

# HMM Sustainable Procurement Policy



# 1. Objective

HMM Sustainable Procurement Policy specifically aims to practice ESG management by defining and proactively implementing HMM’s “sustainable purchasing” activities and fulfilling the corporate social responsibilities that accompanies with any purchasing activity. Furthermore, it targets to contribute to sustainable growth and development by accomplishing HMM’s role as a member of the society responding to climate change, preserving natural resources, and protecting biodiversity.

# 2. Definition and Scope of Terminology

## I. Sustainable Procurement

Activities related to purchasing sustainable (low-carbon, etc.) products and services that minimizes the emission of greenhouse gases and other pollutants

## II. Sustainable Product

Products that require less energy and less resources spent in the production process as well as emitting the least pollutants while being used. It can be also classified by being enlisted within the domestic/international laws such as 「Framework Act on Low Carbon, Green Growth」 that is widely recognized by the global standards

### i. (General) Environmentally Certified Product

Products that have certification related to being environmentally-sustainable or products with any other certificates from domestic/international certification authorities (public/private) that specifically give-out energy efficiency grades, energy-saving degree, energy-efficient certificates, or certificates on the usage of sustainable materials, and certificates in regards to carbon footprints

### ii. (General) Good Recycled Product

Products that have been certified as “Recycled Product” by the 「Act on the Promotion of Saving and Recycling of Resources」 article 33, and 「Industrial Technology Innovation Promotion Act」 article 15

### iii. (General) Low-carbon Product

Products that have been certified under the 「Framework Act on Low Carbon, Green Growth」

### [General (Domestic) – Reference Chart]

Category	Eco-label Product	Good Recycled Product	Low-carbon Product
Ground Law	「Industrial Technology Innovation Promotion Act」	「Act on the Promotion of Saving and Recycling of Resources」	「Framework Act on Low Carbon, Green Growth」
Target Product Certification Status	165 product lines including office equipment, construction materials, and household goods	18 product lines including waste paper, waste wood, and waste plastic	52 product lines including household goods and construction materials
Certified Status (based on Dec. 2023)	5,037 companies, 19,439 (General) products	292 companies, 354 products	198 companies, 872 products
Certificate Authority	Korea Environmental Industry and Technology Institute (KEITI)	Korea Industry Resource Circulation Institute	Korea Environmental Industry and Technology Institute (KEITI)
Label Design			

iv. (Fuel) Low/Zero-carbon Fuel

- Fuel that are certified for reducing carbon emissions according to the international standards/certifications and that meet the low-carbon certification schemes prescribed by the International Maritime Organization (IMO) and climate-related international organizations. This specifically includes fuels such as ISCC<sup>1</sup>-certified biofuels, etc.

### 3. Sustainable Purchasing Principles

- I. HMM shall take into account the 'sustainability' aspects of products in all purchasing activities.
- II. HMM shall actively encourage the usage of sustainable products to strengthen environmental management, as well as expand practices of purchasing products that have been certified for their sustainable disposition throughout the workplace.
- III. HMM shall consider the environmental impact of every purchasing activities for sustainable growth and strive to efficiently manage sustainable products as well as discover sustainable materials to expand environmental purchasing activities.
- IV. HMM shall actively propose to promote sustainable purchases by sharing information to the purchase control team on the sustainable products prior to establishing a business plan.
- V. HMM shall support and encourage all HMM stakeholders, including the internal purchasing management office/purchasing execution office, to practice sustainable purchases.

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<sup>1</sup> ISCC (International Sustainability & Carbon Certification) is a representative bio-energy certification that determines regulatory suitability of alternative fuels in regards to EU RED (Renewable Energy Directive) obligations and calculates carbon emission reductions and awards certificates