOC	HCP		
Social and economic compliance	Damage from monetary sanctions (penalties)	KRW million	0	0	0	0	N/A	N/A	N/A	N/A	Based on business report disclosure, HDO
	Number of non-monetary sanctions (administrative dispositions)	Cases	0	0	0	0	N/A	N/A	N/A	N/A	
	Cases posed by dispute settlement mechanism	Cases	1	8	0	0	N/A	N/A	N/A	N/A	

## ESG Data

## Non-financial Performance - Governance<sup>1)</sup>

### Shareholding Status

Item		Unit	2019	2020	2021	Remarks	
Shareholders holding 5% or more	HD Hyundai	Number of shares	Shares	181,667,517	181,667,517	180,991,117	Hyundai Heavy Industries Holding changed to HD Hyundai in March 2022
		Share ratio	%	74.13	74.13	73.85	
	Aramco Overseas Company	Number of shares	Shares	41,664,012	41,664,012	41,664,012	
		Share ratio	%	17	17	17	

### Basic Information of Largest Shareholder

Item		Unit	2019	2020	2021	Remarks
Number of investors		Persons	366	404	550	
Largest shareholder (investor)	HD Hyundai	Share ratio	%	74.13	74.13	73.85

### Voting Rights

Item		Unit	2019	2020	2021	Remarks
Total number of shares issued		Shares	245,082,422	245,082,422	245,082,422	
Number of shares without voting rights		Shares	0	0	0	
Number of shares without voting rights based on the Articles of Association		Shares	0	0	0	
Number of shares with voting rights limited by other laws		Shares	0	0	0	
Number of shares with restored voting rights		Shares	0	0	0	
Number of shares that can exercise voting rights		Shares	245,082,422	245,082,422	245,082,422	

1) Hyundai Oilbank alone, excluding affiliates

### Board of Directors and Committees

Item		Unit	2019	2020	2021	Remarks	
Composition	Total	Persons	6	6	6		
	Inside directors	Persons	2	2	2		
	Non-standing directors	Persons	1	1	1		
	Outside directors (non-executive)	Number of Outside	Persons	3	3	3	
		Ratio of Outside	%	50	50	50	
	Female directors	Number of female directors	Persons	0	0	0	
Ratio of female directors		%	0	0	0		
Status of Board of Directors	Total	%	90	98	100	Average participation rate of each member of BOD during previous year	
	Attendance rate	Inside directors/ Non-standing directors	%	92	100	100	
		Outside directors (non-executive)	%	89	96	100	
Number of meetings held		Times	12	9	9		
	Number of agendas	Cases	36	37	33		
Agendas	Ratio of agendas corrected or rejected	%	0	0	0	Ratio of agendas with correction, supplementation, or opposition opinions	
	Audit Committee	Number held	Times	3	3	4	
Agenda		Cases	5	4	6		
Status of committees under Board of Directors	Committee for Internal Transactions	Number held	Times	3	3	4	
		Agenda	Cases	3	3	4	
	Outside Director Candidate Recommendation Committee	Number held	Times	1	1	4	
ESG Committee	Agenda	Cases	1	1	4		
	Number held	Times	0	0	1		
Agenda	Cases	0	0	1			

## ESG Data

### Non-financial Performance - Governance<sup>1)</sup>

#### Ethical and Fair Trading

	Item	Unit	2019	2020	2021	Remarks
Anti-corruption (ethical) training	Number of executives who completed ethical training	Persons	8	0	10	
	Ratio of executives who completed ethical training	%	14.04	0	14.49	
	Number of employees who completed ethical training	Persons	153	1,094	1,525	
	Ratio of employees who completed ethical training	%	6.38	40.65	54.02	
	Hours of ethical training	Hours	161	573	768	
Anti-corruption policy (Code of Ethics)	Number of suppliers that signed anti-corruption policy (Code of Ethics)	Companies	130	132	114	
	Number of employees who signed anti-corruption policy (Code of Ethics)	Persons	1,339	1,434	1,508	
Fair trade compliance education	Number completed	Persons	N/A	948	950	
	Completion rate	%	-	35.23	33.45	
Fair trade compliance violations	Number of legal/regulatory violations	Cases	1	0	1	
	Total monetary losses from legal procedures related to price fixing or price manipulation	USD 10,000	3,910	4,413	0	

