# Road to Sustainability

2025 Sustainability Report

HYUNDAI

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## Interactive PDF

This report has been published as an interactive PDF, allowing readers to move quickly and easily to pages in the report, and including shortcuts to the related web pages.

# CEO Message

## Hyundai's Journey
## Progress for Humanity

**As I reflect on Hyundai Motor Company's journey and accomplishments, I'm filled with immense pride in what we've achieved and excited about our path forward. Hyundai continues to lead the mobility space with award-winning vehicles, cutting-edge innovation, and an unwavering commitment to a sustainable future.**

### Our People and Performance

Our success begins with our people. We've built a global team that is dedicated, diverse, and driven to excel every day. While we have made considerable progress in nurturing a culture of inclusivity and building a leadership team with diverse backgrounds, there are many opportunities to improve, particularly for women in leadership roles globally.

Together with our wonderful retail partners—true leaders in their communities and outstanding ambassadors for our brands—we've achieved remarkable results. Despite the challenging global business environment of 2024, marked by slowing industrial demand, consumption contraction, high interest rates, and escalating geopolitical tension, Hyundai Motor Company delivered record performance. We posted KRW 175.2 trillion in annual revenue and KRW 14.2 trillion in operating profit, with an impressive profit margin of 8.1%. We also reached the historic milestone of producing 100 million vehicles globally, while delivering more EVs and hybrid electric vehicles than ever before.

### Our Commitment to Sustainability

At the heart of Hyundai's vision is our commitment to sustainability. As an engineer, I believe in the power of data to inform decisions. Numbers are a universal language that transcends barriers, allowing us to measure our progress and hold ourselves accountable. Our Sustainability Report provides a snapshot of our performance in categories critical to our governance and to future generations.

We're working diligently to reduce the environmental impact of our vehicles and manufacturing processes throughout their lifecycle. Our commitment to achieving 100% renewable energy (RE100) across our businesses is taking shape through large-scale renewable energy purchase agreements in Korea, the US, and India. We're also maximizing water recycling and working toward our ultimate goal of carbon neutrality by 2045.

Transportation is responsible for approximately 20% of global carbon emissions, with more than 70% coming from road transport, including cars. Electric vehicles have the potential to dramatically reduce these emissions, which is why expanding our electric powertrain offerings is a key milestone in our carbon neutrality efforts.

### Innovation in Mobility

The majority of our passenger car lineup now offers electrified powertrain options, with several fully electric variants already on the market, including the Kona, Inster, IONIQ 5, 6, and 9 EV family and Genesis GV60 and Electric GV70 EV. We're extending this initiative to our commercial vehicles as well, using Xcient heavy trucks powered by hydrogen in logistics operations in some markets. We believe hydrogen has the power to transform mobility forever. It's scalable, efficient, and clean. We continue to expand our hydrogen-electric vehicle lineup across passenger cars, trucks, and buses, while leveraging our proven fuel cell technology for broader applications, including marine vessels, power generation, and air mobility.

We're strengthening our leadership in EVs through cost reductions, improved efficiency, and extended driving range of our batteries. We're also investing in developing new technologies such as EREV, SDV, and battery advancements, while collaborating closely with our Group affiliates to reduce costs in areas like after-sales parts, finance, and logistics.



# CEO Message

## Governance and Human Rights

Our commitment to sustainability extends beyond environmental priorities. Hyundai's Human Rights Charter guides our business practices and the high standards we expect from our supplier partners. We adhere to global standards, including the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights.

We've also enhanced board independence and diversity, introducing new frameworks including the appointment of a senior independent director and the establishment of an independent director council. These measures reinforce the foundation for sound and sustainable growth.

By reinforcing our employees' commitment to compliance, we will fulfill our economic and legal responsibilities to various stakeholders and ensure that decisions and actions for fair and honest competition lead to the deep trust of our customers.

## Looking Forward

Looking ahead, we anticipate continued economic uncertainty due to rising protectionism and greater volatility in exchange and interest rates. Even in this challenging environment, we will focus on implementing region-specific strategies to effectively respond to varying regulations and markets. We'll secure a stable supply chain by continuing to localize production and diversifying parts sourcing to expand market share and enhance profitability.

We remain committed to delivering superior products with the technology our customers value, paired with an exceptional customer journey. We have adopted the Korean "son nim" or honored guest culture in our approach to customer service, continuously innovating both our products and services.

Quality and safety will never be compromised. We are committed to achieving the highest standards across all vehicles we deliver and will continue investing to maintain our product leadership. We will also strengthen sustainability due diligence and management across our operations and supply chain.

## Our Vision: Progress for Humanity

Under the direction of our visionary Executive Chair, Hyundai will continue to be part of the change the world needs. Our Progress for Humanity vision reflects our belief that advancing emissions-free mobility is not only sound business, but a shared responsibility to ensure cleaner air, stronger economies, and a better quality of life for future generations.

We are committed to preserving the beauty of nature and protecting the environment through innovation and long-term thinking. This is not simply an obligation—it's an opportunity to lead with purpose and drive positive change for a more sustainable future.

We will continue to listen closely to our customers, partners, and local communities to advance social contributions and shared growth. By minimizing both financial and non-financial sustainability-related risks while creating long-term business value, we will work alongside our stakeholders to pursue sustainability through positive change.

We will continue to give back to our communities. We used the Genesis Invitational Golf Tournament to raise $8 million for the relief and recovery of communities impacted by the fires in Los Angeles. This was emblematic of our charity giving, which also included the first international Hyundai Hope on Wheels events in Canada and Mexico – the first of many as we expand the 27-year-old program globally. Hyundai and its dealers have contributed more than $277 million to fight childhood cancer and to date have helped save more than 20,000 children's lives.

As the world changes, so does the road ahead. Hyundai is not only adapting, we are helping to define what comes next. With bold ideas, strong partnerships, and a deep sense of purpose, we are building the mobility solutions of tomorrow that meet the moment and inspire progress for generations to come.

Thank you for being part of this journey.



**José Muñoz**
President and Chief Executive Officer, Hyundai Motor Company

# Company Overview

Hyundai Motor Company has been providing customers with the best products and services possible ever since its establishment in 1967.

## Overview of Hyundai Motor Company

| | |
|---|---|
| Company Name | Hyundai Motor Company |
| Date of Establishment | Dec. 29, 1967 |
| Date of IPO | Jun. 28, 1974 |
| Headquarter | 12, Heolleung-ro, Seocho-gu, Seoul, 06797, Korea |
| CEOs | Euisun Chung, José Muñoz, Dong Seock Lee |
| Key Business Area | Automobile manufacturing |
| Stock Exchange | Korea Exchange (KRX) stock market |

## Credit Ratings

| DOMESTIC | | OVERSEAS | |
|---|---|---|---|
| Korea Ratings | AAA | Moody's | A3 |
| NICE Investors Service | AAA | S&P | A- |
| Korea Investors Service | AAA | Fitch | A- |

* As of Dec. 31, 2024

## Key Financial Figures

(Unit: KRW Billion)

**SALES REVENUE**

| | |
|---|---|
| 2022 | 142,151.5 |
| 2023 | 162,663.6 |
| 2024 | 175,231.2 |

KRW 175,231.2 billion

**OPERATING PROFIT**

| | |
|---|---|
| 2022 | 9,824.9 |
| 2023 | 15,126.9 |
| 2024 | 14,239.6 |

KRW 14,239.6 billion

**NET PROFIT**

| | |
|---|---|
| 2022 | 7,983.6 |
| 2023 | 12,272.3 |
| 2024 | 13,229.9 |

KRW 13,229.9 billion

**TOTAL ASSETS**

| | |
|---|---|
| 2022 | 255,742.5 |
| 2023 | 282,463.4 |
| 2024 | 339,798.4 |

KRW 339,798.4 billion

**TOTAL EQUITY**

| | |
|---|---|
| 2022 | 90,896.5 |
| 2023 | 101,809.4 |
| 2024 | 120,275.9 |

KRW 120,275.9 billion

* As of Dec. 31, 2024; Based on K-IFRS consolidated financial statements

## Global Best-selling Models

(Unit: Vehicles)

**Tucson**



650,020

Including ICE, HEV, and PHEV

**Elantra (AVANTE)**



365,909

Including ICE and HEV

**i10**



364,698

**Creta**



350,857

**Kona**



288,230

Including ICE, EV, and HEV

* As of Dec. 31, 2024

# Business Performance

Hyundai sells vehicles through directly-operated branches and dealerships nationwide. To boost sales, we prioritize customer-first management, develop marketing strategies to enhance Hyundai's brand value, and conduct on-site customized promotions. In response to changes in domestic consumer trends, we make continuous efforts to develop new mobility-oriented businesses to meet newly emerging consumer needs. In overseas markets, our local subsidiaries implement differentiated sales strategies that reflect the specific market conditions of each location. Given the increasingly fierce competition, Hyundai is focusing on developing and selling eco-friendly vehicles in alignment with global trends, pursuing qualitative growth centered on technology and design, strengthening its brand image through brand campaigns, expanding its sales network with quality dealers, and enhancing its brand power through online marketing and Creating Shared Value (CSV) activities.

## Key Products and Services

The 'Strategy 2025' we announced back in 2020 is anchored on the overarching goal of transforming Hyundai Motor Company into a 'Smart Mobility Solution Provider', and set out the strategic pillars of enhancing the competitiveness of our automobile manufacturing, taking the lead in electrification[1)], and building mobility service business capabilities. On the back of consistent and specific goal setting and strategic implementation, we achieved the highest-ever operating profit in history in 2023 and evolved into the world's third largest car maker in 2024 with 100 million vehicles in cumulative global production volume. Amid mounting uncertainties and shifts in the business landscape characterized by intensifying competition from new players expanding their market advancement, the need for energy transition to respond to the climate crisis, and growing geopolitical risks, we reset the course of our strategic action: CEO Investor Day hosted in August 2024 served to unveil our new 2030 mid- to long-term strategy, and this updated strategic initiative will enable us to further cement our global leadership.

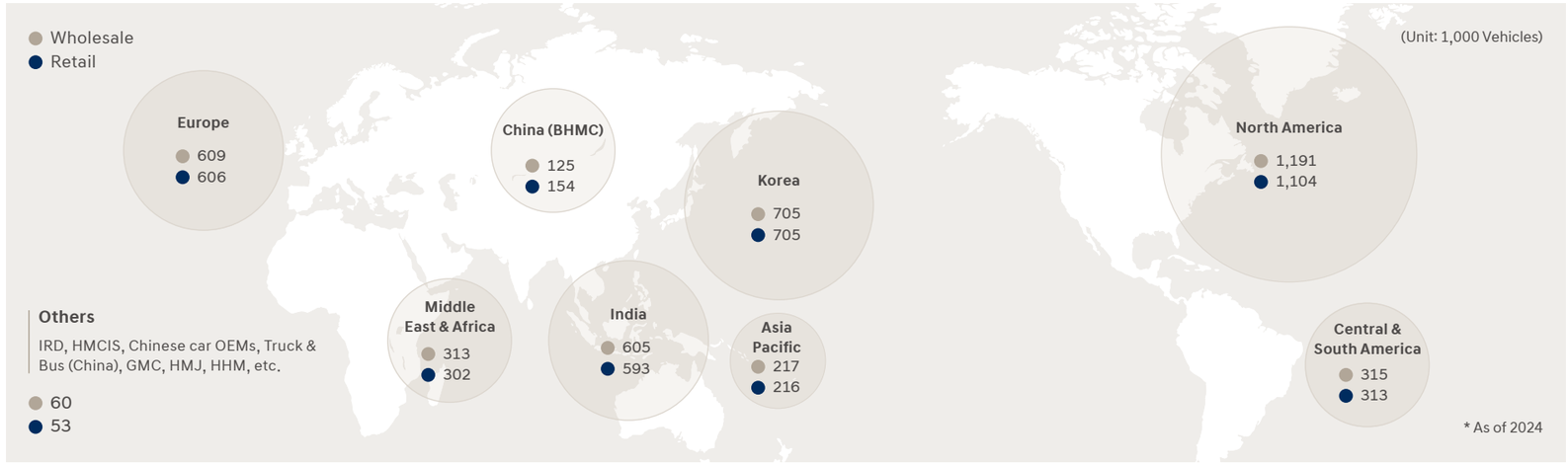
① Mobility Game Changer: Enhance competitiveness in the automotive and mobility device business

② Energy Mobilizer: Provide sustainable energy supply through energy transition

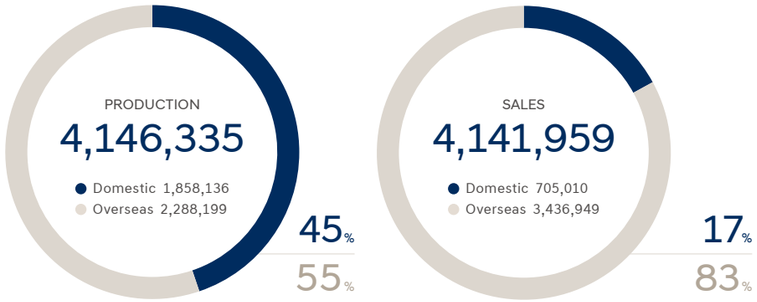
③ Hyundai Dynamic Capabilities: Flexibly navigate the shifting market landscape and build future competitiveness based on EV/SDV[2)] lineups

1) Excluding HEV(Hybrid Electric Vehicle), PHEV(Plug-in Hybryd Vehicle), EREV(Extended Range Electric Vehicle)
2) SDV: Software Defined Vehicle

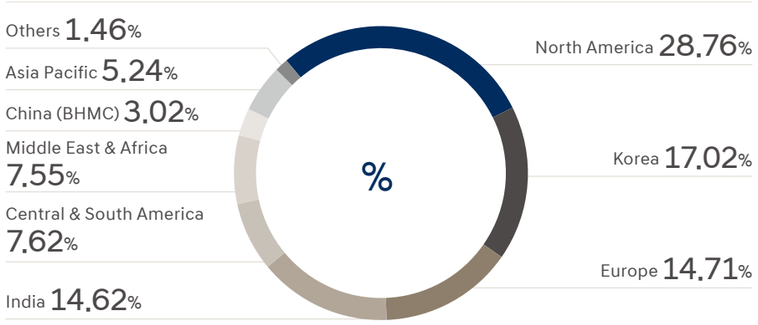
## Sales by Major Market




## Production and Sales




## Sales Breakdown by Major Market




* As of 2024; Based on wholesale

## Sales of Eco-friendly Vehicles[1)]

(Unit: Vehicles)

| | | |
|---|---|---|
| TOTAL SALES VOLUME | Global | 757,195 |
| GLOBAL SALES | Domestic | 203,840 |
| | Overseas | 553,355 |

| | | |
|---|---|---|
| SALES BY MODEL | EV | 218,504 |
| | HEV, PHEV | 534,245 |
| | FCEV | 4,446 |

* 1) Eco-friendly Vehicles : EV, HEV, PHEV, FCEV

* As of 2024; Based on wholesale

# Business Performance

## Sustainable Business

### Our 2030 Strategy

2024 CEO Investor Day

At the CEO Investor Day held in August 2024, we announced our 2030 mid- to long-term strategy. While moving forward the goal of transforming into a 'Smart Mobility Solution Provider', we will respond to market uncertainty and improve profitability through our own flexible market response capabilities, 'Hyundai Dynamic Capability,' on the basis of the two business pillars of 'Mobility Game Changer'(enhancing our competitive edge in automobile manufacturing and mobility device business) and 'Energy Mobilizer'(ensuring sustainable energy supply through energy transition).

### Eco-friendly Vehicles Sales Target

To continue expanding our trend-setting leadership in the global EV market, we set a goal of achieving nearly 2 million units in EV sales across the globe, mainly in Europe and North America, by 2030. Our business operations and our key customers constitute the overall EV ecosystem and contribute to attaining sustainability goals by minimizing adverse impact while maximizing positive impact on our society and environment towards a sustainable future. We specifically aim to expand our HEV sales and deliver EREV(Extended Range Electrified Vehicle) to catalyze the transition from ICE cars to EVs. We will also roll out 21 EV models by 2030 to provide consumers with a broad spectrum of mass market, luxury, and high-performance models to choose from.

### Expediting the Transition into Hydrogen Society

Hyundai believes energy transition is essential to deliver on the worldwide carbon neutrality initiative, and anticipates that hydrogen demand will grow accordingly. The hydrogen market, which is in a nascent stage with 96 million tonnes, is expected to mature to nearly 390 million tonnes in production volume by 2050, out of which over 378 million tonnes will be clean hydrogen. Harnessing the hydrogen R&D capabilities of Hyundai Motor Company praised for achieving numerous 'world's firsts' over the past 27 years along with Group-wide capabilities, we are well positioned to assume leadership across the entire hydrogen value chain. With HTWO, our hydrogen fuel cell system brand, playing a central role, we plan to deliver solutions spanning the whole of the hydrogen value chain, pursue waste/waste plastic-based hydrogen production, decarbonize port operations, and initiate eco-friendly logistics business. In tandem with this, we will expand our fuel cell system lineups to tap into even broader industries and expedite the transition into hydrogen society in doing so.

### Embedding Sustainability into Our Goals

In 2021, we announced our goal to achieve carbon neutrality across the entire value chain by 2045. As of 2024, approximately 76% of Hyundai Motor Company's GHG emissions were generated by cars sold in Korean and abroad. This implies that our carbon footprint shrinks in proportion to the growing sales of eco-friendly vehicles. As such, setting sales targets for eco-friendly vehicles sales is closely aligned with our efforts to become net zero by 2045.

### Strategic Factors Impacting Our Goal Attainment

Hyundai Motor Company continues exploring both direct and indirect avenues for climate change mitigation and adaptation. One of the most significant climate-related risks is 'policies and regulations to respond to climate change'. Along with policy initiatives seeking decarbonization, country-specific regulations that are a critical consideration for any business operations extensively impact Hyundai Motor Company's sales strategies as an automobile seller with global reach. Meanwhile, climate change presents us such opportunities as 'accelerating pace of electrification' and 'technology innovation for climate change response'. As the world calls for energy transition to counter the climate crisis and the demand for electrified vehicles rises as a result, this will positively impact our efforts to reach over 2 million in global EV sales by 2030. Technological innovations, including but not limited to improving energy efficiency through extended driving range and ensuring the performance of eco-friendly vehicles, also directly impact our response to climate change and our carbon emissions.

# Sustainability Management Direction of Hyundai Motor Group

Guided by Hyundai Motor Group's sustainability principle "The Right Move for the Right Future" which includes the Group's ESG management commitment and mid- to long-term direction, we share a commitment of a sustainable future for humanity, the environment, and society. Pursuing a sustainable future is our duty for the next generation, and a basic right for everyone on this planet. The Group's sustainability principle incorporates the Group's commitment to lead the right "move" through the "right" action to this end. For this commitment to lead to actual change, there is a need to clearly set internal and external ESG requirements and key management indexes per major agenda item. To this end, Hyundai Motor Group clearly presents a direction for change through three major mid- to long-term directions – "Move for Our Planet, People, Community" – and 15 key management areas. Starting in 2023, we have developed and applied the HMG ESG Index, the Group's common management index, based on key management areas. Going forward, we will continue to build a culture of sustainability in our organization and improve ESG performance.

## Sustainability System of Hyundai Motor Group

### The Right Move for the Right Future

Move for
**Our Planet**

Global Environment

**The Right Movement for Our Planet**

Carbon Neutrality & Energy Transition
Circularity
Clean Tech Products & Services
Operational Eco-efficiency
Natural Capital Conservation

Move for
**Our People**

Internal Stakeholders

**The Right Way for Our Growth**

Diversity & Inclusion
Human Rights
Corporate Culture Innovation
Talent Growth Experiences
Occupational Health & Safety

Move for
**Our Community**

External Stakeholders

**The Right Change for Our Society**

Social Impact
Customer Experience Innovation
Product Quality & Safety
Sustainable Supply Chain
Job Creation for the Future

**Move**

Hyundai Motor Group has been helping people to "move" and creating the world's "movement" since its founding.
"Move" is therefore a heritage of the Group and it also services as a pivot that connects the past, present, and future into one.

**Right**

Hyundai Motor Group thinks and acts in a "right" way in the pursuit of progress for sustainable environment and humanity.
"Right" therefore symbolizes the Group's sustainable philosophy.

# Sustainability Governance

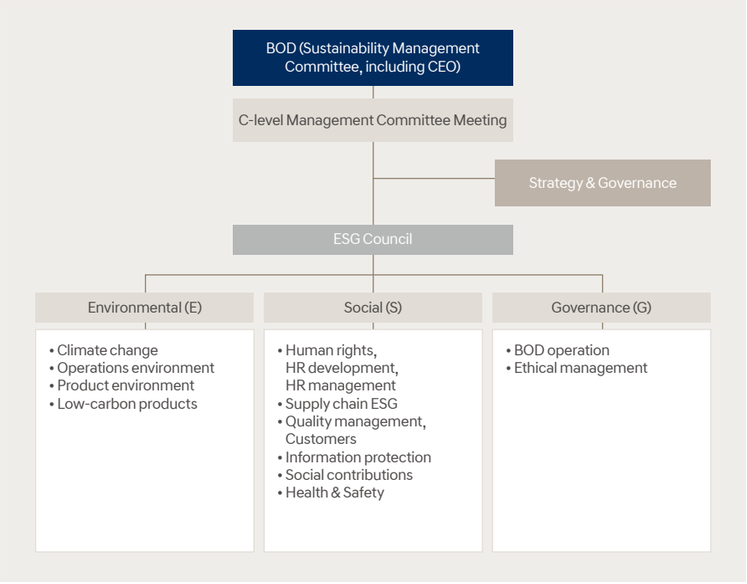
While adopting a more rigorous management approach to proactively identify and prevent ESG-related risks, we also leverage a range of ESG factors from a strategic vantage point to uncover new business opportunities and seize new competitive advantages. On the back of sustainability management governance, major pending issues are discussed at the Sustainability Management Committee under the Board of Directors which is our highest decision-making body. To prevent a variety of ESG risks from ever occurring, we select and undertake top priorities each year and report the progress and outcomes to the Committee. Key sustainability management goals are also defined, and corresponding targets are set at the working-level division and are incorporated into KPIs. This encourages respective organizations to take the lead in pursuing ESG improvements, embedding ESG management at all levels of the company.

## Sustainability-Centered Decision-Making

### Establishing Sustainability Governance

In keeping pace with the ESG paradigm prioritizing ESG management as a prerequisite for sustainable growth, Hyundai has established sustainability governance to reinforce ESG-centered decision-making and partnerships. The Sustainability Management Committee under the Board of Directors(BOD) is mandated and authorized to manage and oversee Hyundai's sustainability matters, and manages material impacts, opportunities, and risks in accordance with the Sustainability Management Committee Operational Regulations. To ensure the efficient management of ESG risk and performance, the ESG Council joined by working-level departments associated with key ESG issues convenes to discuss possible improvements and share outcomes.

**Sustainability Governance**




### Sustainability Management Committee

The Sustainability Management Committee under the BOD comprises a total of eight directors – seven independent directors and one internal director. The committee serves to discuss a range of policies relating to the implementation of sustainability management, the transparency of insider trading, the advancement of ethical management and ESG performance improvement, and the protection of shareholder rights and interests among others while deliberating and deciding on relevant strategies, activities, achievements, targets, and plans from a professional and objective perspective. The committee also reviews key plans concerning the increasingly important topic of health and safety as well as supply chain ESG issues. The independent director responsible for protecting shareholder rights and interests within the committee attends investor meetings in Korea and Non-Deal Roadshows(NDR) for overseas investors to facilitate communication between the BOD and shareholders. Investor requests and recommendations concerning ESG are incorporated in establishing Hyundai's company-wide ESG policies and strategies.

### C-level Management Committee Meeting

C-level Management Committee Meeting attended by CEO and key executive members from diverse functions serves to discuss approaches and implementation plans for ESG key agenda items and to review their progress status and performance. This monthly gathering enables us to deliberate and decide on a range of issues and topics on a regular basis. When the C-level Management Committee Meeting identifies major urgent risks, issues aligned with our mid- to long-term business strategy and thus in need of performance improvement, and other issues requiring deliberation and approval by the highest decision-making body, these are proposed as agenda items to the Sustainability Management Committee under the BOD.

### Strategy & Governance

The ESG Planning Team under the Business Strategy Planning Unit of Strategy & Governance is our working-level department responsible for planning, management, and cooperation with regards to company-wide ESG management, including the establishment of an ESG management system, organizational internalization, the development of collaborative systems, and disclosure & communication. The team sets ESG management metrics and operates a data platform to help advance our ESG management system, and assists in designing ESG key performance indicators(KPI) at the division and group level. Identifying areas in need of performance improvement, the team also engages in collaboration and coordination to help working-level employees at relevant departments make necessary improvements. The ESG Planning Team facilitates stakeholder communication by publishing sustainability reports, providing the basis for sustainability-related financial disclosures, and responding to external ESG rating agencies.

### ESG Council (Working-Level)

The ESG Council, comprising working-level employees in each of the Environmental, Social, and Governance areas concerning climate change, quality and safety, talent development, social contribution, ethical management and so on, serves to discuss ESG implementation approaches and plans in respective areas, reduce risks while improving performance, and share pending issues and performance data. While the council regularly meets in principle for the purpose of sharing area-specific progress status and performance, it may convene more frequently to respond to ESG disclosures, external assessments, and business-related pending issues.

# Sustainability Governance

### Developing Expertise and Capabilities for Sustainability Management

Hyundai appoints directors based on their expertise on a wide array of areas, including finance, law, future technology, business administration, global business, and financial management. Our independent directors are assisted in enhancing their capabilities through regular visits to domestic/overseas plants and research institutes and interviews with key members of management so that they could faithfully fulfill their responsibilities. Benjamin Tan(appointed in 2025) and Yoon Hee Choi, both independent directors, are each responsible for safeguarding shareholder rights and interests and ensuring compliance management, along with other independent directors who engage in a wide spectrum of activities and contribute to enhancing the expertise of our BOD accordingly.

To support independent directors to deepen their understanding on our business, we host seminars on a variety of topics, including business updates, ESG disclosure regulations, key business-related risks, and new business areas. In 2024, such training covered climate change mitigation(transition to electrification and hydrogen business) and supply chain labor/human rights issues which were identified as material through the materiality assessment, strengthening BOD's management and oversight capabilities. Besides, we assist independent directors in enhancing their expertise to help them better assume their role.

**Education Provided to the BOD in 2024**

| Date | Topic | Attendee |
|---|---|---|
| Jan. 25. 2024 | Battery technology development trends and Hyundai's response strategies | All independent directors (Chi-Won Yoon, Eugene M. Ohr, Sang-Seung Yi, Dal Hoon Shim, Ji Yun Lee, Seung Wha Chang, Yoon Hee Choi) |
| Apr. 25. 2024 | Update on commercial vehicle business and approach to commercial vehicle electrification | |
| May 28. 2024 | Update on HMGICS business | |
| Jul. 23. 2024 | Hyundai Motor Group's hydrogen vision and hydrogen business strategy | |
| Aug. 20. 2024 | Mid- to long-term business plan for new business investment | |
| Oct. 26. 2024 | Necessity for supply chain human rights risk management to respond to global regulations | |
| Jul. 25. 2024 | ESG and role of internal auditors | All Audit Committee members (Dal Hoon Shim, Chi-Won Yoon, Sang-Seung Yi, Ji Yun Lee, Seung Wha Chang) |

## Management and Oversight of Sustainability Matters

### Risk Management

The Board of Directors of Hyundai is advancing the company's management system to effectively address risks emerging from the rapidly shifting automotive industry, the transition to electric energy, and the accelerating trend of value consumption among customers. In 2023, we launched the BRM(Business Risk Management) Group as a dedicated risk organization directly under the CEO, enabling agile response to internal/external risks that occur across the entire lifecycle of vehicles, from development to production and sales, as well as supply chains.

### Compliance Management

Our BOD has established a compliance management system to review and manage legal risks. As part of such efforts, Yoon Hee Choi, an independent director with legal expertise, was appointed to oversee compliance management as a way to strengthen BOD's compliance oversight, allowing the BOD to take on a proactive oversight role for compliance management. We also provide employees and executives with compliance education and self-initiated compliance checks so that a culture of compliance permeates at all levels of the company.

### Ethical Management

Under the oversight of the Sustainability management Committee of the BOD, we thoroughly review the protection of shareholder rights and interests, the transparency of insider trading, and the implementation of ethical management. Policies governing ethical management and the establishment and revision of ethical norms are also subject to deliberation and decision-making to ensure that our Ethics Charter remains current through the improvements made.

### Climate Change Management

Hyundai Motor Company, driven by a profound conviction and responsibility to proactively address climate change, has been establishing a climate response system to enhance our comprehensive capabilities in tackling global climate issues and regulations. As part of such efforts, we formulated our strategy to transition to electrified vehicles as well as our own RE100 roadmap. Besides, our overall sustainability management strategies and climate change issues are discussed in depth and monitored by the Sustainability Management Committee.

### Health and Safety Management

Hyundai formulates health and safety plans each year and have them approved by the Board of Directors. To take a systemic approach to health and safety issues, we appoint internal directors with expertise in the health and safety area, and bring major health and safety plans and their implementation to the Sustainability Management Committee for discussion to ensure their systemic management.

### Sustainability Management Performance Management

To capture major ESG-related internal/external risks and opportunities and to minimize risks while creating business value, Hyundai selects key tasks each year. In 2024, we chose seven such tasks, including supplementing the human rights management system, conducting ESG due diligence on own sites/suppliers, advancing our carbon neutrality strategy, and developing a taxonomy system, and so on. We also set targets for each task, and made progress accordingly. The Sustainability Management Committee under the BOD is authorized to oversee key ESG-related policies and improvement plans, and is regularly briefed on the rationale behind the selection of key tasks, while monitoring progress made.

### ESG KPI

To avert a range of risks and create economic/social value through ESG management, we introduced an ESG performance management system. This enables us to set KPIs in key ESG categories and regularly review our performance, and the progress made and the level of attainment serve as key metrics in the performance evaluation process of employees including executives. We will identify ESG risks that may arise as we tap into new markets, develop new business or undertake projects, and continue exploring and adopting KPIs that help proactively prevent and manage ESG risks with high likelihood or significant business impact.

# Key Sustainability Activities and Achievements

Hyundai has achieved tangible results by implementing a series of improvement activities aimed at mitigating risks and promoting sustainable growth, with a dedicated unit for ESG management. Hyundai is striving to reduce environmental impact by gradual improvement in various areas including the sales of eco-friendly vehicles, RE100-certified businesses, vehicles which received LCAs, and water recycling. Also, to prevent potential risks, Hyundai is carrying out various activities to promote human rights management, ESG risk due diligence in domestic/overseas business sites, and strengthen supply chain sustainability management. Plus, Hyundai is making continuous efforts in terms of governance, such as introducing a lead independent director system and establishing a board of independent directors, enhancing the independence and diversity of the board of directors, which is the highest decision-making body, and establishing an ESG risk review procedure within the investment process.

## Our Journey towards Sustainability

### Environmental

**Increasing the sales of eco-friendly vehicles**

- Achieved 757,195 in annual sales of eco-friendly vehicles(EV, HEV, PHEV, FCEV) in 2024

※ 9% up from 2023

**Increasing the use of renewable energy**

- Signed the nation's largest-ever PPA (444MW) in 2024 for domestic operations (Ulsan Plant, Asan Plant, Jeonju Plant, Namyang R&D Center and others)
- Signed large-scale PPAs in U.S. and India in 2024, for 147MW, 118MW, respectively
- 30% increase in global total renewable energy consumption in 2024 from 2023

**Increasing the number of models subject to LCA**

- Completed LCAs for a cumulative total of 36 models*, including 15 new models, in 2024 to achieve an LCA coverage rate of 62.2% against total vehicle sales

* Excluding models whose sales discontinued as of 2024

**Enhancing water recycling performance**

- Achieved a 11.3% year-on-year increase in water recycling in 2024
- Increased the recycling rate to 28.7% in 2024, 5%p rise from 2023

### Social

**Reinforcing sustainability management along the supply chain**

- Join the global sustainable supply chain initiative (Responsible Business Alliance, Drive Sustainability)
- Operated supply chain mapping and risk screening programs

**Setting goals for employee diversity**

- Ratio of global female managers(15% in Korea, 27% overseas by 2030)
- Education completion rate of diversity awareness training across our global sites (50% in 2025)
- Recruitment of people with disabilities in Korea (100 persons in 2025, 150 persons in 2026, 200 persons in 2027)

**Conducting global human rights management education**

- Provided Diversity & Inclusion (D&I) education to all employees worldwide
- Conducted human rights management education to employees working in relation to human rights

※ HR, ER, health & safety, procurement, customer service, promotion & marketing

**Conducting human rights/ethics due diligence on business sites**

- Introduced indicators for identifying human rights/ethics to upgrade standards, and reviewed progress on issues flagged for improvement through on-site audit [Implemented across 74 business sites(33 in Korea, 41 overseas)]

### Governance

**Appointing a lead independent director and establishing the Independent Director Meeting**

- Ensure a lead independent director convenes and chairs the Independent Director Meeting attended exclusively by independent directors to gather their feedback through discussion and present it to the Board of Directors

※ Supporting free-flowing communication among shareholders, the Board of Directors, and management

**Enhancing the Independence of Committees under the Board of Directors**

| Classification | Previous (proportion) | Current (proportion) |
|---|---|---|
| Remuneration Committee | Internal director: 1 person (33%) | Internal director: None (0%) |
| | Independent director: 2 persons (67%) | Independent director: 3 persons (100%) |
| Recommendation Committee on Candidates for Independent Directors | Internal director: 2 persons (40%) | Internal director: 1 person (25%) |
| | Independent director: 3 persons (60%) | Independent director: 3 persons (75%) |

**Improving the Diversity of the Board of Directors**

| Classification | Previous (proportion) | Current (proportion) |
|---|---|---|
| Female director | 2 persons (17%) | 4 persons (33%) |
| Foreign director | 2 persons (17%) | 3 persons (25%) |

**Embedding ESG into the investment process**

- Established and implemented an ESG risk review process considering the environmental and social impacts of project undertakings within the investment review process related to plant construction/expansion

# Stakeholder Engagement

Hyundai categorizes its stakeholder groups into seven – customers, dealers, employees, suppliers, local communities, government, shareholders/investors – in consideration of automotive industry characteristics and pending issues, and operates various communication channels by comprehensively considering each stakeholder group's major matters of interest and anticipations towards Hyundai. We encourage active stakeholder participation and communication, and reflect major stakeholder opinions in our management decision-making process, including business plans, thereby strengthening management transparency and credibility. We will continue to build mutually sound relations, such as by facilitating stakeholder exchange and transparently providing important information.

## Expanding Stakeholder Participation and Communication Channel Optimization

**Stakeholder Participation Process** Hyundai has set in place various channels to facilitate stakeholders' participation and collect their opinions. Among opinions received through different channels, pending matters concerning our mid- to long-term business strategies and activities, and issues with high social/environmental impact are reported to the Management Committee Meeting and Sustainability Management Committee (under the BOD). Matters that are deemed as important through internal review and deliberation are incorporated to the business operation process or are addressed through improvement activities. We conduct monitoring on a regular basis on the incorporation of these matters to the business operation process and the implementation of improvement activities. If deemed necessary to inform stakeholders of the implementation status and progress, we faithfully deliver the information.

| Planning | Feedback collection | Internal reporting | Improve-ment activities | Monitoring |
|---|---|---|---|---|
| Optimize channels and methods by stakeholder | Explain activities and agenda, collect stakeholder opinions | Report issues with significant business impact to sustainability governance | Apply to the business operation process, derive improvement tasks | Check the implementation and execution of improvement tasks |

| | Customers | Dealers | Employees | Suppliers | Local Communities | Government | Shareholders/Investors |
|---|---|---|---|---|---|---|---|
| Group Definition | • They purchase and enjoy Hyundai's products and services. We optimize customers' purchase/experience channels and provide top-level products and services. | • They are contact points that directly face customers and deliver Hyundai's products/services and brand value/experiences. They have partnership relations with Hyundai. | • Employees at Hyundai get involved in product development, production, sales, and support activities. Their competencies mean the company's competencies. They are internal stakeholders who also fulfill Hyundai's social responsibilities toward external stakeholders. | • They supply parts or materials to Hyundai, enabling the company to produce quality products. Their quality competitiveness, technology and sustainability have significant impacts on our sustainable growth. | • Local communities refer to residents and civic groups and local governments in areas located close to our operations and global citizens who are influenced by our activities. Hyundai strives for their sustainable development. | • The government enacts laws and regulations that are related to the automobile industry or decides on regulation levels on corporations' business operation, so that it can influence our business activities. | • They provide finance and capital to the company, so that Hyundai can maintain sustainable growth engines while implementing diverse future business strategies or running our business. |
| Main Channels | • Offline base (sales/service)<br>• Car club, influencer<br>• Customer promotions (Motor show, exhibition, test driving)<br>• Online (social media)<br>• Customer satisfaction survey<br>• Official website, app<br>• Sports sponsorship | • Online dealer portal<br>• Dealer meetings and invitation events<br>• Regular dealer council<br>• Regular dealer visits by Hyundai employee in charge of regional management | • Labor-Management Council<br>• Organizational culture diagnosis and employee satisfaction survey<br>• On/offline grievance receipt channels<br>• Occupational Safety and Health Committee •Meetings, events, etc.<br>• Musculoskeletal Disorder Prevention Management Committee<br>• Education and training related to work and safety | • Win-win growth portal site[1)]<br>• Transparent Purchase Practice Center website[2)]<br>• Win-Win Cooperation Practice Center website[3)]<br>• Global Win-Win Cooperation Center(GPC Portal)[4)]<br>• HMG Partner System[5)]<br>• Seminars and training | • Community contribution program (employees' participation in volunteer work, educational and cultural support, mobility support)<br>• Communication with local communities nearby the company's operations(council consisting of residents)<br>• Recruitment program (publicize recruitment to local talent)<br>• Events held for unity, including local cultural, sports, and art events | • Public hearings<br>• Policy-making discussions and briefings | • Company briefing and securities firm conference<br>• Annual Shareholders Meeting<br>• Non-Deal Roadshow<br>• IR interview<br>• Sustainability Management Committee<br>• IR website<br>• CEO Investor Day |
| Major Issues | • Technology investment and development to improve product and price competitiveness<br>• Strengthen product safety/quality management<br>• Lead the future mobility, autonomous driving, and electrification market<br>• Increase customer satisfaction<br>• Improve brand image | • Expand the vehicle lineup<br>• Improve dealer margin and compensation system<br>• Technology investment and development to improve product and price competitiveness<br>• Improve brand image | • Employee competency building<br>• Improve employee human rights and diversity<br>• Improve organizational culture and evaluation/compensation<br>• Improve labor-management relations<br>• Reinforce health and safety in the workplace | • Support for supplier's ESG management<br>• Support for supplier's carbon neutrality management<br>• Support for supplier's workplace safety management<br>• Support for supplier's Information security management<br>• Support for supplier's capacity-building and win-win cooperation<br>• Support for mid/small-sized tier-2 and tier-3 supplier's win-win cooperation | • Job creation and retention<br>• Promote local community-tailored social contributions<br>• Enhance operations environmental efficiency<br>• Assess and protect biodiversity related to business activities<br>• Support the local community infrastructure, including tourism promotion and facility installation<br>• Preventing the depopulation of local areas by addressing the low birth rate issue | • Disseminate eco-friendly vehicles and strengthen vehicle safety<br>• Support electrification of small- to mid-sized suppliers<br>• Provide support for global supply chain and trade issues<br>• Support commercialization of new businesses, including robot, AAM, etc. | • Strengthen roles of ESG governance<br>• Mid- to long-term future business strategies<br>• Protect shareholder rights and interests<br>• Enhance global corporate value and improve fundamentals<br>• Increase BOD expertise and efficient operation<br>• Strengthen the management on climate change-related financial impact<br>• Reinforce supply chain ESG management<br>• Enhance employee diversity<br>• Reinforce health and safety in the workplace |

1) Win-win growth portal site: Portal site that provides information on our win-win growth activities and support programs (notices for tier-1 suppliers, win-win growth news, notices on training and supplier recruitment information, etc.)
2) Transparent Purchase Practice Center website: To practice transparent management and promote mutual development when trading with suppliers, we run a center for making institutional improvement suggestions and reporting matters related to transparent and ethical conduct
3) Win-Win Cooperation Practice Center website: This website is dedicated to communication with our tier-2·tier-3 suppliers (Information on major management support and win-win cooperation programs that we provide. We also listen to suggestions and provide feedback.)
4) Global Win-Win Cooperation Center (GPC Portal): Facilities to support suppliers' strengthening of future competitiveness (providing training support to Hyundai Motor Group and tier-1·tier-2 suppliers, providing venues for seminars and new technology exhibitions, providing training facilities and lecturers for suppliers' in-house training, etc.)
5) HMG Partner System: Supply chain management system aimed at building a collaborative system between Hyundai Motor Group and suppliers (information-sharing, support for collaboration in the areas of production, quality, R&D, purchasing, etc.)

# Stakeholder Engagement

## Shareholder/Investor Dialogue and Engagement

### Encouraging shareholder/investor engagement and exchanging feedbacks

Investors provide financial capital for the company to pursue diverse future business strategies or to maintain sustainable growth drivers in doing business. We therefore communicate with both domestic and overseas institutional investors to exchange feedbacks from the market perspective. And based on the trust with investors, we are building a foundation for sustainable future businesses. As a global automobile manufacturer and ultimately a smart mobility solution provider, we need to meet investors' investment standard in diverse categories, including carbon neutrality, supply chain management, human rights, and governance, and this makes active communication important.

### Role of the BOD and top management

In Hyundai Motor Company's journey to a smart mobility solution provider and a global leading electric vehicle brand, active discussions with investors are important index and source that provide us colors of the capital market. The board and top management at Hyundai Motor Company, therefore, communicate with institutional investors on a regular basis to discuss our performance concerning business and overall ESG management.

Through Sustainability Management Committee under the BOD, directors regularly discuss ESG-related risks, status, and improvements. An independent director in charge of protecting shareholder rights participates in ESG and governance NDRs to directly talk to investors then delivers the voice of the capital market to the board. Top management is in charge of conversing the company's future business strategy and ESG management targets with investors.

### Facilitating shareholder/investor communication

The Hyundai Investor Relations (IR) Division communicates Hyundai's ESG management performance and progress through NDRs, corporate briefing sessions, securities firm conferences, and investor meetings. It also listens to opinions on the ESG implementation direction that the capital market demands from Hyundai in line with the global ESG trend.

| Global ESG NDR | ESG Meetings | IR Website |
|---|---|---|
| In 2022, Hyundai Motor Company held global ESG NDR first among Korean listed companies. ESG NDR targets to discuss any ESG-related topics, which is different from quarterly NDRs in which the company covers financial performance and business results. Through this global ESG NDR, we discussed with investors our ESG improvements and mid- to long-term goals. | There is rising interest and demand for our ESG management and future strategies along with the market adding more values to ESG. In addition to engagement with domestic and overseas institutional investors, we are actively expanding scope of IR meetings with various stakeholders, including ESG rating agencies and credit rating agencies. | Hyundai Motor Company discloses information that investors need, such as quarterly earnings materials and sales performance on the IR website. |

### Meeting expectations of shareholders/investors

ESG management at Hyundai Motor Company stands for a sustainable future. Investors, one of the key stakeholders, have a high level of interest on ESG enhancement, short/mid/long-term plans, and how these plans turn into actual progress. Thus, it is our utmost responsibility to present best performance aligned with the market expectation and standards.

"2045 Net Zero" announced in 2021 and "RE100" are the milestones that Hyundai Motor Company must follow. Based on our progress on these targets, investors can make investment decisions through which the investors can maintain a trust with their stakeholders. ESG investments, including those into carbon neutrality, renewable energy, adoption of eco-friendly technologies, are inevitable for a sustainable future. Through continued engagement relating to the above, we aim to sustain a trustworthy relationship.

Furthermore, Hyundai Motor Company updates ESG enhancement on a regular basis by engaging with global ESG rating agencies. Through this effort, we believe we can further enhance reputational values in addition to directly engaging with the investors and shareholders.

| | |
|---|---|
| Monitoring Credit Rating Agencies | Hyundai Motor Company receives credit rating results from global and Korean credit rating agencies., These ratings may affect business investment decisions, including investment decisions and bond issuance. Our credit rating serves as an important index in business activities. Therefore, it is important to consistently monitor and follow up with any risks regarding the ratings. Credit rating agencies focused mainly on financial performance in the past but are introducing unique evaluation indexes in line with the recent global ESG trend. This movement signifies that a company's ESG credit rating, in addition to its financial credit rating, is becoming a significant investment index to investors and other stakeholders. |

### Strengthening shareholder/investor trust (Risk Management)

As a global company, Hyundai Motor Company has business sites and sales networks in various countries. We must meet environmental regulations of different countries and also effectively manage the global supply chain. This regional diversity is an opportunity but also signifies that we could be exposed to risk factors. To minimize risks, we have established a corporate management system for various issues that may arise in the supply chain and are continuing to advance the system. To satisfy the environmental regulations of each country, we are actively monitoring the progress of fulfilling regulations.

We can sustain a solid relationship with investors, shareholders, and other stakeholders through an appropriate risk management. It is therefore very important to take appropriate and effective measures when a risk arises and to also establish measures to prevent recurrence. When a risk becomes an issue, we are not hesitant to share the mitigation progress and results on our IR website or through a shareholder letter in order to assure confidence and trust to investors. Hyundai Motor Company will continue to be transparent, and preemptive regarding disclosure so that the trust with investors is maintained.

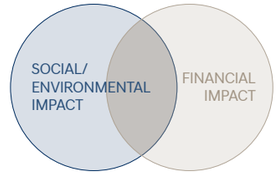
### Going Forward

Based on the vision, "Progress for Humanity," Hyundai Motor Company is leading the progress into a sustainable future through means such as innovative mobility experience. Through stakeholder engagement including investors, we aim to share ESG enhancement progress and future strategies both regularly and consistently. Ultimately, we will actively communicate with investors to highlight our genuine endeavor and investment into a sustainable future.

# Materiality Analysis

Hyundai conducts an annual materiality assessment based on the principle of double materiality in order to disclose material information related to sustainability. The outward impact assessment evaluates Hyundai's impact on society and the environment, while the risk and opportunity assessment examines how external stakeholders influence Hyundai's financial position. No significant change was observed in the assessment process when compared to the previous reporting period. As a result of this year's assessment, three topics - climate change mitigation, consumer health and safety, and employee health and safety – were identified as material in the outward impact aspect. From the risk & opportunity perspective, a total of seven topics were identified - air pollution, resource circulation related to products, labor-management relations, and supply chain labor rights as well as the three topics deemed material in the outward impact aspect.

**Concept of Double Materiality**




Outward Impact — Risk & Opportunity

## Double Materiality Analysis Process

| Step | Selection | Identification | Assessment | Prioritization & Disclosure Determination |
|---|---|---|---|---|
| Description | **Selecting Sustainability-Related Topics**<br>This step involves choosing topics relevant to Hyundai Motor Company from a broad spectrum of sustainability issues. We have utilized the EU CSRD Sustainability Reporting Standard (ESRS), ESG-related internal reports, external rating agency requirements, and accordingly identified 38 relevant topics. Our 2025 double materiality assessment additionally considered industry-specific materiality from the value chain perspective. | **Identifying Impacts, Risks, and Opportunities Related to Sustainability Topics**<br>This step involves identifying and detailing the impacts, risks, and opportunities of the selected topics. We characterized the automotive industry value chain and defined relevant activities by referring to business reports, industry outlooks, and inquiries from NGOs and investors while reviewing a range of data sources to identify 40 impact materiality issues. We also analyzed global issues such as the EV chasm as well as sustainability regulations and compliance issues including the EU Battery Regulation and the US Uyghur Forced Labor Prevention Act to identify 41 financial materiality issues. To ensure the accuracy and completeness of the topics identified, we conducted internal employee reviews through briefings with relevant departments as well as surveys on external experts and suppliers. | **Assessment of Sustainability Topics**<br>To ensure the reliability of the assessment, we selected assessors who possess expertise and a deep understanding of Hyundai's value chain and sustainability topics. In line with the EU ESRS guidelines, from the impact materiality perspective, we quantified severity by comprehensively considering scale, scope, and irremediability, alongside likelihood of occurrence. In the risk & opportunity aspect, we quantified the magnitude of potential financial impacts (qualitative and quantitative) and their likelihood on a scale of 1 to 5. This was further complemented by interviewing external experts to ensure a more objective review of impacts, risks and opportunities. | **Prioritization of Material Topics and Integration of the Risk Management Process**<br>This step entails reflecting on the results of the quantified assessment in order to determine the priorities and ultimately identify the key topics for disclosure. To prioritize each topic in terms of impact, risk and opportunity (IRO), thresholds were set for assessment scores. In 2025, 6 topics were identified as material from the impact perspective, and 13 topics from the impact and risk & opportunity perspective. When compared to the previous reporting period, health and safety impacts relating to our own workforce and value chain workers were additionally identified in the impact aspect. The materiality assessment results were reported to the Sustainability Management Committee under the Board of Directors. Additionally, the prioritized material topics have been integrated and operationalized within the enterprise risk management (ERM) process. |

**Detailed Procedures**

**Understanding Company Value Chain Activities(Automotive Sector)**

| Upstream (Mining, parts manufacturing, parts transport, etc.) | | | Own operations (Research and development, automobile manufacturing, transport of finished products, etc.) | | Downstream(Vehicle sales, recycling, scrapping, etc.) | |
|---|---|---|---|---|---|---|
| Raw material acquisition | Parts production | Transport | Assembly (Manu-facturing) | Distribution | Operation (Usage) | Disposal/ Recycling |

**Selection of Material Topics**

- **Long List**: All 93 ESRS topics
- **Short List**: 38 topics selected by categorization criteria. * Subject to IRO[1] identification

**Categorization Criteria**

[Own Operations]
- Reports to management and the BOD
- Sustainability disclosure and assessment indicators : SASB, MSCI, Sustainalytics, etc.
- Inquiries from investors and NGOs
- Benchmarking of industry peers

[Upstream, Downstream]
- Sustainability disclosure and assessment indicators

**Example of IRO Identification**

| Value chain topic | Climate change mitigation | Consumer safety | Health and safety | Resource circulation |
|---|---|---|---|---|
| Upstream | Impact & R/O | N/A | R/O | R/O |
| Own operations | Impact & R/O | N/A | R/O | R/O |
| Downstream | Impact & R/O | Impact & R/O | N/A | R/O |

| | Social/Environmental Impact | Financial Impact |
|---|---|---|
| | Impact (40) | Risk / Opportunity (41) |
| Impact type | Negative / Positive; Potential / Actual; Short-term[2] / Mid-to Long-term[2]; Human Rights Impact-related | Risk / Opportunity; Short-term[2] / Mid-to Long-term[2] |

**Social/Environmental Impact**

| Severity(scale, scope, irremediability) | Likelihood |
|---|---|

**Example of Impact Assessment[3]**

| Social and Environmental Impacts | Severity: Scale | Scope | Irremediability[4] | Likelihood |
|---|---|---|---|---|
| Climate change mitigation | 4 | 4 | 4 | 4 |
| Consumer safety | 5 | 4 | 4 | 4 |

**Financial Impact**

| Magnitude | Likelihood |
|---|---|

**Example of R/O Assessment**

| Financial Impact | Magnitude | Likelihood[5] |
|---|---|---|
| Climate change mitigation | 5 | 4 |
| Labor-management relation | 3 | 4 |
| Resource circulation | 3 | 3 |

**Process for Deriving the Final Evaluation Score**

Team in charge of ESG + Teams related to IRO + External experts + Key suppliers =

| Impact Score for Each Topic |
|---|
| Average of severity and likelihood |
| **R/O Score for Each Topic** |
| Average of magnitude and likelihood |

**Selecting final material topics**

**Social/Environmental Impact**

Assessment target (40) → Appling threshold

| Impact (6) |
|---|
| Climate change mitigation (3) |
| Consumer health and safety (1) |
| Employee health and safety (2) |

**Financial Impact**

Assessment target (41) → Appling threshold

| R/O (13) |
|---|
| Climate change mitigation (5) |
| Air pollution (1) |
| Resource circulation related to products (1) |
| Consumer health and safety (2) |
| Employee health and safety (2) |
| Labor-management relation (1) |
| Supply chin labor rights (1) |

1) IRO: Environmental and social impacts(Outward Impact) of the company on stakeholders, and the financial impacts(Risk & Opportunity) of stakeholders on the company's financial position.

2) Short-term = Current reporting year, Mid-term = Up to 5 years, Long-term = 5 years and beyond

3) • Scale: Degree of gravity of the impacts on society and the environment
• Scope: Extent of the impacts on society and the environment
• Irremediability: Extent to which negative impacts on society and the environment are irreparable
• Magnitude: Magnitude of potential financial impacts on company business

4) Irremediability is assessed only in the case of negative impacts.

5) Likelihood: Chance that a potential event will actually occur

# Materiality Analysis

## Results of the 2025 Materiality Assessment in Detail

Hyundai considers all sustainability topics that achieve a score above a certain threshold in the double materiality assessment to be material issues. A topic is designated as a final material issue if its score exceeds the threshold in either of the following two aspects: ① materiality from the perspective of social and environmental impacts, or ② materiality from a financial perspective.

Results of Double Materiality




### Outward Impact Aspect

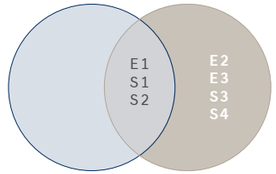
| ESG | Topics | Position within the value chain | Internal Factors That Influence Stakeholders | Output Metrics | Impact Valuation | | | | | Impact Metrics |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Impact Type | | | Stakeholder Evaluation Area | Description of Social Cost | |
| E1 | Climate Change Mitigation (Transition to eco-friendly/electric vehicles) | Own operations – Manufacturing, sales and trade | • Ongoing shift in business structure from internal combustion engine vehicles to electrified vehicles to achieve net zero emissions and continued development and production of EVs | Reduction in carbon emissions from electric vehicles compared to internal combustion vehicles over the same mileage | Positive Impact | Actual | Short to Long Term | Environmental | • Social cost avoided<br>- In a comparison of carbon emissions generated by Hyundai's 2024 global EV sales(excluding heavy-duty commercial vehicles)[1] with those generated by internal combustion vehicles over a standard distance of 200,000 km[2], a reduction of 1,974,577 $tCO_2$-eq per year was achieved[3], accounting for all emissions from fuel production to driving.<br>The reduction in carbon emissions saved KRW 226,405 million in terms of the social cost of the concentration of $CO_2$ in the atmosphere | KRW 226,405 million<br>= (Carbon emissions per internal combustion engine vehicle over a standard driving distance[4] minus carbon emissions per EV over the same distance) in $tCO_2$-eq X (Sales of EV vehicles in 2024)[5] X (Social cost of greenhouse gases)[6] |
| | Climate Change Mitigation (GHG Emissions) | Own operations – Manufacturing | • GHG emissions from the use of LNG and electricity generated from non-renewable sources in the automobile manufacturing process | Scope 1 and 2 GHG emissions | Negative Impact | Actual | Short to Long Term | Environmental | • Social cost caused<br>- Hyundai's GHG emissions amounted to 2,097,809$tCO_2$-eq in 2024. GHG emissions contribute to adverse environmental impacts, including but not limited to climatic abnormalities, change in precipitation levels, rising sea levels, desertification, water shortages, the spread of tropical diseases, and biodiversity loss. The social cost caused by our GHG emissions in 2024 is KRW 240,535 billion. | KRW 240,535 million<br>= Scope 1 and Scope 2 emissions in 2024 X social cost of GHG emissions[6] |
| | | Upstream - Manufacturing | • GHG emissions resulting from the use of LNG and electricity produced by non-renewable energy in the manufacturing of components required for vehicle production, such as engines, batteries, motors, steering/ transmission systems, and interior materials. | Scope 3 GHG emissions | Negative Impact | Actual | Short to Long Term | Environmental | • Social cost caused<br>- Hyundai's Scope 3 emissions contribute to such adverse environmental impacts as climatic abnormalities, change in precipitation levels, rising sea levels, desertification, water shortages, the spread of tropical diseases, and biodiversity loss. As carbon regulations are expected to tighten in the future, the resulting vulnerabilities are likely to drive up product prices, placing increased economic burdens on end consumers. | |
| S1 | Consumer Health and Safety | Own operations – Manufacturing | • Significant increases in the likelihood of accidents if parts quality declines due to the inherent characteristics of the mobility industry | Physical harm and financial losses to users caused by battery explosions | Negative Impact | Potential | Short to Mid Term | Consumer | • Social cost caused<br>- Safety accidents resulting from degraded battery quality in the mobility industry can significantly lower the quality of life for consumers. Physical injuries or psychological trauma brings long-term effects on individuals' daily lives, and diminishing consumer trust in EVs can delay the widespread adoption of eco-friendly mobility solutions, hindering progress towards net-zero goals. | |
| S2 | Employee Health and Safety | Own operations – Manufacturing | • Presence of machinery within the process that may result in high-risk accidents as well as the likelihood of safety accidents involving physical injuries | Employee LTIFR | Negative Impact | Actual | Short to Mid Term | Social | • Social cost caused<br>- Employee health and safety issues result in substantial social losses, severely degrading the quality of life for individual employees and their families. Safety accidents and the deterioration of health negatively impact household finances and local communities, and the resulting loss of skilled labor may undermine the overall competitiveness of the industry. | |
| | | Upstream - Manufacturing | | Supplier LTIFR | Negative Impact | Actual | Short to Mid Term | Social | | |

1) Including passenger vehicles only among 2024 global EV sales(Excluding heavy-duty commercial vehicles because there is no baseline model in the 2023 Korea Transportation Safety Authority Vehicle Mileage Statistic)
2) Selecting a baseline model based on the 2023 Korea Transportation Safety Authority Vehicle Mileage Statistic
3) Based on the trim with the highest carbon reduction effect among EV sales trims
4) 200,000km
5) 2024 electric passenger vehicle sales: 204,026 units
6) Based on an environmental impact study using the PwC Total Impact Measurement and Management (TIMM) methodology, the average social cost of carbon (SCC) per ton of greenhouse gas was assessed at USD 78/ $tCO_2$-eq

# Materiality Analysis

## Results of the 2025 Materiality Assessment in Detail

Results of Double Materiality




R/O Aspect[1)]

| ESG | Topics | Position within the value chain | External Factors Driving Financial Risks and Opportunities | Impact on the Company | | Impact Metrics | |
|---|---|---|---|---|---|---|---|
| E 1 | Climate Change Mitigation (Transition to eco-friendly/electric vehicles) | Own operations – Manufacturing, sales and trade | • Social: Changing negative societal perceptions of internal combustion engine vehicles. reduced EV subsidies under the US IRA, temporary stagnation in EV demand (chasm), the announced plan to impose a 25% tariff on automobiles as part of reciprocal tariff measures (Feb. 18, 2025)<br>• Technical: Advancement of electrification transition technologies, including the speed of achieving price parity and acceleration of technological innovation to address climate change.<br>• Policy: Regulation of GHG emissions from vehicles, such as banning the sale of internal combustion engine vehicles in Europe, and policies and government support for the diffusion of EVs. | • Demand and sales may decline in the short-term due to capital expenditures and R&D expenses for the development and production of EV technologies as well as reduced EV subsidies and the imposition of tariffs (leading to increases in manufacturer's suggested retail price). Over the mid-to long-term, sales growth is expected in line with the expanding EV market. | Revenue Costs | Opportunity | Medium to Long Term |
| | Climate Change Mitigation (GHG emissions) | Own operations – Manufacturing | • Technical and economic: Changes in the proportion of renewable energy generation in electricity production due to the increased cost competitiveness of renewables.<br>• Regulatory: Regulations concerning GHG emissions(Scope 1+2), including domestic emissions trading schemes and national renewable energy production policies.<br>• Mandate the disclosure of Scope 1, 2, and 3, emissions under the California Climate Disclosure Law when exporting to the US market | • The Company may incur costs to make a switch in equipment/technology to reduce Scope 1 emissions and to sign PPAs and purchase RECs and green premiums to transition to renewable energy sources. Additional costs may arise from penalties for non-compliance with GHG emissions regulations, environmental compensation, carbon credit purchases, and the need to address and manage the mandated disclosure of Scope 1, 2, and 3 emissions. | Costs | Risk | Short to Long Term |
| | | Upstream - Manufacturing | • Regulatory: Climate-related regulations, such as the EU Carbon Border Adjustment Mechanism(CBAM), which imposes a price on raw material carbon, and tax credits under the U.S. Inflation Reduction Act's(IRA) green requirements. | • Raw material acquisition costs may increase due to the rising prices of materials subject to CBAM. Capital expenditures and the cost of investments may include capital investments and related costs to respond to the IRA. Additionally, we may incur penalties for non-compliance with the relevant laws and regulations. | Costs | Risk | Short to Long Term |
| E 2 | Resource Circulation Related to Products | Upstream - Manufacturing | • Technical: Advancement of recycling technologies such as the separation and refining of waste minerals, expansion of usage cycles, and discovery of alternatives to eco-friendly materials.<br>• Economic: Establishment of a virtuous cycle for batteries, such as battery recycling in the automotive industry, and acceleration of green economic models.<br>• Regulatory: Regulations such as the EU Battery Regulation, etc. | • Cost reductions can be achieved through the recycling of critical minerals by establishing a closed-loop system in line with the broader adoption of EVs, including the recovery and recycling of end-of-life batteries. | Revenue | Opportunity | Medium to Long Term |
| E 3 | Air Pollution | Downstream – Sales and trade | • Regulatory<br>- Korea: Enforcement of the Clean Air Conservation Act and the Special Act on the Reduction and Management of Fine Dust<br>- EU: Planned enforcement of the ban on the sale of new ICE vehicles starting in 2035 | • Possible regulatory restrictions on ICE vehicle operations may result in declining ICE sales as well as R&D expenses aimed at improving powertrain efficiency to respond to exhaust emission regulations. Furthermore, the EU ban on the sale of new ICE vehicles including hybrids starting in 2035 may lead to impairment losses due to increases in inventory assets of ICE vehicle parts. | Costs | Risk | Medium to Long Term |
| S 1 | Consumer Health and Safety | Own operations, upstream – Manufacturing | • Technical: In the event of an EV battery fire due to a technical defect, human and material damages could occur, worsening consumer perceptions of EV safety and acting as a barrier to the adoption of EVs.<br>• Social: Risk of litigation due to insufficient disclosure of critical consumer safety information during vehicle sales<br>• Regulatory: Motor Vehicle Management Act, Product Liability Act. | • Costs may include those incurred by enhancing battery safety and quality to prevent technical defects, as well as the cost of recall following product safety and quality incidents. Additional expenses could involve litigation costs (in the event of defeat) and losses from decreased sales.<br>• Costs for improving safety and quality to prevent quality issues, voluntary recall expenses, and financial losses such as litigation costs and reduced sales from safety and quality incidents are also possible. | Costs | Risk | Medium to Long Term |
| S 2 | Employee Health and Safety | Own operations, upstream – Manufacturing | • Regulatory: Legal and regulatory requirements related to health and safety, such as the Serious Accidents Punishment Act and the Occupational Safety and Health Act. | • Partial/full work stoppage orders may be issued by a labor inspector to a workplace where a serious accident occurs, resulting in a loss of productivity and sales due to the interruption of operations. Subsequent compensation for affected worker may be necessary, and additional litigation costs depending on whether the company is liable, as well as management costs to ensure workplace and employee safety to prevent recurrence may also be incurred. | Costs | Risk | Medium to Long Term |
| S 3 | Labor-management Relation | Own operations – Manufacturing | • Social: High social concern from civil society organizations in the automotive industry regarding the protection of labor rights and labor management relations. | • We may incur costs in resolving labor-management conflicts, as well as costs due to lost productivity and sales in the event of a work stoppage due to a conflict. | Costs | Risk | Medium |
| S 4 | Supply Chain Labor Rights | Upstream – Manufacturing | • Social: High social awareness of the need to protect labor rights related to children, forced labor, etc.<br>• Regulatory: International norms exist, such as the Convention on the Rights of the Child(1989) and the Fundamental Principles and Recommendations concerning Child Labor(ILO Convention No. 182 and Recommendation No. 190, 1999) along with the EU Regulation on Prohibiting Products Made with Forced Labour on the Union Market(EUFLR), the US Uyghur Forced Labor Prevention Act(UFLPA), and Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act | • Costs may include implementation expenses to identify and mitigate human rights impacts within the supply chain, litigation expenses in the event of human rights abuses attributable to the company, and losses from decreased capital inflow due to damage to the company's reputation. In addition, inadequate response to investigations related to supply chain forced labor in Europe and the US may result in customs clearance bans and subsequent sales declines. Our Canadian subsidiary may also incur costs associated with submitting annual reports verifying the absence of forced or child labor. | Costs | Risk | Medium to Long Term |

1) Risks and opportunities that share the same topic and position within the value chain are integrated and described together.

