



# Social

\* IONIQ Forest - Hyundai's eco-friendly CSV project

The primary purpose of every business is to generate profit. However, those which fail to fulfill their obligations as responsible members of society in the process of creating economic value are no longer sustainable. Having committed itself to the pursuit of sustainable growth, Hyundai considers the right direction for achieving growth and the right changes for society as a member of the global community, spreading social value so that more people can benefit from the greater value created by Hyundai.

- 3.1 Human Rights and Human Resources Management
- 3.2 Health, Safety and Welfare of Employees
- 3.3 Sustainable Supply Chain
- 3.4 Customer Experience Innovation
- 3.5 Creating Shared Value

# Human Rights and Human Resources Management

Hyundai supports international standards and guidelines related to human rights and labor, and promotes human rights management across global supply. In collaboration with the relevant departments, we strive to make practical improvements, while also conducting annual due diligence across our business sites and suppliers to identify both potential and actual human rights risks, and implementing appropriate mitigation measures accordingly. Meanwhile, we have established a human resources management system that provides the highest level of value to employees. We recruit talented employees and invest in capacity building to create a culture of voluntary learning. We also have built a creative and performance-oriented organizational culture performance evaluation and fair compensation, operate customized welfare systems, and carry out activities aimed at improving the work environment and promoting diversity.

## Human Rights Management

### DIRECTION OF HUMAN RIGHTS MANAGEMENT

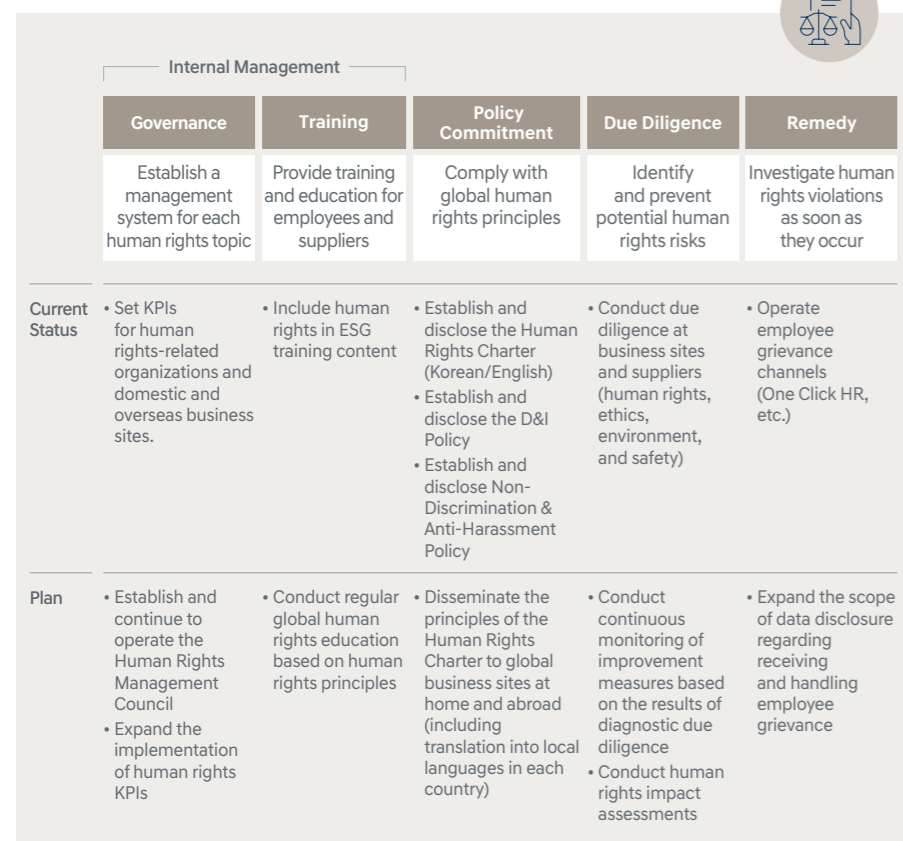
Hyundai is committed to the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. We also support international standards and guidelines related to human rights and labor, such as the International Labor Organization Constitution, the OECD Guidelines for Multinational Enterprises, and the OECD Due Diligence Guidance for Responsible Business Conduct, based on which we promote human rights management on the global scale.

Hyundai's human rights management system comprises five elements – governance, training, Policy Commitment, due diligence, and remedy. Each year, we select key issues in the field of human rights management by analyzing the status and deficiencies of these five elements. For the selected issues, we consult with the relevant departments, including the HR, ER, Legal, and Procurement Departments, in order to seek step-by-step improvements and induce practical changes. We will continue doing our best to establish a global corporate culture that protects and respects the human rights of our stakeholders.

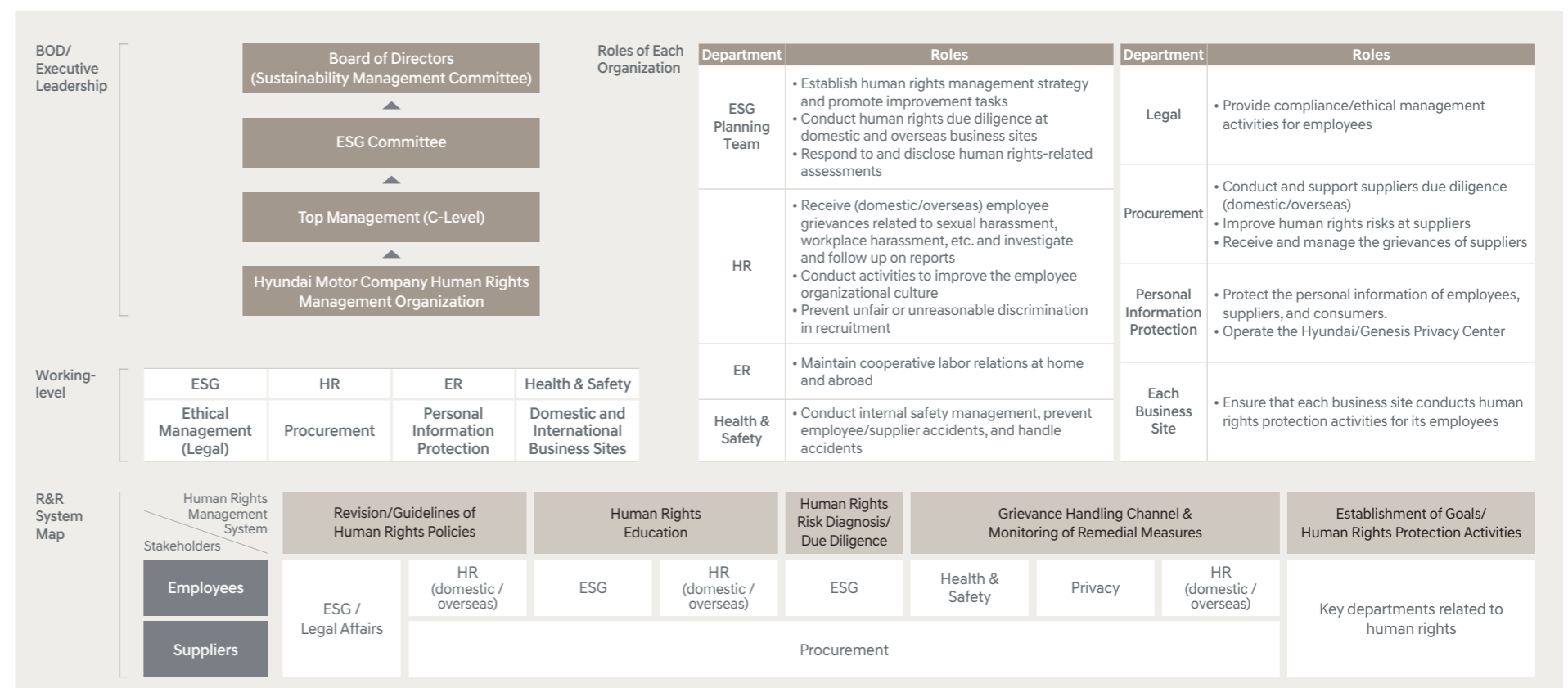
### INTERNAL MANAGEMENT

**Human Rights Management Governance** Hyundai collaborates with various related departments, including ESG, HR, ER, Legal, Procurement, and Safety, in order to protect and respect the human rights of the many stakeholders involved in our business. Human rights risks identified through due diligence at our business sites and suppliers are reported to the top management and the Board of Directors (Sustainability Management Committee). Going forward, we plan to establish a system to detect and prevent global human rights risks proactively through regular human rights councils and to respond promptly to human rights issues that have already occurred.

### Human Rights Management Promotion System



### Human Rights Management Governance



# Human Rights and Human Resources Management

**Human Rights Education** Hyundai provides human rights education to ensure that its employees comply with the Human Rights Charter and to enhance their awareness of human rights. Hyundai operates a total of twenty-four human rights-related courses, which include not only statutorily mandated education such as sexual harassment prevention education and disability awareness education, but also education on human rights management concepts, cases of human rights violations, human rights-related legislation, and industry trends. In particular, since 2022, we have regularly conducted workplace harassment prevention training for all our employees once each year in consideration of the serious nature of workplace harassment as a major social issue. Additionally, to foster a company-wide shift in ethical management awareness, we have been providing ethical management training to our domestic team leaders, and we expanded this to include the heads of overseas subsidiaries and expatriates in 2023. In 2024, we plan to introduce regular human rights management training content based on the principles of the Human Rights Charter in an effort to further raise our employees' awareness of human rights issues.

For our suppliers, we held online briefings on Hyundai's "Supply Chain ESG Risk Diagnosis and Due Diligence" and "Conflict Minerals Management Procedures" to explain the necessity of human rights management and how to manage human rights risks. The briefings also covered the basic principles of human rights management with which our suppliers should comply, such as non-discrimination, humane treatment, and working hour management, based on Hyundai's Code of Conduct for Suppliers. A total of 1,830 employees from 427 suppliers participated in the ESG briefings.

## HUMAN RIGHTS POLICY COMMITMENT



**Human Rights Charter** Hyundai implements human rights management and also strives to prevent human rights violations and mitigate the related risks in all our business operations by establishing and revising the Human Rights Policy. The policy includes key elements for the internalization and dissemination of human rights management, such as the commitment to prohibiting forced labor and child labor, guaranteeing freedom of association and collective bargaining rights, and preventing discrimination. Hyundai's Human Rights Policy applies to all its employees (executives, staff, and non-regular workers), including those of its domestic and international production and sales corporations, subsidiaries, and grandchild subsidiaries, as well as joint venture employees. Hyundai employees are expected to adhere to the policy when dealing with suppliers, sales, and service organizations. Furthermore, we encourage all stakeholders in our business relationships to respect and uphold the Human Rights Policy.

In 2023, we revised our Human Rights Charter to emphasize our zero tolerance for child labor and forced or compulsory labor, enhance our procedures for handling reports of human rights violations, and add new sections on responsible supply chain management and environmental rights. We will continue to review and revise our Human Rights Charter on a regular basis in order to ensure that it reflects current human rights issues and changes in the international guidelines in a timely manner.



**Hyundai Motor Company Non-Discrimination & Anti-Harassment Policy** Hyundai accounted a Non-Discrimination & Anti-Harassment Policy, aiming to prevent incidents and issues related to workplace discrimination, harassment, and sexual harassment while respecting the right of employees to be treated equally and without discrimination. In accordance with the Non-Discrimination & Anti-Harassment Policy, the following behaviors are strictly prohibited – exclusion or rejection of individuals or groups based on their differences; inflicting physical or mental suffering by leveraging one's position or relationship within the workplace; and engaging in actions that cause sexual humiliation or feelings of disgust.

## HUMAN RIGHTS DUE DILIGENCE

**Scope of Human Rights Risk Assessment** Hyundai has conducted human rights risk assessments of its domestic sites—including its headquarters, research centers, and the Ulsan, Asan and Jeonju plants—as well as its overseas sites in Europe, North America, Central & South America, India, and China. This includes assessments of those overseas regional headquarters, subsidiaries, and research centers with 100 or more employees, thus covering more than 90% of Hyundai's workforce. We plan to periodically refine the indicators and criteria for our human rights risk assessments and aim to achieve 100% coverage of all our manufacturing subsidiaries at home and abroad.

**Human Rights Risk Assessment Targets** Taking into account such factors as employee composition, business operations and locations, products and services offered, and environmental and community impacts, as well as the sourcing of products and services from the supply chain, Hyundai has identified employees, women, children, migrant workers, workers in partner companies, and local residents as key subjects of the assessment of human rights risks. In addition, we proactively identify and prevent human rights risks according to a separate ESG checklist review of investments in new or expanded factories resulting from new business relationships (including mergers, acquisitions, joint ventures, new contracts, etc.).

**Design of Human Rights Risk Assessment Indicators** Hyundai strives to define as accurately as possible the scope of human rights risk assessments and the potential human rights risks to be assessed. To this end, we have developed assessment indicators based on the Hyundai Human Rights Charter, referencing domestic and international human rights management standards, industry initiative manuals, and the best practices of peer companies. Furthermore, we have established and apply our own human rights risk diagnosis and due diligence indicators by analyzing the types of human rights-related grievances previously received and handled, gathering the opinions of employees, and reviewing these together with third-party specialized organizations.

### Workplace Harassment Prevention Training

- **Purpose** To highlight the social issue of workplace harassment, we conduct harassment prevention education
- **Target** Approximately 70,000 employees (general, research, legal, technical, maintenance, sales, etc.)
- **Contents** Definition of workplace harassment, measures to protect victimized employees, measures to respond to harassment, etc.
- **Method** Training methods vary by job category, including both online and offline formats



### Human Rights Training in 2023

#### Workplace Harassment Prevention Training (Korea)



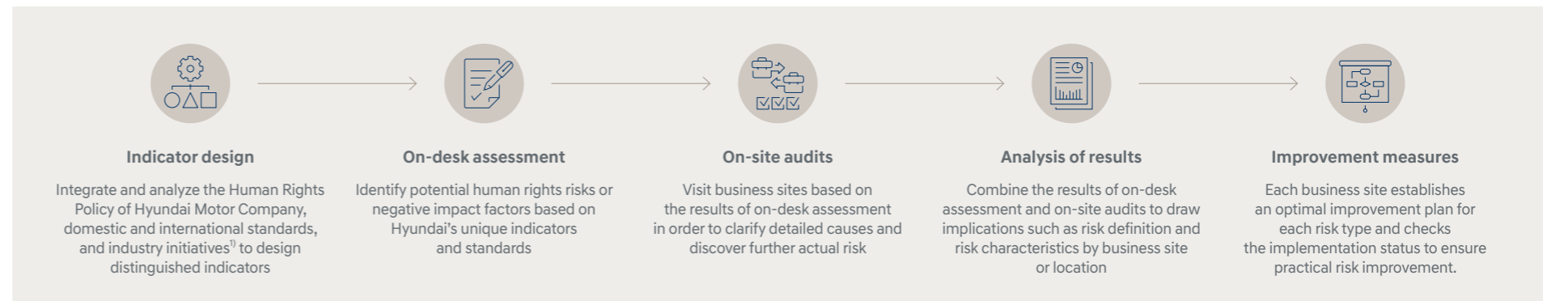
Number of employees subject to training	Training participation rate
Approximately <b>70,000</b> people	Approximately <b>98.45%</b>

#### Online Training for Suppliers



No. of participating suppliers  
**427** companies  
(1,830 people)

### Human Rights Risk Assessment Process



<sup>1)</sup> UNGPs, OECD Guidelines for Multinational Enterprises and Due Diligence Guideline, CHRB, Drive Sustainability, etc.

# Human Rights and Human Resources Management

**Prediction of Human Rights Risk** Prior to conducting on-desk assessments and on-site audits of human rights risks, Hyundai conducts research on the following matters: the legal and regulatory landscape regarding human rights in each country; investigative materials from domestic and international institutions and media related to human rights; documentation from industry initiatives on human rights; and interviews and consultations with business site personnel in order to gather their insights and opinions. By investigating the internal and external environments, Hyundai aims to proactively anticipate potential human rights risks that could arise from a variety of groups, including employees, women, children, migrant workers, suppliers' employees, and local residents.

Based on the preliminary assessment of human rights risks, Hyundai applies assessment and due diligence indicators which are differentiated according to each business site and stakeholder group. Furthermore, these indicators are continuously refined and strengthened to ensure a more accurate identification of risks. As a result of the preliminary prediction of human rights risks in 2023, we estimated that there is a possibility of human rights risks in Korea in terms of our suppliers' working conditions (salary, working hours, etc.), discrimination, workplace harassment, and collective bargaining right, freedom of association. Additionally, we determined that there is a potential for risks overseas in terms of forced labor, child labor, and discrimination against migrant/contract workers and women/children.

**On-desk Human Rights Risk Assessment** Hyundai identifies potential human rights risks in various areas by carrying out a written diagnosis in the form of a questionnaire, based on human rights risk diagnosis and due diligence indicators developed with our business environment and characteristics in mind. Regarding the written diagnosis, we aim to enhance its effectiveness by providing specific criteria and requirements designed to facilitate each business site's response. Potential risks identified through the written diagnosis are further verified and validated through on-site audits. In 2023, we conducted a written diagnosis based on 28 items, and we will proactively identify potential human rights risks in our workplaces and take the appropriate corrective measures based on the insights derived from the results of the human rights risk assessment. The written diagnosis indicators are updated periodically by referencing the global guidelines.

## On-desk Assessment Indicators of Human Rights Risks

1. Governance and Human Rights Policy		4. Corporate Human Rights Practices	
1-1	Human Rights Policy	4-1-1	Wages
1-2	Human rights management responsibilities	4-1-2	Prohibition of child labor
2. Embedding Respect and Human Rights Due Diligence		4-1-3	Prohibition of forced or compulsory labor
2-1-1	Incentive and performance management of persons in charge of human rights management	4-1-4	Employment contract
2-1-2	Dissemination and communication of policies	4-1-5	Freedom of association and collective bargaining
2-1-3	Protection of the human rights of local residents	4-1-6	Women's rights
2-1-4	Encouraging business partners to human rights management	4-1-7	Working hours
2-1-5	Education	4-1-8	Employee welfare and benefits
2-2-1	Identification of human rights risks and impacts	4-1-9	Responsible mineral resource procurement
2-2-2	Tracking of human rights risk measures and effects	4-1-10	Disciplinary actions
3. Remedies and Grievance Mechanisms		4-2-1	Occupational non-discrimination
3-1	Grievance channels for workers	4-2-2	Employment non-discrimination
3-2	Grievance procedures for workers	4-2-3	Prohibiting workplace bullying
3-3	Grievance mechanisms for external stakeholders and communities		
3-4	Stakeholder engagement in designing, implementing, and improving grievance mechanisms		
3-5	Remediation of adverse impacts		
3-6	Evaluating data management and effectiveness of grievance mechanisms		

● Potential Risk ○ Low Risk

## Preliminary Diagnostics of Human Rights Risk and Major Risks Identified

	Prohibition of child labor and force labor	Prohibition of discrimination and harassment	Compliance with working conditions	Guarantee of the freedom of association and collective bargaining	Guarantee of industrial safety	Protection of the human rights of local residents	Guarantee of environmental rights
<b>Domestic</b>							
Employee	○	●	○	○	●	○	○
Supplier	○	●	●	●	●	○	○
Local Community	○	○	○	○	○	●	●
Woman	○	●	○	○	●	●	○
<b>Overseas</b>							
Employee	○	●	○	●	●	○	○
Immigrant and contract workers	●	●	●	●	●	●	○
Supplier	●	●	●	●	●	○	○
Local Community	○	○	○	○	○	●	●
Woman	●	●	●	○	○	●	○
Child	●	○	○	○	○	●	○

**On-site Human Rights Risk Audit** To ensure the reliability of the results of the document-based assessment, Hyundai selects business sites for on-site audits, taking into consideration various factors such as the location of the site and its operational characteristics, worker composition, and its impact on the local community. Particular attention is paid to business sites where potential human rights risks are identified or where negative impacts are anticipated, prioritizing them for on-site inspections.

On-site audits are conducted by internal experts responsible for HR, safety, and organizational culture. In addition, consultation with external experts in labor and law may be involved, if necessary. At the audit sites, we review various documents in order to verify the working conditions and conduct site tours to assess the working environments, such as safety devices and environmental facilities. In particular, we conduct interviews with the employees and personnel in charge of each workplace in order to hear their grievances and identify human rights risks. In the future, we will continue to refine our on-site audits methods so as to incorporate more diverse perspectives and enhance the reliability of our human rights risk assessments.

## Results of Human Rights Risk Assessment (On-desk & On-site) (Unit: %)

	Classification	Results
Hyundai business sites	Ratio of business sites where human rights risks assessment was conducted <sup>1)</sup>	100
	Ratio of business sites where risks were identified	17
	Ratio of improvement measures and activities taken	100
Suppliers	Ratio of suppliers where human rights risks assessment was conducted	100
	Ratio of suppliers where risks were identified <sup>2)</sup>	8.1
	Ratio of improvement measures taken	100

<sup>1)</sup> Percentage of business sites where the human rights risk assessment was conducted to total number of business sites subject\* to the assessment

\* Domestic: Sites with on-site workers, Overseas: Sites with over 90% of headquarters' ownership and more than 300 employees

<sup>2)</sup> Ratio of suppliers where risks were identified = No. of tier-1 suppliers where risks were identified (118) / No. of tier-1 suppliers that took written diagnosis (1,454)

[📄 Human rights due diligence at Hyundai business sites](#) [📄 Human rights due diligence at suppliers](#)

# Human Rights and Human Resources Management

**Results of On-desk Assessment and On-site Audit** The result of the on-desk assessment and on-site audit shows that the compliance rate across all domestic and overseas workplaces was approximately 80%. However, the results of the assessment tended to vary by region as we utilized more advanced assessment indicators compared to last year. The European region has demonstrated leadership in minority protection and non-discrimination, with ongoing improvements in working conditions aligned with social safety nets. Manuals have been created and disseminated to guide workers in reporting and addressing human rights issues. In India and China, it has been observed that human rights management is still in the early stages due to national laws and regulations, social customs, and cultural backgrounds.

**Results of Human Rights Risk by Region** Hyundai diagnosed human rights risks at a total of 58 sites, including domestic and overseas plants and joint ventures. Of these, 24 sites were located overseas in North America, Central & South America, Europe, India, and China. Through due diligence, we assessed the status of human rights management and potential risk factors in each region, and prepared necessary improvement measures and implementation plans.

**Analysis of On-desk Assessment and On-site Audit Results by Area** The result of on-desk human rights risk assessment and on-site audits indicate that potential risks were identified in some overseas workplaces, as well as in Korea, particularly in terms of policies and systems. The issues identified do not constitute actual human rights violations at each workplace but rather items that can be addressed by establishing the policies at the headquarters level and through dissemination and training. Furthermore, low-level risks were identified in the areas of non-discrimination and humane treatment. We took immediate action on-site against minor risks at each business site and distributed the principles of the Human Rights Charter to all our global business sites to mitigate potential risks. We also plan to provide in-depth human rights training to all global workplaces in the future, including case studies on human rights violations.