Our company received disciplinary measures from the U.S. Department of Justice (2019) and Korean Fair Trade Commission (2021) for an oil bid rigging case along with other oil refinery companies during oil supply for U.S. Forces in Korea. We fully paid the agreed damages (total of \$83,230,000)

### Non-financial Performance - Economy<sup>1)</sup>

#### Creation and Distribution of Economic Values

	Item	Unit	2019	2020	2021	Remarks
Companies	R&D expenses	KRW million	7,426	7,264	9,501	
Shareholders and investors	Dividends	KRW million	203,418	95,092	296,060	
	Total social contribution expenses	KRW million	6,550	5,650	6,683	Based on business report
Local communities	Donation made by the foundation	KRW million	1,594	1,428	1,542	1% sharing donations and special donations
Supply chain	Refined oil purchase expenses	KRW million	13,432,808	8,339,526	13,883,217	Raw materials (petroleum products)
Employees	Total wages	KRW million	222,625	191,945	244,898	Based on business report
	Total wages	KRW million	214,231	184,537	234,261	Based on business report
	Male Ratio of standard entry level wage compared to local minimum wage	%	100	100	100	
	Total wages	KRW million	8,394	7,408	10,637	Based on business report
Female Ratio of standard entry level wage compared to local minimum wage	%	100	100	100		

#### Retirement Pension

	Item	Unit	2019	2020	2021	Remarks
Defined contribution (DC)	Operated amount	KRW million	N/A	N/A	6,331	Introduced DC pension system in 2021
	Number of employees enrolled	Persons	N/A	N/A	772	
Defined benefit (DB)	Operated amount	KRW million	217,430	222,986	235,240	
	Number of employees enrolled	Persons	1,815	1,860	1,925	

#### Government Benefits Received

	Item	Unit	2019	2020	2021	Remarks
Government subsidies		KRW million	21	10	10	Based on business report

1) Hyundai Oilbank alone, excluding affiliates

# GRI Standard Index

## Universal Standards

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# GRI Standard Index

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GRI 419: Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	91

# SASB Index

## Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Item	Unit	2019	2020	2021	Remarks	
Greenhouse Gas Emissions	EM-RM-110a.1	Gross global Scope 1 emissions	tCO <sub>2</sub> -e	6,899,547	6,915,278	7,649,418		
		Percentage covered under emissions-limiting regulations	%	100	100	100		
	EM-RM-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	-			Page 25		
Air Quality	EM-RM-120a.1	Air emissions of NOx (excluding N <sub>2</sub> O)	t	2,967	3,870	4,102		
		SOx	t	1,979	2,067	2,009		
		PM10	t	62.57	74.16	114.44		
		H <sub>2</sub> S	t	0.062	0.298	0.466		
		Volatile organic compounds (VOCs)	t	70.15	208.51	221.72		
	EM-RM-120a.2	Number of refineries in or near areas of dense population	Number	1	1	1	Daesan Plant	
Water Management	EM-RM-140a.1	Total fresh water withdrawn	t	29,212,813	24,665,097	31,015,831		
		Percentage recycled	%	18.09	19.09	19.19		
		Percentage in regions with High or Extremely High baseline water stress	%	0	0	0.0056		
	EM-RM-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Cases	0	0	0		
Hazardous Materials Management	EM-RM-150a.1	Amount of hazardous waste generated	t	7,761	9,139	10,029		
		Percentage recycled	%	84.76	77.62	84.32		
	EM-RM-150a.2	Number of underground storage tanks (USTs)	Cases	2	2	2	Gas stations inside plant	
		Number of UST releases requiring cleanup	Cases	0	0	0		
Workforce Health & Safety	EM-RM-320a.1	Total Recordable Incident Rate (TRIR)	Permanent employees	-	0.08	0.04	0	
			Contract employees	-	0	0	0	
		Fatality rate	Permanent employees	%	0	0	0	
			Contract employees	%	0	0	0	
		Near Miss Frequency Rate (NMFR)	Permanent employees	-	N/A	N/A	N/A	To be disclosed later
			Contract employees	-	N/A	N/A	N/A	
	EM-RM-320a.2	Discussion of management systems used to integrate a culture of safety	-			Pages 44-45		



