

# M&A Emission Management Guideline

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## 1. M&A (Mergers and Acquisitions)

### 1.1 Definition:

Changes in organizational boundaries due to ownership transfer of sites or emissions facilities of other management service providers or non-management service providers to a management service provider for the executing year, or such ownership transfer to non-management service providers

1.2 (Adjustment Plan 1) Hyundai E&C acquires the site, emissions facilities of an outside management service provider or company with emissions credit

- Emissions cap of Hyundai E&C added to that of the acquired site, emissions facilities to evaluate performance

1.3 (Adjustment Plan 2) Hyundai E&C acquires the site, emissions facilities of a non-management service providers or company without emissions credit

- No adjustment in emissions credit is made, and the site and emissions facilities of the non-management service provider are subject to evaluation during the following planning period.

1.4 (Adjustment Plan 3) A subsidiary of Hyundai E&C (non-management service provider) acquires the site, emissions facilities of a management service provider or company with emissions credit

- Acquired company alone subject to evaluation, and emissions of Hyundai E&C's subsidiary are evaluated for the following planning period.

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## 2. Sell-off & Division

### 2.1 Definition:

Changes in organizational boundaries due to transfer or statutory division of ownership of sites, emissions facilities of management service providers or companies with emissions credit for the executing year

2.2 (Adjustment Plan 1) Hyundai E&C sells off the site, emissions facilities to an outside management service provider or non-management service provider

-Hyundai E&C is subject to evaluation with the total emissions credit less emissions credit of the site, facilities to be sold or divided for the executing year

2.3 (Adjustment Plan 2) Hyundai E&C divides the corporation and establishes a new one

- Hyundai E&C's emissions credit is allocated to each enterprise, subject to separate evaluation

## 3. Disclosure

### 3.1 Definition:

Parts of emissions facilities or equipment groups\* of management service providers being physically excluded or registered for closure within the executing year

3.1 (Adjustment Plan 1) For closure of emissions facilities, Hyundai E&C's emissions credit for the executing year less emissions credit of facilities to be closed

- Unit bundling together equipment with similar functions and roles, using the same fuel, and with the same purpose (Article 2 of the Guidelines)

3.2 (Adjustment Plan 2) For partial closure of equipment, emissions cap is calculated based on equipment group emissions table\* for the base year with the rate of the executing year taken into account

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## 4. Suspension

### 4.1 Definition:

Facilities with emissions of 15,000 tons\* or more for the base year at the time of planning suspending operations of the facilities or of a portion of the equipment groups for a fixed period of time (over 30 days in a row) for the executing year

\* A regulatory institution can downgrade the criteria based on the nature of the industry

4.2 (Adjustment Plan 1) Emissions cap is calculated based on the operation period for the base year with the rate\* of the suspension period taken into account

\* For equipment, adjustment as in 'closure' (mediation 2) is applied