**Measures to Address Human Rights Risks** Through on-desk assessments and on-site audits, improvement tasks are identified, and each business site establishes implementation plans for these tasks and takes relevant measures. For identified risks, the business site representatives discuss and establish improvement tasks, considering the timing, approach, and potential issues related to the implementation. Our headquarters monitors the progress of implementing improvement tasks by each business site. As for the tasks that require a significant amount of time or necessitate regulatory or systemic improvements or large-scale investments and structural changes are set as company-wide tasks, and long-term implementation plans are being developed from a strategic perspective.

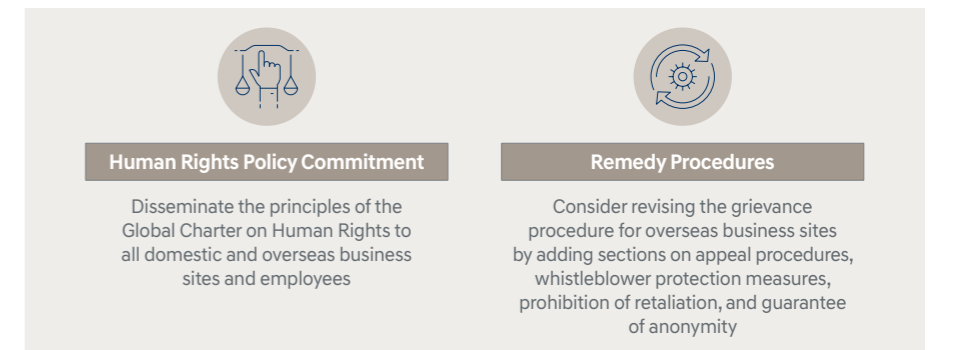
**Plan to Advance Human Rights Risk Assessment** Hyundai is committed to establishing a system for managing human rights risks that arise at business sites and minimizing the negative impact of human rights risks on its business operations. To identify and address actual issues with a high operational impact and potential risks at business sites, we plan to enhance the assessment and due diligence indicators. Through due diligence, all identified human rights risks will be actively mitigated to prevent their dissemination and transmission.

In 2024, Hyundai plans to enhance the assessment indicators and expand the scope of the human rights risk assessment to include business sites with 50 or more employees, as well as an on-desk assessment and some on-site audits. We plan to focus on on-site audits primarily at our production sites in Asia, where we estimate the risk of exposure to human rights abuses to be relatively high. Through periodic human rights due diligence, Hyundai aims to minimize human rights violations across its supply chains, including global business sites, by identifying actual human rights risks at business sites, establishing improvement plans, and continuously monitoring them.

## Analysis of Human Rights Risk by Region



## Measures to Address Risks by Type



## Evaluating the Effectiveness of Human Rights-Related Risk Mitigation Measures (Survey of Trainees)

Course Title	Key Feedback
Ethical Management New Team Leader Course	<ul style="list-style-type: none"> <li>Based on real-life cases, enhanced understanding of ethical management</li> <li>Group discussions utilizing case studies (57.4%)</li> <li>Improved understanding of ethical management and reminders (26.2%)</li> </ul>
Ethical Management Overseas Course	<ul style="list-style-type: none"> <li>Positive (70%), needs improvement (19%)</li> <li>Positive: Improved understanding of human rights/ethical management, awakened ethical sensitivity</li> <li>Needs improvement in explanation about specific cases</li> </ul>

# Human Rights and Human Resources Management

## REMEDY PROCEDURES

**Handling of Human Rights Grievance** Hyundai has set in place a procedure for receiving, addressing, and taking action on issues related not only to discrimination, harassment, and sexual harassment but also to improving organizational culture and working conditions. The grievance handling channels are operated in a variety of forms, both online and offline, such as postal services, hotlines, and cyber audit office, to enhance accessibility for complainants. The anonymity and confidentiality of complainants are ensured, and any form of retaliation, identity exposure, or adverse employment actions related to reporting complaints is strictly prohibited. Upon receiving a complaint, the process involves promptly assessing the situation according to the established procedures. If necessary, efforts are made to address the root causes of the complaint, improve internal systems or work methods, and prevent recurrence. Furthermore, for employees who have had a negative impact on human rights through actions such as discrimination or harassment, we review the criteria and procedures specified in employment rules and disciplinary regulations to consider appropriate personnel measures.

Hyundai refers to “Principle 31” of the UN Guiding Principles on Business and Human Rights to verify the effective and efficient operation of the grievance handling procedure, encompassing receipt, processing, actions, and prevention of recurrence.

## Strategic HR Management

### TALENT RECRUITMENT AND MANAGEMENT

**Talent Recruitment Process and System** Hyundai enhances its recruitment process by taking into account the perspective of each candidate. Recently, we introduced a “predictable” permanent recruitment strategy by combining the advantages of large-scale and rolling recruitment. We conduct monthly recruitment drives for experienced candidates and quarterly ones for new recruits, enabling applicants to predict when they will be able to submit their job applications. We also run various internship programs for domestic and global talents, including those from ASEAN, providing them with opportunities to gain practical experience and enhance their skills at Hyundai.

To this end, we define the expertise, qualifications, and skills required by departments seeking talents in advance, establish the selection criteria, and have a system in place for the timely recruitment of job-oriented talents with active departmental participation. We also have “a dedicated recruitment support organization” composed of decision-makers from the HR department and other relevant departments who evaluate the expertise and suitability of applicants in a fair manner.

After the recruitment process, we conduct regular internal audits to ensure transparency and take remedial actions if issues of fairness and reliability are found. We also operate a checklist for self-checking the fairness of applicant selection to enhance transparency and have revamped our job posting website to make it easier for applicants to access information and apply. Additionally, we provide preferential treatment to those with employment protection (individuals with disabilities, veterans, etc.) in accordance with relevant laws and regulations and have advanced our internal recruitment management system to strengthen the fairness and reliability of the recruitment process through data-based analysis.

**Talent Acquisition Strategy for New Businesses/New Technologies** To proactively secure talents for new businesses and new technology fields and strengthen our future competitiveness, Hyundai implements various recruitment strategies, including talent sourcing, and operates a dedicated sourcing organization. We are proactively building our talent pool for new business strategies, conducting activities to discover talents through various channels, and enhancing our recruitment brand image as a future mobility technology company.

**Internal Recruitment and Job Transfer** Hyundai has established the “Internal Recruitment and Job Transfer” system which enables the company to have right talent in a timely manner within its talent pool and provides opportunities for employees to gain new job experiences. When there is a need for personnel in a particular department, employees can apply for the desired department and position based on their career and competency. Through the evaluation process, including document review and interviews, candidates for internal transfer are selected. Hyundai actively utilizes this system to reduce costs associated with new recruitment, shorten the organizational adjustment period, and provide opportunities for existing employees to develop their abilities as managers.

**Performance Evaluation System** In order to ensure a fair and inclusive evaluation based on performance/competence, Hyundai has set in place performance evaluation by objective and continuous feedback system, targeting general and research employees. Employees manage annual key tasks and objectives according to the goals of their organization and conduct year-round performance management to achieve the tasks assigned to each individual. Leaders and team members exchange continuous feedback during the work process, documenting the process for use in the year-end evaluation.

**360° Multi-Faceted Evaluation** Hyundai has implemented “Leadership Surround View” for leaders and “Peer Surround View” for staff members as a way to build a culture of sound feedback. Leadership Surround View helps leaders have objective self-awareness and develop leadership through an annual 360-degree feedback (self/superiors/members/peers) on leadership. Peer Surround View is operated continuously for about two months each in the first and second halves of the year, aiming to foster individual growth and expand the collaborative culture of the organization through feedback among collaborating colleagues.

**View-T System** We are operating a continuous View-T System to ensure timely exchange of opinions and feedback between leaders and team members. Members share their work plans, progress, and support needs, while leaders provide feedback considering not only the performance of the members but also collaboration with colleagues and contributions to the organization in a comprehensive manner during the work process. Through this continuous feedback system, work performance is shared between leaders and team members, and feedback is utilized in evaluations. In addition, this system enables leaders to promote fair performance management while motivating team members for their growth and development.

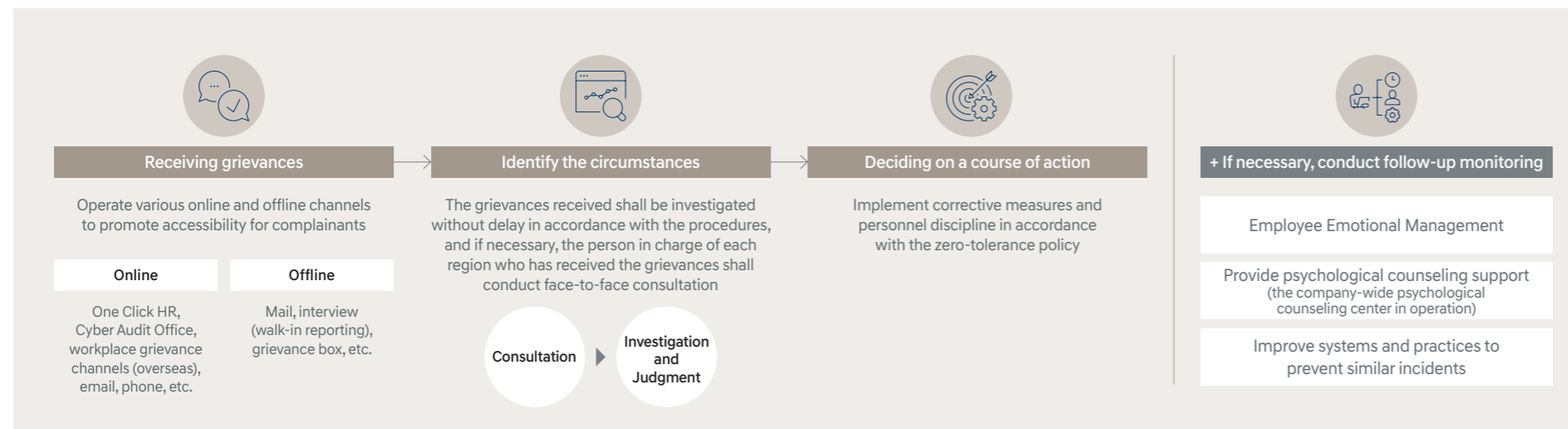
### Receiving and Handling of Employee Grievance in 2023

- Number of grievances received 59
- Number of grievances handled 59
- Grievance handling rate 100%



\* Limited to grievances received through the One Click HR (Korea)

### Grievance Procedure



# Human Rights and Human Resources Management

**Remuneration System** Hyundai provides variable pay that is linked to performance evaluations, and salary increase is adjusted considering internal and external economic conditions, market conditions, and business performance. The company does not discriminate irrationally among employees when it comes to setting base salaries or determining salary increases. Wages above the minimum wage are paid on a regular basis on fixed dates.

**Performance-based Compensation** At Hyundai, employees' variable pay is determined fairly based on their job performance. In addition to variable pay based on performance evaluations, we also motivate our employees by distributing surplus profits to employees annually based on the company's business performance.

**Employee Stock Ownership Plan** Hyundai has implemented an employee stock ownership plan (ESOP) to enhance employee motivation, job engagement, and alignment of business objectives with personal values. As part of this plan, a portion of the variable pay is provided to employees in the form of company stock. In 2023, a total of 1,298,438 shares were subscribed, comprising 980,120 company-issued shares and 318,318 individual-issued shares. A total of 3,937,894 shares (1.86% ownership) were issued through the Employee Stock Ownership Plan. All our full-time employees, who account for about 90% of the company's total workforce, are eligible for both the ESOP and the employee stock repurchase plan.

## TALENT DEVELOPMENT AND PROFESSIONAL COMPETENCIES

Hyundai operates various talent development systems and programs for all full-time employees to support self-directed growth for future growth.

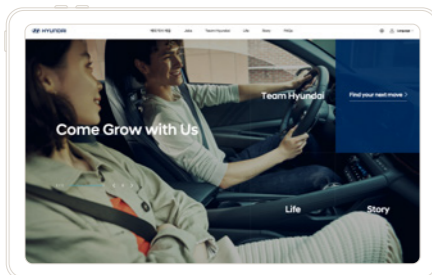
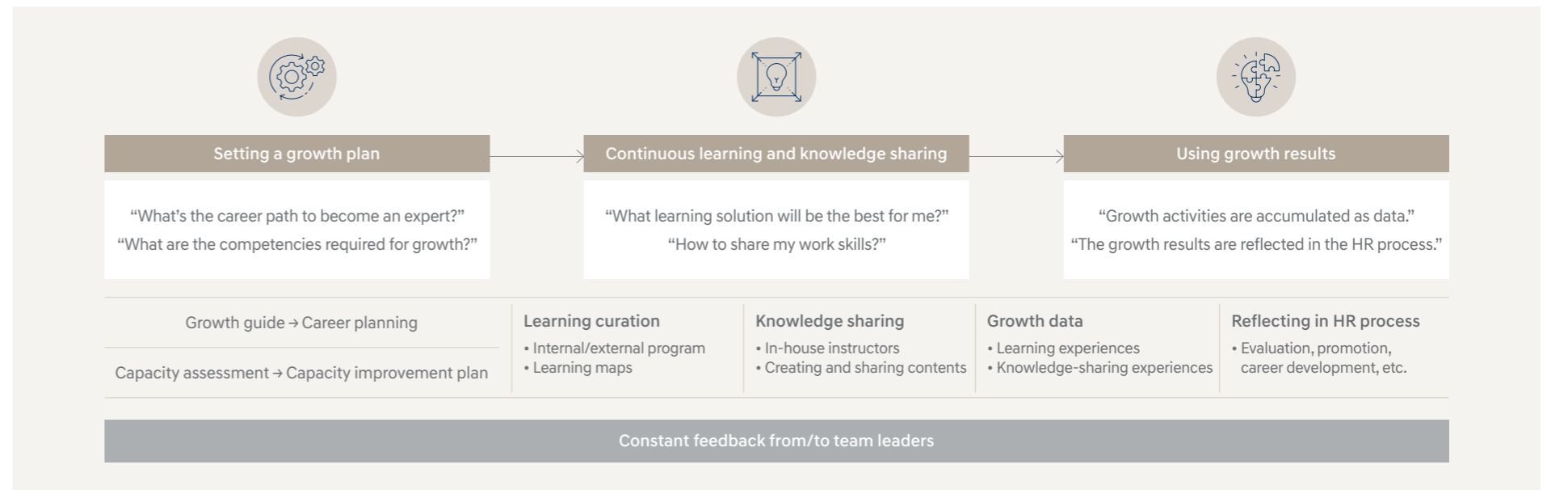
The New Growth System focuses on developing competencies for future growth engines such as the transition to electrification, strengthening software competitiveness, and autonomous driving. To this end, we are creating an environment that encourages employees to learn voluntarily, and we are establishing career development and competency improvement plans based on growth guidelines and competency diagnosis data. Data accumulated through continuous learning and knowledge sharing is used to develop growth platforms and new training programs. The Global Career Development Program provides opportunities for talented employees with global awareness and expertise to lead global field organizations and create results by dispatching them to overseas bases. This enables employees to grow as global talent and successfully drive future business plans.

The Learning Lounge is a new system for self-directed growth, providing an environment where employees can learn autonomously by establishing future growth plans and receiving recommendations for the learning solutions they need. It offers about 12,000 learning solutions to help employees drive change and lead innovation. Learning Labs are voluntary gatherings among employees to learn about common topics. They are designed to empower employees by allowing them to decide what, when, where, and with whom they want to learn, while fostering a culture of growth. Various learning activities are being conducted, such as exploring advanced location positioning technology and analyzing big data.

Education Offered through Learning Lounge in 2023 (Unit: No. of courses)

	Education, lectures, and Learning Lab
Company-related	Management/strategy (389), Product/automobile technology (969), Development process (28), Organizational and corporate culture (704)
Leadership-related	Continuous learning (1,142), Formal education (888)
Job-related	Quality/production-related (1,982), R&D (2,506), Strategic technology/ICT (580), Business-related (2,062)
Compulsory education	Compliance/security (169), Fire/safety, etc. (624)
External training	Offline lecture (463), Online learning such as e-learning (260)

## New Growth System



# Human Rights and Human Resources Management

**Project-based Joint Research Programs** In collaboration with renowned research institutions at home and abroad, Hyundai is running a “project-based joint research” program. Through this program, we are strengthening R&D capabilities in future core technologies and address persistent issues in our products. The outcomes of these joint research efforts are then applied to our finished vehicles and advanced technologies. In addition, we have been organizing a variety of research dissemination seminars based on these research findings to foster technology internalization and enhancing their research and development capabilities.

**Results of Project-based Joint Research in 2023** (Unit: Number of cases)

Development of new technologies	Creation of solutions to on-site problems	Patents and research paper	Dissemination of research results	Participation rate
31	25	37	41	100%

**Customer-oriented Car Master Training Program** Hyundai focuses on customer-centricity through our “Car Master Training Program” to cultivate talents in sales, customer service, and service sectors from a customer experience perspective. We have established a service convergence education system to strengthen expertise (electric vehicles, luxury cars) and enhance customer support skills (CS, CRM) through training. This enables us to enhance customer touchpoint services. As a result, the Korean Customer Satisfaction Index (KCSI) has shown improved customer satisfaction in passenger vehicle and RV sectors compared to the previous year, having achieved consecutive wins in the passenger vehicle sector for 30 years and in the RV sector for 20 years. In addition, we won an award in the subcompact sector, which we entered for the first time, while also being a winner in the newly established EV sector.

**Results of Car Master Training Program in 2023** (Unit: Person, %)

	No. of participants	Participation rate
Regular Car Mater Course	1,821	99.5%
Subscription-type Streaming	4,526	100.0%
<b>Total</b>	<b>6,347</b>	<b>99.9%</b>

\* Based on domestic business sites

**Leadership and Job Competency Training** The strong leadership exhibited by the top management is crucial in actualizing Hyundai's management philosophy, which aims to fulfill the aspirations of humanity by fostering innovative thinking and embracing continuous challenges to forge a new future. Hyundai is conducting a variety of leadership training programs such as a customer-oriented mindset for top leaders, a collaboration system that can create synergy with the highest level of expertise, and an organizational culture to generate innovative minds. In order to enhance competitiveness in future mobility, we are operating job competency reinforcement training courses to learn about major core technologies such as vehicle electrification and autonomous driving. Furthermore, we encourage and provide support to employees aiming to obtain job related certificates. Hyundai has established the Master's Leave Program to enhance job expertise. The program provides up to two years of leave for employees with at least three years of service who wish to pursue a full-time master's degree, including a work-related major or MBA.

**On/Offline Training for Leadership and Competency** (Unit: Number, %)

	No. of courses (on/offline)	Percentage of learning hours
Leadership	750	7.2%
Job	22,698	68.4%
Organizational culture	469	5.4%
Onboarding	284	14.3%
Others	361	4.7%
<b>Total</b>	<b>24,562</b>	<b>100%</b>

**Training to Internalize Sustainability** Hyundai is conducting sustainability awareness improvement training to integrate sustainability into the job responsibilities of our employees. In particular, we operate ESG education programs in the areas of human rights, safety, environment, and quality to enhance the management of our suppliers. Furthermore, we strive to internalize the concept of sustainability among our employees by providing specialized ESG training tailored to specific job roles. Through this approach, our aim is to build a sustainability mindset and strengthen the capabilities of sustainability management.

**Sustainability Education Programs in 2023**

	Human rights	Safety	Environment	Quality	Total
No. of courses	24	1,304	930	845	<b>3,103</b>

\* Keyword search results in the Learning Lounge platform

## Great Workplace Culture

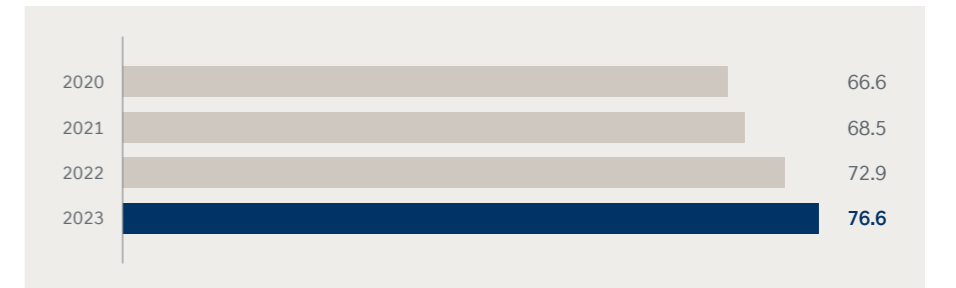
### IMPROVING WORKPLACE CULTURE

**Diagnosis of Organizational Culture** Hyundai recognizes that high employee engagement is a significant factor that influences the company's performance and individual talent development. We therefore conduct an annual diagnostic assessment to gauge the level of organizational culture among our employees. The assessment consists of 59 questions in the areas of satisfaction in work, team, and company. In 2023, 80.6% of all employees, including general, research, and legal positions, participated in the organizational culture diagnostic assessment. Based on the results, we will make continuous efforts to enhance employee engagement.

**Corporate Culture Activities and Programs** Hyundai adopts a strategy that combines leadership and employee engagement for organizational culture innovation. Each department has appointed a change and innovation agent, who works closely with the leader to improve the working environment by collaborating to understand the needs of the department members and continuously implementing activities to improve the organizational culture. Staff members have the opportunity to submit inventive concepts anytime via the Hyundai Idea Contest, with chosen ideas subsequently implemented into real-world projects. 3,458 ideas were proposed in 2023, and a total of 18 ideas were awarded. This process encourages innovative thinking and contributes to the company's development.

Hyundai has introduced a hybrid work system in order to create an autonomous working culture where employees are engaged with work not place. In addition, the H-Work Station-based offices allow employees to freely choose their workspace, improving both job satisfaction and work efficiency. These changes reflect Hyundai's future-oriented organizational culture.

**Results of Culture Survey** (Unit: Points)





# Human Rights and Human Resources Management

**Labor Union Communication in Korea** Hyundai ensures that employees' fundamental rights under the Korean Constitution, including the rights to organize, engage in collective bargaining, and take collective action, are upheld. Additionally, it maintains both a collective bargaining council and a labor-management council. The collective bargaining agreement is renewed every two years through collective bargaining, and wage negotiations (supplemental negotiations) and labor-management councils (including consultations by sector, business unit, and region) are held annually to discuss improvements in wages and separate working conditions. In addition, for workers not covered by a collective bargaining agreement, the contents of the collective bargaining agreement are applied equally to similar workers in accordance with Article 35 (General Binding Force) of the Trade Union and Labor Relations Adjustment Act. Separate employment rules are applied to some workers, such as executives, and are operated in compliance with the procedure for changing employment rules under the Labor Standards Act. Hyundai has also established the Future Change Response Task Force and Employment Safety Committee to build consensus and discuss future changes in advance. Hyundai is continuing to improve labor-management trust and innovate organizational culture to stabilize mature labor-management relations.

In 2023, Hyundai established the 5th Advisory Council for the Job Stability Committee, consisting of a total of five experts. With the acceleration of changes in the automotive industry, such as electrification and future mobility, and increasing internal and external uncertainties, the 5th Advisory Council sought solutions for employment issues and crisis management. The Council also played a role as mediators in resolving any differences of opinion between labor and management.