# SASB Index

## Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Item	Unit	2019	2020	2021	Remarks	
Product Specifications & Clean Fuel Blends	EM-RM-410a.1	Production of renewable fuels	%	N/A	N/A	N/A	RVO system not applicable	
		Purchase of separated renewable identification numbers (RIN)	%	N/A	N/A	N/A	RVO system not applicable	
	EM-RM-410a.2	Total addressable market and share of market for advanced biofuels and associated infrastructure	₩, %	N/A	N/A	N/A	Market size predication different among institutions	
Pricing Integrity & Transparency	EM-RM-520a.1	Total amount of monetary losses as a result of legal proceedings associated with price fixing or price manipulation related to collusion or manipulation of price	USD 10,000	3,910	4,413	0	Our company fully paid the agreed damages and is observing obligations for educating and reporting antitrust laws of the United States	
Management of the Legal & Regulatory Environment	EM-RM-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	-				N/A	
Critical Incident Risk Management	EM-RM-540a.1	Process Safety Event (PSE) rates	Tier 1	Ratio	N/A	N/A	N/A	Due to differences between internal standards for safety accident outcomes and SASB, these data is to be disclosed later
			Tier 2	Ratio	N/A	N/A	N/A	
	EM-RM-540a.2	Challenges to Safety Systems Indicator rate (Tier 3)	Ratio	N/A	N/A	N/A		
	EM-RM-540a.3	Discussion of measurement of Operating Discipline and Management System Performance through Tier 4 Indicators	-				Pages 46-47	

## Activity Metrics

Topic	Code	Item	Unit	2019	2020	2021	Remarks
Refining throughput of crude oil and other feedstocks	EM-RM-000.A	Refining throughout of crude oil and other feedstocks	Barrels of oil equivalent (BOE)	172,316,100	151,160,199	166,706,899	Calculated based on crude oil throughput during the refining process
Refining operating capacity	EM-RM-000.B	Refining operating capacity	Million barrels per day (MBPD)	690	690	690	

# TCFD Index

TCFD Recommendation	Response Activity	Report
<p><b>Governance</b> : Disclosure of the organization's governance around climate-related risks and opportunities</p>	<p>The ESG Committee under the Board of Directors supervises overall ESG affairs of Hyundai Oilbank, including climate change. The ESG Committee is held regularly once a year, and temporary committee meetings can be held as necessary. The ESG Committee establishes ESG strategies, receives reports on stakeholder communication results, and monitors annual implementation status.</p>	17
<p><b>Strategy</b> : Disclosure of the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material</p>	<p><b>Short-term [Regulatory Risk]</b> Through the 2030 Climate Crisis Response and 2050 Net Zero Scenario, the Korean government announced its goals to reduce national GHG emissions by 40% until 2030 compared to 2018 and achieve carbon neutrality by 2050. The government is operating a GHG emissions trading scheme, which allows business sites to trade excess emissions credits, to effectively accomplish its GHG reduction goals. Hyundai Oilbank participates in this scheme as a company granted with GHG credits. The ratio of paid allocation of GHG credits is gradually increasing, and companies with GHG emissions exceeding the allocated amount must purchase credits, directly leading to increased costs. It is perceived as a potential short-term risk.</p> <p><b>Mid-term [Reputation Risk]</b> As stakeholders' interests in climate change have increased recently, there are growing concerns about the oil refinery industry that produces fossil fuels. Accordingly, Hyundai Oilbank strives to break away from its image of an oil refinery company and become an eco-friendly energy platform by declaring the eco-friendly energy business road map.</p> <p><b>Long-term [Technology Risk]</b> The Korean government has set high GHG reduction targets for the transportation sector and regulated the introduction of pollutant-free vehicles, such as EV and HV. There is a concern for the future contraction of automotive fuel markets. Accordingly, Hyundai Oilbank actively invests in various businesses to develop eco-friendly fuels, such as hydrogen and biodiesel, to accommodate new demands in the long run.</p>	N/A
<p><b>Risk Management</b> : Disclosure of how the organization identifies, assesses, and manages climate-related risks</p>	<p>Hyundai Oilbank manages risks related to climate change through its TF organization specializing in GHG reduction. The GHG Reduction TF consists of two parts: Greenhouse Gas Strategy Part which manages net zero strategies, targets, and outcomes, and the Greenhouse Gas Reduction Part, which executes actual reduction measures. Main and co-supervising departments for each part are designated to identify and assess related risks. Meetings with the CEO are held regularly to discuss risk management plans.</p>	25, 77
<p><b>Metrics and Targets</b> : Disclosure the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</p>	<p>Hyundai Oilbank aggregates and manages Scopes 1 and 2 GHG emissions annually. To promote more active GHG reduction activities. To achieve these goals, Hyundai Oilbank plans to utilize four GHG reduction levers, including RE Operation (operating eco-friendly plants), RE Switch (switching to eco-friendly fuels), RE Capture (capturing eco-friendly carbon), and RE Social (eco-friendly social activities).</p>	25, 80

