

Environment Management Policy

HD Construction Equipment Environment Management Policy

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1. Purpose

HD Construction Equipment drives sustainable growth with the environment as a top priority. This is to create a sustainable world with the happiness of customers, business partners, shareholders, and various stakeholders in society through environmentally friendly corporate activities.

2. Scope

The HD Construction Equipment Environment Management Policy is applied to all members, subsidiaries, and partners of HD Construction Equipment. In addition, we expect our customers, suppliers and business partners to participate in compliance with environmental policies.

3. Governance Structure

HD Construction Equipment conducts final deliberations, resolutions, and decision-making by the ESG Committee, a committee under the board of directors, to promote company-wide environmental management.

The CEO makes decisions on main issues for environmental policy implementation and reports key issues to the top decision-making bodies, the Board of Directors and ESG committees, to help them make decisions.

4. Implementation of Environment Management Policy

HD Construction Equipment officially supports international environmental declarations, criteria, and standards, minimizes environmental impacts during the enterprise activity process, builds a system based on areas related to the environment, and systematically manages overall processes such as status checks and performance management based on internal policies.

In addition, we have established and implemented EHS management policies in order to pursue social value as the first priority through environmental management.

1) Environmental Management System

- HD Construction Equipment systematically establishes and periodically evaluates the entire process from setting environmental management goals to planning, implementation, and improvement to minimize the environmental impact of production activities and business facilities.
- All HD Construction Equipment operations are based on compliance with environmental regulations and establish and comply with ISO 14001 by establishing environmental management systems and internal standards.

2) Product

- We actively strive to ensure that our living environment is passed on to the next generation, to overcome the global crises of climate change and environmental degradation, and to build a sustainable, eco-friendly product portfolio.
- By developing environmentally friendly technologies such as alternative fuels, improved fuel efficiency, and emission-reduction technologies, as well as implementing smart technologies such as electrification and unmanned, automated technologies, we provide innovative eco-friendly products and smart construction solutions that meet customer needs. Through these efforts, we work to create a better future and sustainable development.

Resource Circulation and Circular Design

We are establishing a resource-circulation system that minimizes environmental impacts throughout the entire lifecycle—from raw material sourcing to disposal. We continuously expand the use of recycled materials, renewable biomass, and biodegradable materials within our products, and we are building a sustainable procurement ecosystem through the implementation of a “Green Purchasing Policy.” In particular, by incorporating enhanced durability and remanufacturing potential from the design stage, we go beyond product manufacturing to realize the value of a sustainable circular economy.

Product and Service Improvement

Through active R&D investments in technologies such as fuel-efficiency improvement, clean-energy transitions, and AI-based solutions, we are expanding our portfolio of low-carbon, zero-emission, and smart-technology-based sustainable products. To minimize environmental impact during the product-use phase and to provide customer-tailored solutions, we are building and managing an innovation-driven portfolio of eco-friendly products and services in an integrated manner.

3) Production

- HD Construction Equipment defines environmental management as a key challenge throughout production activities and business facilities and preserves the global environment by reducing greenhouse gases and minimizing pollutants.

Greenhouse Gas/Energy

In order to reduce greenhouse gas emissions in response to climate change, we will do our best to improve energy efficiency and expand renewable energy throughout the entire process of product development, procurement, production, logistics, use, and disposal.

In addition, we will continue to carry out activities with the goal of all sites meeting RE100 in 2040 and carbon neutrality in 2050 by regularly monitoring emission target performance, strengthening investment in energy-saving production processes, and expanding the introduction of renewable energy.

Water/Wastewater

We are striving for efficient use of water resources such as reducing water usage and expanding water reuse.

We are reducing emissions and pollutants by improving the wastewater treatment system, and we will establish a water resource data management system for all sites to promote improvement activities to achieve water goals.

Waste

Regular internal and external verification is conducted, with the establishment and operation of management standards for storage, transportation, and disposal to minimize waste generation and to have effective waste disposal of waste created during the operation of the project.

In addition, recycling of generated waste is considered a priority, and performance is managed on a monthly basis for expected generation and reduction plans.

Waste Disposal Process



4) Management

-Based on its environmental management goals, HD Construction Equipment is stepping up its enterprise-wide efforts to minimize environmental impact. In addition, we strive to strengthen communication by transparently disclosing detailed items and the performance of environmental management to various stakeholders such as customers and investors according to global standards.

Green Marketing

Based on its environmental management goals, HD Construction Equipment is stepping up its enterprise-wide efforts to minimize environmental impact. In addition, we strive to strengthen communication by transparently disclosing detailed items and the performance of environmental management to various stakeholders such as customers and investors according to global standards.

Reinforce Communication

We are trying to reflect the needs of various stakeholders, strengthen communication, and transparently disclose our environmentally friendly management activities through integrated reports and ESG evaluations of external organizations.

Green Supply Chain and Distribution

For a sustainable supply chain, we define ESG accountability compliance requirements for all suppliers, business partners and operate green purchasing guidelines to meet customer satisfaction and social responsibility through obtaining parts and producing the product in an environmentally friendly way.

Due Diligence, Mergers, and Acquisitions

When pursuing mergers and acquisitions, we conduct a Due-Diligence to identify potential risks that do not meet environmental laws or environmental management system standards and reflect them in the calculation of corporate value.

5) Hazardous Chemical Substance Management Policy

-HD Construction Equipment operates a Material Information Management System(HiSIMS) to prevent the use of hazardous substances in products sold and to help all suppliers and business partners comply with the requirements to respond more proactively to national/regional environmental protection.

- 01 Responds to global product hazardous substance regulations such as RoHS, REACH (SVHCs), TSCA, and PFAS.
- 02 Puts the utmost efforts into designing eco-friendly products, evaluates and improves the environmental impact of the entire process, and prohibits and restricts the use of harmful substances in the products.
- 03 To substitute or phase out hazardous substances contained in our products, we continuously invest in research and development and work in collaboration with external stakeholders.
- 04 Contributes to the safety of customers and minimizes the impact of ecosystems caused by harmful substances in products.
- 05 We strive to achieve our targets for substituting or eliminating hazardous substances, and we transparently disclose the progress of these efforts to both internal and external stakeholders.
- 06 Before new chemical substances or sub-materials enter our facilities, we collect detailed information from the supply chain and review whether they contain hazardous chemicals, ensuring that non-hazardous products are selected.
- 07 As chemical-related regulations become stricter, we identify alternative substances (chemicals) for sub-materials that may be newly classified as hazardous chemicals and continuously manage them to maintain a hazardous-chemical-free (Zero) workplace.