**Labor Union Communication Overseas** Among Hyundai's overseas subsidiaries, unions have been established in Hyundai Motor Manufacturing Czech (HMMC), Hyundai Motor Central & South America (HMCSA), and Hyundai Motor India (HMI). Overseas subsidiaries in China have established the Chinese Trade Unions, a worker representative organization. Corporations with established labor unions engage in collective bargaining with labor unions in accordance with local labor-related laws and regulations. We conduct both scheduled and ad hoc meetings to understand employees' desired working conditions and welfare systems. Utilizing this information, we strive to reach agreements from a perspective that is mutually beneficial and satisfies both labor and management. While labor unions are not established in subsidiaries located in the U.S., Türkiye, and Indonesia, we actively engage in direct communication with our employees to listen to their voices and address their concerns.

At unionized worksites like those in the Czech Republic, Brazil (Central & South America), and India, when a collective bargaining agreement is reached, its effects extend to non-members through a mechanism akin to the general binding force of a collective agreement. However, the bargaining method differs depending on the country, especially in Brazil, where bargaining is conducted by industry. In other workplaces where no separate union exists, collective bargaining and agreement procedures are not conducted, but the corporation itself operates employee councils or appoints employee representatives to improve welfare benefits and other working conditions (excluding wages). In particular, we strive to improve the working conditions of employees in light of inflation and price increases.

Moreover, at the head office level, surveys and interviews are conducted among executives and employees of overseas subsidiaries on a biennial basis, and based on the results, improvement activities are conducted to enhance employees' satisfaction, trust, and pride in the company. Each overseas subsidiary is making efforts to preemptively resolve employees' grievances and requests by individually holding regular meetings between employees and management, operating grievance counseling centers, and touring the field sites.

## PROMOTING EMPLOYEE DIVERSITY



**Establishment of Diversity Policy** Hyundai strives to create an organizational culture that respects diversity and to contribute to the transition to an inclusive society. To this end, we formulated and released the "Hyundai Motor Company D&I Policy," which stipulates our diversity and inclusion management factors, in June 2022.

**Employee Resource Groups** Hyundai believes that sharing common interests and promoting cultural exchange among employees with diverse backgrounds is one of the effective ways to foster a leading organizational culture. Therefore, we at Hyundai support Employee Resource Groups (ERGs) where employees with shared interests, including gender, culture, age, and hometown, can communicate and connect. Through the ERG program, we provide career development opportunities at the individual and team levels, cultural-based mentoring, and engagement in external activities such as community involvement. Hyundai hopes that these initiatives will not only have a positive impact within the company but also extend to the local community, spreading positive influence.

## Key Diversity Programs

Classification	Outline
Learning Lab	(All employees) Under this platform, members of the organization with similar interests and job roles come together for voluntary learning, experience sharing, and other activities aimed at enhancing organizational synergy.
Team Dynamics Course	Enhancing mutual understanding based on team members' Berkman diagnosis results and establish ground rules to strengthen team synergy
Coaching Leadership Course	Basic coaching leadership skills training to understand the diversity of team members based on their individual strengths and to enable the expression of these strengths
Expatriate Staff Assignment Course	Conducting a GlobeSmart diagnosis to understand the cultural diversity in the country of assignment and providing training to improve understanding of cultural diversity based on the diagnosis

## Hyundai ERG Activities

Title	Target	Key activities
Women @ Hyundai	Female	<ul style="list-style-type: none"> <li>• Create an inclusive environment that grants independence to female employees, customers, and employees of partner companies</li> <li>• Implement mentoring programs and females-supporting activities aimed at career development from the perspective of female employees</li> </ul>
Hyundai @ Soul	African American	<ul style="list-style-type: none"> <li>• Discuss how to enhance the Hyundai brand image within the African American community</li> <li>• Provide a variety of support to improve cultural competency of Hyundai management</li> </ul>
HANA (Hyundai Asian Network Alliance)	Asian	<ul style="list-style-type: none"> <li>• Develop strategies utilizing the characteristics and perspectives of Asian culture, and explore opportunities for leveraging technology and networks</li> <li>• Provide support for Hyundai corporate promotions and community events</li> </ul>
Amigos Unidos	Hispanic and Latin American	<ul style="list-style-type: none"> <li>• Present innovative management ideas using the cultural intelligence of the Latino community</li> <li>• Present ideas for Hyundai's future direction from the perspective of Latino employees</li> </ul>
Young Leaders	Millennials	<ul style="list-style-type: none"> <li>• Think about a variety of ideas, solutions, and improvements using the strengths of the millennial generation</li> <li>• Conduct a mentoring program for individual employee development and self-development</li> </ul>
Equality	LGBTQ+	<ul style="list-style-type: none"> <li>• Provide training, career development, networking, and workplace collaboration opportunities for LGBTQ employees</li> <li>• Share ideas to raise awareness of Hyundai's brand within the LGBTQ community</li> </ul>
Hyundai CARES	Disabled	<ul style="list-style-type: none"> <li>• Improve the work life of the disabled and raise positive awareness of disability</li> <li>• Support employees with congenital or acquired disabilities, middle-aged employees with disabilities due to aging, etc.</li> </ul>
Stars & Stripes	Veteran	<ul style="list-style-type: none"> <li>• Implement a forum where Hyundai employees, their spouses, their families, and supporters of U.S. Army veterans gather</li> <li>• Provide a safe and inclusive space where one can feel a sense of belonging</li> </ul>

# Health, Safety and Welfare of Employees

Hyundai places the highest value on the life and safety of all its employees and other stakeholders, thereby promoting activities aimed at enhancing health and safety based on firm principles and standards of health and safety. We have established a company-wide health and safety system in order to comply with the relevant laws and regulations, while identifying and improving hazards and risk factors so as to promote our employees' health and enhance their working environments. We are also making active investment in human and material resources to implement mid-to long-term roadmap, thereby achieving key performance objectives. Moreover, we will contribute to spreading a culture of health and safety built upon participation and communication by sharing our progress and implementation status with all of our stakeholders including employees.

## Strengthening Health and Safety Leadership

### HEALTH AND SAFETY SYSTEM

**Establishment of Health and Safety Governance** Hyundai's Board of Directors and management inspect and supervise the operation of the health and safety system, the status of its implementation against the set goals, action plans, and major achievements at least once per quarter. A Chief Safety Officer (concurrently serving as the CEO) has been appointed to operate the overall health and safety governance, and the company-wide health and safety organization is operated under the direct control of the CEO.

Under the overall supervision of the Chief Safety Officer (CSO), the health and safety managers at each business site prioritize health and safety management, establish implementation plans, and conduct regular meetings in which managers and employees from across the organization and specific workplaces participate in order to share and discuss health and safety issues and risks. Furthermore, external experts in industrial health and safety inspect the health and safety conditions at workplaces and identify potential injuries, illnesses, and accidents, while also participating in post-incident investigations. Management, responsible personnel at each business site, and process managers with health and safety responsibilities set health and safety KPIs and evaluate performance based on the status of their implementation compared to the targets.

**Introduction of the Health and Safety Management System** All domestic and international workplaces have implemented a health and safety management system that includes the establishment of implementation plans, identification and improvement of hazardous and risky factors, evaluation of health and safety performance, and the development of improvement measures based on an activity analysis. Each workplace obtains a third-party certification for its health and safety management system, taking into consideration the laws, regulations, market conditions, and business characteristics. Additionally, efforts are made to encourage and support subcontractors in establishing their own health and safety management systems, thereby enabling them to secure their own health and safety capabilities.

**Labor-Management Joint Declaration to Create a Safe Workplace** In September 2023, representatives of labor and management, including CSO, gathered to prioritize respect for employees' lives and announced a joint declaration of labor-management for the prevention of industrial accidents and the creation of a safe workplace. The joint declaration includes the establishment of a culture of voluntary safety management, joint efforts to prioritize safety, safety inspections for high-risk processes, identification and improvement of risk factors, expansion of continuous investment in safety, establishment of a systematic health and safety management system, promotion of activities to enhance safety awareness and improve risk factors, and support for subcontractors' health and safety. Furthermore, both labor and management have agreed to actively cooperate on preventing major accidents and formed a joint labor-management task force team to that end.

**Safety Leader Seminar** Hyundai conducted safety leader seminars (one in the first half and one in the second half of the year) to keep abreast of external trends related to the enforcement of the Serious Accidents Punishment Act and to strengthen its safety leadership and safety awareness. The CSO participated in these seminars to disseminate safety policies and foster a shared understanding among domestic and international safety professionals regarding the establishment of a safety culture and improvement of the company's health and safety management systems. Hyundai is taking the lead in creating a safe workplace through such efforts as enhancing on-site safety awareness and strengthening two-way communication.

### Results of the 2023 Safety Leader Seminar

Date	Seminar overview	No. of participants
First half	<ul style="list-style-type: none"> <li>Issues related to the Serious Accidents Punishment Act and safety trends</li> <li>Sharing of excellent improvement cases and advanced safety technologies</li> </ul>	50
Second half	<ul style="list-style-type: none"> <li>Dissemination of the safety policy of the CSO</li> <li>Safety leadership for me and my colleagues</li> </ul>	61

**Safety Vision Strategy Roadmap** In December 2022, Hyundai conducted an in-depth diagnosis of the safety management system at its business sites, with the participation of safety experts engaged in research and consultation, and carried out a survey of global best practices. Based on the results, we developed a safety vision and strategy roadmap comprising a development plan for the safety management system.

In addition, we are implementing improvement tasks (safety culture, labor-management relations, safety education, safety budget, and risk assessment) step by step, that were selected through the in-depth occupational safety diagnosis. In 2023, we prioritized risk assessment as a key area for improvement, introducing risk assessment techniques to complement any safety blind spots and establishing a risk assessment-based self-discipline prevention system tailored to Hyundai's characteristics. Based on this, we will continue to strengthen our management system according to our goal of becoming a top global safety company.


### Directions of Safety Vision Strategy

Establishment of a safety culture		Establish Hyundai's unique safety culture by realizing safety-first core values and developing it into a "Just Safety Culture" as an advanced company
Advancement of safety training		Advance the specialized training programs to raise the safety awareness of employees and strengthen their risk awareness capabilities in order to strengthen safety education beyond the level required by laws and regulations
Leap towards the Global Best		Establish future strategic tasks centered on the headquarters to expand global safety governance, and actively promote a pilot introduction of advanced cases, such as the safety management system (Safety Career)
Field-based risk assessment		Establish self-regulation by conducting risk assessment activities in which all employees participate, develop and advance employee capacity building programs for this purpose, and establish a system for identifying and improving harmful risk factors
Strengthening labor-management cooperation		Introduce various systems (Safety Merit System) to strengthen the capability to comply with labor-management health and safety standards and enhance labor-management cooperation.
Win-win cooperation		Reinforce various support measures (excellent partner discovery system, etc.) in order to raise the safety management capabilities of our partners to the same level as Hyundai

Health and Safety Management System (ISO 45001)-certified Workplace

All manufacturing subsidiaries at home and abroad

100%






# Health, Safety and Welfare of Employees

## CHECKING THE LEVEL OF HEALTH AND SAFETY MANAGEMENT

**Accident Management Centered on Serious Injuries and Fatalities (SIF)** Hyundai has adopted the concept of SIF (Serious Injuries and Fatalities) to select processes with a high potential for major accidents and to investigate and improve any accidents that occur in those processes in order to prevent major accidents. In addition, we measure the related processes and actions to prevent industrial accidents, such as improving the health and safety management system, which is a leading indicator of the accident rate, and carrying out activities aimed at preventing the recurrence of industrial accidents. In 2023, the accident rate increased by approximately 16%p year-on-year, largely due to an increase in the number of occupational disease cases among employees (107 in 2022 and 171 in 2023). To ensure their right to health, Hyundai ensures that employees receive the appropriate medical treatment and return to work, and is implementing various safety culture activities to curb the occurrence of serious accidents.

**Assessment of the Health and Safety Management Level (H-SAT)** Hyundai has set in place the H-SAT (Hyundai-Safety Assessment Tool), a tool developed inhouse in order to quantitatively evaluate and analyze the health and safety level of its business sites, address vulnerable areas, and raise the overall level of health and safety. The results of the evaluation are being linked to the KPIs of the management and business site managers, with the aim of enhancing health and safety leadership and promoting activities to prevent workplace accident. The assessment of Hyundai's health and safety management level focuses on safety, health, and firefighting, and utilizes detailed indicators such as critical accident prevention activities, site safety management, maintenance of the health and safety management system, and the health and safety roles and responsibilities of leaders. In 2023, some 534 deficiencies and field issues related to the health and safety management system were identified, of which 100% were improved according to the improvement implementation evaluation conducted in the second half of the year.

### Composition of H-SAT

	 Safety	 Health	 Firefighting
<b>Management System Assessments</b>	Serious accident prevention activities, etc.	Management of musculoskeletal diseases, etc.	Emergency response systems, etc.
<b>On-Site Workplace Inspections</b>	Robot protection devices, etc.	Ventilation facilities, etc.	Fire-prone areas, etc.

**Safety Management KPIs** Hyundai recognizes safety as a pillar of corporate management in its efforts to enhance sustainability, and establishes and evaluates the safety management KPIs every year. The evaluation indicators are set to reflect the business characteristics of each organization for the purpose of preventing major accidents and establishing safety governance, and each organization practices safety management by striving to achieve these goals. The evaluation indicators are broadly composed of leading indicators (prevention activities) and lagging indicators (results): The leading indicators include comprehensive SHE (Safety, Health, Environment) evaluation, identification and improvement of critical risk factors, safety leadership activities, and safety management of customer events, while the lagging indicators include the occurrence of major accidents, accident rate, and absenteeism rate.

Classification	Target	Key performance indicators	
Domestic	All (66)	<ul style="list-style-type: none"> <li>Accident rate/absenteeism target achievement rate</li> <li>Pollutant emission rate</li> <li>Customer event safety management</li> </ul>	<ul style="list-style-type: none"> <li>Comprehensive she assessment and risk assessment</li> <li>Safety culture and compliance with the laws and regulations, etc.</li> </ul>
Overseas	Manufacturing subsidiaries (7)	<ul style="list-style-type: none"> <li>Accident target achievement rate</li> <li>Pollutant emission target achievement rate</li> </ul>	<ul style="list-style-type: none"> <li>Safety leadership activities, comprehensive SHE evaluation</li> <li>Excellent disaster prevention activities at business sites, etc.</li> </ul>

## PROMOTION OF HEALTH AND SAFETY ACTIVITIES

**Health and Safety Management Activities** Hyundai conducts risk assessments and health and safety diagnoses, measures noise and hazardous chemicals in the work environment, and provides emergency response training for workplace health and safety management. Based on these efforts, Hyundai is promoting safety measures, preventing health hazards, and enhancing activities aimed at ensuring the health and safety of all its work environments, machinery, instruments, and facilities. In particular, we are fostering an on-site safety culture by holding monthly safety inspection days, identifying and mitigating risk factors through on-site inspections of high-risk facilities, and enhancing risk management based on the findings of our risk assessment teams.

Furthermore, we conduct investigations and assessments of hazardous factors to prevent the kinds of occupational diseases that may affect our employees. We also carry out post-measures such as individual health check-ups and treatment. We have developed measures and programs for the prevention of musculoskeletal disorders and continue to implement activities designed to improve employees' lifestyle habits and prevent job-related stress.

### Health and Safety Management Activities

<p><b>Risk Assessment</b> </p> <p>We identify hazards and risks related to the work environment, machinery, equipment, raw materials, gases, vapors, and work procedures; and based on the findings, we implement preventive measures to mitigate risks and hazards.</p>	<p><b>Tags of Health and Safety Signs</b> </p> <p>We put the safety sign tags in identifiable locations to warn employees and visitors of hazardous or risky areas, facilities, or substances; and provide guidance on how to behave in emergency situations.</p>	<p><b>Safety Measures for Working Environments</b> </p> <p>We set management criteria for areas where there is a risk of falls, collapses, drops, or other potential hazards; and perform regular maintenance and inspections.</p>	<p><b>Safety Measures for Machinery, Equipment and Facilities</b> </p> <p>We take protective measures that take into account the functions and characteristics of machinery, equipment, and facilities, and perform regular maintenance and inspections to eliminate potential hazards.</p>
<p><b>Preventive and Health Measures against Health Hazards</b> </p> <p>To prevent health hazards caused by raw materials, gases, vapors, high temperatures, noise, etc., we implement necessary preventive and health measures.</p>	<p><b>Provision of Personal Protective Equipment</b> </p> <p>We provide appropriate personal protective equipment (PPE) for the work environment and ensure the availability and management of spare PPE. Wearing protective equipment is mandatory.</p>	<p><b>Health and Safety Diagnosis</b> </p> <p>We conduct health and safety diagnoses of workplaces that have a high risk of safety accidents, such as falls, collapses, fires, explosions, and leaks of hazardous materials.</p>	<p><b>Response to Emergencies</b> </p> <p>We conduct training based on emergency scenarios such as falls, collapses, fires, and leaks of hazardous materials. We also inspect the functionality of firefighting equipment on a regular basis.</p>
<p><b>Management of Hazardous Substances</b> </p> <p>We compile and provide a list of material health and safety information for the handling of hazardous substances. We also regularly measure and address physical and chemical hazardous factors, and implement improvement measures.</p>	<p><b>Activities for Health Promotion</b> </p> <p>We conduct regular health check-ups and implement programs for the prevention of work-related diseases such as respiratory and musculoskeletal disorders, as well as managing job-related stress.</p>	<p><b>Support for Health and Safety at Subcontractor</b> </p> <p>We have established a health and safety management system for subcontractors to substantialize risk assessments, and have strengthened accident prevention through close management including diagnosis, education, and consultation.</p>	<p><b>Investigation of Accidents</b> </p> <p>We conduct investigations of the causes of any accidents that may occur and develop measures to prevent their recurrence. We also perform statistical analysis of industrial accidents and incorporate them into our performance improvement goals.</p>

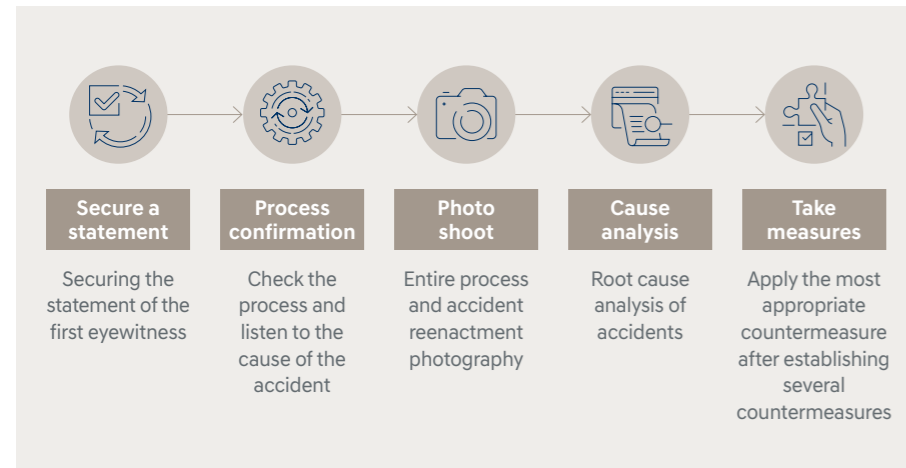
# Health, Safety and Welfare of Employees

**Comprehensive Emergency Response Drills** To protect human life and property, Hyundai conducts two mock emergency drills each year - including rapid evacuation and response in the event of an emergency such as fire, explosion or leakage - in accordance with the Emergency Action Drill Plan. We aim to maintain and improve our ability to respond to emergencies through comprehensive emergency drills, which are planned by reflecting the major risk factors identified during the risk assessments, and consist in creating scenarios for each situation, implementing actions for each emergency situation, and performing tasks across individual divisions. The person in charge of the comprehensive drill evaluates whether the drill is carried out in accordance with the standards and procedures, and the evaluation criteria are continuously revised to improve the level and intensity of the drills.

## Activities to Prevent Serious Accidents at Workplaces

Classification	Description of activities
Regular mobile safety inspections	• Introduction of mobile inspections to ensure the safety of work processes and operating facilities.
Installation of smart motion sensors	• Prevention of serious accidents by installing sensors, primarily in safety management blind spots.
Installation of human body detection sensors	• Installation of human body detection sensors, etc. to reduce the risk of accidents caused by workers' negligence when operating transportation machinery such as forklifts
Development of safety management regulations	• Development of step-by-step regulations for managing non-routine construction work conducted during non-working hours, from design to construction
Inspection of high-risk facilities	• Execution of on-site inspections of high-risk facilities such as suppliers' delivery vehicles, cranes at press plants, and mobile simple lifts.

## Investigation Procedures and Step-by-step Actions in Case of a Safety Accident



\* Behavioral instructions for an accident investigation: In the event of an accident, follow the steps above and do not omit a step or rush through the steps

\*\* Prevent missing information by conducting an accident investigation that is based on the "5 Ws and 1 H," and start from large causes and then move onto small causes (top down approach)

## STRENGTHENING THE RESPONSE TO SERIOUS ACCIDENTS

**Enhancing Civil Serious Accident Management** Hyundai is expanding the scope of its safety management and strengthening the health and safety governance of its CSOs, who are responsible for managing operational risks, to prevent accidents due to defects in the design, manufacturing, or management of "raw materials and manufactured products," or accidents at the "public use facilities" they actually control, operate, and manage.

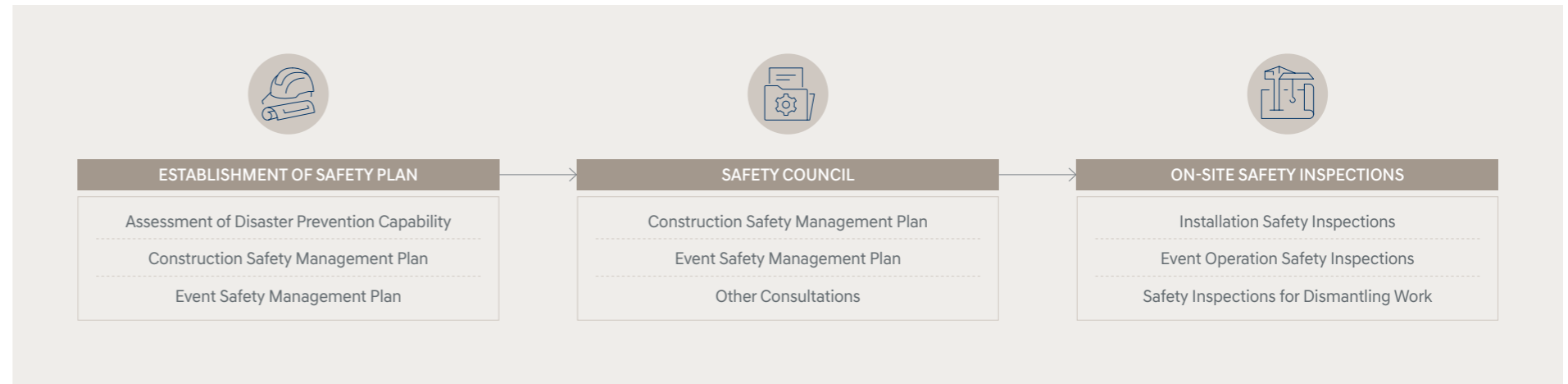
The Raw Materials Division inspects and reports on compliance with the health and safety system – including manpower, budget, inspection, improvement, and training – on a semi-annual basis, and the 17 laws and regulations (encompassing environment, firefighting, dangerous goods, gas, nuclear power, etc.) with which Hyundai must comply. It disseminates the CSOs' opinions on the inspection reports to business sites and continuously checks and inspects on-site operations.