# Materiality Analysis

## Management strategy for Material Topics and Align with the Compensation of Executive(KPI)

| | Topic | Business Strategy | Performance in 2024 | Key Performance Indicators (KPIs)[1)] | Mid- to Long-Term Goals |
|---|---|---|---|---|---|
| E1 | Climate Change Mitigation (Transition to eco-friendly/ electric vehicles) | To remain agile in response to the rapidly evolving market demand through flexible sales strategies, Hyundai will shift away from conventional ICE vehicles to diversify its electrification portfolio, continuously pursue R&D activities, and internalize development capabilities. This will enable us to develop differentiated battery technology and reinforce our EV production capabilities through global plant construction and expansion. Additionally, HTWO Grid, a customized solution that spans the entire hydrogen value chain, was unveiled in 2024. We are set to advance the establishment of a hydrogen energy ecosystem through the expansion of our hydrogen mobility and hydrogen energy businesses. | • Total No. of eco-friendly vehicles(EV, HEV, PHEV, FCEV) sold in 2024: 757,195<br>• No. of EVs sold in 2024: 218,504<br>• No. of FCEVs sold in 2024: 4,446<br>*Based on 2024 wholesale | • Sales of eco-friendly products<br>• Activities related to eco-friendly products<br>• The number and proportion of EV sales | • Sell 2 million EVs by 2030<br>• Achieve 100% EV sales in Europe by 2035<br>• Achieve 100% EV sales in major markets by 2040 |
| | Climate Change Mitigation (GHG emissions) | In September 2021, Hyundai announced its 2045 Carbon Neutrality Plan, which focuses on the construction of an ecosystem for electrification and the creation of the hydrogen society, smart cities, and a circular economy. Hyundai's carbon neutrality plans include reducing and offsetting GHG emissions across the value chain, including the purchase and procurement of raw materials, the design, production, and sale of vehicles, and the use, disposal, and recovery of vehicles. To address GHG emissions from operations, our transition efforts will first focus on electricity used in the manufacturing process in alignment with the RE100 roadmap in the short-term. Over the long-term, we aim to expand the application of green hydrogen and the use of renewable energy for key manufacturing processes as part of our vision for a hydrogen society. | • Signed the Korea's largest renewable Power Purchase Agreement (PPA) (equivalent to reducing nearly 5.6 million tons of GHG emissions)<br>• Global total renewable energy consumption rose by 30% year-on-year in 2024 | • Establishment of a carbon neutrality implementation system and target achievement rates | • Achieve RE100 at plants in the U.S., Mexico, Türkiye and India by 2025<br>• Achieve RE100 at plants in Brazil, China, Singapore and Vietnam by 2027<br>• Transition to 100% renewable energy for electricity in all global operations by 2045 |
| S4 | Supply Chain Labor Rights | Hyundai recognizes supply chain labor rights risks, including the 2021 North American child labor issue, as critical management issues. To proactively prevent and manage these risks, in 2023 we established a compliance program that targets forced labor risks within the supply chain, thereby strengthening our integrated system for managing sustainability risks. Including activities initiated in 2024, such as expanding on-site audits based on the results of written assessments, we plan to progressively enhance the management of overseas supply chain sustainability. | • Conducted written ESG risk assessments of 1,120 overseas suppliers<br>• Conducted external DB-based forced labor risk screening of tier-1 suppliers<br>• Supplemented the Suppliers' Code of Conduct, contracts, and RFQs related to forced labor<br>• Developed and trained employees on the Guidelines for Compliance with Forced Labor Laws | • ESG assessment rate/audit rate of suppliers<br>• Supplier risk corrective action rate<br>• ESG level management of suppliers | • Achieve a 100% written ESG assessment rate for significant suppliers<br>• Achieve a 100% on-site ESG audit rate for high-risk suppliers<br>• Conduct ESG risk assessment for high-risk Tier-2 suppliers by 2025<br>• Conduct ESG risk assessment for non-parts suppliers representing 90% of total procurement spend by 2026 |

* KPIs are linked to the compensation of C-level executives including CEO.

# Materiality Analysis

**BUSINESS CASE**

## Interview with External Experts

To further advance ESG management, Hyundai conducted interviews with experts from the media, investment institutions, and academia and incorporated their insights in its materiality analysis process. Their varied perspectives and recommendations relating to corporate ESG activities and disclosures, sustainability strategies, and the evolving automotive industry landscape will inform our efforts to shape future business strategies.

### CEO of a media outlet specializing in sustainability

Latest ESG trends and their implications for Korean companies

- The recent policy stance of several countries on climate change, renewable energy, and EVs should not be viewed as a rejection of ESG principles. Rather, this reflects a deliberate strategy to address the potential situations where mineral supply chains related to EVs and renewable energy businesses are dominated by other countries, thereby providing their domestic companies with the necessary time to adapt. In this context, and we need to reaffirm the importance of ESG in alignment with trade all while distinguishing core policy signals from unnecessary surrounding noises.
- ESG brings varied impacts on business value chains and is closely tied to national interests and trade strategies. Countries leverage ESG as a strategic tool and this should be properly understood to securing long-term competitiveness. It is critical that Korean companies understand how the combination of trade policies and ESG regulations may affect their global operations and develop corresponding strategies.

Key ESG topics for Hyundai from the mid/long-term perspective

- In the negative impact and risk aspect, the Just Transition associated with the shift in industrial structure from conventional ICE vehicles to EVs may emerge as a critical issue over the mid-term horizon. This underscores the importance of efforts and communication on the part of businesses to minimize any adverse impacts on workers, local communities and other stakeholders in the transition process. Additionally, given the nature of the automotive industry, human rights linked to mineral supply chains will continue to be a material topic today and in the future.
- In the positive impact and opportunity context resource use and a circular economy would be the most important topics. A circularity-oriented resource use strategy can help alleviate uncertainties over raw material management and sourcing in the long-term while driving cost savings through improved resource efficiency. This is why resource use and a circular economy should be recognized as key enablers of future business opportunities, not merely as a subject of regulatory risk management.

### Executive in charge of responsible investing at an asset management firm

Corporate ESG initiatives gaining attention recently in the capital market

- The capital market is closely watching corporate ESG activities, particularly their Value-up Program to enhance shareholder value and their response to climate change. Investors are meticulously monitoring how companies are progressing towards their stated goals and whether it is feasible to achieve these goals. Going forward, tangible progress and outcomes will carry even greater weight. As to the Value-up Program, companies still lack detailed analysis and implementation measures. For climate change response, while most companies have defined their GHG emissions reduction targets, they still need to develop specific roadmaps to reach these targets. Companies are required to present more precise and feasible strategies in both of these areas, success in doing so will be instrumental in earning trust from the market and investors and elevating their corporate value.

Advice to Hyundai in managing climate risks

- Climate risk is a highly material topic in the mobility industry, particularly for companies like Hyundai. This not only presents new opportunities relating to electrification, but also poses risks associated with GHG emissions reduction. While Hyundai presented its carbon neutrality goals encompassing Scope 1, 2, and 3 emissions, it should be noted that the use of renewable energy remains limited in Korea. This highlights the importance of developing and transparently disclosing Scope 1 and 2 emissions reduction targets for domestic operations where uncertainties are greater, along with concrete plans to attain these targets. Meanwhile, considering the benefits of intensity-based targets, such as emissions per vehicle, may be worthwhile, as absolute reduction targets can be highly sensitive to market fluctuations. I would like to mention the comparison made between ICE vehicles and EVs from the LCA perspective in Hyundai's previous sustainability report: this proved to be an exceptional approach to demonstrating the rising importance of upstream emissions management in proportion to the adoption of electrification as well as the climate impact of the EV transition.

### Academic Adviser to the KSSB[1] during 2023-2024

1) Korea Sustainability Standards Board

Capabilities required of Hyundai in terms of ESG disclosures

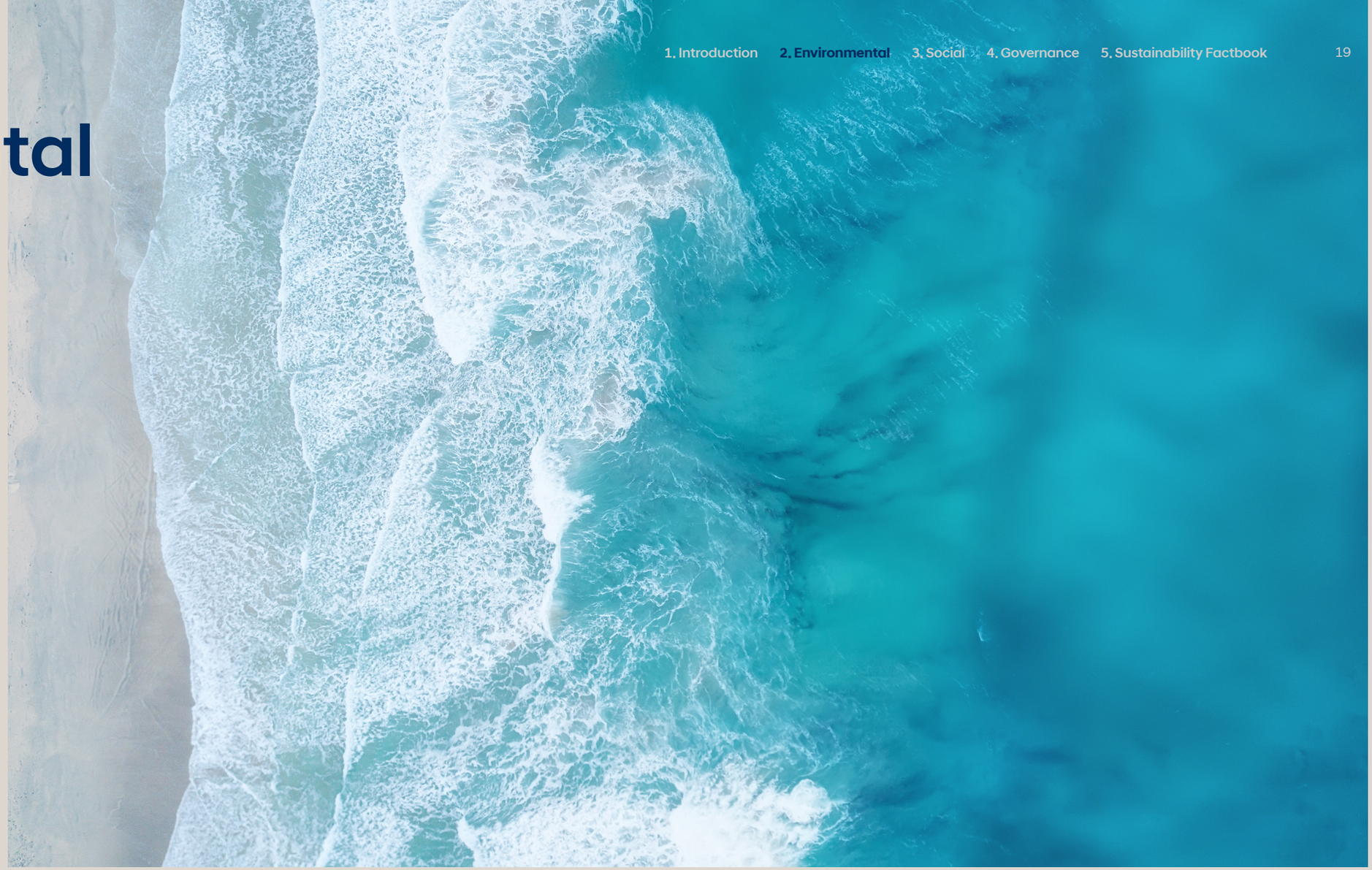
- First, Hyundai needs to thoroughly review the authenticity of its ESG strategies and their credibility in the market to establish clear ESG strategies and goals. Second, the Company is required to focus on conveying the significance and implications of ESG data, rather than merely disclosing information for the sake of formality. Third, Hyundai is advised to improve its skill to communicate complex information containing technical and scientific content in a format that is accessible and approachable. All in all, Hyundai needs to develop these capabilities to enhance the quality of its ESG disclosures and establish a comprehensive management system to ensure its disclosures contribute to corporate value creation.

Key ESG topics for Hyundai and expectations for Hyundai

- Environmental topics are of critical importance to Hyundai. Climate change, energy, and air pollution are closely linked to the technological domain of the mobility industry and thus demand utmost care and attention for their management. Specifically, the energy transition has the potential to fundamentally transform production processes and may significantly impact future financial performance.
- Given today's rapidly-shifting, uncertain external environment, Hyundai should prioritize its response to emerging technologies above all else. As the company navigates technological breakthroughs in EVs and powertrains, other significant issues like changing consumer preferences and price competition will become major concerns closely tied to these innovations. I believe Hyundai is able to turn the mounting uncertainties of today into an opportunity of tomorrow to sharpen its competitive edge and continue to evolve as a global leader.

# Environmental

The Earth is not only the home of mankind but also our responsibility to future generations. Hyundai has a clear understanding of its role and responsibility in reducing GHG emissions, thereby taking active parts in contributing to the global trend of achieving carbon neutrality. In particular, we are doing our best to protect the blue light of Earth with distinctive approach to climate change based on our own sustainable technology.




| | |
|---|---|
| 2.1 | Environmental Management |
| 2.2 | Response to Climate Change |
| 2.3 | Circular Economy and Resource Use |
| 2.4 | Biodiversity |
| 2.5 | Pollutants |

# Environmental Management

Hyundai practices environmental management governance with the participation of its highest decision-making body. We have also put in place an environmental management system for sustainable business operations, based on our environmental policies. Each of our production plants has been certified to ISO 14001. In conjunction with ISO certification audits, internal environmental assessments and due diligence on our plants are conducted by Headquarters to identify and mitigate impacts and risks at each site.

## Environmental Management System

### Environmental Management Governance

**Roles of the BOD** Roles of the BOD The BOD and its subcommittee, Sustainability Management Committee oversee environmental management by regularly approving and reviewing Hyundai's environmental performance, major risks, and improvement activities. In 2024, seven key ESG improvement tasks, including the financial impact of climate change risk and the development of financial performance calculation processes aligned with EU taxonomy of sustainable economic activities, were proposed as agendas to the Sustainability Management Committee and received approval. In the latter half of the year, the Committee also approved the 2045 carbon neutrality strategy updated to reflect our mid/long-term business plans. Other items reported to the Committee include water/waste improvement targets for 2023 as well as, due diligence results and improvements made on environmental impacts and risks in 2024 including water/waste/pollutants associated with our own operations and suppliers.

**Roles of the Management** The Management Committee Meeting (MCM) attended by the CEOs and other C-level executives serves to regularly review our ESG key tasks and their progress, including our net zero initiative. In 2022, we appointed a Chief Safety Officer (CSO) who oversees the safety, environment, and health management of our business sites, thereby strengthening our environmental management governance framework.

**Roles of the Dedicated Environmental Organization** Hyundai has a company-wide supervising organization under the CEO and CSO's responsibility and an operating organization by business site in order to implement environmental management, and have two-way discussion on a regular basis for more efficient environmental management.

**Company-Wide Supervising Organization** Hyundai Headquarters' supervising organization plays a pivotal role in global environmental management governance by implementing sustainable practices and enhancing the company's environmental management systems at home and abroad. It performs responsibilities , including establishing an environmental accident risk response system, developing and managing environmental management KPIs, addressing regulatory compliance, and implementing internal audit on global sites. These efforts are essential to operating Hyundai's environmental management system.

**Site Management Organization** The environmental management organization at each business site is in charge of such roles as establishing and operating an environmental management system; enhancing business site environmental efficiency; and operating facilities to manage and reduce pollutants that occurs in the business operation process. It also implements environmental policy; identifies and addresses environmental risks; spreads and disseminates environmental management; and receives and handles environment-related grievance.

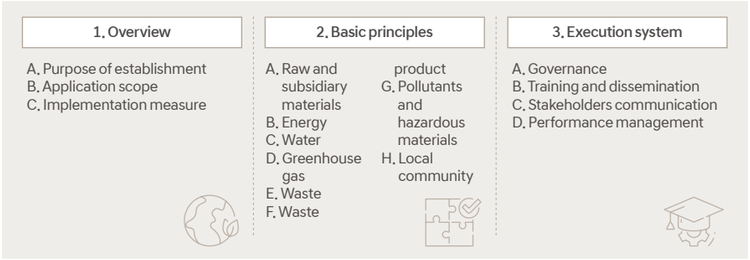
**R&D Organization** The R&D Center plays a pivotal role in driving product environmental improvements by conducting R&D on product-related environmental technologies and developing low-carbon products. This ranges from reducing carbon and tailpipe emissions from vehicles through electrified vehicle development, recycling-conscious designs to performing product lifecycle assessments (LCA), developing sustainable materials, substituting hazardous substances, and exploring CCUS (carbon capture, utilization and storage) technology.

### Implementation of Environmental Management

**Environmental Management Policy** Recognizing the environment as a core element of its business, Hyundai has established the Environmental Management Policy to conduct environmental management in a proactive manner and periodically updates it (last revised in 2022) to reflect both internal and external environmental regulations and current issues, and changes in external markets and the corporate landscape. This policy consists of seven articles, each covering items of environmental management requiring our targeted management. These items include responding to climate change, reducing pollutants, protecting biodiversity, establishing a circular economy, and supporting suppliers with environmental management, embodying Hyundai's proactive commitment to making progress on these items. The policy guides our collective efforts – at Hyundai and all its subsidiaries as well as business units - to improve environmental performance and manage our environmental impacts across the overall business operations and value chain.

Furthermore, we encourage suppliers, contract partners, and other stakeholders in our supply chain to adhere to the Environmental Management Policy, as well as providing necessary support to facilitate their compliance. We comply with the environmental laws and regulations of each country in which we run our businesses, and also adhere to this policy in situations that are not covered by local regulations or where special provisions do not exist.

**Composition of Environmental Management Policy**




Hyundai Motor Company Environmental Management Policy

**Environmental Management Implementation System** Hyundai follows the 'Plan-Do-Check-Action' process in advancing environmental management. This process consists of 1) complying with applicable laws and regulations, 2) developing and updating environmental management policies, 3) establishing an environmental management system and introducing management regulations, 3) reviewing environmental performance and data, 5) assessing risks and pursuing improvement, and 6) undertaking activities to improve environmental performance.

Our entire operations in Korea and overseas production plants are establishing their Environmental Management System (EMS) in accordance with ISO 14001, the international standard for environmental management system, while achieving ISO 14001 certification from third-party organizations to ensure reliability and credibility. Notably, our domestic sites have unified their EMS through the integrated ISO 14001 certification, thereby enhancing their environmental management and work efficiency. Plants which have acquired the ISO 14001 certification undergo annual audits by certification bodies, with renewal audits every three years, and implement improvement measures based on the results of the audits. The Hyundai Environmental Assessment Tool (HEAT), developed in-house by the supervising organization at the Headquarters, enables us to internally review and assess the environmental management practices of our global operations.

# Environmental Management

**Environmental Investment** To progress towards our mid-to long-term electrification strategy, we plan to invest KRW 120.5 trillion by 2033, comprising KRW 54.4 trillion in R&D, KRW 51.6 trillion in facilities, and KRW 14.4 trillion in strategic investment. Out of the KRW 1,279.5 billion allocated for environmental investments in 2024, KRW 971.6 billion was actually executed, and KRW 50.7 billion was directed toward environmental facilities to reduce environmental pollutant emissions from our operations in 2024. The environmental facility investments made at overseas operations are not included from the aggregated total. Meanwhile, we conduct environmental impact assessments (EIA) prior to making large-scale investments, such as new plant construction, to review potential environmental impacts and risks in advance.

**Response to Environmental Accidents and Regulations** Hyundai has set in place an emergency response system to take immediate measures in the event of an environmental accident, such as air/water/waste and chemical substance leakage, based on international safety, health & environment (SH&E) standards. Its headquarters and each business site have an emergency response organization and emergency contact system, and also have an emergency response manual that includes the status of disaster prevention facilities and equipment aimed at responding to environmental accidents and have employees familiarize themselves with the manual. In addition, we create an alternative scenario for environmental accidents and continually conduct an emergency response drill at each department. In particular, we estimate environmental accident cases that may occur at business sites, based on which departments disseminate and provide training on actually applicable response measures. Environmental technology exchange meetings are held quarterly among Hyundai Motor Group, the Korea Automobile & Mobility Association (KAMA), the Korea Enterprises Federation, and the Environmental Preservation Advisory Committee, ensuring environmental personnel from each company and business site engage in structured discussions and coordinated responses to environmental regulations and related issues.

**Environmental Training** Hyundai keeps its environmental training courses up to date each year to reflect environmental regulations, company-wide environmental management goals and plans, best practices of environmental management and matters required for performing key related duties, and benchmarking results while providing environmental training to environmental personnel for their competency enhancement. We also support employees in attending overseas forums, seminars, and exhibitions along with ISO auditor training. In 2024, such environmental training was completed by a total of 67,824 employees, with total training hours reaching 106,004 hours. Beyond employee training, we also support our suppliers with environment-related training programs. These include sustainability training courses made available on online platforms to communicate the necessity for environmental management and the roles of suppliers as well as separate in-person group trainings and seminars.

**Grievance Mechanism** We operate grievance mechanisms to receive environment-related concerns from employees and other varying stakeholders. Submitted grievances are handled according to the set procedures and standards and the results are notified accordingly If a grievance is likely to cause significant disruption to business operations or involves a high risk of regulatory violations such as adverse impact on local environments, the Legal Division intervenes to discuss appropriate countermeasures.

## Management of Environmental Performance

**Management of Environmental Goals** Through our environmental management implementation system, we set mid- to long-term performance goals for environmental factors that have a considerable environmental impact due to business operations such as carbon emissions. These goals are established by taking into account external economic conditions, government policies, and internal business strategies in addition to emissions and consumption projections based on business-as-usual scenarios. To counter climate change, we have set our 'carbon neutrality by 2045' goal encompassing the entire lifecycle from the extraction of raw materials to parts procurement, production, and vehicle operation. To achieve this goal, we are implementing strategic initiatives including our EV transition strategy and the RE100 of our business sites.

To drive quantitative improvements in environmental metrics except for carbon emissions, we are striving to curb increases in water consumption and waste generation which inevitably grow in proportion to production volumes. We also ensure that the discharge of pollutants from our business sites remains within the legally permissible limits.

### Environmental Management Goals and Implementation Status

| Classification | Mid- to long-term goal | Performance in 2024 |
|---|---|---|
| Transition to electric vehicles | Sell 840,000 EVs by 2027 and 2 million EVs by 2030 | • Sold a total of 757,195 units of eco-friendly vehicles<br>• Sold a total of 218,504 units of EVs |
| | Sell only EVs in Europe by 2035 | |
| | Sell only EVs in main markets by 2040 | |
| Carbon neutrality in our factories | Achieve RE100 by 2045 | • Renewable energy accounted for 16.7% of total electricity consumption in 2024<br>• Signed the nation's largest power purchase agreement (annual supply of 610GWh of renewable energy to domestic operations) |

**Evaluation of Environmental Management Performance** To improve environmental performance at our business sites, we manage site-specific KPIs including process efficiency improvements, GHG emissions reductions, renewable energy transition rates, and internal targets for environmental pollutant discharge. In particular, environmental pollutants from plants are monitored for their discharge volume: if year-on-year increases are observed, their causes are analyzed and actions are guided for improvement. In the area of products, we set and manage our fleet average fuel economy or $CO_2$ emissions, EV sales goal achievement rate, and others as KPIs.

**Environmental Risk and Opportunity Analysis** Hyundai carries out a materiality assessment on an annual basis. In this way, Hyundai identifies and determines the material impacts of its business activities on the environment as well as material risks and opportunities relating to climate change, the circular economy, pollutants, water consumption, and biodiversity. Sustainability assessments and due diligence conducted on our own sites and supply chains also help us identify adverse environmental impacts and risks across domestic/overseas operations and supply chains.

### Water Risk/Opportunity Analysis and Financial Impact

| | |
|---|---|
| Risk | According to the World Resources Institute (WRI), 17 countries in the Middle East, West Asia, and North Africa including India, Iran, and Pakistan which together account for nearly one fourth of the global population face the risk of water resources completely depleted over the mid-to long-term amid aggravating water shortages brought by climate change. As automotive manufacturing inherently consumes large quantities of industrial water for cooling/washing/painting processes, any disruption to reliable water supply may result in production delays or suspension. |
| Financial Impact | Hyundai has analyzed the potential financial impact of water scarcity due to changes in the physical environment over the mid- to long-term. We chose Hyundai Motor India, which is specifically exposed to high water risks, to calculate the magnitude of financial losses in the event of a production halt due to water shortages. Our assumptions were based on the 'Venue', a main model produced at the Indian plant, our 2024 sales in India and the vehicle price of KRW 21,700,00. Assuming that 10% of India's total sales are affected, the projected financial impacts amounted to KRW 1,319,208,100,000.<br><br>* Financial Impact Calculation<br>Number of vehicles sold in India in 2024 (609,934) × Magnitude of financial losses (10%) × Vehicle price (KRW 21,700,000) = KRW 1,319,208,100,000 |
| Specific Response Strategy | At our Indian plant, we are progressing towards 100% self-sufficiency in water supply by 2030 to fundamentally eliminate the risk of water shortages. To this end, we are redoubling our efforts to secure independent water sources by leveraging rainwater to reduce our dependence on external water resources all while expanding water recycling. To increase water recycling, we have established a zero-liquid discharge system enabling full recycling of water resources and are operating a rainwater harvesting system to reclaim rainwater per year, strengthening our capacity to secure in-house water resources. The rainwater harvested as such is stored across six reservoirs. |
| Opportu-nity | We consume large volumes of water in cooling/washing/painting processes for vehicle manufacturing, and our manufacturing operations span overseas production plants in the US, China, and India. Ensuring a stable water supply and efficient use of water within these processes is crucial for sustainable business activities. |
| Financial Impact | To reduce the amount of industrial water used in the automotive production process, Hyundai focuses on expanding its water recycling. As a result, we have recycled a total of 2,928,451 tons of water as of the end of 2024, thereby saving KRW 2,190,481,348 in operating costs.<br><br>* Financial Impact Calculation<br>Total amount of water recycled in 2024 (2,928,451 tons) × Cost per ton of water (KRW 748, based on 2024 rates in Korea) = KRW 2,190,481,348 |
| Detailed Response Strategy | Our Asan Plant and India Plant, located in water-stressed areas, utilize a zero wastewater discharge system and recycle processed water. At the Ulsan Plant, we established a wastewater recycling system that includes a water transfer pipeline. This system repurposes water discharged from the wastewater treatment plant as circulating water for cleaning dust collectors in the paint booths. By implementing such systems, we are reducing water-related costs by enhancing water recycling. |

# Response to Climate Change

Hyundai responds to climate change at a company level by identifying, assessing, and managing related risks and opportunities on a constant basis. We also have set major climate strategies through our climate change governance to analyze the potential impact of climate change on our business and respond to macroscopic changes in the business environment due to changes in laws and regulations. We identify various climate risk and opportunity factors, and preemptively respond to changing market demands through the expansion of eco-friendly mobility products and development of future mobility technologies such as autonomous driving and connected cars.

## Governance

### Responsibilities and Roles of the Highest Decision-Making Body

**Sustainability Management Committee** The Sustainability Management Committee, Hyundai's supreme decision-making body, is responsible for overseeing climate-related risks and opportunities, operating under the governance of the Board of Directors. According to Article 3 of the "Sustainability Management Committee Regulations" and Section 3 of the "Environmental Management Policy", the committee is responsible for deliberating and deciding on ESG policies, plans, and major activities. It reviews significant ESG issues, including climate change, semi-annually, and formulates and oversees strategic approaches to key issues, mid- to long-term plans, and improvement initiatives focusing on priority areas such as carbon reduction, climate change response, eco-friendliness throughout the product lifecycle, and supply chain ESG management.

### Responsibilities and Roles of Management

**Management Committee Meeting(MCM)** The Management Committee Meeting (MCM) attended by the CEOs and key executive members serves to regularly review carbon neutrality and other key ESG tasks and their progress. Based on these reviews, major risks, necessary performance improvements aligned with our mid/long-term business strategies, and matters requiring deliberation and approval by the highest decision-making body are escalated to the Sustainability Management Committee.

**Hyundai Motor Group Carbon Neutrality Committee** To address climate change and advance its net zero initiative at the Group level, Hyundai operates the Hyundai Motor Group Carbon Neutrality Committee. The Committee convenes annually, and is presided over by the Executive Chair of the Group and attended by the CEOs of major affiliates. This serves to comprehensively assess carbon neutrality strategies, implementation plans, and progress achieved at respective affiliates.

### Roles of Committee and Dedicated Teams

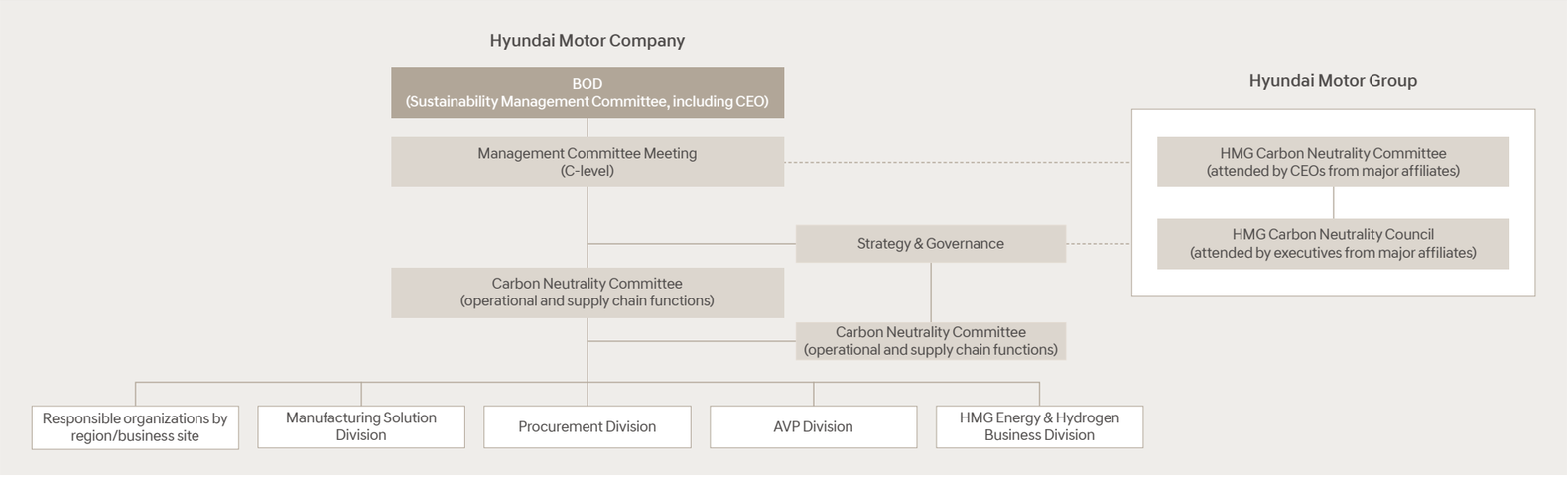
**Hyundai Motor Company Carbon Neutrality Committee** Hyundai operates the Carbon Neutrality Committee in each of the operational and supply chain functions under the leadership of the Carbon Neutrality Execution Team. The Committee, which consists of team leaders from relevant departments at the Headquarters, meets quarterly to drive net zero initiatives including improving operation site energy efficiency, increasing the use of renewable energy, and reducing supply chain carbon emissions.

**Company-wide Planning Organization** Starting with the launch of the Carbon Neutrality Execution Team in 2021, Hyundai has established dedicated carbon neutrality organizations at R&D, procurement and other relevant functions, paving the way to advance net zero initiatives across the board. This helps us further strengthen the execution of our mid-to long-term carbon neutrality roadmap along with reducing carbon emissions across the diverse domains of business operations.

**Hyundai Motor Group Carbon Neutrality Council** To achieve net zero emissions and attain emissions reduction targets at the Group level, the Hyundai Motor Group Carbon Neutrality Council was established in 2024. in 2024. The Council is composed of vice president-level executives from key Group affiliates and meets three times a year to regularly discuss Hyundai Motor Group's carbon neutrality implementation plans.

**Climate Change Governance**

Composition of the Sustainability Management Committee Board Member Training in 2024




**Key Agenda Items from the Perspective of Climate-Related Risks and Opportunities in 2024**

| Committee | Date | Classification | Key Agenda Items | Consideration for Climate-Related Risks and Opportunities |
|---|---|---|---|---|
| Sustainability Management Committee | Mar. 21 | Approved | Approval of 2024 ESG Enhancement Direction | Climate change risk analysis and financial impact estimation, carbon neutrality strategy advancement plan, etc. |
| | Nov. 27 | Approved | Approval of Hyundai's Carbon Neutrality Strategy Update | Review of reduction targets by area(site/supply chain/vehicle operation/carbon offset) and concretization of mid/long-term carbon reduction plans |

# Response to Climate Change

## Strategy

### Climate-Related Risks and Opportunities

#### Impact on Business Model and Value Chain

| Types | | | Risk/Opportunity | Impact on Business Model and Value Chain | Expected Impact | | |
|---|---|---|---|---|---|---|---|
| Transition | Risks | Current regulations | Policies and regulations for responding to climate change | • Strengthening of national cap-and-trade regulations and rising carbon prices<br>• National net-zero targets in place | ☑ Short-term | ☑ Mid-term | ☑ Long-term |
| | | New regulations | | • Imposition of carbon border taxes on products exported to the European and North American markets in line with the full-scale implementation of the EU Carbon Border Adjustment Mechanism(CBAM) and the U.S. Clean Competition Act(CCA)<br>• Intensifying competition of EV sales in the U.S. due to increasing EV subsidies under the U.S. Inflation Reduction Act | ☑ Short-term | ☑ Mid-term | ☑ Long-term |
| | | Technical | Acceleration of competition in developing eco-friendly vehicle technologies | • Loss of market share in the event of failure to lead technological change | ☑ Short-term | ☑ Mid-term | ☑ Long-term |
| | | Legal | Tightening of fuel efficiency regulations for internal combustion engine vehicles | • Increased cost of the response to fines for non-compliance<br>• Brand damage, disinvestment, and customer exodus due to fuel economy-related lawsuits | ☑ Short-term | ☑ Mid-term | ☑ Long-term |
| | | Market | Instability of raw material prices | • Rising raw material procurement costs due to the imbalance between EV battery demand and the supply of key materials (lithium, cobalt, nickel) | ☑ Short-term | ☑ Mid-term | ☑ Long-term |
| | | Reputation | Increased demand from investors and stakeholders for climate change action | • Brand damage, investment withdrawal, and customer disengagement in the event of failure to disclose and respond to climate change information | ☑ Short-term | ☑ Mid-term | ☑ Long-term |
| | Opportunities | Products and services | Acceleration of the transition to electrification | • Increase in EV sales due to the expansion of the electric vehicle market | ☑ Short-term | ☑ Mid-term | ☑ Long-term |
| | | Markets | Spread of technological innovations for responding to climate change | • Acceleration in achieving price parity for electric vehicles through technological innovation, leading to market expansion<br>• Revitalization of the hydrogen market due to climate tech R&D<br>• Acceleration of electrification via the spread of autonomous driving technologies based on AI | ☐ Short-term | ☑ Mid-term | ☑ Long-term |
| | | Energy sources | | • Reduction in energy costs through the transition to renewable energy (RE100), as the costs of renewable energy decrease due to technological advances | ☑ Short-term | ☑ Mid-term | ☑ Long-term |
| | | Resource efficiency | | • Improvement in material efficiency and expansion of recycling | ☐ Short-term | ☑ Mid-term | ☑ Long-term |
| Physical | Acute risks | | Extreme wind speed, wildfire, flood, hail/thunderstorms, precipitation | • Damage to asset values (buildings, equipment, inventory) and reduced revenue due to production interruptions caused by climate disasters | ☑ Short-term | ☑ Mid-term | ☑ Long-term |
| | Chronic risks | | Heat, droughts, cold waves | • Decrease in productivity due to chronic changes in climate patterns, resulting in reduced revenue | ☐ Short-term | ☑ Mid-term | ☑ Long-term |

**Scope and Period of Application of Climate Risk and Opportunity Management** The period and scope applied to the identification, assessment, and management of climate-related risks and opportunities at Hyundai are as follows:

| | |
|---|---|
| Application timelines | ☑ Short-term(0-3 years)<br>☑ Mid-term(3-10 years)<br>☑ Long-term(10-25 years) |
| Application scope | ☑ **Business sites:** All global operations(including new ones, expected facility life-cycle considered)<br>☑ **Upstream activities:** Purchased goods and services, capital goods, upstream distribution, etc.<br>☑ **Downstream activities:** Transportation, use(customers), end-of-life treatment and recycling, etc. |

### Strategy and Decision-Making

#### Efforts to Mitigate and Adapt to Climate Change

| Significant Risks and Opportunities | Direct and Indirect Mitigation and Adaptation Measures | | Key Contents |
|---|---|---|---|
| Policies and regulations for responding to climate change | 1 | Process and equipment change at business sites | Introduction of high-efficiency equipment to reduce GHG emissions |
| | | Facility relocation | Establishment of a new plant in Georgia, USA, to meet IRA requirements |
| | 4 | Changes in product specifications | Improvements in fuel efficiency and transition to electrification in response to the EU's Fitfor-55 and North America's GHG regulations |
| | 5 | Life cycle assessment (LCA) | Conduct of Full-LCA(Life Cycle Assessment) |
| | 6 | Supply chain and stakeholder collaboration | Management of supply chain risks in response to IRA and CBAM regulations |
| Acceleration of the transition to electrification | 3 | Product technology development | Application of the dedicated electric vehicle platform E-GMP |
| | | Facility relocation | Establishment of a new plant in Georgia, USA in order to target the North American electric vehicle market; construction of a new EV exclusive plant in Ulsan, Korea |
| | | Changes in product specifications | Improvement of electric vehicle charging times and reduction of production costs through expanded R&D |
| | | Supply chain and stakeholder collaboration | Demands for increased supply chain R&D for battery capacity improvement to reduce production costs |
| Technological innovations for responding to climate change | 2 | Transition to renewable energy | RE100 implementation through the construction of on-site photovoltaic infrastructure and power purchase agreement |
| | | Changes in product specifications | Expansion of R&D aimed at improving the fuel efficiency of internal combustion engine vehicles and enhancing EV charging time and range |
| | 6 | Supply chain and stakeholder collaboration | Establishment of a low-carbon logistics and transportation ecosystem |
| | 7 | Expansion of hydrogen business | Expand the hydrogen value chain and accelerate the transition to a hydrogen society |
| | 8 | Social carbon reduction | Development of technology for carbon capture and utilization, and implementation of the East Sea Seaweed Forest Project to acquire blue carbon |

# Response to Climate Change

## 1 Process and Facility Change at Business Sites

**Enhancing Energy Efficiency** Hyundai identifies opportunities for improvement through analysis and diagnostics of energy usage at each business site, and implements the solutions thus derived. Through energy diagnostics and inspection, improvement themes are identified, and investment plans are formulated by analyzing the characteristics of each process and facility. We have introduced an integrated global carbon emission management system and a smart plant energy management system to analyze our company-wide carbon emissions and energy consumption and make improvements accordingly. These systems will be rolled out across all our plants consecutively. Notably, the smart plant energy management system enables us to analyze equipment-level energy consumption, breakdown rates, losses resulting from their aging, and expected cost savings relative to investments made and to assess energy-intensive areas and high-priority improvement areas. Once improvement areas are identified, measures are implemented including the application of high-efficiency motors and inverters, the installation of regenerative power equipment, the development of low-temperature curing paints, and the recovery of waste heat. Work is also underway to develop DC power distribution and compressed air reduction technologies to improve power use efficiency. Related to these energy-saving and efficiency solutions, an investment of KRW 111.2 billion has been planned for the period 2021-2030 to achieve a reduction target of 250,412 MWh of electricity and 48,880,000 $Nm^3$ of LNG. After completing the energy-saving investment, a results report comparing the before and after performance is prepared to evaluate the progress and performance of the savings continuously. Furthermore, at each business site, employees receive education on energy-saving activities, technology, and facilities, as well as training on heating and cooling standards and energy waste prevention, in order to encourage energy-saving practices.

In addition, Hyundai has developed a low-temperature curing painting technique that reduces energy consumption and carbon dioxide emissions in the painting process, which accounts for about 43% of the energy used in the entire automobile manufacturing process. While the conventional top coat curing process is conducted at 140°C for 20 minutes, this new technique lowers the temperature to 90°C for the same duration, maintaining equivalent painting quality and yet reducing energy consumption by nearly 40%. This technique is scheduled for application at our Ulsan EV plant in 2026. In 2023, Hyundai Motor Türkiye Otomotiv A.Ş invested KRW 130 million to deploy the low-temperature curing painting technique, and Hyundai plans to invest KRW 2.6 billion by 2030 to expand its application across all global plants. This is expected to achieve an annual reduction of approximately 6,000,000$Nm^3$ in LNG consumption and 16,000t$CO_2$-eq in GHG emissions per year.

### GHG Reduction and Energy Saving Activities at Major Business Sites

• **R&D Center** The R&D Center in Korea is working to improve energy efficiency. To reduce energy consumption, measures are implemented each year including the efficient operation of transformers, adoption of energy-saving lighting controls, installation of high-efficiency lighting, power factor correction, and scale removal. In addition, the R&D Center uses steam supplied from heat generated during an external waste treatment process.

• **Ulsan Plant** The Ulsan Plant invested in equipment such as waste heat recovery processes at the material factory and replacement of heat sources for air conditioning units at the painting factory. By actively responding to government policies like energy mandatory diagnosis, power demand management, and 'KEEP30,' we continuously pursuing reductions in GHG emissions.

• **Asan Plant** To reduce Scope 1(direct combustion) emissions, the Asan Plant remains committed to the efficient use of thermal energy by reusing RTO exhaust heat from the painting shop, the deployment of new ion heating technology for decentralized hot water system operations, and direct molten metal supply at the materials shop.

• **Jeonju Plant** The Jeonju Plant continues with its activities for net-zero by promoting efficient energy use and renewable energy generation through improved efficiency and management of production facilities to achieve GHG emissions reduction. As part of its efforts to improve the efficiency of production equipment, the Plant deployed an ultra-energy-saving circuit system for the machining equipment at the engine shop and installed high-efficiency motors at the painting shop. The Plant also installed an integrated HVAC control system for plant operations, ensuring efficient heating and cooling operations through monitoring controls.

• **Hyundai Motor Manufacturing Czech** The plant operates its own cross-functional team(CFT) for energy saving, setting targets for energy consumption reduction and making corresponding investments. In 2024, its air shower system was improved, and regular air leak inspections were conducted on its assembly line, continuing with energy efficiency improvements.

• **Hyundai Motor Manufacturing Indonesia** The plant continues identifying areas requiring energy saving through the energy committee. Specific improvements include lowering the oven temperature at the painting shop, adjusting the number of engines washing machines under operation, and improving the efficiency of HVAC operations.

• **Beijing Hyundai Motor Company** The plant is identifying equipment and facilities with excessive energy consumption and focusing on their management for energy savings and efficiency improvement. By controlling the oven temperature at the painting shop, the subsidiary successfully reduced its energy loss.

• **HTWO Guangzhou** HTWO is operating utilities and HVAC facilities in sync with the operational demand from its production and research facilities, and strives to improve energy efficiency by using thermal storage in chilled water supply pipes during low cooling demand.

**BUSINESS CASE**

## Best Energy-Saving Practice at the Asan Plant

**Improving the Efficiency of Steam Energy Use**

Our Asan Plant was awarded at a range of internal and external competitions in recognition of its innovative improvement efforts and their achievements in saving energy costs and reducing carbon emissions. These include the President Award for the Best EPS Demonstration Practice by the Korea Energy Agency, the President Award at the Carbon Reduction Competition hosted by the Ministry of Environment and the SDX Foundation, and the Grand Prize at the Hyundai Hero Honors Awards hosted to reward the best-performing employees for the year.

The Asan Plant took note of heat loss generated from long-distance steam supply between the powerhouse and the point of use as well as waste heat from boiler blowdown or flash steam. To address these issues, the Plant first deployed an ion heating system to improve the heat exchange process, upgrading its hot water heating method while installing small-sized boilers at the point of use to minimize heat loss from long-distance steam transmission. In addition, an optimized boiler waste heat recovery system tailored for shopfloor conditions was established to successfully enhance energy efficiency. These improvement efforts enabled the Plant to save over KRW 1.45 billion in annual energy costs while reducing annual carbon emissions by around 2,456t$CO_2$-eq.

These initiatives not only helped Hyundai dramatically improve its steam and thermal energy management and improvement capabilities but also created social value by providing standardization technology support for suppliers.







1. Hyundai Hero Honors 2024 Awards
2. Ion heating system equipment

# Response to Climate Change

## 2 Transition to Renewable Energy

**RE100 Implementation Plan** Hyundai, along with other major Group affiliates of Kia, Hyundai MOBIS, and Hyundai WIA, declared our commitment to the global initiative RE100 in July 2021, aiming for 100% renewable energy transition for electricity. In April 2022, this commitment was approved. Hyundai now aims to achieve 100% renewable energy transition by 2045, ahead of the RE100's target year, 2050. To achieve this goal, we take into account the renewable energy supply environment, government policies and regulations, and plant-specific conditions in each country. We plan to install solar panels, purchase renewable energy certificates, and establish power purchase agreements(PPAs) with external renewable energy generators. The aim is to gradually expand the use of renewable energy until 2045 by applying optimal solutions. All of our business sites in North and Central America(the U.S., Mexico, etc.), Europe(Czech, Türkiye, etc.), and India have set a target to achieve RE100 by 2025.

### Adoption of Renewable Energy at Major Business Sites

• **Domestic Operations** In 2024, Hyundai signed the nation's largest renewable Power Purchase Agreement (PPA) under which 610GWh renewable energy will be supplied to its domestic operations for the next 20 years. This is expected to help us reduce annual GHG emissions of nearly 280,000 tons, and the resulting reliability in power sourcing will accelerate the transition to renewable energy across our domestic operations. At our Ulsan, Asan, and Jeonju Plants, photovoltaic power generators with a total capacity of over 15MW were completed on employee parking lots, staging yards and plant rooftops to build infrastructure for off-grid solar power generation. Moving forward, we will continue expanding photovoltaic power generation facilities for on-site power generation and consumption.

• **R&D Center** The R&D Center in Korea is currently operating photovoltaic power generators with nearly 4MW capacity, and plans to add approximately 8MW by 2026. Hyundai Motor Europe Technical Center is currently installing approximately 130kW of on-site photovoltaic power generators in its new research building, with operations scheduled to begin in 2025.

• **Hyundai Motor Manufacturing Czech** The plant achieved its RE100 commitments by making a 100% switch to renewable energy to power its operations in 2022. Even after this accomplishment, the plant will complete the installation of photovoltaic power generators on plant rooftops in 2025 to raise the proportion of on-site renewable energy power generation.

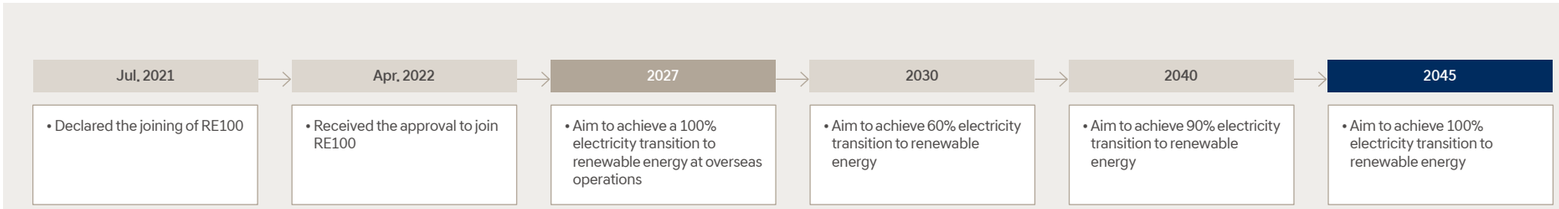
• **Hyundai Motor Manufacturing Indonesia** The plant has signed REC forward purchase agreements since 2023 to source renewable energy and operate on-site photovoltaic power generators, successfully delivering on its RE100 commitments. In 2025, the subsidiary will initiate the construction of another photovoltaic power generator with nearly 11MW capacity within the plant.

• **Hyundai Motor Türkiye Otomotiv A.Ş** In 2024, the plant shifted more than 90% of its power consumption to renewable energy through REC purchases. In the second half of 2025, the plant plans to complete and operate on-site photovoltaic power generators with a capacity of approximately 5MW to internally supply renewable energy.

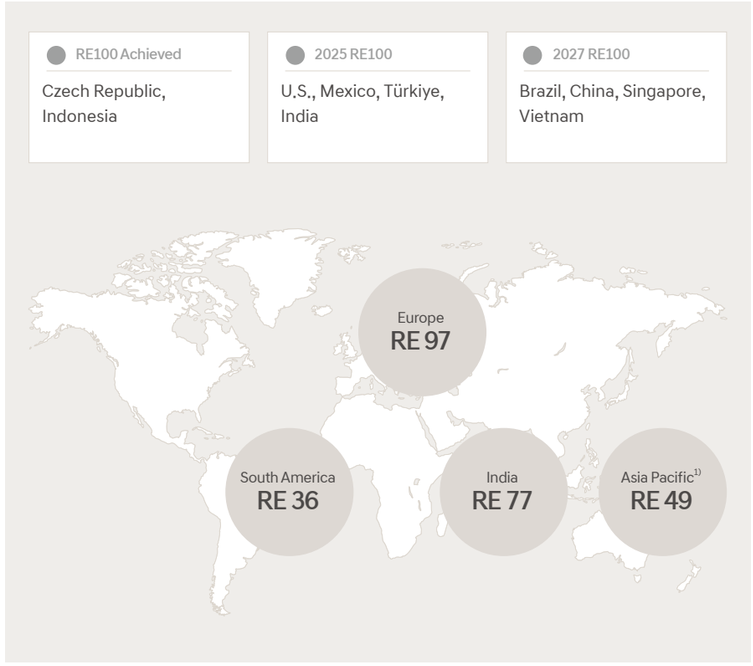
• **Hyundai Motor India** In 2024, the plant shifted more than 70% of its power consumption to renewable energy. The plant plans to achieve its RE100 goal by 2025 by continuously expanding the purchase of renewable energy through PPA signing and trading on the Indian Energy Exchange(IEX), along with on-site photovoltaic power generation.

• **HMGMA** In 2024, Hyundai, in conjunction with Hyundai Mobis, Hyundai Steel, Hyundai Transys and other Group affiliate, signed a 15-year renewable Power Purchase Agreement (PPA) for their subsidiaries in the state of Georgia, the U.S. This will support Hyundai's new EV plant Hyundai Motor Group Metaplant America (HMGMA) and other Georgia-based subsidiaries which supply electrification parts and EV steel sheets to HMGMA to source 378GWh of renewable energy annually, equivalent to an annual reduction of approximately 140,000 tons of carbon emissions.

**RE100 Roadmap**




**RE100 Implementation Status of 2024 (Overseas Production Sites)**




| Business Sites | | Renewable Energy Transition Rate |
|---|---|---|
| Europe | HMMC | 100% |
| | HMTR | 91% |
| India | HMI | 77% |
| South America | HMCSA | 36% |
| Asia Pacific | HMMI | 100% |
| | BHMC | 32% |
| | HTWO Guangzhou | 45% |

1) Excluding HMGICS

# Response to Climate Change

## 3 Transition to Electrification

**Transition Direction of Electrification** Hyundai does its utmost to achieve carbon neutrality by 2045 by promoting carbon reduction in our vehicle sales. To accomplish this, we are transitioning our business structure from internal combustion engine vehicles to an electrificationfocused approach. Hyundai is continuously developing and producing not only hybrid and PHEVs but also EVs and FCEVs that have zero carbon emissions during operation. Hyundai is prioritizing the development of EV-focused technologies, such as the E-GMP (Electronic-Global Modular Platform), and enhancing the performance of hydrogen fuel cell systems that can be applied to a variety of types of vehicles, including passenger cars and commercial vehicles. Additionally, we are actively driving the expansion of electric and hydrogen infrastructure to ensure convenient and accessible charging and refueling facilities anytime and anywhere. As a Mobility Solution Provider, we are not only focused on improving the hardware performance of mobility devices but also on strengthening our software capabilities to consistently provide optimized services, generate revenue, and promote sustainable development.

**Mid- to Long-Term Electrification Strategy** To achieve the goals of the 2030 electrification strategy, we are implementing a comprehensive battery strategy that includes expanding production in regions with high demand for electric vehicles, developing next-generation battery technologies, and modularizing batteries, as well as enhancing the marketability of EVs by integrating hardware and software. Specifically, to achieve carbon neutrality, we are accelerating the transition to electrification, with the goals of 100% electrification in the European market by 2035 and 100% electrification in major markets by 2040. The company's share of the global sales of EVs is expected to increase to 36% by 2030, in line with plans to expand regional production through line conversions and new plant establishments, moving away from production centered in Korea.

**Electrification Plan** Since 2024, the pace of electrification has been slowing down amid easing environmental regulations and reduced EV subsidies in the U.S. EU and other key countries. The electrification of mobility, however, is central to the global initiative to combat climate change, and the transition to electrification is both the ultimate goal and strategic direction of the mobility industry. In this context, Hyundai remains steadfast in pursuing electrification strategies from the long-term perspective despite uncertainties caused by the deceleration of the electrification drive. Our short-term approach is to ensure agility in navigating fluctuating market demand through flexible sales strategies while building our leadership in the EV market by strengthening EV production capabilities and advancing differentiated battery technologies, shaping the future of electrification.

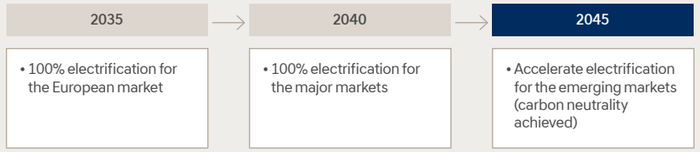
• **Responding to Market Demand** The demand for hybrid electric vehicles (HEV) is expected to rise continuously in line with the decelerating pace of electrification. Along with TMED (Transmission Mounted Electric Device)-II, the next-generation hybrid system that we developed in-house, we are adopting premium technologies tailored for hybrid models including smart regenerative braking and V2L (Vehicle-to-Load) technology, reinforcing the commercial viability and cost competitiveness of our hybrid offerings. We also expanded our hybrid lineup from seven to 14 models covering compact, large-sized and luxury segments to fully cater to consumer needs. By boosting hybrid vehicle sales, we aim to achieve 1.33 million units in global sales by 2028, which is up by over 40% from our 2023 global sales plan. To achieve this goal, we moved ahead in leveraging the mixed-model production system of our major global plants and securing parts supply chains. Additional production capacity available at HMGMA in North America will help us serve the North American market where hybrid demand is forecast to expand consistently by 2030.

EREVs(Extended Range Electrified Vehicle) combine the strengths of both ICE vehicles and EVs: while they are powered solely by electricity just as EVs in normal operations, their batteries are recharged by the engine when power runs low. Drawing on eco-friendliness and competitive pricing, EREVs are noted for their potential to catalyze the transition from conventional ICE vehicles to EVs during the upcoming recovery of EV demand. Hyundai will initiate the mass-production of EREVs in North America and China at the end of 2026, and set a goal of achieving over 110,000 units in EREV sales by 2030, with a focus on large-sized SUVs in North America and affordable C-segment platform models in China.

In the short-term, we are catering to market demand through our hybrid models and EREVs while progressively ramping up our EV lineup in anticipation of a recovery in electrification demand by 2030, maintaining our initial goal of 2 million EV sales. We aim to establish our EV lineup spanning from budget to luxury and high-performance models while delivering a total of 21 EV models, providing diversified and differentiated EV experiences to consumers and taking the lead in the EV market.

• **Boosting Production Capacity** Hyundai caters to market demand through global plant construction/expansion and maximum facility utilization. Specifically, our HMGICS in Singapore serves as a hub for developing and testing innovative production technology: HMGICS deploys robotics, AI, digital twin systems and other smart technologies while operating as a sustainable manufacturing facility, independently generating approx. 2GWh of energy each year with its photovoltaic power generators. We plan to roll out HMGICS' innovative technologies to HMGMA in the U.S. to better position ourselves to navigate the transition to electrification. HMGMA in the U.S. is capable of producing up to 500,000 units per year. Having initiated its operations in Q4 2024, HMGMA has been producing the IONIQ 5 and IONIQ 9 since 2025 and is poised to play a pivotal role in building our leadership in the North American electrification market in the years ahead.

### Vehicle Electrification Roadmap

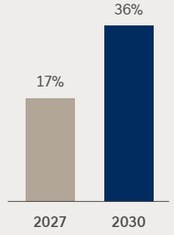



### 2030 EV Sales Target[1)]

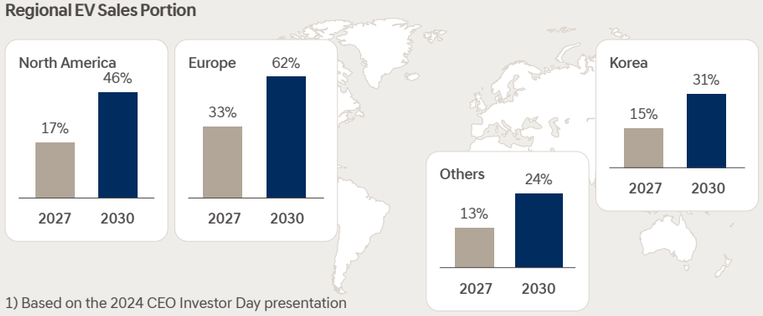
**Continuously expanding our top-tier leadership in the global EV market through reinforced product competitiveness and production capabilities**

**Global EV Sales** (Unit: 1,000 vehicles)

| | 2027 | 2030 |
|---|---|---|
| Korea | 98 | 212 |
| Europe | 224 | 467 |
| North America | 229 | 690 |
| Others | 290 | 631 |
| | 841 (17% of total sales) | 2,000 (36% of total sales) |




**Regional EV Sales Portion**




1) Based on the 2024 CEO Investor Day presentation

# Response to Climate Change

• **Internalizing Battery Development Capabilities** Batteries are instrumental in determining the competitive strengths of EVs in terms of cost, driving range, and convenience, and also hold paramount importance from the consumers' perspective. From cell-level and system designs applied to all EVs, hybrids, and plug-in hybrids to BMS(Battery Management System) and battery stability enhancement technology, Hyundai delivers differentiated solutions to establish its global leadership in the electrification market.

To expedite the development of next-generation battery technologies including all-solid-state batteries and verify their mass-producibility, Hyundai Motor Group completed a next-generation battery research wing at the Uiwang R&D Center in 2024. This new facility will be responsible for developing all-solid-state batteries and other advanced battery technologies at scale. Drawing on the technology and expertise gained through in-house battery design efforts, we aim to pilot the mass-production of EVs equipped with all-solid-state batteries in 2025 and initiate their full-scale mass-production around 2030.

Hyundai is also focused on advancing innovative EV battery technologies essential for the transition to sustainable mobility. In September 2024, we formed strategic partnerships with Hyundai Steel and EcoPro BM to develop cathode technologies for next-generation LFP(Lithium Iron Phosphate) batteries. As part of our efforts for eco-friendly process innovation, we are developing 'direct synthesis' methods which eliminate the precursor production phase, reducing the use of hazardous substances all while securing cost competitiveness. By internalizing these battery material technologies, Hyundai is expected to accelerate its dominance in the EV market and enhance the group's technological competitiveness.

As a strategic move to bridge the EV chasm, Hyundai is committed to building competitive battery solutions that meet the needs of diverse customers. To this end, we are developing entry-level NCM batteries that are more than 10% affordable compared to existing ones, in addition to performance-driven NCM batteries and cost-effective LFP batteries. We successfully improved battery energy density by over 20% compared to 2024 as part of our efforts to diversify battery chemistries. In so doing, we progress towards our 2030 EV sales goal and prepare solutions to deliver performance for eco-friendly mobility.

Our BMS (Battery Management System) supports real-time cell diagnostics, identification of abnormal sign, and early detection of potential defects. We are also developing battery life management technologies that monitor battery health using AI models, continuously advancing safety features. In terms of battery systems, we are working on emergency vents, fire-resistant materials, and structures preventing thermal propagation irrespective of cell form factor. These efforts ultimately aim to limit heat transfer between cells in the event of a fire, helping to enhance EV safety and laying the groundwork for the broader adoption of EVs.

## Expanding Eco-friendly Vehicles

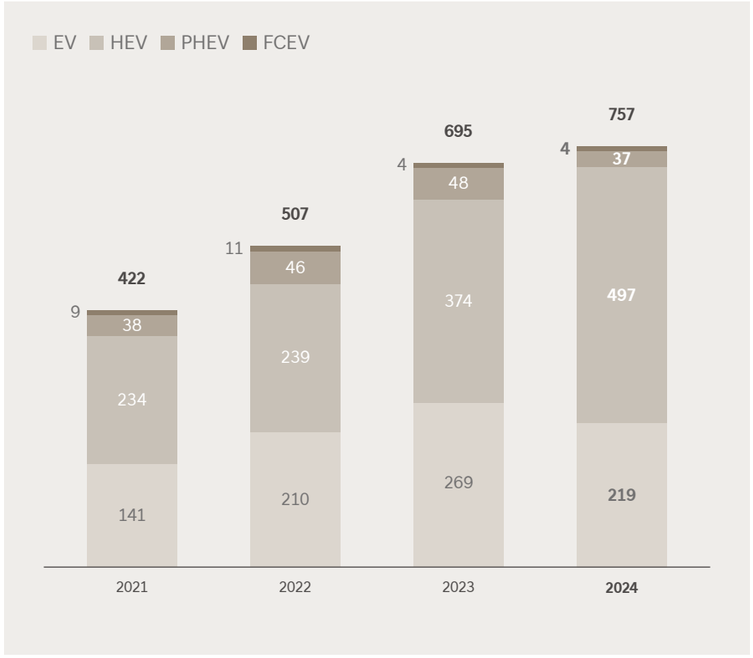
• **EV** EV Hyundai launched the dedicated eco-friendly model of the IONIQ in 2016 and introduced the Kona EV, a compact SUV electric vehicle, in 2018. We then unveiled the IONIQ brand, based on the E-GMP platform, in 2020, followed by the release of the IONIQ 5 in 2021 and the IONIQ 6 in 2022, and the IONIQ 9 in 2025. In April 2024, we launched two logistics-specialized models, the "Cargo" and the "Cargo Refrigerated", on our new electrification business platform "ST1."

• **HEV and PHEV** Hybrid models are available for all models except for large SUVs and small sedans such as IONIQ, Elantra(AVANTE), Kona, Sonata, Tucson, Santa Fe, and Grandeur. We are also offering a plug-in hybrid lineup in our IONIQ, Sonata, Tucson, and Santa Fe models. By 2030, Hyundai aims to expand hybrid and plug-in hybrid sales to account for 23.5% of total sales.

• **Fuel Cell Electric Vehicle(FCEV)** The NEXO that Hyundai unveiled in 2018 is a leading FCEV with a maximum driving range of 611km (US certification) and a charging time of about five minutes(6.33kg per charge). In 2025, we released the second-generation NEXO, a completely redesigned model with enhanced performance. We are expanding our leadership in FCEV, mass-producing Elec-City fuel cell buses and XCIENT fuel cell heavy-duty trucks. In October 2024, Hyundai premiered INITIUM as a FCEV concept car, steadily broadening its FCEV lineup to expedite the transition to a hydrogen society. Our 2024 FCEV sales amounted to nearly 4,000 units.

• **Other Alternative Fuel Vehicles** Hyundai continues releasing regional specialty, alternative fuel models powered by bioethanol and compressed natural gas(CNG) among others. Our flex-fuel model HB20 was designed to meet the bioethanol demand of Latin America. Our aim is to raise the proportion of flex-fuel vehicles and LPG vehicles to 3.6% and 0.5% respectively by 2030.

**Global Sales of Eco-Friendly Vehicles** (Unit: 1,000 vehicles)




**Sales of Alternative Fuel Vehicles** (Unit: vehicles)

| | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Flex-fuel vehicles | 186,573 | 195,485 | 191,348 | 200,253 |
| CNG vehicles | 1,489 | 1,581 | 1,180 | 913 |
| LPG vehicles | 48,851 | 42,803 | 41,495 | 99,111 |
| **Total** | **236,913** | **239,869** | **234,023** | **300,277** |

# Response to Climate Change

**Optimizing EV Battery Performance and Efficiency** Hyundai's dedicated EV batteries are designed to provide a maximum driving range of 250,000 to 300,000 kilometers when reaching 70-80% of battery performance. This translates to a cumulative usage of 12 to 15 years when assuming an annual driving distance of 20,000 kilometers. Lithium-ion batteries that are commonly used in EVs perform at their best when temperatures range between 25°C and 35°C, delivering optimal charging speeds and extended driving range. Hyundai is developing and applying a suite of 'thermal management technologies' to maintain battery temperatures within this ideal range. In particular, Hyundai Motor Group's battery preheating technology is drawing attention for its benefits in preventing battery depletion during winter. Hyundai Motor Company's preheating technology is designed to place a heater at the inlet of coolant which regulates battery pack temperature. The heater serves to warm up the coolant and this raises the battery temperature as a result. To ensure thermal management does not compromise driving range, we are also working on an 'external thermal management station' that harnesses external energy from charging stations. This technology optimizes battery temperatures by injecting pre-conditioned coolant into the battery during charging, maintaining the battery's state of charge while controlling battery temperatures to maximize charging speeds.

Hyundai is developing technologies that enhance user convenience as well as battery performance. A prime example is the 'battery conditioning mode', a feature adopted for EVs that leverages battery heaters. This mode is activated when a user sets a fast charging station as a waypoint or destination on the navigation system, and serves to regulate battery temperatures during driving, reducing initial charging resistance and shorten overall charging time accordingly. Aside from this, we are engaging in R&D efforts on a variety of battery technologies and structural designs, including battery cell density improvement and advanced battery materials, doing our part in bringing EVs into the mainstream.

**Certified Energy Efficiency by EV Model**

| Model | Korea(Combined)[1)] | Europe(WLTP)[2)] | U.S.(EPA)[2)] |
|---|---|---|---|
| Electrified G80 | 4.3 km/kWh | 19.1 kWh/100km | 97 MPGe |
| Electrified GV70 | 4.6 km/kWh | 19.2 kWh/100km | 91 MPGe |
| Electrified GV60 | 5.1 km/kWh | 17.0 kWh/100km | 112 MPGe |
| Kona Electric | 5.5 km/kWh | 14.7 kWh/100km | 120 MPGe |
| IONIQ 5 | 5.2 km/kWh | 17.0 kWh/100km | 114 MPGe |
| IONIQ 6 | 6.0 km/kWh | 14.3 kWh/100km | 140 MPGe |

1) Electrified G80(19-inch, 2,265 kg), Electrified GV70(19-inch, 2,230 kg), GV60(standard 2WD), Kona Electric(long range, 1,720kg), IONIQ 5(long-range 2WD exclusive, without built-in cam), IONIQ 6(long-range 2WD, 18-inch)
2) Europe and the U.S. make distinctions based on the representative TRIM standards for each model

## 4 Improving Fuel Economy

**Enhancing the Public Confidence in Fuel Economy Testing** Hyundai complies with the fuel economy regulations of key markets such as Korea, North America, Europe, China, and India. To obtain fuel economy certification, we conduct tests according to the standards of each country. To enhance the reliability of fuel economy and emission measurements conducted in controlled conditions(on-cycle), Hyundai undergoes inspections of fuel economy measuring equipment by external specialized organizations such as the Korea Laboratory Accreditation Scheme(KOLAS) and the Korea Automotive Technology Institute(KATECH). Furthermore, Hyundai collaborates with a variety of government research institutes and conducts fuel economy tests jointly to ensure public confidence in the accuracy of the fuel economy measurement results. The results of on-cycle and off-cycle test comparative analysis are reported to the executive in charge of R&D at least once a year. This report is delivered to ESG Planning Team which is responsible for ESG risks annually.