# Stakeholder Communication

Hyundai Oilbank has created and operates communication channels to communicate seamlessly with major stakeholders.



# Initiatives and Associations / Awards / Certificates

## Initiatives and Associations

Name of Initiative/Association
Korea Enterprises Federation
Korea Petroleum Association
Korea Petrochemical Industry Association
Korea Lubricating Oil Industry Association
Korea Chamber of Commerce and Industry
Korea Industrial Technology Association
Korean Society of Industrial and Engineering Chemistry
Korean Institute of Chemical Engineers
World Energy Council (WEC)
World Petroleum Council (WPC)
Energy Future Forum
Korea Business Council for Sustainable Development (KBCSD)
Korea Industrial Safety Association
Korean Standards Association
Daesan Complex Council
Seosan Chamber of Commerce and Industry
Korea Environmental Preservation Association

## Awards

Details of Award	Host	Date
Selected as an Outstanding Call Center and Customer Impression Call Center by the Korean Service Quality Index (KSQI)	Korea Management Association Consulting	May 26, 2022
Ranked 1st among gas stations by the Korean Standard-Service Quality Index (KS-SQI)	Korean Standards Association	July 1, 2021
Ranked 1st among gas stations by the Korean Standard Well-being Environment Index (KS-WEI)	Korean Standards Association	June 24, 2021

## Certificates

Name of Certificates	Issuing Body	Effective Date
ISO14001 environmental management system	Korean Foundation for Quality	2023.12.23
ISO45001 safety management system	Korean Foundation for Quality	2023.12.23
ISO9001 quality management system	Korean Foundation for Quality	2023.12.23
ISCC Plus Certificate (Hyundai Oilbank)	CUC Germany GmbH	2023.01.10
ISCC Plus Certificate (Hyundai Chemical)	CUC Germany GmbH	2023.04.27
ISMS-P (Bonus Card service of Hyundai Oilbank)	Korea Internet & Security Agency	2023.12.01
American Petroleum Institute (API) certification	EOLCS	2023.03.31
IATF 16949 (Quality management system)	LRQA	2022.09.03
ISO 9001 - HOC (Quality management system)	LRQA	2022.09.03
ISO4001 - HOC (Environmental management system)	LRQA	2024.08.02
ISO45001 - HOC (Health and safety management system)	LRQA	2024.08.02

# Verification Statement on GHG Emissions

## Verification Statement on 2021 Greenhouse Gas Emissions Report

### Introduction

Korean Foundation for Quality (hereinafter 'KFQ') has been engaged by 『Hyundai Oilbank co. ltd.』, 『Hyundai Chemical co. ltd.』, and 『Hyundai OCI co. ltd.』 to independently verify its 2021 Greenhouse Gas Emissions Report (hereinafter 'the Report').

### Verification Scope & Standard

KFQ's verification was conducted on all the facilities which emitted greenhouse gas during the year of 2021 under operational control and organizational boundary of 『Hyundai Oilbank co. ltd.』, 『Hyundai Chemical co. ltd.』, and 『Hyundai OCI co. ltd.』. Direct and indirect sources of emissions (Scope 1, 2) were verified in accordance with the 'Guidelines for reporting and certification of greenhouse gas emission trading scheme'(Ministry of Environment Notice No. 2021-278) (hereinafter 'the Guidelines') and the annual final monitoring plans registered in the national greenhouse gas management system.

### Verification Procedure

The Verification has been planned and conducted in accordance with the procedures stipulated in the 'Verification guidelines for the operation of the greenhouse gas emission trading scheme'(Ministry of Environment Notice No. 2021-112), and to reach reasonable level of assurance.

### Limitations of verification

Accuracy and completeness of emission data reported in the 'the Report' are subject to inherent limitations due to their nature and the methodology used in determining, calculating and estimating such data.