Meanwhile, the Manufactured Goods Division listens to the voice of the customer (VOCs) that may arise in relation to such matters as product recalls and campaigns, as well as various production processes established by Hyundai (body, painting, assembly, and inspection of finished vehicles), and identifies, improves and manages any problems. Furthermore, we produce consistent and excellent vehicles through strict quality system management and constantly strive to ensure safe and convenient transportation for our customers.

Public use facilities (such as multi-use facilities) are categorized into one to three types depending on their purpose and area, with safety plans established and managed for each. The safety plan is operated according to Hyundai's twelve management standards, and in addition to statutory inspections such as precision safety diagnoses and precision safety inspections, we continuously identify vulnerabilities in, for example, buildings that are over 30 years old and conduct 18 internal inspections to ensure thorough safety management of public use facilities.

Moreover, we establish our own safety management standards (by audience size) for the large-scale customer events organized by Hyundai Motor Company and manage them in a step-by-step manner, including establishing safety plans, operating safety councils, and conducting on-site safety inspections, to ensure that the participants in such events enjoy them in a safe and comfortable environment.

## Step-by-Step Safety Management



# Health, Safety and Welfare of Employees

## SPREADING THE CULTURE OF HEALTH AND SAFETY

**Establishing Safety Culture Diagnostics System** In 2023, Hyundai developed the Hyundai safety culture indicator (H-SCI), which can be quantitatively evaluated, to establish a safety culture diagnosis system for measuring and analyzing the level of safety culture at its worksites. Consisting of nine factors (67 questions), the indicator is used to assess the level of safety culture of workers in relation to safety behavior, safety motivation, safety leadership, etc. Using the H-SCI, we analyze the level of our safety culture every two years and evaluate the effectiveness of the related activities in order to establish strategies for improving the safety culture and promoting the related activities.

**On-site Safety Awareness Activities** We promote activities aimed at fostering employees' safety awareness through CSO safety messages, head of operations safety card news, safety plays involving employees' families, safety poster contests for employees' children, and safety emphasis weeks in the first and second halves of the year (safety cafes, LOTO experience booths, and TBM/safety standup meeting contests). We have also strengthened on-site participation through safety inspection days and CPR booths, and have expanded the available rewards for divisions that have established a safety whistleblower (Sinmungo) system. Additionally, we have collaborated with the Ministry of Employment and Labor and corporations based in industrial complexes on promoting the safety culture, including the posting of safety culture messages on commuter and workplace buses.

**Supporting the Acquisition of Safety Professional Certifications** To strengthen professional competencies in on-site safety management, we are operating an occupational safety (industrial) engineer certification course for all employees at the Ulsan plant, and 70.9% of the participants have obtained the certification so far. In 2024, we plan to expand the program to all domestic production subsidiaries.

## HEALTH AND SAFETY TRAINING

**Establishment of a Health and Safety Training Platform and Development of Content** Hyundai has established its own training system, the Safety Education Platform, which enables all employees to take health and safety training consisting of 94 educational videos easily and conveniently in an online and mobile environment. We produce engaging and informative safety educational contents in various formats - including short films, entertainment, and talk shows - for each of our videos, which are focused on safety rules, accident prevention, and the prevention of disasters.

### Health and Safety Training in 2023

Classification		No. of trainings offered	No. of participants
Regular trainings	Office worker	105	2,628
	Production staff	45	1,787
	General <sup>9)</sup>	6,034	195,017
	Sub total	6,184	199,432
Special trainings		444	2,238
New and other trainings		3,989	174,683
Online/mobile regular trainings		18,236	434,280
<b>Total</b>		<b>28,853</b>	<b>810,633</b>

<sup>9)</sup> Number of mobile trainings

**On-site Experiential VR** We operate experience-based safety education facilities where employees can wear VR devices in order to experience safety hazards in virtual reality and raise their safety awareness.

## SUPPORT FOR SUPPLIER'S SAFETY MANAGEMENT

**Preventing Serious Accidents at Subcontractors** To improve the safety management level of its subcontractors, Hyundai provides safety education and operates a reward system for excellent safety management partners. We also have developed a subcontractor safety management system that enables us to assess potential accident prevention capabilities in advance and select qualified subcontractors in the first place. To establish a safety management system for our subcontractors, we have carried out safety management activities such as registering subcontractors' information, evaluating our subcontractors' safety management competency, operating a safety council, and conducting joint inspections. In addition, we strived to help our subcontractors prevent serious accidents by conducting special construction safety training (3 sessions) for the CEOs of 170 construction companies and safety supervisor training for internal subcontractors (5 sessions).

**Efforts to Prevent Industrial Accidents Involving Subcontractors** Hyundai has strengthened external collaboration for on-site and process safety management at each business site by considering the nature of the business operations, the types of subcontractors, and potential risks comprehensively. In 2021, the Asan Plant entered into a business agreement with its key subcontractors (30 in total) to create an industrial accident-free automobile parts manufacturing industry. Efforts are being made to support subcontractors through safety diagnosis consulting and to establish a foundation for collaborative safety inspections between the automakers and subcontractors. In 2023, the Jeonju Plant entered into a business agreement for the prevention of major accidents and overall safety with all its subcontractors. Joint on-site inspections between labor and management were conducted, focusing on three major types of accident (falls, entanglements, and collisions) and eight major risk factors. Based on the results of the on-site inspections, guidance was provided for the improvement and implementation of safety measures in those areas where deficiencies were identified.

**Safety Inspections and Support Programs for Suppliers** Hyundai operates safety inspection and support programs to improve the safety management level of tier-1 suppliers and prevent industrial accidents. In 2023, we conducted safety inspections of our tier-1 parts suppliers (192 companies) and high-risk suppliers in integrated purchasing (aluminum melters and chemical suppliers) (19 companies) to enhance their safety management.

We run a safety equipment cost support program for tier-1 and tier-2 suppliers, providing LOTO, safety sensors, and forklift safety devices to prevent serious accidents in hazardous processes. Additionally, we held safety academies (twice) and safety seminars (once) to support the safety management practices of suppliers' safety team leaders and managers. We disseminate Hyundai's best practices in safety management to suppliers to improve their safety levels, and also provide health and safety education to all suppliers and small and medium-sized enterprises in the same industry through the Global Win-Win Cooperation Center and the Foundation for Industrial Safety Partnerships. Hyundai is committed to raising its employees' safety awareness by requiring all suppliers to complete safety training before entering its business sites for work and construction purposes.



Occupational safety (industrial) engineer certification course

# Health, Safety and Welfare of Employees

## Customized Welfare Benefits

### EMPLOYEE WELFARE SYSTEM

**Selective Working Hours System** Hyundai implements a selective working hours system that allows employees to choose their own most efficient working hours, taking into consideration the nature of their work. This flexible system applies to certain job positions, allowing employees to select their own start and end times for work within the available time slots, excluding mandatory working hours. We also operate a flexible work system that allows domestic employees to work overtime during peak business periods and only the mandatory hours during quieter periods, provided that they meet the set total of work hours per month. By enabling employees to determine their own efficient work hours through the flexible working-hours system, Hyundai aims to enhance employee engagement and support performance outcomes.

### RETIREE SUPPORT PROGRAM

**Retirement Pension System** Hyundai is implementing a retirement pension scheme for all its employees to enable employees who are eligible for retirement to prepare for life after retirement and old age. The retirement pension is protected by the external accumulation of retirement pension reserves, and education on the relevant products is provided to subscribers to create a stable foundation for employees after their retirement.

**Retirement Planning** Hyundai operates various programs to support and assist employees with their post-retirement planning. These programs include differentiated future planning courses and specialized educational programs based on employees' positions and job functions, which have been provided to a total of 4,232 persons.

### Retirement Pension Asset under Management (Unit: KRW million)

Classification	As of 2022 year-end	As of 2023 year-end
Insurance products	5,985,348	5,995,760
Others	2,572	1,968
<b>Total</b>	<b>5,987,920</b>	<b>5,997,728</b>

### Support System for Maternity, Childcare, Family Care, and Employee Health

Classification	System	Description
Maternity	Reduced hours during pregnancy	• The daily working hours of employees in early pregnancy (within 12 weeks) or late pregnancy (beyond 36 weeks) are reduced by two hours. The reduction can be taken either as 2 hours after the start of the working day, 2 hours before the end of the working day, or 1 hour after the start of the working day plus 1 hour before the end of the working day.
	Maternity leave	• Providing a 90 days maternity leave to female employees before and after childbirth (120 days for multiple pregnancies)
	Bereavement leave	• Offering a leave whose period is determined by the pregnancy period in case of miscarriage or stillbirth
	Partner's leave	• Offering up to 10 days of partner's leave within 90 days of childbirth
	Child Happiness Travel	• Providing hotel lodgings and meals within six months before and one year after a childbirth to employees and their spouses, which includes up to two nights at hotels designated by the company
Childcare	Parental leave	• Providing up to two years of leave of absence for each child under the age of 8 or a child in second grade to both male and female employees (Can apply for employment insurance maternity leave benefits for up to a year when taking a leave of absence for more than 30 days, with an application of 80% of the ordinary wages and a monthly ceiling of KRW 1.5 million)
	Reduced hours during childcare period	• For employees with children under the age of 8 or in the 2nd grade of elementary school, both male and female employees are eligible for a maximum of 2 years of reduced working hours per child. (The reduced working hours can be divided twice in the first year, and they can be divided once in the second year) • Can be used in conjunction with parental leave. Employees who have taken a total of two years of parental leave with reduced hours can take an additional year with reduced hours during the parental period • Can take a reduction of 2 or 4 hours before starting work, a reduction of 2 or 4 hours before the end of work, or a reduction of 2 hours after starting work plus 2 hours before ending work
	Providing breast-feeding time	• For female employees with infants under 1 year old, a paid lactation break of 120 minutes per day is provided
	In-house daycare centers	• In-house daycare centers available at six locations: Headquarters, Ulsan Plant, Asan Plant, Jeonju Plant, Namyang Technology Research Center, Korea Business Division
Employee health	Workplace stress management	• Operation of the Talk Talk Center (a psychological counselling center) and the Employee Mindfulness Class (offering psychological counseling and emotional well-being programs that address childcare, job-related stress management, and conflict resolution within the workplace) • Operation of an International SOS service for employees stationed overseas or GEP employees, as well as their accompanying family members (support for stress management)
	Sports and health initiatives	• Operation of dedicated fitness centers (gymnasiums) and exercise programs for employees at our headquarters, the Ulsan, Asan and Jeonju plants, and the Namyang Research Center
Family care	Family care leave	• Offering up to 90 days of family care leave per year to employees whose parents, children, spouses, or spouses' parents need care due to illness, accident, or old age

### Retirement Planning Programs in 2023

Targets	Managers or below (Union members)	
Course	Future planning 57-60	Counseling
Age	57-60	57-60
Participants	2,617	947
Type	Lectures and counseling	Counseling
Curricula	<ul style="list-style-type: none"> <li>Self-examination for awareness of changes and happiness in old age</li> <li>Customized education and consulting according to retirement plans</li> </ul>	<ul style="list-style-type: none"> <li>One-on-one customized career counseling</li> <li>Re-employment, return to rural areas, self-development, lifetime design, business start, etc.</li> </ul>

Targets	Car Master
Course	Future planning 60
Age	60
Participants	127
Type	On/offline lectures
Curricula	• Educational support to help retirees quickly adapt to the changed life after retirement and to have confidence (employment policy, rural migration know-how, successful start-up cases, adapting to changes after retirement, re-employment, financial management, career planning)

Targets	Senior employees	
Course	Basic course in planning for life after retirement	Intensive course in planning for life after retirement
Age	59	60
Participants	395	320
Type	Online live + Counseling (online/offline hybrid)	Online live + Counseling (online/offline hybrid)
Curricula	<ul style="list-style-type: none"> <li>Channing perception about retirement, preparations, and exploration of careers/interests (re-employment, social contributions, business start)</li> <li>Financial diagnosis and planning</li> <li>Career/interest diagnosis and exploration</li> </ul>	<ul style="list-style-type: none"> <li>Career analysis and decisions according to individuals' desired paths (re-employment, social contributions, business start, return to rural areas)</li> </ul>



# Sustainable Supply Chain

Hyundai enhances the foundation for win-win growth through operating the Transparent Purchase Practices Center, Foundation of Korea Automotive Parts Industry Promotion, and Global Partnership Center. Furthermore, we are establishing an organic cooperation system with our suppliers, the government, and public institutions in order to make a successful transition to the future mobility. We are also conducting courses aimed at building suppliers' capabilities in terms of quality, technology, and management, and promoting win-win activities tailored to the automotive industry. These activities include expanding joint R&D and patent applications, providing financial and tax support, and promoting business diversification. Going forward, we will establish a win-win growth model that goes beyond fair trade between large companies and SMEs, and thus develop competitiveness, productivity, and technological capabilities of the entire automotive industry.

## Establishing a Win-win Growth Ecosystem

### STRENGTHENING THE FOUNDATION FOR WIN-WIN GROWTH

#### Supplier Grievance Handling



**Transparent Purchase Practices Center** It is important for Hyundai to provide suppliers with guidelines on ethical conduct and carbon neutrality in order to establish a fair and transparent win-win partnership. To this end, Hyundai Motor Group operates the Transparent Purchase Practices Center on its Hyundai Motor Group Partner website while operating a “suggestion box for transparency and ethical practices” and “suggestion box for tier-2 and tier-3 suppliers” so that its suppliers can voice their difficulties and propose various system improvements. We are making utmost efforts to establish fair trade practices and strengthen transparency throughout the supply chain, such as implementing a “retaliation prohibition policy” so that even when a supplier reports Hyundai’s fair trade law violation to a relevant organization or raises an objection with content in a contract with Hyundai, we do not suspend trade with the supplier or restrict traded products and quantity.

#### Supplier Competency Building

#### Global Partnership Center

Global Partnership Center (GPC) is helping suppliers enhance their competencies and competitiveness in the world’s automotive industry based on the principle of “establishing a virtuous cycle in which Hyundai Motor Company and its suppliers can grow together.” In addition to providing training programs targeting tier-1-tier-2 suppliers, the Center provides training facilities and instructors to suppliers in need of their own training. It also offers 18 tracks and some 580 training programs in five categories – future competitiveness, global competency, leadership, nurturing automotive industry experts, and basic job training – for tier-1-tier-2 suppliers.



Transparent Purchase Practices Center

### Composition of the Transparent Purchase Practices Center Website

- Supplier Code of Conduct
- Guidelines on implementing carbon neutrality
- Four major measures about subcontracting
- Guidelines on retaliation prohibition
- Suggestion box for transparency and ethical practices
- Suggestion box for tier-2 and tier-3 suppliers

### Foundation of Korea Automotive Parts Industry Promotion

Hyundai operates the Foundation of Korea Automotive Parts Industry Promotion together with Kia and Hyundai MOBIS to strengthen automotive parts suppliers' overall capabilities in the areas of quality, technology, and management. We run various programs, including field instruction activities and training, as a way to contribute to improving quality and technological competencies as well as to nurture talent in the automotive parts industry.

#### Technical Training for Suppliers

Hyundai provides technical training through the Foundation of Korea Automotive Parts Industry Promotion to help both metal suppliers (presses, heat treatments, welding, metal plating, forging) and non-metal suppliers (rubber, painting, electrical & electronics, IT) improve their parts quality and productivity. We anticipate these efforts will lead to improve suppliers' quality defects, reduce raw material purchase costs, and increase productivity.

#### Management Consulting for Suppliers

Hyundai offers management consulting to suppliers, free of charge, through which we share professional experiences and know-how so that suppliers can strengthen their management capabilities in the areas of R&D, production, quality, logistics, cost, and management activities.

### Supplier Training in 2023

(Unit: Persons)

Classification	No. of Participants	Remarks
Foundation of Korea Automotive Parts Industry Promotion	Quality Academy	3,143 13 customized training courses
	General training, etc.	2,610 General management training, seminar, etc.
Global Partnership Center	Training by industry, etc.	75,184 580 courses
<b>Total</b>	<b>80,937</b>	

### Foundation of Korea Automotive Parts Industry Promotion's Field Trainings and Educational Projects

Field Trainings	Technical Training	Quality/technical training in the production field
	Management Consulting	Transfer of know-how by experts
Educational Projects	Quality Academy	13 courses designed to establish quality management system
	Quality Technology Seminar	Dissemination of best practices in technical guidance by industry
	General Training	Training courses designed for productivity innovation
	Onsite Training for Parts Suppliers	On-site training support through direct visits

### HIGHEST RANKING IN THE WIN-WIN GROWTH INDEX

In 2023, we received the highest rating in the Win-win Growth Index, an annual evaluation of win-win growth levels among 200 major large corporations, organized by the Korea Commission for Corporate Partnership, for the fourth consecutive year. This index measures the level of cooperation between large and SMEs (small and medium-sized enterprises) through “the Fair Trade Agreement Evaluation” conducted by the Fair Trade Commission and “the Comprehensive Evaluation of Win-win Growth” conducted by the Korea Commission for Corporate Partnership. We received the highest rating based on a comprehensive evaluation of our performance in signing fair contracts, establishing systems to prevent and monitor violations of the laws, such as subcontracting, and operating the win-win cooperation support system. In addition, the evaluation considered the actual performance of the win-win growth system, based on a survey of SMEs.

No. of Suppliers Received Technical Training or Management Consulting (Unit: No. of companies)



# Sustainable Supply Chain

## ENHANCING QUALITY COMPETITIVENESS

**5-Star System** Hyundai sets in place the “5-Star System” which quantitatively evaluates suppliers’ level of quality, technology, and delivery level to provide the evaluation results so that suppliers can set detailed improvement goals and achieve them. We provide incentives to 5-star-certified suppliers, such as giving priority for new car development. Through the 5-Star System, suppliers can expect such effects as curtailing quality control costs and developing independent export capabilities, in addition to enhancing their competitiveness in quality, technology, and delivery.

### 5-Star Evaluation Items

Quality 5-Star	Technology 5-Star	Delivery 5-Star
<ul style="list-style-type: none"> <li>Quality management system</li> <li>Defect rate</li> <li>Claim reimbursement ratio</li> <li>Quality management performance, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Technology development personnel, investment</li> <li>New technology development, patent</li> <li>Parts development work system (planning/design/evaluation), etc.</li> </ul>	<ul style="list-style-type: none"> <li>Production line stoppage cases, time, reimbursement amount (ratio)</li> <li>A/S parts delivery rate</li> <li>KD parts delivery rate</li> </ul>

**Quality Evaluation of Tier-2-Tier-3 Suppliers (SQ Mark)** Hyundai operates the “Supplier-Quality Mark” program with an aim to identify professional business types that have a major impact on automotive parts quality and improve the quality of tier-2-tier-3 suppliers in the respective business areas. We evaluate tier-2-tier-3 suppliers based on process management activities, such as raw and subsidiary material inspection criteria, facility preservation and daily inspection activities, and creation and improvement of operation standards, as well as quality management activities, including finished product inspections, corrective measures, and continuous field improvements. The SQ Mark is provided to outstanding suppliers.

**Activities to Improve Durability** Hyundai shares its know-how in enhancing durability with suppliers in order to help them effectively address their chronic issues (customer inconveniences and economic losses, such as claims and recalls). We have a technology meeting three times a year to improve dependability issues that occur at suppliers. In addition, we are collaborating with around 100 tier-1 suppliers to resolve dependability issues.

**Quality Education for Suppliers** Hyundai Motor Company provides quality training for its domestic tier-1 and tier-2 suppliers in order to enhance their quality competitiveness to a world-class level. The Global Partnership Center facilitates this through an online platform and group training, making quality education accessible to our partners. We cover all aspects of quality, including system establishment, technology, management, and assurance, and continuously support their efforts to improve their product quality management capabilities.

## 2023 Quality & Safety Training Programs (Suppliers)


Classification	Training Contents	No. of Suppliers	No. of Trainees	Frequency
Tier-1 and Tier-2 Suppliers	Quality technology training in areas such as painting, rubber, injection molding, pressing and machining; establishing the quality management system; electronic product quality assurance; design quality management, etc.	3,260	6,646	Ongoing

\* Conducted training for all domestic suppliers (100% coverage)

**Supplier Quality Meeting** We hold a monthly supplier quality meeting with representatives from our local suppliers at all our overseas plants. During these meetings, we share the best practices and address areas for improvement related to our delivery quality, monitoring the progress and effectiveness of the implemented measures. Additionally, we conduct bi-monthly seminars for the heads of the local subsidiaries of our suppliers that have advanced into international markets with us. These seminars focus on sharing trends and know-how related to quality improvement.

### 2023 Suppliers Quality Meeting

- **Category** Supplier Quality Seminar
- **Content** Sharing quality-related trends and know-how
- **Participants** 100% of suppliers that have advanced into international markets with Hyundai
- **Frequency** Once every other month



## IMPROVING TECHNOLOGY DEVELOPMENT CAPABILITIES

**R&D Technical Support for Suppliers** Hyundai runs a win-win growth program whereby it shares its R&D and technology development know-how with suppliers, and thus helps suppliers strengthen their capabilities in areas which need improvements. The supplier R&D technical support program consists of case studies and function/design concept training to enhance their quality mindset; customized technical support that conducts prior analysis of areas for R&D improvements and helps suppliers improve key pending matters; and R&D competency-building support that improves product development capabilities by using new technologies and methods. We look into supplier requests in the process of quality improvement, customized technology, and R&D capability-building support, and then reflect them in improving the technical support program. We also run consultative bodies and exchange meetings among suppliers in the same industry to continue mutual communication and cooperation.

**Sharing Technology Patents** Hyundai shares patent, free of charge, with suppliers, and transfers patents that suppliers need. When a supplier requests for a patent transfer, we conduct on-site investigations and consultations regarding the supplier’s major business areas; technologies that the supplier owns and is developing; supplier’s patents; and patent that the supplier hopes to be transferred. By having discussions with the supplier, we finalize the patent transfer and sign a patent agreement. We also hold New Technology Exhibitions after patent transfers to share information on cases of patent application to advance R&D and patent application to products.

**Building Smart Factories** Hyundai implements a smart factory-building project for SME tier-1-tier-2 suppliers. The project uses ICT to integrate the entire production process, ranging from product planning to sales, to produce customer-tailored products at minimal costs and time. A total of KRW 25 billion was contributed to the project from 2019 to 2023 to provide consulting and facility investments required for building a smart factory to some 900 suppliers so that they can switch to a smart factory. The smart factory-building project is categorized into different levels in consideration of the status of production facilities of tier-1-tier-2 suppliers. They include the basic level which enables partial standardization, data management, and real-time production information monitoring; mid-level which supports collected information-based control and optimization of decision-making through simulations; and advanced level where monitoring to control-optimization takes place autonomously.