• **Real-Road(Off-Cycle) Fuel Economy Test** The vehicle fuel economy is influenced by a variety of factors, including internal factors such as gear shifting, vehicle weight, and air conditioning, as well as external factors like road conditions and traffic congestion. In light of this, Hyundai conducts fuel economy tests not only in controlled conditions(on-cycle) considering a variety of factors but also performs off-cycle tests that simulate real-world driving profiles.

• **Collaboration with Third-Party Agencies** Hyundai conducts correlation analysis between the fuel economy test results obtained from real-world(off-cycle) tests and those of other organizations. In the U.S. market, we compare our fuel economy data with those published by third-party organizations such as the EPA, J.D. Power, and Consumer Reports. In the European market, comparisons are made with data from third-party organizations such as Green NCAP, Auto Bild, and Spritmonitor. By comparing the fuel economy measurement results with those of third-party organizations in each country, we enhance the credibility of our own fuel economy test results.

**Responding to Fleet average $CO_2$ standards(Fuel Economy) in Major Markets** The fleet average $CO_2$ standards or corporate average fuel economy regulations, implemented in major countries, are continuously being strengthened to achieve their carbon reduction targets. In the EU, regulatory targets have been adopted to reduce passenger car $CO_2$ emissions by 55% by 2030 compared to 2021 and achieve complete decarbonization of vehicle $CO_2$ emissions by 2035. The U.S. government has announced regulations to increase the fuel economy target to 49.1 miles per gallon (mpg) by 2026. They have also set a target to replace 50% of new vehicle sales with electrified vehicles (including EVs, PHEVs, and FCEVs) by 2030. The government of California in the U.S. plans to replace 35% of new vehicle sales with zero-emission vehicles (including EVs) starting from 2026, increasing to 68% by 2030, and has set plans to prohibit the sale of new internal combustion engine vehicles starting from 2035.

We will respond to increasingly stringent $CO_2$ regulations in respective key markets to expand our electric vehicle sales, thereby reducing regional fleet average carbon emissions. In planning annual sales volumes, we calculate regulation-compliant volumes including EV sales and incorporate them in the planning process.

# Response to Climate Change

**Responding to Fleet average $CO_2$ standards(Fuel Economy) in Major Markets**

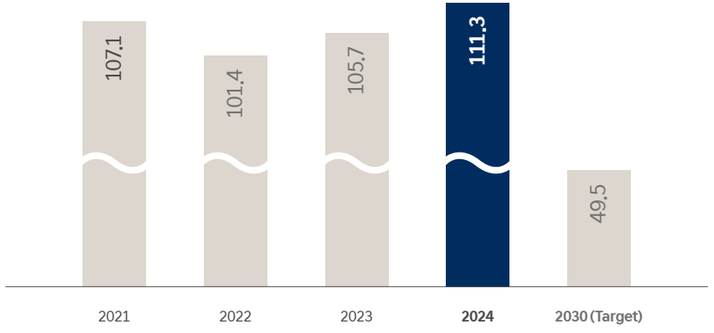
## Korea

South Korea has strengthened its automotive GHG regulations, requiring a reduction in vehicle emissions from 97g/km in 2020 to 89g/km in 2025 and 70g/km by 2030.
Exceeding the emission standards results in an administrative fine of KRW 50,000 per gram. In addition, the Korean government has presented a basic plan to reduce emissions by 24% by distributing 2.83 million eco-friendly vehicles, including electric and hydrogen vehicles and hybrids, by 2025, and 7.85 million vehicles by 2030.

## EU

The EU has finalized its goals through a resolution by the European Parliament, with an aim to achieve a 15% reduction by 2025 and a 55% by 2030 compared to the levels in 2021. In addition, the EU has set a goal to achieve a 100% reduction in emissions from passenger cars by 2035. As a result of these regulations, starting from 2035, the sale of new ICEVs in the EU market will be practically impossible. Furthermore, countries like Norway, the Netherlands, and Germany are even pursuing individual national policies to prohibit the sale of new internal combustion engine vehicles earlier than 2035.

Average $CO_2$ Emissions in the EU (Unit: g/km)

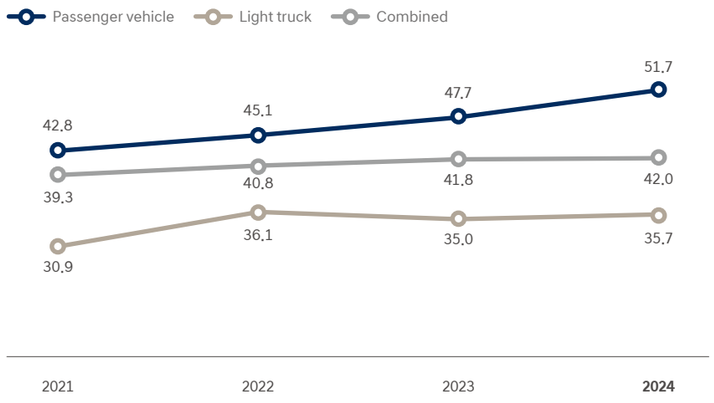



* The figure for 2024 is based on our sales performance and is our own estimate. Going forward the final confirmation of the figures by the EC will be necessary.

## U.S.

The U.S. government has increased their average fuel economy target from 40 miles(64.4km) per gallon to 49.1 miles(79km) per gallon by MY(Model Year) 2026. They have also set a goal to reduce greenhouse gas emissions from 224 grams per mile to 161 grams per mile by MY 2026. Furthermore, both the federal and state governments are expanding incentives for the transition to eco-friendly vehicles through increased purchase subsidies. The federal government has set a goal to transition 50% of all vehicles, including electric vehicles(EVs), to zero-emission vehicles by MY 2030. Additionally, the California state government is pursuing a policy to ban the sale of internal combustion engine vehicles starting in MY 2035.

Average Fuel Economy in the U.S. (Unit: mpg)

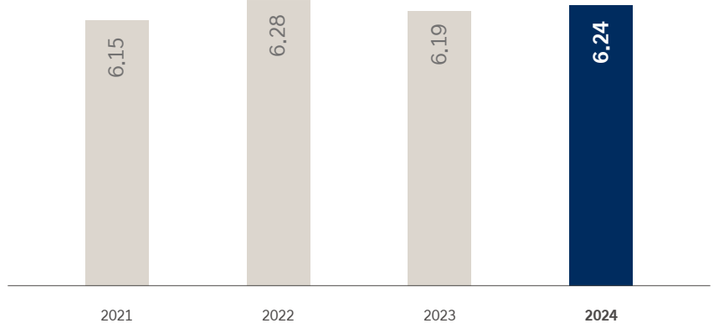



* The average fuel economy in the U.S. and China is determined annually based on the average fuel economy performance of individual car brands as disclosed by the respective government agencies(NHTSA) in the U.S. and the Ministry of State Security in China
** The figure for MY 2024 is based on our sales performance and is our own estimate. Going forward the final confirmation of the figures by the NHTSA will be necessary.

## China

The Chinese government is also continuously strengthening fuel efficiency regulations and enhancing the mandatory sales requirements for new energy vehicles(NEVs), including EVs. In particular, they aim to progressively increase the mandatory sales share of NEVs, reaching 20% by 2025, 40% by 2030, and 50% by 2035. Additionally, they have set a target for EVs to account for over 95% of NEV sales by 2035.

Average Fuel Economy in China (Unit: L/100km)




* The figure for 2024 is based on our sales performance and is our own estimate. Going forward the final confirmation of the figures by the Ministry of State Security in China will be necessary.

# Response to Climate Change

## 5 Life Cycle Assessment (LCA)

**LCA Methodology** Hyundai conducts life cycle assessments(LCA) based on ISO 14040 and 14044 international standards to assess the environmental impacts throughout the entire process of vehicle production, including raw material acquisition, part manufacturing, part transportation, vehicle manufacturing, vehicle distribution, vehicle operation, and end-of life treatment. As of 2024, the proportion of vehicle models that underwent LCA was 62.2%. The LCA was conducted using the full-LCA methodology for all vehicle models.

We conduct LCAs using the EF(Environmental Footprint) 3.1 methodology of the EU PEF[1], assessing 13 impact categories including climate change(GWP), ozone depletion, particulate matter, ionizing radiation, photochemical ozone formation, acidification, eutrophication(terrestrial, freshwater, marine), land use, water depletion, and resource use(minerals, metals, and fossil fuels). As for vehicle transport and distribution, use of electricity and other energy sources, and pollution discharges, we utilized actual data measured from our operations. In the EV operational phase, impacts on future electricity generation were estimated based on the nation's 'Basic Electricity Supply/Demand Plan'.

Hyundai's LCA process was verified by an external certification body(TÜV Rheinland) for its compliance with ISO 14040/44 and its scientific and technical validity, demonstrating its LCA practices are aligned with pertinent international standards.

1) EU Product Environmental Footprint: EU's methodology to assess the environmental impacts of products

**Use of LCA** Hyundai comprehensively analyzes the environmental impacts at each stage of the entire process based on the results of LCA. Using this information, we identify and promote activities to improve the environmental aspects of our vehicles. In the raw material acquisition stage, we are expanding the use of reduced-carbon steel and aluminum materials. In the part-manufacturing and vehicle-manufacturing stages, we are committed to carbon neutrality through initiatives like RE100 and resource circulation. When developing new models, we aim to minimize environmental impacts by considering LCA.

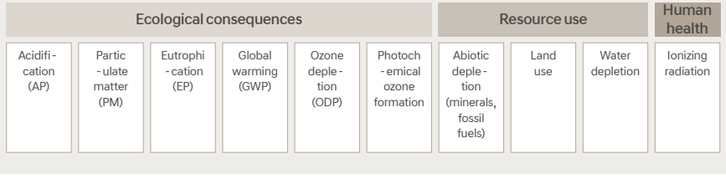
**LCA Results** In 2024, additional LCA were completed for 15 models, bringing the cumulative total of vehicles assessed by LCA up to that year to 36 models. The part manufacturing stage that is not currently included will be further refined and supplemented by updating LCA methodologies.

### Life Cycle Stages Covered by LCA

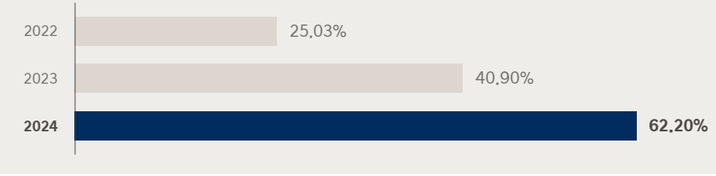



2) These stages were excluded from Hyundai's LCA conducted in 2024, but there are plans for their gradual inclusion from 2025

### Impacts Covered by LCA




### Sales Ratio of Vehicles with Full-LCA Conducted

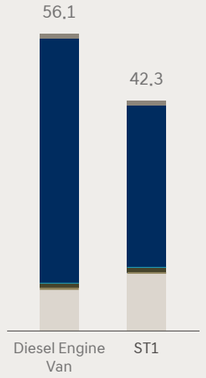



**BUSINESS CASE**

## Conducting LCAs on Hyundai's 1st PBV (ST1) in 2024

For Hyundai, LCAs serve as a valuable tool for quantifying the potential environmental impacts of its vehicles, identifying specific areas for improvements and enhancing overall environmental performance. In 2024, we conducted LCAs on newly-released Santa Fe and Casper EV models and the ST1 as well as the Sonata, a key model in our existing lineup. Notably, the ST1 is Korea's 1st PBV(Purpose Built Vehicle) and is adaptable to various formats according to user-defined purpose based on our electrification business platform. Combining autonomous driving with eco-friendly electrification technology, the ST1 is drawing attention as a critical solution for future mobility.

The LCA results showed that the Global Warming Potential($tCO_2$-eq) of the ST1 is nearly 25% lower than that of diesel engine van models. Powered by electricity, the ST1 emits no GHG during operation and demonstrates clear environmental advantages over existing diesel engine vans even when accounting for environmental impact resulting from electricity generation. Meanwhile, the ST1 consumes various resources that are not needed in ICE vehicles and produces relatively greater environmental impacts in the raw material extraction stage. As the adoption of renewable energy gradually reduces the environmental impact of electricity production, this will further highlight the importance of environmental impacts during the raw material extraction phase from the lifecycle perspective. In response, Hyundai is committed to identifying alternative parts and developing and applying eco-friendly recycled materials.




(unit: $tCO_2$-eq/vehicle)

| Life Cycle Stages | Diesel Engine Van | ST1 |
|---|---|---|
| Acquisition of raw materials | 9.0 | 11.7 |
| Transportation of components | 0.04 | 0.04 |
| Manufacturing of vehicles | 0.5 | 0.3 |
| Distribution of vehicles | 0.1 | 0.1 |
| Operation of vehicles | 45.8 | 29.7 |
| End-of-life treatment | 0.7 | 0.6 |
| **Total** | **56.1** | **42.3** |

Raw material acquisition
Part transportation
Vehicle manufacturing
Vehicle distribution
Vehicle use
End-of-life treatment

* Based on ST1 for non-installation of special equipment

# Response to Climate Change

## 6 Carbon Reduction in the Supply Chain

**2025 Auto Parts Industry ESG and Carbon Neutrality Fair** In April 2025, we hosted Korea's first supply chain ESG/carbon neutrality fair to assist our suppliers in building sustainable future competitiveness. Focusing on carbon neutrality, a total of 111 suppliers showcased a variety of practical and immediately applicable ESG-related solutions. The event attracted over 12,000 attendees, including approximately 8,000 supplier employees. The fair also featured sessions introducing Hyundai's sustainability policies and offering expert lectures on key topics, helping tier-1 and tier-2 suppliers advance their sustainability management. The post-event survey revealed that the fair contributed to deepening understanding on ESG, carbon neutrality and other areas of sustainability for supplier CEOs and that suppliers were planning to adopt new ESG solutions in their own operations (survey results: 87% reported improvement in their understanding of ESG and carbon neutrality, 80% indicated plans to implement sustainability initiatives in their operations).






**Support for Suppliers' Carbon Reduction Efforts** Hyundai collects data on suppliers' carbon emissions and reduction plans, performing various tasks to support their carbon reduction. We implement projects to strengthen management systems for core suppliers with high carbon emissions, specifically supporting the establishment of GHG inventories and the development and implementation of carbon reduction roadmaps. Once suppliers have internalized their carbon neutrality implementation systems, a transition to a carbon reduction management system certified by third-party organizations is planned for high-emission suppliers.

**Decarbonizing Steel Materials** Hyundai plans to expand its decarbonization efforts to include steel materials that are key to vehicle manufacturing. For select vehicle models scheduled for production in Korea and Europe starting in 2026, we will prioritize the use of carbon-reduced steel produced by recycling steel scrap or using electric arc furnaces, which is expected to reduce carbon emissions by nearly 20% relative to conventional steel produced using blast furnaces. To support this approach, we will establish quality inspection and carbon emissions review procedures tailored to carbon-reduced steel, elaborating on our action plans towards decarbonization. Notably, we are considering the use of steel produced through electric furnaces at Hyundai Steel's steelworks which is slated for completion by 2029 in the state of Louisiana, the U.S., to meet growing global demand including that of our North American production plant.

**Participating in the CDP Supply Chain** As a member of the CDP Supply Chain, Hyundai collects objective data on the climate action of over 360 tier-1 suppliers, tracking their efforts to reduce supply chain emissions. The CDP Supply Chain is an environmental disclosure project aimed at gathering supplier data on climate-related issues and strategies as well as carbon emissions and evaluating each supplier's response based on ratings published by the CDP. We provide differentiated and customized training aligned with assessment ratings, along with targeted one-on-one consulting for suppliers with low ratings, strengthening overall climate change response capabilities throughout the supply chain and raising suppliers' awareness on carbon neutrality.

**Support for Parts LCA** The parts LCA support program calculates the carbon emissions generated throughout the entire process, from raw material acquisition to parts manufacturing and transportation at the supplier's facilities. It supports the objective verification of high-emission processes and facilitates reduction activities. Hyundai is collaborating with external expert organizations to enhance suppliers' capabilities in conducting comprehensive LCAs of parts. This three-year support initiative, scheduled from 2023 to 2025, aims to lay a structured groundwork for advancing vehicle-level carbon reduction efforts through LCA.

### Phased Roadmap Towards Supply Chain Carbon Neutrality

| Phase 1(2019~2024) | Phase 2(2025~2029) | Phase 3(2030~) |
|---|---|---|
| Lay the groundwork for supply chain carbon neutrality | Set targets and establish an implementation framework for supply chain carbon neutrality | Advance efforts to achieve supply chain carbon neutrality |
| • Engage suppliers in the CDP Supply Chain<br>• Strengthen suppliers' capabilities in conducting parts LCAs | • Conduct third-party verification of suppliers' carbon emissions<br>• Embed parts LCAs into suppliers' operations<br>• Identify carbon reduction options for suppliers and achieve reductions | • Expand the adoption of renewable energy by suppliers<br>• Expand the use of eco-friendly materials |

### Activities for Supporting Suppliers' Carbon Reduction Efforts

| Activity | Description |
|---|---|
| Training for and raising awareness of suppliers | • CEOs: Hosting the Partnership Day for suppliers and introduce Hyundai's carbon neutrality strategies<br>• Employees: Offering training on the enhancement of suppliers' capabilities of carbon neutrality(Global Partnership Center) |
| Participating in the CDP Supply Chain | • Training and consulting programs for suppliers(emission calculation, questionnaire guidance, etc.)<br>• One-on-one tailored consulting program for underperforming suppliers to improve competence |
| Supporting for supplier parts LCA | • Support for calculating carbon emissions from raw material acquisition to component manufacturing and transportation stages<br>• Support for reduction activities by identifying high carbon emission manufacturing processes |
| Supporting suppliers' carbon reduction management systems | • Establishment and provision of a computerized management system for systematic monitoring of carbon emissions<br>• Support for the establishment of carbon emission inventories and the development of carbon reduction roadmap for high carbon emission suppliers |
| Supporting suppliers in purchasing carbon reduction equipment | • Inducing suppliers(MEs and SMEs) to implement energy cost and carbon reduction activities by helping them replace with high-efficiency equipment(in collaboration with Foundation of Korea Automotive Parts Industry Promotion, 2023~) |

**Creating an Ecosystem for Low Carbon Logistics and Transportation** Hyundai and Hyundai GLOVIS strive to reduce carbon emissions from the "first mile" stage, where freight moves from production plants to logistics warehouses, to the "middle mile" and "last mile" stages, where it moves from warehouses to a variety of hubs. In the first mile stage, fuel cell trucks suitable for long-distance driving are being deployed. In the middle mile and last mile stages, electric trucks and other innovative technologies such as EVs, FCEVs, urban air mobility, and robotics are being utilized to lead the reduction of carbon emissions in the logistics and transportation service ecosystem. Furthermore, Hyundai has signed a multi-stakeholder agreement with Hyundai GLOVIS, the Ministry of Land, Infrastructure and Transport, the Ministry of Trade, Industry and Energy, and the Ministry of Environment to expand the electrification of the logistics and transportation sector by 2030. Hyundai is striving to distribute 10,000 fuel cell trucks in the logistics field by 2030.

### Supply Chain Carbon Information Disclosure & Activities for Logistics/Transportation Energy Efficiency

| | | |
|---|---|---|
| Hyundai<br>Disclosure of supply chain carbon information | Goal | • Establishing a plan to specify and support our supply chain carbon reduction strategy by disclosing information on carbon emissions of suppliers |
| | Efforts for education and support | • Support CDP Supply Chain assessments and operate capability enhancement programs<br>• Support parts LCA and operate consulting programs |
| | Future utilization measures | • Build carbon emission databases for supplier sites and parts using SCEMS[1] |
| Hyundai GLOVIS<br>Activities for enhancing the efficiency in logistics and transportation | Achievement of packaging efficiency | • Reducing energy consumption for collecting packing materials through the development of foldable plastic boxes[2]<br>• Pursuing packaging efficiency through cooperation with suppliers and expand logistics energy efficiency |
| | Transitioning to eco-friendly transportation | • Enhancing energy efficiency and reduce GHG emissions through coastal shipping |
| | Eco-driving of cargo vehicles | • Enhancing the integrated transportation management system within the logistics business and improve the fuel efficiency of cargo vehicles<br>• Monitoring of fuel economy improvement activities through real-time data analysis enabled by equipping all vehicles with Digital Tachographs(DTG) |

1) Supplier $CO_2$ Emission Monitoring System
2) When used as a packaging material for automobile parts, foldable plastic boxes can be recovered and folded up to a fifth of their size, greatly increasing the amount of boxes that can fit into a collection container.

# Response to Climate Change

## 7 Expanding Our Hydrogen Business

**HTWO Grid** Hydrogen can be produced and utilized through various methods, and is well-suited for storage and transport owing to its high energy density. These characteristics make hydrogen a viable alternative to existing fossil fuels, with demand expected to grow steadily. Hyundai Motor Group recognized the importance and economic feasibility of hydrogen early on as a critical enabler of the transition to a low-carbon energy society, and has been conducting R&D on fuel cells and hydrogen-powered EVs since 1998, leading the way in the transformation towards a hydrogen society.

Hyundai Motor Group has subsequently delivered notable outcomes in the hydrogen business, initiating the world's first mass-production of hydrogen-powered EVs and hydrogen-electric large trucks. In 2020, the Group launched its hydrogen fuel cell brand HTWO and unveiled HTWO Grid at the 2024 CES. As the Group's new brand connecting the entire value chain of the hydrogen industry, HTWO Grid provides customized solutions spanning hydrogen production, storage, transport and application. With three decades of leadership in hydrogen mobility, Hyundai Motor Group aims to combine the core strengths of Hyundai Motor Company with its extensive industry capabilities, evolving from a mobility company to a global leader in the energy transition shaping a future hydrogen energy ecosystem.

**• Closed-Loop Hydrogen Production** Hyundai Motor Group has developed W2H(Waste-to-Hydrogen) technology which converts organic waste to clean hydrogen all while providing an effective solution for waste disposal. Presently, 500kg of hydrogen is produced daily from 60 tons of food organic waste through collaboration between Hyundai E&C and Hyundai Rotem in Chungju, Korea, in combination of the commercial operation of hydrogen-powered vehicles. In 2024, a new W2H facility went into operation using sewage sludge in Cheongju, and additional W2H facilities are under construction in Poland and Indonesia. Notably, Hyundai Motor Group is establishing a closed-loop hydrogen ecosystem in Indonesia in partnership with local governments and state-owned enterprises. This project involves covering the Sarimukti Landfill with soil to prevent potential natural disasters and extracting biogas once soil covering is completed. The extracted biogas will then be converted to clean hydrogen using Hyundai Rotem's hydrogen reformers. With the feasibility study now complete, this marks the first case of scaling a closed-loop hydrogen production demonstration project - currently in progress in Korea – to an overseas location.

**• Decarbonizing Ports and Airports** Hyundai provides hydrogen energy solutions to help decarbonize logistics hubs that are heavily dependent on fossil fuels. We participated in the Northern California Zero-Emission Regional Organizing Hub(NorCAL ZERO) initiative in the U.S., supplying 30 XCIENT fuel cell trucks to the Port of Oakland in September 2023. As the largest single deployment of large-sized hydrogen fuel cell trucks in North America, this initiative contributes to replacing high carbon-intensive freight trucks. We also participated in the U.S. government's hydrogen infrastructure development project H2Hub, showcasing the excellence of hydrogen fuel cell technology. In 2024, we signed an MOU with Incheon International Airport Corporation to advance the airport's digital transformation through future mobility innovation. Under this MOU, we are establishing hydrogen energy systems and build hydrogen infrastructure throughout Incheon International Airport, including the introduction of fuel cell trucks and forklifts for logistics and electric shuttle buses powered by hydrogen fuel cells as well as the deployment of hydrogen refueling stations.

**• Expanding the Hydrogen Fuel Cell System Lineup** Hyundai became the world's first to mass-produce fuel cell EVs in 2013, maintaining a leading position in the hydrogen mobility market. Leveraging our HTWO Grid solutions, we are extending the application of hydrogen technology beyond vehicles to include trams, vessels, airplanes and other untapped areas. These efforts reflect the shared vision of Everyone, Everything, Everywhere between Hyundai and HTWO, moving forwards a hydrogen society where hydrogen is made available to everyone for everything everywhere by 2040. Through strategic collaboration with Group affiliates, Hyundai Motor Company is expanding its eco-friendly mobility solutions driven by hydrogen fuel cells. Successfully implementing a hydrogen forklift demonstration project using a hydrogen fuel cell system as well as a hydrogen electric tram development project, we are charging the way in broadening the hydrogen ecosystem. Going beyond mobility, we also advance the application of hydrogen fuel cell technology in non-vehicle sectors by developing mobile hydrogen fuel generators to transform EV charging infrastructure and deploying hydrogen-based emergency power systems for data centers. In June 2024, we acquired the domestic hydrogen fuel cell business from Hyundai Mobis, establishing the hydrogen fuel cell process quality group at the Hydrogen Fuel Cell Development Center under the R&D Division and organizing functions for manufacturing technology and mass-production quality, internalizing hydrogen technology in the process. In so doing, Hyundai will develop hydrogen fuel cell systems optimized for next-generation mobility platforms and play a role in building a hydrogen ecosystem as an integrated solution provider covering software support, system installation and maintenance, and tailored financial services.

**• Clean Logistics Business** Hyundai Motor Group established HTWO Logistics in partnership with GLOVIS America in early 2024, introducing eco-friendly logistics business solutions to HMGMA, the Group's first EV-only plant. HTWO Logistics has supplied XCIENT fuel cell trucks transporting parts and vehicles for HMGMA. These trucks are capable of handling almost half of the logistics needs of HMGMA production facilities, and are expected to significantly reduce carbon emissions compared to conventional diesel trucks.

### Strengthening Partnerships for Hydrogen Business

**• Hydrogen Council** The Hydrogen Council, which was inaugurated during the World Economic Forum(Davos Forum), is the first and only global coalition of CEOs established to underscore the role of hydrogen technology in the worldwide energy transition. Comprising over 140 global companies including Hyundai Motor Company, Toyota, BMW, and Air Liquide, the Council discusses initiatives to successfully progress towards the goals of the 2015 Paris Agreement. During 2018 and 2020, Hyundai Motor Company Executive Chair Euisun Chung co-chaired the Council, and Vice Chair Jaehoon Chang has been serving as co-chair since 2024, supporting full-fledged public-private efforts to realize a hydrogen economy.

**HTWO Grid**




**Hydrogen Value Chain**

| Upstream | Midstream | | Downstream | |
|---|---|---|---|---|
| Production | Transportation | Refueling | Utilization | |
| Waste-to-Hydrogen | Hydrogen transport | Hydrogen refueling station (Fast charger) | Fuel cell system | Commercial vehicle (trucks, buses) |
| Plastic-to-Hydrogen | Ammonia (transition/storage/transportation) | Mobile refueling station | Electricity generator | Passenger vehicle (NEXO) |
| PEM electrolysis | Liquid hydrogen (storage/transportation) | L2G charging (Liquid to Gas) | Heavy equipment (forklift, port equipment, etc.) | Tram/train |
| Ammonia cracker | | | Green steel | Aeronautics & maritime |
| | | | Burner/turbine | |

# Response to Climate Change

## 8 Social Carbon Reduction

**Carbon Capture Utilization and Storage** To achieve carbon neutrality, it is necessary to cease the use of fossil fuels in the automotive manufacturing process. However, reaching the target point for energy transition requires a significant amount of time. During this transitional period, carbon capture utilization and storage(CCUS) technology, which involves capturing and processing $CO_2$ emitted from fossil fuel combustion, is being recognized as a practical solution and a high-potential means for carbon neutrality. Hyundai's research institute is conducting CCUS pilot studies to commercialize the technology, aiming to extend its application beyond the automotive industry to other business sectors. Continuous market monitoring is also being carried out to stay updated on the latest developments in CCUS technology.

**Atmospheric Carbon Capture and Utilization Academic Research** Hyundai Motor Group established the "Joint Research Lab for Carbon Neutrality" in collaboration with five domestic universities to develop technologies for capturing carbon from the atmosphere and converting it into energy. By 2026, the Group and the participating universities plan to jointly research technologies to capture carbon from the air and convert it into materials or energy.

The Joint Research Lab is divided into two sections – DAC(Direct Air Capture) Section and $CO_2$ Utilization Section. The DAC Section will research technologies to efficiently capture $CO_2$, while the $CO_2$ Utilization Section will focus on converting captured $CO_2$ into methanol, methane, carbon materials, and other synthetic fuels and battery materials. Following the establishment of these basic technologies, the goal is to develop business models, including portable carbon capture devices for vehicles and large fixed module systems for use in business sites and buildings.

Through this industry-academic collaboration, we are developing key technologies for carbon neutrality that actively capture carbon from the atmosphere and convert it into useful energy, thereby contributing to climate change mitigation.

**BUSINESS CASE**

## Blue Carbon Acquisition through the East Sea Seaweed Forest Creation Project

Hyundai is advancing ocean ecosystem restoration projects as part of its carbon offset strategy to address climate change. In 2023, Hyundai signed an MOU with the Ministry of Oceans and Fisheries and the Korea Fisheries Resources Agency to develop blue carbon from seaweed. This effort was followed by another MOU in January 2024, with Ulsan Metropolitan City and the Korea Fisheries Resources Agency to promote a seaweed forest creation project.

A marine forest consists of seaweed that grows densely in coastal waters to form a forest-like structure, providing habitats for a variety of marine life. Marine forests are recognized for their high ecological value and for their contribution to expanding 'blue carbon'- carbon absorbed by marine ecosystems. According to performance data from the Korea Fisheries Resources Agency, marine forests absorb nearly 337 tons of carbon dioxide per 1km$^2$ annually. Under this MOU, Hyundai is implementing a marine forest restoration project covering 3.96km$^2$ of coastal waters in Dong-gu and Buk-gu, Ulsan City, Korea between 2024 and 2027, which is expected to produce approximately 1,300[1)] tons of carbon offset per year.

For marine forest restoration, we employ methods such as direct seaweed transplantation and artificial pouch installation. In 2024, we built underwater longline systems to spread seaweed seeds and facilitated the release of large quantities of spores in a short period of time through the use of artificial pouches. We also improved habitat conditions for a variety of aquatic species by supporting the reproduction of target species suited for the local marine environment, controlling the population of herbivorous species[2)], and conducting seabed cleaning.

Creating marine forests improves the overall marine ecosystem through increased biodiversity and pollution remediation in addition to generating carbon offset benefits. This not only helps boost the biomass of seaweed and biodiversity, but also eliminates heavy metals such as nitrogen and phosphate to purity the seawater. The resulting improvement in the sustainability of marine resources allows us to join hands with local communities in advancing the fishing industry. With a goal of contributing to climate change mitigation, we plan to explore the use of carbon credits and participate in marine forest blue carbon resource surveys to expand seaweed-generated blue carbon.

Hyundai has been a member of the seaweed forest blue carbon council launched in July 2023, comprising the Ministry of Oceans and Fisheries, the Korea Fisheries Resources Agency, academia, and NGOs. We support the Council's efforts to register seaweed as an official blue carbon absorption source with the IPCC(Intergovernmental Panel on Climate Change), shares research data, and produces results. Hyundai supports R&D efforts and participates in pilot projects to build objective and quantifiable databases, and will move ahead in building its leadership position in seaweed-generated blue carbon solutions as a potential source of demand for blue carbon credits.

1) Equivalent to reducing 337t$CO_2$ per 1km² of marine forests(Pohang University of Science & Technology, 2019)
2) Herbivores: Animals that feed on seaweed such as sea urchins, sea snails and sea hares.










1. Ulsan Sea Seaweed Forest Creation Project MOU
2. Direct transplantation of seaweed
3. Rescue of herbivores

# Response to Climate Change

## Climate-Related Transition Plan

• **Carbon Neutrality Execution** Hyundai has instituted the Integrated Solutions to Climate Change to achieve carbon neutrality by 2045 at IAA Mobility in September 2021 as part of its efforts to pass on a sustainable global environment to future generations and do the right thing for humanity. With Clean Mobility, Next-Generation Platform, and Green Energy at its core, we will establish a sustainable operating system for future generations by expanding our electrification capabilities and transitioning to renewable energy. Additionally, we will continue to strive to build a circular economy ecosystem with the goal of achieving carbon neutrality across the entire mobility value chain.

• **Carbon Neutrality Targets** Hyundai has set its mid-to long-term target of achieving carbon neutrality throughout the value chain by 2045, ranging from extracting raw materials that go into vehicles to manufacturing, product use, and disposal. To reduce Scope 1 & 2 emissions from vehicle production, we generate renewable electricity on-site using solar panels. On top of this, we aim to deliver on our RE100 (Renewable Energy 100%) commitments by 2045 through renewable PPAs (Power Purchase Agreement) and REC purchases, and other measures. Through these efforts, we have set targets to reduce Scope 1 & 2 emissions by approx. 60% by 2035 and 100% by 2045, compared to the 2023 base year (2,275,751t$CO_2$-eq). As to Scope 3 emissions from raw material sourcing and parts assembly (Category 1), we will support our key suppliers with their energy transition efforts and manage core raw material supply chains to cut down on emissions. Specifically, this includes using recycled materials and adopting carbon-reduced materials for steel and aluminum that are essential to body and chassis parts manufacturing. Hyundai's carbon neutrality target extends to Scope 3 – Category 11 emissions generated in the Tank to Wheel stage. We are committed to achieving 100% electrification in Europe by 2035 and in other key markets by 2040, expanding the share of EVs that produce zero emissions during their operation out of our total sales. This will contribute to our targets to reduce Scope 3 - Category 11 emissions by approx. 40% by 2035 and approx. 90% by 2045, compared to the 2023 base year (114,132,523 t$CO_2$-eq).

To deal with unavoidable residual carbon emissions by its 2045 carbon neutrality target, Hyundai will pursue offsetting activities. This includes investing in CCUS and implementing carbon offsetting efforts such as recycling second-life batteries for Energy Storage Systems (ESS) and restoring marine ecosystems. In addition, we plan to maximize the synergy between the hydrogen business and carbon neutrality through hydrogen power generation and processes by using the electrification process based on the hydrogen fuel cell system.

## Plans to Achieve Climate-Related Targets(Carbon Neutrality Targets)

• **Reducing Carbon Emissions in Operations** Hyundai is a supporter for the Paris Agreement and recognizes its corporate role and responsibility to reduce global GHG emissions. In this regard, we strive to achieve carbon neutrality at our business sites by 2045 by switching to renewable energy, improving the energy efficiency of production processes through the introduction of high-efficiency motors and inverters, and utilizing hydrogen energy. In the short term, in conjunction with the RE100 roadmap, we plan to promote the transition from electric energy used in the manufacturing process to renewable energy first. In the long term, our goal is to achieve carbon neutrality by 2045 by expanding the application of green hydrogen and the use of renewable energy in conjunction with the realization of a hydrogen society.

• **Electrification** Hyundai is aiming to achieve carbon neutrality by going beyond carbon reduction, targeting 100% electrification of the European market by 2035 and 100% electrification of all sales vehicles in major markets by 2040. For commercial vehicles, such as large trucks and buses, the company not only aims to expand electrification but also to secure global leadership in the era of electrification by enhancing the technology and appeal of its products.

• **Support for Carbon Neutrality in the Supply Chain** Hyundai aligns with global trends such as climate change, carbon neutrality, and ESG management, not only improving the quality and technical capabilities of its suppliers but also supporting their carbon neutrality. To this end, we will check the carbon emission status of key suppliers, select core management suppliers, and provide guidelines. We also plan to organize reduction activities tailored to the grouped characteristics of suppliers and prepare supply chain collaboration programs, including carbon neutrality education and awareness enhancement. Particularly for suppliers of raw materials where carbon emissions are high, there will be a collaborative response linked to automotive design technologies, focusing on material recycling and the expanded use of new materials.

• **Technology-driven Carbon Reduction** In addition to reducing carbon emissions, Hyundai is strengthening its activities such as carbon absorption and removal and resource recycling. We developed CCUS technology in 2012 and has since applied it in Korea while continuously pursuing designs that can recycle waste batteries and maximize recycling at the scrap vehicle stage. We apply recycled plastics to wheel guards, under covers, and battery trays while actively utilizing eco-friendly materials in the production of the IONIQ 6.

# Response to Climate Change

## Climate-Related Financial Impacts

### Method of Climate-Related Scenario Analysis

• **Information about the Scenarios Used by the Company** Hyundai is conducting transition and physical scenario analyses using qualitative and quantitative methodologies to systematically address the risks and opportunities that may arise from climate change. The sources used in the scenario are primarily from the IEA and IPCC, with some information derived from internal analysis.

| Scenario | | Definition | Time range | Source | Business scope |
|---|---|---|---|---|---|
| Transition | NZE (1.4°C) | Scenario that outlines a pathway for the global energy sector to achieve net zero by 2050 | ~2050 | IEA World Energy Outlook | Entire automotive sector of Hyundai |
| | APS (1.7°C) | Scenario assuming the achievement of climate targets committed by governments and companies by August 2023 | | | |
| | STEPS (2.4°C) | Scenario based on current energy-related policies implemented in each sector and country | | | |
| Physical | SSP1-2.6 (2°C 이하) | Scenario to achieve net zero by 2050 and limit global temperature rise to below 2 degrees Celsius | ~2050 | IPCC | 32 business sites of Hyundai's automotive sector |
| | SSP2-4.5 (2~3°C) | Scenario where the temperature increase exceeds 2 degrees Celsius due to GHG emissions | | | |
| | SSP5-8.5 (4°C 이상) | Worst-case scenario where the temperature increase exceeds 4 degrees Celsius due to GHG emissions | | | |

**Financial Impact Analysis through Transition Scenario Analysis**

## TRANSITION RISK ANALYSIS

### Tightening of Automobile Fuel Efficiency Regulations

**Risk Factors**

In line with enhanced global fleet $CO_2$ emissions regulations, exceeding set thresholds is penalized in both advanced markets(Korea, EU, the U.S., Canada) and emerging markets(China, India, Brazil, and Saudi Arabia). According to our internal analysis results, our products may exceed regulatory limits within the next few years in the U.S., China, and Saudi Arabia.

**Countermeasures**

To address fuel efficiency regulations, Hyundai monitors regulatory trends and regularly analyzes fuel efficiency performance, systematically reporting these findings. Particularly, the division estimates potential costs based on medium- and long-term regulatory forecasts and performance predictions, which are then incorporated into business plans.

### Strengthening Emissions Trading Scheme Regulations

**Risk Factors**

Hyundai is subject to the Korea Emissions Trading System(K-ETS): if our emissions exceed the allocated annual allowance limit, we will incur costs to purchase additional allowances. Assuming our current intensity level(emissions per vehicle) remains unchanged, our projected emission liabilities in 2030 range from a minimum of KRW 88 billion to KRW 220 billion(presuming 70% free allocation) based on allowance price forecasts.

**Countermeasures**

Hyundai established the 2045 Carbon Neutrality Roadmap to reduce carbon emissions. Through various reduction activities such as increasing the use of renewable energy and reducing emissions at business sites, the company aims to minimize the purchase of emissions allowances and enhance climate resilience. When implementing the 2045 carbon neutrality roadmap, we expect to generate approximately KRW 5 billion to KRW 14 billion in revenue in 2030 from the sale of surplus emission allowances.

### EU Carbon Border Adjustment Mechanism(CBAM)

**Risk Factors**

From 2026, under the EU CBAM regulations, importers will be required to pay a carbon price for importing designated items into the EU. Consequently, Hyundai Motor Manufacturing Czech(HMMC) may face additional costs due to the purchase of carbon pricing certificates for some parts. Based on emission trading price forecasts for various scenarios, an annual financial impact of approximately KRW 2.1 billion is anticipated as of 2030.

**Countermeasures**

We will continue to monitor the development of the EU CBAM regulations. Over the long-term, we will gradually reduce the volume of imports requiring CBAM certification to minimize our financial burden associated with compliance.

### U.S. Inflation Reduction Act(IRA)

**Risk Factors**

Under the U.S. IRA, US$ 3,750 of tax credit is granted if a vehicle meets the critical minerals requirement[1)] and battery components requirement[2)]. These subsidies promise direct economic benefits to consumers and may significantly affect EV demand. Any failure to meet the tax credit eligibility criteria could result in declining market shares in the short term and lost competitiveness in the long term.

**Countermeasures**

Hyundai has completed HMGMA, its US-based EV plant with a production capacity of 300,000 up to 500,000 vehicles, establishing a reliable supply chain. We made targeted investments in modernizing and streamlining existing production equipment in an aim to remain flexible and agile amid the evolving global policy and market landscape.

1) 40% or more of the value of the critical minerals used in the battery should be sourced in the U.S. or in a country which signed an FTA with the U.S.
2) 50% or more of the value of the battery components should be manufactured or assembled in the battery manufacturing process in North America

# Response to Climate Change

## ANALYSIS OF TRANSITION OPPORTUNITIES

### Acceleration of Electrification

**Opportunity Factors**

The transition to electrification presents new growth opportunities for Hyundai. Particularly, as price parity between EVs and ICEs is achieved and the pace of market electrification accelerates due to environmentally friendly policies, an increase in EV demand is expected. Scenario analysis predicts that Hyundai's revenue for 2030 will rise from a minimum of KRW 30 trillion to a maximum of KRW 42 trillion in response to growing EV demand.

**Countermeasures**

Hyundai plans to continue its proactive efforts to capture growth opportunities in the EV market. We intend to increase the production and sales of EVs and have established a strategy to convert 100% of all vehicles sold in major markets to electric by 2040. Considering this mid-to long-term business plan, our 2030 EV sales are expected to increase further, from a minimum of KRW 39 trillion to a maximum of KRW 54 trillion.

### Energy Transition

**Opportunity Factors**

Amidst the continuous rise in electricity costs, transitioning to renewable energy could present opportunities for reducing carbon emissions as well as energy costs. Hyundai aims to use 100% renewable energy(RE100) by 2045.

**Countermeasures**

Hyundai plans to implement optimal solutions aimed at gradually expanding the use of renewable energy, including the installation of solar panels and the signing of PPA, to achieve RE100 by 2045. Reflecting this renewable energy transition plan, electricity cost savings of approx. KRW 66 billion are expected by 2030. By actively expanding the use of renewable energy, Hyundai expects to achieve positive effects in both environmental sustainability and cost efficiency.

### ClimateTech(Hydrogen) R&D Investment

**Opportunity Factors**

Hydrogen is a crucial area within ClimateTech, and the hydrogen market is expected to become more active with increased R&D investment. To keep pace with these market trends, we established our Energy Mobilizer strategy in 2024 to reinforce our hydrogen energy technology and business capabilities.

**Countermeasures**

Hyundai will realize a sustainable future that includes a hydrogen society and smart cities, based on its proprietary hydrogen energy production technology and integrated solutions that span entire cities. This will be achieved by building our passenger/commercial fuel cell EV lineup and pursuing hydrogen business spanning the full spectrum of hydrogen energy, from production to storage, transport and charging. In line with our Energy Mobilizer strategy, we are investing KRW 5.7 trillion for 10 years between 2024 and 2033 to advance our hydrogen energy technologies and business capabilities while forging external partnerships to commercialize the hydrogen value chain, expediting our efforts to create a hydrogen ecosystem.

# Response to Climate Change

**Financial Impact Analysis Through Physical Scenario Analysis** Hyundai has utilized the low-carbon scenario(SSP1-2.6) and high-carbon scenario(SSP5-8.5) from the IPCC's Sixth Assessment Report to analyze the financial impacts of physical risks. For scientific analysis, Hyundai employed the climate risk analysis tool, Jupiter Intelligence, which is based on climate modeling. In some cases, the analysis granularity was refined to intervals as close as 90 meters for more precise, high-resolution analysis. The company analyzed risks associated with eight types of disasters, including acute risks(extreme wind, flood, wildfire, hail/thunderstorms, precipitation) and chronic risks(heat, droughts, cold waves). Quantitative financial impacts were specifically derived for extreme wind, flood, wildfire, and heat.

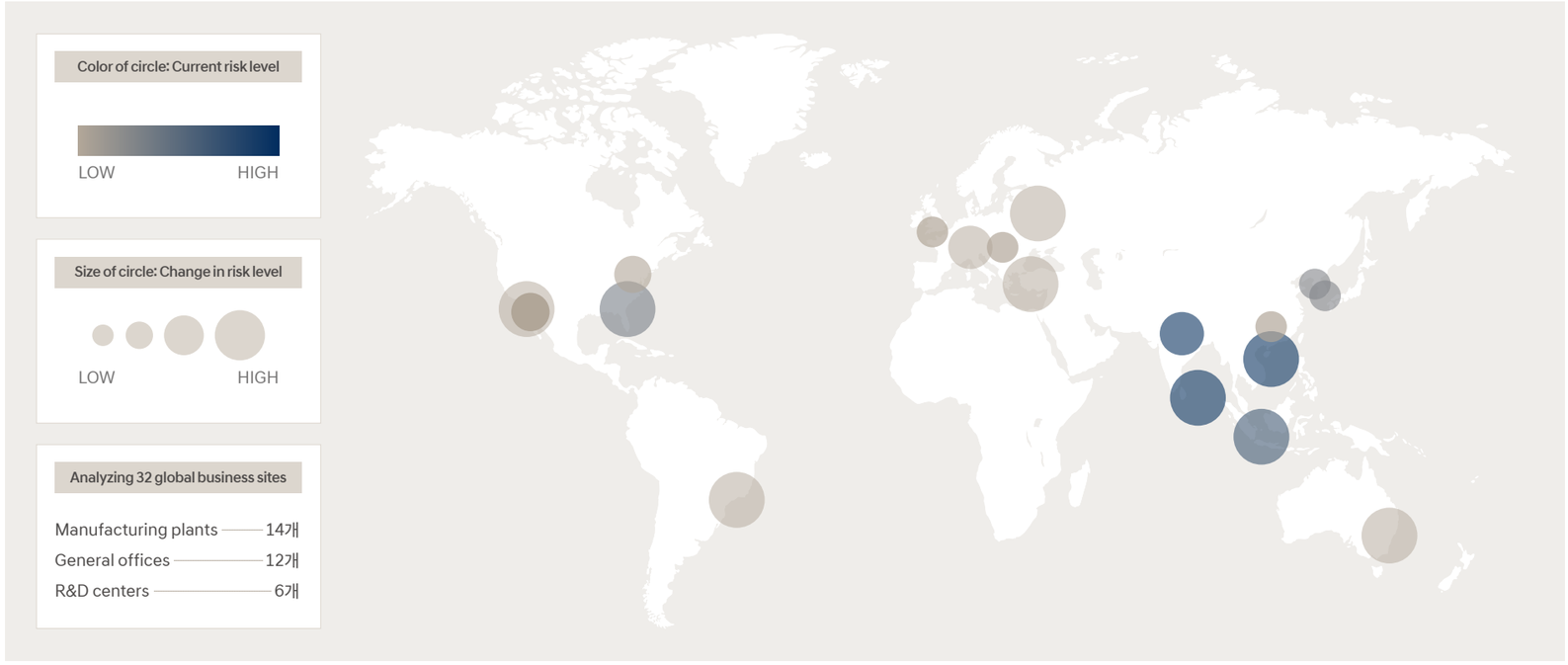
For the quantitative financial impact analysis of Hyundai's 32 global sites – including 14 manufacturing plants, 12 general offices, and 6 R&D centers – 2023 data on tangible assets(buildings, machinery, etc.) and inventory assets, along with average site sales over three years, were utilized.

Financial impacts are calculated at five-year intervals using 1995 as the base year. Projected revenue and asset losses in 2030 are estimated to range between KRW 220 billion(SSP 1-2.6) and KRW 300 billion(SSP 5-8.5). When impact pathways are considered by type of disaster, acute disasters such as extreme wind speeds, floods, and wildfires may result in asset impairments (buildings, equipment, inventories) as well as declining sales resulting from the suspended manufacturing of products. Meanwhile, chronic changes in climate patterns caused by heatwaves could undermine the productivity of employees, leading to lower sales. These physical hazards primarily affect the 'product manufacturing' part of Hyundai's business model. Such findings will base our efforts to conduct continuous monitoring on high-risk geographies and establish response strategies to ultimately enhance the resilience of our operations.

**Financial Impact Analysis Results for 2030, 2040, and 2050**

| Classification | 2030 | | 2040 | | 2050 | |
|---|---|---|---|---|---|---|
| Scenario | SSP 1-2.6 | SSP 5-8.5 | SSP 1-2.6 | SSP 5-8.5 | SSP 1-2.6 | SSP 5-8.5 |
| Financial Impact (KRW billion) | 220 | 300 | 430 | 710 | 550 | 1,220 |

**Results of 2050 Physical Risk Analysis based on the SSP5-8.5 Scenario**




**Impact Analysis Results by Type of Disaster**

| Disaster | Analysis Results |
|---|---|
| Heat | • The risk of extreme heat is forecast to increase across all operations in the future due to global warming. |
| Wildfires | • While the current risk of wildfires is concentrated in California and India, this risk is projected to rise across all geographies in the future, expanding the areas exposed to wildfire risks. |
| Extreme wind speeds | • Among all sites, Korea(Ulsan) is exposed to the highest risk of extreme wind speeds. This risk is projected to decline in certain regions over time. |
| Floods | • The flood risk in Germany and Vietnam is projected to remain consistently high, just as it is currently. |
| Cold waves | • The risk of cold waves is forecast to decrease across all operations in the future due to global warming. |
| Droughts | • Across most operations, the risk of droughts is projected to remain unchanged or slightly decline over time. |
| Precipitation | • While the risk of heavy rainfall is currently concentrated in Asia, this risk is projected to extend to broader regions in Brazil, Australia, the U.S.(Alabama) in the future. |
| Hail/ Thunderstorms | • The risk of hail/thunderstorms is projected to remain negligible across all operations. |

# Response to Climate Change

**Analysis Results of Financial Impact by Region** ○ Very Low ○ Low ○ Moderate ● High ● Very High

| Region | Scenario | Extent of financial impact of climate disasters | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Heat | | | Extreme Wind Speed | | | Wildfire | | | Flood | | |
| | | 2030 | 2040 | 2050 | 2030 | 2040 | 2050 | 2030 | 2040 | 2050 | 2030 | 2040 | 2050 |
| Northeast Asia (Korea, China) | SSP1-2.6 | | | | | | | | | | | | |
| | SSP5-8.5 | | | | | | | | | | | | |
| Southeast Asia (3 countries including Vietnam) | SSP1-2.6 | | | | | | | | | | | | |
| | SSP5-8.5 | | | | | | | | | | | | |
| Oceania (Australia) | SSP1-2.6 | | | | | | | | | | | | |
| | SSP5-8.5 | | | | | | | | | | | | |
| Americas (3 countries including the U.S.) | SSP1-2.6 | | | | | | | | | | | | |
| | SSP1-8.5 | | | | | | | | | | | | |
| Europe (5 countries including Germany) | SSP1-2.6 | | | | | | | | | | | | |
| | SSP5-8.5 | | | | | | | | | | | | |

**Analysis Results of Financial Impact by Type of Business Site** ○ Very Low ○ Low ○ Moderate ● High ● Very High

| Region | Scenario | Extent of financial impact of climate disasters | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Heat | | | Extreme Wind Speed | | | Wildfire | | | Flood | | |
| | | 2030 | 2040 | 2050 | 2030 | 2040 | 2050 | 2030 | 2040 | 2050 | 2030 | 2040 | 2050 |
| Manufacturing plants (14 including Ulsan Plant) | SSP1-2.6 | | | | | | | | | | | | |
| | SSP5-8.5 | | | | | | | | | | | | |
| General offices (12 including Yangjae Headquarters) | SSP1-2.6 | | | | | | | | | | | | |
| | SSP5-8.5 | | | | | | | | | | | | |
| Research centers (6 including Namyang R&D Center) | SSP1-2.6 | | | | | | | | | | | | |
| | SSP5-8.5 | | | | | | | | | | | | |

**Physical Risks and Key Response Activities**

## PHYSICAL RISK IDENTIFICATION AND RESPONSE

### Heavy rainfall/floods

**Risk Factors**

- Flood damage to plants and facilities
  - Flooding of plant drainages, dealer facilities and vehicles
- Reduced access to infrastructure due to heavy rainfall and floods
- Disruption to production/sales operations resulting from flooded facilities and reduced customer access

**Our Response**

- Consider weather conditions in plant construction including elevation standards, and maximum drainage capacity
- Develop flood prevention and response systems
  - Conduct regular drainage maintenance, inspect and replace old drainage facilities/ roofs
  - Expand flood prevention materials and check the exposure of electrical equipment
  - Monitor the situation and place external flood controls at plant sites
  - Install water-blocking barricades and implement road traffic controls
- Implement support and recovery measures for damaged cars
  - Support for flooded vehicles/facilities, financing for inventory vehicles, repair support for dealers

### Hail

**Risk Factors**

- Dents and damage to parked/inventory vehicles at the VPC

**Our Response**

- Establish hail damage prevention systems
  - Install anti-hail cannon systems
- Relocate and protect inventory vehicles
- Minimize losses through hail damage insurance subscription

### Extreme wind speeds – Typhoon/hurricane/ cyclone/tornado

**Risk Factors**

- Damage to facilities and assets
  - Physical damage to roofs, wooden building structures, and glass windows
- Voltage drops and disrupted electricity use resulting from damaged power transmission facilities
- Increased support and recovery costs for damaged vehicles during production and sales
- Disruption to production/sales resulting from damaged facilities and delayed vehicle supply

**Our Response**

- Implement facility reinforcement and management
  - Obtain structural stability certifications for buildings
  - Replace aging equipment (roof, pipe, gutter), relocate windbreak vegetation, and inspect tree supports
  - Reinforce and inspect facility utility control rooms and supply routes, install damage prevention equipment
  - Regularly clean vehicle storage areas(outdoor yards) including the VPC(Vehicle Processing Center)
- Operate emergency response systems
  - Operate emergency response teams for rapid production recovery
  - Operate tornado shelters
  - Implement emergency response manuals, including compliance with the FEMA(Federal Emergency Management Agency) guidelines

# Response to Climate Change

## Risk Management

### Climate Risk and Opportunity Management

**Climate Risk and Opportunity Management Process** Hyundai identifies, assesses, and manages risk and opportunity factors to respond to climate change issues at the company level. The climate change issues identified by each region/organization are submitted to the head office's Strategy & Governance, which then figures out risk and opportunity factors for each issue, assesses the strategic and financial impacts of each factor on the company, and determines companywide response strategies.

• **Identification Stage** In the identification stage, we figure out issues by region and organization regarding risks and opportunities that may affect the company due to climate change at the Management Committee Meeting(C-level).

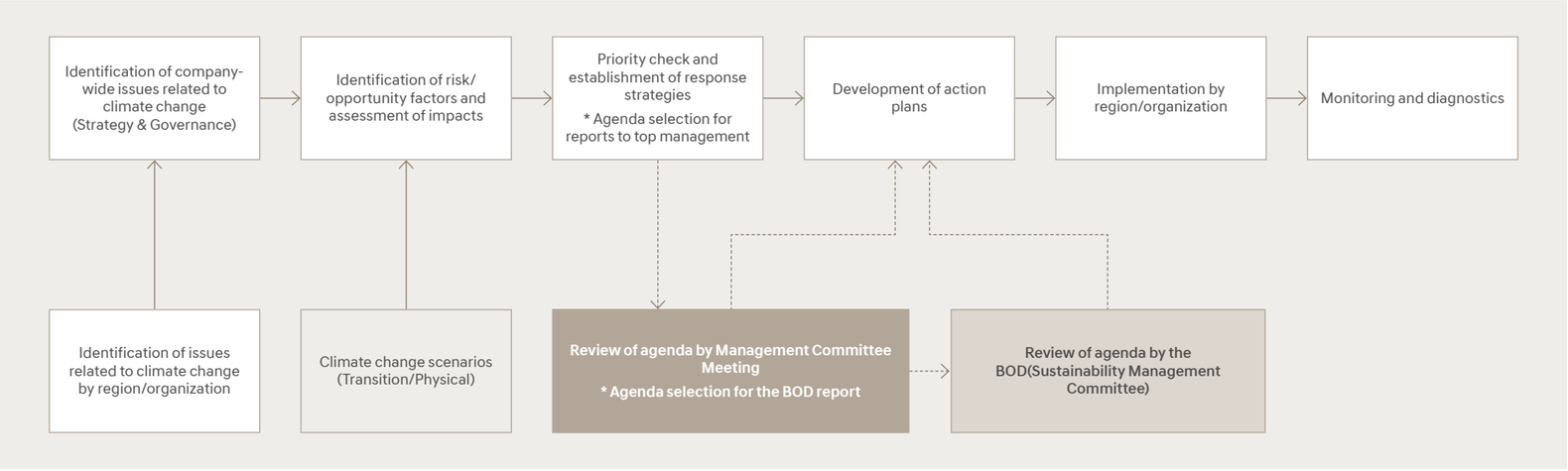
• **Assessment and Reporting Stage** The Strategy & Governance at the head office figures out the strategic and financial impact that factors and issues identified in the identification stage may have on the company, and depending on their materiality, reports them to the CEO or the BOD through the Management Committee Meeting for decision-making.

• **Management Stage** The decided climate change issues are proactively reflected in the KPIs of each working-level division of the relevant region or organization. The Strategy & Governance and related organizations join forces to systematically manage climate change factors in various areas.

**Methods for Identifying and Assessing Risks and Opportunities** Hyundai utilizes climate change scenario analysis to identify and assess climate-related risks and opportunities. Based on the TCFD recommendations, we have identified driving forces across STEEP(Social, Technology, Economic, Environmental, Political) categories to analyze the impact of climate change on the industry and on Hyundai itself. Among these, key driving factors were derived after evaluating their impact, uncertainty, and relevance. Impact was assessed based on effects on the company's business model and value chain(procurement, production, sales), as well as the company's resource allocation(budgeting, investments and R&D, business acquisitions and disposals, talent acquisition, etc.). Uncertainty was evaluated by the predictability of the impacts of driving factors on the company and the industry.

We have mapped the impact pathways of key factors on Hyundai's financial and business model to calculate the financial impacts of each transition risk and opportunity according to the IEA's NZE, APS, and STEPS scenarios and analyzed the intensity of these impacts. Through this process, Hyundai has identified significant risk and opportunity factors related to climate change, analyzed the impact of each according to different scenarios, and established strategies to enhance climate resilience.

**Identification, Assessment, and Management Process of Climate Risk/Opportunity**




## Metrics and Targets

### Climate-Related Metrics

**Scope 1 and Scope 2 Emissions**

(Unit: $tCO_2$-eq)

| Classification | 2022 | 2023 | 2024[1] |
|---|---|---|---|
| Scope 1 | 719,949 | 696,590 | 679,822 |
| Scope 2 (location-based) | 1,853,813 | 1,831,531 | 1,726,829 |
| Scope 2 (market-based)[2] | 1,684,120 | 1,579,161 | 1,417,987 |
| Scope 1 + Scope 2[3] | 2,404,069 | 2,275,751 | 2,097,809 |
| Scope 1 + Scope 2 Emission intensity (GHG emissions per vehicle produced) | 0.601 | 0.531 | 0.506 |

**Scope 3 Emissions**

(Unit: $tCO_2$-eq)

| Classification | | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Category 1 | Supply chain(purchase of raw materials and parts) | 19,852,763 | 23,518,427 | 22,971,847 |
| Category 2 | Capital goods(purchase of furnishings and equipment)[4] | 326 | 134 | 164 |
| Category 3 | Other energy-related activities(excluding Scope 1&2[4][5][9]) | 235,960 | 330,875 | 323,711 |
| Category 5 | Waste generated in operation[6] | 1,978 | 217,737 | 225,938 |
| Category 6 | Employee business trip[4] | 21,370 | 26,994 | 7,205 |
| Category 7 | Employee commuting(commuting buses)[4] | 6,617 | 8,895 | 8,553 |
| Category 9 | Transportation and distribution(by maritime and land)[4][9] | 1,457,289 | 1,504,972 | 1,505,041 |
| Category 11 | Use of sold vehicles(Tank to Wheel)[7] | 109,278,795 | 114,132,523 | 114,199,544 |
| Category 12 | End-of-life treatment of sold vehicles(recovery, disassembly, disposal) | 2,133,743 | 2,323,327 | 1,845,796 |
| Category 13 | Leased assets(headquarters and leased office buildings)[4] | 539 | 1,447 | 1,055 |
| Category 15 | Investments[8][9] | 4,946,073 | 6,060,822 | 6,164,300 |

1) HMGICS's emissions were not included, and their emissions in 2024 are scheduled for third-party verification in the second half of 2025
2) Scope 2 emissions: Addition of market-based emissions from 2022
3) to calculate the sum of Scope 1 and 2 emissions(market-based) from 2022
4) Based on the country where the Headquarters is located
5) Upstream emissions of fuel consumed at business sites(excluding electricity and steam)
6) Discharged amounts increased in line with the extended scope of calculation from 2023(waste from overseas operations)
7) Emissions from the energy that powers vehicles at the pre-fueling/charging stage(Well to Tank) are excluded
8) Scope 1 and Scope 2 GHG emissions from six of the listed investee companies in which Hyundai owns more than 20% of the shares (emissions are calculated based on the equity share)
9) Emissions for 2022-2023 were recalculated following a change in the estimation methodology

# Response to Climate Change

• **Approach for Measuring Emissions** The guidelines applied for measuring GHG emissions are as follows, using Operational Control under the Control Approach.

## Measurement Approach

| Classification | Guideline |
|---|---|
| Scope 1, 2 | • The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard(Revised Edition)<br>• The Greenhouse Gas Protocol: Scope 2 Guidance Framework Act on Carbon Neutrality and Green Growth(Guidelines for Reporting and Certification of GHG Emissions Trading Scheme)<br>• IPCC Guidelines for National Greenhouse Gas Protocol and Accounting Tool<br>• Standards for calculating GHG emissions required by other regulatory authorities and stock exchanges |
| Scope 3 | • GHG Protocol Corporate Value Chain(Scope 3) Accounting and Reporting Standard(2011) |

* Uses the Global Warming Potential(GWP) values based on the 100-year timeframe of the IPCC(Intergovernmental Panel on Climate Change) Second Assessment Report to convert six types of greenhouse gases($CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$) into carbon dioxide equivalents.

## Input Variables and Assumptions

| Classification | | Input Variables | |
|---|---|---|---|
| | | Activity Data | Emission Factor |
| Scope 1 | Stationary combustion | Consumption of natural gas(LNG), diesel, kerosene, propane | Basic emission factors from the 2006 IPCC national inventory guidelines |
| | Mobile combustion | Consumption of gasoline, diesel, butane, jet kerosene, CNG | Basic emission factors by fuel type and GHG for mobile combustion |
| | Fugitive emissions | Refrigerant | N/A |
| Scope 2 | Purchased electricity | Electricity consumption for 2024 | Application of national specific electricity emission factors |
| | Purchased steam | Steam consumption for 2024 | Application of 2024 supplier steam emission factors and national steam emission factors |
| Scope 3 | Supply chain(purchase of raw materials and parts) | Production volume by vehicle type in 2024 | (Vehicle) Upstream emission factors |
| | Capital goods(purchases of fixtures and equipment) | Equipment purchase volume | Average emission factors for equipment(LCI DB) |
| | Other energy-related activities(excluding scope 1/2) | Fuel consumption | Production-based emission factors |
| | Waste generated in operations | Amount processed by waste treatment standard | Emission factors by treatment standard |
| | Employee business trip | Overseas trips(air travel distance), domestic trips(distance by mode of transport) | Overseas travel(air emission factors), domestic travel(emission factors by mode of transport) |
| | Employee commuting(commuting buses) | Annual fuel consumption of all commuter vehicles<br>(Number of vehicles × Average speed × Operating hours × Working days ÷ Average fuel economy) | Transport(diesel) emission factors |
| | Transportation and distribution(maritime and land) | Emission data for vehicle transportation by Hyundai GLOVIS | N/A |
| | Use of sold vehicles(Tank to Wheel) | Sales volume by vehicle type in 2024 | Emission factors per vehicle type at the use stage ($gCO_2$/km) × 200,000 km |
| | End-of-life treatment of sold vehicles(recovery, disassembly, disposal) | Sales volume by vehicle type in 2024 | Emission factors per vehicle type at the disposal stage |
| | Leased assets(Headquarters and leased office buildings) | Total natural gas and electricity consumption of buildings × leasing ratio | Basic emission factors from the 2006 IPCC national inventory guidelines |
| | Investments | Emissions of investment companies | Equity share, Emission factors by industry |

**Carbon Neutrality Investment** We plan to invest approximately KRW 4 trillion between 2024 and 2035 to achieve net zero emissions across our operations. These investments will enable us to initiate activities such as implementing on-site photovoltaic power generation, procurement of external renewable energy, and expansion of the hydrogen value chain.

**Compensation** Hyundai operates an incentive system for managing climate change. The performance evaluation items(KPIs) for the CEO, regional directors, plant managers(Heads of manufacturing subsidiaries) and employees(related teams) include climate change-related metrics. The results of these evaluations are integrated with the incentive and salary systems. By incorporating goals related to GHG reduction and the expansion of renewable energy into the management's KPIs, we ensure that these objectives and their implementation are managed at an executive level. Additionally, employees in related organizations are assigned specific targets for reducing GHG emissions, which are reflected in their personal performance evaluations. Annually, a certain percentage of their salary is allocated as a monetary incentive based on the achievement and assessment of these key indicators.

| Subject | KPIs | Incentive |
|---|---|---|
| CEO | 1) Accomplishment rate to carbon neutrality target<br>2) Level of carbon neutrality implementation system | Financial rewards<br>(Included in bonus) |
| Regional directors | 1) Achievement rate of the RE100 target<br>2) Level of management of Scope 3 data | |
| Plant Manager<br>(Heads of manufacturing subsidiaries) | 1) Achievement rate of the RE100 goal<br>2) Absolute emissions | |
| Employees<br>(Related teams) | Set targets related to GHG emissions reduction for staff at related teams and use them for performance evaluation | |

* Refer to the industry-based metrics for the Automobiles industry in the annexed guidance "Industry-based Guidance on Implementing IFRS S2"

Industry-based metrics

# Response to Climate Change

## Climate-Related Targets

### Target Review Process

• **Third-party Verification of the Set Targets** To reduce GHG emissions, Hyundai has established mid- to long-term reduction targets in accordance with the guidelines of the SBTi(Science Based Targets Initiative).