### Conclusion/Opinion

Through the verification procedures, the following conclusions are presented.

- 1) 'The Report' has been stated in accordance with 'the Guidelines'.
- 2) As a result of material discrepancy evaluation, all three companies satisfy the quantitative standards set in 'the Guidelines'.
- 3) Thus, KFQ conclude that the Greenhouse Gas Emissions of Hyundai Oilbank co. ltd.』, 『Hyundai Chemical co. ltd.』, and 『Hyundai OCI co. ltd.』 in 2021 is correctly calculated and stated in accordance with 'the Guidelines'.

### 2021 Greenhouse Gas Emissions

Company	Greenhouse gas emissions (tCO <sub>2</sub> -eq)		
	Direct Emissions (Scope1)	Indirect Emissions (Scope2)	Total Emissions (Scope1 + Scope2)
Hyundai Oilbank co.	6,609,095.659	896,403.494	7,505,493
Hyundai Chemical co.	669,821.276	574,297.451	1,244,117
Hyundai OCI co., ltd.	370,500.790	39,370.403	409,871

\* The above Total Emissions are cut in units of integer for each business site, which cause a difference from the actual value(the summation of Direct and Indirect Emissions).

\* The above emissions are those registered in the national greenhouse gas management system before March 31, 2022

July 2022

# Third-party Assurance Statement

## To readers of Hyundai Oilbank Integrated Report 2021

### Introduction

Korea Management Registrar (KMR) was commissioned by Hyundai Oilbank to conduct an independent assurance of its Integrated Report 2021 (the "Report"). The data and its presentation in the Report is the sole responsibility of the management of Hyundai Oilbank. KMR's responsibility is to perform an assurance engagement as agreed upon in our agreement with Hyundai Oilbank and issue an assurance statement.

### Scope and Standards

Hyundai Oilbank described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR's assurance standard SRV1000. We are providing a Type 2, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team.

Confirmation that the Report was prepared in accordance with the Core Options of the GRI standards was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process.

- GRI Sustainability Reporting Standards
- Universal standards
- Topic specific standards
  - GRI 201: Economic Performance
  - GRI 205: Anti-Corruption
  - GRI 303: Water
  - GRI 305: Emissions
  - GRI 306: Effluents and Emissions
  - GRI 307: Environmental Compliance
  - GRI 403: Occupational Health and Safety
  - GRI 419: Socioeconomic Compliance

As for the reporting boundary, the engagement excludes the data and information of Hyundai Oilbank's partners, suppliers and any third parties.

### KMR's Approach

To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the engagement:

- reviewed the overall Report;
- reviewed materiality assessment methodology and the assessment report;
- evaluated sustainability strategies, performance data management system, and processes;
- interviewed people in charge of preparing the Report;
- reviewed the reliability of the Report's performance data and conducted data sampling;
- assessed the reliability of information using independent external sources such as Financial Supervisory Service's DART and public databases.

### Limitations and Recommendations

KMR's assurance engagement is based on the assumption that the data and information provided by Hyundai Oilbank to us as part of our review are provided in good faith. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. To address this, we referred to independent external sources such as DART and National Greenhouse Gas Management System (NGMS) and public databases to challenge the quality and reliability of the information provided.

### Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with Hyundai Oilbank on the revision of the Report. We reviewed the Report's final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, it is our opinion that the Report applied the Core Option of the GRI Standards. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

### Inclusivity

Hyundai Oilbank has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.

### Materiality

Hyundai Oilbank has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.

### Responsiveness

Hyundai Oilbank prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of Hyundai Oilbank's actions.

### Impact

Hyundai Oilbank identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

### Reliability of Specific Sustainability Performance Information

In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of economic, environmental, and social performance data related to sustainability performance. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

### Competence and Independence

KMR maintains a comprehensive system of quality control including documented policies and procedures in accordance with ISO/IEC 17021 : 2015 - Requirements for bodies providing audit and certification of management systems. This engagement was carried out by an independent team of sustainability assurance professionals. KMR has no other contract with Hyundai Oilbank and did not provide any services to Hyundai Oilbank that could compromise the independence of our work.

July 2022 Seoul, Korea



SRV1000  
Sustainability Committee Assurance



AA1000  
Licensed Report  
000-129/V3-FGJU

CEO *E. J. Hwang*

***Hyundai Oilbank*** 