**Guest Engineer System** Hyundai sets in place a guest engineer system, through which parts suppliers’ research staff in charge of design/evaluation take part in our new car development process. We provide a free office space where supplier researchers can stay, as well as the facilities, equipment, and test sites needed for parts performance evaluation. We also transfer our parts design and performance development know-how. Through new car parts design and performance development collaboration, Hyundai and suppliers anticipate to raise parts and performance development efficiency, develop quality in advance, and nurture technical experts at suppliers.

**Protection of Suppliers’ Technology** Hyundai operates the technical material escrow system for safe storage of suppliers’ key technical materials and trade secrets, and proof of technology development in the event of leakage of a supplier’s key technology or a dispute. We develop technologies jointly with suppliers and then make patent applications together to prevent the possibility of infringement upon small- to mid-sized suppliers’ technologies and patents. We also strive to protect suppliers’ technology directory or indirectly by providing online patent education on patent application and patent search methods and helping them reduce their patent cost.



# Sustainable Supply Chain

## STRENGTHENING A FOUNDATION FOR SUSTAINABLE GROWTH

**Making Cash Payments and Adjusting Raw Material Prices** Since 2006, Hyundai has been making payments in cash to MEs and SMEs with sales less than KRW 500 billion and in promissory notes (60 days) to large companies and MEs with sales more than KRW 500 billion. Also, we make payments on a weekly basis. For large companies, MEs, and SMEs that supply parts for exports, we make payments fully in cash twice a month. In addition, to ease the burden on suppliers that is caused by raw material price increases, Hyundai absorbs the impact from raw material price changes. In case of steel plates and precious metal, we operate a system whereby we directly purchase the items at international prices and supply them to suppliers. In case of aluminum and plastics, we adjust payments made to suppliers according to international prices.

**Joint Entries into Overseas Markets and Support for Increased Exports** Hyundai is jointly entering overseas markets with suppliers to support their continued growth and globalization. As of the end of 2023, we expanded to global markets with a total of 690 suppliers, including 309 tier-1 suppliers and 381 tier-2 suppliers, through which suppliers have harnessed opportunities to receive orders from overseas OEMs. To help Korean parts suppliers increase overseas exports, we are supporting the establishment of joint logistics and proof-of-origin systems. We identify difficulties experienced by suppliers in the export process and continue to explore activities that make actual improvements.

### Major Fund Support Programs for Suppliers

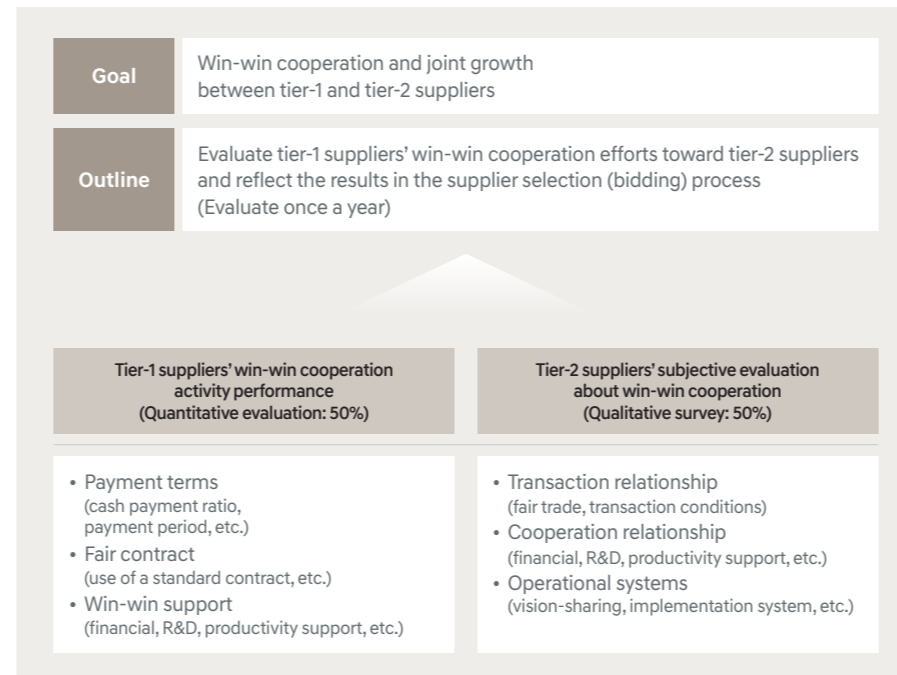
<b>Future Growth Mutual Fund</b>	<ul style="list-style-type: none"> <li>Deposited KRW 37.4 billion, provided KRW 93.5 billion                             <ul style="list-style-type: none"> <li>Provide investment funds at low interest rates for quality and productivity improvements of tier-1 and tier-2 suppliers (Industrial Bank of Korea)</li> </ul> </li> </ul>
<b>Future Growth Win-Win Fund</b>	<ul style="list-style-type: none"> <li>Deposited KRW 150 billion, provided KRW 225 billion                             <ul style="list-style-type: none"> <li>Provide investment funds at low interest rates for quality and productivity improvements of tier-1 and tier-2 suppliers (Hyundai Commercial)</li> </ul> </li> </ul>
<b>Dedicated Loan for Tier-2 and Tier-3 Suppliers</b>	<ul style="list-style-type: none"> <li>Deposited KRW 200 billion, provided KRW 200 billion<sup>1)</sup> <ul style="list-style-type: none"> <li>Provide investment funds intended to improve the management environment of tier-2 and tier-3 suppliers and operating funds at low interest rates (Woori Bank, Shinhan Bank)</li> </ul> </li> </ul>
<b>Business Diversification Support Fund</b>	<ul style="list-style-type: none"> <li>Deposited KRW 50 billion, provided KRW 100 billion                             <ul style="list-style-type: none"> <li>Provide investment funds at low interest rates to support business diversification in response to the expansion of electrification among internal combustion engine parts suppliers (Hana Bank)</li> </ul> </li> </ul>
<b>Raw Materials Price Indexing Support Fund</b>	<ul style="list-style-type: none"> <li>Deposited KRW 50 billion, provided KRW 100 billion                             <ul style="list-style-type: none"> <li>Provide investment funds to tier-1 suppliers to extend the raw materials price indexing system to include tier-2 and tier-3 suppliers at low interest rates (Shinhan Bank)</li> </ul> </li> </ul>
<b>Loan Interest Support Fund</b>	<ul style="list-style-type: none"> <li>Deposited KRW 100 billion, provided KRW 200 billion                             <ul style="list-style-type: none"> <li>Provide investment funds to tier-1 and tier-2 suppliers to aid their liquidity due to interest rate increases at low interest rates (Hana Bank, Shinhan Bank)</li> </ul> </li> </ul>

<sup>1)</sup> A joint contribution from Hyundai Motor Company, Kia Motors, and Hyundai Mobis

## STRENGTHENING THE TIER-2 AND TIER-3 COOPERATION NETWORK

**5-Star System for Win-Win Cooperation** In our efforts to build win-win relationship between tier-1 suppliers and tier-2 suppliers and to establish a culture of win-win growth, we operate the “5-Star Win-win Cooperation” system, which evaluates tier-1 suppliers’ win-win efforts toward tier-2 suppliers and reflects the results in the bidding process. We evaluate tier-1 suppliers’ win-win activities toward tier-2 suppliers, and evaluation items include payment terms; including cash payment ratio and payment period; contractual fairness, such as use of a standard subcontract; and win-win support, including management fund, R&D, and productivity support. We also conduct qualitative evaluations on tier-2 suppliers’ subjective evaluation about tier-1 suppliers’ win-win activities. Survey items include transaction relationship, including fair trade and transaction conditions; cooperation relationship, such as for management fund, R&D, and productivity; and overall operations, such as vision-sharing and implementation system.

### 5-Star System for Win-win Cooperation



**Improving Quality and Technology of Tier-2-Tier-3 Suppliers** Hyundai has been making continued efforts to improve quality, technology, and productivity of tier-2 and tier-3 suppliers by dispatching experts with automobile-related expert skills and know-how to tier-2 and tier-3 suppliers.

**Win-Win Payment System** Hyundai has set in place a win-win payment system that enables tier-2-tier-3 suppliers to be paid in cash on the payment date and cash in their payments in advance. Within the limit of the accounts receivable bond (payment) issued by Hyundai, a tier-1 supplier issues a bond to a tier-2 supplier and a tier-2 supplier issues a bond to a tier-3 supplier for settlement.

This system ensures tier-2 and tier-3 suppliers to receive payment on the payment date. Tier-1 and tier-2 suppliers that make payment can receive financial benefits, including interest income from the win-win payment deposit account and commission income from early encashment of win-win payment.

### Technical Training (Quality and Technology Support Group)

<b>Composition</b>	Technical experts in various production areas
<b>Duration &amp; Frequency</b>	3 to 12 months per year, providing customized support for quality and technical issues in the production field
<b>Areas</b>	Listening to supplier opinions on key quality/technology-related difficulties and supports improvements; and providing focused instruction on quality management system operation to improve suppliers’ ability to respond to the Supplier-Quality Mark system



### Management Consulting (Management Innovation Support Group)

<b>Composition</b>	Industry-specific management specialist
<b>Duration &amp; Frequency</b>	3 to 12 months per year, providing consulting on overall management free of charge
<b>Areas</b>	Providing consulting support on overall management, including R&D, production technology, quality control, planning, etc.



# Sustainable Supply Chain

## Supply Chain Sustainability Management

### EXPANDING SUPPLY CHAIN SUSTAINABILITY

**Enactment and Amendment of the Supplier Code of Conduct** Hyundai's Supplier Code of Conduct stipulates basic matters in the areas of ethics, environment, labor and human rights, safety and health, and management systems that should be observed by all suppliers that provide goods and services or signed a contract for other transactions. All suppliers that signed a contract with Hyundai must comply with the Supplier Code of Conduct and also recommend compliance with matters specified in the Code of Conduct to the overall supply chain, including companies they trade with (tier-n suppliers).

Suppliers must consider the matters presented in the Code of Conduct in their management decision-making and business operation processes, and actively respond to a sustainability risk due diligence that Hyundai carries out directly or through a third-party organization. In addition, in accordance with Hyundai's risk improvement recommendations, suppliers must establish a risk mitigation plan and implement measures based on mutual discussion. The Board of Directors supervises and reviews important matters related to supply chain sustainability management plans and programs.

In 2023, we have added items that require conducting supply chain due diligence to ensure that no raw materials, parts, or components manufactured using forced labor, either directly or indirectly, at any stage of the supply chain are supplied. We also require our suppliers to establish and implement a code of conduct prohibiting the use of forced labor.

**Establishment of the Supply Chain Sustainability Management Department** To respond to the strengthening of the international laws on global supply chain due diligence, Hyundai Motor Company has established the Supplier Sustainability Management&Safety Team (within the Procurement Division), whose role is to provide timely responses to sustainability management issues related to parts, raw materials, facilities and equipment used in both our domestic and overseas automotive operations.

**Incorporating Sustainability to Supplier Selection Criteria** Hyundai monitors the status of safety and environmental incidents at its suppliers by distributing guidelines on safety, health, and environmental management standards, assessing sustainability risks, and conducting due diligence. Also, when selecting our suppliers, we impose penalties on those who are responsible for accidents. Moreover, when selecting new suppliers, we evaluate not only their quality management systems, financial structure, and management capabilities, but also their sustainability, safety, and security practices. The results of these evaluations are incorporated into the transaction conditions, and existing suppliers may also face penalties such as bidding sanctions based on the outcome of their evaluation.

Furthermore, we have strengthened our supply chain due diligence policies and updated our website and standard contracts to reflect these enhancements. As part of these measures, we consistently enforce our suppliers' adherence to sustainability criteria aligned with our supply chain standards during contract renewals. We have included clauses in our basic contract for the transaction of parts that require compliance with the laws on environmental issues and human rights; and, additionally, we have incorporated these requirements into our requests for quotations to ensure zero tolerance of forced labor.

**Receiving Sustainability Documents for Supplier Registration** If we determine that a supplier is qualified for trade as a result of a supplier evaluation, we receive from the supplier its evaluation report, survey on actual conditions, financial statements, as well as pledges on improving sustainability, including a written ethics pledge, a written agreement on supplying eco-friendly parts, a written quality pledge, and a written information protection pledge.

**Current Status of Hyundai Suppliers** Hyundai's suppliers are in various regions across the globe, including Korea, US, China, Europe, India, Latin America, Southeast Asia, etc. Of these suppliers, those that supply core parts (hydrogen fuel cell parts, battery parts, control parts, electrification parts, etc.), have a low level of replaceability, or have a large trade volume are chosen and managed as significant (key) suppliers.

Tier-1 suppliers registered and managed in 2023 totaled 1,454 (purchase percentage of 100%), consisting of 372 suppliers in Korea and 1,082 suppliers overseas. Of the tier-1 suppliers, there are 55 key suppliers (purchase percentage of 69%). In addition to tier-1 suppliers, we identify tier-2 suppliers that have a significant impact on business operations. Number of key suppliers among tier-2 and lower suppliers stands at 24.

### Spreading and Disseminating Sustainability Among Suppliers

**Win-Win Cooperation Letter** Hyundai produces the Win-Win Cooperation Letter to provide information on programs that we operate for win-win growth with suppliers and to share major policies and activities in the fields of occupational safety, information security, and sustainability management. The newsletter is issued every other month and distributed to all tier-1 suppliers through notices, the win-win growth portal (<http://winwin.hyundai.com>), and the website of Hyundai Kia Automotive Suppliers Association.

### Key Supply Chain Sustainability Management in 2023

- 02 Sustainability Regulations and Supply Chain Due Diligence Obligations
- 04 Trends in EU Environmental Regulations
- 06 Supplier Sustainability Assessment-Consulting and CDP Supply Chain Assessment Participation Guide
- 10 Support for the Component Life Cycle Assessment (LCA)

### Briefings and Online Training

We hold briefings and run training courses for suppliers to prevent sustainability-related risks throughout the supply chain and improve suppliers' sustainability capabilities. We operate online training courses that can be taken by all suppliers. We also hold various briefings for working-level employees of suppliers and share information on index that should be managed in major areas, including ethics, environment, labor and human rights, and safety and health, major trends, and best practices.

### Supplier ESG Capability-Building Training in 2023

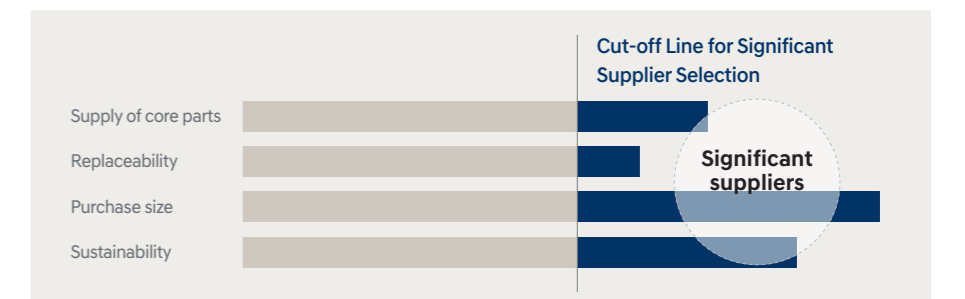
- Total training hours 2,582 hours
- No. of participating suppliers 427 companies
- No. of staff who received training 1,830 persons

### Basic Principles of the Supplier Code of Conduct

Hyundai Motor Company and Kia Supplier Code of Conduct

<p><b>Ethics</b></p> <ul style="list-style-type: none"> <li>• Transparent management and anti-corruption</li> <li>• Prevention of unfair trade, etc.</li> </ul>	<p><b>Environment</b></p> <ul style="list-style-type: none"> <li>• Establishment of an environmental management system</li> <li>• GHG and energy management, biodiversity, etc.</li> </ul>	<p><b>Labor and Human rights</b></p> <ul style="list-style-type: none"> <li>• Guarantee of freedom of association</li> <li>• Prohibition of child and forced labor, etc.</li> </ul>	<p><b>Safety and Health</b></p> <ul style="list-style-type: none"> <li>• Establishment of an occupational health and safety management system</li> <li>• Response to emergency situations, etc.</li> </ul>	<p><b>Management Systems</b></p> <ul style="list-style-type: none"> <li>• Transparent management and anti-corruption</li> <li>• Prevention of unfair trade, etc.</li> </ul>
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### Criteria to Select Significant Suppliers



# Sustainable Supply Chain

## SUPPLY CHAIN SUSTAINABILITY DUE DILIGENCE

**Risk Due Diligence Process** Hyundai's management of the supply chain sustainability risk evaluation consists of on-desk assessment, on-site audit, identification of high-risk suppliers, and improvement and monitoring. We strive to continuously improve the due diligence indicators in accordance with global trends to identify potential sustainability risks in the supply chain more effectively. In addition, to comply with the global supply chain due diligence laws, we have established a compliance program related to the risk of forced labor to enhance our integrated supply chain sustainability risk management system.

**Composition of Risk Due Diligence Indicators** Hyundai established its unique supply chain ESG risk due diligence indicators by using laws related to fair trade/environment/labor/safety and health/supply chain due diligence, the OECD Guidelines for Multinational Enterprises, EcoVadis, Responsible Business Alliance (RBA), Drive Sustainability, and other indices and standards. The supply chain sustainability risk due diligence indicators consist of ethics, environment, labor and human rights, and safety and health areas. In consideration of a supplier's size and whether it satisfies key indicators, we reflect the evaluation results in supply chain operation strategies. In particular, we assess forced labor risks based on the types of risks and indicators, such as forced labor in prisons, vocational training centers, etc.

<b>Rating Agency</b>	<ul style="list-style-type: none"> <li>• Third-party external rating agencies conduct the assessments to ensure impartiality and expertise</li> </ul>
<b>Initiatives utilized for Assessment</b>	<ul style="list-style-type: none"> <li>• Drive Sustainability</li> <li>• Responsible Business Alliance</li> <li>• UN Sustainable Development Goals</li> <li>• UN Global Compact</li> <li>• Carbon Disclosure Project</li> </ul>

### Steps of Risk Due Diligence

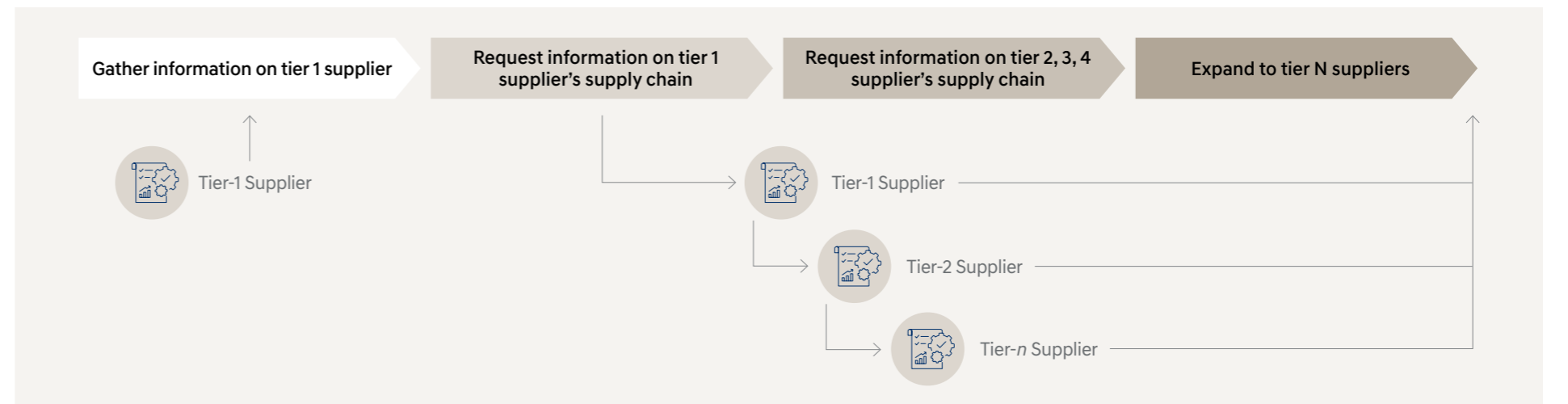


**Risk Filter** Before a risk due diligence, Hyundai identifies, in advance, risks that it expects or are occurring in the supply chain. Hyundai chose 55 tier-1 significant (key) suppliers and 24 tier-2 significant (key) suppliers in 2023 after going through the prior identification process.

<b>Global distribution network of suppliers</b> 	<ul style="list-style-type: none"> <li>• As Hyundai's suppliers are distributed worldwide, we continue to collaborate with them in building a stable and sustainable supply chain.</li> </ul>
<b>Identification of risks by country, business type, part and raw and subsidiary material</b> 	<ul style="list-style-type: none"> <li>• We identify and manage risks by country where our suppliers are located, business type, supplied part, and raw and subsidiary material. To this end, we use materials disclosed by each country's government and research organizations as well as various media and social network materials.</li> </ul>
<b>Analyzing the Results of the Supply Chain Sustainability Risk Due Diligence</b> 	<ul style="list-style-type: none"> <li>• Identified risks are classified and managed based on various areas, including ethics, environment, labor and human rights, health and safety. These are incorporated into the derivation of measures for improving supply chain risks and revisions of the due diligence indicators.</li> </ul>

In 2023, we conducted screenings of risks associated with our tier-1 suppliers using external supplier databases, focusing specifically on forced labor risks. We also initiated a supply chain mapping pilot program for selected suppliers in order to pinpoint their locations and their potential connections to alleged violators of the laws against forced labor. We plan to expand this program in the future, targeting key component groups such as aluminum, batteries, steel, tires, and polysilicon.

### Continuous Supply Chain Mapping Process from Tier 1 to Tier N



**On-desk Assessment** Hyundai diagnoses supply chain sustainability risks based on its unique, distinctive indicators and criteria. A written assessment is conducted using an online assessment system that can be accessed by all suppliers in Korea and abroad. Suppliers respond to evaluation indicators by means of a self-assessment and attach documentary evidence. Supplier written assessment results serve as basic data for checking suppliers' sustainability risks, choosing suppliers subject to on-site due diligence, and categorizing high-risk suppliers.

**On-site Audit** Hyundai chooses suppliers that are subject to on-site audit by comprehensively considering countries where suppliers are located, business type, supplied parts and raw and subsidiary materials, and written assessment results. Primary on-site audit targets include suppliers that submitted insufficient responses and documentary evidence for the on-desk assessment and suppliers that have been confirmed to have potential or actual sustainability risks based on on-desk assessment results. On-site audit and evaluations are conducted by ESG consulting and due diligence experts, in close collaboration with Hyundai's procurement division.

During the on-site audit process, we checked the relevant supplier's systems and regulations to confirm measures regarding code of ethics, legitimate handling of wastes and pollutants, management of working hours and payment of salaries based on a working hour management system, hazard evaluations, and establishment of emergency situation response plans. We plan to review and apply ways to effectively identify concerning ESG risks at work sites during on-site audits.