• **Target Review Process** Hyundai's Board of Directors reviews and approves items essential for the implementation of business strategies and management activities, including the establishment of mid-to-long-term environmental management strategies that encompass carbon neutrality and environmental investments. The management, including the CEO, participates in the Management Committee Meeting to oversee company-wide major environmental management implementation plans. These include strategies for expanding EVs and achieving carbon neutrality, monitoring and reviewing implementation status, evaluating improvement outcomes, discussing responses to major risks, and managing matters deemed necessary for promoting and propagating environmental operations.

We monitor and assess our implementation of and progress towards the set targets to achieve carbon neutrality by 2045. In November 2024, our Carbon Neutrality Strategy 2.0 updated in reflection of market trends and our mid/long-term business plans was approved by the Sustainability Management Committee.

### Information Related to GHG Emission Reduction Targets

• **Scope of GHG Emissions Included in the Target** The scope of GHG emissions related to Hyundai's climate targets includes Scope 1, 2, and part of Scope 3.

• **Description of the Target** Hyundai's climate-related targets pertain to the total volume of emissions.

• **Use of Sector-specific Decarbonization Approach** Hyundai is currently not using a sector-specific decarbonization approach for the GHG emission reduction targets as of the end of the reporting period, but is considering employing sector-specific decarbonization approaches in the future to effectively reduce emissions.

**Performance Analysis Relative to Targets** The current period's performance relative to Hyundai's climate-related targets is as follows:

| Metrics for targets and progress monitoring | Unit | 2022 Performance | 2023 Performance | 2024 Performance |
|---|---|---|---|---|
| Scope 1 emissions | $tCO_2$-eq | 719,949 | 696,590 | 679,822 |
| Scope 2 emissions (market-based) | $tCO_2$-eq | 1,684,120 | 1,579,162 | 1,417,987 |
| Renewable energy transition rate (electricity) | % | 7.7 | 12.8 | 16.7 |
| Scope 3 emissions – Category 11 | $tCO_2$-eq | 109,278,795 | 114,132,523 | 114,199,544 |

# Circular Economy and Resource Use

The current linear economic model raises a range of environmental issues, from climate change to significant waste generation and threats to biodiversity, highlighting the imperative to transition to a circular economy. Hyundai strives to enhance product circularity early in the development phase by adopting circularity-conscious designs and using recyclable materials. We comply with country-specific regulations governing the recovery and disposal of end-of-life products, and implement Extended Producer Responsibility initiatives. We also make sure resource inputs and waste generation at our production plants do not grow in alignment with increases in production volume.

## Vehicle Circularity

### Developing and Applying Sustainable Materials

**Regulatory Trends Related the Circular Economy** The proliferation of waste is an increasingly serious global issue, particularly with regard to plastic waste, with over 200 million tons generated annually and the amount of waste generated rising by more than 10% each year. An even more serious issue is that more than 90% of this waste ends up in landfills or remains unattended, directly affecting the ecosystems and biodiversity. To decrease carbon emission related raw material, transitioning to a circular economy, which includes the increased use of recycled materials, is a prerequisite. To reduce global waste and realize carbon neutrality, the shift toward a circular economy in major countries such as EU is accelerating, which results in new legal requirements, thereby increasing corporate risks. The EU is revising the End-of-Life Vehicles Regulation (ELVR), and its draft proposal mandates a 25% recycled plastic content in new vehicles, with at least 25% of this coming from end-of-life vehicle plastics from 2032 onwards. The EU also mandates that carmakers, just as the producers of electric and electronic products, take responsibility for the collection and treatment of end-of-life vehicles. India and other countries are also pursuing regulations mandating the use of recycled materials for vehicle manufacturing.

**Recycled Plastics** Hyundai recognizes the essential role played by the transition to a circular economy in achieving zero waste, counteracting the shortage of raw materials, and attaining carbon neutrality across the value chain in the medium to long term. In response to recent regulations in major countries that mandate the use of recycled materials in vehicles, Hyundai is developing and intensifying its internal and external vehicle recycling material technology and its application systems for new models. To reinforce our system that incorporates recycled materials into mass-production vehicles, we operate the 'company-wide council for the expanded use of recycled plastics'. In 2024, the council produced recycled plastic guidelines compiling overall matters relating to the development of recycled plastics. These guidelines have promoted consistency in our efforts to develop recycled plastics, improve our operational efficiency in recycled plastics while deepening employees' understanding of relevant areas across the board. In preparation for the EU's enforcement of the ELVR mandating the use of recycled plastics in vehicles, we are working to step up the ratio of recycled plastics to be applied to vehicle parts year by year while establishing a regulatory compliance monitoring process and a recycling information management system.

We are pursuing a more sophisticated development and application plan for recycled plastics in our vehicle parts, covering vehicle parts including chassis, bodies, and electrification as well as interior/exterior parts which account for the highest proportion of plastic use in a vehicle.

**Bio-based Materials** Bio-based materials offer a significant advantage in decarbonization efforts. Since natural materials absorb carbon dioxide through photosynthesis, developing bio-based materials out of such natural materials and using them for vehicle parts facilitates carbon fixation which refers to capturing $CO_2$ in the atmosphere and storing it in terrestrial systems. As such, bio-based materials not only decrease the usage of petroleum-derived materials but also contribute to reducing $CO_2$ concentrations in the atmosphere, helping to advance carbon neutrality goals. We are currently developing technologies that either directly use natural fiber, seashells and other natural materials or convert them into raw materials through chemical processes to be used as plastics.

**Car to Car Project** We are implementing the Car to Car project to recycle parts from end-of-life vehicles into materials for new cars, advancing resource material circularity in the process. The five key materials and parts chosen for this project include plastic, steel, and aluminum used widely in vehicle manufacturing as well as batteries and motors that are essential components of EVs. Through this initiative, we aim to internalize recycling technologies for these materials and parts and secure high-quality recycled raw materials, enhancing vehicle circularity through increased cost competitiveness while establishing automotive supply chains that support material circulation.

**Partnership for Developing Sustainable Materials** In partnership with domestic and overseas materials producers and parts suppliers, we are continuously striving to expand the development and application of recycled, bio-based and other sustainable materials in vehicle. This collaboration system enabled us to successfully develop six recycled and biomaterial-based parts including headliners, and crash pads in partnership with SK Chemical in December 2024. Leveraging SK Chemical's depolymerization technology that breaks down waste plastics at the molecular level through chemical recycling, we have successfully produced high-quality parts made from recycled PET materials.

Conventional mechanical PET recycling repurposes used PET bottles into some vehicle parts and thus is limited in sourcing and diversifying available waste resources. To address these limitations, Hyundai and SK Chemical closely collaborated for 14 months to develop a commercially viable chemical recycling technology. This enables the application of recycled materials derived from a broader range of waste sources in headliners, seats, crash pads, door panels, door armrests. Hyundai Motor Group also teamed up with MARHEN.J, a sustainable fashion brand, to develop experimental models using sustainable materials such as apple leather and vehicle.

**Design for Recycling** Throughout the design, planning, and development stages of new vehicles, Hyundai considers the recovery, treatment, dismantling and recycling of vehicle waste generated during the scrapping process to ensure that they can be dismantled and recycled easily based on the concept of DfR (Design for Recycling). While applying recyclable materials in the design phase based on design-for-recycling (DfR), we also choose natural materials in addition to recycled ones for non-metallic materials to enhance vehicle circularity as a result. The recyclability rate at the design stage for Hyundai's vehicles is 85% without heat energy recovery, and at 95% with heat energy recovery from waste treatment. Notably, ferrous and non-ferrous metal materials are reused and recycled.

# Circular Economy and Resource Use

## Application of Sustainable Materials in New Car Models

Each year Hyundai aims to further enhance the use of recycled and natural materials in its new EV models. For recycled materials, we take a double-track approach: we are striving to establish a material closed loop system to recycle waste resources recovered from end-of-life vehicles while also pursuing an open loop system to repurpose waste from other industries and domestic waste generated from households, such as PET bottles and used fishing nets. For natural materials, we are developing and applying bio-based materials derived from such natural byproducts as corn, sugarcane, and rapeseed.

**IONIQ 5** Yarn made by processing recycled PET was used for armrests and seat coverings, meaning up to 32 PET bottles were recycled for IONIQ 5. The fabrics that went into seats, headliners, and carpets contain biomaterials extracted from sugar cane and corn, and interior leather was dyed using linseed oil instead of animal-derived oils. Door trims and airbag covers were finished with bio paints formulated with plant-based oils derived from such plants as rapeseed flowers and corn.

**IONIQ 5 N** Sustainable materials were featured throughout some interior parts of IONIQ 5 N. Door trims and console covers were coated with paints containing plant-based bio oils extracted from rapeseed flowers, corn and other plants. In addition, paints containing pigments extracted through recycling end-of-life tires were applied to door handles and door switch bezels, along with seats fitted with Alcantara made from recycled polyester.

**IONIQ 6** Yarn made by processing recycled PET, bio-based yarn, bio TPO skin and other sustainable materials were used. ECONYL®, a recycled material produced by recycling discarded fishing nets from the ocean, was applied to the floor mats of the IONIQ 5 and IONIQ 6. Just as the IONIQ 5 N, paints containing pigments extracted through recycling end-of-life tires were applied to lower bumper cover which is an exterior part.

**IONIQ 9** The IONIQ 9, the top-tier model in the IONIQ lineup, features sustainable materials applied to the IONIQ 5 and IONIQ 6, including yarn from recycled PET, bio TPO skin, and bio-based synthetic leather. On top of this, the IONIQ 9 was fitted with crash pads made with bio polyurethane (PU) and headliners finished with bio suede.

**Other EV models** The GV60, Electrified GV70 and Electrified G80 are equipped with headliners, pillar trims, sun visors, and package trays made from recycled or bio-based materials. The Electrified GV70 adopted natural fabric containing 30% wool for the front section of headrests and seat side panels. The Electrified G80 showcases forged wood decorations crafted from leftover pieces of wood.

### Application of Sustainable Materials by EV Model

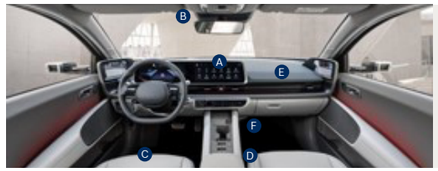
| | |
|---|---|
| IONIQ 5 | Rapeseed/corn-derived bio-paint, flaxseed oil, sugar cane/corn-derived bio yarn, recycled PET processed yarn |
| IONIQ 5 N | Rapeseed/corn-derived bio-paint, paint made from recycled end-of-life tires, Alcantara from recycled polyester |
| IONIQ 6 | Paint made from recycled end-of-life tires, rapeseed flower/corn-derived bio paint, sugarcane/corn-derived bio yarn, recycled PET processed yarn |
| IONIQ 9 | Rapeseed/corn-derived bio-paint, flaxseed oil, sugar cane/corn-derived bio yarn, recycled PET processed yarn, paint made from recycled end-of-life tires, paint made from plant-based materials |
| GV60 | Bio-polyol derived from corn and sugar cane, processed yarn from recycled PET bottles |
| Electrified GV70 | Renewable fabric containing 30% wool, processed yarn from recycled PET bottles |
| Electrified G80 | Renewable dye, processed yarn from recycled PET bottles, forged wood made of recycled leftover pieces of wood |

### Application of Sustainable Materials for IONIQ Models






IONIQ 5




- A Bio paint
- B Bio PET fabric
- C Recycled PET fabric
- D Eco-process leather
- E Bio TPO skin
- F Recycled fisher-net carpet

IONIQ 6





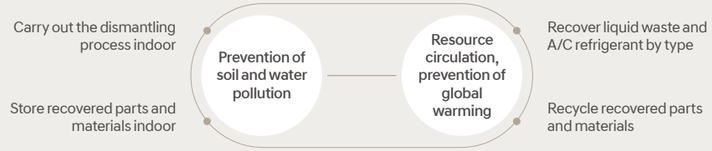
IONIQ 9

## ELV Circulation System

**ELV Circulation System** Hyundai offers one-stop End-of Life Vehicle (ELV) services. Customers wishing to receive our ELV services in Korea are supported in the recovering, dismantling, and recycling of their ELVs, which includes vehicle transport to dismantling facilities, indoor storage of recovered parts and recycling of materials. Customers may apply for ELV services through our official website, and we pick up ELVs at their preferred date and location.

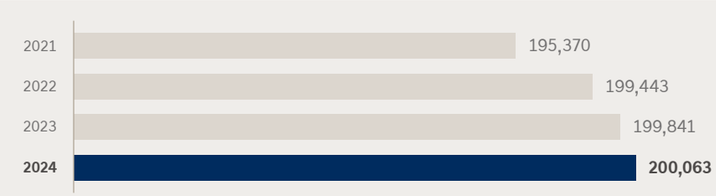
**Recovering and Recycling ELVs** To demonstrate the feasibility of applying the Extended Producer Responsibility (EPR) recycling system—already implemented in the packaging and electronics sectors – to the automotive sector, Hyundai signed an agreement with the Ministry of Environment in 2011 to execute a pilot project aimed at advancing the resource circulation system for end-of-life vehicles. To that end, we have facilitated recycling by providing vehicle dismantling manuals and training to scrap car companies, as this helps them to differentiate between economically viable and non-viable resources, guiding them on proper handling techniques. Notably, we support them in recovering and handling used refrigerants which negatively impact the climate and ecosystems, steel scraps generated during vehicle dismantling, and automotive shredder residue from ELV dismantling while also offering financial assistance for treating hard-to-recycle materials, further tightening our partnerships with scrap vehicle companies. In 2024 alone, we recovered nearly 200,000 tons of resources from ELVs and achieved 82.6% in ELV recycling when thermal recovery is excluded. In the meanwhile, Hyundai does not have financial benefit from ELVs' take-back program, but it financially supports recycling companies to further increase recycling rates. This reflects our commitment to the sustainable disposal of ELVs and to facilitating resource circulation over the long-term.

### ELV Treatment Principles




### Resources Recovered from ELVs

(Unit: Tons)



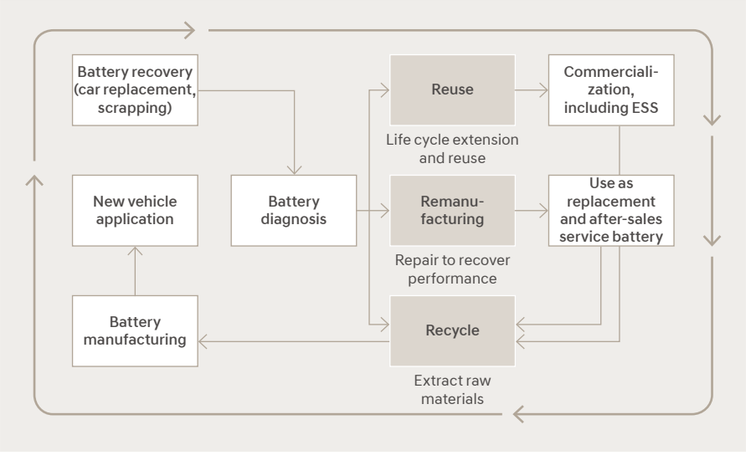
# Circular Economy and Resource Use

## Battery Closed Loop System

**Group-wide Partnership for a Battery Closed Loop System** Hyundai is establishing a battery closed loop system aimed at driving sustainability through the recycling and reuse of from EV dismantling in alignment with the battery lifecycle. The battery lifecycle encompasses the production of battery cells from raw materials, the assembly of EV battery systems, the reuse of batteries after initial use, the extraction of resources from discarded batteries, and the input of reclaimed materials back into battery manufacturing, creating a sustainable battery closed loop system. We have established a group-wide cooperative system throughout the battery life cycle, while exploring sustainable business models and developing relevant competencies.

While developing a system to treat large quantities of end-life-of batteries through our global sales and service network, we are establishing a battery closed loop system, reclaiming core battery materials such as cobalt, lithium and nickel from end-of-life batteries that cannot be reused or remanufactured and feeding them back into battery manufacturing. Hyundai Glovis, on the back of its global logistics network, engages in recovering end-of-life batteries through land and sea transport for their recycling or reuse for Energy Storage Systems (ESS). Hyundai MOBIS is planning a remanufacturing business that prolongs the life of batteries by means of new packaging, such as sorting out collected batteries and restoring performance, and inputs them for use. Remanufactured batteries will be used for old electric vehicles and repair (after-sales service). We are partnering with domestic/international companies with proven technology in the battery circular value chain while strengthening partnerships with Hyundai Motor Group affiliates, ramping up our efforts to build an ecosystem for battery recycling.

**Framework for the Battery Closed Loop System**




**Battery Recovery** Hyundai is collaborating with Hyundai GLOVIS, a group company, to establish a global network and transportation control system that systematically collects and transports waste batteries from various locations around the world, including scrapyards, dealerships, after-sales service centers, and Battery-as-a-Service (BaaS) sites. We are also building an integrated diagnostic and pre-treatment system for recovered batteries in collaboration with Hyundai Glovis. In particular, Hyundai GLOVIS has developed and patented a dedicated platform container that can transport used batteries, which are difficult to handle, safely and effectively. It is also collaborating with ER (Environment Recycling), a company possessing pretreatment technology for waste batteries, in the construction of a system that will enable easy transportation and in securing a black powder that can extract valuable metals.

Additionally, we have secured a logistics system that complies with the complex and diverse regulations of each country. Leveraging Hyundai Glovis' logistics know-how and network, Hyundai Motor Company is laying the groundwork for the recovery, diagnostics, and pre-processing of end-of-life batteries throughout the battery lifecycle, establishing a robust system for battery reuse and recycling.

**Battery Reuse** Hyundai has been conducting pilot projects to reuse second-life EV batteries for ESS. In December 2020, we became the first company in Korea to obtain approval to give a special regulatory sandbox demonstration of an energy storage device for reusing second-life batteries. Having built a 2 MWh ESS and a 300 kWh ESS, respectively, at our Ulsan Plant and the Gongju plant of OCI Specialty, our demonstration partner, we began commercial operations using photovoltaic power in January 2021.

In April 2022, we partnered with Korea Water Resources Corporation to deploy 400kWh ESSs for Busan Eco Delta Smart City. The ESS demonstration projects that Hyundai undertakes by reusing batteries have been led by Hyundai Glovis since 2023. Hyundai Glovis is strengthening the ESG business through a single pipeline encompassing battery recovery/diagnostics/pre-processing and reuse.

**Battery Remanufacturing** Among second-life batteries generated from our battery life cycle, top-quality second-life batteries with high residual value will be linked to remanufacturing business according to our own classification criteria. We work together with Hyundai MOBIS and Poen to remanufacture purchased/collected second-life batteries into batteries for old vehicles and after-sales service, thereby prolonging the service life of batteries.

**Battery Recycling** Under our battery closed loop system, end-of-life batteries deemed unfeasible for remanufacturing or reuse are shredded and recycled by extracting valuable metals such as lithium, cobalt, and nickel. We are focused on securing technologies that enable the sustainable and safe recycling of large volumes of batteries expected in the upcoming years, and aim to incorporate raw materials sourced as such into battery production to complete a battery closed loop system.

**Establishing an Ecosystem for Battery Recycling** While reinforcing our collaboration with Hyundai Motor Group affiliates, we are striving to collaborate with domestic and international companies. In 2024, we signed a contract with Lithion to advance EV battery recovery and recycling in Canada. Under this contract, automotive lithium-ion batteries nearing the end of their life are collected and sent to Lithion's recycling plant. Hyundai Glovis, which oversees the recovery and processing of second-life batteries and directs them to recycling business under Hyundai Motor Group's battery closed loop system, inked an MOU with EcoPro in 2024 to pursue upstream business for recycling used EV batteries. This partnership drives our efforts to strengthen our battery recycling value chain and leverage each party's pre-processing technologies to lay an optimal groundwork for battery recycling. In partnership with Hyundai Glovis, is building an ecosystem for battery recovery and pre-treatment.

**Customer Battery Care Program** We team up with battery companies early from the development stage to enhance the longevity, efficiency, recyclability, and safety of batteries. Aside from this, we operate the Customer Battery Care Program to improve the efficiency of battery use in the customer use phase: when a customer leases an EV, we reduce the lease fee in advance based on the projected residual value of the battery and offer compensation if the battery remains in good condition. This program is expected to motivate customers to better manage battery performance themselves, extending battery longevity while improving efficiency in battery use.

We launched our 'Customer Battery Care Lease Program' first with the Casper EV model in collaboration with Hyundai Capital in 2024 and expanded this program to IONIQ 9 in 2025. This program not only helps alleviate customers' concerns about battery degradation but also reduces the upfront cost burden of EV ownership, contributing to the mainstreaming of EVs. This program also enables customers to monitor battery status in real time and receive compensation after the lease is ended when the battery meets the set condition criteria. At the end of the lease term, EV batteries will be either reused or recycled depending on their remaining service life and performance.

# Circular Economy and Resource Use

## Resources Use

### Resources Inflows

**Raw Material** Supply chain situations and geopolitical issues give rise to the increased volatility of raw material prices. Raw material price volatility is a factor that directly affects finance. Hyundai is therefore striving to manage internal and external risks that can be triggered by raw materials, including a rise in costs, instability in supply and demand, and depletion of natural capital, by enhancing raw material usage efficiency and promoting recycling. Vehicle manufacturing relies on a broad array of materials, including steel, aluminum, plastic, glass, wood, rubber, and critical minerals. The primary raw materials used at Hyundai's production plants include steel (iron), aluminum, paint, thinner, and casting sand. Steel and aluminum are predominantly used in the body shop, while scraps from the pressing process are fully recycled through external sales. Plastic, glass, wood, rubber, and critical minerals are primarily consumed by parts suppliers. We are reinforcing our partnerships with material producers and parts suppliers to expand the uptake of sustainable materials, including recycled materials, in the product development phase.

In 2024, steel and aluminum scrap volumes accounted for 32.6% of total raw material consumption. While our year-on-year production declined in 2024, steel and aluminum use per vehicle rose slightly.

**Critical Minerals** EV battery manufacturing requires more critical minerals than internal combustion engine (ICE) vehicles. According to the International Energy Agency (IEA), EVs consume six times more critical minerals than ICE cars. Furthermore, these minerals, including lithium, cobalt, nickel, and manganese, are essential to battery performance, longevity, and energy density, which underscores the utmost importance of their reliable supply. To alleviate risks associated with critical minerals, we are developing mass-market batteries containing less critical minerals. Our mass-market NCM (Ni, Co, Mn) battery will be designed to reduce nickel content compared to the currently-adopted NCM battery, lowering the use of critical minerals as a result.

**Water** We monitor water consumption and recycling volumes along with water pollutant discharges at the production plant level. Internally, the environmental organization at the Headquarters uses the Hyundai Environmental Assessment Tool (HEAT) developed in-house to manage water efficiency and recycling, at each production plant. Externally, we receive annual ISO 14001 certification audits from third-party organizations to evaluate water efficiency and treatment.

#### Raw Material Use

(Unit: Tons, Tons/Vehicle)

| Classification | 2022 | 2023 | 2024 |
|---|---|---|---|
| Steel/aluminum use[1)] | 1,297,282 | 1,387,729 | 1,376,276 |
| Use per vehicle produced | 0.32 | 0.32 | 0.33 |
| Steel/aluminum scrap[2)] | 430,673 | 449,781 | 448,386 |

1), 2) Aggregated site data were restated for disclosure to reflect corrections in previously reported figures for steel consumption and scrap volumes at certain business sites.

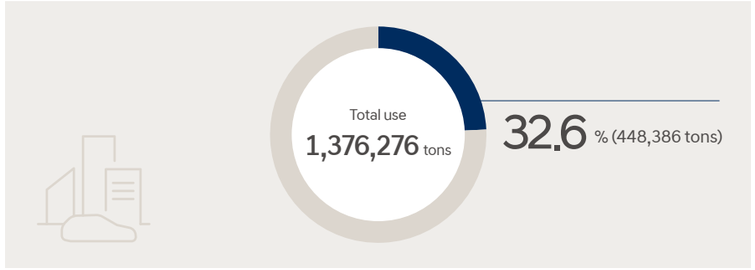
#### Water Consumption and Recycling

(Unit: Tons, Tons/Vehicle)

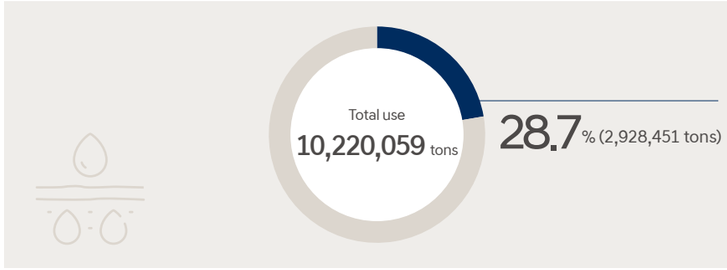
| Classification | 2022 | 2023 | 2024 |
|---|---|---|---|
| Total use[3)] | 10,578,611 | 11,181,546 | 10,220,059 |
| Use per vehicle produced | 2.6 | 2.6 | 2.5 |
| Recycling | 2,284,154 | 2,631,445 | 2,928,451 |

3) Aggregated site data were restated for disclosure to reflect corrections in previously reported figures on water withdrawal volumes at certain business sites.

#### Ratio of scrap amount in 2024




#### Water recycling rate in 2024




## Water Conservation Initiative in India

Hyundai Motor India (HMI) is situated in Chennai. According to the World Resources Institute (WRI), 17 out of 28 states in India face extreme water stress. Specifically, Chennai is experiencing severe water scarcity, highlighted by its declaration of Day Zero (the projected day when a city is expected to run out of water) back in 2019.

HMI is addressing such water risks at the production plant level, conserving water resources while expanding water recycling. To reduce its reliance on external water resources, HMI is also stepping up efforts to secure in-house water sources through rainwater harvesting. This is paired with various water resources conservation initiatives to join hands in addressing the issue of water shortages in Chennai and other major communities in India.

### Water Self-Sufficiency at the Production Plant

To address high water stress in India, a multi-pronged approach is needed, focusing on efficient water management, conservation, and alternative water sources. HMI's manufacturing facility at Chennai aims at achieving 100% self-sustenance in water usage by 2030. For efficient water management, HMI has implemented a zero liquid discharge and practiced effective rainwater harvesting. Six reservoirs situated in its Chennai plant premises capable of storing nearly 350,000 tons of water, facilitate rainwater harvesting.

### Dry Wash Service

Through dry wash service, introduced as a water conservation initiative, HMI has reduced the water wastage in car washing significantly. Traditionally, car washing consumes about 120 liters of water per car for a single wash. The dry wash service stands as an alternative to traditional water-intensive car washing methods. This service has been used by 5.5 million cars over the past five years across HMI's service network and workshops in India, conserving a total of 650 million liters of water, which is equivalent to the daily water consumption of 4.8 million people.

### Pond Restoration Project

To contribute to resolving water shortages facing local communities, HMI launched a project to restore ponds that dried up amid prolonged droughts. In 2022, this project helped restore three ponds in Hariahera, Palasoli, and Tajnagar, securing approximately 14 million liters of water. Two more ponds in Chennai were restored subsequently in 2023. This project not only ensured more reliable water supply for local people but also improved the local ecosystem.

In implementing these multi-faceted water resources conservation initiatives, HMI progresses towards water self-sufficiency in production and joins forces with local communities to combat water scarcity challenges in India.

# Circular Economy and Resource Use

These internal and external environmental assessment results inform our efforts to identify opportunities and make necessary improvements to manage water efficiency while reducing water pollutants. In particular, we manage water efficiency to ensure water consumption does not rise in proportion to increased production volumes, and strive to expand water recycling. We use the WRI's Aqueduct Water Risk Atlas Tool in assessing water risks at the business site level. These assessments identified extremely high water risks at HMI(Hyundai Motor India), HMTR(Hyundai Motor Türkiye Otomotiv A..S), HMMA(Hyundai Motor Manufacturing Alabama), BHMC(Beijing Hyundai Motor Company), and HMMI(Hyundai Motor Manufacturing Indonesia). This prompted us to focus on business sites at increased water risk in improving water efficiency and increasing water recycling.

In 2024, our water recycling amounted to 2,928,451 tons, achieving a 11.3% year-on-year growth, and our water recycling rate of total water usage was increased to 28.7%, up 5.1% from the previous year. Our water consumption target for 2024 was set at 10,350,887 tons to deliver a 5% reduction from the projected water consumption based on planned production volumes for the year. Actual water consumption totaled 10,220,059 tons. In 2024, water consumption per vehicle fell by 3.8% to 2.5 tons.

Efforts are also underway to reduce water consumption while promoting recycling at the production plant level. Our Indian plant (HMI) located in Chennai facing severe water scarcity as well as our Asan Plant in Korea have established a zero wastewater discharge system to recycle water. Our Ulsan Plant has deployed a wastewater recycling system which covers water transfer pipelines with an aim to recycle effluents from its wastewater treatment facility into circulating water for the wet-type dust collector at the painting booth, which enable over 52,000 tons of water to be recycled. To reduce water consumption, our Czech plant (HMMC) will review the installation of nano filters to recycle wastewater discarded from the reverse osmosis (RO) system in its painting shop, install additional flow meters, and conduct rigorous water consumption monitoring. Our Mexican plant (HYMEX) has established a wastewater recycling system capable of repurposing treated water for production by upgrading its wastewater treatment facility with biofiltration, ultrafiltration, and RO treatment. Our HTWO Guangzhou plant is reducing the operating hours of chilled water production facilities while harvesting and recycling reaction water generated from hydrogen fuel cell activation and PMC processes.

Hyundai provides employees with annual environmental training in line with its environmental policy, encouraging water conservation and increased recycling. In particular, we send text messages to service centers through social media platforms urging employees to reduce water and energy use. On World Water Day (Mar. 22), our Indian plant displayed posters highlighting the importance and urgency of water issues for employees and shared water saving tips to further motivate employee engagement in water conservation efforts.

## Resources Outflows

**Waste** Hyundai monitors and manages the amounts and types of waste discharged and recycled at each production plant Internally, our headquarters' environmental organization conducts audits on waste management using the Hyundai Environmental Assessment Tool (HEAT), developed in-house. Externally, we undergo annual ISO 14001 audits to assess our waste management practices. Based on the results of our self-management, as well as internal and external waste audit, we identify and act upon opportunities to reduce waste and enhance recycling efforts.

Hyundai is committed to reducing waste and expanding recycling initiatives to ensure that our waste generation do not rise in parallel with our production volumes. In our automobile production process, we successfully recycle of metal wastes and are working to broaden recycling efforts to include waste paint, waste thinner, packaging materials, and sludge waste. In 2024, Hyundai's total waste discharge (excluding recycling amount) amounted to 79,528 tons, an increase of 14.2% from the previous year. The amount of waste per vehicle also saw a slight increase, coming in at just 0.019 tons. Our recycling rate of total waste also reached 91.4%. In 2023, our waste recycling rate temporarily rose to 93.4% due to a surge in the recycling of construction waste generated from the new EV plant built at our Ulsan Plant in 2023. Our waste discharge target for 2024 was set at 70,703 tons based on the projected production plan for 2024, and actual discharge amounted to 79,528 tons. The reason for the increase in actual waste discharge compared to the 2024 target and the previous year was attributable to the temporary increase in general waste that cannot be recycled due to the removal of existing roofs and other facilities in preparation for the construction of a new hypercasting plant at Ulsan plant and the repurposing of some production processes at Czech plants.

Each production plant is working to reduce its waste, expand its recycling initiatives, and minimize its landfill use. The U.S. plant (HMMA) has developed and is implementing a plan to reduce its waste generation by 420 tons per year. While our Indian plant (HMI) had previously outsourced the disposal of phosphate sludge and ground sludge classified as hazardous waste to specialized third-party treatment companies, it has established a waste-to-resource process to transport this waste to nearby cement production facilities for recycling as alternative fuel.

### Waste Discharge and Recycling

(Unit: Tons, Tons/Vehicle)

| Classification | 2022 | 2023 | 2024 |
|---|---|---|---|
| Total waste[1)] | 70,216 | 69,656 | 79,528 |
| Waste per vehicle produced | 0.018 | 0.016 | 0.019 |
| Total recycling[2)] | 578,957 | 978,312 | 849,485 |
| Recycling rate | 89.2 | 93.4 | 91.4 |

1), 2) Aggregated site data were restated for disclosure to reflect corrections in previously reported figures on waste generation at certain business sites.

The Asan plant and Brazil plant (HMCSA) have been certified as "zero waste to landfill" plants. The Asan plant, due to its high recycling rate and landfill minimization performance, has achieved the 'Platinum' level (100% recycling rate) in the Zero-Waste-To-Landfill (ZWTL) certification of UL Solutions, an international safety and science certification organization. As for the Brazil plant, it has earned the highest level of the "Responsible Company Seal" for its waste management, Diamond, which is awarded by the Brazilian certification bodies PCN Do Brasil, the National Institute of Metrology Standardization and Industrial Quality (INMETRO), and the Zero Waste Institute from the Instituto Lixo Zero Brasil (ILZB). Our Indonesian plant (HMMI) enhances the sorting of in-house food waste which amounts to nearly 9.7 tons per year and regularly manages such waste through natural decomposition, converting it to natural fertilizers which are then used to cultivate landscaping plants within the plant.

Hyundai also conducts annual environmental education and campaign for its employees based on its environmental policy to promote waste reduction and recycling. In 2024, the Headquarters encouraged domestic sites to launch campaigns aimed at planning activities to promote waste recycling. Notably, the campaign led by the Asan Plant to repurpose used banners into thermal bags was chosen and has been implemented since 2025. This involves the collection of banners no longer used from within and outside the plant and their transformation into insulated bags for ready-to-eat employee breakfasts, avoiding the use of single-use plastics all while reducing banner waste. The Jeonju Plant has been supporting the use of reusable containers for the past seven years, and plans to launch a reusable tumbler use campaign across public-use facilities in 2025. In tandem with these efforts, we also make investments in waste and recycling facilities each year. Additionally, we invest in waste and recycling facilities, allocating a total of KRW 725 million to improve the waste and recycling infrastructure of our domestic plants in 2024 alone.

### Waste recycling rate in 2024



# Biodiversity

Biodiversity is essential for life on Earth, allowing humans, plants, and animals to live in harmony with nature. Recognizing that biodiversity has a significant impact on natural capital—including human food safety, health, air and water quality, and raw material supply—Hyundai strives to assess its impacts on, and risks to, biodiversity and to mitigate any negative impacts based on this assessment. Furthermore, under the company-wide “Colorful Life” campaign, we are implementing various projects, such as protecting endangered species and preserving natural habitants within the communities near our sites and regenerating land and marine ecosystems while taking into account their natural characteristics.

## Biodiversity Response

### Biodiversity Policy and Assessment

**Biodiversity Protection Policy** In 2022, Hyundai established the Biodiversity Protection Policy based on the Convention on Biological Diversity (CBD), Convention on International Trade in Endangered Species of Wild Fauna and Flora, and Guidelines for Applying Protected Area Management Categories. We are complying with laws and regulations on diversity promotion, wild fauna and flora management, natural habitat conservation, and use of forest/soil/water resources of countries where our business sites are located. Also implemented based on the biodiversity policy includes the assessment of environmental impact throughout our business operations and conservation/restoration activities. Implementation of our pledge on mid- to long-term biodiversity restoration and promotion, assessment of biodiversity and setting of impact reduction activities, and forest destruction prevention and reforestation project is endorsed by management (C-level).

Hyundai Motor Company Biodiversity Protection Policy

**Biodiversity Impact Assessment** Hyundai conducts an environmental impact assessment of its large business sites based on relevant laws and regulations in the respective country to forecast and analyze the impact on natural environment by environmental factors that arise in the process of newly building/extending business sites or operating business sites. The air environment, water environment, land environment, fauna and flora, and other factors are subject to environmental impact assessment. Based on assessment results, we identify major risk factors and establish mitigation measures. Some production subsidiaries additionally conduct a biodiversity risk assessment that identifies numbers of fauna and flora and ecosystem status, through which they forecast impact and risk factors on specific species and population and establish mitigation measures. In addition, each business site carries out biodiversity and habitat protection activities and collaborates with relevant organizations, non-profit groups, and professional organizations to raise the effectiveness of protection activities.





Methods for assessing the species and individual inhabitation status (picture-taking, spot survey, field inquiry)

**Biodiversity Impact Assessment process – Flora and Fauna Distribution Survey and Impact Analysis**

| | |
|---|---|
| ① Select species and individuals | We select species and individuals that are subject to an assessment in a way that allows identification of fauna and flora as well as the ecosystem status in consideration of a business site’s operation method, operation size, and nearby local environment characteristics. In particular, we include endangered animals, protected wild animals, natural monuments, and species that are designated for preservation/protection by international agreements in assessment targets. |
| ② Set the assessment area (range) | The area that has the business site’s major axis length as the radius is used as the basis, but we set impacted neighboring areas from business site boundaries as the assessment range. If needed, we expand the assessment range in consideration of fauna and flora’s movement route, area of activity, and vegetation distribution. |
| ③ Define the assessment method | We carry out a basic survey of ecosystem geography and ecology, including an inquiry, documentary survey, and questionnaire. We identify the status of numbers of species through unaided eye observation, field inquiry, picture-taking, sound detection, spot survey, and trap installation, in consideration of fauna and flora’s area of activity, time, frequency, and other factors. Assessment results are managed as characteristics information, including method of confirming species per assessment spot, legally protected species, indigenous species, and observed and confirmed population. |
| ④ Forecast and analyze impact | We forecast and analyze the impact and risk factors of natural environment changes caused by business operations, air/water/soil pollution, and noise and vibration generation on changes in species and population. When forecasting impact, we refer to similar assessment cases, such as establishment of new business site, capacity expansion, and business operation. Based on assessment results, expected changes to species and population are described in quantitative or qualitative form. |
| ⑤ Establish mitigation measures | Based on the results of forecasting and analyzing negative impact on species and population, we establish measures on mitigating negative impact on fauna and flora species and population. |

**Biodiversity Risk Management** In alignment with the Kunming-Montreal Global Biodiversity Framework adopted in 2022, major countries in the EU and other regions have established their national 2030 biodiversity strategies to move beyond preventing additional losses of biodiversity towards achieving net gains. Building on these strategies, they are earnestly beginning to regulate the industries that have the greatest negative impact on biodiversity.

First and foremost, the EU recognizes deforestation as a major driver of biodiversity loss and has accordingly enacted the EU Deforestation Regulation (EUDR), which will take effect at the end of 2025. Under the EUDR, any operators or traders engaged in importing or exporting commodities including palm oil, cattle, coffee, wood, cocoa, rubber, and soybeans – along with relevant products such as leather, furniture and rubber tires, within the EU market must prove that the products are not linked to deforestation or forest degradation. The commodities and products covered by EUDR will be screened for links with deforestation and, if such links are confirmed, they will be banned from importation and distribution within the EU. Further additions to the list of covered commodities and relevant products are expected in the future.

Hyundai integrates biodiversity risks into its company-wide risk management system and is intensifying its sustainability risk management to prevent deforestation risks of leather and rubber supply chain, as EUDR will take affect at the end of 2025. Leather and rubber materials, designated as priority materials under the EUDR, are used for interior seats and tire and any application of rubber and leather raw materials linked to deforestation may pose the risk of delay or suspension in sourcing relevant components due to the European import ban. To prevent such risks, a preliminary investigation was completed at the Headquarters level on the leather and rubber components used in our vehicles produced in or exported to Europe to determine whether they are covered under the EUDR. Preparatory training was also provided to working-level procurement teams at the Headquarters and in the EU and suppliers sourcing affected components, offering guidelines on how to respond to the Regulation. This training forms part of our efforts to establish a risk response system covering the identification of deforestation-related risks in partnership with concerned suppliers. For risk identification, Hyundai requires the direct suppliers of parts made from leather and rubber to disclose the origin of materials they use during the bidding process. For risk prevention, the directive suppliers of parts made with leather are obligated to use LWG (Leather Working Group) certified leather. Hyundai is striving to make high-quality genuine leather even more sustainable. Regarding rubber, Hyundai collaborates with tire companies to secure and utilize natural rubber that is not linked to deforestation. Looking ahead, Hyundai will strive to develop and adopt sustainable materials over the mid-to long-term to prevent risks relating to leather and rubber materials.

# Biodiversity

## "Colorful Life" Campaign

Hyundai is aware of biodiversity losses that are aggravating worldwide, and has launched a company-wide biodiversity protection campaign titled 'Colorful Life' since 2023 by positioning biodiversity as the central theme of environmental contribution initiatives undertaken at the site level. Colorful Life highlights the significance of life's diversity and suggests that the conservation of biodiversity can enhance and enrich our lives. Each domestic and overseas site has developed and implemented a CSV activity business plan centered on biodiversity.

**Headquarters – Public-Private Partnership for Biodiversity and Ecosystem Restoration** At the end of 2024, we signed an MOU with the Korea Environment Conservation Institute and Asan City for ecosystem restoration and biodiversity promotion, and have since been committed to the restoration of degraded ecosystems in the Asan region. This partnership represents the first-ever sustainability initiative jointly led by both public and private entities for ecological restoration. The project site - Gundeok-ri, Seonjang-myeon, South Chungcheong Province - was formerly a farming area and has repeatedly transformed between lake, wetland, and farmland according to seasonal variations in water discharge, with its wetland function compromised over time due to terrestrialization. Hyundai and the Korea Environment Conservation Institute plan to transform the 9,000㎡-sized site into an aquatic ecological garden by 2025, restoring its ecological environment. Asan City will take charge of maintenance following the restoration.

**Ulsan Plant – Conserving the Taehwa River and Endangered Species** The Ulsan Plant has been engaging in the protection and conservation of the Taehwa River, a designated ecological conservation area in its vicinity, as well as endangered species inhabiting near the river with decreasing populations. In 2024, the plant sponsored the Taehwa River Conservation Association and the East Asian-Australasian Flyway Partnership (EAAFP) to safeguard waterbirds living in the estuaries of the Taehwa River including the Black-faced Spoonbill as well as fish inhabiting the Cheokgwa Stream including Japanese minnows, along with collecting plastic along seashore areas. In 2025, the Ulsan Plant will launch an initiative to protect and restore Rosy Bitterlings in the Taehwa River. The Rosy Bitterling is a native Korean species and a legally protected flagship species, playing a vital role in the local ecosystem.

**Asan Plant – Planning Trees in Yeongin Mountain** Our Asan Plant has been dedicated to the Hyundai Motor Forest Program implemented for Yeongin Mountain since 2022, providing KRW 10 million budget support each year under the One Company One Mountain partnership established with the mountain situated in Asan City. In 2024, our efforts continued to plant Yoshino cherry trees recognized for their effectiveness in reducing carbon emissions in collaboration with the Asan Facilities Corporation.

**Jeonju Plant – Endangered Plant Conservation & Restoration Project** Starting in 2024, the Jeonju Plant is initiating agreements with organizations such as the Jeonbuk Regional Environmental Office, Deogyusan National Park, the National Park Wildlife Conservation Center Plant Center, and Good Neighbors Jeonbuk Branch, focusing on conservation activities for the newly discovered critically endangered Cypripedium japonicum(Gwangneung Yogang Flower), a Class I endangered species, in Deogyusan, and carrying out propagation projects for the Lilium tsingtauense(Nalgae Haneulnari Flower), a Class II endangered species.

### Key Biodiversity Initiatives

| Mitigation Hierarchy | Key Initiative |
|---|---|
| Avoid | • Before establishing/changing/expanding a large business site, we pre-assess how the activity will impact the nature assets, including biodiversity (flora and fauna) and natural environment (air, water, soil), of the planned project site and surrounding area. |
| Reduce | • We adopt environmental facilities that can minimize discharge of air/water/soil pollutants of our business sites, such as use of the regenerative thermal oxidizer (RTO), dust collector, zero liquid discharge system, and waterborne-based paint.<br>• We conduct life cycle assessments (LCAs) in the areas of global warming, acidification, eutrophication, and photochemical oxidant to assess our vehicles' potential impact on the environment, using CML (Centre of Environmental Science – Leiden University) methodology. LCA results indicated that EVs can reduce the carbon footprint as much as 67% compared to ICEVs, when using new and renewable energy-based electricity.<br>• Water shortages and poor water quality are direct contributors to biodiversity loss. We strive to enhance the efficiency of our water use in manufacturing processes, and manage wastewater in accordance with internal management standards.<br>• Vehicle manufacturing relies on a wide range of raw materials, including metal, rubber, and leather. We are striving to apply sustainable materials to reduce biodiversity impact when extracting raw materials. |
| Transform | • We are establishing ecological parks based on private-government cooperation and developing/spreading new technologies that restore the ecosystem.<br>- In partnership with The Nature Conservancy (TNC) in Brazil and Sao Paulo State University's Department of Forest Science, we established a research forest to develop new technologies for forest restoration (Green Field, etc.) and are spreading new technologies. |
| Restore | • We work to restore endangered, high-risk species, threatened species due to climate change, and degraded ecosystems.<br>- Animal restoration: We strive to preserve and restore species, such as by setting protection zones for the endangered long-billed ringed plover and eagle, which is a natural monument, living in the Taehwa River in collaboration with Ulsan Metropolitan City and East Asian-Australasian Flyway Partnership.<br>- Plant restoration: Following the cultivation and planting of Korean Fir, endangered species threatened by climate change, we collaborated with the Korea National Park Service and conducted a project on restoring plants on Mt. Deogyu that are categorized as endangered species, including cypripedium japonicum and lilium cernuum.<br>- Ecosystem restoration: We are implementing a restoration and ecological garden development project on a site affected by ecosystem degradation (nearly 9,000㎡) under the public-private partnership with Asan City. |
| Regenerate | • We undertake regeneration projects for terrestrial and marine.<br>– Terrestrial ecosystem: Through the IONIQ Forest project, we will regenerate forests by planting 2 million trees by 2035 across the globe, to provide sustainable habitants for both flora and fauna.<br>– Marine ecosystem: In collaboration with Healthy Seas, we will collect a total of 230 tons of ocean waste (waste fishing nets, etc.) in 8 European countries (Greece, France, etc.), US and Korea by 2025 to help increase marine life populations, including the return of marine fish species. |

| Classification | Metrics | Target | Progress | Detailed Strategies for Achieving Goals |
|---|---|---|---|---|
| Terrestrial ecosystem | • Area of regeneration<br>• No. of trees planted to build forests | • Area of regeneration: Regenerate a total of 2,000 ha of terrestrial ecosystem(forest, grassland) by 2035<br>• Planting trees: Plant 2 million trees by 2035 | • Restoration area: Completed the restoration of terrestrial ecosystems of 1,803 ha, including forests and grasslands, between 2016 and 2024<br>• Tree planting: Planted a total of 902,439 trees between 2016 and 2024 | • Aim to achieve the goal by expanding the global market for terrestrial regeneration projects, starting in Korea and then extending the scope of the projects to major countries with our production plants in the U.S., Brazil, and the Czech Republic |
| Marine ecosystem | • Collected marine wastes, including waste fishing nets | • Collect 230 tons of marine wastes by 2025 | • Collected a total of 278 tons of marine litter on nearly 45 occasions in 8 European countries, Korea, and the US between 2021 and 2024 (collected 63.4 tons of abandoned fishing nets in 2024) | • Expand the marine litter collection initiative to include Korea and the US in addition to 8 European countries to attain the set goal |

# Biodiversity

**Business Case**

## Metaplant America(HMGMA) – Biodiversity Impact Assessment

In line with Hyundai Motor Group's initiative to construct Hyundai Motor Group Metaplant America (HMGMA) in the state of Georgia, US, biodiversity impact assessments on the fauna and flora living in the vicinity of the plant site was conducted. The scope of these assessments includes the plant site and the areas adjacent to the mega sites developed by the Georgia state government for large-scale manufacturing. The purpose and need of assessment are to determine the potential for the occurrence of animal and plant species currently listed as threatened or endangered in Bryan County by federal regulations and whether mitigation measures will be required in coordination with the US Fish and Wildlife Service.

### Description of the Assessment Area

The assessment area is located south of Interstate 16, east of GA Highway 280, near Black Creek, in Bryan County, Georgia, United States. This area had been previously managed for wood manufacturing and covers both wetland and upland areas. The wet areas are known to provide habitats for reptiles and amphibians, such as the Eastern Indigo Snake, Frosted Flatwoods Salamander, Striped Newt, and Gopher Tortoise, and surveys were conducted to evaluate the presence of legally protected reptile and amphibian species.

### Biodiversity Assessment Methodology

The assessment followed a three-step process of preliminary literature review, on-site survey, and expert engagement. This started with a preliminary review of habitats using state and federal government records on the study areas, national wetland maps, and other diverse geographical information sources. With the help of the US Fish and Wildlife Service and the Georgia Department of Natural Resources, we conducted literature reviews to identify the possible presence of species listed as legally protected within the assessment areas. On-site, walking surveys were conducted to take stock of the current habitat conditions and confirm the potential inhabitation of listed species. This involved the documentation of habitat types, plant communities, and the composition of inhabiting species, along with photo-taking to document site conditions, plant communities, and the current status of habitats by type. Following the confirmation of reptile and amphibian inhabitation through preliminary and on-site habitat surveys, we sought advice from a reptile expert (John Palis) to conduct in-depth surveys on specific protected species including the Eastern Indigo Snake, Frosted Flatwoods Salamander, Striped Newt, and Gopher Tortoise.

### Results of the Biodiversity Assessment

The assessment was structured around the classification of habitat types, the identification of species presence with a focus on those legally protected by the federal and state governments, and impact assessment. Bryan County had been managed for wood manufacturing, and mainly consists of uplands and wetlands, including coastal plains of Georgia. The following table illustrates the types and characteristics of habitats within Bryan County as identified by on-site surveys.

**Habitat Classification Results within the Assessment Area**

| Type | Main Characteristics |
|---|---|
| Managed Pine Plantation Upland | Constitute plantation areas for wood manufacturing with systematically managed pine trees of varying age groups, comprise the majority of the assessment area |
| Managed Pine Plantation Wetland | Located in the southeastern portion of the area and subject to more frequent hydrologic saturation and inundation |
| Forested Wetlands | Dispersed across the assessment area with the distribution of hardwood species |
| Scrub-Shrub Wetlands | Previously served as hardwood harvest areas, located along the perimeter of the wetland systems and currently have a dense understory |
| Intermittent Streams | Located in the central portions of the forested wetland systems, consist of sand and mud lacking vegetation |

**Legally Protected Species** Assessments were conducted on endangered (E) and threatened (T) species protected under the Endangered Species Act of the US federal government. Specifically, in-depth studies were conducted on a select group of protected species known to strongly prefer the types of habitats present within the assessment area.

- **Red-Cockaded Woodpecker (E) :** The assessment area contains scattered mature pines located primarily along Black Creek and the wetland fringes. However, the vegetation in these areas contain a dense understory and are not preferred by the Red-Cockaded Woodpecker (RCW). No individuals or colonies of the RCW were observed during the field survey and no nesting or foresting habitat was noted.
- **Eastern Indigo Snake (T) :** This species prefers a variety of habitat types, including plains with plentiful pine trees and underbrush, freshwater wetlands, and coastal dunes. The Eastern Indigo Snake co-inhabits the burrows of the Gopher Tortoise to avoid cold and dry spells. No trace of inhabitation was observed during the field survey.
- **Frosted Flatwoods Salamander (T) :** Based upon the results of this study, the presence of the flatwoods salamander within the assessment area is not likely and therefore there will be no effect on this species.

**Candidate (C)** Due to the confirmed potential inhabitation of the Gopher Tortoise and Striped Newt that are candidate species eligible for protection under US federal law, separate in-depth studies were conducted.

- **Gopher Tortoise (C) :** While the Gopher Tortoise is listed a candidate species under US federal law, this is classified as an endangered species under Georgia state law and is protected as such. Along with sandy soil for burrowing, sunlight availability, and abundant herbaceous vegetation are the key habitat requirements for this reptile. Gopher tortoises are a characteristic species of the rapidly disappearing longleaf pine and wiregrass community. Unfortunately, very little of this naturally occurring habitat still exists; therefore, many tortoises have been forced into artificial habitats.
- **Striped Newt (C) :** John Palis, a reptile expert, directly conducted on-site studies, and no individuals were found.

**Bald and Golden Eagle** The populations of Bald and Golden Eagles have recovered thanks to national conservation efforts. Since they were delisted from the endangered species list, they have remained protected according to separate guidelines. The assessments area does not contain an eagle nests, and no individuals or nests were observed within the survey area during the field investigation.

**Status of Protected Species within the Assessment Area and Assessment Results**

| Class | Common Name | Legal Status[1] | | Species Present | Biological Determination |
|---|---|---|---|---|---|
| | | Federal | State | | |
| Amphibians | Frosted Flatwoods Salamander | T | T | No | No impact |
| | Striped Newt | C | T | | |
| Birds | Red-Cockaded Woodpecker | E | E | | |
| | Red Knot | T | T | | |
| | Wood Stork | T | T | | |
| Fishes | Atlantic Sturgeon | E | E | | |
| | Shortnose Sturgeon | E | E | | |
| Mammals | West Indian Manatee | E | E | | |
| | North Atlantic Right Whale | E | E | | |
| Reptiles | Eastern Indigo Snake | T | T | None observed[2] | Little to no impact |
| | Gopher Tortoise | C | T | Yes | |
| | Green Sea Turtle | T | T | No | No impact |
| | Leatherback Sea Turtle | E | T | | |
| | Loggerhead Sea Turtle | T | T | | |

1. E: Endangered species, T: Threatened species, C: Candidate species
2) None observed: While habitats are present that are preferred by certain species within the assessment area, no individuals were observed through on-site surveys during the assessment period.

### Mitigation Measures

To identify anticipated impacts on biodiversity in the vicinity of our operations, we conduct biodiversity impact assessments and implement mitigation measures based on assessment results. In November 2024 prior to initiating the operation of HMGMA, Gopher Tortoises confirmed to inhabit the assessment area had been relocated under the guidance of the US Fish and Wildlife Service and the Georgia Wildlife Resources Division. This species mainly lives in the southeastern part of the US, and has been protected as a native North American species since its designation as Georgia's state reptile in 1989. These tortoises dig burrows deeper than 40 feet underground, which not only serve as their own habitat but also provide shelter for other animals. This positions the Gopher Tortoise as a key species playing a vital role. 106 Gopher Tortoises were collected and transported about 30 miles to the Fort Stwart Army base in Georgia.

# Pollutants

Hyundai takes an approach to managing the impacts of pollutants on the environment. To mitigate the environmental impacts of pollutants generated throughout the overall production process, we invest in the replacement and installation of equipment while controlling air and water pollutants in accordance with our internal management standards. For hazardous substances, we ensure compliance with global initiatives as well as regulations, recognizing their potential impact not only on the environment but also on the health and safety of our employees.

## Air Pollutants

We apply internal management standards by referencing the regulatory standards limits of the countries where we operate. In accordance with our internal management standards, we regularly monitor the emission of air pollutants known for their adverse effects on the atmospheric environment, including nitrogen oxides (NOx), sulfur oxides (SOx), and particulate matter (PM), and maintain their emission levels within legal thresholds. Each business site sets internal emission targets within the scope determined based on the air pollutant emissions of the previous year, and their performance is evaluated against the set target to ensure such emissions do not rise in proportion to increased production volumes.

At the production plant level, our Ulsan Plant conducts periodic inspections, repairs, and maintenance on aging air pollution control equipment, and has installed pollutant abatement devices on its gas heat pump (GHP) HVAC system which produces high-concentration pollutants. Our Jeonju Plant has replaced packing and bag filter media to abide by the increasingly tightening Clean Air Conservation Act while upgrading its air monitoring system and conducting on-site assessments on air quality monitoring companies. Our HTWO Guangzhou plant chose to directly receive heating services from the government instead of installing boilers within the plant, reducing air pollutants as a result. Our plants in the Czech Republic(HMMC) and India(HMI) have adopted a waste heat recovery system to lower the emission of pollutants.

## Water Pollutants

Before discharging wastewater from each production plant, we make sure full compliance with the effluent pollutant standards established by respective countries and regions. Employing advanced treatment techniques, we maintain pollutants in effluents well below legal limits.

Effluents released from each plant are regularly monitored for water pollutants including BOD (Biochemical Oxygen Demand), TOC (Total Organic Carbon), and SS (Suspended Solids). T-N (Total Nitrate) and T-P (Total Phosphorus) generated from automotive painting and washing processes are also subject to measurement and management.

These measurement data and actual water pollutants discharged during the previous year are used in setting the scope based on which each plant sets their internal discharge targets, followed by performance evaluations conducted against the set targets to ensure discharges do not rise in proportion to growing production volumes. We install and operate facilities aimed at reducing water pollutants, and apply advanced tertiary treatment as well as physical and chemical treatment to wastewater before its release. At the plant level, our Jeonju Plant has enhanced its wastewater pipelines and the drainage system handling indirect blowdown water from cooling towers. Our plant in the US(HMMA) has installed oil-water separators and suspended solids filters to treat wastewater containing oil substances.

## Harmful Substances

**Harmful Substance Management Standard** Hyundai classifies and manages harmful substances in three stages – prohibition of use, limited use, strengthened management – according to international standards and initiatives. Substances classified as “prohibition of use” are banned from use as high-risk regulated substances for which substitutes must be found, while substances falling into the category of “limited use” can only be used for purposes specified in the exception article, and those falling into the category of “strengthened management” can only be used under constant monitoring and systematic management.

Although we strive to minimize harmful substances under internal standards, it is difficult to completely block harmful substances from products because automobiles consist of many thousands of parts. We request our suppliers to apply the same management standards for harmful substances in order to ensure that the products that are delivered to us do not contain any substances banned by regulations.

**Substance Data Tracking and Assessment** Hyundai has assessed its exposure to hazardous substances regulated by EU POPs Regulation and REACH, PBT under EPA TSCA in the United States, the Act on the Registration and Evaluation of Chemical Substances in Korea in its vehicles. The exposure assessment is carried out in two stages: the development stage of a new vehicle and the post-mass production stage. In development and design stage, we have been tracking substances used in vehicle components using IMDS (International Material Data System) and MAMS (Material Analysis Management System) to evaluate whether they contain regulated substances. Based on the tracking results, the high-risk proto and pilot components are analyzed to evaluate whether they are contained in the development stage. Even after mass production begins, considering potential changes in manufacturing process, Hyundai conducts annual inspections of suppliers to assess whether regulatory substances are in the post-mass components.

**Management of Harmful Substance** Hyundai strives to prevent accidents by reviewing new high-risk substances prohibited by the regulations and seeking alternative substances. Upon handling hazardous chemicals, we are striving to maintain a safer working environment by utilizing the integrated monitoring system of environmental facilities to check for leakages of hazardous chemicals in real time. Since 2003, we have been sharing information on domestic and international harmful substance regulations and response requirements with our suppliers, as well as managing harmful substances in the supply chain by helping suppliers set up their own systems of response to harmful substance regulations, whenever necessary, in addition to running annual IMDS user trainings to improve the consistency of IMDS data.

**Response to Regulation and Initiatives** Hyundai supports international regulations, standards, and initiatives on hazardous substances. Efforts have been made to identify and apply alternative substances even before regulations banning and restricting the use of hazardous substances are finalized at home and abroad, and in addition to hazardous substances regulated by the European Union’s End-of-Life Vehicles (ELV) and REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulations, which regulate hazardous substances most proactively and the Toxic Substance Control Act (TSCA) in the United States, it is also seeking to replace hazardous substances regulated in Brazil and India. In addition, since it is directly related to the health of the people in relation to the regulation of biocides in Korea, we are engaged in activities to reduce them by developing the “Guidelines for Response to Biocides Regulations-Automobile Part” jointly with the government. Also Hyundai has been pushing to replace PFAS, which is discussing regulations in Europe and North America, with the aim of banning the use of PFAS before the regulation, which is expected to take effect in 2029. In addition, Hyundai is working with chemical companies and suppliers to identify and apply PFAS substitutes and has established and been operating the company-wide council for replacing PFAS in which relevant organizations participate, including the hazardous substance management, material development and product design organizations in the R&D center and purchasing organization.

**Management of Four Major Heavy Metals** As of July 2003, Hyundai has been mandated not to use four heavy metals in vehicles sold in the EU market in accordance with the EU’s End-of-Life Vehicle (ELV) Directive. These prohibited substances include lead, cadmium, hexavalent chromium, and mercury that may cause heavy metal poisoning when accumulated in the human body. We manage such harmful substances in accordance with the harmful substance management standards established in December 2002.

# Environmental Initiatives at Global Sites

## Business Case

Hyundai is improving quantitative environmental indicators for each site in Korea and overseas. Our sites also have been taking active part in environmental enhancement activities and initiatives. These qualitative activities are included in sites' performance indicators, along with quantitative indicators, and reflected in their environmental performance evaluations.

### Domestic Sites

**Ulsan Plant** To prevent high-consequence environmental accidents and ensure agile response to such accident once they occur, our Ulsan Plant is deploying an IoT system targeting equipment at increased risk for environmental accidents. In 2024, IoT-based monitoring systems were deployed for air pollution control equipment, LNG flow meters, gas leak detectors, cooling tower water pressure gauges, and sewage sump equipment. These upgrades support real-time equipment monitoring and prompt response to accidents, contributing to the plant's goal of achieving zero high-consequence environmental accidents.

Factory No. 4 has established a wastewater recycling system that reuses ultrapure effluents from the RO system. The factory has also adopted a continuous automatic replenishment system and an alarm system operated based on water level monitoring, preventing environmental accidents caused by industrial water shortages.

**Asan Plant** Thanks to its high recycling rate and landfill minimization efforts, the Asan Plant became the first Korean automaker to achieve the highest Platinum level in the Zero-Waste-To -Landfill (ZWTL) external certification of UL Solutions, an international safety and science certification organization. The ZWTL certification assesses sites based on their waste recycling performance and assigns ratings according to actual recycling rates. The Asan Plant successfully achieved a 100% recycling rate.

**Namyang R&D Center** Multiple cooling towers are under operation for building air conditioning and research purposes within the Namyang R&D Center. To maintain cooling performance and prevent microorganism growth, a portion of the circulating water is discharged from these cooling towers and tap water is used for replenishment. We have introduced an automated valve system for cooling towers to improve on circulating water discharges and prevent excessive use of tap water. This means that cooling water is now replenished intermittently rather than continuously, allowing us to reduce water consumption and discharge volumes.

**Headquarters/Namyang R&D Center/Domestic Business Divisions** In the first half of 2024, our Yangjae Headquarters and Namyang R&D Center hosted the Colorful Life Education Campaign to raise awareness of biodiversity among employees and the general public, featuring an MBTI-themed endangered species exhibition. In addition, our domestic business division operated Colorful Life exhibition booths which also included an endangered species exhibition at the Longest Run event in Yeouido Park, promoting biodiversity awareness among employees and customers.

### Overseas Sites

**Hyundai Motor Manufacturing Alabama(HMMA)** HMMA had previously placed small hazardous waste into drums and transported them to waste disposal companies. This process has since been improved by deploying a new integrated waste management system, reducing environmental pollutants as a result. Under this new system, HMMA has shifted from volume-based to weight-based waste measurement and has introduced drum shredders and compactors to eliminate empty spaces inside the drums, ultimately reducing the total volume of waste discharged. Empty drums are compacted to support the recycling of their metal materials.

**Hyundai Motor Central & South America(HMCSA)** HMCSA has various waste management certifications. It was the first automobile company in Brazil to receive the Responsible Company Certification for Waste Management from the Zero Waste Institute and PROCERT for Social and Environmental Corporate Responsibility. These certifications demonstrate HMCSA's sustainable treatment of waste. In 2024, HMCSA's Piracicaba plant donated soil compounds generated from its organic waste to local charities.

**Hyundai de Mexico(HYMEX)** To prevent environmental and social impacts, HYMEX switched from chemicals (such as thinner, methylene chloride, and alcohol.) to organic solvents (Orange, HR-454) for in-process trailer cleaning and washing. This upgrade is expected to reduce its annual VOC (volatile organic compounds) emissions by 223.5 tons (equivalent to 69% of the previous year's emissions).

**Hyundai Motor Manufacturing Czech(HMMC)** To reduce industrial water consumption, an environment CFT (cross-functional team) is up and running at HMMC. Through process improvements, HMMC is striving to reduce water usage. To lower the concentration of heavy metals within wastewater with a focus on nickel, neutralizer testing has been underway since last September, which will help HMMC reduce its pollutant discharges.

**Hyundai Motor India(HMI)** In celebration of World Environment Day on June 5, 2024, HMI launched a range of environmental improvement initiatives. In alignment with the 2024 theme of World Environment Day – Land Restoration, Desertification and Drought Resilience - internal audits were conducted on soil contamination to address soil contamination and restore land ecosystems. Under the slogan 'Soil is Soul, Conserve It', employee trainings and awareness campaigns were implemented. HMI leadership and employees also planted 100 trees within the plant.

**Hyundai Truck & Bus China(HTBC)** To assess its impacts on soil and groundwater, HTBC conducted inspections with the help of third-party service providers. These inspections mainly covered 13 locations – HTBC's painting shop, sewage treatment facility, and oil storage areas– and 87 metrics including heavy metals and VOCs. The inspection results will guide HTBC's efforts to mitigate potential adverse impacts on soil and groundwater.










1. HMCSA achieving a ZWTL certification
2. HMI planting trees in commemoration of World Environment Day
3. HTBC conducting soil inspections

# Social

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 and Safety |
| 3.3 | Sustainable Supply Chain |
| 3.4 | Customer Experience Innovation |
| 3.5 | CSV Initiative |
| 3.6 | Information Security and Privacy Protection |

# Human Rights and Human Resources Management

Hyundai Motor Company endorses international standards and guidelines related to human rights and labor, and promotes human rights management across global supply chain. We have defined the four stakeholder groups of employees, suppliers, local communities, and customers & consumers for human rights management, and collaborate with the internal departments related to each of these groups to set annual priorities for human rights management and make necessary improvements. In addition, we conduct annual due diligence across our business sites and suppliers to identify both potential and actual human rights risks, and implement appropriate mitigation measures accordingly. In human resources management, we implement a talent recruitment strategy designed to sharpen our competitive edge in the future business landscape and have established a training system to support employees in enhancing their core competencies, along with fair performance compensation, customized welfare benefits, and global corporate culture programs. We believe in the strength of employees utilizing their diverse backgrounds and experiences when working together in the service of our goals.

## Advancing Human Rights Management

### Direction and Strategy

Hyundai Motor Company endorses the following international standards and guidelines in the areas of human rights and labor which guide our efforts to advance human rights management across our global sites.

