Response to Climate Change

Governance

Management System

Governance Structure

At HD Hyundai Oilbank, the ESG Committee under the Board of Directors serves as the core body for ESG governance, deliberating on and resolving major ESG matters such as climate change, and setting mid- to long-term strategic directions and key policies. The Committee convenes twice a year to review and manage GHG reduction targets and their implementation status. A dedicated team for energy and GHG develops GHG reduction roadmaps and identifies specific reduction measures. Building on cross-team collaboration, the two organizations report on task implementation to the company-wide ESG Promotion Council on a semiannual basis, enabling implementation performance to be reviewed and managed. Through this governance structure, HD Hyundai Oilbank enhances the accountability and transparency of climate-related decision-making and strengthens integrated, company-wide execution.

Organizational Chart

Board of Directors (ESG Committee)

Climate dedicated organization	Carbon and energy dedicated organization
• Establishment and management of company-wide carbon reduction plans • Monitoring (verification) of company-wide carbon emissions	• Monitoring of carbon and energy emissions at business sites • Target Allocation and management of carbon and energy reduction activities by department

Performance Management

HD Hyundai Oilbank has integrated GHG and energy intensity[1] into its organizational key performance indicators (KPIs). Until 2025, the Company used GHG emissions intensity as its KPI, and from 2026, the KPI was transitioned to energy intensity. For the CEO, the Chief Safety, Health, and Environment Officer (CSO), and executives of the Safety and Production Division, the reduction of energy intensity is reflected in KPIs, and the results are linked to executive performance evaluations and Performance-based bonus. Through this approach, the Company has strengthened the execution of its greenhouse gas reduction strategy by incorporating energy efficiency improvement and greenhouse gas emissions reduction into management's areas of accountability.

2026 Target 1.5 % improvement in energy intensity compared to 2025

1) Intensity refers to GHG emissions or energy consumption per crude oil refining volume.

Strategy

Response to Climate Change Strategy

HD Hyundai Oilbank implements detailed action plans based on its five key GHG reduction strategies in response to climate change and to support sustainable business operations, while continuously monitoring their implementation status. The Company prioritizes GHG reduction initiatives by comprehensively considering factors such as reduction potential, technology maturity, and economic feasibility, and implements these initiatives in a phased manner. In addition, the Company has established an internal mid- to long-term GHG reduction roadmap and continues to further develop it through detailed implementation planning.

GHG Reduction Strategy

Strategic Initiatives	Action Plans
Improving energy efficiency at business sites	• Optimization of fuel and utility consumption and operational methods • Energy efficiency enhancements through regular diagnostics
Introducing renewable energy and low-carbon energy	• Conversion to alternative fuels such as biofuels, hydrogen, and ammonia • Expansion of renewable energy use through various modalities including self generation
Expanding the resource recycling business	• Expansion of the use of waste plastic and waste tire pyrolysis oil • Low-carbon energy business utilizing bio-based raw materials
Promoting the CCUS business	• Introduction of CCUS R&D and new technologies • Expansion of carbon dioxide sales business
Other offset projects	• Sourcing carbon offset projects