# Sustainable Supply Chain

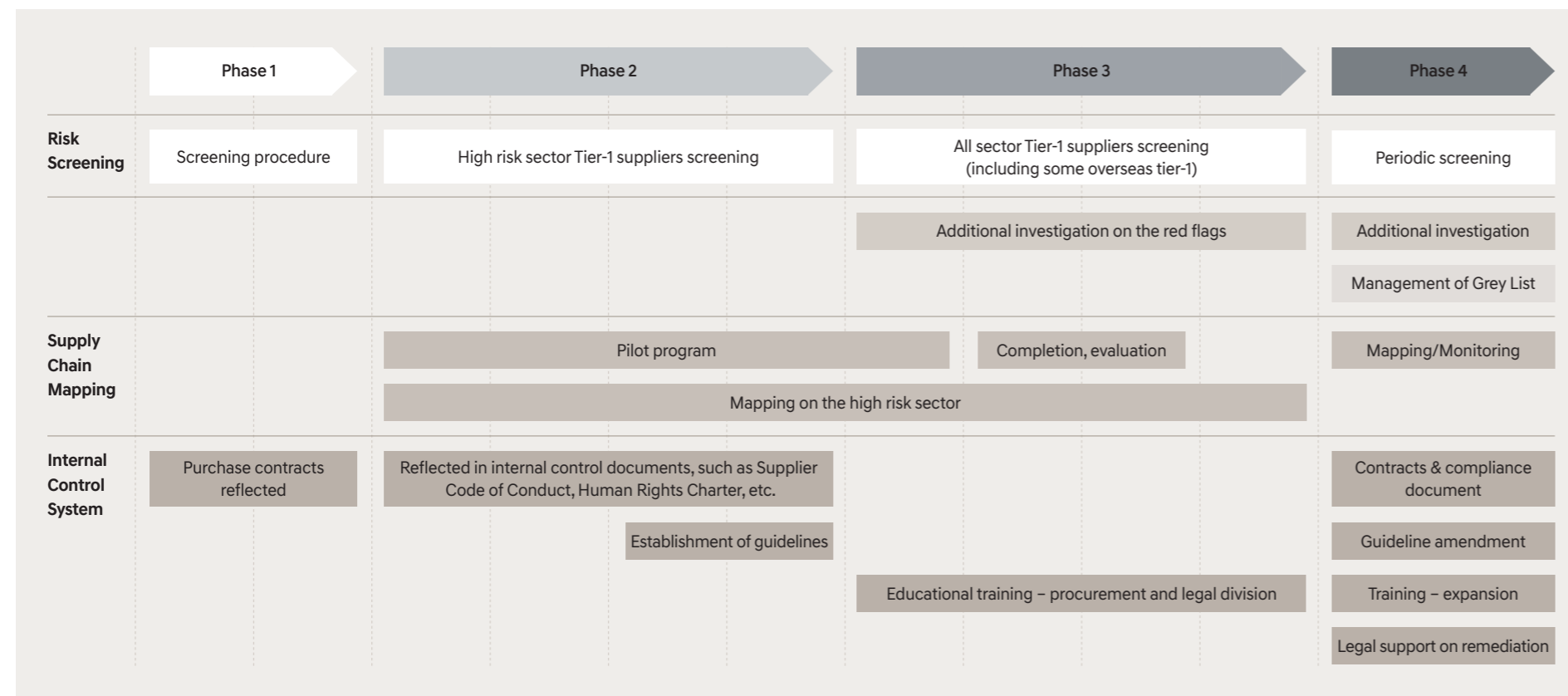
**Due Diligence Aligned with Supply Chain Management Strategies** Hyundai established top five strategic directions of supply chain management for suppliers' quality competitiveness, technological competitiveness, supply stability, compliance with fair trade, and establishment of an eco-friendly production system. To achieve the top five strategic directions, we established major performance indicators (delivery defect rate, reliability testing capabilities, KD parts delivery rate, payment terms, energy consumption, etc.) for each direction and monitor the execution status on a regular basis. In addition, we designed "management indicators aligned with strategy" and "sustainability risk due diligence indicators" to identify whether suppliers are participating in and executing our supply chain management strategies. Based on these indicators, we are conducting a due diligence (assessment) of supplier levels.

For new transaction targets, if a company receives an ESG evaluation score below the threshold score, it must submit an improvement plan and agree to be re-evaluated within six months. Further transactions will not proceed if the score remains below the threshold. For existing suppliers, we also emphasize the importance of supply chain ESG assessment by integrating the content of ESG assessment with our purchasing policy.

**Key Areas of Improvement** Hyundai conducted the on-site audit (evaluation) and thus identified key areas which need improvement as follows. We share evaluation result report with the average score of benchmark companies and the top score in addition to areas of weakness and areas for improvement for each company, thereby inducing them to make improvement.

Areas	Improvement required
Ethics	Establishment of an ESG management system and responsible purchasing of materials
Environment	Energy/GHG management and climate change response
Labor and human rights	Establishment of a human rights management system
Safety and health	Accident management

## Roadmap for Establishing the Supply Chain Compliance Program



## Supply Chain Management Strategies

5 Strategic Directions	Performance Indicators
Quality competitiveness	Delivery defect rate, claim reimbursement ratio, quality management, on-site evaluation of manufacturing processes, outsourcing management
Technological competitiveness	Basic competencies, performance competencies, capabilities for the future, reliability testing capabilities, S/W verification capabilities
Supply stability	Smooth supply of parts (prevention of production line stoppage), A/S parts delivery rate, KD parts delivery rate
Fair trade	Payment terms, contractual fairness, law/regulation compliance, win-win cooperation (support for win-win growth)
Eco-friendly production system	Environmental management system, energy consumption, air pollutant, waste, hazardous chemicals management

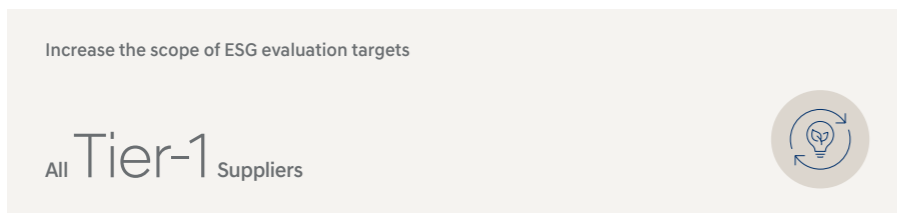
## Supply Chain Sustainability Risk Due Diligence Indicators

Ethics	Environment	Labor and human rights	Safety and health	Management system
<ul style="list-style-type: none"> <li>Prohibition of corruption</li> <li>Prevention of unfair trade</li> <li>Prevention of counterfeit parts</li> <li>Compliance with export restrictions</li> <li>Information protection</li> <li>Responsible purchase</li> </ul>	<ul style="list-style-type: none"> <li>Environmental management system</li> <li>Energy and GHG</li> <li>Water resources</li> <li>Air pollutants</li> <li>Wastes</li> <li>Chemical substances</li> </ul>	<ul style="list-style-type: none"> <li>Non-discrimination</li> <li>Wage and welfare</li> <li>Working hours</li> <li>Humane treatment</li> <li>Freedom of association</li> <li>Prohibition of child labor</li> <li>Prohibition of forced labor</li> </ul>	<ul style="list-style-type: none"> <li>Safety and health management system</li> <li>Machine/instrument/facility safety</li> <li>Emergency response</li> <li>Accident management</li> <li>Safety diagnosis</li> <li>Health management</li> </ul>	<ul style="list-style-type: none"> <li>Disclosure of corporate statement</li> <li>Appointment of a person in charge</li> <li>Risk checks</li> <li>Education and communication</li> <li>Information management</li> <li>Grievance system</li> <li>Business partner management, etc.</li> </ul>

# Sustainable Supply Chain

**Finalization of Risks and Establishment of an Improvement Plan** We are deriving improvement points to ease suppliers' sustainability-related risks through on-site audit (evaluation). Immediate corrective measures are taken for matters that can be improved right away during an on-site audit. For other confirmed risks, we hold discussions with the respective supplier on the time and method of implementation and expected issues, and establish improvement tasks. In addition to conducting a supply chain sustainability risk due diligence, we monitor whether suppliers implement improvement measures. We also actively provide support in case suppliers do not have enough ability to make improvements themselves. In 2023, we provided capacity building support and consulting services to a total of 166 suppliers (159 tier-1 suppliers and 7 tier-2 suppliers).

## Performance in 2023



**Supply Chain Sustainability Goals** Hyundai has been making continued effort to expand the scope of the supplier sustainability risk due diligence to improve its supply chain sustainability. In 2022, we conducted a supply chain sustainability evaluation on all tier-1 suppliers around the world, and encouraged them to acquire environmental management system (ISO 14001) and safety and health management system (ISO 45001) certifications. In addition, we are providing a program that supports the establishment of safety facilities and security systems and the reduction of carbon emissions by 2025 to help suppliers improve their sustainability capabilities.

## Supply Chain Sustainability Goals

Classification	Support provided to	Support duration
Establish safety facilities	Tier-1 and tier-2 suppliers	2023-2025 (3 years)
Establish security systems	Tier-1 and tier-2 suppliers	
Support for carbon emission reduction	Tier-1 suppliers	

\* Support target: Tier-1-tier-2 suppliers based on factors such as company size, business type, and others

## Results of Supply Chain Sustainability Risk Due Diligence

(Unit: Companies)

	Classification	No. of companies	Remarks
On-desk assessment of ESG risks	Tier-1 suppliers	1,454	Purchase percentage of 100%
	Tier-1 key suppliers	55	69% of tier-1 purchase percentage
	Tier-2 key suppliers	24	
Identification of high-risk suppliers based on on-desk assessment	Tier-1 suppliers	17	Goal: Complete the written assessment of all key suppliers (100%)
	Tier-1 key suppliers	-	
	Tier-2 key suppliers	-	
On-site audit of ESG risks	Tier-1 suppliers	282	Including 17 high-risk suppliers identified through the written assessment
	Tier-1 key suppliers	11	Goal: Complete the on-site assessment of all high-risk suppliers
	Tier-2 key suppliers	8	
Improvement measures for high-risk suppliers	Suppliers with negative impacts identified	17	No high-risk suppliers identified among tier-1 and tier-2 key suppliers
	Suppliers with established improvement plans agreed upon	17	
	Suppliers that completed implementation of improvement plans	17	



## Support Cases of Improving Risk Management

### Strengthening Supply Chain Labor and Human Rights Management

To prevent and manage human rights risks in the supply chain, including child labor issues in North America, we established the Supply Chain Compliance Program in 2023. This program consists in conducting human rights risk screening across the entire supply chain and monitoring the identification of suppliers with potential human rights risks. In the same year we also implemented a procedure to check for fake IDs when issuing factory access cards, as well as enhancing our management system by specifying the KPIs related to supply chain sustainability. We also developed the "Guidelines on Compliance with the Forced Labor Laws," which outline the main contents and obligations of the Forced Labor Prevention Act, Hyundai's implementation plans, and new requirements for suppliers, and provided related training to the relevant departments.

### Strengthening Overseas Supply Chain Sustainability Management

In 2022, we conducted a simplified self-assessment for our overseas supply chains. However, in 2023, we began conducting a full-scale written assessment, completed by 1,082 overseas companies. We analyzed vulnerable areas compared to domestic supply chains and the reasons for any differences in scores by country of origin, identifying areas for improvement. Starting in 2024, we plan to strengthen the on-site due diligence of overseas supply chains based on the results of the written assessment.

### Implementing the CDP Supply Chain Program

As calls for carbon neutrality continue to increase, we have launched the CDP Supply Chain program to enhance our suppliers' capabilities in responding. Now, suppliers who participate in the CDP Supply Chain are required to submit their GHG emissions, energy consumption patterns, carbon neutrality strategies and targets, and renewable energy transition plans, as well as the status of their implementation. To assist our suppliers in strengthening their capacity to disclose carbon-related information, we provided them with both online and offline training from April to June 2023. The training covered an overview of carbon neutrality, carbon emissions calculation, and how to respond and enter data into the CDP. 360 domestic tier-1 suppliers completed their assessment participation by July of the same year.

### Operating the Parts Supplier LCA Support Program

As the GHG management paradigm in the automotive industry has shifted from lifecycle stages to finished vehicles and parts, we have introduced a program to support our suppliers in calculating the life cycle assessment (LCA) of parts in order to estimate GHG emissions from raw materials collection, processing, and production. From September to December 2023, we collected and verified the carbon data of 86 largest direct suppliers based on carbon emissions and derived carbon emission estimates for each part. Starting in 2024, we plan to expand the program to all our suppliers, including commercial and tier-2 suppliers.

# Sustainable Supply Chain

## RESPONSIBLE MINERALS MANAGEMENT

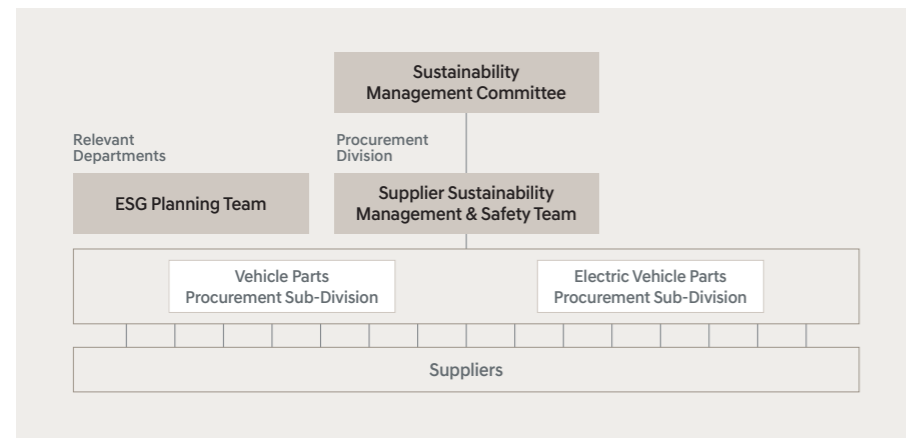
**Conflict Minerals Management Governance** Hyundai understands the significant seriousness of human rights violations and environmental destruction caused by mineral mining in conflict and high-risk areas. We are therefore striving to eradicate human rights violations, including exploitation of child labor, and environmental destruction that take place in the process of mining minerals, and to protect worker health and safety.

To this end, we have established management governance to operate a management process for compliance with policies and execution of social responsibilities in relation to conflict minerals. The Procurement Division's Supplier Sustainability Management & Safety Team supervises the operation of the conflict minerals-related management process and continually examines responsible mineral risks of each Procurement Division and supplier. In addition, it closely collaborates with relevant departments, including the ESG Planning Team that manages company-wide sustainability risks. Important matters related to conflict minerals are supervised and reviewed by Sustainability Management Committee under BOD, and are also included in the KPIs for CEO as a way to ensure active management of the matters.

 **Conflict Minerals (Responsible Minerals) Policy**

**Conflict Minerals Management Policy** Hyundai recognizes that there are conflict minerals that are unethically mined and distributed, including human rights violations and environmental destruction, in conflict zones, and prohibits use of conflict minerals (tin, tantalum, tungsten, gold) that are unethically mined in conflict areas. Based on the basic policy of "providing products to consumers that went through a legitimate and ethical distribution process," we operate a conflict minerals management process jointly with suppliers and strictly investigate inclusion of conflict minerals in products. In addition, we are continually monitoring the cobalt supply chain in accordance with the OECD Due Diligence Guidance to manage the issue of child labor in cobalt mines of the Democratic Republic of Congo. We provide suppliers with conflict minerals management guidelines and hold relevant briefing sessions to help raise their awareness of conflict minerals. In addition, we will make continued efforts to expand the mineral purchase policy that calls for non-use of conflict minerals and fulfillment of social responsibilities to include suppliers' clients.

### Conflict Minerals Management Governance



**Conflict Minerals Management Process** Hyundai has established a process by reviewing and analyzing the OECD Due Diligence Guidance, the US Dodd-Frank Regulatory Reform Act, and US Securities and Exchange Commission's requirements, based on which it is striving for responsible mineral supply chain management. Based on the Conflict Minerals Reporting Template (CMRT) and Extended Mineral Reporting Template (EMRT) for supplier information collection that are provided by the Responsible Mineral Initiative (RMI), we are tracking the supply chain (mine-smelter-tier-1 supplier, etc.) for tin, tantalum, tungsten, gold, and cobalt. In cases where we identify and recognize human rights and environmental risks in the mineral supply chain, we strive to mitigate or prevent them. In addition, we recommend suppliers to monitor whether they are trading with a smelter located in a high-risk area or did not receive Responsible Minerals Assurance Process (RMAP) certification. We assess whether our suppliers are trading with smelters that obtained RMAP certification on an annual basis.

**Selection of High-Risk (Risk Management) Areas** Hyundai has classified 10 African countries (Democratic Republic of the Congo, Rwanda, Burundi, Sudan, Angola, Uganda, Zambia, Central African Republic, Congo, Tanzania) and other conflict areas as Conflict Affected and High Risk Areas (CAHRAs). We continue to monitor suppliers' use of conflict minerals and cobalt that are illegally or unethically mined/distributed in these areas.

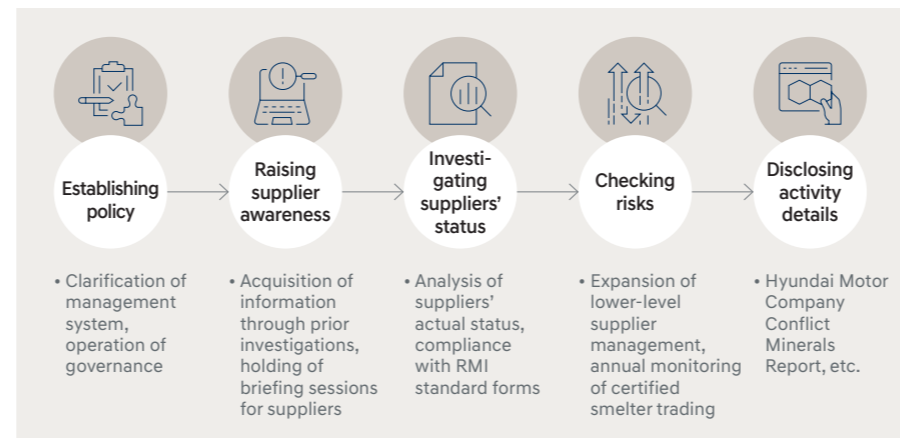
**Investigating the Conflict Mineral Status of Suppliers and Checking Risks** We investigated the status of suppliers that use tin, tantalum, tungsten, gold, and cobalt. For tier-1 suppliers and electric vehicle battery suppliers (51 suppliers), we received CMRT/EMRT materials from lower-level suppliers that supply parts that used conflict minerals and cobalt. We listened to difficulties experienced by suppliers that were having difficulty in creating CMRT/EMRT materials or whose materials were insufficient. We also explained on several occasions the need to actively respond to the conflict minerals management process and recommended all suppliers subject to investigation to submit materials.

Based on the CMRT/EMRT data submitted by our suppliers, we conducted an analysis to determine if the suppliers were engaged in trade with RMAP-certified smelters. In cases where suppliers were not trading with certified smelters, we proactively requested that they implement a mineral purchasing policy that aligns with social responsibilities and to engage exclusively with certified smelters. We also approached tier-1 suppliers sourcing conflict minerals from uncertified smelters, requesting a comprehensive improvement plan outlining their mid to long-term intentions to transition to certified smelters. These measures induce all suppliers included in our conflict minerals management program to fulfill their social responsibilities, allowing us to address related risks effectively.

**Disclosing Conflict Mineral Activity Details** Hyundai established a conflict minerals management policy and disclose it through its website, while also issuing an annual Conflict Minerals Report. We are striving to create greater corporate value by communicating and identifying with all stakeholders, including customers, employees, and shareholders, and by continuing change and innovation. We will continue our efforts to strengthen communication by issuing reports in accordance with standards required by the international community.

**Raising Supplier Awareness of Conflict Minerals** Beginning with the establishment of criteria and finalization of a schedule to investigate the conflict mineral status of suppliers in March 2022, we identified in advance, whether items that are used for major electric model production use conflict minerals or cobalt. In addition, we held briefing sessions and provided training to tier-1 and tier-2 suppliers that use conflict minerals, electric vehicle battery suppliers, and Hyundai employees in charge of purchasing with regard to the background of conflict minerals management, conflict minerals regulation trends in major countries, Hyundai's conflict minerals management policy, CMRT/EMRT outline and investigation plan, and trading with RMAP-certified smelters as part of our activities aimed at raising overall awareness of conflict minerals management.

### Conflict Minerals Management Process



## Conflict Minerals Management Practices



### Visiting Mines and Smelters in the Democratic Republic of the Congo

In April 2024, representatives from Hyundai visited cobalt and copper mines and smelters in the Democratic Republic of the Congo to check the current status of sustainability management, including environmental and safety aspects, in the mineral supply chain. Organized by Glencore, a global mineral production and trading company, the visit included tours of two large-scale mines, an internal smelter, and a drying facility. During the site visits, we learned about local efforts to prevent child labor and unlicensed mining, workplace safety policies, and programs to support children and women. We also visited a hospital operated by Glencore in order to learn firsthand about the company's contributions to community issues, including the provision of free medical care to mine employees and their families and the distribution of HIV-AIDS vaccines. We will continue modifying and refining our responses based on our understanding of the various risks in the minerals supply chain with the ultimate aim of creating a more sustainable supply chain moving forward.

# Customer Experience Innovation

Hyundai is striving to achieve its quality philosophy of “producing defect-free vehicles without breakdowns” and develop new safety technologies that protect drivers, passengers, and pedestrians. To this end, we continue upgrading overall quality and safety systems not only by promoting preemptive quality and safety measures from the vehicle development stage but also by preventing any significant problems afterward through early detection, early improvement, and early after-sales actions. In particular, we are focused on building a sustainable safety management system by developing training programs, operating quality and safety reporting centers, analyzing safety information, and establishing safety test sites to strengthen our quality verification capabilities, which in turn will enable us to maximize customer satisfaction and build trust.

## Product Responsibility

### PRODUCT QUALITY MANAGEMENT

**Establishing Quality Management System** Hyundai operates a quality management process for preemptive quality management of new car development, quality management of mass-produced vehicles, response to customer complaints, and quality assurance. We achieve systematic quality management by sharing quality risks, quality defects, and consumer complaints identified through our quality management system with all our business sites as well as our suppliers to produce improvement plans. Prior to mass production, the Pilot Center at the Namyang R&D Center measures and verifies quality, such as body strength and function, with a test vehicle, and we opened the Global Quality Control Center to inspect the quality of leading mass-produced vehicles from the customer’s point of view.

**Establishing an Integrated Quality Management System** We have established a company-wide integrated quality management system to satisfy our customers’ diverse quality and safety requirements, while each of our production sites operates their own quality management system to promote thorough quality management in all processes, including automobile design, parts development, process operation, pre-mass production, and mass production. Both domestic and overseas production sites have acquired ISO 9001 (quality management system) or automotive industry quality management system standard certification based on it. We convert and update certifications in line with the conversion of quality management system standards.

**Quality Management Techniques** Hyundai has introduced and applied quality management techniques to strengthen its market competitiveness on the basis of “defect-free quality.” The techniques consist of “the best experts in each field (Man);” “optimal equipment (Machine);” “thorough verification (Measurement);” and “commitment to defect-free quality (Moral).” Based on the merits, we provide customers with the highest quality vehicles in all areas, including R&D, production, sales, and services.