**List of International Standards and Guidelines**

| | |
|---|---|
| Universal Declaration of Human Rights | OECD Due Diligence Guidance for Responsible Business Conduct |
| UN Guiding Principles on Business and Human Rights | UN Convention on the Rights of the Child |
| ILO Declaration on Fundamental Principles and Rights at Work | UN Convention on the Elimination of All Forms of Discrimination Against Women |
| OECD Guidelines for Multinational Enterprises | UN Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children |

We define the four key stakeholder groups of employees, suppliers, local communities, and customers & consumers for human rights management. There are five focus areas – Governance, Education, Commitment, Due Diligence, and Remediation – of human rights management, and each area is analyzed annually for its current status and deficiencies to set key priorities for the year. Once priorities are established, we engage in consultations with relevant departments including HR, procurement, health & safety, and legal affairs to explore step-by-step improvement measures and drive meaningful change. Going forward, we will do our utmost to establish a global corporate culture upholding and respecting the human rights of stakeholders.

### Governance

**Reporting System** Our human rights management governance is structured around the continuous reporting system and the issue response system. Human rights risks identified at the site/regional level through business site and supplier due diligence are escalated to top management and the Board of Directors(Sustainability Management Committee), and other major human rights agenda items are reported to management on an on-going basis. In December 2024, we launched the Supply Chain Sustainability Council, bringing together members from the procurement, legal affairs, IR, PR, government affairs, and ESG departments to regularly discuss supply chain environmental and human rights issues. We plan to operate a human rights council on a regular basis to cover a broader range of human rights issues beyond supply chains, proactively detecting and preventing global human rights risks while ensuring agile response to these issues once they occur.

**Human Rights Management Promotion System**

Targets and Key Topics of Human Rights Management

| Stakeholder | Key Topic | Relevant Department |
|---|---|---|
| Employee | Working conditions, labor union, health & safety, discrimination, diversity, data privacy | HR, ER, health & safety, information security |
| Supplier | As above + child/forced labor | Procurement, health & safety, departments related to new business |
| Local community | Forced labor by vulnerable groups, living environment | Procurement, departments related to new business |
| Customer & consumer | Data privacy, right to know, discrimination, product safety | Promotion & marketing, customer service, information security, quality |

Progress and Plan for Human Rights Management by Area

| | Governance | Education | Commitment | Due Diligence | Remediation |
|---|---|---|---|---|---|
| Current Status | • Set KPIs for human rights-related organizations and domestic and overseas business sites<br>• Operate the Supply Chain Sustainability Council | • Include human rights in ESG training content<br>• Conduct global D&I education<br>• Provide job-specific human rights management education | • Disclose the Human Rights Charter, D&I Policy, and Non-Discrimination and & Anti-Harassment Policy<br>• Communicate the principles of the Human Rights Charter across global sites(translated in local languages) | • Conduct due diligence at business sites and suppliers<br>• Continuously monitor the improvements made based on due diligence results | • Operate channels to receive employee grievances and manage data (One Click HR, etc.) |
| Plan | • Establish a council to cover wide-ranging human rights issues | - | • Regularly update the Human Rights Charter | • Conduct human rights impact assessments on local communities/ consumers | • Operate channels to receive grievances from all stakeholder groups |

**Human Rights Management Governance**

Continuous Reporting System




Issue Response System(Supply Chain Sustainability Council)

- Cycle: Operate quarterly(convene emergency meetings when necessary)
- Objective: Detect supply chain human rights/environmental risks and make internal decisions on relevant issues




Roles of Each Organization

| Department | Roles | Department | Roles |
|---|---|---|---|
| ESG Planning Team | • Establish human rights management strategy and promote improvement tasks<br>• Conduct human rights due diligence at domestic and overseas business sites<br>• Respond to external human rights assessments and disclose a sustainability report | Legal | • Provide compliance/ethical management activities for employees<br>• Conduct legal reviews on human rights issues |
| HR | • Receive employee grievances over sexual harassment and workplace bullying, investigate and follow-up(domestic and overseas)<br>• Conduct activities to improve the employee organizational culture<br>• Prevent unfair or unreasonable discrimination in recruitment | Procurement | • Conduct and support suppliers due diligence (domestic/overseas)<br>• Improve human rights risks at suppliers<br>• Receive and manage the grievances of suppliers |
| ER | • Maintain cooperative labor relations at domestic and overseas | Data Privacy | • Protect the private data of employees, suppliers, and consumers<br>• Operate the Hyundai/Genesis Privacy Center |
| Health & Safety | • Conduct internal safety management, prevent employee/supplier accidents, and handle accidents | Business Site | • Ensure that each business site conducts human rights protection activities for its employees |
| IR, PR, Government Affairs | • Respond to external stakeholders making inquiries or calling for clarification in relation to human rights issues | | |

# Human Rights and Human Resources Management

## Human Rights Education

**Statutory Education and D&I Education** We provide human rights education to ensure employee's adherence to the Human Rights Charter and raise their human rights awareness. To date, nearly 20 such courses have been conducted to address overall human rights management including the concept of human rights management, cases of human rights violations, relevant laws and regulations and industry trends, in addition to statutory contents on the prevention of sexual harassment and the improvement of perceptions on disability. Since 2022, we have provided all employees with annual education on the prevention of workplace bullying in line with the increasing social awareness on this specific topic. To facilitate a company-wide shift in perceptions on ethical management, we provide ethical management training to team leaders in Korea, and this was extended to cover the heads of overseas subsidiaries and expatriates.

In March 2025, we distributed a global D&I (Diversity and Inclusion) education video among all our 60,000+ employees in domestic and overseas. The video helped us introduce varying definitions of diversity and inclusion in the workplace while underscoring the need to establish a corporate culture built on the principle of respect for each employee and that averts any form of discrimination in the workplace.

For suppliers, we provided online presentations on Hyundai Motor Company's 'supply chain ESG risk due diligence' and 'conflict mineral management process' to help them understand the necessity for human rights management and our human rights risk management practices. This also covered the basic principles of human rights management that suppliers should comply with as per the Hyundai's Code of Conduct for Suppliers, including non-discrimination, humane treatment, and working hour management. The supplier ESG briefings we hosted were attended by a total of 600 suppliers.

### Global D&I Education

- **Purpose** Raise employees' awareness on human rights and enhance vigilance against acts of discrimination in the global working environment
- **Target** Nearly 60,000 persons(all employees except production employees, technicians, mechanics)
- **Topic** Definition of surface-level/deep-level diversity, importance of an inclusive corporate culture
- **Method** Online learning platform for domestic/overseas employees

### Outcomes of Human Rights Education in 2024

**D&I Education (in 2025, domestic+overseas)**



Number of employees subject to education

Approximately 60,000 people

**Workplace Harassment Prevention Education(Korea)**

Number of employees subject to education

Approximately 70,000 people

**ESG Education for Suppliers**



Number of participating suppliers

600 companies

## Human Rights Commitment

**Human Rights Charter** Since establishing the Human Rights Charter in 2020, Hyundai Motor Company has been steadfastly committed to upholding the principles enshrined in the Charter. Our Human Rights Charter applies to our own employees (executives and workers) and to the employees of domestic/overseas production and sales entities, subsidiaries and second-tier subsidiaries, and joint ventures. Our employees comply with this Charter when interacting with suppliers and sales/service organizations, and we encourage all stakeholders in business relationship with us to respect the Charter.

Hyundai Motor Company's Human Rights Charter

### 10 Human Rights Principles of Hyundai Motor Company

| | | | |
|---|---|---|---|
| Article 1 | Prohibition of Child Labor and Forced Labor | Article 6 | Guarantee of Industrial Safety |
| Article 2 | Prohibition of Discrimination and Workplace Harassment | Article 7 | Protection of the Human Rights of Local Residents |
| Article 3 | Compliance with Working Conditions | Article 8 | Protection of the Human Rights for Customers |
| Article 4 | Humane Treatment | Article 9 | Responsible Supply Chain Management |
| Article 5 | Guarantee of the Freedom of Association and Collective Bargaining | Article 10 | Guarantee of Environmental Rights |

We revised the Human Rights Charter in 2023 by incorporating the principle of zero tolerance against child labor and forced labor, supplementing the procedures to file reports on human rights violations, and establishing provisions on responsible supply chain management and the guarantee of environmental rights. The Charter was amended once again in 2025 by articulating on the list of international human rights conventions that we endorse to further highlight our commitment to human rights management. Our Human Rights Charter will undergo regular reviews and revisions to keep current with the latest human rights issues and the amendments made to relevant international guidelines.

**Non-Discrimination & Anti-Harassment Policy** Hyundai announced 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.

Hyundai Motor Company's Non-Discrimination and Anti-Harassment Policy

### Human Rights Risk Assessment Process

| Indicator design | Written assessment | On-site audits | Analysis of results | Improvement measures |
|---|---|---|---|---|
| Integrate and analyze the Human Rights Policy of Hyundai Motor Company, domestic and international standards, and industry initiatives[1] to design distinctive indicators | Identify potential human rights risks or negative impact factors based on Hyundai's unique indicators and standards | Identify detailed impacts by considering site-specific risk levels and written assessment results, and conduct site visits to uncover additional actual risks | Combine the results of written assessment and on-site audits to draw implications such as risk definition and risk characteristics by business site or location | Each business site establishes an optimal improvement plan for each risk type and HQ checks the implementation status to ensure practical risk improvement |

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

## Human Rights Due Diligence

**Scope of Human Rights Risk Assessment** We select due diligence targets by taking into account the relevance between our main business and that of respective subsidiaries, management structures, and risk level assessment outcomes. In 2024, a total of 74 subsidiaries were subject to due diligence in consideration of their connection to vehicle manufacturing supply chains, and some of them underwent on-site audits in collaboration with third-party auditors. The scope of Hyundai Motor Company's human rights due diligence covers more than 90% of the total workforce. We aim to regularize this human rights due diligence to periodically enhance our human rights risk assessment metrics and criteria.

### Scope of Human Rights Risk Assessment

| | |
|---|---|
| Production subsidiary | Ulsan Plant, Asan Plant, Jeonju Plant and overseas plants by region |
| Korea HQ and Overseas Regional HQs | Headquarter in Seoul and other overseas regional headquarters |
| Research center | Namyang R&D Center and overseas research centers |
| Domestic subsidiary | HIGHTECH centers and delivery & release support centers |
| Overseas subsidiary | Overseas sales subsidiaries by region and others |

**Groups Vulnerable to Human Rights Risks** 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, local communities, women, children, migrant workers, non-regular workers, and suppliers 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 plant construction and expansion resulting from new business relationships (including mergers, acquisitions, joint ventures, new contracts, etc.).

**Design of Human Rights Risk Assessment Indicators** We strive to accurately identify human rights risks that are latent or likely to occur both within and beyond our business areas. 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 applied our own human rights risk due diligence indicators by categorizing 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.

# Human Rights and Human Resources Management

**Prediction of Human Rights Risk** Prior to written assessment 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 on industry human rights initiatives and interviews and consultations with business site personnel in order to gather their insights and opinions. By examining 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.

Human rights risk prediction results inform our efforts to apply due diligence indicators differently by business site level, or to supplement or enhanced indicator-specific criteria to accurately capture risks. The 2024 prediction results remained almost unchanged from those of 2023, presenting possible human rights risks in Korea in the areas of suppliers' working conditions (wage, working hours, etc.) as well as discrimination and workplace bullying. Concerning overseas operations, forced labor involving migrant/non-regular workers and women/children, child labor, and discrimination were identified as potential risks.

**Written Assessment of Human Rights Risk** Hyundai identifies potential human rights risks in various areas by carrying out a written assessment in the form of a questionnaire, based on human rights risk due diligence indicators developed with our business environment and characteristics in mind. Regarding the written assessment, 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 assessment are further verified and validated through on-site audits.

The assessment indicators used in 2023 were revised in 2024 and written assessments were performed accordingly across 14 categories covering nearly 70 questionnaire items. The insights we gain based on the assessment results will drive our efforts to proactively identify potential human rights risks within our operations and take appropriate actions. The written assessment indicators are regularly updated with reference to relevant global guidelines.

### Written Assessment Indicators of Human Rights Risks

| | |
|---|---|
| **1. Human rights and labor risk** | |
| 1-1 | Human rights and labor structure |
| 1-2 | Human rights and labor compliance risk |
| **2. Working environment management** | |
| 2-1 | Internalization of human rights and labor policy |
| 2-2 | Work management |
| 2-3 | Employee diversity |
| **3. Human rights risk management** | |
| 3-1 | Prohibition of unfair treatment |
| 3-2 | Forced labor and child labor |
| **4. Working environment improvement** | |
| 4-1 | Working environment improvement activity |
| 4-2 | Grievance mechanism |
| **5. Supply chain human rights/labor management** | |
| 5-1 | Supplier Code of Conduct |
| 5-2 | Supply chain risk management |
| 5-3 | Forced labor risk management in the supply chain |
| **6. Respect for human rights beyond the workplace** | |
| 6-1 | Human rights management within the dormitory |
| 6-2 | Human rights management within the cafeteria |

### Prediction results of Human Rights Risk

● Potential Risk ○ Low Risk

| | Prohibition of child labor and forced 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 |
|---|---|---|---|---|---|---|---|
| **Domestic** | | | | | | | |
| Employees | ○ | ● | ○ | ○ | ● | ○ | ○ |
| Suppliers | ○ | ● | ● | ● | ● | ○ | ○ |
| Local Communities | ○ | ○ | ○ | ○ | ○ | ● | ● |
| Women | ○ | ● | ○ | ○ | ○ | ● | ○ |
| **Overseas** | | | | | | | |
| Employees | ○ | ● | ○ | ● | ● | ○ | ○ |
| Migrant and Contract Workers | ● | ● | ● | ● | ● | ● | ○ |
| Suppliers | ● | ● | ● | ● | ● | ○ | ○ |
| Local Communities | ○ | ○ | ○ | ○ | ○ | ● | ● |
| Women | ● | ● | ● | ○ | ○ | ● | ○ |
| Children | ● | ○ | ○ | ○ | ○ | ● | ○ |

**On-site Audit of Human Rights Risk** To ensure the reliability of the results of the written 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 audits.

On-site audits are conducted by internal experts responsible for HR, safety, and organizational culture under the leadership of independent third-party auditors. 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 separately in a dedicated space 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 audit methods so as to incorporate more diverse perspectives and enhance the reliability of our human rights risk assessments.

### Results of Human Rights Risk Assessment(Written Assessment)

(Unit: %)

| Classification | | Results |
|---|---|---|
| Hyundai business sites | Ratio of business sites where human rights risks assessment was conducted[1] | 100 |
| | Ratio of business sites where risks were identified | 8.1 |
| | 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[2] | 1.3 |
| | Ratio of improvement measures taken | 100 |

1) Percentage of business sites where the human rights risk assessment was conducted measured against the total number of business sites subject* to the assessment
* Domestic: All sites, Overseas: Sites with over 50% of headquarters' ownership and more than 50 employees
2) Ratio of suppliers where risks were identified = No. of tier-1 suppliers where risks were identified (19) / No. of tier-1 suppliers that received written assessment(1,494)

Human rights due diligence at Hyundai business sites
Human rights due diligence at suppliers

# Human Rights and Human Resources Management

**Written Assessment Results for Our Own Operations** Hyundai conducted human rights risk assessments on a total of 74 business sites, including those in Korea and overseas as well as joint ventures. Out of these, 41 are located overseas across North America, Central and South America, Europe, India, and China.

These written assessment revealed that our operations in Korea and overseas achieved an average indicator compliance of approximately 83%, with results varying by region due to the application of upgraded assessment indicators compared to the previous year. Notably, compliance rates were relatively lower at overseas locations than those in Korea. These findings will inform our efforts to provide guidance and strengthen support to help our overseas operations enhance their human rights management.

**On-site Audit Results for Our Own Operations** We conducted on-site audit on production subsidiaries in Korea and Europe in 2023, followed by five production subsidiaries in Central and South America and the Asia Pacific region in 2024. Such on-site audit partially identified the need to raise local awareness on human rights and supplement relevant management systems including grievance mechanisms. In particular, certain overseas subsidiaries in their early operational phase were flagged for necessary improvements to align with global standards and initiatives in terms of recruitment and disciplinary procedures. For risks uncovered through on-site audit, immediate actions were taken on site where feasible, and risks requiring additional reviews were addressed by developing mid/long-term improvement plans at the site level.

In 2025, we plan to conduct on-site audit on our production subsidiaries in North America and China, and then proceed with regular on-site audit on production subsidiaries in Korea and abroad.

### Analysis of Human Rights Risk by Region



#### Europe

We are strengthening our human rights due diligence process at our own operations and across supply chains in line with the latest regulatory trends including EU Corporate Sustainability Due Diligence Directive (CSDDD). Through various policies, including the Human Rights Charter, we strictly prohibit discrimination on the grounds of gender, ethnicity, age, and race among others, and provide specific behavioral guidance for addressing human rights risks.

On-site audit was conducted in 2023 on our business sites to assess the establishment of basic management systems covering the localization of human rights policies, training and dissemination efforts, and grievance mechanisms at the subsidiary level.

#### North America

Both federal laws and state regulations provide detailed provisions for human rights protection. Each site is also establishing their management system to abide by local laws and regulations.

In 2025, on-site audit is scheduled for production subsidiaries in North America, and any identified deficiencies will be addressed through ongoing improvement efforts.

#### Central & South America

Our subsidiaries in Central and South America have independently established human rights protection policies and communicated these policies to employees while providing training on preventing sexual harassment and workplace bullying. In this region, a variety of policies and regulations are being enacted to address labor-related issues.

The 2024 due diligence results did not reveal any significant deficiencies within the workplace.

#### India

Although the formal caste system has been abolished, the influence of social stratification persists.

While societal awareness regarding workplace harassment is relatively low, severe consequences are imposed in case of human rights violations. In order to protect maternity, subsidiaries in India operate various support policies such as guaranteeing maternity leave and other maternity-related support and operating an inhouse daycare center.

In 2024, on-site audit was conducted to help review the protection of rights for non-regular workers and in-house subcontracted workers and make necessary improvements.

#### China

The Labor Law of the People's Republic of China prohibits discrimination and ensures equal rights for workers.

Many of our subsidiaries in China have specified their own obligations and compliance requirements related to the rights and interests of employees. In line with the revised Civil Law of 2021, which introduced the obligation of companies to prevent sexual harassment, these subsidiaries have established internal regulations(including disciplinary action) and conducted preventive education for their employees.

In 2025, on-site audit is scheduled for production subsidiaries in China, and any identified deficiencies will be addressed through ongoing improvement efforts.

**Measures to Address Human Rights Risks** Responsible personnel at respective sites identify improvement priorities based on the risks uncovered through written assessment and on-site audits while establishing implementation plans and taking relevant measures. Such implementation plans outline the timing and method of execution along with additional anticipated risks. The Headquarters monitors each site for their progress in implementing priorities as planned. If a priority takes considerable time for implementation or requires regulatory/institutional improvement or large-scale investments and structural change, it is elevated as a company-wide priority and is implemented by developing mid/long-term plans.

As part of the improvements made based on the 2024 due diligence results, we provided our entire global sites with D&I(Diversity & Inclusion) education to raise employee awareness of non-discrimination and humane treatment. Our recruitment process was improved by conducting pre-interview training for interviewers and eliminating requirements for unnecessary personal information within submitted resumes. We also supplemented our post-disciplinary follow-up process to establish a healthy working environment across global operations.

### Measures to Address Risks by Type

| | |
|---|---|
| Human Rights Education | • D&I education targeting employees across all domestic/overseas sites<br>• Human rights management education for employees working in relation to stakeholders' human rights(in 2Q 2025) |
| Working Environment | • Improve the recruitment process(provide interviewer training, eliminate requirements for unnecessary personal information)<br>• Improve the disciplinary process(supplement the process to take follow-up measures after disciplinary actions) |

### Human Rights Risk Due Diligence as Part of the Investment Decision-Making Process

In 2024, Hyundai established ESG risk screening procedures as part of the investment review process for projects relating to plant construction and expansion. Our checklist was designed to assess a broad array of ESG risks by referencing global standards associated with project investments, including International Finance Corporation's Performance Standards on Environmental and Social Sustainability and Equator Principles. This checklist is notable for its inclusion of items intended to prevent any adverse impact on stakeholder human rights covering impacts on local communities and indigenous peoples in addition to those on cultural heritage and ecosystem conservation. This checklist supported our risk assessment efforts in 2024 for the expansion of our production plant in Pune, India.

In 2025, we plan to extend the scope of these ESG risk screening procedures to cover joint venture/equity investments. These procedures will first apply to investment decision-making for mines and smelters deemed to carry significant risk exposure.

# Human Rights and Human Resources Management

## Remediation

**Human Rights Grievances** Hyundai has set in place a procedure for receiving, addressing, and taking action on concerns 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 the 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 determine appropriate personnel actions. We keep track of the actual implementation of such actions through oversight by the responsible department. When deemed necessary depending on the severity of the issue in question, this may involve cooperation with third-parties or consultations with high-level executives.

### Employee Grievances in 2024

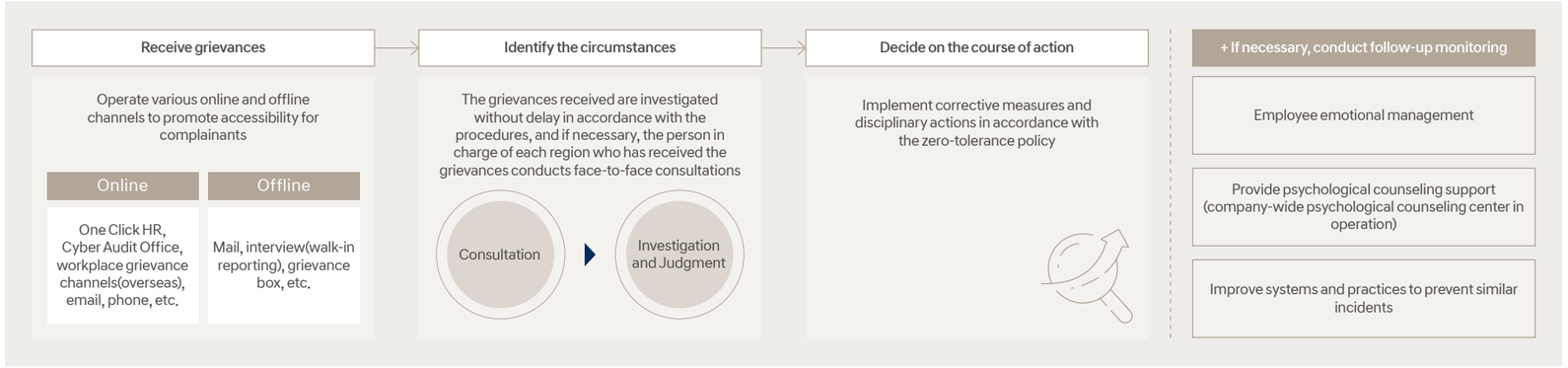
| Number of grievances received | Number of grievances addressed | Grievance resolution rate |
|---|---|---|
| 50 cases | 50 cases | 100 % |

* Limited to grievances received through the One Click HR (Korea)
** addressed: The grievance has been handled appropriately and the case is considered closed, either by responding to the complainant, implementing corrective action, or other suitable means.

**Grievance Mechanism Monitoring and Improvement** Employees are a key stakeholder group whose human rights could be impacted by a company's activities. We employ a range of communication channels to heed the voice of individual employees and employee representatives and monitor our grievance mechanisms. The data gained through this process enables us to effectively protect our employees and continually improve our procedures, programs, and systems to prevent similar grievances from occurring.

| Domestic | Overseas |
|---|---|
| • Engage in consultations with labor unions and collect their feedback to supplement internal regulations governing employee grievance mechanism with the aim of protecting the affected person/complainants from retaliation<br>• Review the process to address sexual harassment in the workplace while collecting feedback from those affected and improving the disciplinary methods to avert secondary/similar harms<br>• Leverage the Labor-Management Council to verify the need to improve the working environment to accommodate an increasing number of female employees at production plants, supplement facilities available for expecting mothers, and work to check their use status on an on-going basis<br>• Provide tailored support for the grievances raised by employees until their full resolution through responsible personnel monitoring the progress made | • **[Hyundai Motor Central & South America HQs]** Regularly identify vulnerable areas using grievance data and report to the Compliance Committee, conduct employee training, and revisit survey questionnaires<br>• **[Hyundai Motor Türkiye Otomotiv A.Ş]** Communicate reports outlining key grievances and action plans to management and relevant departments each month and share feedback to make improvements and prevent similar concerns (100% of the grievances submitted in 2023 were resolved)<br>• **[Hyundai Motor Manufacturing Czech]** Appoint one employee per every 50 employees as a contact point for communication to hold regular meetings and gather feedback on grievances |

### Grievance Procedure




## Protecting the Human Rights of Employees

**Child Labor** We strictly prohibit the employment of children in compliance with our Human Rights Charter and the pertinent laws of the countries where we operate. To prevent child labor, we verify the age of potential employees in the recruitment process. If child labor is identified despite our best efforts, we will take immediate action to protect the affected child and remedy the harm done. Our remedy programs may include assessing the child's current situation to ensure their safety, reviewing appropriate remedy measures in cooperation with the child, the family or third-party organizations, and supporting the child's safe return home when necessary. We keep monitoring the situation until the case of child labor is completely resolved.

**Forced Labor** We recognize the presence of interns and other groups vulnerable to human rights violation, and strive to avert the occurrence of forced labor that infringes on the human rights of employees. We do not impose unfair recruitment-related fees on employees, nor do we retain original documents containing personally identifiable information for the purpose of forced labor. We provide fair compensation for the work performed by employees without unreasonable deductions, and notify legitimate deductions through pay statements.

Such principles equally apply to agencies doing business with Hyundai Motor Company. In the event any non-compliance with these principles is identified through monitoring, we reserve the right to suspend business relationships and take other appropriate actions depending on the severity of the issue at hand or the proactive efforts made to remedy the harm or make necessary corrections.

### Cases of Forced Labor Prevented and Monitored

| Description | Region |
|---|---|
| Cleary state in the employment application form that the company does not impose any fees | Hyundai Motor de Mexico |
| Verify if any fees were imposed by agencies after the employee's hiring | Hyundai Motor Türkiye Otomotiv A.Ş |

# Human Rights and Human Resources Management

## Strategic HR Management

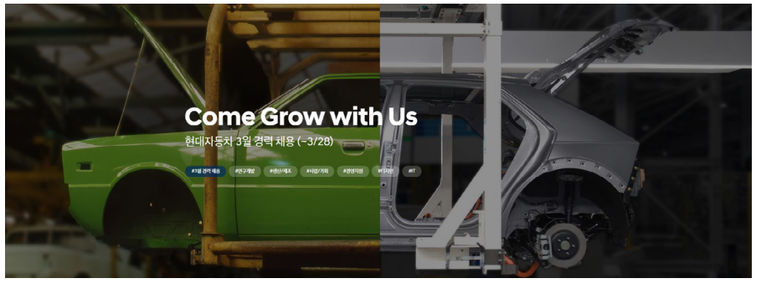
### Talent Recruitment and Management

**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 department composed of decision-makers from HR and other relevant departments who evaluate the expertise and suitability of applicants in a fair manner.

To protect applicants from experiencing discrimination due to their personal characteristics during the recruitment process, we not only specify necessary precautions within the interviewer guide, but also provide relevant information in conducting interviewer training. In particular, those who do not complete such training are deemed not qualified to serve as interviewers, ensuring professional conduct on the part of interviewers as well as job applicants.

Following hiring, regular internal audits are performed to monitor transparency, and improvements are made if any issue is revealed with regards to fairness and reliability. We provide a checklist for applicants to self-assess the fairness of our recruitment process to enhance its transparency, and have recently revamped our recruitment website to make it easier for applicants to access relevant information and submit their application. We ensure preferential consideration for those eligible for employment protection (people with disabilities, men of national merit, etc.) as per applicable laws and regulations. We are also upgrading our internal recruitment management system to incorporate data-based analyses and make our recruitment process fairer and more trustworthy.




Hyundai Motor Company Talent Recruitment Website

**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** We implement job transfers as the need arises to meet the staffing needs of working-level departments and assist employees in their career development. Besides, we offer regular internal recruitment opportunities, allowing employees to apply for their preferred department or role. This also allows department heads to proactively propose roles to employees who express interest in such roles. Employees who wish to transfer or receive internal scout proposals become eligible for job transfers following the set selection process including document reviews and interviews. We fully leverage our internal recruitment and job transfer programs to help employees with career and competency development.

**Career Consulting Service** We provide executives aged 50 and older with career transition training and consulting programs during their tenure and beyond their resignation. While employed, these executives are assisted in developing their long-term personal career plans through trainings covering a broad array of areas such as life planning, start-up, reemployment and certification acquisition. This is further supported by one-on-one counseling, dialogue with senior colleagues, Special Startup Day, and small group discussions aimed at providing practical assistance.

After leaving the company, they are provided with year-long specialized training and consulting categorized into cross-functional and special training covering change management, exploration of career alternatives, and certifications. Specialized consulting and follow-up management ensure that they stay on track in pursuing new career goals. Our career consulting service supports employees with their continuous growth beyond their time with the company.

**Empowering Employees to Develop Competencies that Align with the Green Transition** We offer electrification reskilling training to employees in the R&D and AVP divisions, with an aim to safeguard these employees as much as possible from the impact of the green transition while supporting them to acquire new skills and explore different roles. This comprises a total of five training courses per year and is conducted in a way that ensures employees in need of such training can participate without disrupting their current responsibilities. The training covers both theory and practice as well as pre/post-training online learning to promote their continuous and well-aligned learning journey.

**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.

• **Performance Management and Feedback** We operate a range of feedback programs designed to support interactive communication to drive employee growth and enhance our corporate culture. All our executives engage in one-on-one coaching sessions with high-level leaders to cascade a feedback-oriented culture from the leader level. On-going and regular feedback is also provided to foster timely exchange of ideas and feedback sharing between leaders and team members. This helps members brief their leader of progress updates and matters requiring support while leaders offer coaching at critical moments by comprehensively taking into account overall execution including collaboration with colleagues and organizational contribution as well as individual member performance. Such feedback sessions ensure both leaders and members check in on their performance and encourage fair performance management on the part of leaders while boosting employee motivation. This is paired with surveys conducted at key internals to regularly gather employee input on our feedback process and incorporate such feedback in improving relevant systems.

• **360° Multi-Faceted Evaluation** Our 360° multi-faceted evaluation targets both leaders and team members. Each year, leaders receive 360° feedback through the Leadership Surround View (LSV) to gain objective insights on themselves and enhance their leadership skills. This is also made available for team members through the Peer Surround View(PSV) conducted in the first and second half of the year. At Hyundai, we encourage proactive feedback sharing among a broader network of collaborating colleagues to drive mutual growth and a culture of collaboration.

# Human Rights and Human Resources Management

## Talent Development and Professional Competencies

To align our operations with the set business strategic approach and enhance our core capabilities including job competencies, we offer a wide spectrum of learning solutions under the brand 'H-SENSE' meaning essential capabilities expected of all full-time employees at Hyundai Motor Company.

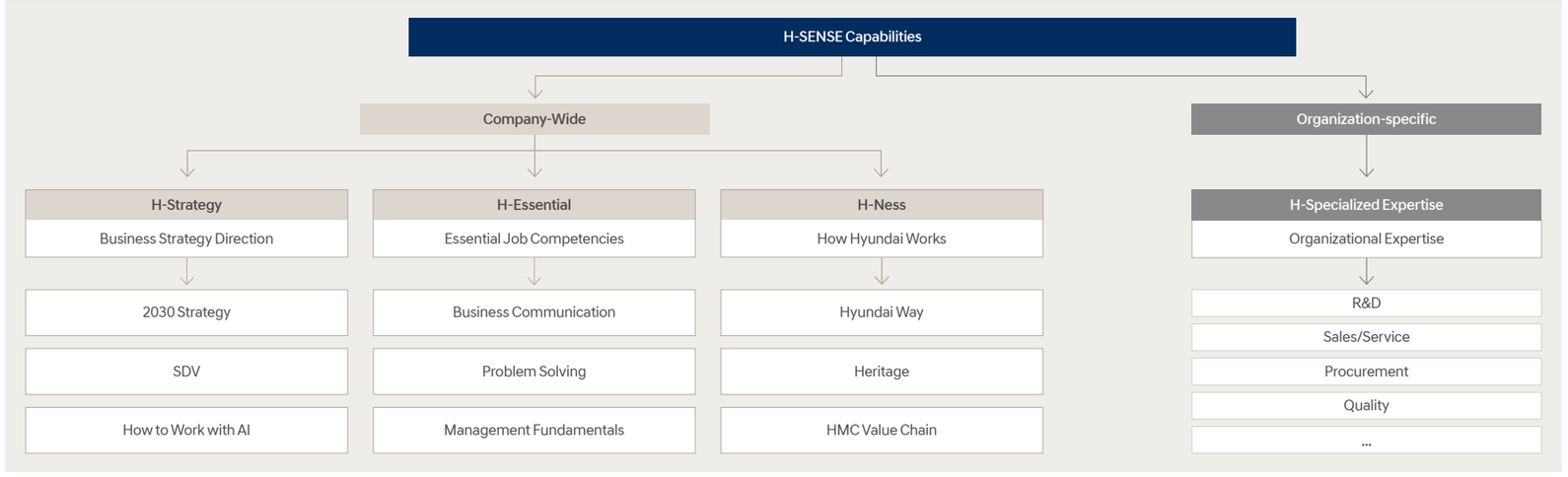
'H-SENSE Must-see' is distributed quarterly as mandatory learning content for our global employees to help deepen their understanding on our core business strategies. To instill 'How Hyundai Works' characterized by the Hyundai Way which defines how we work as well as the Hyundai Heritage, we provide programs by job level and position in alignment with the HR system when our employees assume new roles through promotion or assignment. The DX Academy, up and running throughout the year, also assists employees in enhancing their digital transformation (DX) competencies in areas such as AI, data and software with an aim to reinforce future-proof DX capabilities. To help employees build stronger job expertise, each organization identifies its core competencies while developing and operating associated training programs. Our global career development program provides top talent recognized for their globally-minded acumen and professional excellence with the opportunity to work across our worldwide locations, leading global field organizations and delivering meaningful outcomes in the process. This allows participating employees to evolve into global talents and drive future business success.

**Learning Lounge and Learning Lab** Our Learning Lounge program supports employees with self-directed growth by providing an environment where employees set their future growth plan, receive recommendations on necessary learning solutions, and pursue self-initiated learning. Approximately 19,000 learning solutions are made available under this system, including online content relating to cross-functional competencies, to assist employees in becoming an agent of change and driving innovation. Specifically, the online training content available in the Learning Lounge is primarily accessible to all full-time employees (FTEs) by default. In addition, part-time employees and contractors are also granted ongoing access to a variety of content related to leadership, digital transition, cultural education, and other areas of job competency development. Meanwhile, our Learning Lab program helps employees voluntarily form learning groups to seek growth by making connections. Participants choose topics requiring competency enhancement, determine their learning schedule and methods, and engage in three-month Learning Lab activities to strengthen their skills, establishing a corporate culture of continuous learning. Such activities include research on emerging technologies or patent development among others.

**Education Offered through Learning Lounge (as of the end of 2024)** (Unit: No. of courses)

| Classification | Training Provided |
|---|---|
| Company-wide, cross-functional training | Business strategy direction (1,507), Essential Job Competencies (1,680), How Hyundai Works (26) |
| Organization-specific training | R&D (2,989), strategic technology/ICT (650), business-related (2,238) |
| Leadership-related training | On-going training (1,146), formal training (1,090) |
| Statutory training | Compliance/security (206), fire/safety and others (781) |

**H-SENSE Framework**




**Leadership Training Program** To nurture talents who drive business performance, we implement a range of leadership training programs for our entire full-time workforce. Anyone who is not currently in leader roles may access our online learning system Learning Lounge to set their own goals and learn from motivational leadership content available year-round. We also provide mid-level manager leadership training to help employees newly-appointed to senior positions successfully transition into their roles as Player Coach within the organization. Employees newly assigned to leader roles are also supported with training courses designed to help them understand their new role and lead change accordingly. Group and team heads receive training to develop practical performance management skills covering goal setting, feedback, and evaluation, to ensure they generate performance alongside their members. These leaders are also invited to participate in the Leaders Learning Lab, a community of practice aimed at fostering insight sharing and future readiness among leaders. Top leaders engage in the Insight Forum and Global Insight to broaden their business perspectives. For employees assuming leader roles overseas, we offer training designed for expatriates and heads of global subsidiaries.

**Leadership Training Program**

| Type of Training | Topic | Target |
|---|---|---|
| Leadership-themed learning content available year-round | Providing online learning content designed to help employees set their own learning goals and motivate themselves | All employees |
| Leadership onboarding training | Assisting middle managers in leveraging their expertise for cross-functional collaboration while supporting the growth of their junior employees | Employees promoted to senior positions |
| | Helping understand one's new leader role and develop skills required for organizational operation | Newly-appointed team/group/division heads |
| Performance management training | Providing phase-specific leadership training for performance management to support the growth of members (Performance goal setting, interim review, feedback, assessment interview, etc.) | Heads of team/group |
| Business insight and global competency enhancement training | Fostering insight and foresight to drive future business opportunities (Leader DX training, Leaders Learning Lab, Insight Forum, etc.) | Leaders in team leader or higher-level roles |
| | Facilitating global communication and multi-cultural competency enhancement for overseas business conduct (Training for prospective expatriates and heads of global subsidiaries, global collaboration competency enhancement training) | Expatriates, heads of subsidiaries, and employees engaging in global collaboration |

# Human Rights and Human Resources Management

**Degree and Certification Acquisition Support Programs for Enhanced Expertise** We support employees in taking leave to pursue academic degrees and enhance job expertise in the process. Employees who have been with the company for at least three years are eligible for up to two years of leave to earn full-time master's degrees either in work-related fields or MBA programs. We also offer certification preparation training courses for acquiring qualifications essential for specific job roles and for preparing for the HDAT[1)] certification, which assesses data analysis (DA) and data-driven AI model (DS) competencies required in the evolving mobility industry, etc. The company covers the cost of these training programs.

As of 2024, 751 out of 1,550 employees who completed training designed to help personnel responsible for workplace health & safety to earn the occupational safety engineer certification successfully passed the final practical exam. We also provided seven certification preparation courses to technicians working at research centers, and 69 of them completed such courses and earned relevant certifications. Our DA and DS training courses for general and research staff were conducted in 12 sessions and completed by 397 employees. A total of 525 employees, including those who completed such courses, successfully earned their HDAT certification.

These systems and programs will enable our current employees to pursue job-related degrees and certifications all while maintaining their employment security, enhancing their personal career development and bolstering our competitive edge as a company.

1) HDAT(H-Data Analytics Test): A private certification exam designed to select and nurture talent with practical skills in data analysis and AI, open to any interested members of the public.

**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 Training Courses Provided (as of the end of 2024)** (Unit: No. of courses)

| | Human Rights | Safety | Environment | Quality | Total |
|---|---|---|---|---|---|
| No. of courses | 22 | 1,581 | 1,042 | 1,053 | 3,698 |

* Keyword search results on the Learning Lounge platform

**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 AVP/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 2024**

| Paper/patent/ academic journal/awards | Manual registration | Performance improvement and problem solving | Related technology development (collaborating with other functions) | Knowledge sharing (academic conferences, etc.) | Participation rate |
|---|---|---|---|---|---|
| 24 | 5 | 10 | 12 | 17 | 100% |

**Customer-centric Car Master Training Program** We operate training courses and provide year-round learning content to drive sustainable organizational growth and employee competency enhancement. Key training courses include on-the-job training for sales and service staff (Sales Academy, product training for new vehicles, customer service skills, etc.), general staff training (head of branch, job level-specific training, etc.), and support for global language skills enhancement, along with a variety of on-going learning content made available through our Learning Lounge. Specifically, we have established a service integration training system to help employees boost expertise (electrified vehicles, new technology), acquire basic product knowledge, and improve customer service skills (CRM), strengthening our service delivery across customer touchpoints. Such efforts resulted in improved customer satisfaction as demonstrated by the KCSI (Korean Customer Satisfaction Index) survey: not only did we rank first for 30 consecutive years in the passenger car category and 20 consecutive years in the RV category, but we also earned No.1 place in the light vehicle/EV categories.

**Results of the Car Master Training Program in 2024** (Unit: No. of persons, %)

| | No. of Participants | Participation Rate |
|---|---|---|
| Regular Car Mater Course | 1,468 | 100.0% |
| Subscription-type Streaming | 4,217 | 99.4% |
| **Total** | **5,685** | **99.6%** |

* Based on domestic business sites

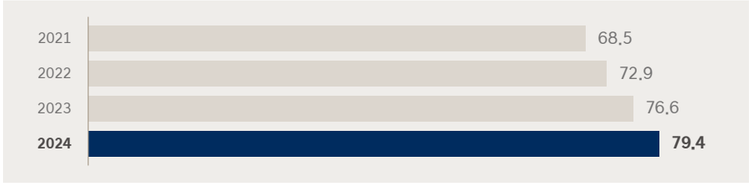
# Human Rights and Human Resources Management

## 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. We leverage 66 assessment indicators to measure what our employees experience while interacting with colleagues and leaders within the organization. The results help us assess their level of satisfaction with 'work/organization/company' in line with the framework linking positive employee experience to organizational performance. In 2024, 81.1% of our entire workforce including those in general, research, and legal positions participated in the organizational culture assessment. The results will guide our on-going efforts to improve employee engagement and satisfaction.

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




### Corporate Culture Activities and Programs

**Accelerating Innovation and Change by Division and Strengthening Communication with Employees** We pursue corporate culture innovation at the division level by taking both top-down and bottom-up approaches, driven by leaders and employee engagement respectively. Management workshops serve to delve into the future direction of our corporate culture, and leaders of each division facilitate collaborative working practices alongside change and innovation personnel designated at respective divisions. These change and innovation personnel keep monitoring corporate culture issues and implement solutions informed by the Voice of Employees (VoE), driving change in our day-to-day routines. In 2024, change and innovation personnel were appointed and deployed at global subsidiaries, rolling out our distinctive corporate culture across global operations. In tandem with this, Townhall Meetings enabled free-flowing communication between management and employees and People & Story allowed employees to directly share their roles and work-related know-how, empowering them to drive change in an equitable and proactive manner.

**The way we work Hyundai Way** In 2024, Hyundai launched the Hyundai Way to define its unique work methods throughout its global operations, pursuing change management at all levels of the company. Anchored on the five core values of Hyundai Motor Group, the Hyundai Way comprises 10 work methods identified by gathering feedback from our entire global workforce. The Hyundai Way is deeply weaved into the fabric of the wide-ranging systems that we implement by aligning it with our HR systems (recruitment, development, evaluation, assessment, rewards) and launching the 'Hyundai Icon' as an on-going reward program, establishing an engaging corporate culture for employees.

**Flexible Work Arrangements** We adopted hybrid work arrangements to encourage employees to truly engage in their work rather than being simply bound by their physical office space and perform their work voluntarily. The 'H-Work Station' serves as our hub office allowing employees to choose their preferred workspace, improving both job satisfaction and work efficiency. This shift mirrors Hyundai's future-driven corporate culture.

**Hyundai Idea Contest** The Hyundai Idea Contest is our idea sharing platform widely open year-round to all Hyundai employees. Employees may propose ideas at any given time without distinction between technology and non-technology. In 2024, 3,649 ideas were submitted, out of which 2,291 were from Korea and 1,358 from employees working at overseas operations. We are leveraging the Hyundai Idea Contest as a meaningful lever to encourage employees to voice their ideas and pursue innovation in Korea and beyond. A total of 27 submissions received the Hyundai Award, and three of them were honored with the Hyundai Motor Group Award. Some of the winning ideas are brought to life through detailed implementation plans following proactive review by working-level employees.

**Promoting Mental Wellness for Employees and Their Families** To fully support our employees in leading a healthy professional life while taking care of families, we partnered with the 'Oh Eunyoung Academy' to offer one-on-one counseling, assessments, coaching, and testing in the areas of parenting, couple relationships, and family dynamics. This program, up and running since 2023, provides practical solutions relieving employees' psychological challenges and has been highly valued by our employees, receiving high satisfaction ratings. Going forward, we will continue with our efforts to support employees in caring for their families and their own mental well-being .

### Guarantee of Freedom of Association and the Right to Collective Bargaining

**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. We conduct annual collective bargaining negotiations to engage in sincere dialogue on improving wages and labor conditions. Based on the outcomes of these yearly negotiations—including wage discussions (supplemental negotiations) and labor-management councils (including consultations by sector, business unit, and region)—we renew the collective bargaining agreement every two years. 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.

In 2024, Hyundai established the 6th Advisory Council for the Job Stability Committee, consisting of a total of five experts. With the acceleration of changes in the future mobility industry, such as electrification, and increasing internal and external uncertainties, the 6th Advisory Council sought solutions for employment issues, forward-looking revisions to the wage structure, and strategies for overcoming internal and external risks. The Council also played a role as mediator in resolving 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. Subsidiaries with established labor unions engage in collective bargaining with labor unions in accordance with local labor relations 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 subsidiary 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 Headquarters level, surveys and interviews are conducted among executives and employees of overseas production 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. While there were instances where collective bargaining resulted in production disruptions as labor unions exercised their right to collective action, including strikes, as a means to resolve disagreements between labor and management, our labor relations have since evolved to establish a mature practice of solving problems through dialogue and negotiation.

**Joint Labor-Management Efforts to Navigate the Evolving Future Landscape** To ensure labor and management join hands in navigating the transformation of the automotive industry, we launched the Future Change Response Task Force and the Job Stability Committee to engage in relevant consultations. Joint efforts are on-going to set a clear path forward for the automotive industry, including making investments in Korea and sharpening the company's competitive edge to cater to the evolving future automotive industry. At Hyundai, labor and management also work with parts suppliers to pursue mutual benefits by reducing GHG emissions to promote environmental sustainability in the upcoming years, along with continuous trainings and campaigns aimed at fostering global corporate citizenship befitting our status as a global automotive player.

# Human Rights and Human Resources Management

## Fair Compensation and Employee Benefits

### Renumeration System

In addition to variable pay linked to individual performance, we also provide bonuses tied to the company's business results in various forms.

**Performance-based Compensation** We provide variable pay aligned with performance assessment results, and adjust pay raises considering internal/external economic conditions, market situations, and business performance. We do not allow for any unreasonable discrimination among employees in setting and increasing base salaries. Throughout our global sites, employees are regularly paid above the legal minimum wage on designated pay dates. Variable pay is determined fairly based on job performance for all employees. In addition to variable pay tied to one's performance evaluation, surplus profits generated from our business performance are distributed to all employees each year, motivating them towards organizational growth.

**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 2024, a total of 1,756,639 shares were subscribed, comprising 1,510,345 employer-contributed shares and 246,294 employee-purchased shares. A total of 6,082,777 shares have been distributed through the ESOP to date, and 5,394,300 shares were held under the plan as of the end of 2024 (2.58% ownership). All our full-time employees, who account for about 90% of the total workforce, are eligible for both the ESOP and the employee stock repurchase plan.

| Category | | 2023 | 2024 |
|---|---|---|---|
| New Contri-butions | Company Contributions | 980,120 | 1,510,345 |
| | Individual Contributions | 318,318 | 246,294 |
| Total | | 1,298,438 | 1,756,639 |
| No. of Employee-owned Shares (ownership) | | 3,987,894 (1.86%) | 5,394,300 (2.58%) |

### Employee Welfare Benefits System

**Tailored Employee Benefits Programs** We operate a wide array of benefits programs that go beyond wage-based compensation, providing non-compensation benefits to ensure all our employees maintain a fulfilling professional life all while striking the right work-life balance. For family events from employees' wedding and childbirth to the passing of family members, we provide financial assistance, special leave, and funeral services. In consideration of years of employment and individual circumstances, our employees are eligible to benefits regarding tuition support for children, discounts on vehicle purchases and maintenance, and in-house daycare services. All our employees receive welfare points each year, which can be redeemed across the employee-only online shopping mall and an expanding network of offline partner franchise, to tailor benefits to their personal lifestyle needs.

**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.

**Income Loss Protection for Employees** To compensate for wage losses experienced by employees who are not able to work due to occupational injuries, we provide additional support beyond the compensation guaranteed under the Industrial Accident Compensation Insurance Act. As per the collective agreement, we offer not only the legally mandated wage replacement benefits during periods of leave for occupational injuries, but also supplementary income support. In the event that employees who took a leave of absence due to occupational injuries return to work with disabilities, we provide additional compensation proportional to the severity of the injury in addition to the disability benefits guaranteed under the Act.

### 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 Pension Assets under Management** (Unit: KRW million)

| Classification | As of 2023 year-end | As of 2024 year-end |
|---|---|---|
| Insurance products | 5,995,760 | 6,116,520 |
| Others | 1,968 | 1,395 |
| **Total** | 5,997,728 | 6,117,915 |

Introducing Hyundai's benefits

**Pre-Retirement Training** Hyundai operates various programs to support employees with their post-retirement planning. Under these programs, we provided on/offline training and specialized consulting to 5,834 employees by age group and function.

**Operational Results of Future Planning Programs Provided to Retiring Employees in 2024**

| Class. | Manager | | | |
|---|---|---|---|---|
| Course | Future Planning 60 | Special Lecture on Career Transition | Future Planning 59 | Future Planning 58 |
| Target | 60 years old | 60 years old | 59 years old | 58 years old |
| Completed by | 1,282 persons | 1,782 persons | 732 persons | 778 persons |
| Topic | Preparing life/career design plans aligned with one's life career | Guidance on retirement including pension options to support employees in designing one's post-retirement life | External hands-on courses for start-up/career creation (baking and pastry, barista, rural life) | Personal relationships/ financial management |

| Class. | Senior Manager | |
|---|---|---|
| Course | Basic future planning course | Specialized future planning course |
| Target | 59 years old | 60 years old |
| Completed by | 408 persons | 431 persons |
| Topic | • Developing positive perceptions on retirement and exploring career options to plan one's post-retirement life<br>- Lecture: Wealth management/licenses<br>- Consulting: Career/finance | • Acquiring key information for career transition after retirement and developing specific action plans<br>- Lecture: Wealth management/ administrative management<br>- Consulting: Re-employment/start-up/social contribution/returning to farming and rural living |

| Class. | Car Master | |
|---|---|---|
| Course | Future Planning 59 | Future Planning 60 |
| Target | 59 years old | 60 years old |
| Completed by | 271 persons | 150 persons |
| Format | Online training (4 hours) | Online and offline training (16 hours) |
| Topic | • Supporting post-retirement life planning covering change management, financial planning, career exploration and expansion, and re-employment | |

# Human Rights and Human Resources Management

## Diversity and Inclusion

### Diversity at Hyundai

We firmly believe in the value of collaboration among employees with diverse backgrounds and experiences. 'Diversity and inclusion' is one of the key pillars of the Hyundai Way which defines how we work at Hyundai, and we strive to embed this value across our global workforce. Our corporate culture assessment survey also includes 'awareness of leaders on respecting diversity' to foster an organizational culture prioritizing diversity and inclusion. Greater diversity enhances organizational capabilities, driving forward new ideas and innovations. This is precisely why we are committed to advancing inclusion throughout our global operations by taking into account the distinctive characteristics of each site. This goes beyond merely making statements of the values that we aspire to achieve: it is echoed in the specific actions we take, from improving systems and working conditions to respect and support minorities and socially-underserved groups to building employee consensus and conducting training, along with listening to and monitoring employee feedback.

### Gender

We encourage more women to grow into leaders contributing to making key decisions while supporting their work-life balance and striving to eliminate biases and discrimination so that they stay on track to developing their career regardless of gender. To further promote gender diversity, we have set targets for increasing the ratio of women in managerial positions in Korea and overseas, and are working in various ways to achieve these targets.

**Target | Ratio of women in managerial positions worldwide**

| Women in managerial positions in Korea[1] | Women in managerial positions overseas[2] |
|---|---|
|  2030 15% |  2030 27% |
| Twice the level of 2023 | Up +10%p from the 2023 level |

1) Including general, R&D and special duty staff at the senior manager level or above, as well as executives (excluding advisors).
2) Positions managing an organization's general operations and taking responsibility for or leading independent tasks/projects at times as well as higher-level positions

**Fostering an Inclusive Culture** While the automotive industry has traditionally been disproportionately male-dominated, the number of female employees at Hyundai has been steadily on the rise, bringing their diverse perspectives to enrich our business practices. We are fully committed to providing an inclusive corporate culture where women employees feel valued and supported despite being relatively underrepresented. To this end, we promote a range of diversity initiatives in Korea and globally and work to drive a shift in awareness among employees.

**Key Initiatives**

- In 2025, a variety of communication campaigns and events were hosted in celebration of International Women's Day at the headquarters in Korea and global subsidiaries disseminating a culture of gender diversity and inclusion.

| Subsidiary | Key Activity |
|---|---|
| Headquarter in Korea | • Arranged networking opportunities for women leaders |
| Hyundai Motor Sports Gmbh | • Hosted a seminar to share ideas on the topic of 'enhancing women's capacity within the motorsports industry' |
| Hyundai Motor Company Australia | • Will engage in regular ERG activities (We Are Women in Automotive, WIA) three times a year, beginning with sponsorship for the Australia's largest gender equality forum |
| Hyundai Motor India Engineering | • Held an art-themed workshop giving motivational lectures and presenting the vision for Hyundai women |
| Hyundai Motor Central & South America Regional Headquarter | • Launched the 'Hyundai Golden Women' campaign to depict women employees doing their utmost in their own field |
| Hyundai Motor North America Regional Headquarter | • Supported the ERG initiative (Women@Hyundai-ERG) for women employees and provided lectures by women leaders |
| Hyundai Motor Manufacturing Alabama | • Launched the 'Women's Spotlight campaign relaying the stories of women employees recommended by their colleagues |
| Hyundai Motor Technology and Engineering Center (China) | • Arranged networking opportunities between women leaders and women employees |

- In November 2024, we officially joined the UN Women's Empowerment Principles (WEPs). This initiative was launched by the UN Women and the UN Global Compact to promote gender equality and women's capacity-building, and Hyundai publicly endorses its principles.

**Women-friendly Workplace** We provide a wide array of programs to assist women employees in balancing their career growth with family life while minimizing any career interruptions. In particular, we go beyond statutory requirements in supporting parental leave, reduced working hours during childrearing, and fertility leave, ensuring an inclusive workplace for employees during their pregnancy, childbirth, and parenting. Furthermore, we strictly prohibit any verbal/physical violence and harassment against women and apply the zero-tolerance principle when such incidents occur along with taking corrective action. In offering career development opportunities including promotions and appointments, our operational principles prioritize performance and competency so that gender does not become any limiting factor. Such efforts allowed us to see a consistent increase in the number of female employees, and maintain a highly stable retention rate with 98.5% of female employees returning to work after parental leave and 97.5% of them continuing to work as of 2024.

**• Support System for Maternity, Childcare, Family Care**

| Classification | Benefit | Description |
|---|---|---|
| Maternity | Reduced hours during pregnancy | • The daily working hours of employees in early pregnancy (within 12 weeks) or late pregnancy (beyond 32 weeks) are reduced by two hours.<br>• 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.<br>(Reduced hours are made available throughout pregnancy for high-risk pregnancies) |
| | Maternity leave | • Providing a 90-day maternity leave to women employees before and after childbirth (120 days for multiple pregnancies, 100 days for premature births) |
| | Pregnancy loss leave | • Offering a leave whose period is determined by the pregnancy period in case of miscarriage or stillbirth |
| | Fertility leave and fertility treatment expense support | • Offering 6 days of fertility leave (5-day paid leave, daily basis) per year for fertility treatment<br>• Providing actual cost support for employees and their spouse to receive fertility treatment |
| | Prenatal check-up | • Providing paid time off once every four weeks before the 28th week of pregnancy, once every two weeks between the 29th and 36th weeks, and once every week after the 37th week of pregnancy |
| | Child Happiness Travel | • Providing hotel lodgings and meals within six months before and two years after a childbirth to employees and their spouses, which includes up to two nights at hotels designated by the company |
| | Partner's leave | • Offering up to 20 days of partner's leave within 120 days of childbirth |
| Childcare | Parental leave | • Providing up to 2 years of leave of absence for each child under the age of 8 or in second grade and below to both male and female employees (can be split for up to 4 times)<br>• Providing employees who have taken 2 years of parental leave and reduced hours during the childcare period with 1 additional year of reduced working hours during the childcare period |
| | Reduced hours during the childcare period | • Providing both male and women employees with up to 3 years of reduced hours during the childcare period per child to care for children aged 12 years old and younger or in grade 6 and below (can be split by 1 month)<br>• Choose among 2 hours or 4 hours after the start of the working day / 2 hours or 4 hours before the end of the working day / 2 hours after the start of the working day + 2 hours before the end of the working day |
| | Childcare time | • Providing women employees with infants under 1 year old 120 minutes of paid breastfeeding time per day |
| | In-house daycare centers | • Operating a total of 7 childcare centers at the HQ, Gangnam, Seonneung, Ulsan/Asan/Jeonju Plants, and Namyang R&D Center |
| | Preschool education expenses | • Supporting employees in paying education expenses for their children aged 4-5 |
| | Parental benefit voucher | • Offering vouchers redeemable for essential supplies needed for childbirth or school enrollment |
| Family care | Family care leave of absence | • 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 |
| | Family care leave | • Offering up to 10 days of leave when an employee's parents, children, spouse, or parents-in-law require emergency care due to illness, accident, old age or childcare needs |
| | Leave for spousal overseas assignment | • Offering up to 4 years of leave of absence, apart from parental leave, if one member of an in-house couple is assigned to an expatriate position and the accompanying family relocates within 12 months and continuously resides together for over 50% of the assignment period |

# Human Rights and Human Resources Management

**Gender Pay Gap** We make sure our employees receive equal pay for work of equal value regardless of gender. Compensation is determined based on individual work experience and performance, and we analyze gender pay disparities each year to monitor trends and identify underlying causes. In implementing HR systems, we conduct reviews to prevent structural wage gaps based on gender. We also provide leaders with gender equality training so that their decisions on performance assessments or promotions that affect employee compensation do not result in any unreasonable discrimination.

### • Female-to-Male Wage Ratio by Major Region

- **Korea**[1] Women in manager positions are paid 8.7% more than men, while in the senior manager positions of G3 and G4, men are paid 5.4% and 3.6% more, respectively. The gender pay gap in these senior manager positions narrowed in 2024, declining by 1.4% in G3 and 6.8% in G4 compared to 2023. Although wage disparities between men and women exist due to differences in years of service and seniority, these gaps are on the steady decline each year both in manager and senior manager positions.

1) Based on general staff

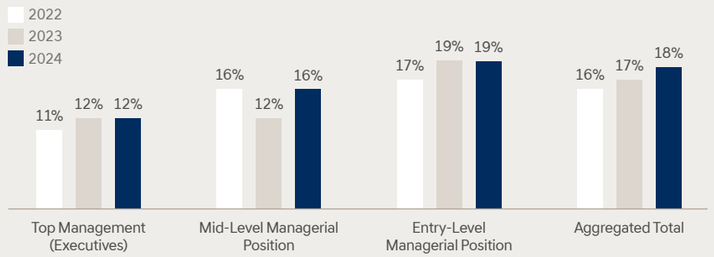
- **Overseas** At Hyundai Motor North America Headquarters, our key business site, women in Grade 4-5 positions equivalent to manager positions in Korea earn 1.7% more than men. In Grade 6-9 positions comparable to managerial positions such as senior managers in Korea, men are paid 0.6% more than women. It is notable, however, that such disparities fell by 12% in 2024 compared to 2022. When compared at the position level, women earned 0.2% more in Grade 6, 1.4% more in Grade 7, and 2.1% more in Grade 8 than their male counterparts. In Grade 9, we reached gender parity with men and women receiving equal compensation.

**Global Workforce Trends for Women** We have been steadily managing the ratio of women employees and women in managerial positions out of our total workforce including global subsidiaries. Both in Korea and globally, the ratio of women employees and women in managerial positions has been rising continuously. It is notable that the ratio of women in managerial positions increased at 42%[2] of our global subsidiaries in 2024. The consistently growing ratio of women employees is attributable to our expanding business presence and the corresponding increase in our overseas workforce.

2) Compiled based on 56 subsidiaries for which year-on-year comparison between 2023 and 2024 was possible

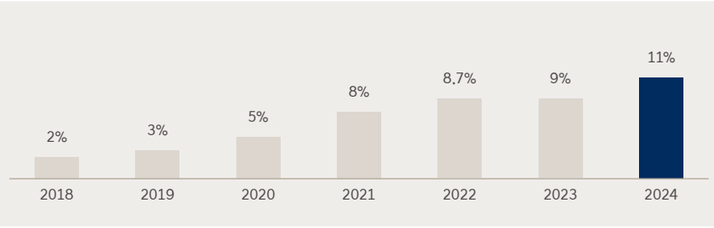
This testifies to the efforts made by our subsidiaries to enhance diversity, alongside the natural increase in the ratio of women employees. In fact, 10 out of 12 global subsidiaries that have established and implemented goals and qualitative programs to promote diversity have seen an increase the number of women employees. At the remaining two subsidiaries where the ratio of women employes remained unchanged, the ratio of women in managerial positions still increased overall. This demonstrates that quantitative improvements in ratio terms are made possible when consistent organizational efforts follow to increase the ratio of women employees. For instance, Hyundai Motor de Mexico established a talent acquisition policy ensuring that the applicant pipeline does not exclusively consist of men and set a target of reaching 40% women representation among employees. This target was successfully achieved in 2024.

### • Trends in the Ratio of Women in Managerial Positions Worldwide



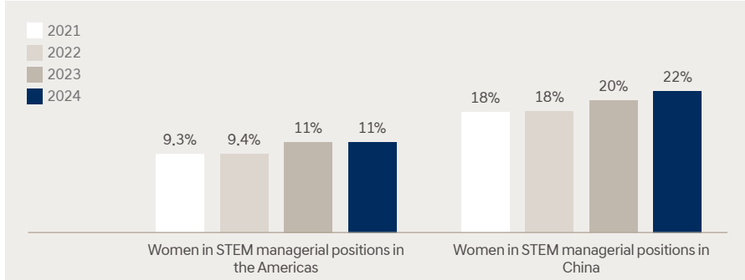

In Europe, the ratio of women executives has been on the rise for seven consecutive years, exceeding double digits in 2024. When compared based on women representation for the past two years, the Americas showed the highest growth of 9%p in the number of women employees. Meanwhile, India, Africa, and the Middle East saw the greatest increase of 4%p in the ratio of women in managerial positions. Likewise, women representation varies by region in terms of trends and characteristics, which underlines the need for nuanced approaches tailored to specific functions and positions, taking into account the unique organizational contexts of regional headquarters, production subsidiaries, and sales subsidiaries.

### • Trends in the Ratio of Women Executives in Europe




In taking a disaggregated approach according to functions and positions, we recognized the need to promote gender balance in STEM, R&D, and production areas where women remain disproportionately underrepresented. Notably, the ratio of women in managerial positions in STEM roles has been rising consistently for the past four years (2021~2024) in the Americas and China regions. The Hyundai Motor India Engineering has also achieved a steady rise in the ratio of women in managerial positions in STEM fields over the past three years, thanks to its commitment to setting and achieving targets to advance women representation.

### • Trends in the Ratio of Women in STEM Managerial Positions




In R&D functions, the ratio of female employees in R&D Employees has been increasing steadily over the past three years in Korea and at some global subsidiaries. A significant example is the Hyundai-Kia America Technical Center where female representation in R&D positions grew by 43% for the past two years, raising the overall ratio of female employees by 2%p.

Turning to Production Employees, Technicians and Mechanics[3] at production subsidiaries, improvements in female representation have been less pronounced. Still yet, it is worth noting that production subsidiaries including Hyundai Truck & Bus (China) have seen increases in the ratio of female employees in production roles for the past two years. We remain committed to promoting greater women representation at other production subsidiaries as well.

3) Including office production management roles

Despite this sustained growth, we still have a long way to go as overall women representation remains in the 20% range at the majority of our global subsidiaries. Recent hiring data in Korea (as of 2024) reveals, however, that women accounted for 49% of G1 positions (regular employees only) at the Korean Headquarters, and women representation reached around 40% in G2 to G4 positions. Furthermore, the ratio of women executives in Korea has more than quadrupled over the past six years (2019~2024) while women comprise 43% of all independent directors, reflecting ongoing improvements in gender balance. Going forward, Hyundai remains firmly committed to advancing women representation across the board.

# Human Rights and Human Resources Management

**SPOTLIGHT**

## Gender Diversity Initiatives Undertaken at Global Subsidiaries

### Hyundai Motor India Engineering(HMIE)

The Hyundai Motor India Engineering continued with employee communication on diversity and inclusion (D&I), and emphasized the value of D&I during the company-wide townhall meeting held for leaders in 2024. Such efforts helped establish and foster diversity mainly through the hiring of women employees. This not only resulted in overall growth in the number of women in R&D positions for the past two years, but also in increases in the ratio of women in STEM managerial positions for the past three years (2022-2024).

**Target**

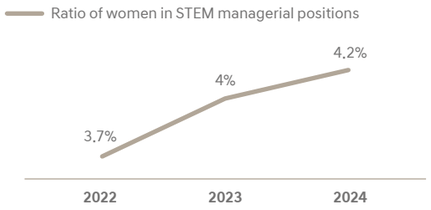
- Increase the number of women in leadership groups by 2~4 people within 2~4 years
- Achieve 20% women recruitment within 2~4 years

* 13% in 2024

**Program**

- Expand and promote women leadership through diversity-conscious recruitment strategies and structured internal promotion plans in 2025

**Trends in the Ratio of Women in STEM Managerial Positions at HMIE**



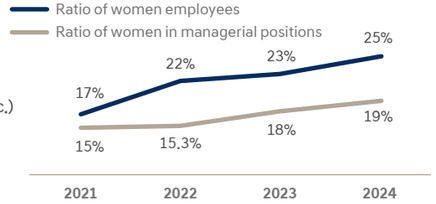

### Hyundai Motor Central & South America Regional Headquarter(HMCSA RHQ)

Women representation rose both in terms of numbers and ratio for the past four years, reaching 25% in 2024. The ratio of women in managerial positions also increased in line with overall women employees, with growth observed in both mid and entry level managerial positions. Considering that production employees, technicians and mechanics comprise a large portion of total workforce at HMCSA RHQ, an around 3%p increase in women representation in those roles over the past two years is particularly significant.