**Quality Management Standards for Electrified Vehicles** Hyundai has established quality management standards and criteria designed for each type of electrified vehicles, such as hybrid vehicles, EVs and FCEVs, in its efforts to actively respond to the global paradigm shift towards electrification. We manage our quality risks through continuous quality checks, case analysis, and improvement activities while continuously revising our quality management standards and criteria based on the data collected and analyzed.

**Preemptive Management of Quality Risks** From the early stage of new vehicle development, such as vehicle design, Hyundai conducts pre-verification of parts suppliers and inspects the quality of our own production processes to eliminate quality risks and related production process impediments in advance. Based on product drawings, we inspect the function, structure, reliability, and durability of parts. We issue the final approval through the inspection of supplier processes, self-inspection of production processes, etc. In addition to our own verification of test vehicles, the test-drive opinions of customers and professional quality organizations are utilized as guidelines to identify major issues and carry out improvement activities in parallel. Moreover, Hyundai holds quality inspection meetings on a regular basis, and reports the quality risk assessment results and taken measures to the highest level of management on the verge of new car models’ mass production.

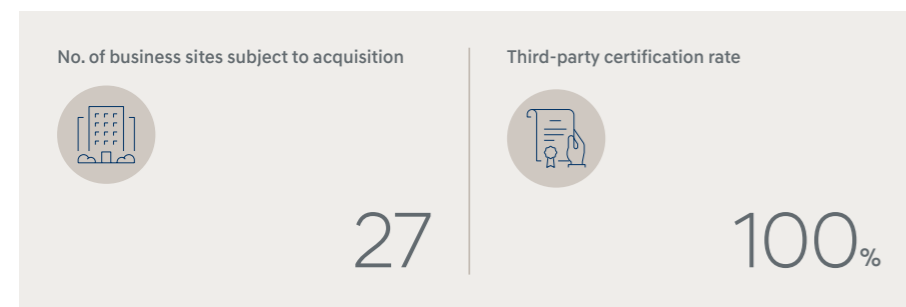
**Prevention of Mass Production Quality Risks** When a quality risk is detected from information acquired through statistical process control, periodic inspections, and shipment pass rates, we conduct joint investigations and take necessary countermeasures for quality improvement. Also, in order to prevent quality risks from occurring in the vehicle production process, we take thorough preventive measures, such as suppliers’ process management, assessment of quality prevention activities, validation of quality inspection equipment, and reliability testing of parts. We have established a control tower devoted to the management of vehicle quality risks in the production process.

**Strengthening Quality Verification Capabilities** We enhance our verification capabilities throughout our quality value chain by regularly conducting training on roles and major tasks in the areas of pre-manufacturing quality, manufacturing quality, and market quality. Each course includes not only basic theoretical education but also practical and experience-oriented education if necessary. Furthermore, we offer expert courses on quality verification in collaboration with external educational institutions to verify new technologies following the transition to electrification and to strengthen the verification of quality issues from the customer’s point of view.

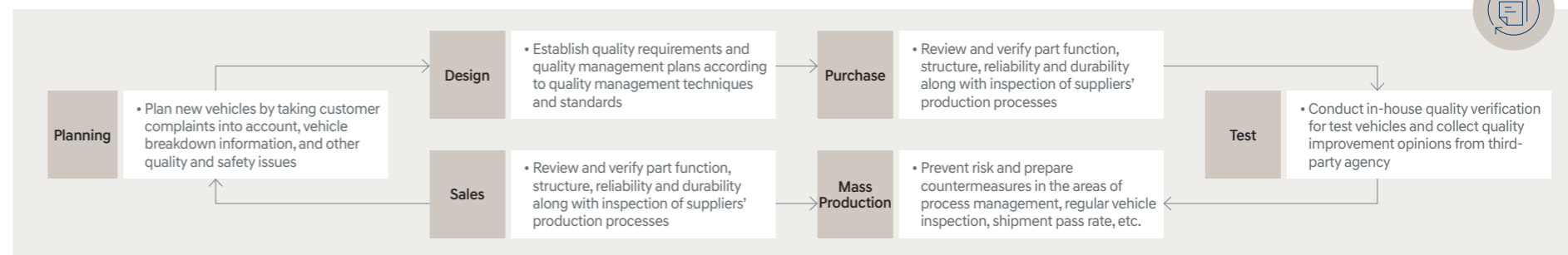
### 2023 Quality & Safety Training Programs (Employees)

Quality-related training	Target	Cycle	No. of trainees
Preventing customer safety accident, together	Staff from quality-related organizations	Constant basis	14,956
Training to internalize safety quality	All employees of Quality Division	Quarterly basis	1,099 (Completion rate of Quality Division: 92.8%)
Quality academy	Staff from Quality Division	20 times per year (Group training)	484

### Status of Quality Management System (ISO 9001) Certification



### Quality Management Process



# Customer Experience Innovation

## QUALITY ASSURANCE AND MANAGEMENT

Hyundai has expanded the scope of its quality assurance and management from quality control and vehicle development and production to include after-sales customer safety and protection.

**Warranty for Free Repairs** Hyundai applies the free repair warranty period in consideration of the average life cycle, durability, and sustainability of each type of vehicle, such as passenger cars, SUVs, and commercial vehicles (trucks and buses). In particular, we expand the sustainability of eco-friendly vehicles by extending the warranty period for engines and main power transmission parts applied to hybrids, EVs and FCEVs. Regarding older high-emitting models, we strive to minimize their air pollutant emissions with guarantees for catalyst devices, electric control devices, and other exhaust gas parts.

**Voluntary Recall** Hyundai voluntarily implements vehicle recalls to preemptively protect customers. When we identify a manufacturing defect likely to cause accidents through our constant monitoring of customer complaints, we determine a vehicle recall and inform our customers of the defect, corrective actions, and compensation such as free service. In addition, warranty provisions are set aside as a way to proactively manage our financial risks caused by recalls and quality assurance.

### Warranty for Eco-friendly Car Engines and Power Transmission Parts

Classification	Model name	Warranty period
Hybrid	Grandeur, Sonata, IONIQ, AVANTE (Elantra), Tucson, KONA Hybrid, IONIQ Plug-in	10 years / 200,000 km
EV	KONA Electric, IONIQ Electric, IONIQ 5, IONIQ 6	10 years / 160,000 km

\* Based on passenger vehicles and SUVs

### Voluntary Recall Status

(Unit: 10,000 units, KRW million)

Classification	2020	2021	2022	2023
No. of recalled vehicles	623	272	389	548
Costs of recalls	305,200	1,442,300	320,900	485,173

### Warranty Provisions

(Unit: KRW million)

Classification	2020	2021	2022	2023
Provision warranty balance at the beginning of the period	5,447,307	8,514,173	9,048,185	10,399,527
Warranty costs during the period	1,963,782	2,551,716	3,133,544	3,442,626

**Blue Basic Inspection** Hyundai provides its Bluemembers customers with a basic inspection service free of charge to enable them to maintain their vehicles in top condition (8 times over 8 years for passenger vehicles, 7 times over 3 years for commercial vehicles).

**Emergency Roadside Service** Hyundai offers emergency roadside services to help with on-site first aid, simple maintenance, and transportation to a designated maintenance shop in the event of vehicle breakdown. The services are provided free of charge within a warranty period of up to six years after a vehicle leaves the factory.

**Response to Quality VOCs** Hyundai continues to promote business innovation based on voice of customers (VOCs) to establish a company-wide customer complaint response system. In addition, we operate the VOC Improvement Council participated by the Quality Division and R&D Center, and other related divisions, to diversify quality improvement agendas and respond to urgent VOCs in our efforts to focus on quality improvement based on customer opinions. We operate a variety of techniques and systems to connect, integrate, and analyze VOC data while passing on customer complaints to each service center for improvement measures. As an extension of our efforts to prioritize customer safety and satisfaction, we reflect and manage the quality index, which is linked to the number of claims that occur within three months of customer use after vehicle sales, as 5% of the CEO's KPI.

**AI-based Quality Control** Hyundai operates smart factories using AI and big data to create the best products. We collect and analyze external information as well as data from all our systems in the factory, such as product quality management, production facilities, and logistics. Then, we turn it into big data so that AI can operate the factories based on the information. We increase the accuracy and efficiency of our production processes by securing accurate data and eliminating unnecessary processes. We are accelerating the construction of a complete smart factory following the completion of the Hyundai Mobility Global Innovation Center in Singapore (HMGICS) in April 2023. HMGICS serves as a test bed to develop and verify intelligent manufacturing platforms that incorporate AI and the IoT while the data obtained by the center is used to build E-FOREST, a smart factory ecosystem.

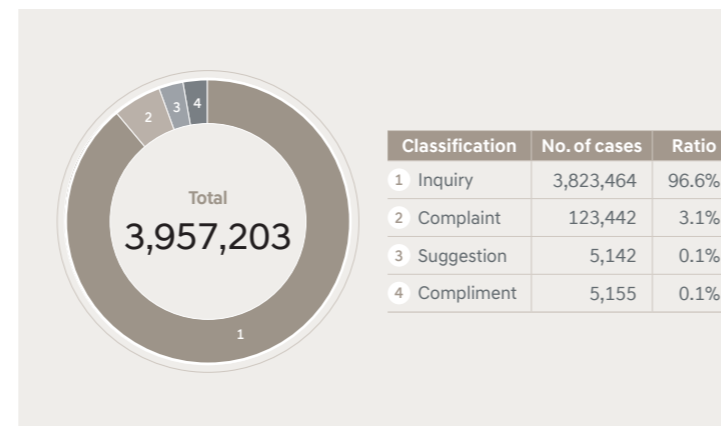


## Key Case of Quality VOC Response

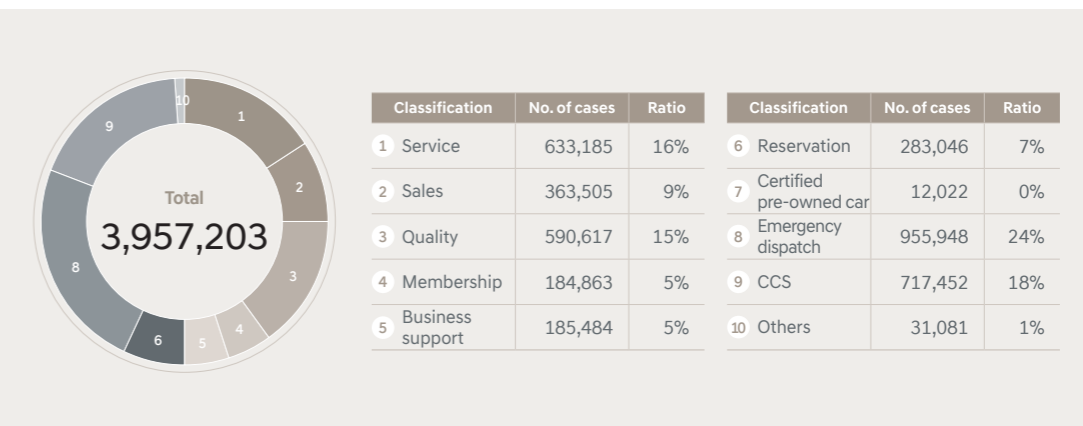
### Decision to conduct a voluntary recall of 5 EV models

In July 2023, in response to customer complaints about defects in the integrated charging control unit (ICCU) of electric vehicles (EVs), including IONIQ 5, Hyundai provided repairs free of charge and initiated a software update campaign. The issues identified in some vehicles include: discharge of the power bank due to damage caused by a temporary overcurrent in the ICCU; a gradual limitation of driving speed due to a failure of the ICCU software voltage conversion function; and the possibility of the vehicle stalling during continuous operation. Through joint evaluations by KATRI (Korea Automobile Testing & Research Institute) under the Korea Transportation Authority and NHTSA (National Highway Traffic Safety Administration) of the U.S., it was determined that these were not safety issues. We therefore conducted a software update campaign and replaced the ICCUs of some vehicles at no charge. However, after the campaign, similar customer complaints continued to emerge. As a proactive measure, we decided to conduct a voluntary recall in March 2024 of approximately 113,000 vehicles across five models, including the IONIQ 5, IONIQ 6, GV60, GV70 EV, and G80 EV.

### VOC Filings in 2023



### 2023 VOCs by Type





# Customer Experience Innovation

**Customer Compensation and Dispute Resolution** Hyundai is actively engaged in compensating customers and resolving disputes. Customers can report complaints and damages through on-site reception, headquarters reception, and customer centers, most of which are staffed by employees at high-tech centers nationwide, who manage the entire process from consultation to offering compensation and making payments. Hyundai provides compensation in the form of services, in-kind contributions, and cash for the full amount of verifiable losses, including direct (vehicle repair costs) and indirect losses (such as property damage and personal injury), if the cause of the damage is attributable to Hyundai's negligence concerning quality, systems, or response.

Depending on the importance of the case, we also collaborate with the Customer Care Management Division at headquarters to ensure the smooth resolution of complaints. In particular, we monitor the status of lawsuits, long-term non-delivery, and unresolved cases arising from customer complaints in real time. The Customer Service Solution Team receives updates on the status of long-term outstanding cases from each center and provides closure support through the headquarters' representative. For litigation cases, such as those involving fires and vehicle accidents, we consult with our legal team, research institutes, and Quality Division in order to prepare technical data and establish litigation response plans. In cases involving persistent quality complaints, we collaborate with the Quality Division in conducting joint investigations and helping to establish customer response plans.

## VEHICLE SAFETY ASSESSMENT

**Crash Safety Assessment** Hyundai responds to more complex types of accidents by utilizing actual accident data disclosed by the NHTSA (National Highway Traffic Safety Administration), traffic accident data by country, a variety of information provided by the company's after-sales service network in Korea and quality divisions in our research, which is reflected in the product development process. As a result of these studies, in 2019, we developed the world's first "multi-collision airbag" to prevent secondary accidents. In addition, we have 170 sets of 27 types of manikins (dummies) that take over the role of occupants in real vehicle crash tests. This is the largest in the industry, enabling us to precisely measure even minute injuries in a variety of collision situations, contributing greatly to improving passenger safety performance. For your reference, when Hyundai develops a new vehicle model, it invests an average of 4,000 hours in evaluation and testing and KRW 10 billion in costs to ensure the highest level of crash safety.

**2023 National Camp Accreditation Program** Every year, Hyundai undergoes safety evaluations by leading vehicle safety organizations in major regions. In 2023, the Hyundai Kona was awarded the highest safety rating of 5 stars by the New Car Assessment Program (NCAP) of Euro NCAP in Europe and ANCAP in Australia, demonstrating its excellent safety for both adult and child occupants. In addition, 18 vehicles, including Tucson HEV, IONIQ 5, Genesis GV70, and GV80, have earned five-star ratings from the NHTSA of the U.S. Meanwhile, Hyundai's Grandeur, Kona EV, and Genesis GV60 have earned first rating, the highest rating for safety, from KNCAP in Korea.

## Winners of the 2023 NCAP

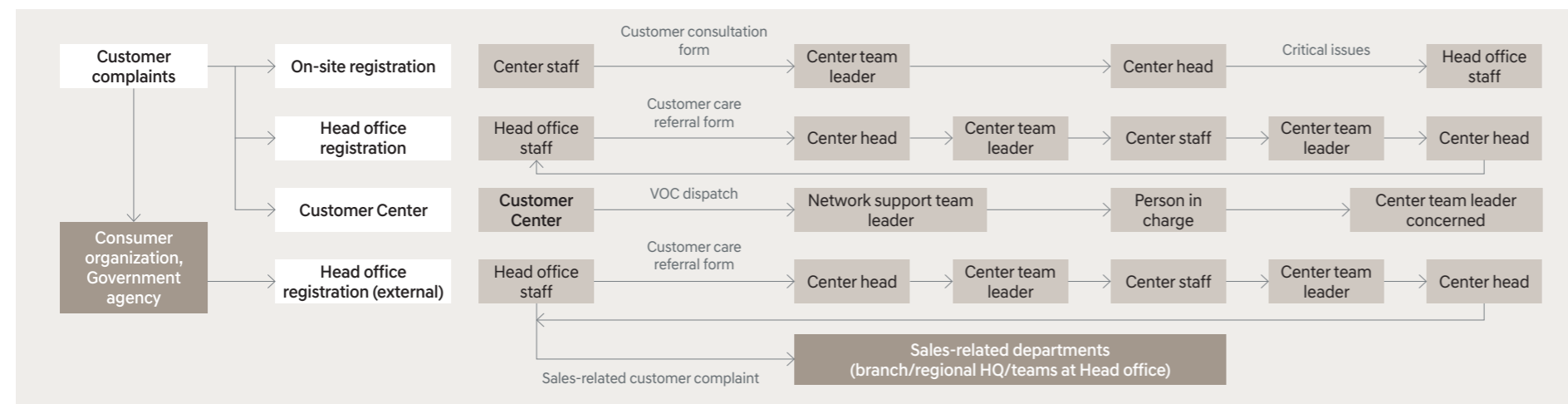
Region	Ratio <sup>1)</sup>	5-star (top rating)
Korea	100%	Grandeur, Kona EV, GV60
Europe	100%	Kona
U.S.	85.7%	18 models including Tucson HEV, IONIQ 5, Elantra, Sonata, Santa Cruz, Santa Fe, GV70, GV80, G80
Australia	100%	Kona

<sup>1)</sup> Number of vehicle models rated by the NCAP with a 5-star (top rating) divided by the total number of vehicle models rated by the Program



Crash test site of Hyundai Motor Group (Safety Test Building at Namyang R&D Center)

## Customer Damage Compensation and Dispute Resolution Procedures



### Scale

Test building: 40,000 m<sup>2</sup>      Collision test site: 2,900 m<sup>2</sup>

### No. of crash tests

650 times per year

### Performance

Maximum speed: 100 km/h      Maximum weight: 5 tons

# Customer Experience Innovation

## Maximizing Customer Satisfaction

### SERVICES BOOSTING CUSTOMER SATISFACTION

**Customer Service Standard Guide** Hyundai produces and distributes the “Customer Service Standard Guide” based on customer experience in the process of purchasing and maintaining vehicles. This guide distinctly presents the direction of individual customer service and focuses on the key response elements for each customer contact point so that customers can receive uniform and excellent service. In addition, overseas regional headquarters and sales subsidiaries have established customer service strategic directions to carry out customer response activities that comprehensively consider the market characteristics and customer expectations of each region.

**Reinforcing Customer Service Capabilities** Hyundai sets in place a “service convergence education system” to strengthen the CS capabilities of its employees in customer contact channels such as vehicle sales and service. In the ICT-based CS learning environment, our employees receive training related to customer service skills along with knowledge of vehicles. Most notably, Hyundai’s Domestic Business Division improves the company’s customer service capabilities by disseminating specific and practical customer service solutions called “CS Way” to the business sites. Moreover, we introduce service trends and ways to improve Bluehands CS to those representatives who operate Hyundai’s official service suppliers “Bluehands” while sharing best practices in customer service and customized service plans according to various situations as part of training to improve customer service capabilities.

**H-Ear – Customer Communication Channel** Hyundai operates “H-ear” (<https://hear.hyundai.com>), an open customer communication channel, to listen to customer opinions and suggestions online and develop products and services jointly with customers. Those who sign up for the H-ear website can freely write and discuss ideas and suggestions for various fields such as customer service, maintenance services, sales channels, markets and trends, as well as opinions on vehicle marketability, new technology, and eco-friendliness. Hyundai actively listens to customer opinions from the development stage of vehicles and services as part of its efforts to design the future together with customers through honest communication.

**Bluelink – Connected Car Service** Hyundai provides “Bluelink,” connected car services that enable vehicle control and vehicle management based on the in-vehicle infotainment system and smart applications by converging information and communications technology (ICT) with vehicles. Customers who subscribe to Bluelink can access services such as remote control, safety and security, vehicle management, route search, and simple payment.

**My Hyundai – Mobile Service** We offer our customers an integrated customer service app, “my Hyundai,” which conveniently provides all the services we provide, from Hyundai Motor membership to vehicle management and life of the car. When customers access the “my Hyundai” app, they can view the same model and color as their vehicle on the home screen, and can also view vehicle contract information, breakdown information, and related recall information. In addition, it is equipped with simple reservation and payment, use of Blue Members points, various coupon benefits, and non-face-to-face service functions, through which customers can use door-to-door car wash, hand wash, chauffeur service, vehicle transfer (consignment), and EV pick-up and charging services.

**Building Service Bases** Hyundai does its utmost to ensure that customers can enjoy the best “CAR-LIFE” anytime, anywhere through a service base that instills trust and confidence in its customers. We have strengthened our after-sales service accessibility by establishing 1,200 Bluehands, official service suppliers nationwide, in addition to the numerous directly-run high-tech service centers. Furthermore, for the ever-increasing number of EV owners, we have expanded the number of “Bluehands” dedicated to EVs to approximately 500 while increasing the number of those dedicated to FCEVs to over 70.

### CS Training Programs in 2023

Educational Programs	No. of Attendees / Target
H-Map (service skills for visiting customers)	504
Skill of articulation	239
A stroke of genius with two outs in the bottom of the ninth inning	141
A stroke of genius	82
Image making training	55
Branch customer service training	14
Inno Guide CS training	274
CS Way	198
Customer service standards	125
Master’s explanation skills	78
The Elegance of Genesis Customer Service	116
Master’s counseling skills	96
Responding to dissatisfied customers	96
Black consumer response skills	135
Hole-in-one approach to handling customer dissatisfaction	25
High-tech Service Center Trip	42
Concierge/driver CS basic course	16
CS insight forum	37
Case study on complaints about customer service	22
Non-face-to-face communication skills	48
New branch manager CS Way	All new branch managers



### EV GUIDE – an Electric Vehicle Purchase Counseling Guide

Hyundai published the EV GUIDE, a guide on electric vehicle purchase counseling, in 2023 to improve the overall customer experience. As a result of our 2023 annual inspection of customer service environment and quality at Hyundai & Genesis sales showrooms, we found that customer satisfaction with the explanations of electric vehicles provided during consultations was lower than that of our competitors. To address this issue, we created and distributed the EV GUIDE to all our sales sites. The Guide is divided into two parts: one designed to improve Car Masters’ customer responsiveness, and the other for customers, which provides explanations tailored to each type of customer’s purchase journey.

The EV GUIDE for car masters includes information on charging, EV-specific features, consultation points, and the subsidy guidance process, while the EV GUIDE MAP for customers offers guidelines and product points for each stage of product comparison and exploration, purchase and contract, and use and possession. We were able to improve customer’s satisfaction by providing timely and accurate information on FAQs such as prices, infrastructure, and subsidies.