**Programs/Systems**

- Women leadership program
  - Host International Women's Day events along with women leaders, and provide H-Mentoring in conjunction with women leaders in respective fields
- Assess internal D&I and improve relevant initiatives
  - Conducted internal diversity assessments for the past two years in a row, and have focused on improving diversity initiatives since 2024 (inclusive working environment, etc.)
- Provide childbirth/childcare-related benefits
  - Provide comprehensive childbirth/childcare benefits including allowances for childcare services and pregnancy check-ups

**Trends in the Ratio of Women Employees and Women in Managerial Positions at HMCSA RHQ**




### Hyundai Motor France(HMF)

Hyundai Motor France has set targets and are operating programs to pursue gender balance, and has seen increases in the hiring of women employees and the ratio of women representation for the past three years (2022-2024). In tandem with this, the ratio of women employees has been on the rise in office roles (35% → 40%) and in entry-level managerial positions (27% → 29%) for the recent two years, which is expected to increase further in the upcoming years.

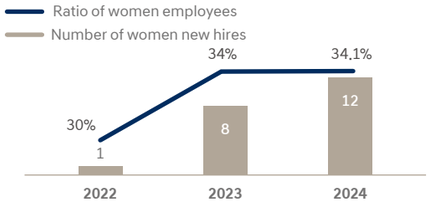
**Target**

- Manage the ratio and target of women representation using the female-to-male employee ratio index and the gender equality index
  - Implement programs to maintain at least 50% women representation in leadership positions and at least 30% overall women representation

**Program**

- Increase women recruitment and enhance support for their development
  - Provide women employees with targeted training opportunities relating to career development

**Trends in the Ratio of Women Employees and Women New Hires at HMF**




### Hyundai Motor Türkiye Otomotiv A.Ş(HMTR)

Hyundai Assan Otomotive Sanayi is implementing targets and programs to increase the ratio of women workforce, and has seen increases in the ratio of women new hires and employees for the past three years (2022-2024).

**Target**

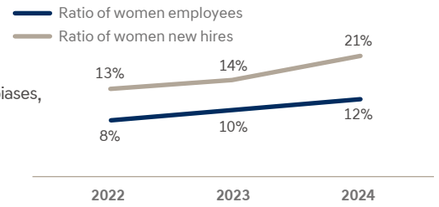
- Achieve 15% women representation in 2025

* 12% in 2024

**Program**

- Establish an inclusive recruitment plan in 2025
  - Provide recruitment personnel and managerial positions with training on unconscious biases, develop competency-based interview questions to avoid private questions, and revise language used for recruitment notices to be inclusive of all genders

**Trends in the Ratio of Women Employees and Women New Hires at HMTR**



# Human Rights and Human Resources Management

## Cultural Diversity

We uncover new values by embracing the varying cultures, nations, ideas, and experiences of our members, and explore ways to enhance collaboration across our global workforce. In 2025, D&I training courses will be developed and provided to our employees throughout our global sites

**Goal | Training completion rate of diversity awareness training across our global sites**

Training completion rate of diversity awareness training across our global sites (Korea+overseas)



2025 50 %

- Key topic: Training to strengthen D&I awareness linked to HMC's continuous D&I activities
- Training method: Online video content

**Expanding Global Exchange** Across our global sites, employees from diverse nationalities and cultural backgrounds work together. We make sure that they collaborate as part of a Global One Company and have access to a wide range of opportunities to expand their careers and pursue growth.

| Key Initiatives |
|---|
| • We continuously enhance the system (Global Mobility Framework) for expanding talent mobility across all sites, providing employees with a variety of growth opportunities in global locations. To ensure that employees with rich experience can work flexibly at global sites, we offer a range of talent mobility opportunities beyond project participation, including workforce development initiatives.<br>• Through technical support trips and assignments, experienced employees from the headquarters collaborate with global subsidiaries during crucial events such as new product launches, installation of production facilities, and customer events. |

**Global Talent Hub** Hyundai Motor Company's headquarters located in Korea serves as the hub for our cross-border talent exchange, and we are fully committed to embracing global talents from diverse backgrounds. To this end, we provide employee training on cultural diversity and continuously heed the voice of foreign national employees, making progress towards an inclusive corporate culture and work environment.

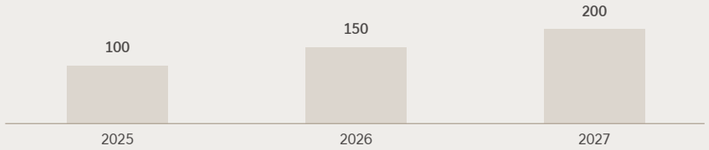
| Key Initiatives |
|---|
| • We provide major internal announcements and training materials in English to narrow the information gap for non-Korean speakers, and are enhancing key employee websites to extend the scope of services available in English.<br>• We have launched separate onboarding programs in 2025 to support foreign employees in better adapting to life and culture in Korea. We also operate a dedicated support organization for foreign new hires working in Korea, providing assistance with daily needs from housing contracts to 24/7 everyday life support services, to ensure their seamless transition.<br>• We implement dedicated internship programs to recruit new hires from diverse countries, and proactively seek out overseas talents with outstanding career experience. Notably, the number of foreign new employees hired through our global internship programs more than doubled in 2024 compared to 2023.<br>• In the first half of 2025, we launched a new education program aimed at fostering a D&I mindset for employees across our global business sites. In the second half of the year, we plan to provide additional training to further strengthen awareness of D&I, in connection with HMC's continuous D&I initiatives.<br>• In 2025, we launched campaigns highlighting the value of diversity and inclusion through the stories shared by our foreign employees in celebration of Together Day (May 20th). |

## Disability

We are committed to proactively employing individuals with disabilities in roles that match their competencies and to fostering a work environment enabling them to unleash their potential as a self-reliant member of the company. Embodying our firm commitment to expanding employment opportunities for these talented yet challenged individuals, we have set a three-year goal for employing people with disabilities in Korea, and are progressing towards this goal through various initiatives.

**Goal | Recruitment of People with Disabilities (Korea)** (Unit: Persons)

Total 450 employees hired for 3 years




**Expanding the Recruitment of People with Disabilities** In 2025, we launched a dedicated hiring process to expand the direct employment of people with disabilities. To support this, we identified roles suitable for people with disabilities in partnership with the Korea Employment Agency for Persons with Disabilities (KEAD), and piloted this approach by establishing a tailored recruitment process. Incorporating the necessary improvements identified from this pilot, we will continue expanding the scale of recruitment and the scope of roles available for people with disabilities. To facilitate their smooth onboarding following hiring, we plan to provide training and upgrade the workplace environment.

| Key Initiatives |
|---|
| • In March 2025, we newly conducted a special recruitment for people with disabilities, expanding the scale and roles by introducing a tailored hiring process and considering job characteristics and working environments.<br>• In April 2025, we signed an "MoU for Employment Promotion for the Disabled" with the Korea Employment Agency Persons with Disabilities, establishing a mutual cooperation system to continuously expand employment and ensure job security for people with disabilities. |

**Awareness-Raising on Disability** Not only do we promote the quantitative representation of employees with disabilities and provide a working environment empowering them to unlock their potential, but we also work to foster a culture of collaboration and raise awareness among employees for individuals with disabilities. We will continue monitoring progress made in disability awareness among employees.

| Key Initiatives |
|---|
| • In 2025, we moved beyond statutory training aimed at raising awareness on disability to launching campaigns that engage employees to enhance their awareness on people with disabilities in celebration of Disabled Person's Day (April 20th). |

# Human Rights and Human Resources Management

**SPOTLIGHT**

## ERG Initiatives by Global Subsidiaries



**Employee Resource Groups**

Hyundai believes that sharing common interests and promoting cultural exchange among employees from diverse backgrounds are meaningful contributors to fostering 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.

### ERG Initiatives by Hyundai Motor North America Regional Headquarter

| Initiative | Target | Key Activities |
|---|---|---|
| Women @ Hyundai | Women employees | • Create an inclusive environment that grants independence to women employees, customers, and employees of partner companies<br>• Implement mentoring programs and women-supporting activities aimed at career development from the perspective of women employees |
| Hyundai @ Soul | African American employees | • Discuss how to enhance the Hyundai brand image as an employer within the African American community<br>• Provide a variety of support to improve cultural competency of Hyundai management |
| HANA (Hyundai Asian Network Alliance) | Asian employees | • Develop strategies utilizing the characteristics and perspectives of Asian culture, and explore opportunities for leveraging technology and networks<br>• Provide support for corporate promotions and community events |
| Amigos Unidos | Hispanic and Latin American employees | • Present innovative management ideas using the cultural intelligence of the Latino community<br>• Present ideas for Hyundai's future direction from the perspective of Latino employees |
| Young Leaders | Millennials employees | • Think about a variety of ideas, solutions, and improvements using the strengths of the millennial generation<br>• Conduct a mentoring program for individual employee development and self-development |
| Equality | LGBTQ+ employees | • Provide training, career development, networking, and workplace collaboration opportunities for LGBTQ employeesLGBTQ+<br>• Share ideas to raise awareness of Hyundai's brand within the LGBTQ community |
| Hyundai CARES | Disabled employees | • Improve the work life of the disabled and raise positive awareness of disability<br>• Support employees with congenital or acquired disabilities, middle-aged employees with disabilities due to aging, etc. |
| Stars & Stripes | Veteran employees | • Implement a forum gathering together Hyundai employees, their spouses, their families, and supporters of U.S. Army veterans<br>• Provide a safe and inclusive space where one can feel a sense of belonging |

### ERG Initiatives by Hyundai Auto Canada

| Initiative | Target | Key Activities |
|---|---|---|
| Women @ HAC | Women employees | • Provide women employees with broader career opportunities and developmental support within the automotive industry through industry-academia partnerships and mentoring<br>• Attend regular speaker sessions and conferences, engage in charity and volunteer initiatives to give back to society |
| Inclusion @ HAC | Social monitory employees (multi-racial/ cultural, LGBTQ+, etc.) | • Host a series of speaker sessions covering various areas and topics<br>• Host inclusion-themed lunch events as well as events celebrating a variety of cultural and religious occasions |
| Parents @ HAC | Employees with children | • Facilitate community-level communication embracing all types of family arrangements concerning parenting, parental care, returning to work after maternal/parental leave<br>• Arrange speaker sessions led by employees and partner with other companies |

### ERG Initiatives by Boston Dynamics

| Initiative | Target | Key Activities |
|---|---|---|
| Boston Dynamics Women's Alliance Group (WAG) | Women employees | • Discuss and learn about women and allies through peer mentoring and group debates<br>• Celebrate International Women's Day and Women's History Month<br>• Host weekly networking meetings |
| Boston Dynamics Young Professional Group (BDYP) | Junior employees | • Arrange a series of mentoring sessions inviting diverse leaders to hear and learn from their journey, advice, and lessons<br>• Implement networking activities and events to enhance employee engagement |
| Boston Dynamics Pride Group (Pride) | LGBTQ+ employees | • Host weekly networking meetings<br>• Celebrate Pride Month<br>• Conduct citizenship training aligned with the history of Pride and interview Stonewall activists |
| Boston Dinámicos | Hispanic/Latino employees | • Celebrate National Hispanic Heritage Month |

### ERG Initiatives by Hyundai Motor Central & South America Regional Headquarter

| Initiative | Target | Key Activities |
|---|---|---|
| Groupo Conexão | Employees from multiple generations | • Promote cross-generational knowledge exchange and understanding (explore diverse cross-generational perspectives through roundtable discussions, identify growth opportunities, and leverage one's unique strengths) |
| Groupo SOMOS | LGBTQ+ employees | • Lead constructive discussions on key issues relating to the LGBTQ+ community<br>• Provide psychological, community-based support to LGBTQ+ employees to build a network of solidarity |
| Groupo Ascendência | Multi-racial employees | • Arrange lectures and trainings focused on racial diversity, equity and inclusion<br>• Pursue initiatives fostering empathy and respect for racial diversity |
| Groupo Empodera | Women employees | • Develop training and mentoring programs facilitating the professional growth of women employees<br>• Support women empowerment-related initiatives, including internal/ external campaigns aimed at strengthening the company's brand as an employer |
| Groupo Habiliverso | Employees with disabilities | •Discover and suggest solutions enhancing accessibility and inclusion for employees with disabilities<br>•Conduct in-depth interviews with all employees with disabilities, gain experience-based insights for improvement |

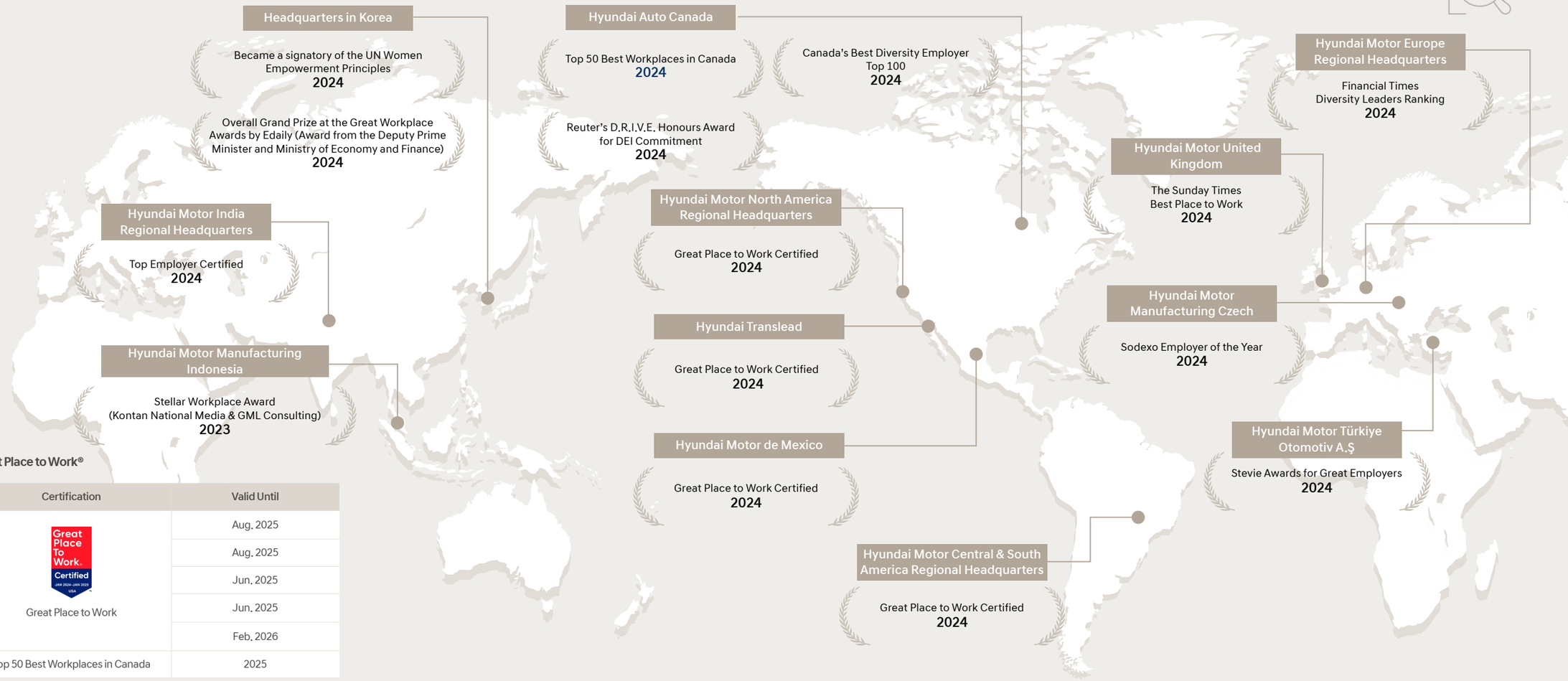
### ERG Initiatives by Hyundai Motor Company Australia

| Initiative | Target | Key Activities |
|---|---|---|
| We Are (Women in Automotive) | Women employees | • Attend and support future women leadership summit<br>• Invite influential speakers with expertise on women's leadership in the workplace and pursue relevant networking activities |

# Human Rights and Human Resources Management

**SPOTLIGHT**

## Support for External Initiatives and Awards/Certifications




**Global Subsidiaries Certified to Great Place to Work®**

| Subsidiary | Certification | Valid Until |
|---|---|---|
| Hyundai Motor North America Regional Headquarters | Great Place to Work | Aug. 2025 |
| Hyundai Motor de Mexico | | Aug. 2025 |
| Hyundai Translead | | Jun. 2025 |
| Hyundai Motor Central & South America Regional Headquarters | | Jun. 2025 |
| Hyundai Motor Company Australia | | Feb. 2026 |
| Hyundai Auto Canada | Top 50 Best Workplaces in Canada | 2025 |

# Health and Safety

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 investments in human and material resources to implement our 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** The Board of Directors is briefed on the annual operation of our health and safety system including its goals, implementation targets, and progress status, and grants approval accordingly while our President and other members of top management review and oversee relevant monthly performance and key outcomes. The Chief Safety Officer, who also serves as President, is responsible for implementing overall health and safety governance, and the company-wide health and safety organization operates directly under the leadership of the Presidents. Under the oversight of the Chief Safety Officer, health and safety supervisors at respective sites set priorities and implementation plans for health and safety management while regularly holding meetings attended by health and safety managers and employees at company-wide or site levels to identify and share health and safety risks and discuss necessary improvements. With the help of third-party occupational health and safety experts, we review the health and safety practices of our business sites, assess the likelihood of relevant incidents, and participate in post-incident investigations. Employees, from senior management to leaders and field managers who are responsible for health and safety, are assigned KPIs on health and safety management and are assessed for their progress towards achieving the set goals.

**Introduction of the Health and Safety Management System** All our domestic and international sites have implemented a health and safety management system that includes the establishment of implementation plans, the identification and improvement of hazardous and risky factors, the evaluation of health and safety performance, and the development of improvement measures based on an activity analysis. While our business sites previously pursued health and safety certifications individually, we have transitioned into a company-wide, integrated certification system and unified relevant work procedures and health and safety regulations in 2024, further enhancing our safety management performance through such standardization efforts. Each production plant is working to achieve third-party certification of its health and safety management system, taking into account applicable laws and regulations and market conditions. We also encourage and support suppliers to establish a health and safety management system so that they could build independent health and safety capabilities.

**Health and Safety Management System (ISO 45001)-Certified Workplace**

All manufacturing subsidiaries at home and abroad



100 %

**Labor and Management Jointly Conducting Regular Inspections for Workplace Safety** The joint labor-management declaration announced in 2023 specifies that labor and management will work together to establish a corporate culture putting workplace safety first and advance robust safety management through proactive investment and hiring of additional professionals. In this vein, all departments observe 'Workplace Safety Day' to prevent high-consequence incidents by addressing shopfloor risk factors and ensuring regulatory compliance. This involves safety inspections conducted under the oversight of division and group heads as well as field-driven safety management supported by the participation of the head and members of the labor management occupational safety subcommittee and employee interviews. Risk factors identified via such inspections are mitigated through immediate corrective actions and supplementary work. In January 2025, 34 improvements were made including the installation of safety handrails, and supplementary investments will follow to continuously improve on risk factors uncovered across processes and facilities vulnerable to high-consequence incidents.

**Establishing a Musculoskeletal Disease Prevention and Management System** We implement a musculoskeletal disease prevention and management program to prevent and systematically manage musculoskeletal disease. The Musculoskeletal Execution Committee comprising field staff at respective departments conducts joint labor-management inspections on shopfloor operations twice a month to interview high-risk employees and identify risk factors while convening each month to develop proactive prevention measures. To help members of the Committee with capacity building, over 32 hours of specialized training are provided per year to ensure more effective prevention and management.

**Occupational Health and Safety Committee** Our Occupational Health and Safety Committee organized at each business site convenes quarterly to protect the health and safety of employees and provide the optimal working environment. Operated jointly by labor and management, the Committee deliberates and decides on key health and safety matters, including but not limited to developing occupational injury prevention plans, revising health and safety management regulations, conducting health and safety training, improving the working environment, promoting employee health management, preventing high-consequence incidents and their reoccurrence, managing occupational injury statistics, and taking safety measures in introducing hazardous/high-risk machines and facilities. To advance our health and safety performance at all levels, the Committee holds integrated annual meetings to discuss health and safety policies and explore possible improvements.

**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.

Besides, we are progressing on priorities selected through in-depth occupational safety assessments in a phased-in manner, including safety culture, labor relations, safety training, safety budget, and risk assessment. Out of these, risk assessment was identified as the highest priority in need of improvement, and we have adopted risk assessment methods since 2023 to address safety blind spots, establishing a self-directed prevention system based on risk assessment that caters to our distinctive characteristics. This will guide our efforts to continuously advance our management system, reinforcing our reputation as a world top-tier company prioritizing safety across the entire organization.

**Directions of Safety Vision**

| | |
|---|---|
| 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

## 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 high-consequence incidents and to investigate and improve any accidents that occur in those processes in order to prevent high-consequence incidents. In addition, we measure the related processes and actions to prevent occupational injuries, 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 occupational injuries. In 2024, the injury rate at our domestic sties decreased by approximately 14%p year-on-year, which is largely attributable to our efforts to improve processes exposed to frequent injuries through active investment and targeted management. To uphold employees' right to health, Hyundai ensures that they receive appropriate medical treatment and return to work, and is implementing various safety culture activities to curb the occurrence of high-consequence incidents.

**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 in-house 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 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 fire safety, and utilizes detailed indicators such as high-consequence incident prevention activities, site safety management, maintenance of the health and safety management system, and the health and safety roles and responsibilities of leaders. In 2024, some 272 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.

### H-SAT Assessment Results and Improvements

| | Safety | Health | Fire Safety |
|---|---|---|---|
| Management System Assessment | High-consequence incident prevention activities, health and safety management system, etc. | Employee health impairment prevention, health programs | Emergency responses/drills, fire prevention plan, etc. |
| On-site Workplace Inspection | High-risk machinery and devices, safeguards for automated processes, etc. | Chemical management, workplace environment measurement process management, etc. | On-site hazard/gas management, fire-prone areas, etc. |
| Identified Improvements | Insufficient access controls for automated facilities, insufficient identification of risk factors through risk assessment | Hazard information and materials not made available on-site | Fire hydrant usage instructions not made available, insufficient container management in container storage areas |
| Improvement Rate | 100% | 100% | 100% |

**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 high-consequence incidents and establishing safety governance, and each organization practices safety management by striving to achieve these goals. Evaluation indicators comprise leading indicators (preventive activities) and lagging indicators (management performance): the former covers the H-SAT, identification and mitigation of critical risk factors, safety leadership activities, safety management during customer events while the latter includes occurrence of high-consequence incidents, injury rates, and absenteeism rates. Together, these indicators enable us to rigorously review our safety management across the entire business operations ranging from production plants to non-production operations.

| Classification | Target | Key performance indicators | |
|---|---|---|---|
| Domestic | All (66) | • Accident rate/absenteeism rate[1] target achievement rate<br>• Pollutant emissions target achievement rate<br>• Customer event safety management | • H-SAT and risk assessment<br>• Safety culture and compliance with laws and regulations, etc. |
| Overseas | Manufacturing subsidiaries (7) | • Accident target achievement rate<br>• Pollutant emission target achievement rate | • Safety leadership activities, H-SAT<br>• Excellent disaster prevention activities at business sites, etc. |

1) Absenteeism rate: Ratio of actual days absent relative to the total possible workdays, which serves as an indirect indicator of the overall occupational health and safety conditions at the workplace

### Health and Safety Management Activities

**Risk Assessment**
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.

**Tags of Health and Safety Signs**
We put 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.

**Safety Measures for the Working Environment**
We set management criteria for areas where there is a risk of falls, collapses, falling objects or other potential hazards; and perform regular maintenance and inspections.

**Safety Measures for Machinery, Equipment and Facilities**
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.

**Preventive and Health Measures against Health Hazards**
To prevent health hazards caused by raw materials, gases, vapors, high temperatures, noise, etc., we implement necessary preventive and health measures.

**Provision of Personal Protective Equipment**
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.

**Health and Safety Diagnosis**
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.

**Response to Emergencies**
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.

**Management of Hazardous Substances**
We compile and provide the Safety Data Sheet for the handling of hazardous substances. We also regularly measure and address physical and chemical hazardous factors, and implement improvement measures.

**Activities for Health Promotion**
We conduct regular health check-ups and implement programs for the prevention of work-related illnesses such as respiratory and musculoskeletal disorders, as well as managing job-related stress.

**Health and Safety Support for Suppliers**
We have established a health and safety management system for suppliers to substantialize risk assessments, and have strengthened accident prevention by providing targeted supplier management including diagnosis, education, and consultation.

**Investigation of Accidents**
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 occupational accidents and incorporate them into our performance improvement goals.

## Health and Safety Activities and Response to Injuries

### 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 illnesses that may affect our employees. We also carry out reactive 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. In particular, we plan and implement workplace health management and promotion initiatives, including smoking cessation clinics, smoking cessation camps, and campaigns promoting smoke-free plants.

# Health and Safety

**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 risk assessments, and consist of 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 High-consequence Incidents in the 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 high-consequence incidents 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

| Secure a statement | Process confirmation | Photo shoot | Cause analysis | Take measures |
|---|---|---|---|---|
| Securing the statement of the first eyewitness | Check the process and listen to the cause of the accident | Entire process and accident reenactment photography | Root cause analysis of accidents | Apply the most appropriate countermeasure after establishing several countermeasures |

* Step-by-step Actions in Case of a Safety Accident: 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)

### Step-by-Step Safety Management

| ESTABLISHMENT OF SAFETY PLAN | SAFETY COUNCIL | ON-SITE SAFETY INSPECTIONS |
|---|---|---|
| Assessment of Disaster Prevention Capability | Construction Safety Management Plan | Installation Safety Inspections |
| Construction Safety Management Plan | Event Safety Management Plan | Event Operation Safety Inspections |
| Event Safety Management Plan | Other Consultations | Safety Inspections for Dismantling Work |

### Strengthening Response to Major Public Disasters

**Strengthening Our Capabilities to Address Major Public Disasters** To prevent potential disasters resulting from defects in the design, manufacturing and management of raw materials and manufactured goods as well as accidents occurring at public use facilities that we effectively control, operate or manage, we are extending the scope of safety management and continue to bolster our health and safety governance overseen by the Chief Safety Officer.

As to raw materials, we review and report on the implementation of our health and safety system on a half-yearly basis in the areas of workforce, budget, inspection/improvement, and training in compliance with 17 health and safety regulations (environment, fire safety, hazards, gas, nuclear power, etc.) requiring our compliance and implementation. The CSO's feedback on reported outcomes is communicated to business sites, and continuous checks and reviews are conducted to ensure such feedback is applied on-site.

For manufactured goods, we heed the Voice of Customers (VOC) raised through recalls, campaigns, and in other diverse areas as well as the entire development and manufacturing processes (body, painting, assembly, and inspection of finished vehicles) while identifying, remedying and managing relevant issues. We are ceaselessly committed to producing reliable and exceptional vehicles through rigorous quality management, enabling safe and convenient mobility for customers.

Turning to public use facilities (multi-use facilities and others), we classify them into three categories depending on their usage and size while developing safety plans for each building and manage them accordingly. Safety plans are prepared in compliance with the 'Serious Accidents Punishment Act', and are developed and implemented in line with Hyundai Motor Company's 12 internal management standards. In addition to statutory inspections including detailed safety inspections/reviews, we also conduct independent inspections on aging buildings that are over 30 years old to identify and mitigate vulnerabilities on an on-going basis.

For customer events hosted by Hyundai Motor Company, we establish our own safety management standards and ensure step-by-step safety management in compliance with these standards, from setting safety plans to operating a safety council and conducting on-site safety inspections. This eventually allows us to provide a safe and pleasant environment for participating citizens.

## Preventing High-consequence Incidents at the Site Level

**Asan Plant** **Embracing new technology for improved accident prevention**

Our Asan Press Plant has deployed a safety stop system connected with intersection safety sensor tags to prevent collisions between Automated Guided Vehicles (AGV) and forklifts. With the extended detection area, this system ensures that a moving object stops in advance before an accident occurs. The Plant has also introduced an AI human detection system capable of distinguishing people and vehicles within the detection area, enabling emergency stops and protecting workers from being caught in vehicles.

**Mexico Plant** **Installing dual safety devices and anti-collision tags to provide stronger protection against shopfloor accidents**

Our Mexico Plant has taken measures to ensure employees' feet are not caught in the rail-based transport equipment while equipping work lifts with light curtains and magnetic doors as dual safety devices, ensuring workplace safety on the shopfloor and protecting workers from falls or caught-in accidents in the process. To prevent collisions with pedestrians in blind spots along transport vehicle routes within the work area, workers entering the area are required to wear collision prevention tags. Such tags vibrate when a transport vehicle approaches to enable early risk detection. The deployment of these anti-collision tags alerts workers as well as vehicle operators to potential hazards and minimizes the risk of collision.

**Türkiye Plant** **Bolstering the AI/sensor-based safety system to minimize the risk of accidents and fires**

At our Türkiye Body Plant, ultrasound sensors and alarm circuits were installed on lifters to protect workers from potential collisions during vehicle lifting operations. This enhanced safety system automatically halts the lifter and sounds the alarm when detecting the presence of a worker during operations. To eliminate safety blind spots along the press process lines, additional AI vision cameras were installed to prevent caught-in and collision accidents involving workers. A real-time monitoring system was deployed for local fire stations to check of the condition and flow of firefighting water supply pipes, enhancing reliability in our capability to extinguish fires.

**Korea Business Divisions** **Preventing safety accidents involving car carrier drivers and ensuring the safety of customers visiting High-Tech centers**

To safeguard car carrier drivers in Korea, we developed lightweight safety helmets and hosted briefings to ensure drivers wear them when loading and unloading new vehicles in compliance with safety guidelines. Incorporating feedback from drivers, we also developed vehicle-mounted safety stands in partnership with the Ministry of Land, Infrastructure and Transport and the Korea Transportation Safety Authority and provided financial support for their installation on car carriers. Furthermore, to ensure the safety of customers visiting our High-Tech Centers which offer automotive maintenance and repair services, we conducted risk assessments across the nationwide network of High-Tech Centers and took corrective actions for risk factors associated with customer movement and their facility access within these centers.

# Health and Safety

## Spreading the Culture of Safety and Training

### Fostering a Health and Safety Culture

**Introducing the Safety Culture Pulse Survey** In 2023, we independently developed the H-SCI (Hyundai-Safety Culture Index) to quantitatively assess our safety culture, and conducted the first assessment. In 2024, the Pulse Survey was developed and adopted as a summary safety culture index to evaluate our shopfloor safety culture and make necessary improvements. We cross-reference the H-SCI and the Pulse Survey to analyze the trajectory of our safety culture, assess the effectiveness of relevant activities, and provide each department with web reports to support organizational-level efforts to develop strategies for safety culture improvement. In so doing, we help establish a safety-first culture across our shopfloor operations and a self-directed prevention system, further enhancing workplace safety at Hyundai Motor Company.

**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 subsidiaries 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 employees. Occupational safety (industrial) engineers are specialists in safety management within industrial settings, and their expert knowledge and skills are validated through the national certification system. Starting with our Ulsan Plant in 2023, we expanded the certification course to include Asan, Jeonju, R&D Center, and sales/maintenance operations in 2024, fully supporting our employees in developing their safety competencies. A total of 731 employees completed this course, of whom 634 went on to successfully obtain the certification.

**Occupational Safety Engineer Certifications Obtained in 2024**

| Category | Ulsan | Asan | Jeonju | R&D Center | Sales / Maintena-nce | Total |
|---|---|---|---|---|---|---|
| Applicants (No. of persons) | 355 | 65 | 76 | 157 | 78 | 731 |
| Successful Candidates (No. of persons) | 312 | 56 | 69 | 138 | 59 | 634 |
| Success Rate(%) | 88 | 86 | 91 | 88 | 76 | 87 |






Occupational safety (industrial) engineer certification course

### 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 115 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 2024**

※ Including duplicates

| Training | Target | | Hours | Completion (No. of persons) |
|---|---|---|---|---|
| Regular Training | Office workers | | Over 6 hours per half-year | Total: 501,140<br>Group: 207,928<br>Mobile: 293,212 |
| | Other workers | Sales workers | Over 6 hours per half-year | |
| | | Non-sales workers | Over 12 hours per half-year | |
| New Hire Training | Daily workers and workers employed on contracts of 1 week or less | | Over 1 hour | 1,732 |
| | Daily workers and workers employed on contracts longer than 1 week but not exceeding 1 month | | Over 4 hours | |
| | Other workers | | Over 8 hours | |
| Task Change Training | Daily workers and workers employed on contracts of 1 week or less | | Over 1 hour | 69,050 |
| | Other workers | | Over 2 hours | |
| Special Training | Daily workers and workers employed on contracts of 1 week or less (excluding tower crane work) | | Over 2 hours | 1,704 |
| | Daily workers and workers employed on contracts of 1 week or less (tower crane workers) | | Over 8 hours | |
| Other Training | Other health and safety training (fire prevention, basic drills, comprehensive drills, etc.) | | - | 44,731 |

# Health and Safety

**Introducing the Safety Experience Center and VR-assisted Simulation Training** 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.

| Classification | Site | Opening | Facilities |
|---|---|---|---|
| Safety Experience Center | Jeonju Plant | Oct. 2024 (renovated) | 13 devices |
| | Namyang R&D Center | Nov. 2024 | 9 devices |
| VR simulation devices | Asan Plant | Nov. 2023 | 2 VR booths |






Safety Experience Center and VR simulation devices

## Support for Supplier's Safety Management

**Preventing High-consequence Incidents at Suppliers** To improve the safety management level of its suppliers, Hyundai provides safety education and operates a reward system for excellent safety management partners. We have also developed a supplier safety management system that enables us to assess potential accident prevention capabilities in advance and select qualified suppliers in the first place. To establish a safety management system for our suppliers, we have carried out safety management activities such as registering suppliers' information, evaluating our suppliers' safety management competency, operating a safety council, and conducting joint inspections.

**Supplier Safety Inspections and Awareness-Raising on Safety Management** To help suppliers enhance their safety management and prevent occupational injuries, we conducted assessments with the help of third-party specialist organizations. The results informed our efforts to fully support suppliers in establishing a self-directed safety management system and bolstering health and safety performance. Specifically, we assigned safety ratings for each of the key parts to take a systemic management approach, ensuring rapid initial response to high-consequence incidents and maintaining reliable parts supply chains.

Additional tailored assessment consulting was provided to 80 suppliers whose safety inspection results did not meet the set criteria, providing substantial support for suppliers in strengthening safety management capabilities. We also operate the health and safety win-win cooperation support program aimed at enhancing suppliers' foundational safety capabilities. This assists tier-1 and tier-2 parts suppliers with risk assessment consulting in developing their own safety management system, and the health and safety win-win council meets quarterly to share safety trends and best practices with suppliers.

We reinforced our fire safety management to proactively address a wide array of safety risks threatening our supply chains, including fires, explosions, and battery-related fires in addition to recent safety incidents. With the help of third-party specialist service providers, we reviewed 254 tier-1 and tier-2 suppliers operating high-risk facilities, painting processes, and gas installations for such major ignition hazards as on-site electrical facilities, earthing installations, and static electricity. We also recommended installing fire hydrants and alarm devices in compliance with pertinent regulations and taking various fire prevention measures, fully supporting suppliers in strengthening their fire prevention capabilities.

To help suppliers raise their safety awareness, we hosted safety management seminars and exhibitions for tier-1 suppliers. These seminars served to present Hyundai Motor Company's health and safety policies and key implementation strategies aimed at preventing high-consequence injuries and to share our response to the Serious Accidents Punishment Act. In particular, such exhibitions showcased the latest safety technologies, ranging from forklift safety devices and safety sensors to smart glasses and AMRs (Autonomous Mobile Robot), allowing suppliers to experience firsthand our safety devices required for shopfloor operations.

Under the safety device cost support program for tier-1 and tier-2 suppliers, we assisted our suppliers in adopting the LOTO (Log out Tag out) system, safety sensors, and forklift safety devices to help them prevent potential high-consequence incidents during high-risk processes. We hosted safety academy sessions and safety seminars to provide working-level safety management support to safety team leaders and managers from suppliers while sharing our safety management best practices with them, enhancing suppliers' safety performance as a result. In partnership with the Global Partnership Center and the Foundation for Industrial Safety Partnerships, we make health and safety training available for all our suppliers and small/medium-sized businesses in the industry. Furthermore, we require all suppliers accessing our operations to conduct work or construction to complete safety training prior to entering our sites, which testifies to our commitment to enhancing safety awareness among our employees and workers.

# Sustainable Supply Chain

Hyundai recognizes supply chain sustainability as an essential component of corporate management, and operates a responsible supply chain management system. To this end, we set sustainability strategies and goals, and implement policies and programs promoting shared growth with suppliers. We also conduct supply chain due diligence to proactively identify and address risks, and join global initiatives for rigorous supply chain management. To assist suppliers in strengthening their capabilities, we provide them with comprehensive support in the areas of finance, technology, quality and ESG while operating grievance mechanisms to promote sustainable supply chain management based on win-win partnerships. Working together with suppliers, Hyundai aims to build a sustainable value chain with the goal of preventing human rights and environmental risks along the supply chain and minimizing them once they occur.

## Strengthening Supply Chain Risk Management

### Supply Chain Sustainability Management

**Supply Chain Sustainability Strategies and Goals** Hyundai's definition of stakeholders covers suppliers, distributors, customers, regulatory bodies, and local communities involved throughout the entire vehicle lifecycle from design to production, distribution, service and dismantling. Stakeholders build trust-based relationships through fair contracts and transparent payments in expectation of sustainable growth while Hyundai explores opportunities to enhance product reliability and brand value through competitive quality, advanced technology competitiveness, reliable supply, and an eco-friendly production system. We formulate our supply chain management strategies in consideration of stakeholder needs and our own risks and opportunities, and continuously extend the scope of supplier sustainability risk assessments and due diligence to increase the overall sustainability of our supply chains. We have been conducting supply chain sustainability assessments on all our tier-1 suppliers worldwide since 2022, and encourage all tier-1 suppliers to certify their operations to ISO 14001 for environmental management and ISO 45001 for health and safety management. To support suppliers with sustainability competency enhancement, a support program is underway until the end of 2025 to help them deploy safety equipment and security systems and reduce carbon emissions.

**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 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 | |
| Operate an ESG consulting support program | Tier-1 and tier-2 suppliers | |

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

### 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.

Our supply chain sustainability management plans and programs as well as key relevant matters are overseen and reviewed by the Board of Directors to seek continuous improvement. Notably, our Supplier Code of Conduct was updated with provisions on the prohibition of compulsory labor. This ensures Hyundai does not source raw materials, parts, and components produced using forced labor directly or indirectly in any stage of the supply chain, and requires suppliers to develop and implement policies to ban the use of compulsory labor. These provisions also stipulate that supply chain due diligence be conducted in relation to forced labor, further safeguarding human rights along the supply chain and advance responsible sourcing.

Hyundai Motor Company Supplier Code of Conduct

**Organization Responsible for Supply Chain Sustainability Management** Through a dedicated team within Hyundai's Procurement Division, the company is responding to increasingly stringent global regulations on supply chain due diligence. Additionally, it oversees supply chain due diligence and promotes carbon neutrality among suppliers, ensuring timely management of supply chain sustainability for parts, raw materials and equipment supplied to Hyundai's vehicle manufacturing plants in Korea and abroad.

**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.

Our supply chain due diligence standards are becoming increasingly stringent, and are incorporated into our official website and standard contract form. In 2024, we fully revised the basic agreement regarding business transactions form signed with tier-1 suppliers as well as the request for quotation (RFQ) form. To apply enhanced standards to existing suppliers, we regularly require them to comply with our supply chain sustainability standards at the time of contract renewal. Notably, the revised basic agreement form includes provisions on 'sustainability management' and 'environmental pollution minimization and safety management'. These provisions stipulate that Hyundai may impose legal obligations on suppliers to abide by its Supplier Code of Conduct and request prompt corrective action or discontinuation for non-compliance. In the event a supplier fails to respond to such requests, Hyundai reserves the right to terminate the contract for reasons of breach of contractual obligations. Furthermore, we incorporated requirements in the RFQ form to uphold the principle of zero tolerance towards compulsory labor, obligating suppliers to effectively implement sustainability management in the contract signing and renewal process.

**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 an ethics pledge, an agreement on supplying eco-friendly parts, a quality pledge, and an 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 2024 totaled 1,494 (purchase percentage of 100%), consisting of 374 suppliers in Korea and 1,120 suppliers overseas. Of the tier-1 suppliers, there are 58 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. The number of key suppliers among tier-2 and lower suppliers stands at 48.

# Sustainable Supply Chain

## Supply Chain Sustainability Due Diligence

**Risk Due Diligence Process** Hyundai's management of the supply chain sustainability risk evaluation consists of written assessment, on-site audit, 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 sustainability 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.

| | |
|---|---|
| Rating Agency | • Third-party external rating agencies conduct the assessments to ensure impartiality and expertise |
| Initiatives utilized for Assessment | • EU Corporate Sustainability Due Diligence Directive<br>• OECD Guidelines for Multinational Enterprises<br>• EcoVadis<br>• Drive Sustainability<br>• Responsible Business Alliance<br>• UN Sustainable Development Goals<br>• UN Global Compact<br>• Carbon Disclosure Project |

### Steps of Risk Due Diligence

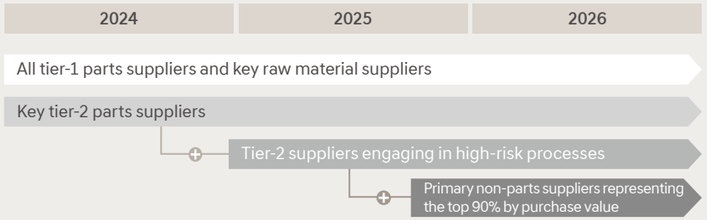
| | |
|---|---|
| Risk filter | • Analyzing expected risks by country where suppliers are located, affiliated industry, and supplied product<br>• Using an external risk database provider to screen for forced labor risks |
| Written assessment | • A supplier accesses an online system(IT), and conducts a self-assessment(checklist) on its sustainability risk level and provides documentary evidence |
| On-site audit | • A visit is made to a supplier together with an external expert to check the on-site situation or confirm authenticity of documentary evidence |
| Improvement measure | • Request for immediate improvements or recommend developing an improvement plan for high-risk factors identified in the written assessment or on-site audit process |
| Monitoring | • Conduct continuous monitoring on the implementation of improvement plans |

**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.

Our sustainability assessment results are integrated into our procurement policy. For new suppliers, if their scores fall below the threshold on the sustainability risk due diligence, they must submit an improvement plan and undergo a reassessment. Transactions are only permitted once they meet the threshold. For existing suppliers, these assessment results will also be incorporated into our bidding system, allowing participation in new bids only if the threshold score is met.

**3-year Roadmap for Supply Chain Sustainability Due Diligence Implementation** Hyundai conducts supply chain sustainability due diligence on all tier-1 parts suppliers. By 2026, we plan to expand the scope of sustainability assessments to cover tier-2 suppliers involved in key processes and primary non-parts suppliers representing the top 90% by purchase value. Specifically, painting, metal plating, casting, and forging were identified for high environmental and human rights risks through preliminary risk assessments and were selected as major risk management targets. Suppliers engaging in these processes will be prioritized for sustainability assessments starting in 2025.

### 3-year Roadmap for Supply Chain Sustainability Due Diligence Implementation




**Risk Filter** By proactively identifying potential and actual risks with high likelihood within the supply chain, we ensure a more systemic and effective risk assessment and due diligence. This is achieved by conducting risk screening using external databases, and supply chain risks are granted one of the three ratings of high, medium, or low based on screening results. Follow-up actions, such as regular monitoring and additional due diligence, are recommended and implemented according to risk screening results. For suppliers rated medium or higher undergo supply mapping. Our supply mapping primarily targets key parts including aluminum, steel, tires, batteries, and polysilicon, and their priorities are adjusted in consideration of changing external conditions and the potential emergence of new risks.

### Supply Chain Risk Pre-Identification Step

| | |
|---|---|
| Identification of risks by country, business type, part and raw and subsidiary material | 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. |
| Analyzing the Results of the Supply Chain Sustainability Risk Due Diligence | 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. |
| Supply Chain Mapping through Visualization System | We are operating a supply chain visualization system to show the current status of supply chains ranging from tier-1 to tier-N suppliers. Work is underway to align tier-N supply chain data form this system with external screening databases to ensure the efficiency of our risk identification and assessment procedures. |

**Written 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 audit, and categorizing high-risk suppliers.

# Sustainable Supply Chain

Along with internal assessments, we conduct more in-depth and multifaceted analyses of human rights and environmental risks throughout the supply chain to prevent such risks before they occur. As part of these efforts, we partnered with EcoVadis, a global sustainability rating agency, to engage in additional verifications on all tier-1 parts suppliers in Korea between Q4 2024 and Q1 2025 in the areas of environment, labor and human rights, ethics, and sustainable procurement . The results showed that suppliers within Hyundai's supply chain scored above the global industry average and demonstrated outstanding overall performance. It should be noted, however, that our suppliers scored relatively low in ethics and sustainable sourcing compared to the environment, labor and human rights sectors. In response, we plan to expand training programs and strengthen tailored consulting support to help suppliers enhance their capabilities in these areas, and conduct on-stie audit as needed to achieve tangible improvements.

### Supply Chain Sustainability Risk Assessment Indicators

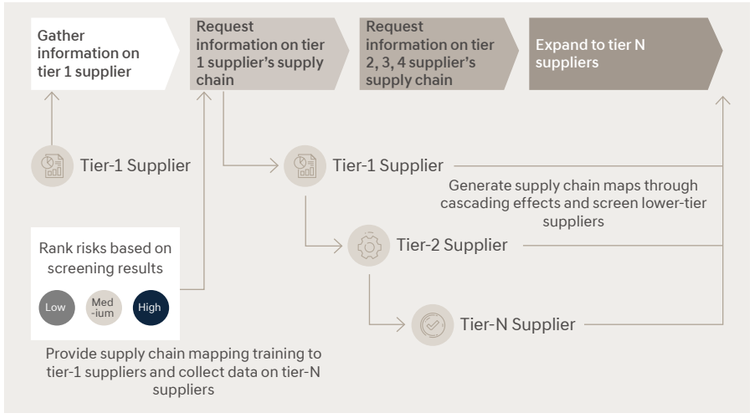
| Ethics | Environment | Human rights and labor | Safety and health |
|---|---|---|---|
| • Anti-corruption, anti-bribery<br>• Ethical management<br>• Responsible sourcing (conflict/responsible minerals, wood, rubber and raw materials regulated under the EUDR)<br>• Ban on counterfeit parts<br>• Protection of intellectual property rights<br>• Information security<br>• Supplier inspection | • Environmental management system<br>• Climate change and energy<br>• Air pollutants<br>• Water resources management<br>• Hazardous waste management<br>• Chemicals management<br>• Prevention of marine pollution<br>• Conservation of endangered animals and plants<br>• Environmental impact of products | • Working conditions and environment<br>• Non-discrimination<br>• Non-humane treatment<br>• Freedom of association<br>• Prohibition of child labor<br>• Prohibition of forced labor<br>• Indigenous peoples<br>• Living wage | • Safety and health management system<br>• Prevention of occupational injuries<br>• Adequate housing<br>• Lost Time Injury Rate management |

**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 written assessment and suppliers that have been confirmed to have potential or actual sustainability risks based on written assessment results. Some on-site audits of suppliers with identified risks involve the participation of independent third-party expert organizations in close collaboration with Hyundai's procurement division. During the on-site audit process, we checked the relevant suppliers' systems and regulations related to their working condition and environment, protection of indigenous people's rights, legitimate handling of wastes and pollutants, occupational health and safety system, information security management and so on. We plan to review and apply ways to effectively identify and manage concerning ESG risks at work sites during on-site audits.

**Key Improvements by Area** The following table shows the key deficiencies identified through supply chain sustainability risk assessments. 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. In addition, we proactively identify and implement support measures within our capacity to ensure our suppliers deliver meaningful improvements.

| Area | | Necessary Improvement | Improvement Direction |
|---|---|---|---|
| Ethics | Responsible sourcing of raw materials | Critical raw material management system | Raise awareness among suppliers through training on the management of critical raw materials including minerals, rubber, and wood |
| | Information security | Information security risk management | Provide training on information security implementation measures and share best practices |
| Human rights | Wage | Improvement in living wage payment | Provide suppliers with living wage standards and relevant cases |
| | Indigenous peoples | Development of a local community impact management system | Share impact management methods including local community communication channels and human rights/environmental impact assessment-based analysis |
| Environment | Climate change | Development of mid/long-term goals for GHG emissions reduction | Develop joint programs with suppliers to achieve reductions in GHG emissions |
| | Energy | Development of energy transition plans | Develop programs aligning GHG emissions reduction with energy transition efforts |
| | Environmental impact of products | Reinforcement of product environmental impact management | Jointly manage the environmental impact of products with suppliers |

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




### Supplier Overview

(Unit: Companies)

| Classification | Total | Korea | Overseas | Remarks |
|---|---|---|---|---|
| Tier-1 suppliers | 1,494 | 374 | 1,120 | |
| Key tier-1 suppliers | 58 | 58 | 0 | Tier-1 suppliers representing 69% of total purchase value |
| Key tier-2 – tier-N suppliers | 48 | 48 | 0 | |

### Results of Supply Chain Sustainability Risk Due Diligence

(Unit: Companies)

| Classification | | Total | Korea | Overseas | Remarks |
|---|---|---|---|---|---|
| Written assessment of ESG risks | Tier-1 suppliers | 1,494 | 374 | 1,120 | |
| | Key tier-1 suppliers | 58 | 58 | 0 | 100% written assessment rate for significant suppliers |
| | Key tier-2 suppliers | 48 | 48 | 0 | |
| | Other non-parts suppliers | 220 | 220 | 0 | |
| Identification of high-risk suppliers based on written assessment | Tier-1 suppliers | 19 | 8 | 11 | |
| | Key tier-1 suppliers | 2 | 2 | 0 | |
| | Key tier-2 suppliers | 0 | 0 | 0 | |
| | Other non-parts suppliers | 0 | 0 | 0 | |
| On-site audit of ESG risks | Tier-1 suppliers | 195 | 138 | 57 | Including 19 high-risk suppliers identified through written assessments |
| | Key tier-1 suppliers | 17 | 17 | 0 | 100% on-site ESG audit rate for high-risk suppliers |
| | Key tier-2 suppliers | 40 | 40 | 0 | |
| | Other non-parts suppliers | 72 | 72 | 0 | |
| Improvement measures for high-risk suppliers | Suppliers with negative impacts identified | 19 | 8 | 11 | 100% implementation of improvement plans for 2 significant tier-1 suppliers identified for high-risk factors |
| | Key tier-1 suppliers | 2 | 2 | 0 | |
| | Key tier-2 suppliers | 0 | 0 | 0 | |
| | Other non-parts suppliers | 0 | 0 | 0 | |
| | Suppliers with established improvement plans agreed upon | 19 | 8 | 11 | |
| | Key tier-1 suppliers | 2 | 2 | 0 | |
| | Suppliers that completed implementation of improvement plans | 19 | 8 | 11 | |
| | Key tier-1 suppliers | 2 | 2 | 0 | |

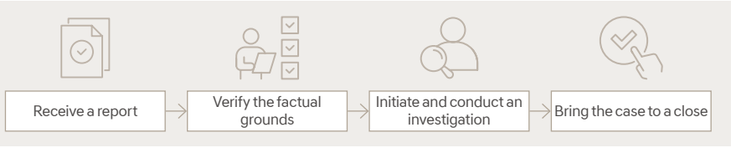
# Sustainable Supply Chain

## Supplier Grievance Handling

**Communication Channels for Suppliers** 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 operates the Supply Chain Sustainable Management Center, Suggestion Box for Suppliers, and Transparent Purchase Practices Center on its 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. If a concern is raised by a supplier, the factual grounds are verified internally and the supplier is notified of the initiation of a detailed investigation. The investigation is carried out based on objective evidence, and appropriate action is taken according to our internal regulations to bring the grievance handling process to a close. 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.

Hyundai Partner System

### Grievance Handling Process




### Grievances Handled through the Suggestion Box for Transparency and Ethical Practices

(Unit: No. of cases)

| Type of Greivance | Case Submitted | Case Handled |
|---|---|---|
| System/process | 2 | 2 |
| Quality management | 3 | 3 |
| Others | 2 | 2 |
| **Total** | **7** | **7** |

### Grievances Handled through the Suggestion Box for Tier-2 and Tier-3 Suppliers

(Unit: No. of cases)

| Type of Greivance | Case Submitted | Case Handled |
|---|---|---|
| Support program | 26 | 26 |
| System/process | 24 | 24 |
| Others | 22 | 22 |
| **Total** | **72** | **72** |

## Stakeholder Engagement

**Dialogue with External Stakeholders** We value dialogue with stakeholders as a critical component in advancing sustainable supply chain management, enabling us to refine and evolve our sustainability strategies from multiple perspectives. Engagement with stakeholders plays a constructive role in identifying the latest trends in supply chain management, sharing best practices, and exploring more effective methods of collaboration. In March and October of 2024, we organized two separate dialogue sessions with NGOs and other external stakeholders to communicate our strategies to manage human rights and environmental issues across the supply chain. This also served for external stakeholders to underscore the importance of strengthening partnerships with stakeholders by joining global initiatives and of conducting more rigorous human rights due diligence for battery material supply chains. Fully reflecting such feedback, we joined the Responsible Business Alliance (RBA), the Responsible Minerals Initiative (RMI), and Drive Sustainability, an automotive supply chain partnership, further elevating our collaboration to help establish sustainable supply chain management. We also expanded the scope of high-priority minerals to cover nickel, lithium, copper, graphite and other varying raw materials in addition to conflict minerals and cobalt in developing our supply chain human rights and environmental risk management system. Looking ahead, Hyundai remains committed to promoting partnerships with stakeholders towards transparent and responsible supply chain operations.

**Responsible Business Alliance (RBA)** As a member of the Responsible Business Alliance (RBA), a global industry association, Hyundai actively endorses its vision and goal and progresses towards enhanced standards in the areas of labor, human rights, and the environment across the supply chain. The RBA's mission is to create sustainable value for workers, the environment, and business operations throughout the global supply chain. RBA members, suppliers, and stakeholders collaborate to improve outcomes in terms of working conditions, environmental protection, and business performance in line with the advanced standards and practices recommended by the RBA. The RBA Code of Conduct aligns with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the UN Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and other internationally-recognized guidelines. Hyundai adheres to RBA's Code of Conduct and seeks continuous improvements in its workplace operations. This Code of Conduct guided our efforts to establish our Supplier Code of Conduct, which is embedded into our supply chain management system and communicated to our suppliers. Furthermore, the RBA serves as an avenue for us to actively engage in cross-industry dialogue and standard-setting endeavors to address supply chain human rights issues and expand partnerships to establish responsible supply chains.

**Drive Sustainability** Hyundai is a member of Drive Sustainability, a strategic partnership forged among global automotive makers with a goal of advancing and strengthening sustainability across the automotive supply chain. This essentially promotes continued commitment to raising standards in the areas of the environment, human rights, and labor throughout the supply chain. In partnership with Drive Sustainability, Hyundai is determined to uphold sustainability across the supply chain and pursue more responsible business operations.

**Responsible Minerals Initiative (RMI)** As a member of the Responsible Minerals Initiative (RMI), Hyundai strives to ensure the transparency of conflict mineral supply chains and promote responsible minerals sourcing. The RMI provides businesses with a range of tools and data to implement responsible mineral sourcing practices. In particular, the RMI's Responsible Minerals Assurance Process (RMAP) helps businesses validate the conformance of their smelters and refiners to the RMAP standards. As an active member of RMI's working groups, Hyundai meticulously analyzes and addresses supply chain risks leveraging RMI's global network and expertise. In so doing, we aim to reach closer to external stakeholders, drive continuous improvements in responsible minerals sourcing, and build ethical and sustainable supply chains.

**Receiving and Addressing Stakeholder Grievances** In addition to the Hyundai Partner System designed to help suppliers file their grievances, we operate a range of communication channels for stakeholders to raise their concerns related to human rights, labor conditions, ethics, and the environment throughout the supply chain. We actively engage with varying stakeholders, including NGOs and research institutes, while closely reviewing and addressing their grievances. Hyundai values engagement with wide-ranging stakeholders as part of the process to identify potential and actual human rights and environmental risks along the supply chain. This forms the basis of our commitment to transparent and responsible supply chain management.

# Sustainable Supply Chain

## Raw Material Supply Chain Management

### Responsible Minerals Management

**Selection of Responsible Minerals** At Hyundai, purchasing power means much more than a mere business tool: we leverage our purchasing power as an enabler of responsible sourcing to safeguard local communities. To this end, we accurately trace the origin of raw materials, respect human rights, and abide by international standards all while establishing our procurement system that minimizes impact on the environment and local communities. In selecting responsible minerals, we comprehensively considered global regulatory trends, the geographic distribution of high-risk areas, human rights and environmental risks on local communities, and our internal procurement strategies. This process helped us identify 22 responsible minerals, prioritizing conflict minerals and battery minerals. In so doing, Hyundai effectively identifies human rights risks across the supply chain and advances responsible minerals sourcing. The scope of high-priority responsible minerals subject to targeted management is adjusted each year in light of the aforementioned factors.

**Materiality Assessment Results of Responsible Minerals**

Low Medium High

| Assessment Criteria | Conflict Minerals (tin, tungsten, tantalum, gold) | Battery Materials (cobalt, lithium, nickel, natural graphite, etc.) | Other Minerals (mica, platinum, palladium, rhodium, etc.) |
|---|---|---|---|
| Global regulations | ● | ● | ○ |
| Geographic distribution of high-risk areas | ● | ● | ● |
| Human rights and environmental risks | ● | ● | ● |
| Strategic sourcing | ◔ | ● | ● |
| Stakeholder interest | ● | ● | ● |
| Others(global certification, etc.) | ● | ◔ | ○ |
| Materiality analysis results | ● High-priority minerals | ● High-priority minerals | ● |

**Responsible Minerals Management Plan**

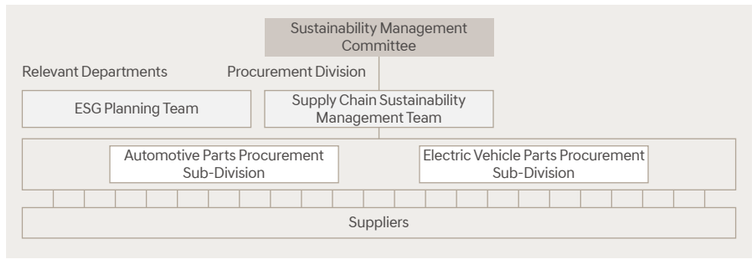
| Classification | Management Plan |
|---|---|
| Conflict Minerals | Verify whether a smelter is RMAP[1]-compliant(CMRT) |
| Battery Materials | Verify a smelter for certification status(EMRT), conduct on-site audit in line with OECD guidelines |
| Other Minerals | Verify LPPM[2] and other relevant certifications, conduct identification and mitigation of risks in line with OECD guideline |

1) RMAP (Responsible Minerals Assurance Process): A responsible mineral assurance process operated by the RMI (Responsible Minerals Initiative). The RMAP assesses and certifies systems and processes to verify the presence of conflict minerals in the supply chain and ensure responsible minerals sourcing.
2) LPPM (London Platinum and Palladium Market): A supervisory body for platinum and palladium trading in the London precious metals market. The LPPM operates a responsible raw material sourcing certification program to promote the ethical and responsible operations of platinum and palladium supply chains.

**Responsible Minerals Management Roadmap** We are committed to implementing a phased roadmap for responsible minerals management as a key pillar in establishing sustainable supply chains. In 2024, we selected conflict minerals (tin, tantalum, tungsten, and gold) and cobalt as high-priority minerals based on mineral materiality assessment results, reinforcing relevant policies and establishing our management system. In 2025, we expanded the scope of high-priority minerals to include nickel, lithium, graphite, and other battery materials through materiality assessments. This will be complemented by updating our responsible minerals policy and advancing their management process, establishing a more systemic foundation for responsible minerals management as a result. For newly-added high-priority minerals, actual risks will be identified and managed through supply chain mapping and on-site audit . In 2026, we plan to extend the coverage to include other minerals within the 22 responsible minerals, to further raise the bar in actual management practices. This phased approach will support our efforts to render our responsible mineral supply chains more transparent and resilient while upholding human rights, and pursuing sustainable growth.

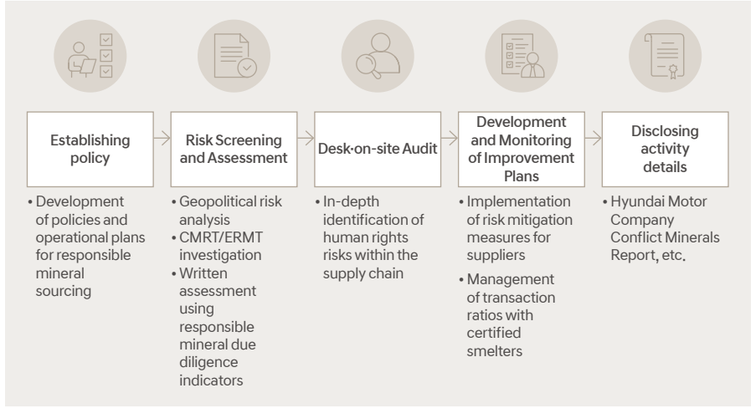
**Responsible Minerals Management Governance** We are keenly aware of human rights violation arising in conflict-affected and high-risk areas and are fully committed to resolving them and safeguarding the health and safety of workers. This is precisely why we are establishing management systems to abide by responsible minerals policies and fulfill our social responsibility through the Supply Chain Sustainability Management Team under the Procurement Division operating the responsible minerals management process. The Team continuously reviews risks alongside respective departments and collaborates with the ESG Planning Team and other relevant departments.

**Responsible Minerals Management Governance**




**Responsible Minerals Management Process** Hyundai operates a systemic responsible minerals management process to advance responsible raw material sourcing along the global supply chain. We abide by pertinent international standards, including the OECD Due Diligence Guidance, the Responsible Minerals Initiative, and the EU Battery Regulation while taking a phased approach to minimize human rights risks across our supply chains. This process begins with developing mineral management policies and operational plans for responsible minerals sourcing, articulating our principles of protecting human rights, and eliminating compulsory labor. In the subsequent risk screening and assessment phase, we analyze geopolitical risks to identify high-risk areas, and conduct qualitative evaluations using ESG indicators (compulsory labor risk, etc.) and third-party due diligence data, along with surveys based on the CMRT (Conflict Minerals Reporting Template) and EMRT (Extended Minerals Reporting Template). For supply chains deemed at risk based on these analyses and high-priority responsible minerals identified by Hyundai, we conduct on-site audit in compliance with the OECD Due Diligence Guidance. This enables us to verify actual risks and collaborate with suppliers in developing and monitoring improvement plans in light of due diligence findings.

**Conflict Minerals Management Process**



# Sustainable Supply Chain

**Responsible Raw Materials Procurement Policy** Hyundai's responsible raw materials procurement policy aims to minimize unnecessary resource waste and prevent environmental degradation and human rights violation stemming from illegal practices. This policy directs us to rigorously monitor the procurement process to uphold human rights for workers and indigenous peoples within the value chain while reducing negative environmental impacts through improved energy efficiency and expanded eco-friendly logistics. We prioritize raw materials based on their consumption levels and environmental/social impacts and manage them accordingly, and plan to progressively expand the use of recycled raw materials through optimal input and reinput practices. In addition, we provide training to employees from relevant departments whose involvement is essential in the management process, encouraging them to report issues that hinder sustainability in procurement. Furthermore, we set performance improvement goals in consideration of legal and regulatory compliance and industry trends to promote raw material risk management while continuously tracking the progress made. Management meetings attended by key decision-makers serve to approve sustainable procurement policies, discuss risk response strategies, and operate grievance mechanisms to receive and address concerns, determining optimal responses to issues that pose significant legal and reputational risks.

Hyundai Motor Company Responsible Raw Materials Procurement Policy

**Conflict Minerals(Responsible 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.

Hyundai Motor Company Conflict Minerals(Responsible Minerals) Policy

**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. Additionally, in cases where sourcing from conflict mineral risk areas is unavoidable, we have established a process to use such materials only after internal review confirms that they pose no issues.

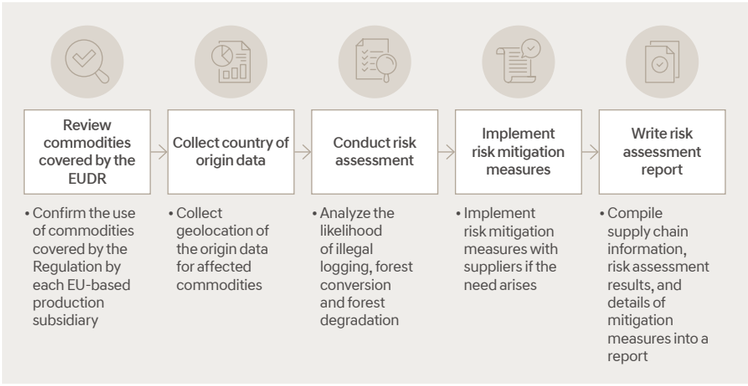
**Investigating the Conflict Mineral Status of Suppliers and Checking Risks** We investigated the status of suppliers that use tin, tantalum, tungsten, gold, and cobalt. For tier-1 suppliers and electric vehicle battery suppliers, we received CMRT/EMRT materials from lower-level suppliers that supply 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.

**Raising Supplier Awareness of Conflict Minerals** By investigating the conflict mineral status of our suppliers, we identified in advance whether items used in the production of major electric models 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.

**Raw Material Supply Chain Management to Respond to the EUDR** To proactively respond to the EU Deforestation Regulation (EUDR), we collected geolocation data on the plots of land of origin for seven commodities including wood, rubber, and palm oil that are covered by the Regulation. This allowed us to meticulously review products exported from our EU-based production subsidiaries to those located outside the EU as well as products placed on the EU market. The review results revealed that key countries of origin were Korea, Thailand, Indonesia, Vietnam and Malaysia. In collaboration with external specialized organizations, we are carrying out phased risk assessments by comprehensively taking into account forest conversion and human rights risks at the country level. These risk assessments align with the key requirements of the EUDR, including human rights violation affecting indigenous peoples, land use change, and forest conversion affecting the country of origin. In the event any significant risk is identified through risk assessments, we will immediately take mitigation or disengagement action to strengthen responsible supply chain management.

**Hyundai's EUDR Response Process**




**Complying with FPIC to Protect the Human Rights of Indigenous Peoples** Hyundai is clearly aware that its business operations within the supply chain associated with the procurement of key raw materials may bring impact on local communities. As such, we prioritize the principle of free, prior and informed consent (FPIC) from affected indigenous communities in the project planning phase. This goes beyond simply obtaining consent: rather, it includes efforts to provide sufficient and timely information to affected communities while respecting their distinct cultures, values and decision-making systems.

In supporting the rights of indigenous peoples, we engage with a range of stakeholders on an ongoing basis. These partnerships underpin our efforts to implement policies that substantially recognize and respect land rights and indigenous peoples' rights from the early project planning phase.

# Sustainable Supply Chain

## Strengthening Supply Chain Capabilities and Win-Win Cooperation

### 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 17 tracks and some 650 training programs in five categories – future competitiveness, global competency, leadership, nurturing automotive industry experts, and basic job training – for tier-1·tier-2 suppliers.

**Foundation of Korea Automotive Parts Industry Promotion** To assist automotive parts suppliers in enhancing overall capabilities for quality and technology management, we partner with the Foundation of Korea Automotive Parts Industry Promotion to provide programs covering on-site guidance and sector-specific training, contributing to improving quality and technological expertise and nurturing talent in the automotive parts industry.

**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 2024

(Unit: No. of persons)

| Classification | No. of Participants | | Remarks |
|---|---|---|---|
| Foundation of Korea Automotive Parts Industry Promotion | Quality Academy | 1,741 | 16 customized training courses |
| | General training, etc. | 2,231 | General management training, seminar, etc. |
| Global Partnership Center | Training by industry, etc. | 84,552 | 650 courses |
| **Total** | | **88,524** | |

#### 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 | 16 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 |
| | On-Site Training for Parts Suppliers | On-site training support through direct visits |

**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.

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

| | |
|---|---|
| Composition | Technical experts in various production areas |
| Duration & Frequency | 3 to 12 months per year, providing customized support for quality and technical issues in the production field |
| Areas | 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)

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

#### No. of Suppliers Provided with Technical Training and Management Consulting

(Unit: No. of companies)

| Classification | 2022 | 2023 | 2024 |
|---|---|---|---|
| Technical Training | 102 | 108 | 192 |
| Management Consulting | 43 | 30 | 12 |

### 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, and the website of Hyundai Kia Automotive Suppliers Association.

Hyundai Win-Win Growth Portal

#### Key Supply Chain Sustainability Management Topics in the 2024 Newsletters

- Jun. Updates on the EU Deforestation Regulation
- Aug. EU Corporate Sustainability Due Diligence Directive
- Oct. Laws banning the import of cobalt from the Democratic Republic of the Congo
- Dec. EU Forced Labour Regulation

**Training and Support for Suppliers in Enhancing ESG Capabilities** We recognize the importance of robust human rights/environmental risk management at suppliers' workplaces as well as upstream supply chain management as a key pillar for building sustainable supply chains and promoting responsible procurement. This prompted us to provide ESG specialist training programs to key supplier personnel in charge of human rights and environment management. The training served to address regulatory trends relating to supply chains and human rights as well as key relevant concepts, along with detailed guidance on the indicators used in Hyundai's supply chain sustainability due diligence. By sharing best practices from other suppliers in managing human rights and environmental risks, such training helped participants reinforce their working-level response capabilities. To ensure our suppliers effectively navigate evolving global regulations, we organized briefings on key regulations governing disclosures and bans on forest conversion among others, offering guidance on appropriate countermeasures. We also shared our carbon neutrality approach to align our decarbonation efforts with those of our suppliers while continuously expanding partnerships to strengthen climate response capabilities throughout the supply chain.

#### ESG Capacity Enhancement Training for Suppliers Provided in 2024

(unit: No. of companies)

| Classification | Key Topic | No. of Participants (Suppliers) |
|---|---|---|
| ESG capability enhancement | ESG specialist training for suppliers[1)] | 600 |
| | Importance of ESG and cases of human rights and environmental risks | 3,721[2)] |

1) Integrated count of online/offline courses, including duplicate personnel
2) Tier-1 and Tier-2 suppliers attended

#### Supplier ESG Seminars Organized in 2024

(Unit: No. of persons)

| Classification | Key Topic | No. of Participants (Suppliers) |
|---|---|---|
| Response to global regulations | Appropriate disclosure measures by supplier size | 525 |
| | Measures to respond to the EU Deforestation Regulation | 260 |

※ Includes duplicate personnel

# 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 |
|---|---|---|
| • Quality management system<br>• Defect rate<br>• Claim reimbursement ratio<br>• Quality management performance, etc. | • Technology development personnel, investment<br>• New technology development, patent<br>• R&D activity performance in the product development process | • Production line stoppage cases, time, reimbursement ratio<br>• A/S parts delivery rate<br>• KD parts delivery rate |

**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.

**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.

### 2024 Quality & Safety Training Programs (Suppliers)

| Classification | Training Contents | No. of Suppliers | No. of Trainees | Frequency |
|---|---|---|---|---|
| Tier-1 and Tier-2 Suppliers | Quality technology training by area including painting, injection molding, heat treatment, machining, and electrical and electronics, quality management system development, quality assurance for electronic products, quality inspection practices, design quality management, etc. | 4,641 | 8,536 | Ongoing |

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

**Supplier Quality Meeting** We hosted supplier quality seminars to strengthen suppliers' quality competitiveness. The quality seminar organized in 2024 brought together tier-1 suppliers in Korea, sharing quality policies and strategies, key quality issues and their improvements, and supply chain quality management measures. 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.

### Quality Seminar Organized for Domestic Suppliers in 2024

| | |
|---|---|
| Content | Sharing quality policies and improvements made |
| Participants | Tier-1 suppliers in Korea |
| Frequency | Annual |

### Supplier Quality Meetings Held at Overseas Production Subsidiaries in 2024

| | |
|---|---|
| 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 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.

**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 raising parts and performance development efficiency, develop quality in advance, and nurture technical experts at suppliers.

## 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 30 billion was contributed to the project from 2019 to 2024 to provide consulting and facility investments required for building a smart factory to some 980 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.

**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 once 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 2024, we expanded to global markets with a total of 786 suppliers, including 360 tier-1 suppliers and 426 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

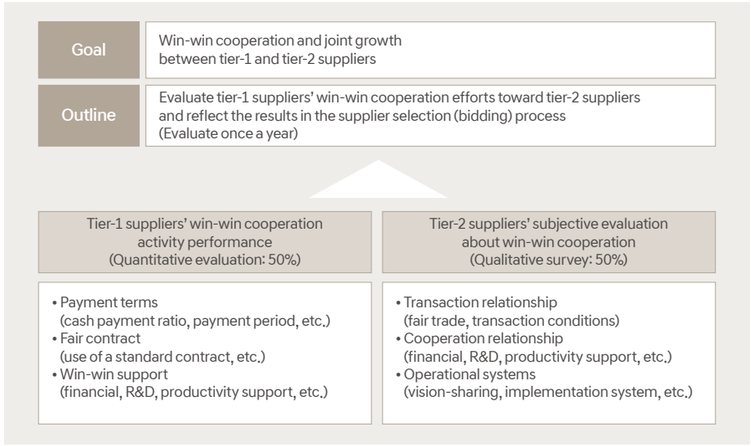
| | |
|---|---|
| Future Growth Mutual Fund | Deposited KRW 37.4 billion, provided KRW 93.5 billion<br>Provide investment funds at low interest rates for quality and productivity improvements of tier-1 and tier-2 suppliers (Industrial Bank of Korea) |
| Future Growth Win-Win Fund | Deposited KRW 150 billion, provided KRW 225 billion<br>Provide investment funds at low interest rates for quality and productivity improvements of tier-1 and tier-2 suppliers (Hyundai Commercial) |
| Dedicated Loan for Tier-2 and Tier- 3 Suppliers | Deposited KRW 200 billion, provided KRW 200 billion[1)]<br>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) |
| Business Diversification Support Fund | Deposited KRW 50 billion, provided KRW 100 billion<br>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) |
| Raw Materials Price Indexing Support Fund | Deposited KRW 50 billion, provided KRW 100 billion<br>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) |
| Loan Interest Support Fund | Deposited KRW 100 billion, provided KRW 200 billion<br>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) |

1) A joint contribution from Hyundai Motor Company, Kia, and Hyundai Mobis

## Strengthening Partnerships for Win-Win Cooperation

**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




**Highest Ranking in the Win-win Growth Index** In 2024, 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 fifth 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.

**Partners Tech Day** We hosted the R&D Partners Tech Day to award suppliers with outstanding technologies and share case studies of new technologies. This helps suppliers strengthen their technological capabilities while building sustainable supply chains and promoting win-win cooperation.



R&D Partners Tech Day

**Closer Networking with Suppliers** Working closely with suppliers as a key stakeholder group within the supply chain, we share our strategies for managing human rights and environmental risks and fully integrate supplier feedback. This collaborative approach helps suppliers enhance their sustainability capabilities while fostering responsible business conduct across the supply chain. We organize Supplier Sustainability Council for domestic suppliers each quarter to familiarize them with our supply chain sustainability assessment and due diligence, available consulting support, and carbon emissions reduction programs. In 2024 alone, a total of 354 suppliers participated in these meetings. This also served to gather supplier grievances relating to human rights and environmental risks, enabling us to take proactive actions for support and improvement.

The Partnership Day, attended by domestic tier-1 suppliers, provided an opportunity to share updates on our supply chain compliance system and human rights risk identification strategies.

To strengthen partnerships with overseas suppliers, we hosted the Global Supplier Day, communicating our responsible minerals management strategy, supply chain sustainability due diligence scale-up policy, and their alignment with procurement strategies. The event served to jointly discuss GHG emissions reduction strategies and measures to reinforce LCAs (Life Cycle Assessment) and extend the scope of their application. The Global Supplier Day of 2024 was attended by 102 suppliers, driving our commitment to advancing sustainability throughout the global supply chain.

### Supplier Suggestions Relating to Supply Chain Human Rights/Environmental Risks Submitted through Supplier Sustainability Council

| Classification | Supplier Suggestion | Hyundai's Response |
|---|---|---|
| Carbon emissions | Share Hyundai's plans to support suppliers in relation to carbon emissions verification and reduction | Hosted briefings to share Hyundai's carbon neutrality policies for tier-1 suppliers |
| Identification of supply chain human rights/ environmental risks | Provide guidance to suppliers for supply chain human rights/environmental risk due diligence | Provided detailed guidance through ESG specialist training programs for tier-1 suppliers |
| Regulatory trends | Request information on major countries enforcing regulations by supply chain regulation as well as on producing countries by regulated product | Shared regulatory trends through the Win-Win Cooperation Letter distributed to all suppliers |

# Customer Experience Innovation

Driven by our quality philosophy to deliver ‘failure-free, zero-defect quality automobiles’, Hyundai stays at the forefront of developing advanced safety technologies with a focus on the potential and actual impacts of our products and services on consumers and end-users, keeping drivers, passengers, and pedestrians safe. Our early detection-early improvement-early action process spans from automotive development to after-sales service, preventing quality and safety issues from escalating further and advancing our quality and safety system throughout the lifecycle. We always heed the voice of customers and provide convenient services at every step of the automobile use lifecycle, doing our utmost to bring the best-possible ‘CAR LIFE’ to customers. We also engage in ethical marketing and greenwashing risk prevention to position Hyundai as a sustainable brand.

## Product Responsibility

### Product Quality Management

**Governance for Customer Safety and Quality** Quality and safety lie at the very core of Hyundai’s value proposition as an uncompromising, non-negotiable top priority – past, present and future. To embody this value, we launched the Global Safety & Quality Office (GSQO) in 2024 as an integrated system overseeing both safety and quality. President Brian Latouf was appointed as the Global Chief Safety and Quality Officer (GCSQO), to pursue a fundamental paradigm shift in vehicle safety and quality management and enhance customer value. We remain committed to overseeing quality management policies throughout the entire process ranging from vehicle development to production and post-sales operations while driving internal process innovation, further making our organization more customer-centric.

We convene regular meetings to enable senior management to make decisions on quality issues. These quality meetings bring together over 13 functions (quality, R&D, global business management and others) to strengthen executive-level deliberation and cross-functional communication on the topic of quality. This, in turn, allows us to seek fundamental improvements on key quality issues and support swift decision-making on pressing quality issues, contributing to enhanced product quality.

**Establishing a 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 develop 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. Moreover, regular internal audits are conducted to drive accountable quality control throughout the manufacturing process. Additionally, both domestic and overseas production sites have acquired ISO 9001 (quality management system) or automotive industry quality management system standard certifications based on it. We convert and update certifications in line with the conversion of quality management system standards.

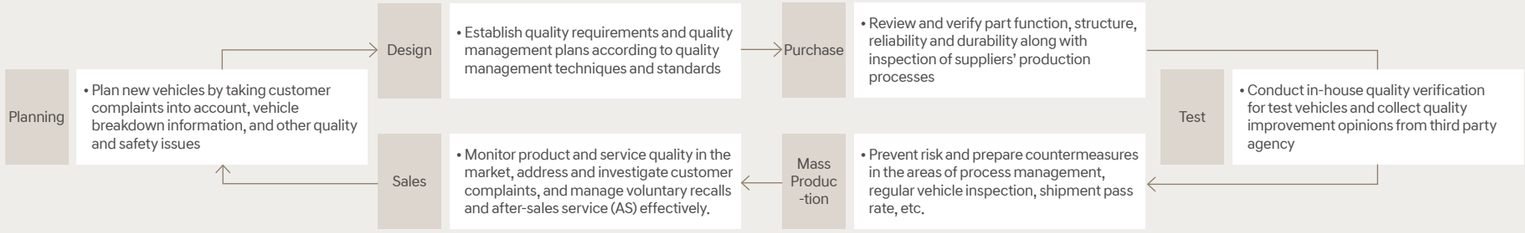
**Quality Management Techniques** Hyundai has introduced and applied quality management techniques to strengthen its market competitiveness on the basis of “defect-free quality.” The techniques consist of “the best experts in each field(Man)”; “optimal equipment (Machine)”; “thorough verification(Measurement)”; 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 analyses, and improvement activities while continuously revising our quality management standards and criteria based on the data collected and analyzed.

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

| Number of sites subject to QMS certification | Third-party certification rate |
|---|---|
| 27 | 100 % |

**Quality Management Process**



# Customer Experience Innovation

**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 controls, 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 premanufacturing 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.

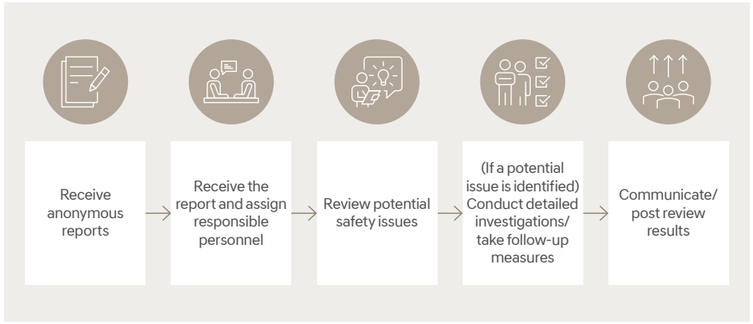
**2024 Outcomes of Quality & Safety Training Program Implementation (Employees)**

| Quality-related Training | Target | Type / Cycle | No. of Trainees |
|---|---|---|---|
| Preventing customer safety accident together | Company-wide all full-time employees | Learning materials available 24/7 | 1,803 |
| Quality Academy | All full-time employees in the Quality Division | Group training (24 sessions per year) | 482 |

* While learning materials available 24/7 primarily target full-time employees, they are also accessible to contract workers

**Drum for Safety** To further enhance customer safety, we operate Drum for Safety as our internal whistleblowing channel open for all employees. This mechanism was designed to swiftly identify and remedy any issues relating to wide-ranging risks (injuries, accidents, and fires among others) that could potentially compromise customer safety, and is operated with full anonymity to protect whistleblowers from any disadvantages. If a submitted concern is deemed in need of detailed investigation after review, this is classified as a 'potential safety and quality issue' and addressed through appropriate follow-up actions. The outcomes of such review and actions taken are disclosed to raise awareness on customer safety. Since its launching in August 2021, Drum for Safety received 536 cases on a cumulative basis as of January 2025, of which 95% were fully resolved with 19 cases currently under review.

**Drum for Safety**




## 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.

**EV Safety Test** Hyundai prioritizes EV safety and performance above all, and continues investing in innovative technology development. Our EVs deliver outstanding driving range and efficient charging performance to cater to diverse customer needs, and receive excellent ratings in crash safety tests. Such stellar performance has been verified time and again by numerous third-party organizations. The IONQ 5 and IONIQ 6 were named the World Car of the Year in 2022 and 2023 respectively for their top-notch performance and quality. These models also achieved the most prestigious designation of the TSP+ (Top Safety Pick +) in IIHS crash safety tests and the highest rating of five stars from the Euro NCAP in recognition of their exceptional crash safety. These accolades enable Hyundai to cement its leadership position across global EV markets. Looking ahead, we will deliver even safer and reliable EVs through continuous R&D efforts, driving progress towards the sustainable future of mobility.



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

| | | | | |
|---|---|---|---|---|
| Scale | Test building | 40,000 $m^2$ | Collision test site | 2,900 $m^2$ |
| No. of crash tests | | 650 times per year | | |
| Performance | Maximum speed | 100 km/h | Maximum weight | 5 tons |

# Customer Experience Innovation

**2024 New Car Assessment Program (NCAP)** Every year, Hyundai undergoes safety evaluations by leading vehicle safety organizations in major regions. Under the New Car Assessment Program (NCAP), nearly 20 models, including Santa Fe, IONIQ 5, Palisade, and Tucson, achieved the highest rating of five stars in Korea, Europe, the US, and India among others. These models also performed exceptional well in the crash tests conducted by the US Insurance Institute for Highway Safety (IIHS), and 16 Hyundai models earned the Top Safety Pick (TSP) and above designations.

### Winners of the 2024 NCAP

| Region | 5-star (top rating) | Ratio[1)] | Models Rated |
|---|---|---|---|
| Korea | Santa Fe | 50% | 2 models in total |
| Europe | Santa Fe | 50% | |
| U.S. | IONIQ 5, PALISADE, Santa Cruz etc. total 23 vehicles | 76.7% | 30 models in total |
| Australia | Santa Fe | 50% | 2 models in total |
| India | Tucson | 100% | 1 model |

1) 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. The NCAP assessment does not cover all new models released by each brand every year. The ratio represents the percentage of vehicle models rated 5-star (highest rating) out of models randomly chosen by NCAP for evaluation.

## 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 and durability 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. (For passenger cars and SUVs: 3 years/60,000 km for body and general parts, 5 years/100,000 km for engine and powertrain parts, 10 years/200,000 km for HEV, and 10 years/160,000 km for EV/FCEV.)[1)] 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.[2)]

1) For passenger cars and SUVs; for details including commercial vehicles (trucks and buses), please refer to the our official website.
2) For details on the warranty period for emission-related parts and special warranty vehicles, please refer to the website.

**Voluntary Recalls and the Recall Prevention Council** 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.

The Recall Prevention Council, bringing together R&D, procurement, quality and production management departments together under the leadership of the KASO & QA Divisions, convenes monthly meetings attended by division heads and executives. These meetings serve to comprehensively review the causes of recalls and the progress achieved in making improvements while sharing area-specific recall prevention activities and consulting on process, system, and program improvement plans.

### Voluntary Recall Implementation Process

| STEP 1 | STEP 2 | STEP 3 | STEP 4 |
|---|---|---|---|
| Report the decision to conduct a recall to the relevant national authorities (e.g., Ministry of Land, Infrastructure and Transport, NHTSA, etc.) | Inform customers of the defect(s), corrective actions, and compensation criteria before proceeding with the recall | Monitor the effectiveness of initial corrective measures and ease of implementation during the early stages of the recall | Manage the progress regularly; if the correction rate remains low, re-inform affected customers |

### Voluntary Recall Status

(Unit: 10,000 units, KRW million)

| Classification | 2021 | 2022 | 2023년 | 2024 |
|---|---|---|---|---|
| No. of recalled vehicles | 272 | 389 | 548 | 308 |
| Costs of recalls | 1,442,300 | 320,900 | 485,173 | 511,012 |

### Warranty Provisions

(Unit: KRW million)

| Classification | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Provision warranty balance at the beginning of the period | 8,514,173 | 9,048,185 | 10,399,527 | 9,121,153 |
| Warranty costs during the period | 2,551,716 | 3,133,544 | 3,442,626 | 3,229,923 |

**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. The Hyundai Mobility Global Innovation Center in Singapore (HMGICS) completed in November 2023 serves as our testbed developing and validating intelligent manufacturing platforms powered by AI, IoT and other advanced technologies, further expediting our journey towards the E-FOREST, a fully-developed smart factory ecosystem.

**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 communicating 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.

## Key Case of Quality VoC Response

### Deciding to conduct a voluntary recall on two Genesis models

In September 2024, Hyundai initiated a voluntary recall prior to customer complaints to address an issue affecting ccIC (connected car Integrated Cockpit)* software that was uncovered through internal assessments. This issue was found in GV60 and GV80 models whose RVM (Rear View Monitor) video stopped functioning when the vehicle reversed at speeds exceeding 10km/h. The failure occurred under specific conditions before and after the ccIC booted, and was traced to an error in the rear view video display software logic. While no customer concerns were raised, we recognized this as a safety issue that may affect rear visibility, and decided to take a preemptive and active market action by voluntarily recalling a total of 1,845 GV60 and GV80 cars for their ccIC software updates. We are also working to make software designs more robust and reinforce test cases, improving our validation process to prevent similar issues from occurring.

*ccIC (connected car Integrated Cockpit): An infotainment platform integrating the cluster, navigation, and head-up display into one single control unit

# Customer Experience Innovation

## Maximizing Customer Satisfaction

### Services Boosting Customer Satisfaction

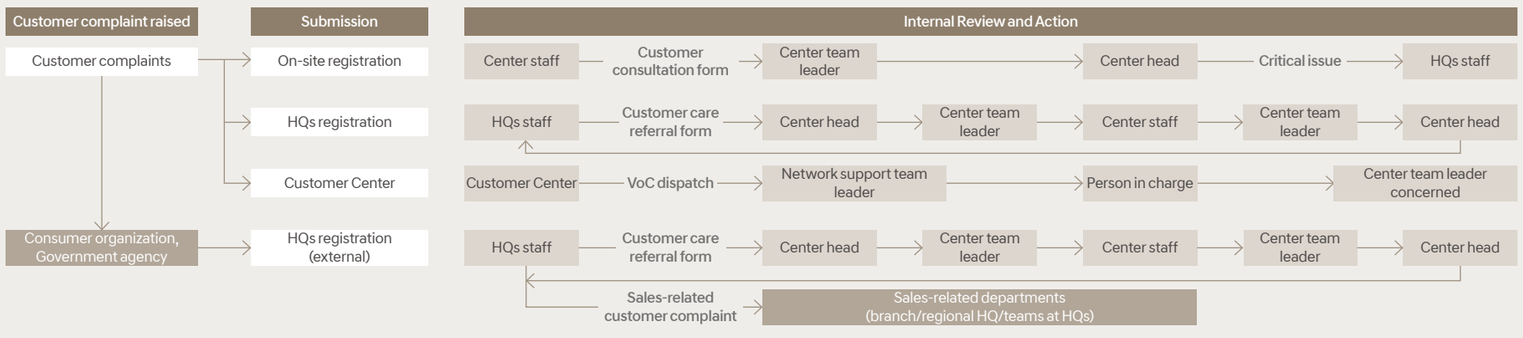
**Customer Service Standard Guide** Hyundai produces and distributes the "Customer Service Standard Guide" based on customer experience in the process of purchasing and maintaining vehicles. This guide distinctly presents the direction of individual customer service and focuses on the key response elements 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 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.

**CS Training Programs in 2024**

| Training Programs | Completed by |
|---|---|
| Customer communication skills | 4,646 persons |
| Leadership development and decision-making | 113 persons |
| Advanced training on customer service situations | 85 persons |

**Customer Compensation and Dispute Resolution Process**




**Integrating VoC into Business Operations** We value the voice of customers (VOC) as a critical pillar of our business conduct, and this bases our efforts to improve service quality and products. Systematically collecting and analyzing varying ideas and feedback from customers, we place them as the highest priority in driving improvement in service and product quality. In this vein, we are thoroughly delving into the substantial amount of VoC data gathered in 2024 in relation to product quality, CCS and services.

We take a data-driven approach to swiftly and effectively tackling all customer issues, maximizing customer satisfaction in the process. This systemic approach underpins our efforts to earn customer trust and foster sustained relationships. Hyundai remains committed to heeding the voice of customers and delivering more innovative and customer-centered services in so doing.

**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 the 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 department 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.

**VoC Filings in 2024**




| Classification | No. of cases | Ratio |
|---|---|---|
| ① Inquiry | 4,778,742 | 96.70% |
| ② Complaint | 154,967 | 3.10% |
| ③ Suggestion | 5,474 | 0.10% |
| ④ Compliment | 3,852 | 0.10% |

**2024 VoCs by Type**




| Classification | No. of cases | Ratio |
|---|---|---|
| ① Sales | 332,330 | 7% |
| ② Service | 702,553 | 14% |
| ③ Membership | 182,068 | 4% |
| ④ Quality | 1,015,168 | 21% |
| ⑤ CCS | 1,108,622 | 22% |
| ⑥ Emergency dispatch | 1,004,295 | 20% |
| ⑦ Reservation | 230,658 | 5% |
| ⑧ Certified pre-owned car | 78,435 | 2% |
| ⑨ Business support | 288,906 | 6% |

# Customer Experience Innovation

**Service Locations and Brand** 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. To cater to the continued rise in the number of EV customers, we have expanded our service network to include over 1,000 Bluehands locations supporting EV repairs and over 110 Bluehands locations capable of servicing hydrogen-powered EVs.

| | |
|---|---|
| Bluehands | • Hyundai's official service suppliers<br>- 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 |
| Bluemembers | • Services for Hyundai vehicle owners<br>- 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 |
| Bluelink | • Hyundai Connected Car Service<br>- Hyundai's connected car service taps into the latest IT and communication technology to provide remote control, safety security, vehicle management, and navigation services |

**All Care Service** Our All Care service program offers an at-a-glance view of the wide range of services available for customers' vehicle management and safety. To enhance our customers' car ownership experience, this program includes convenient doorstep car wash and hand car wash services, the Genesis Airport Service and EV-only services. Our EV-exclusive services include Pick-up and Charge, which provides vehicle pick-up and charging, as well as automated car wash and delivery. We also offer EV Worry-free Care, which encompasses doorstep fast charging, glass cleaning, and vehicle check-ups, along with the Lucky Pass H subscription-based charging service. In terms of Car Care, we provide warranty plans and relevant services, including additional support for car repairs in the event of an accident and scheduled check-up services. Our warranty plans inform customers of their warranty coverage by vehicle and parts and are customizable. Additional services cover Body Care Service, Warranty Plus, and EV Plus Care. Our preventive check-up services include Blue Worry-free Check-up, Doorstep Auto Care, and Doorstep Before Service. For emergency situations, we offer Emergency Roadside Service, Doorstep Charging Service, Emergency Delivery for Hydrogen Cars, Home-to-Home Service, Over-servicing Prevention Program, and Customer Vehicle Support Service.

**• Over-servicing Prevention Program** Our over-servicing prevention program aims to earn greater customer trust and enhance our service competitiveness. Customers of Bluehands, Hyundai' s official service network, may report suspected cases of excessive maintenance and request an investigation through our customer center. Based on the findings of the investigation led by third-party insurers, customers may receive compensation ranging from 100 to 1,000% of the overcharged amount , up to a maximum of KRW 10 million.

**• EV Life Integrated Care Program** To provide more attentive care for EV customers, we launched the EV Every Care Program in 2024, taking care of our EV customers at every step of their EV experience journey from purchase to resale. Upon purchase, our EV customers are eligible for benefits including charging credits or home charger installation depending on their residential conditions and charging infrastructure. During the ownership phase, these customers are supported with extended warranty coverage, body care services, and new vehicle exchange to help ease their concerns over any potential issues. Pick-up and Charge and Doorstep Charging are just some of the varied services that we provide for customer convenience and emergency situations. Regular inspections are also performed to ensure safe driving for customers. Such efforts contribute to progressing towards sustainability management goals and delivering elevated customer experience at Hyundai.

**Global Customer Service Optimization** Hyundai aims to create differentiated customer experiences in sync with key emerging technologies and trends throughout the entire after-sales service process. To deliver optimized customer services in each country, the Headquarters supports overseas sales subsidiaries and dealerships in setting their strategic course for customer service. In 2024, we sharpened our service competitive edge with the help of our global taskforce team responsible for reviewing and upgrading our service capabilities across respective major overseas markets. We will also implement tailored strategies holistically taking into account market-specific conditions and customer expectations, strengthening our global customer management on an on-going basis.

**Capacity Building Training for Global Dealers** To support capacity building of our global dealers interacting directly with consumers and end-users, we provide their employees with relevant training. This targets 5,300 Hyundai global dealer locations, including sales staff and service advisors dealing with customers along with auto mechanics. In 2024, this training was structured into sales training and passenger car technical training. A total of 105 courses were established and provided, covering cross-functional courses for basic brand knowledge and customer services as well as role-specific special training.

**Launching 'my Hyundai' as Our Global One App** In November 2024, we unveiled 'my Hyundai' by integrating the existing my Hyundai, Bluelink, and Digital Key (1.0) apps into a single united platform This new app supports a variety of features, including remote vehicle control, charging status check, vehicle monitoring, and maintenance/car wash service booking. As a centralized point of contact, this allows customers to easily manage their vehicle and access related information, making it even more convenient for customers to use vehicle services.

**Supporting the Mobility-Disadvantaged through Shucle (Mobility Service)** We leverage 'Shucle', our demand responsive mobility service, to promote mobility rights for transport-disadvantaged individuals. 'DDOKBUS', currently under operation on Daebudo Island as a form of Demand Response Transit (DRT), was designed to support seniors, pregnant women, children and other mobility-challenged individuals through the deployment of special-purpose Solati vehicles equipped with wheelchair lifts.

Domestic CSV Initiative – Mobility

**Hyundai's All Care Services (passenger car)** [1)]

| CAR LIFE | Car Care | | |
|---|---|---|---|
| Convenient CAR LIFE Services | Warranty Plans and Service Offerings | Prevention and Inspection | Emergency and Repair |
| **CAR LIFE services**<br>• **Car wash**<br>Nationwide car wash service booking<br>• **Airport Service**<br>Inspection and maintenance, and vehicle storage in dedicated parking lots for traveling customers<br><br>**EV-only services (Hyundai EV charging solution)**<br>• **Pick-up and Charge**<br>Car pick-up-charging-delivery + automated wash (optional)<br>• **EV Worry-free Car**<br>Fast charging (20kWh), glass cleaning, inspection<br>• **Lucky Pass H**<br>Charging subscription | **Repair Warranty Plans**<br>Repair within warranty periods by vehicle type/parts<br>**Consumables replacement service**<br>**Customizable warranty plans**<br>Set warranty coverage for body and general parts to suit one's lifestyle needs<br>**Additional service offerings**<br>• **Body Care** Cover exterior damage caused by single-vehicle accidents, including dent repair, painting, and part replacement, for up to 1 year from new vehicle delivery (or within 20,000 km of driving)<br>• **Warranty Plus** Extend warranty coverage for additional contract periods/distances traveled<br>• **EV Plus Care**<br>Provide Body Care and Warranty Plus services at reasonable prices | **Blue Worry-free Inspection**<br>Provide inspection services to Bluemembers owning Hyundai cars in Korea (8 years for commercial cars (1/year), 10 years for EVs (1/year), 3 years for commercial cars (7 inspections in total)<br>**Doorstep Auto Care Service**<br>Visit the customer's preferred location and replace engine oil sets (required) and consumables (optional)<br>**Doorstep Before Service**<br>Visit the customers' preferred location to provide basic vehicle check-ups and maintenance counseling | **Emergency Roadside Service**<br>Dispatch and provide emergency assistance when driving is unfeasible due to vehicle breakdown<br>**Doorstep Charging Service**<br>Provide Bluemembers with emergency charging services at no cost<br>**Emergency Delivery for Hydrogen-powered Vehicles**<br>Provide towing services in case of vehicle issues, including battery discharge or fuel depletion<br>**Home-to-Home Service**<br>Pick-up the vehicle from the customer's location, perform repairs, and return it<br>**Over-servicing Prevention Program**<br>In cases of suspected excessive maintenance at Bluehands, launch an insurer-led investigation and provide compensation when the claim is substantiated<br>**Customer Vehicle Support Service**<br>Provide customers whose car is undergoing warranty repairs with a replacement vehicle |

1) Based on services available in Korea, and service details may vary by country

# Customer Experience Innovation

## Sustainable Brand

### Brand Management

**Brand Management System** Hyundai Brand Home, a global portal to manage Hyundai's brands, 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 in the field.

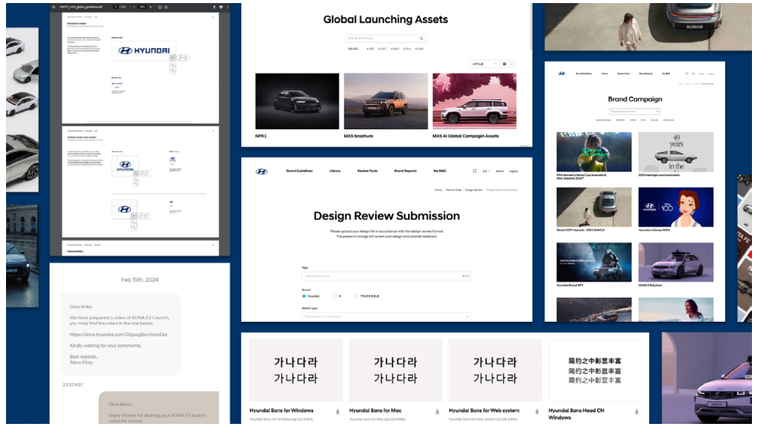
**Brand Tracking Study** We conduct a Brand Tracking Study (BTS) to check customers' brand awareness, purchase intention, satisfaction, etc. based on price, performance, quality, and eco-friendliness for each brand. Most notably, in terms of brand preference, we examine not only the reliability, competitiveness,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

The BTS covers our electrification brands, capturing customers' purchase intent, brand awareness, preference, and such attributes as innovation, convenience, and eco-friendliness. This also helps assess the perceived market value of Hyundai-branded vehicles from the viewpoint of customers, offering a clear understanding of our brands' competitive position in the market. The BTS results are used as base input for developing brand strategies at the sales region level, and are fully incorporated in our marketing operations by identifying effective 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 journey, 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.

**Brand Tracking Study Items**

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




Hyundai Brand Home

### Ethical Marketing

**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 declaration sets forth such fundamental principles as communicating accurate product and service information to customers, avoiding unfair comparisons against competitors or their products and services, and refraining from advertising or marketing activities that do not provide adequate protection for information-disadvantaged groups. This also affirms our promise to meet relevant requirements when making statements on the eco-friendliness of our products and services.

Hyundai Motor Company Advertising & Marketing Ethics Declaration

**Labeling of Product Environment and Safety Information** Hyundai transparently discloses not only product environmental information such as vehicle fuel efficiency and emissions generated throughout 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**

| | | | | | |
|---|---|---|---|---|---|
| Korea | Product | Vehicle self-certification information (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, glass, etc.) |
| | Environ-ment | Fuel efficiency labeling, exhaust gas warning labeling | | Environ-ment | Information on diesel exhaust smoke, battery recycling, fuel, and, refrigerants |
| | Safety | Airbag warning labeling, etc. | | Safety | ISOFIX CRS anchor labeling, speed limit for temporary spare tires, airbag warning labeling, etc. |
| China | Product | ID labeling, vehicle identification number (W/screen), anti-theft warning labeling | North America | Product | Manufacturer's suggested retail price (MSRP) labeling |
| | Environ-ment | Fuel efficiency labeling | | Environ-ment | VECI labeling(Vehicle Emission Control Information), refrigerant labeling |
| | Safety | CCC labeling[1], CRS(Child Restraint System), airbag warning labeling | | Safety | Tire pressure information labeling, safety certification labeling, airbag warning labeling |

1) CCC(China Compulsory Certification)

# Customer Experience Innovation

## Preventing Greenwashing

**Establishing a Greenwashing Risk Review Process** To stay ahead of the tightening global ESG laws and regulations, we reviewed our environmental labeling and advertising practices and established a risk review process accordingly to prevent greenwashing. This stock-taking review was conducted in January 2024 on nearly 20 domestic departments involved in marketing and advertising in line with the Korean Ministry of Environment's guidelines. Out of the 260 cases reviewed, 32% of them were identified as having potential risk, and corrective actions were taken subsequently.

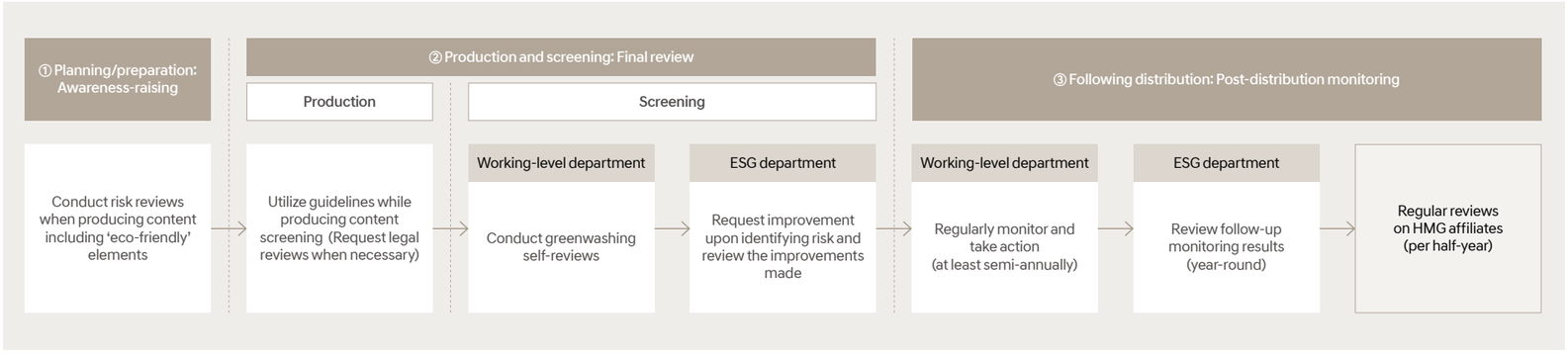
To elevate employees' awareness on greenwashing which had remained relatively low, we provided four sessions of on/offline training to team leaders and working-level staff. In the second half of the year, reviews were conducted on 422 posts across 35 overseas locations using the self-checklist upgraded by referring to relevant laws and cases from eight countries including Korea, the US, and the EU. This eventually resulted in the publication of the global greenwashing guidelines for the entire Hyundai Motor Group.

In particular, Hyundai Motor Company plans to establish a proactive review process to prevent greenwashing risk throughout the whole process ranging from planning of labeling and advertising to their production, screening and distribution, along with regular post-distribution monitoring. This will support our continued efforts to prevent greenwashing-induced management risk and communicate clear and accurate sustainability management information to our stakeholders.

**Hyundai Motor Group's Code of Conduct for Greenwashing Prevention: 6 Principles to Keep in Mind in the Initial Planning Phase**

| | | |
|---|---|---|
| 1 | Refrain from using unsubstantiated broad terms | • Claims that should be avoided: Broad terms such as "eco-friendly" or "guarantee of sustainability" should not be used without clear grounds.<br>• Suggestion of alternatives: Increase accuracy by explaining specific environmental benefits instead of using broad expressions |
| 2 | Provide specific plans and evidence for carbon neutrality claims | • Claims that should be avoided: Terms such as "carbon neutrality" or "net zero" must be backed by specific implementation plans and verifiable evidence<br>• Suggestion of alternatives: Present annual net zero implementation plans or carbon credit usage plans in parallel |
| 3 | Avoid misleading comparative expressions and certifications | • Claims that should be avoided: Claims of being "more eco-friendly than other companies" or "best eco-friendly quality" should not be used.<br>• Suggestion of alternatives: Use expressions such as "certified to reduce emissions by 30% compared to Product A" |
| 4 | Use quantitative data and specific terms | • Claims that should be avoided: Statements such as "reducing water consumption" or "using less energy" should be avoided.<br>• Suggestion of alternatives: Provide detailed information such as "This product's manufacturing process consumed 20% less water compared to previous models" |
| 5 | Specify specific percentages when referring to recycled materials | • Claims that should be avoided: Statements such as "products made of recycled materials " can be misleading and should be avoided. Suggestion of alternatives: Specify the exact percentage of recycled raw materials used, such as "The fabric of this product sheet contains 30% PET-recycled materials" |
| 6 | Do not represent legal obligations as voluntary activities | • Claims that should be avoided: Statements such as "We will produce EVs only from 2035 onwards" are inappropriate.<br>• Suggestion of alternatives: Clearly distinguish between legally required compliance and voluntary initiatives |

**Greenwashing Risk Review Process**




*This process is based on the Hyundai Headquarters in Korea. Overseas business sites are implementing their own review process established in accordance with country-specific regulations and market conditions.

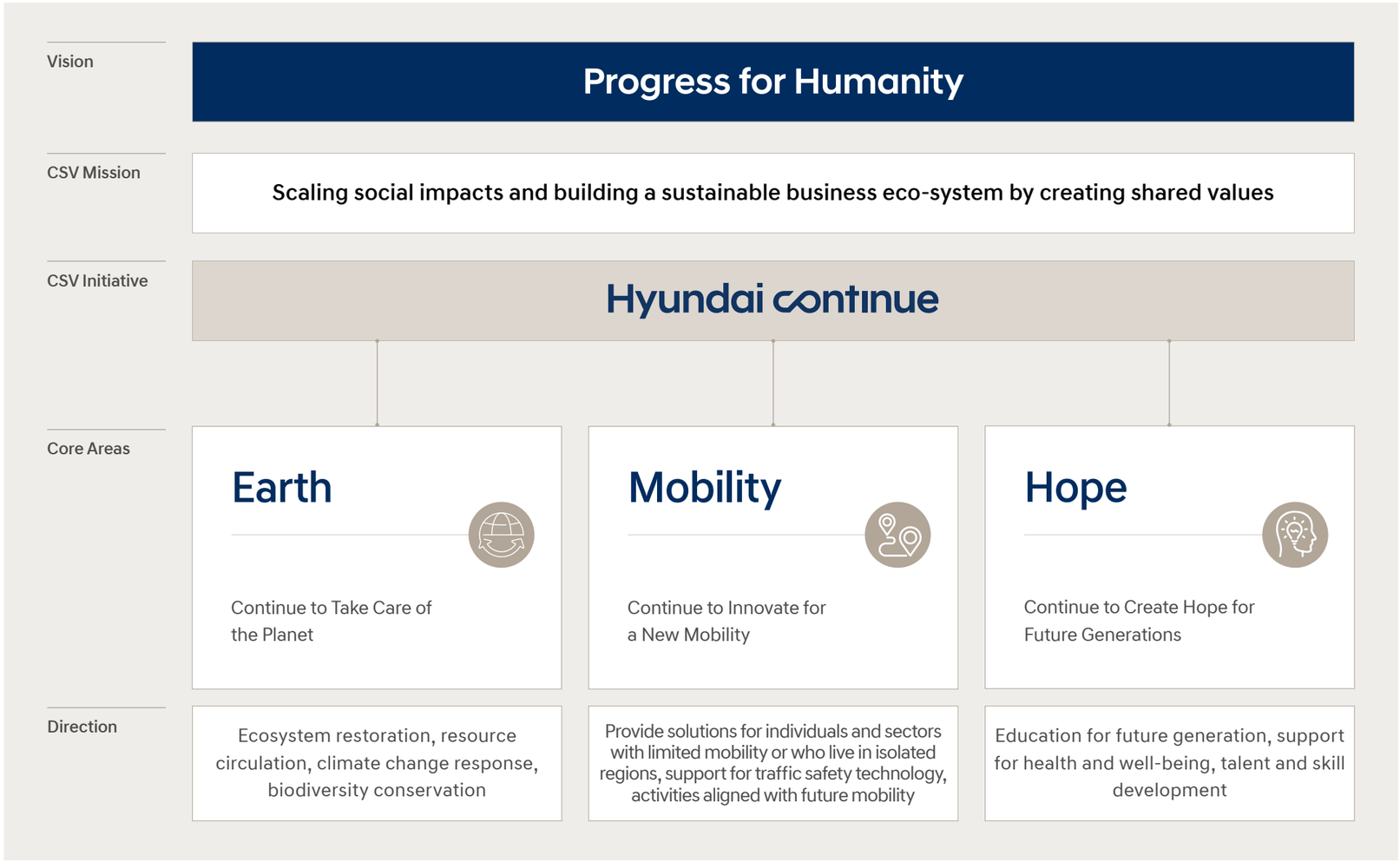
# CSV Initiative

## CSV Implementation System

### CSV Implementation System

Implementing CSV Strategy In 2024, 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



# CSV Initiative

## Earth

### CSV Project

## 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 US since 2021. In partnership with the foundation 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.

Through activities such as environmental cleanup and upcycling of collected waste, we are building a resource circulation infrastructure in collaboration with various organizations and venture companies.

**2024 Key Achievements** We supported a total of 24 marine waste collection and education activities across eight countries, including those in Europe, Korea, and the United States, collecting approximately 172 tons of marine debris. Of this, about 63 tons were abandoned fishing nets. A total of 107 volunteer divers participated in these activities.

**Future Plans** We plan to continue marine waste collection activities to help clean the ocean, while expanding the infrastructure for collecting abandoned fishing nets and increasing the production of eco-friendly materials through various business partnerships.



**Improving Environmental Issues of Local Communities**

To help Indonesia tackle environmental challenges, we have been engaging in waste plastic collection and upcycling since August 2022. As part of this effort, we provide environmental education on the topics of climate and the circular economy across 20 middle and high schools and four child-friendly integrated public spaces in Jakarta. In 2024, a total of 1,968 children received such education, raising their environmental awareness as a result. Meanwhile, we installed used plastic collection bins throughout the region to encourage community participation in waste sorting and recycling. Currently, 71 collection bins are in operation recovering 12 tons of waste plastic each year. We plan to increase the number of these bins to over 100 by the first half of 2025. We have also established and are operating a waste recycling center in Bekasi to support the local community in reducing waste disposal and turn waste into valuable resources, contributing to fostering a local circular economy.




**2024 Key Achievements** The used plastic collection bins we operated in Jakarta helped recover over 12 tons of waste plastic in 2024. We also conducted 6 sessions of environmental education and 98 sessions of peer-to-peer education, empowering 1,968 children to recognize the importance of environmental protection.

**Future Plans** In addition to waste plastic collection efforts, we also engage in awareness-raising initiatives such as environmental education and child-led campaigns, helping to embed waste collection into the daily routine of local communities. Expanding the installation of used plastic collection bins and ensuring their continued operation, we will take the lead in public-private partnerships and contribute to building a circular economy.

## IONIQ Forest

Hyundai has been promoting the IONIQ Forest project since 2016 across 13 countries including the US, Brazil, Germany, Türkiye, the Philippines and India with the aim of creating eco-friendly forests around the world. In 2024, we signed an MoU with the Korea Arboreta and Gardens Institute and Tree Planet to promote the sustainable restoration of forest ecosystems. Harnessing the 'IONIQ Drone Station', forest management vehicles based on the IONIQ 5 and IONIQ 9, we aim to support research efforts for ecosystem restoration more effectively. As part of the IONIQ Forest project in Türkiye, our employees volunteered for forestation alongside scholarship students. Globally, our IONIQ Forest project has led to the planting of over 900,000 trees as of 2024.

We will continue to collaborate with global partners to carry out a variety of eco-friendly initiatives-such as tree planting and restoring areas damaged by wildfires-to support a sustainable future for both people and the planet.

**2024 Key Achievements** We signed an MoU with the Korea Arboreta and Gardens Institute to promote the sustainable restoration of forest ecosystems, and will actively deploy the IONIQ Drone Station for ecosystem restoration. Across the US, Germany, Saudi Arabia, and the Philippines, we planted more than 400,0000 trees in 2024 alone.

**Future Plans** We aim to plant around 2 million trees globally between 2025 and 2035. We plan to contribute to the restoration of local ecosystems by rehabilitating forests damaged by wildfires in countries such as Korea and the United States, and by creating new forests in the Maharashtra, India. We also plan to build the IONIQ 9 Drone Station to help with seedball planting.



# CSV Initiative

## Mobility

## ‘Charge Live’ Campaign Using the ACR for EV Charging

Hyundai Motor Company leverages robotics technology to lead the way in improving mobility for individuals with mobility challenges such as wheelchair users and pregnant women, helping them overcome mobility barriers. Our Robotics LAB has developed the Automatic Charging Robot (ACR) to make EV charging infrastructure more accessible and convenient for users with mobility difficulties. The ACR communicates with the vehicle to open the charging port door, accurately recognizes the port’s position, and autonomously connects and and disconnects the charging cable, automating the entire charging process. During charging, the ACR can dynamically adjust its position to ensure the safety of the vehicle. By applying deep learning-based 3D pose estimation technology, the ACR minimizes charging port recognition errors to within 2mm. It is also built for environmental durability in mind, capable of operating under extreme conditions, including temperatures ranging from -20°C to 40°C and humidity levels exceeding 90%. Featuring IP65-rated waterproof and dustproof technology, the ACR is designed to deliver optimal performance in a wide variety of outdoor environments.



Hyundai Motor Company’s ‘Charge Live’ campaign provides individuals with mobility challenges with the opportunity to experience barrier-free mobility. The participants were able to experience firsthand the ACR system installed at Saebil E-pit charging stations during the campaign period. This campaign marks a significant milestone in Hyundai Motor Company’s journey towards achieving its vision of ‘Progress for Humanity’, enabling barrier-free mobility and meaningful social connections for individuals with mobility challenges. Looking ahead, we will remain committed to delivering sustainable mobility solutions through the commercialization of the ACR and other innovative technologies.

**2024 Key Achievements** In June 2024, we provided 93 teams—each with up to four members—with travel expenses, IONIQ 5 rentals, and the opportunity to experience ACR charging, supporting comfortable electric vehicle journeys in Jeju regardless of the weather. Over the course of 48 days, these teams used ACR automatic charging a total of 100 times. Participants were highly satisfied with the campaign, giving it a satisfaction score of 4.95 out of 5.

**Future Plans** We are focused on continuous research efforts to improve the performance and safety of the ACR with a goal of bringing this technology to market. Our commitment will surely maximize convenience for individuals with mobility challenges and build EV charging infrastructure readily accessible to a broader range of users.



## Supporting People with Limited Mobility through Shucle Mobility Service

We provide a demand-responsive mobility service named ‘Shucle’ to promote the right to mobility for transport-disadvantaged individuals. 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 for people with limited mobility, and has since supported the operation of DDOKBUS as a Demand-Responsive Transit (DRT) mobility service on Daebu Island.

DDOKBUS operates services in Daebu Island specifically for people with limited access to transportation such as the elderly, pregnant women, and children. Passengers can request a ride through the “DDOKTA” mobile application, by phone, or by using kiosks installed at major facilities. To enhance accessibility, we donated two specially equipped Solati vehicles that accommodate wheelchairs, and provided support for using the DDOKTA platform. DDOKTA is a customized mobility platform for Gyeonggi Province, developed based on “Shucle,” an AI-powered demand-responsive transit service. When users enter their departure and destination points, vehicles are dispatched in real time, taking into account current demand and traffic conditions, allowing for convenient and flexible transportation.

We are leading efforts to enhance mobility for transport-vulnerable individuals through the use of technology, and we will continue to actively leverage various mobility innovations to make everyday transportation more accessible and convenient.

**2024 Key Achievements** We contributed to enhancing mobility convenience by delivering services that leverage Hyundai Motor Company’s technology to support individuals with mobility challenges. Over the past one year, these services were used 5,609 times by seniors and people with disabilities and 7,774 times by teenagers who are not yet able to drive on a cumulative basis.

**Future Plans** While continuing our project supporting individuals with mobility challenges on Daebu Island, we aim to provide 30 vehicles to support the right to mobility in underserved areas in alignment with the Korean National Police’s program encouraging elderly drivers to voluntarily return their driver’s license. We plan to expand our support by supplying eight vehicles in four areas in the first half of 2025.



# CSV Initiative

## Hope

## Hyundai Hope on Wheels

**Hyundai Hope on Wheels**

'Hope on Wheels' is Hyundai Motor America's flagship social contribution initiative which has been ongoing for the past 26 years since 1998. This initiative began in the 1990s, when Hyundai partnered with its dealers in New England to raise funds for pediatric cancer research and support the Jimmy Fund at the Dana-Farber Cancer Institute. This has since been endorsed by Hyundai dealers nationwide and has grown to become the third-largest pediatric cancer foundation in the United States. A set amount is donated for every Hyundai car sold, and this is matched by the additional donations made by the company. The funds raised as such go to advancing pediatric cancer research and treatment, helping young cancer patients return to everyday life, and raising awareness on pediatric cancer.

In 2024, we partnered with our dealers in our fight against pediatric cancer beyond the US and expanded to Australia and Korea. In 2025, we are rolling out this initiative across the globe on the strength of our partnerships we have forged with our dealer network. Hyundai Motor Company is fully committed to supporting pediatric cancer treatment and research and to further fostering an inclusive society where future generations can dream a brighter tomorrow.





**2024 Key Achievements** In the US, we donated USD 26 million to pediatric cancer research and patient support in celebration of Hyundai Hope on Wheel's 26th anniversary. Since its launch, this initiative has supported over 1,300 programs and research projects at more than 175 hospitals and research institutes, reaching USD 250 million in cumulative donations. Taking the first step to roll out this program worldwide, we extended support to young cancer patients in Australia and Korea in alignment with Hope on Wheels.

**Future Plans** In 2025, we will focus on globalizing this initiative and launch new programs for pediatric cancer patients in Canada, Mexico and Brazil. In addition to providing financial support for the treatment of pediatric cancer, we will continue with our efforts to sponsor therapeutic research and raise awareness on pediatric cancer.

## Mobility Education

**Future Mobility School**

In 2016, Hyundai signed an MoU with the Korean Ministry of Education to launch the Future Mobility School, a free-semester career education program for elementary and 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 offers high-quality teaching materials and education kits covering topics such as smart cities, clean energy, future mobility technologies, and sustainability. When selecting applicants, it includes small-sized schools such as rural schools, special education schools, and alternative schools to reduce inequality in career education opportunities. 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 even more students.



**2024 Key Achievements** In 2024, we provided this program to 330 elementary and middle schools in Korea and 12 schools overseas. In particular, we supported educational exchange with ASEAN countries and extended the scope of this program to include Thailand in partnership with the UNESCO Asia-Pacific Center of Education for International Understanding and the Ministry of Education.

**Future Plans** We plan to continue nurturing future mobility talent by providing children across various regions with new experiences and equal access to learning opportunities.

**H-Mobility Class**

Since 2021, 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 four courses: power train, electrification, energy solution, and autonomous driving, which are strategic technologies for the future. The advanced training features offline practice to help students internalize their learning and develop practical skills.

**2024 Key Achievements** In 2024, 1,600 students participated in the H-Mobility Class, and its learning courses were renewed to improve learner engagement and program effectiveness. In recognition of our contribution to fostering R&D talent in the future mobility sector since launching this program in 2021, we were honored with the Youth-friendly, ESG-conscious Employer Award by the Korea Employers Federation.

**Future Plans** In 2025, we plan to upgrade this program by refining the design of practice courses and incorporating the latest trends to help students reinforce their technical capabilities. As a global mobility leader, we will commit to systematically supporting and nurturing talented individuals, expanding the talent pool in the mobility sector in so doing.

# Information Security and Privacy Protection

## Information Security

### Information Security Framework

We are committed to establishing an advanced information security system which is essential to transitioning to the smart mobility paradigm. Our dedicated security organization enables us to build a response system and engage in monitoring against hacking threats and data leaks that may arise in the course of business conduct. In 2022, we were certified to the Cyber Security Management System(CSMS) in Europe. Our security policy applies to all internal employees and is reviewed on an annual basis, and a wide array of preventive security activities are undertaken, including security policy training, security newsletters, Security Day campaigns, and malicious email drills. We have established information security-related business continuity plans and test them biannually. The tests are conducted through biannual mock drills, with the scope and methods adjusted between the first and second half of the year to enhance effectiveness. Any deficiencies identified in the first-half drill are addressed and reflected in the second-half drill.

### Information Security Vulnerability Analysis

To ensure the secure development and operation of our business systems, we have established and operate a security review process for our IT systems. Through this process, we manage potential vulnerabilities and continuously update our security guidelines in line with advancements in IT technologies. In particular, we conduct regular simulated hacker attacks through external professional firms to assess both the likelihood of real-world attacks and the effectiveness of our response systems. In 2024, simulated hacker attacks were carried out on major internal and external systems, including key IT systems, and we are continuously implementing improvement measures for the identified security vulnerabilities. Furthermore, we have maintained the ISO 27001 certification since 2006, demonstrating our commitment to comprehensive information security management. In addition, we have obtained the ISMS certification which verifies our integrated information protection management system.

#### Key Information Security Activities

1. Deploy security professionals to overseas entities and expand security inspections
2. Enhance security threat response through advanced security monitoring systems and internal penetration testing
3. Specify in the Information Security Incident Response Guidelines that at least one simulation drill must be conducted annually to ensure prompt response to security incidents
4. Provide phishing email training and malware infection prevention education to employees at least once a year
5. Distribute a security newsletter at least once a month to all employees and host an annual Employee Security Day

### Structure and Role of the Information Security Organization

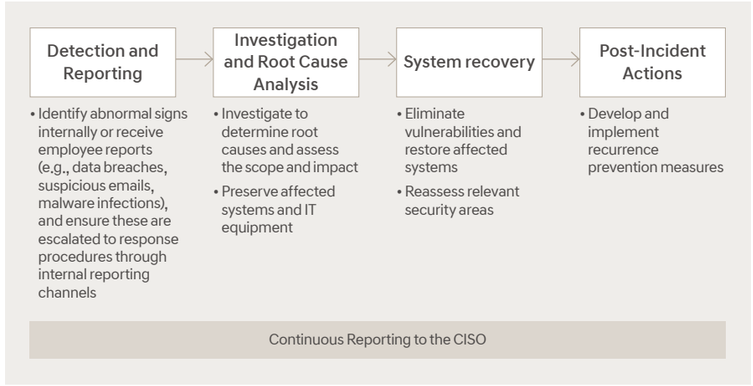
To ensure the systemic and effective implementation of information security activities, we operate a dedicated organization for information security and data privacy. The Chief Information Security Officer(CISO) is also appointed to head the Hyundai Security Center and the Chief Privacy Officer(CPO) serves as the head of the Security Management Support Group. Specific information security activities include establishing information security policies, developing security systems, reviewing security vulnerabilities for internal and external services on an ongoing basis, managing overseas security operations, and conducting internal annual audits on the operation of the information security management system.

Hyundai Motor Company Information Security Policy

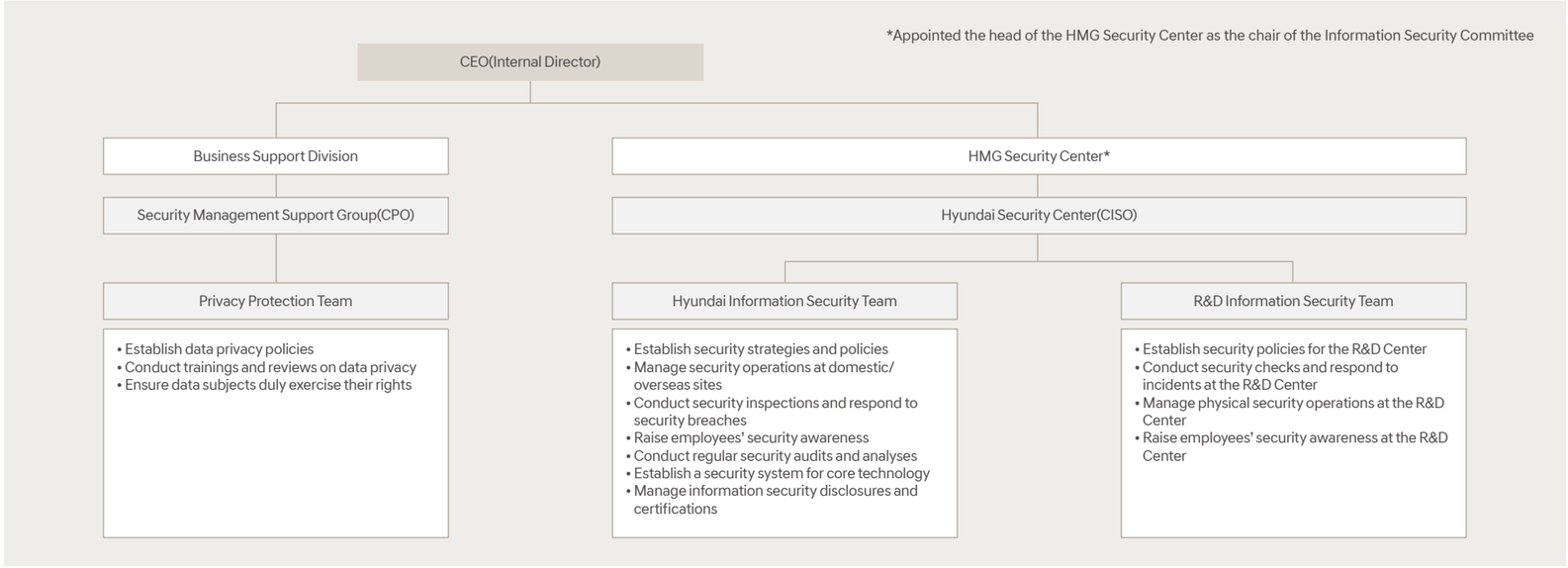
### Information Security Committee

The Information Security Committee, led by top management, is convened regularly as the company's highest decision-making body on information security matters. Executives from key departments — including HR, audit, legal affairs, R&D, and plant security — participate in the committee to review and approve major corporate security agendas twice a year.

#### Security Incident Handling Process




#### Information Security Organization



# Information Security and Privacy Protection

## Privacy Protection

### Data Privacy Governance

Hyundai establishes and operates a data privacy management system to ensure compliance with data privacy laws and other pertinent regulations. We formally appoint the Chief Privacy Officer (CPO, the Head of the Security Management Support Group) and a dedicated team (Privacy Protection Team) to oversee data privacy operations. In addition, the Privacy Protection Council convenes at least once a year, together with relevant service departments, to discuss internal and external trends and key issues. Any personal data required for the provision and improvement of Hyundai's products and services is collected, used, and disclosed strictly within the scope to which customers have explicitly consented, following the opt-in principle. Customers may also suspend processing of their data or withdraw their consent (opt-out) at any time. We transparently disclose our Privacy Policy through the Privacy Center to make them accessible 24/7 by customers. In 2024, there were zero cases of secondary use of personal data beyond the purposes of collection, use, and provision as disclosed to data subjects in our privacy policy.

Hyundai Motor Company Privacy Policy

### Organizational Measures for Privacy Protection

We take a range of administrative measures to ensure the safe use of personal data. These include establishing and implementing data privacy policies and guides and raising awareness on data privacy through regular training provided to all employees and outsourced data handling service providers. We also assess our data processing operations and monitor data misuse or abuse while seeking immediate improvements when potential vulnerabilities are identified. In addition, we operate a process to assess the impact on privacy protection and identify potential risks from the early design stage when developing or modifying personal data processing services and systems, in order to minimize possible threats.

### Technical Measures for Privacy Protection

We implement wide-ranging technical measures to prevent data breaches and leaks. Access to our personal data processing system is limited to the minimum necessary to protect such data from the risk of leakage or exposure, and personal data transmission paths and critical data such as personally identifiable information are encrypted to render them unusable even in the event of external attacks. We install security solutions and deploy their latest version including anti-virus software and intrusion blocking/detection systems, and maintain continuous monitoring to build preparedness against hacking and other external attacks. Besides, we are adopting and implementing protection measures as required by data privacy laws and information security certification standards.

### Ensuring Data Subject Rights

We operate the Privacy Center to protect the rights of data subjects, and this also allows us to transparently disclose our Privacy Policy and regularly keep them up to date. Customers or their legal representatives may reach us through the My Page section of our website/app or via our customer center to exercise their rights at any given time, including accessing, correcting, deleting or suspending the handling of their personal data. Unless there is any legitimate reason, we immediately cater to such customer requests.

### Internal Inspection and Third-Party Audits of the Privacy Policy Compliance

To comply with the Personal Information Protection Act and our internal regulations, we conduct internal and external inspections and self-assessments of the management of personal information by the entities entrusted with protecting personal information. Since 2020, we have obtained and maintained the Information Security Management System (ISMS) certification for our major services and systems, such as the customer website and the connected car service, and we have also been recognized by various global certification bodies for maintaining the international information protection management system (ISO/IEC 27001) certification for over ten years. Additionally, we undergo regular inspections as required by the relevant laws, such as the Personal Information Protection Commission's unique identification information survey and the Korea Communications Commission's location information provider survey, and implement improvements based on the results.

# Governance

The “G” in ESG refers to the governance factors – the fundamental basis for creating ESG value. The establishment of a strong corporate governance coupled with responsible corporate behaviors can increase corporate value and achieve sustainable growth by responding to various risks and seizing business opportunities appropriately. Hyundai therefore spares no efforts in growing in an economically, socially and environmentally right way based on the advanced governance structure befitting its status as a global company.




| | |
|---|---|
| 4.1 | Board-centered Management System |
| 4.2 | Shareholder-friendly Management |
| 4.3 | Ethics and Compliance Management |
| 4.4 | Risk Management |
| 4.5 | Tax Obligation |

# Board-centered Management System

Hyundai has established 'Guidelines on the Diversity of the Board of Directors' and 'Guidelines on the Independence of Independent Directors', and appointed directors with diversity, expertise and independence, with an aim to establish a sound and transparent governance structure, and enacted the Corporate Governance Charter in an effort to build a better governance system. As Hyundai's highest decision-making body, the BOD is operated with the goal of achieving sustainable and balanced growth based on the company's Articles of Incorporation by faithfully supervising the activities of management. Hyundai is also doing its utmost to maximize shareholder rights and interests as well as corporate value based on the Board-centered Management System and understanding of its diverse stakeholders.