### Service Brands

<b>Bluehands</b>	<ul style="list-style-type: none"> <li>Hyundai’s official service suppliers</li> <li>This network of Hyundai’s official service suppliers is dedicated to improving the environment for the safety and convenience of customers, as well as providing services closest to customers.</li> </ul>
<b>Bluemembers</b>	<ul style="list-style-type: none"> <li>Services for Hyundai vehicle owners</li> <li>Launched in 2007, these services for Hyundai vehicle owners provide various members-specific programs as well as vehicle management services to support customers’ fun and convenient CAR-LIFE.</li> </ul>
<b>Bluelink</b>	<ul style="list-style-type: none"> <li>Hyundai Connected Car Service</li> <li>Hyundai’s connected car service taps into the latest IT and communication technology to provide remote control, safety security, vehicle management, and navigation services.</li> </ul>

### Major Services

<b>Visiting Before Service</b>	<ul style="list-style-type: none"> <li>Visit a location designated by a customer and provides vehicle maintenance and advice and assistance</li> </ul>
<b>Emergency Charging Service</b>	<ul style="list-style-type: none"> <li>Provide 7 kWh worth of free EV charging for stranded drivers, enough for 22-44 km of driving</li> </ul>
<b>Home-to-Home Service</b>	<ul style="list-style-type: none"> <li>Pick up vehicles where and when designated by customers and deliver them after repairs are made</li> </ul>
<b>Car Rental Service</b>	<ul style="list-style-type: none"> <li>Provide car rental service for customer convenience when repairs are needed during the warranty period</li> </ul>

# Customer Experience Innovation

## Sustainable Brand

### BRAND MANAGEMENT

#### Brand Management System

Hyundai Brand Home, a global portal to manage Hyundai's brand, supports the effective operation of its brand strategy, brand architecture, and brand images. The brand strategy guides the company-wide brand direction for consistent external communication, while the brand architecture defines the brand and trademark system as well as its way of use for Hyundai's vehicles, technologies, and services. In order to manage our brand image, we develop and distribute design guidelines to set specific examples for how to visually implement our brand. In addition, we are conducting global brand monitoring activities through which we regularly inspect the application and utilization status of our brand and trademark images, thereby ensuring that our brand strategy, architecture and guidelines are properly used at fields.

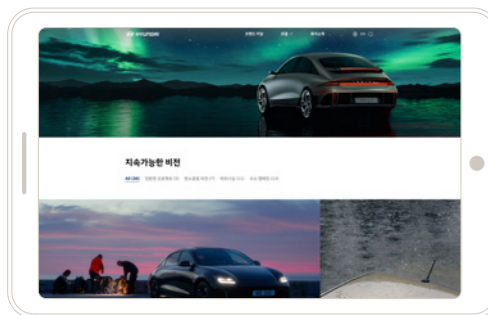
#### Brand Tracking Study

We conduct a Brand Tracking Study (BTS) to check customers' brand awareness, purchase intention, satisfaction, etc. based on price, performance, quality, and eco-friendliness for each brand. Most notably, in terms of brand preference, we examine not only the reliability, competitiveness, service, and affordability of our brands, but also their eco-friendliness, social responsibility, and authenticity factors.

Eco-friendliness factors include customer purchase intentions, awareness, preference, and attribute information (innovativeness, convenience, eco-friendliness, etc.) for our eco-friendly vehicle (HEV, PHEV, EV) brands (IONIQ, Nexö). In addition, we identify the market competitiveness of our brands by evaluating the market value of our brand vehicles to our customers. The results of the brand tracking study are used as basic data for establishing a brand strategy for each sales region. We also reflect them in the marketing process, such as deriving customer communication messages.

#### Analysis of Brand Tracking Study Results

Through a brand tracking study, we identify reasons why customers do not prefer our brands, the reasons for dissatisfaction at each stage of the customer experience, and negative experiences in online and offline channels. Based on the results, we identify and redefine the attributes that a brand should have to improve customer perception while seeking ways to manage content and improve sales channel operation in an effort to innovate customer experience.



Hyundai Motor Company Brand Journal

### Brand Tracking Study Items

<b>Price</b>	• Customer acceptance of Hyundai vehicle prices compared to competitors' (based on a price perception survey)
<b>Performance</b>	• Score analysis of warranty level, after-sales service quality, reliability, etc. (based on the market average of 100 points)
<b>Quality</b>	• Score analysis of warranty level, after-sales service quality, reliability, etc. (based on the market average of 100 points)
<b>Brand</b>	• Score analysis of brand reputation, authenticity, tradition, awareness, etc. (based on the market average of 100 points)
<b>Sustainability</b>	• Score analysis of eco-friendliness, social responsibility, mobility vision, innovativeness, prospects, etc. (based on the market average of 100 points) • Separate analysis of the impact of eco-friendly vehicle models on aided awareness, brand perception, etc.

### Greenwashing Risk Assessment Criteria

#### (Self-Assessment Checklist for Environmental Labeling and Advertising)

<b>Truthfulness</b>	Is the labeling/advertising true?
<b>Clarity of expression</b>	Are the contents of the labeling/advertising accurate, clear, and presented in such a way they are clearly visible to the public?
<b>Specificity of the subject</b>	Is it clear whether the labeling/advertising is directed at all the organization's activities or only specific parts?
<b>Substantiation</b>	Are the environmental improvements actually represented and advertised as factual?
<b>Voluntariness</b>	Are the contents related to voluntary environmental improvements based on the mandatory compliance requirements of the relevant laws included in the labeling or advertising?
<b>Completeness of information</b>	Can specific data to support the environmental claims be accessed easily by the public at the company's homepage, web links, QR codes, etc.?
<b>Relevance</b>	Are the environmental claims related to environmental improvements made as part of the company's business activities?
<b>Verifiability</b>	Is there objective and scientific evidence to support the environmental claims?

\* Source: Ministry of Environment's Guidelines on Labeling and Advertising to Prevent Greenwashing

### ETHICAL MARKETING

#### Hyundai Motor Company Advertising & Marketing Ethics Declaration

Hyundai announced its "Advertising & Marketing Ethics Declaration" to induce customers to make the right decision to purchase products and services and to create a healthy advertising and marketing environment. The statement specifies the prohibition of misrepresentation or omission of product/service information, exaggeration or reduction of product and service utility, unfair comparison of competitors or products, deceiving consumers, and advertising and marketing activities that do not protect the information vulnerable, as basic principles.

### Conducting Greenwashing Risk Assessment

To prevent "greenwashing" risks in external communications about our eco-friendly management activities, Hyundai conducted a greenwashing risk check on labeling and advertising. The inspection targeted all domestic contents posted online and offline as of January 2024. Based on the guidelines of the Ministry of Environment, we checked and implemented improvement measures for eco-friendly product advertisements, official websites, social media posts, brand campaigns, and press releases. Additionally, we provided greenwashing prevention education and newsletters to team leaders and practitioners in the related sectors to enhance employees' awareness. Currently, we are developing internal protocols to mitigate future greenwashing risks.

### Labeling of Product Environment and Safety Information

Hyundai transparently discloses not only environment-related information, such as GHG emissions and the amount of water used during the entire vehicle manufacturing process, but also safety-related information such as seat belts, occupant detection systems, and car seat attachment devices. We strictly prohibit the dissemination of false, exaggerated, or understated information on the environmental and social impacts of our products and services while striving to ensure the right to know of our customers by labeling relevant information.

### Product Information Labeling in Major Markets

Country	Category	Labeling Content	Country	Category	Labeling Content
Korea	Product	ID labeling (type and model of car, vehicle identification number, vehicle weight, year of production, tire, etc.)	Europe	Product	ID labeling, E-marks certifying various items (lights, safety belts, horn, mirrors, window glass, etc.)
	Environment	Fuel efficiency labeling, exhaust gas warning labeling		Environment	Diesel engine labeling, battery recycling labeling, fuel labeling, refrigerant labeling
	Safety	Airbag warning labeling, etc.		Safety	Airbag warning labeling, Airbag warning labeling, ISOFIX CRS anchor labeling
China	Product	ID labeling, vehicle identification number (W/screen), anti-theft warning labeling	North America	Product	Manufacturer's suggested retail price (MSRP) labeling
	Environment	Fuel efficiency labeling		Environment	VECI labeling (certified exhaust emissions data), refrigerant labeling
	Safety	CCC labeling, child restraint system (CRS) warning, airbag labeling		Safety	Tire pressure information labeling, safety certification labeling, airbag warning labeling

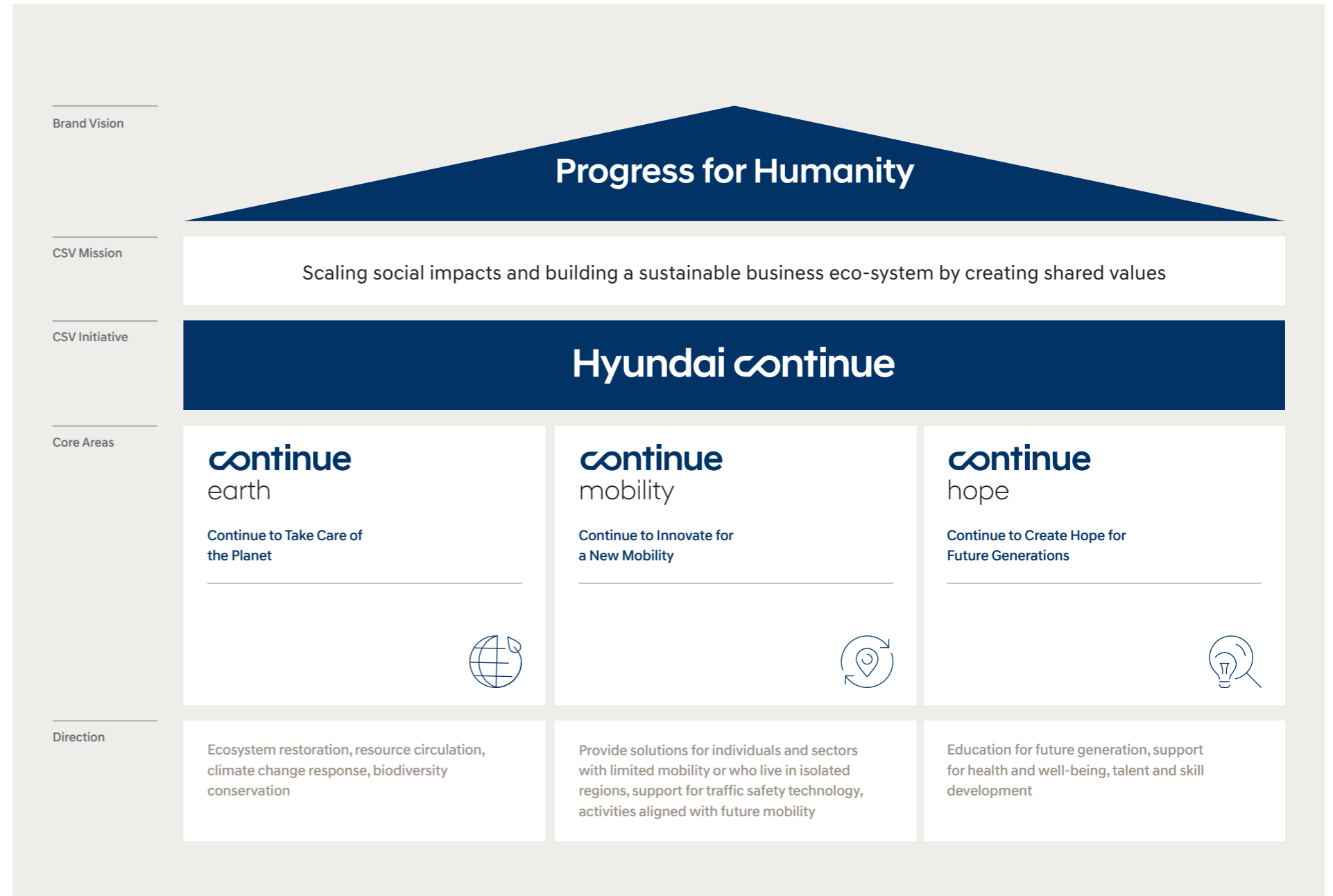
# Creating Shared Value

## CSV Initiative

### CSV IMPLEMENTATION SYSTEM

**Implementing CSV Strategy** In 2023, Hyundai continued to promote its global creating shared value (CSV) initiative for sustainability management, Hyundai Continue, which was announced in 2022. Under “Hyundai Continue,” which focuses on three areas of Earth, Mobility, and Hope, we are implementing various activities globally.

CSV Strategy System



# Creating Shared Value

## CSV Activities



Earth



## Waste Collection and Upcycling

### Preserving Marine Ecosystems

To help preserve marine ecosystems, Hyundai has been collecting and upcycling marine waste in Europe, Korea, and the U.S since 2021. In partnership with the organization Healthy Seas, we are working to restore marine ecosystems by collecting discarded fishing nets, which pose a significant threat to marine life. The collected nets are then transformed by the fiber producer Aquafil into a nylon fiber called ECONYL®, which is utilized as a floor mat material in the IONIQ 5 and IONIQ 6 vehicles sold in Europe.

In late 2023, we also launched the Ulsan Jeongja Port Waste Fishing Net Resource Circulation Ecosystem Project. This project includes building a collection center to gather discarded fishing nets from fishing activities and exploring the mass production of these materials for automotive parts in cooperation with the social venture Netspa, which repurposes them.



**2023 Key Achievements** We collected about 1.75 tons of marine waste during 14 events held across eight European countries, Korea, and the United States. We also educated future generations about the marine environment, established a collection site for used fishing nets at Jeongja Port in Ulsan, and established a recycling network for these nets.

**Future Plans** We are considering recycling the collected discarded fishing nets and using them in the mass production of automobile parts. Furthermore, plans are underway to expand the infrastructure for collecting these nets and to green the transportation network.

### Improving Environmental Issues of Local Communities

To address environmental issues in Indonesia, Hyundai has been collecting and upcycling waste plastics since August 2022. We have conducted environmental education and installed collection boxes in 20 middle and high schools, as well as in 17 child-friendly integrated public spaces (RPTRA), in the Jakarta area in partnership with Save the Children and PlasticPay. The collected waste plastics will be transformed into upcycled goods and distributed to students. In October 2022, Hyundai established and began operating a waste recycling center in Bekasi, Indonesia in a bid to decrease the local community's waste footprint and recycle waste into valuable resources, thereby helping to build a local circular economy.

Based on our knowhow in launching and operating these projects, we will continue to expand our eco-friendly activities and take the lead in fostering a global circular economy.



**2023 Key Achievements** We installed a total of 71 plastic collection bins in Jakarta, Indonesia, and conducted child-led environmental campaigns involving a cumulative total of 22,666 children as of February 2024.

**Future Plans** By 2024, we plan to increase the number of operational collection bins to 100, contributing to the enhancement of the local waste collection environment.



## IONIQ Forest



To absorb carbon and preserve biodiversity, Hyundai has been promoting the IONIQ Forest project since 2016 with the aim of creating eco-friendly forests around the world. In 2023, we planted a total of 7,500 Korean fir trees, a species designated as endangered by the International Union for Conservation of Nature (IUCN), and tulip trees, known for their high carbon absorption rate, at IONIQ Forest Hongcheon, Korea. We also built an IONIQ drone station that can be driven on forest roads using the IONIQ 5 specialty vehicle and started using it in smart forest management. The drones, which fulfill various roles such as monitoring forest disasters like fires and collecting 3D mapping data of planting sites, are powered by the V2L technology.

In addition to Korea, we are promoting IONIQ Forest projects in North America, the Czech Republic, Vietnam, Brazil, Germany, Türkiye, and India. IONIQ Forest North America utilizes the IONIQ 5 and IONIQ 6 in conjunction with employees' volunteer activities, while IONIQ Forest Czech Republic plants seeds and seedlings and monitors rare butterflies as parts of its efforts to preserve grasslands and biodiversity in the Beskydy Mountains. IONIQ Forest Brazil, in addition to restoring the Atlantic Forest, is collaborating with the College of Agriculture, University of São Paulo (ESALQ) to operate a research forest near our plant in Brazil and develop rainforest restoration methodologies. Through the global IONIQ Forest project, Hyundai planted approximately 500,000 trees by the end of 2023.

Going forward, Hyundai will continue to carry out diverse eco-friendly activities aimed at restoring ecosystems, responding to climate change, and conserving biodiversity with various partners around the world in order to promote coexistence of the Earth and humanity.

**2023 Key Achievements** In 2023, we established the IONIQ Drone Station with the special-purpose IONIQ 5 and began smart forest management. Moreover, we planted more than 265,000 trees in Korea, Brazil, India, the U.S., Mexico, and Canada.

**Future Plans** Under our plan to plant one million trees globally by 2025, we aim to plant some 506,000 trees in 2024 in areas such as South Korea, Brazil, the United States, and Germany, including the restoration of mangrove forests in Vietnam. We also plan to expand our IONIQ drone stations to deploy drone-seed ball planting.

# Creating Shared Value

## CSV Activities



## Mobility



### X-ble MEX Wearable Robot Supports Rehabilitation

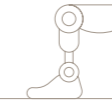
Hyundai stands at the forefront of efforts to overcome physical limitations and enhance mobility for people with mobility impairments by utilizing robotics technology in rehabilitation. The Hyundai Robotics Lab has developed the X-ble MEX, a medical wearable robot that assists people who struggle with walking in rebuilding their lower limb muscles and exercising their joints. In January 2023, the robot received a medical device certification from the Ministry of Food and Drug Safety (MFDS), and its battery, essential for walking assistance, was also certified. In April 2023, Hyundai signed an MOU on the “operation of a walking rehabilitation support program for patients with walking disabilities” with the Seoul Asan Medical Center and the Citizens’ Union for Safe Living.

Under this agreement, Hyundai has donated two medical wearable robots, which will be utilized in rehabilitation treatments and related research for paraplegics over the next two years. Hyundai has also signed an MOU with the National Rehabilitation Institute to further support rehabilitation programs and research activities in utilizing their robotics technology.

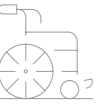
In this manner, Hyundai continues to promote efforts to improve mobility for those with mobility impairments, by integrating future mobility technologies, including wearable robots, with the aim of enhancing human life.



**Future Plans** Hyundai intends to extend its research on the efficacy of walking rehabilitation using wearable robots through 2024, following its signing of agreements with the Seoul Asan Medical Center and the National Rehabilitation Institute.



### Shucle Mobility Service Supports the Mobility Disadvantaged



In July 2023, Hyundai signed an MOU with Ansan City, Gyeonggi Transportation Corporation, Gyeongwon Passengers, and the Citizens’ Alliance for Safe Living to support the mobility of the mobility impaired. This initiative includes funding two mobile care demand-responsive transit (DRT) buses and covering the operating costs of DRT on Daebu Island.

The service is aimed at the elderly, pregnant women, and children. Passengers can book rides using the DRT application, phone calls, or kiosks installed in major facilities. DRT is a mobility platform tailored for Gyeonggi-do, based on “Shucle” – a demand-responsive transportation vehicle that incorporates artificial intelligence (AI) technology provided by Hyundai. When users input their start and end points, vehicles are dispatched based on real-time demand and traffic conditions, allowing convenient travel to desired locations. Additionally, the DRT bus, a wheelchair-equipped large passenger van (Solati 7-seater), operates daily from 7 a.m. to 9 p.m.

Hyundai, as a leader in promoting mobility for the transportation disadvantaged through technology, will continue to actively employ various mobility technologies to facilitate daily travel.



**Future Plans** Following the signing of the MOU, Hyundai plans to support the operation of the mobile care DRT buses for the mobility disadvantaged on Daebu Island until 2026.

# Creating Shared Value

## CSV Activities



Hope

## Hyundai Hope on Wheels & Help for Kids

### Hyundai Hope on Wheels

Hyundai Hope on Wheels is a non-profit foundation and program established by Hyundai Motor America in conjunction with its dealers to support pediatric oncology research and raise awareness of childhood cancer. Started from New England by a group of dealers in 1998, it has since grown to become the third-largest pediatric cancer charity in America. The foundation continues to support innovative pediatric cancer research, treatment, and rehabilitation activities with the aim of building a hopeful future where children do not suffer from cancer.

**2023 Key Achievements** In celebration of its 25th anniversary, Hyundai Hope on Wheels committed to pledging USD 25 million in grants to 67 hospitals and medical institutions for pediatric cancer research and patient support. It visited children's hospitals across the country, conducting more than sixty hand printing ceremonies with patients, doctors, and Hyundai dealers, and hosted a gala event in Washington, D.C., in honor of September's Childhood Cancer Awareness Month with approximately 270 guests, including researchers, sponsors, partners, and Hyundai officials.

**Future Plans** In 2024, Hyundai Hope on Wheels will celebrate its 26th anniversary with another donation of USD 26 million, bringing its cumulative donations to USD 250 million. This year's commitment includes USD 5 million dedicated to survivorship programs to ensure that survivors lead a life of opportunity and well-being. The funds will be utilized to assist the patients with their daily recovery, including treatment record management, telehealth services, and mid- and long-term care.

### Hyundai Help for Kids

Since 2014, Hyundai Motor Company Australia, together with its dealer network, has run the Hyundai Help for Kids program to support children and families in need, such as those overcoming illness. By supporting various child-related non-profit organizations, we provide essential support in such areas as healthcare, education, community awareness, and transportation assistance.

**2023 Key Achievements** Hyundai Help for Kids has raised a cumulative sum of AUD 13 million since 2014. Our vital funding to grant recipients has reached over 100,000 children to date, supporting a wide range of activities from providing transportation services for treatment at specialty hospitals to offering temporary leave for caregivers, treating illnesses, and supporting research.

**Future Plans** Hyundai Help for Kids will celebrate its 10th anniversary in 2024 and continue to expand its community partnerships and work with government officials and dealers to address community issues for children.



## Mobility Education



### Future Mobility School

In 2016, Hyundai signed a memorandum of understanding (MOU) with the Ministry of Education to launch the Future Mobility School, a free-semester career education program for middle school students. The program provides opportunities for students to better understand the mobility industry and explore related careers through both theoretical and experiential learning and practical hands-on activities. The program also produces textbooks and teaching materials on topics such as clean energy, future mobility technologies, and sustainability. When selecting applicants, it prioritizes rural schools, special schools, and alternative schools to reduce inequality in career education opportunities. In 2023, in collaboration with the UNESCO Asia-Pacific Centre of Education for International Understanding (APCEIU), the program was extended to include various ASEAN countries, including Indonesia, Malaysia, and Cambodia, thus reaching yet more students.



**2023 Key Achievements** In 2023, the program was offered to 330 elementary and middle schools in Korea and 12 schools across three overseas countries. In particular, we supported educational exchanges with ASEAN countries in collaboration with the UNESCO Asia-Pacific Centre of Education for International Understanding (APCEIU) and the Ministry of Education, generating significant interest among the participating teachers and students.

**Future Plans** In 2024, we plan to expand the program to Thailand, aiming to foster future mobility experts by providing equal educational opportunities to children in more diverse regions.

### H-Mobility Class

Since 2020, Hyundai has been running the H-Mobility Class, a talent nurturing program for undergraduate and graduate students in science and engineering in Korea. The H-Mobility Class includes basic and advanced training on three courses: vehicle electrification, autonomous driving, and robotics, which are strategic technologies for the future. The advanced training features offline practice to help students internalize their learning and develop practical skills. The robotics course included a hackathon in the advanced training program which is designed to enhance trainees' practical skills through project-based experience in 2023.

**2023 Key Achievements** In 2023, we revamped the robotics advanced course, added additional software courses, and welcomed a total of 3,300 trainees to the H-Mobility classes.

**Future Plans** In 2024, we plan to update the advanced courses on vehicle electrification and autonomous driving to provide hands-on mobility experiences and contribute to enhancing the participants' technical capabilities.