## Composition of the BOD

### Board Composition

Hyundai's BOD is composed of 12 members for effective and prudent decision-making, with independent directors making up more than half of its members (seven) in order to ensure its independence in accordance with the Commercial Act. The Board consists of experts in such various fields as management, accounting, finance, law, future · industry technology, and respects diversity without discrimination on the grounds of gender, race, religion, etc.

| Independent Director Ratio | Female Director Ratio |
|---|---|
| 58.3 % | 33.3 % |

### Director Tenure

As of the end of March 2025, the average tenure of all twelve members of the BOD was 2.8 years, and under the Commercial Act, the tenure of an independent director cannot exceed six years. Among the directors appointed in March 2025 were two internal directors (one re-appointed and one newly appointed) and three independent directors (all newly appointed).

### Appointment of Directors and CEO succession plan

All of Hyundai's directors are appointed through a resolution of the general shareholder's meeting(GSM). The independent directors are selected from among the candidates recommended by the Recommendation Committee on Candidates for Independent Directors to appoint competent and responsible personnel armed with expertise who can make substantial contributions to corporate management in a balanced way. We seek to respond flexibly to changes in the business environment by appointing independent directors with diverse perspectives and experiences.

Candidates for CEO succession are identified through reviews among key executives. The candidate pool includes internal talents for both short-term and mid- to long-term as well as external candidates. The Board of Directors oversees the succession policy through regular reviews and nominations of candidates.

### Independence of Directors and Restrictions on Concurrent Positions

Hyundai has put in place strict independence guidelines, meeting the legal standards required by the Korean Commercial Act, based on the international standards. Independent directors must not only comply with them, but also represent the rights and interests of stakeholders with exemplary ethics and professionalism. Hyundai therefore only appoints persons with no significant stake in the company as independent directors, and they maintain independency, monitor the efficient operation of the company, and play a role in enhancing corporate value.

In addition, the independent directors must devote sufficient time and effort to the faithful performance of their duties, and according to the Commercial Act, they cannot be appointed as directors, executive members, and/or auditors of two or more companies other than the company itself. In order to be permitted to hold concurrent positions in other companies, they must report the details of the duties they wish to hold concurrently to the Board in advance and obtain its approval.

### Diversity of the BOD and Expertise of Independent Directors

We take into account such diversity factors as gender, nationality, race, and religion in appointing directors. As of the end of March 2025, three directors of foreign nationality (José Muñoz, Jim Myong Doh, Benjamin Tan) and four female directors (Eunsook Jin, Ji Yun Lee, Yoon Hee Choi, Suyi Kim) sat on the BOD.

With over 30 years of experience in working at the National Tax Service, Dal Hoon Shim is an accounting/finance expert renowned for his in-depth knowledge and abundant experience in the fields of accounting and tax. Ji Yun Lee, currently a professor of aerospace engineering at KAIST, is a world-acclaimed authority in ensuring reliability of intelligent traffic and autonomous unmanned systems. Seung Wha Chang is widely recognized for his expertise on international trade law, and has gained a wealth of experience as an international trade expert while working at a range of international organizations and government agencies. Yoon Hee Choi brings her extensive expertise on labor relations as a legal expert, previously working at the National Labor Relations Commission and the National Human Rights Commission. Suyi Kim accumulated a breath of experience and acumen as an expert on finance and financial management during her years at such global financial institutions as CPPIB, and Jim Myong Doh assumed key roles as a member of senior management at Qualcomm, a global semiconductor company, including Vice Chairman of Qualcomm Asia. Benjamin Tan brings his wide-ranging knowledge and expertise on global business and financial markets as a long-time manager of Asian regional portfolios at GIC (Government of Singapore Investment Corporation), one of the key global sovereign wealth funds.

Guidelines on the Diversity and Independence of the Board of Directors

**BOD Composition**

* As of 31 March, 2025

| Classification | Name | Title | Career | | Date of Appointment | Gender | Nationality |
|---|---|---|---|---|---|---|---|
| Internal Directors | Euisun Chung[1)] | Executive Chair & CEO | Currently Executive Chair of Hyundai Motor Group | | Mar. 12, 2010 | Male | Korea |
| | José Muñoz | President & CEO | Currently President & CEO of HMC | | Mar. 23, 2023 | Male | US, Spain |
| | Dong Seock Lee | President & CEO | Currently President of Domestic Productions and CSO | | Mar. 24, 2022 | Male | Korea |
| | Seung Jo Lee | Executive Vice President & CFO | Currently Executive Vice President of HMC Finance Division | | Mar. 21, 2024 | Male | Korea |
| | Eunsook Jin | Executive Vice President | Currently Executive Vice President of HMC ICT Management Division | | Mar. 20, 2025 | Female | Korea |
| Independent Director | Dal Hoon Shim | Independent Director | Currently Representative of Woorin Tax Partners | Former Head of NTS Jungbu Regional Office | Mar. 24, 2021 | Male | Korea |
| | Ji Yun Lee | Independent Director | Currently Professor, Department of Aerospace Engineering of KAIST | Former Director of American Society of Navigation | Mar. 24, 2021 | Female | Korea |
| | Seung Wha Chang | Independent Director | Currently Professor of Graduate Law School, Seoul National University | Currently Arbitrator of the International Court of Arbitration (ICC) | Mar. 23, 2023 | Male | Korea |
| | Yoon Hee Choi | Independent Director | Currently Professor of Graduate Law School, Konkuk University | Currently Non-executive Director of the Society of Labor Law Theory and Profession | Mar. 23, 2023 | Female | Korea |
| | Suyi Kim | Independent Director | Former Global Head of PE, CPPIB | | Mar. 20, 2025 | Female | Korea |
| | Jim Myong Doh | Independent Director | Other Non-Executive Director, CareMedi Co., Ltd | Former Vice Chairman, Qualcomm Asia | Mar. 20, 2025 | Male | US |
| | Benjamin Tan | Independent Director | Former Managing Director at GIC Pte.Ltd. | | Mar. 20, 2025 | Male | Singapore |

1) Chair of BOD

**Board Skills Matrix (BSM)**

| Skills Metric | Internal Directors | | | | | Independent Directors | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Euisun Chung | José Muñoz | Dong Seock Lee | Eunsook Jin | Seung Jo Lee | Dal Hoon Shim | Ji Yun Lee | Yoon Hee Choi | Seung Wha Chang | Suyi Kim | Jim Myong Doh | Benjamin Tan |
| Leadership | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Accounting/ Finance/ Management | ● | ● | ● | ● | ● | ● | | | ● | ● | ● | ● |
| Industry/ Technology | ● | ● | ● | ● | ● | | ● | | | ● | ● | |
| Law/Policy | | | ● | | | ● | | ● | ● | | | |
| Global Competency | ● | ● | | | ● | ● | ● | | ● | ● | ● | ● |
| ESG | ● | ● | ● | ● | ● | | | ● | ● | ● | ● | ● |

# Board-centered Management System

## Operation of the BOD

### Convening and Holding BOD Meetings

Board meetings are convened by its chair or another member appointed by the Board. At the time of convening the BOD, each director is notified of the convocation in writing or orally seven days prior to the date of the meeting. However, the convocation process may be omitted when all directors agree. A BOD resolution must be made with the attendance of a majority of the directors and the consent of a majority of the directors in attendance. Should the relevant laws and regulations stipulate otherwise, they shall apply. The BOD agenda is proposed by the chairperson, and if the other directors wish to propose an item, the summary must be submitted to the chairperson.

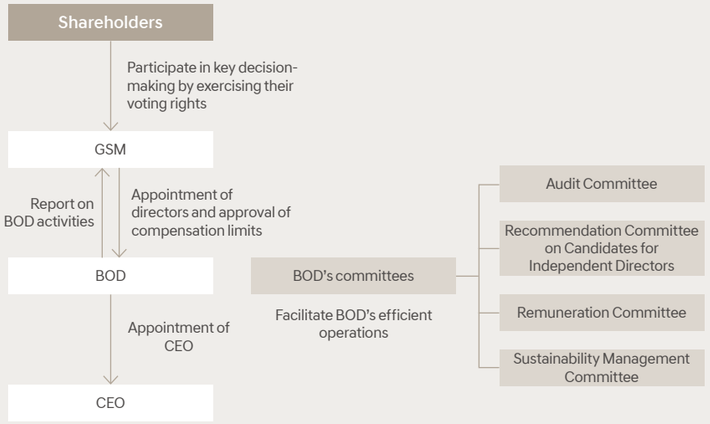
The Board must prepare the minutes, in which the agenda of the meeting, its progress and results, any opponents to the agenda and the reasons for their opposition must be entered, and the chairperson and the directors present must seal or sign the minutes.

Matters on the BOD

### BOD Participation in 2024

| Average participation rate | Participation rate of internal directors | Participation rate of independent directors |
|---|---|---|
| 100 % | 100 % | 100 % |

### Decision-making Process of the BOD




### Board Meetings in 2024

| Classification | Date | Agenda | Approval Status | Approval Rate | Attendance Rate |
|---|---|---|---|---|---|
| 1st General Meeting | Jan.25 | Approval of financial statements for FY 2023 | Approved | 100% | 100% |
| | | Approval of the FY 2023 business report | | | |
| | | Approval of the business plan for 2024 | | | |
| | | Approval on safety and health plan | | | |
| | | Approval on establishing the Financial Consumer Protection Charter and amending relevant standards | | | |
| | | Compliance activities and plans | Reported | N/A | |
| | | Operating result of internal accounting control system in 2023 | | | |
| | | Global automotive safety status | | | |
| Extraordinary Meeting | Feb.16 | Approval of convocation of and agenda to be submitted to the 56th regular General Shareholder's Meeting | Approved | 100% | |
| | | Approval for participation of increase in capital : overseas corporation | | | |
| | | Approval of business transfer from an affiliate | | | |
| | | Approval of competition by directors | | | |
| | | Evaluation result of internal accounting control system in 2023 | Reported | N/A | |
| Extraordinary Meeting | Mar. 21 | Appointment of CEO | Approved | 100% | |
| | | Appointment of committee members (Sustainability Management Committee, Recommendation Committee on Candidates for Independent Directors, Remuneration Committee) | | | |
| | | Approval of competition by directors | | | |
| | | Approval of treasury stock cancellation | | | |
| | | Approval for adoption of stock-based executive compensation | | | |
| 2nd General Meeting | Apr. 25 | Approval of the 57th 1Q quarterly dividend | Approved | 100% | |
| | | Approval of disposition of treasury stocks | | | |
| | | Approval of participation in capital increase of overseas corporation and acquisition of share | | | |
| | | Approval of participation in capital increase of overseas corporation | | | |
| | | Management performance for 2024 1Q | Reported | N/A | |
| Extraordinary Meeting | Jun. 4 | Approval of payment guarantee for overseas corporation | Approved | 100% | |
| | | Approval of the promotion for platform brokerage business | | | |
| | | Establishment status of NA Green Logistics JV | Reported | N/A | |
| | | Progress on the IPO of HMI | | | |
| 3rd General Meeting | Jul.25 | Approval of the 57th 2Q quarterly dividend | Approved | 100% | |
| | | Approval of equity transaction and capital increase of overseas corporation | | | |
| | | Management performance for 2024 2Q | Reported | N/A | |
| | | Participation in capital increase of a CV HRS Company | | | |
| Extraordinary Meeting | Aug. 22 | Approval of disposition of treasury stocks | Approved | 100% | |
| | | Approval of policies with Value-up program | | | |
| Extraordinary Meeting | Oct. 8 | Approval of the disposal of equity invested in another corporation | | | |
| 4th General Meeting | Oct. 24 | Approval of the 57th 3Q quarterly dividend | | | |
| | | Approval of competition by directors | | | |
| | | Approval of delisting of GDRs | | | |
| | | Management performance for 2024 3Q | Reported | N/A | |
| Extraordinary Meeting | Nov. 27 | Approval of transaction between directors, etc. and the company | Approved | 100% | |
| | | Approval of transaction limits with interested parties | | | |
| | | Approval for acquisition of treasury stock | | | |
| | | Approval of the cash deficiency support agreement for overseas corporation | | | |
| | | Additional investment participation in FCEV refueling infrastructure investment corporation | Reported | N/A | |
| | | Report on safety & health major issue | | | |
| Extraordinary Meeting | Dec. 20 | Appointment of CEO | Approved | 100% | |
| | | Participation in capital increase of overseas joint venture | Reported | N/A | |

# Board-centered Management System

### Evaluation of BOD Operations and Activities

Hyundai has its independent directors conduct an evaluation of the BOD and committee operations every year, and the results are discussed at BOD meetings to enhance their effectiveness. In addition, we regularly engage an independent third party for evaluations to ensure an objective assessment of the BOD's composition and its operational effectiveness.

These evaluations enable us to assess the current status of the BOD's composition and operations in terms of expertise, efficiency, and effectiveness. The results confirmed that there is neither inappropriateness in the Board's composition nor ineffectiveness in its operations. Furthermore, we have developed improvement plans for the Board by benchmarking best practices both domestically and internationally within the industry. Going forward, based on the final opinion of the third party, we will incorporate these ideas to enhance the composition and operations of the Board.

### Appointing the Lead Independent Director and Launching the Independent Directors' Meeting

In April 2025, we decided to appoint a lead independent director to enhance the transparency of the BOD's decision-making, and established the Independent Directors' Meeting exclusively attended by independent directors to ensure the effectiveness of our lead independent director system. The lead independent director, as the representative of the independent directors, is responsible for convening and presiding over the Independent Directors' Meeting while gathering independent directors' feedback and presenting it to the BOD, playing a supportive role in facilitating communication among shareholders, the BOD and senior management. We have assigned staff to support the work of the lead independent director, which underscores our commitment to successfully establishing the lead independent director system. Director Dal Hoon Shim was appointed as the first lead independent director.

## BOD Remuneration

### Criteria for BOD Remuneration

Remuneration for directors is executed within the limits determined at a GSM and is determined through deliberation by the Remuneration Committee. Remuneration for internal directors is tied to such evaluation metrics as role, position, leadership, contribution to the company, and talent development. Bonuses are paid on the basis of the performance incentives determined by comprehensively considering the company's financial performance (sales, operating profit, etc.) and individual performance. In the case of independent directors and members of the Audit Committee, fixed amounts are paid to ensure their independence and transparency, but no separate performance bonus is paid.

**Remuneration Payment Details** (Unit: KRW million)

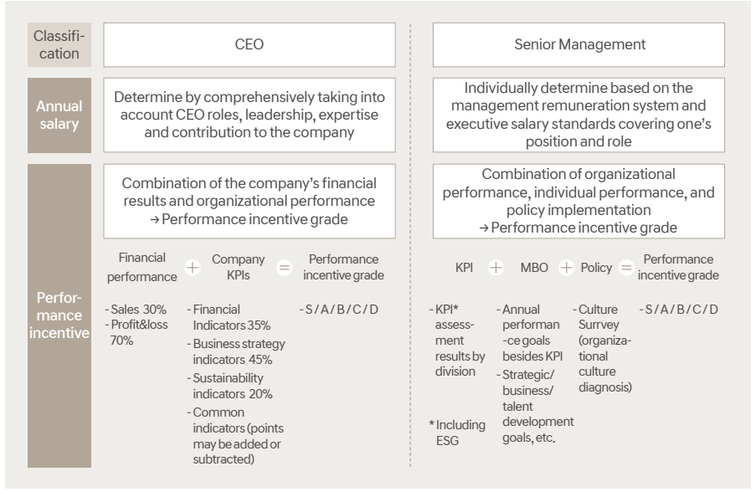
| Classification | CEO[1] | Board member[2] | Independent director | Employee | CEO-to-employee pay ratio |
|---|---|---|---|---|---|
| Average compensation per person | 3,399 | 1,402 | 120 | 124 | 27.4 times |

* For further details, please refer to the 2024 Business Report published on the FSS' electronic disclosure system
1) Based on remuneration for Jaehoon Chang, President & CEO of Hyundai Motor Company
2) Including all internal and independent directors

### Executive Performance Evaluation and Remuneration

At Hyundai Motor company, executive remuneration consists of an annual salary and performance-based incentives determined respectively based on one's rank and role and on annual performance. The annual salary is individually linked to an executive's rank and position (role) under the company's executive remuneration system which is established by comprehensively considering the industrial landscape, business scale, and peer compensation benchmarks. Performance incentives, ranging from 0% to 200% of the basic salary, are awarded based on both the company's business results and the executive's performance assessment tier. Our CEOs are compensated in alignment with the company's financial performance and KPIs, and other senior executives are placed into one of five tiers according to their KPIs, MBO, and performance in policy implementation. KPIs reflect internal/external ESG assessment results, performances on key ESG improvement tasks, and other sustainability management metrics, ensuring ESG management is embedded in our day-to-day routine.

**Executive Performance-linked Evaluation and Remuneration**



# Board-centered Management System

## BOD Subcommittees

### Audit Committee

**Composition of the Audit Committee** The Commercial Act stipulates strict criteria for appointing and forming the committee member aimed at securing the transparency and independence of the Audit Committee, and thus the Audit Committee must be composed of at least three directors appointed at a GSM, and at least two-thirds of them should be independent directors. At least one member of the Committee should be separately appointed at the GSM for the purpose of serving on the Audit Committee, and the Committee should include at least one member with expertise on accounting and finance to ensure its professional operation.

Hyundai Motor Company fully complies with the provisions under the Commercial Act relating to the composition of the Audit Committee. All five members of the Audit Committee are independent directors, and Ji Yun Lee was separately appointed at the GSM to serve on the Audit Committee. Dal Hoon Shim and Suyi Kim who sit on the Committee are experts in the fields of accounting and finance. In particular, director Dal Hoon Shim(Committee Chair), who has accumulated a wealth of experience as a tax expert while serving as the head of Jungbu Regional Office of National Tax Service among other posts, supports the company's overall risk management from a different perspective to the company's internal audit organization.

**Roles of the Audit Committee** Hyundai's Audit Committee is composed of five independent directors with expertise in various areas including legal, finance, accounting, and future technology. The Committee verifies the legality of the business activities of the directors and management and supervises the soundness and propriety of corporate financial activities and the accuracy of its financial reporting, and also reviews matters stipulated by the GSM related to the selection, change, and dismissal of external auditors, other laws and the Articles of Incorporation, and the operating regulations of the Committee. In addition, the Audit Committee is evaluating the design and operational status of the internal control over financial reporting, and Hyundai's internal control over financial reporting has been evaluated as being effectively designed and operated from the perspective of materiality, based on the Framework for the Design and Operation of Internal Control over Financial Reporting.

**Audit Committee Composition**

| Classification | Independent director | Independent director | Independent director | Independent director | Independent director |
|---|---|---|---|---|---|
| Name | Dal Hoon Shim | Ji Yun Lee | Seung Wha Chang | Suyi Kim | Jim Myong Doh |
| Expertise | Finance, accounting, tax | Future/industrial technology | International trade/legal affairs | Global and finance | Global and business administration |

### Approval of Non-audit Services

Hyundai regularly monitors the independence of its external auditors, and only allows them to conduct non-audit services to the extent that they do not affect their independence. We report any important matters identified during their activities to the Audit Committee and disclose them through quarterly reports. In order to further strengthen the independence of the external auditors, prior approval from the Audit Committee is required as of 2023 when signing a non-audit service contract with an external auditor.

**Non-audit Service Contracts with External Auditors**

| Business Year | Date of Contract | Service Offered | Contract Period | Service Fee (KRW million) |
|---|---|---|---|---|
| 57th | Jun. 23, 2022 | Consulting service for the renewal of the APA between Korea and Canada | From Aug. 5, 2022 until a settlement is reached | 150 |
| | Dec. 20, 2023 | Support for the mutual agreement and bilateral APA between Korea and Spain | From Dec. 20, 2023 until a settlement is reached | 180 |

### Remuneration Committee

**Composition of the Remuneration Committee** Following the amendment to the Articles of Incorporation for the establishment of the Remuneration Committee at the 2019 GSM, Hyundai enacted the Remuneration Committee regulations at the 4th General BOD Meeting. In accordance with BOD's regulations requiring that the majority of the Remuneration Committee to be comprised of independent directors, all three members of the Remuneration Committee are independent directors.

**Roles of the Remuneration Committee** Hyundai's Remuneration Committee helps the company to ensure objectivity and transparency in the remuneration decision-making process for registered directors. It also deliberates and makes decisions on matters related to the limit on remuneration for registered directors and the remuneration system for internal directors.

**Remuneration Committee Composition**

| Classification | Independent director | Independent director | Independent director |
|---|---|---|---|
| Name | Yoon Hee Choi | Dal Hoon Shim | Seung Wha Chang |
| Expertise | Labor law, legal affairs | Finance, accounting, tax | International trade, legal affairs |

### Recommendation Committee on Candidates for Independent Directors

**Composition of the Recommendation Committee on Candidates for Independent Directors**
Hyundai's Recommendation Committee on Candidates for Independent Directors recommends independent director candidates in accordance with the relevant laws, the Articles of Incorporation, and the BOD regulations. The Committee is composed of four directors – three independent directors and one internal director - with independent directors making up a majority of the total number of directors, according to the laws and regulations.

**Roles of the Recommendation Committee on Candidates for Independent Directors**
The Recommendation Committee on Candidates for Independent Directors plays the role of recommending candidates for independent directors prior to a GSM. The Committee recommends candidates who can make substantial contributions to corporate management after carefully examining whether the candidates' professionalism and personal capabilities are in line with the interests of the shareholders, and whether there is a history of their causing damages to corporate value or infringing shareholders' rights.

**Recommendation Committee on Candidates for Independent Directors Composition**

| Classification | Independent director | Independent director | Independent director | Internal director |
|---|---|---|---|---|
| Name | Ji Yun Lee | Jim Myong Doh | Benjamin Tan | José Muñoz |
| Expertise | Future · industry technology | Global and management | Finance, protection of shareholder rights and interests | Overall management |

# Board-centered Management System

## Sustainability Management Committee

**Composition of the Sustainability Management Committee** In 2021, Hyundai established the Sustainability Management Committee by expanding and reorganizing the Corporate Governance & Communication Committee. The Committee is composed of seven independent directors and one internal director, as the functions of the former Corporate Governance & Communication Committee with four members have been expanded. In particular, Director Benjamin Tan provides expert insights on Hyundai's shareholder return value and capital allocation policy as a global financial expert who has worked for GIC (Government of Singapore Investment Corporation).

**Roles of the Sustainability Management Committee** Hyundai's Sustainability Management Committee serves as a practical control tower for its ESG management, with the responsibility and obligation to deliberate and decide on its ESG policies, plans, and major activities. In addition, going beyond the role of the former Corporate Governance and Communication Committee, it discusses major health and safety-related plans and implementation inspections, and the protection of shareholders' rights and interests, which are gradually increasing in importance. The Committee also carries out a variety of activities to improve Hyundai's sustainability management practices internally and externally, such as strengthening the transparency of the Board, expanding communication with shareholders, and checking ethical issues related to employees.

### Sustainability Management Committee Composition

| Classification | Independent director | Independent director | Independent director | Independent director |
|---|---|---|---|---|
| Name | Dal Hoon Shim | Ji Yun Lee | Seung Wha Chang | Yoon Hee Choi |
| Expertise | Finance, accounting, tax | Future/industrial technology | International trade/legal affairs | Labor law and legal affairs |

| Classification | Independent director | Independent director | Independent director | Internal director |
|---|---|---|---|---|
| Name | Suyi Kim | Jim Myong Doh | Benjamin Tan | José Muñoz |
| Expertise | Global and finance | Global and management | Finance and protection of shareholder rights and interests | Overall management |

### Sustainability Management Committee Activities in 2024

| Classification | Date | Agenda | Approval Status | Approval Rate | Attendance |
|---|---|---|---|---|---|
| 1st General Meeting | Jan. 25 | Approval of financial transactions under the terms and conditions agreed with affiliated financial companies | Approved | 100% | 100% |
| | | Approval of transaction limit with interested parties | | | |
| | | Approval of the major social contribution plans for 2024 | | | |
| | | Approval of donations to related parties | | | |
| | | Transactions entered into between the company and directors among others in Q4 2023 | Reported | N/A | |
| | | Transactions entered into with interested parties in H2 2023 | | | |
| | | Social contribution activities undertaken in Q4 2023 | | | |
| | | Employee Code of Ethics implementation review results in H2 2023 | | | |
| | | Compliance Program implementation and future plans | | | |
| | | Governance activities undertaken in H2 2023 | | | |
| Extraordinary Meeting | Mar. 21 | Approval of ESG implementation directions for 2024 | Approved | 100% | |
| | | Own operations and supply chain ESG due diligence results | Reported | N/A | |
| 2nd General Meeting | Apr. 25 | Approval of financial transactions under the terms and conditions agreed with affiliated financial companies | Approved | 100% | |
| | | Re-approval of transactions with an affiliate (seaborn transport of vehicles) | | | |
| | | Transactions entered into between the company and directors among others in Q1 2024 | Reported | N/A | |
| | | Social contribution activities undertaken in Q1 2024 | | | |
| | | Compliance support activities and Compliance Program activities undertaken in Q1 2024 | | | |
| | | Key details of governance NDRs hosted in H1 2024 | | | |
| Extraordinary Meeting | Jun. 4 | Approval of the large-scale insider trading deal (participation in the capital increase of 42dot) | Approved | 100% | |
| 3rd General Meeting | Jul. 25 | Approval of financial transactions under the terms and conditions agreed with affiliated financial companies | Approved | 100% | |
| | | Transactions entered into with stakeholders and between the company and directors among others in H1 2024 | Reported | N/A | |
| | | Social contribution activities undertaken in H2 2024 | | | |
| | | Employee Code of Ethics implementation review results in H1 2024 | | | |
| | | Compliance support and Compliance Program activities undertaken in Q2 2024 | | | |
| | | Governance activities undertaken in H1 2024 | | | |
| Extraordinary Meeting | Aug. 22 | Mid- to long-term strategy and financial goal | Reported | N/A | |
| Extraordinary Meeting | Sep. 30 | Approval of change in the trading period of beneficiary certificates with an affiliate | Approved | 100% | |
| 4th General Meeting | Oct. 24 | Approval of financial transactions under the terms and conditions agreed with affiliated financial companies | Approved | 100% | |
| | | Approval of transactions with affiliates (brand usage fee) | | | |
| | | Approval of transactions with an affiliate (lease of the office building in Gye-dong) | | | |
| | | Transactions entered into between the company and directors among others in Q3 2024 | Reported | N/A | |
| | | Social contribution activities undertaken in Q3 2024 | | | |
| | | Compliance support and Compliance Program activities undertaken in Q3 2024 | | | |
| | | Progress on the 2024 health and safety plan | | | |
| | | Progress on new business operations | | | |
| Extraordinary Meeting | Nov. 27 | Approval of transactions with affiliates (seaborn transport of vehicles) | Approved | 100% | |
| | | Approval of transactions with affiliates (disposal of assets with Kia) | | | |
| | | Approval of participation in the capital increase of an affiliate | | | |
| | | Approval of the updated carbon neutrality strategy of Hyundai Motor Company | | | |

# Shareholder-friendly Management

Hyundai respects the legitimate demands and suggestions of its shareholders and strives to protect their values and interests. We maintain the soundness of our decision-making process and management so that our corporate value can be duly evaluated, while also doing our utmost to ensure that our shareholders' interests and rights are not infringed upon by making management decisions in consideration of the interests of all our shareholders. To this end, we guarantee their basic right to participate in profit distribution, attend GSMs and exercise voting rights, and receive information in a regular and timely manner as stipulated in the Commercial Act. Moreover, we make active efforts to communicate with our shareholders through NDRs and other various IR activities, and thus provide them with information in a transparent manner.

## General Shareholder's Meeting (GSM)

### Status of Stock Issuance

Hyundai's total number of issued shares is 271,427,974, consisting of 209,416,191 shares of common stock and 62,011,783 shares of preferred stock. According to the Articles of Incorporation, the total number of shares that can be issued is 600,000,000 shares (par value of one share: KRW 5,000), of which 150,000,000 shares of preferred stock without voting rights can be issued. As of the end of 2024, three types of preferred stocks are issued in addition to common stocks, but the rights for the distribution of residual assets, redemption, conversion, etc. are not provided for preferred stocks. No preferred stockholder's meeting has been held for the past three years.

**Stock Issuance Status**

| Classification | | Authorized Shares | Shares Issued | Note |
|---|---|---|---|---|
| Common stocks | | 450,000,000 | 209,416,191 | With voting rights |
| Preferred stocks | Preferred stocks | 150,000,000 | 23,871,988 | Without voting rights |
| | 2 Preferred stocks | | 35,759,391 | Without voting rights |
| | 3 Preferred stocks | | 2,380,404 | Without voting rights |

* As of the end of 2024

### GSM Convocation and Notice

By the CEO pursuant to a BOD resolution, Hyundai convenes a regular general shareholder's meeting (GSM) within three months after the end of each accounting period, and extraordinary shareholder's meeting (if necessary). Unless all shareholders agree, no other resolutions can be made apart from those of which they are notified in advance. When convening a GSM, a notice or electronic document stating the purpose of the meeting must be sent to each shareholder at least two weeks prior to the meeting date. However, in accordance with the provisions of the Commercial Act, the notice to shareholders holding a certain number of shares or less may be substituted by a public announcement on the electronic disclosure system or other methods. Hyundai has improved its work process in order to provide shareholders with information related to GSM within a sufficient period of time, and since 2020 it has issued each convocation notice four weeks before the GSM concerned.

### GSM Resolution (One Share, One Vote)

In accordance with the Commercial Act and the Articles of Incorporation, Hyundai grants one equal voting right per share owned by its shareholders according to the type and number of stocks held by them. Unless otherwise provided by law, GSM resolutions are made by a majority of the voting rights of the shareholders present, who must hold at least a quarter of the total number of issued stocks. Shareholders may exercise their voting rights with other shareholders serving as their proxy, and the proxy must submit a document proving their proxy right to the company prior to the opening of a GSM.

### Exercise of Shareholders' Voting Rights and Their Delegation

At Hyundai's GSM, voting rights are exercised through the shareholders' direct participation or by proxy, or by solicitation of the proxy exercise of voting rights. In order to secure a quorum for GSM resolutions and facilitate the smooth operation of a GSM on the principle of 'one share, one vote', the power of attorney form is issued to the shareholders directly, posted on the internet homepage, or sent by e-mail.

We introduced an electronic voting system at the 52nd GSM to facilitate our shareholders' voting rights. Furthermore, we are making efforts to disclose information in a transparent manner by disclosing the number of shares for and against each item of agenda at each GSM

### Appointment of Directors as an Individual Item of Agenda

Hyundai proposes the appointment of directors as an individual item of agenda, and they are appointed with the consent of the majority of the shareholders present at a GSM.

**The 57th GSM (March 2025)**

| Agenda Items | | | Whether approved |
|---|---|---|---|
| Approval of financial statements | No. 1 | Approval of the 57th financial statements | Approved as proposed |
| Some amendment of the Articles of Incorporation | No. 2-1 | Addition of a new business purposes | Approved as proposed |
| | No. 2-2 | Improvement of quarterly dividend payments | Approved as proposed |
| | No. 2-3 | Supplementary provisions (Mar. 20, 2025) | Approved as proposed |
| Appointment of directors | No. 3-1-1 | Appointment of an independent Director (Suyi Kim) | Approved as proposed |
| | No. 3-1-2 | Appointment of an independent Director (Jim Myong Doh) | Approved as proposed |
| | No. 3-1-3 | Appointment of an independent Director (Benjamin Tan) | Approved as proposed |
| | No. 3-2-1 | Appointment of an internal director (Euisun Chung) | Approved as proposed |
| | No. 3-2-2 | Appointment of an internal director (Eunsook Jin) | Approved as proposed |
| Appointment of an Audit Committee member | No. 4-1 | Appointment of an Audit Committee Member (Suyi Kim) | Approved as proposed |
| | No. 4-2 | Appointment of an Audit Committee Member (Jim Myong Doh) | Approved as proposed |
| Approval of ceiling amount of director's compensation | No. 5 | Approval of ceiling amount of director's compensation | Approved as proposed |

**Share Ownership**

Total

209,416,191




| Shareholder name | Type of stock | Ownership (%) | No. of shares |
|---|---|---|---|
| 1 Hyundai MOBIS | Common stock | 21.86 | 45,782,023 |
| 2 National Pension Service | Common stock | 7.54 | 15,794,905 |
| 3 Mong-Koo Chung | Common stock | 5.44 | 11,395,859 |
| 4 THE GOVERNMENT OF SINGAPORE | Common stock | 3.55 | 7,431,211 |
| 5 Euisun Chung | Common stock | 2.67 | 5,598,478 |
| 6 Employee's Stock Ownership Association | Common stock | 2.58 | 5,394,300 |
| 7 Others | Common stock | 56.36 | 118,019,415 |

* As of the end of 2024
** There are no golden shares owned by any government institution.
*** The number of shares owned by the National Pension Service is based on the latest register of shareholders (as of the end of 2024), and it may differ from the actual stock ownership status.

# Shareholder-friendly Management

## Shareholder Return

### Shareholder Return Policy

To enhance shareholder value, Hyundai has been paying dividends of which size is determined in consideration of the company's investment for sustainable growth, business performance, and cash flow. To elevate shareholder value and earn greater shareholder trust, we disclosed our 'mid- to long-term shareholder return policy' on April 25, 2023. Under this policy, we aim to reach a dividend payout ratio of at least 25% of annual consolidated net income attributable to controlling interests (including preferred shares) to increase the visibility and stability of dividends. We have been paying quarterly dividends since the second quarter of 2023, and are implementing a proactive share cancellation policy by retiring 1% of our treasury shares each year over the next three years, which is equivalent to 3% of the total number of outstanding shares. Also, during the CEO Investor Day hosted on August 28, 2024, we announced our Value-up Program reflecting our confidence in improving fundamentals and the strong commitment of the BOD and top management to enhance shareholder return. This program will steer our efforts to achieve at least 35% in total shareholder return (TSR: dividends + share repurchase/cancellation) from 2025 to 2027, pursue an average ROE of 11-12% over the three years, pay a minimum annual dividend of KRW 10,000 (KRW 2,500 per quarter), and buyback KRW 4 trillion of treasury shares over the period of three years, driving our sustained commitment to elevating shareholder value.

On the BOD meeting day when the Board's decision is made to implement dividends, we disclose it to the stock exchange and provide detailed information about dividends through our regular reports to keep our shareholders informed. In addition, we amended the Articles of Incorporation at the 55th General Shareholders Meeting to allow the BOD to designate the record date for year-end dividends. A similar amendment was made at the 57th General Shareholders Meeting so that the record date could be set for quarterly dividends as well, further enhancing shareholder convenience. The details of the dividends issued for the past three years are as follows:

**Shareholder Return Trend for the Past 3 years**

| Business Year | Stock Type | Stock Dividend | Cash Dividend | | | Payout Ratio |
|---|---|---|---|---|---|---|
| | | | Dividend Per Share (KRW) | Total Dividend (KRW million) | Dividend Yield | Consolidated Basis |
| 2024 | Common stock | - | 12,000 | 2,439,175 | 5.6% | 25.1% |
| | Preferred stock | - | 12,050 | 262,442 | 7.9% | |
| | 2 Preferred stock | - | 12,100 | 418,010 | 7.7% | |
| | 3 Preferred stock | - | 12,050 | 28,213 | 7.9% | |
| 2023 | Common stock | - | 11,400 | 2,320,806 | 4.7% | 25.1% |
| | Preferred stock | - | 11,450 | 251,054 | 7.4% | |
| | 2 Preferred stock | - | 11,500 | 399,821 | 7.3% | |
| | 3 Preferred stock | - | 11,450 | 26,975 | 7.5% | |
| 2022 | Common stock | - | 7,000 | 1,412,321 | 4.5% | 24.9% |
| | Preferred stock | - | 7,050 | 154,579 | 8.8% | |
| | 2 Preferred stock | - | 7,100 | 246,846 | 8.8% | |
| | 3 Preferred stock | - | 7,050 | 16,609 | 9.1% | |

## Communication with Shareholders

### Transparent Information Disclosure

The disclosures made by Hyundai can be found on its website and through various disclosure/inquiry systems such as DART and KIND. In 2024, we submitted a total of 196 disclosures, including five voluntary disclosures outlining our Value-Up program and changes in the record date for dividend payments as well as 19 fair disclosures relating to operating results and earnings outlook, offering stakeholders a broad range of information about the company. Furthermore, we operate a separate English website for foreign shareholders and stakeholders, have been issuing disclosures in English since even before it was made a mandatory requirement, with the aim of strengthening communication with our foreign shareholders. Such efforts to strengthen disclosure practices were widely recognized as we were named a top-performer for disclosures in the KOSPI market by the Korea Exchange in 2024. Going forward, we will make continuous efforts to ensure faithful and transparent disclosure of information, offer management guidance, and expand the release of English materials for overseas investors.

### Revamping the IR Website

To ensure stakeholders easily access and navigate our IR website, we overhauled our IR website at the end of 2023 by comprehensively incorporating feedback from shareholders, investors, analysts, and other market participants. We will further upgrade our IR website to meet evolving market needs.

### Corporate Briefings

Hyundai holds corporate briefings in January, April, July, and October to announce its annual, first quarter, first half, and third quarter business results, respectively.

Starting with the announcement of the Q1 2020 earnings, Hyundai has been providing live webcasts that are accessible to all shareholders to enhance investor relations (IR). We also have been hosting a CEO Investor Day since 2019 to present mid- to long-term management goals and improve investors' understanding. Meanwhile, we are actively engaging with our shareholders by hosting meetings with our investors and involving top management when necessary.

Investor Relations Events

### Governance Non-Deal Roadshow

We host annual governance Non-Deal Roadshows (NDR) where independent director responsible for protecting shareholder rights and interests engage directly with shareholders to communicate Hyundai's governance improvement efforts and sustainability management activities and goals. Looking ahead, we will hold regular NDR events to proactively share our ESG management progress and achievements with the market.

### CEO Investor Day

In August 2024, we hosted CEO Investor Day to unveil our 2030 mid- to long-term strategy. This strategy embodies our commitment to shape a new future through the two pillars of Mobility and Energy while ensuring agility in navigating the market landscape by leveraging the 'Hyundai Dynamic Capabilities' which enable us to flexibly respond to uncertain market conditions to build sustainable leadership. We plan to invest a total of KRW 120.5 trillion for the next 10 years, including KRW 51.6 trillion allocated for building new EV plants and infrastructure. As to the Hyundai Dynamic Capabilities, we will increase our hybrid lineups from the current 7 to 14 while expanding the application of our next-generation hybrid system (TMED-II) and rolling out EREV models in North America and China. Meanwhile, we plan to build a full EV lineup, spanning from mass-market models to luxury and high-performance ones, by 2030 while building a total of 21 models to provide consumers with a broader range of choices. Regarding mobility, we will transit to the SDV paradigm to enable continuous upgrades in functionality and services based on vehicle data and AI, and pursue the SW-centered transition to connect a range of mobility services including SW platform-based AAM (Advanced Air Mobility) and robotics. In the EV energy realm, we aim to deliver solutions across the entire EV lifecycle from charging for our EV customers to battery recycling while establishing a hydrogen ecosystem offering end-to-end solutions throughout the entire hydrogen value chain from hydrogen production to application through Hyundai Motor Group's combined capabilities, expediting our collective journey towards a hydrogen society.

# Ethics and Compliance Management

Hyundai strives to fulfill its economic and legal responsibilities to all of its stakeholders – including customers, shareholders, suppliers and local communities – by practicing and spreading ethical management activities and promoting fair trade compliance. The Sustainability Management Committee, which was expanded through restructuring in March 2021 and is operating under the BOD, is responsible for making decisions in relation to key ethical management policies and amendments to the Code of Conduct in addition to overseeing ethical management. The Ethics Charter and the Employee Code of Conduct have been established to assist employees in conducting business ethically and raising awareness on compliance through the online compliance support system, self-reviews, guidelines, and newsletters. Moreover, we are spreading the management's determination to strengthen fair trade compliance throughout the company and conduct regular employee education.

## Spreading Ethical Management

### Ethics Charter

Hyundai has established the Ethics Charter with the aim of setting an example as a global leading company that conducts its business based on the principles of ethics and compliance. The following Five Guiding Principles of the Hyundai Motor Group Ethics Charter serve as the guidelines on ethical management which Hyundai employees must follow to when dealing with various stakeholders such as customers, shareholders, suppliers, and members of local communities.

**Five Guiding Principles at Hyundai Motor Group Ethics Charter**

1. We shall perform our duties based on clear and transparent standards, and do our utmost to fulfill our responsibilities with integrity.
2. We shall compete fairly in the market and conduct business ethically with parties that engage in contractual relationships with us.
3. We shall provide safe products, exceptional services and accurate information, and we rigorously protect personal information to increase customer value.
4. We shall respect our members as independent individuals, and to this end, we provide fair working conditions and safe working environments.
5. We shall contribute to sustainable development by fulfilling our social & environmental responsibilities as a member of society, so that diverse stakeholders may prosper together in harmony.

### Ethics Charter & Code of Conduct

Hyundai Motor Company Ethics Charter and Code of Conduct is designed to increase ethical awareness among its employees by providing them with specific procedures and measures related to the implementation of ethical management. Ethics Charter & Code of Conduct specifically covers corruption and bribery, discrimination, information confidentiality, conflicts of interest, antitrust/anti-competitive practices, money laundering and insider trading, environment, health and safety, and whistleblowing.

Hyundai Motor Company Ethics Charter and Code of Conduct

### Anti-Corruption & Bribery Policy

Anti-Corruption & Bribery Policy of Hyundai Motor Company was enacted in June 2021 to prevent risks associated with corruption and bribery and guide its members towards upholding ethical and moral values. The policy includes such guidelines as the prohibition of all forms of bribery and solicitation, the eradication of facilitation payments, the prohibition of political donations and sponsorships, and rules on charitable donations and sponsorships in accordance with the company's standards and procedures. It also contains a clause which stipulates that the company shall establish a reporting system accessible to all employees and stakeholders to monitor corruption and bribery risks at all times and to take the necessary measures immediately in the event of violations.

Hyundai Motor Company Anti-Corruption & Bribery Policy

### Prevention and Monitoring Program for Code of Ethics Violations (Anti-Corruption/ Bribery)

Hyundai strives to ensure that its employees and suppliers can continue to conduct transparent and fair transactions by addressing bribery and conventional fees, including rebates, in its Ethics Charter & Code of Conduct and Anti-Corruption & Bribery Policy. We also promptly provide education on the Code of Ethics (anti-corruption/bribery) to employees requiring refresher compliance education, including newly-appointed executives, new hires with/without previous work experience, and expatriates awaiting assignment. This helps these employees remain vigilant against corruption/bribery and prevent relevant risks. In 2024, anti-corruption/bribery education was conducted on 26 occasions in total.

Besides, legal advice is provided as needed in relation to anti-corruption/bribery through the compliance management support system. This enables our employees to double-check in advance whether their work may potentially violate the Improper Solicitation and Graft Act or constitute occupational breach of trust/embezzlement, preventing anti-corruption/bribery risks in the process. The Compliance Support Advice Center is also up and running (system, phone, email) to receive whistleblower reports on Employee Code of Ethics violations. Semi-annual regular audits and ad-hoc audits are conducted each year to assess compliance with the Employee Code of Ethics, and the results are reported to the Sustainability Management Committee under the BOD.

### Procedures to Address Reports on Code of Ethics Violations(corruption/bribery) and Handle Such Violations

To disseminate ethical and compliance management and prevent relevant risks, we operate the Compliance Support Advice Center under the compliance management system to support employees in their compliance work and facilitate reporting of regulatory non-compliance. The audit office is the dedicated department responsible for receiving whistleblower reports on ethical management violations. These include issues such as unfair trade practices, improper solicitation or provision of money, valuables, or entertainment, abuse of authority, and acts of solicitation, using the Cyber Audit Office and other reporting channels. To encourage whistleblowing, we protect the anonymity of whistleblowers and grant relief from liability. Also, in accordance with Article 12, Paragraph 2 of the Guidelines for the Compliance Control, Hyundai regularly provide compliance education to employees, and through this, Hyundai provide information on the reporting channels, such as the Cyber Audit Office, One Click HR, and the Compliance Support Advice Center.

The lead department receiving a report verifies its details, and either forwards the case to relevant departments or conducts direct reviews before communicating corresponding corrective or disciplinary action to the responsible department, which takes appropriate action based on feedback from the lead department.

In accordance with Article 11 of the company's internal rules relating to workplace ethics, entitled "Disciplinary Actions for Violations of the Code of Ethics," violators of the Code are dealt with in accordance with the regulations of the Internal Disciplinary Committee, and may be subject to disciplinary measures such as dismissal, suspension, or a reduction of their salary. The department receiving a report on the violation of the Code of Ethics documents the findings of the investigation in writing and immediately communicates such findings to the HR department, which then reviews the information and determines whether disciplinary action is warranted as per the regulations of the Internal Disciplinary Committee. If a supplier is involved, appropriate actions are taken depending on the severity of the issue at hand, including suspension of business relationships or compensatory action.

**Procedures to Address Reports on Code of Ethics Violations (corruption/bribery) and Handle Such Violations**

1. **Receive a report** : Online (Cyber Audit Office), phone, etc.
   ※Ensure adherence to the whistleblower protection policy
2. **Conduct preliminary investigations** : Verify the details of the report and secure evidence
   ※Report the preliminary investigation plan and gain approval before proceeding
3. **Conduct audits** : Verify factual grounds by investigating individuals involved, relevant departments, and suppliers among others
4. **Request action** : Develop improvement plans (reoccurrence prevention measures), submit internal reports requesting disciplinary action, and deliver opinions to relevant departments

**Reporting Channels**



Cyber Audit Office
Hyundai Motor Company Cyber Audit Office



By Phone
+82-2-3464-3500



By Fax
+82-2-3464-8813



By Mail
Hyundai Motor Group Audit Office

# Ethics and Compliance Management

## Disciplinary Action against Non-compliance with the Code of Ethics

In 2024, Hyundai took disciplinary action (such as dismissal, suspension, reduction of salary, reprimand, warning, etc.) in 8 cases related to corruption or bribery, discrimination and harassment, misuse of customer privacy data, conflicts of interest, and money laundering or insider trading.

| Classification | No. of disciplinary action |
|---|---|
| Corruption or bribery | 5 |
| Discrimination or harassment | 3 |
| Customer privacy data | 0 |
| Conflicts of interest | 0 |
| Money laundering or insider trading | 0 |

## Protection of Whistleblowers

Hyundai guarantees the protection of whistleblowers related to employee business ethics and compliance in its Ethics Charter & Code of Conduct, and internal rules relating to workplace ethics regulations, while complying with the relevant laws. Measures to protect whistleblowers include keeping whistleblowers and their related information confidential, and strictly prohibiting any disadvantages or retaliatory acts against them. If a person who violated the Code of Ethics is found to have attempted to retaliate against a whistleblower, identify the whistleblower, or inflict secondary harm, this could be subject to aggravated disciplinary action in accordance with Article 9 of Chapter 3 (Handling of violations of the regulations) of the regulations on workplace ethics. In the course of investigation, both accused parties and witnesses are informed of the principle of zero tolerance towards retaliation, and we do our utmost to protect whistleblowers and maintain their confidentiality.

### Protection of the informant

| | |
|---|---|
| 1. Confidentiality | Personal information of the informant cannot be disclosed to the public without the informant's consent. |
| 2. Guarantee of status | The employer or relevant department is prohibited from imposing any disadvantages or discriminating against the informant because of supplied information, statements and submission of evidence. |
| 3. Reduction or exemption of liabilities | If any mistake or negligence of the informant is discovered during the investigation process, the liabilities of the information for such faults or negligence may be reduced or waived. |

## Internalization of Ethical/Compliance Management

**Employee Performance Management and Promotion** Hyundai includes items related to workplace ethics in its employee competency evaluation. The core elements of the evaluation include respect for talent and compliance with the established norms, while the evaluation of leaders' competency also includes their principles and convictions. In addition, when reviewing employees' prospects for promotion, we exclude from promotion those who have received severe penalties related to ethics/compliance, which is a common deliberation item for promotion and a mandatory item that is applied equally to all our executives and employees.

**Compliance and Ethical Management Pledge** We annually have our employees sign the compliance and ethical management pledge to assist them in abiding by the Code of Conduct in their daily routine.

## Due Diligence on Ethical Management

Hyundai conducts due diligence for ESG risk assessment covering ethics-related indicators on domestic operations including the Headquarters, R&D Center, and production plants as well as on regional headquarters, R&D Center, and production plants across Europe, North America, Central and South America, India, and China. Annual on-desk assessments are made on our entire operations based on supporting documents, and on-site reviews are performed by third-party experts at production plants every three years.

We designed ethical management assessment indicators based on our Ethics Charter and Code of Conduct, while also comprehensively considering assessment indicators adopted by domestic/international standards and industry initiatives. These indicators are used in reviewing a wide range of areas including whistleblowing channels and case handling procedures for ethical misconduct, whistleblower protection, data privacy, and information security as well as the overarching ethical management system spanning the development of ethics principles and regulations, education and communication, and updates on organizational R&Rs. Review results help us share best practices from high-performing business sites with outstanding ethical management systems and processes, encouraging their peers to drive performance improvement.

### Process to Conduct On-site Ethical Management Due Diligence

| | |
|---|---|
| Indicator design | • Design indicators by considering HMC's Ethics Charter and Code of Conduct as well as domestic/international standards and initiatives |
| On-desk assessment | • Assess the level of the ethical management system established and its specific management procedures based on supporting documents |
| On-site audits | • Conduct on-site audits including worker interviews to review actual management practices |
| Analysis of results | • Identify areas requiring improvement based on on-desk assessment/on-site due diligence results |
| Improvement measures | • Develop and implement improvement measures based on findings |

## Compliance Management & Compliance Support System

### Compliance Management

Compliance management embodies the management spirit by which the company pursues transparent and fair business performance in order to comply with the established norms and uphold sound business ethics in its management and corporate activities. Hyundai established its compliance control standards for compliance management in 2012, and since then it has introduced a compliance support system under the Commercial Act including the appointment of the Chief Compliance Officer, while carrying out various compliance support activities.

### Compliance Support System

**Compliance Control Regulations and Policies** The Compliance Control Standards prescribe the standards and procedures for compliance control which the company's executives and employees must comply when performing their duties in order to ensure that the company complies with the laws and regulations and executes its corporate management practices properly. Hyundai conducts compliance support activities based on its own compliance control standards. In addition, through its own Ethics Charter and Code of Conduct, Hyundai presents the standards for the conduct of its executives and employees, while ensuring that they comply with the company's other compliance-related policies, such as the Anti-Corruption/Bribery Policy and the Personal Information Protection Policy.

**Compliance Support Organization** At Hyundai, the Chief Compliance Officer is in charge of compliance support activities to prevent legal risks and report the details and results of the effectiveness evaluation to the board of directors on a regular basis. Furthermore, we appoint each departmental head as the compliance officer of his or her respective department so that he or she can carry out compliance control activities within the department.

**Monitoring** Hyundai conducts compliance self-checks in various legal areas, including fair trade, anti-corruption and personal information protection, to help each department, executive and employee assess the legal risks related to their work. Additionally, we communicate any identified risks to each department to facilitate improvements. In 2024, compliance self-reviews were conducted in alignment with the education topics covered by the Fair Trade Compliance Program Academy, our fair trade education program. In the first and second quarters, department-level self-reviews were performed in relation to greenwashing and management intervention, with 100% participation from all departments subject to such reviews. In the third and fourth quarters, individual compliance self-reviews were conducted for all executives and senior manager on the topic of fair business conduct. Furthermore, HMC conducted separate compliance self-reviews of executives and employees in high-risk departments (procurement/sales/finance) regarding fair trade. To this end, we develop self-review items reflecting the distinctive characteristics of each function to continuously identify and address risks that may occur at the working-level.

# Ethics and Compliance Management

### Providing Information for Compliance Management

**Distribution of Compliance Guides** Hyundai publishes approximately 40 compliance guides for each business area to inform employees of the relevant laws and regulations, their key contents, and response strategies. In 2024, the Fair Trade Compliance Guide was revised twice to promptly reflect the amendments to fair trade-related laws and regulations, and a greenwashing appendix was also added to respond to greenwashing regulations. In addition, we have distributed the Fair Trade Compliance Leaflet (Key Points for the Fair Trade Compliance Guide)' which summarizes the core contents of the Fair Trade Compliance Guide, so that the Fair Trade Compliance Guide can be more actively utilized when performing work.

### Diffusion of Compliance Culture

Hyundai aims to promote a culture of compliance by adopting diverse approaches and distributing the relevant contents. Through the online system, we provide legal advice, contract reviews, and compliance consultation to our employees at all times, while providing standard contracts (32 Korean contracts, 20 English contracts) for each business area to ensure that our employees can perform their duties in compliance with the law. In 2024, Hyundai conducted compliance event with participation from all employees twice a year so that employees could become familiar with compliance activities. As part of the efforts to expand compliance across overseas operations, Hyundai also provided localized personal information manuals to Indian and Indonesian subsidiaries, conducted face-to-face education, and supported compliance program inspections.

### Evaluation of the Effectiveness of Compliance Control System

Hyundai has a third-party evaluation regularly whether its compliance control standards and related systems are effectively designed and operated to prevent or detect legal risks in a timely manner, and undertakes improvement activities based on the results of the evaluation.

## Compliance Program

### Implementing Compliance Program

Hyundai promotes fair and transparent management starting with its CEO's commitment to compliance program (CP) in the first and second half of every year. In this way, Hyundai spreads its top management's strong CP commitment to all of its employees in addition to getting its own Guidelines on CP, which are applied to their actual work performance.

In addition, we appoint a CP officer at a BOD meeting to manage and supervise the company's overall performance in terms of fair trade. In order to strengthen the responsibilities and obligations of each business site, we report the fair trade compliance operation performance and plans for the following year to the Sustainability Management Committee, a committee under the Board, on a quarterly basis while fostering a CP culture by offering various fair trade education and newsletters company-wide.

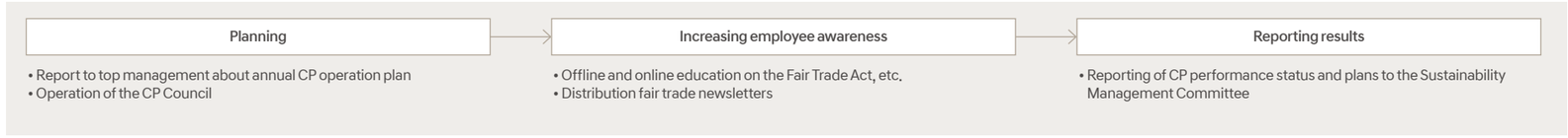
### Fair Trading Education

Hyundai regularly conducts various fair trade-related education for employees. In 2024, we provided our entire workforce including general, research and legal staff with online compliance education on the topic of abuse of superior bargaining position (power harassment), and hosted quarterly Fair Trade CP Academy sessions for members of the CP Council, compliance personnel, and departments related with education topics to conduct fair trade and compliance education tailored to the needs of different functions, strengthening communication between the compliance support organization and compliance managers and keeping track of relevant risks. Meanwhile, bimonthly compliance newsletters were published for all employees. These newsletters were dramatically reformatted from paragraphs into a more accessible card news format, consisting of approximately 10 cards. In addition, compliance newsletters were produced and published for executives three times a year.

**Fair Trading Education Provided**

| Year | Number of training sessions | Number of participants |
|---|---|---|
| 2024 | 11 | 28,341 |

**CP Implementation Process**




### Compliance Education

In accordance with our fair trade compliance education implementation guidelines (Article 7 Implementation of education), we provide education tailored to the specific needs of each group. Such customized education covers special education programs designed for high-risk departments, executives and senior management, and those who violated the Compliance Program. High-risk departments include procurement, sales, finance and other departments that frequently apply fair trade regulations to their day-to-day work. In 2024, in-person education was conducted for the procurement division in relation to technical materials, a sub-topic under subcontract regulations. The session was broadcast live online and was attended by nearly 395 employees from the division.

### Evaluation of the Effectiveness of the Fair Trade Compliance Program

We evaluate the effectiveness of our fair trade compliance program more than twice a year to ensure this program is implemented effectively to achieve its intended goal of preventing regulatory non-compliance. Since the effectiveness evaluation was conducted in 2023 based on the 'CP operating regulations and effectiveness evaluation guidelines', the evaluation subjects and methods have been continuously improved. Additional improvements have been also made by incorporating feedback from third-party organizations.

# Risk Management

Hyundai is facing a rapidly changing internal and external business environment due to the shifting technology paradigm such as electric vehicles, autonomous driving, and connectivity, along with increased geopolitical, economic, environmental, social and legal risks. While this new technology paradigm presents opportunities for Hyundai to become a global leader, it also introduces risks associated with uncertainty. In response, we established the Business Risk Management (BRM) Group as an organization dedicated to the systematic management of company-wide risks in 2023. The company continues to strengthen its risk management system by conducting performance evaluations and providing employee training linked to key risk indicators. We are committed to transforming crises into opportunities based on our thorough analyses of core risks and our continuous efforts to enhance our risk management processes.

## Global Risk Management System

### Risk Governance

To manage risks proactively, the BOD, executives, and employees participate in the process of risk identification, assessment and prioritization according to their respective roles and responsibilities.

**BOD Level** The BOD, as the company's highest decision-making body, is responsible for its business strategy and electric vehicle expansion strategy, etc., which are designed to address future risks and opportunities, as well as for managing and overseeing future risk factors. Furthermore, to proactively mitigate and prevent risks in the sustainability area, the company's sustainability risk response tasks and its implementation status are agendized, approved by and reported to the Sustainability Management Committee(hereafter SMC) under the BOD. In 2024, seven sustainability risk response tasks were selected and approved by SMC which include establishing EU Taxonomy data calculation methods and system, analyzing and calculating climate risks and its financial impact in response to the growing demand for financial performance disclosures associated with sustainable economic activities, and strengthening sustainability risk review process when making new investments.

**Executive Level** The Senior Vice President of Strategy & Governance is in charge of the company's overall risk management. The Management Committee, composed of C-level executives including the CEOs, convenes Management Committee Meeting (MCM) each month in order to discuss and devise countermeasures to significant risks that could affect the entire organization.

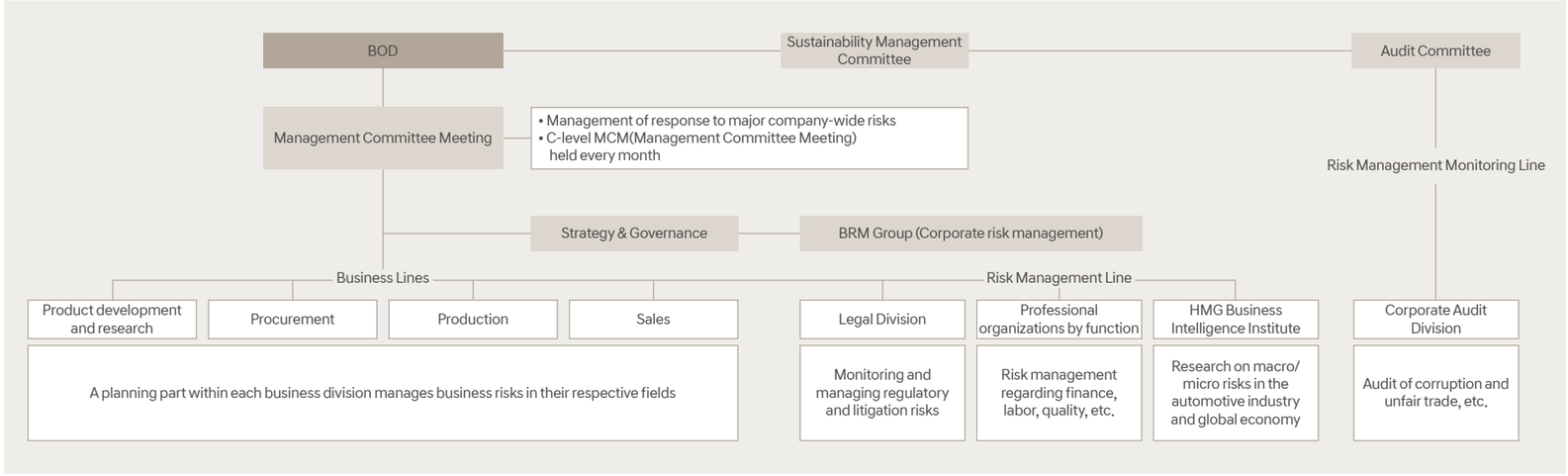
**Dedicated Organization** Established in 2023, the Business Risk Management (BRM) Group is responsible for company-wide risk management. Selected risk managers within the company's business divisions are responsible for managing risks within their respective divisions.

**Audit Organization** The Corporate Audit Division established under the Audit Committee, performs an independent internal audit function in order to ensure the effectiveness of our risk management and compliance processes. In 2024, we continued to monitor and audit the effectiveness of our internal management system for risks such as corruption and unfair trade, and our compliance processes.

**Risk Organization by Division** Hyundai operates a division-segmented risk management system in addition to its company-wide approach. Risk managers, selected from among the planning teams within each division organized by the value chain (R&D, procurement, production, and sales), identify and manage risks within their divisions. For sales, the organization is segmented by region, including the Americas, Europe, Asia, and China. The planning teams responsible for each region focus on identifying and managing market risks arising in their respective markets. Additionally, risk-related organizations that operate independently of the value chain business divisions include the Legal Division which manages legal and litigation risks; various specialized functional organizations that manage finance, labor, and vehicle quality; the HMG Business Intelligence Institute, which is responsible for macro- and micro-market risk analysis; and the Corporate Audit Division within the Audit Committee, which conducts continuous monitoring of risks related to corruption and unfair trade.

To boost the efficiency of each division's risk management system, Hyundai has established a risk identification and reporting procedure for employees. Once identified, risks are managed in the order of identification and check, report, and preemptive response through weekly/monthly/ongoing risk and task review meetings.

**Risk Management System**



# Risk Management

## Our Approach to Risk Response

To bolster our comprehensive capabilities to respond to the increasingly tightening safety and environmental regulations, we have been enhancing environmental management, pursuing the electrification of our products and business structure, advancing the resource circulation system, and strengthening the safety management system, demonstrating our commitment to keeping our risk response system up to date through the rigorous analysis of global markets. This commitment to move towards sustainable growth through more effective and efficient risk and opportunity management system is incorporated in the 2030 strategy that we established as our new future business strategies in 2024, and the Hyundai Way, which defines how we work.

The 2030 strategy represents Hyundai's unique flexible response system aimed at proactively identifying and promptly addressing risks and opportunities arising from uncertain market conditions to secure sustainable leadership. This strategic initiative is underpinned by the two pillars of mobility and energy. Ensuring agile response to future risks and opportunities through the 2030 strategy, we will move beyond vehicle manufacturer to the mobility services provider, and maximize opportunities presented by hydrogen to reinforce our role as an energy mobilizer.

The Hyundai Way defines Hyundai's distinctive way of working adopted to respond to risks and opportunities, and comprises five focus areas and 10 specific ways: the five focus areas of Customer, Challenge, Collaboration, People and Globality, set the direction for how we respond to risks and opportunities, and the 10 ways such as safety and quality, tenacity, resilience, and data-driven thinking provide us with the attitudes and principles guiding our response to risks and opportunities in day-to-day operations.

## Operation of Risk Review and Assessment

Hyundai operates a risk review and assessment process to proactively identify and address risk factors across the entire business. The BRM Group, a dedicated risk management organization, assesses and reviews risks and the operational response system for the identified risks. In cases where the risk response system is inadequate or absent, the BRM Group takes measures to define the roles and responsibilities (R&R) among internal risk response organizations to ensure there are no gaps in risk response.

In addition, the Management Committee Meeting, which includes C-level executives such as the CEOs, reviews the results of risk impact analysis each month (12 times a year) and establishes response plans. In particular, we focus on proactively preventing and mitigating major risks, as inadequate responses can result in restrictions on our business activities and significant financial losses.

The Sustainability Management Committee under the BOD which is our highest decision-making body is briefed on key sustainability risks and our response priorities on a semi-annual basis while monitoring the progress made in addressing respective priorities. The Corporate Audit Division under the Audit Committee audits our internal system to respond to such risks as corruption and unfair trade at least twice a year, establishing and operating an effective internal risk review and audit system. In addition to the internal inspection and audit system, we conduct external reviews on our internal risk response strategies and processes. The external reviews are conducted by consulting firms at least twice a year.

## Remuneration System Linked to Key Indicators

The KPIs of C-level executives, including the CEOs and the CFO, include financial risk indicators such as global profit and loss management, and non-financial risk indicators such as market share, new car quality issues, and whether they meet electric vehicle sales targets. Based on these management's KPI indicators, performance evaluations are conducted annually, and performance evaluation results are also linked to a remuneration system that includes incentives for management.

In particular, CFO's KPIs includes not only financial risk indicators such as global profit and loss, sales and cash flow but also non-financial indicators such as market share, particularly market indicators, electric vehicle sales expansion, price competitiveness (cost reduction), stock price and sustainability evaluation.

Major risk indicators including the sales of electrified vehicles, achievement of fleet average carbon emission or fuel efficiency regulation target, expansion of human resources for future business, achievement of a site specific greenhouse gas emission targets, vehicles recall, etc. are reflected in the KPIs of related divisions. KPI results, which are organizational performance evaluations, are reflected in the evaluation of not only the heads of divisions but also the executives of business division heads. When entering personnel evaluation goals for team leaders and team members in each division, the KPI indicators are directly or indirectly reflected to the performance and compensation system of the executives and employees of the relevant division, as they are linked with the goals of the executives.

## Risk Criteria in the Product Development

Hyundai manages product development risks based on the risk criteria for each stage of product development and approval. Particularly, Hyundai identifies risks that need to be checked in each process, ranging from basic performance checks to mass production checks at actual factories, and then decides on the mass production of the vehicle model in question.

The main risk check criteria are divided between the research institute and the production plant. At the research institute, these include 'building and inspecting prototype vehicles to check and eliminate the risk of product function failures/malfunctions' and 'checking and eliminating the risk of parts assembly problems in the virtual environment of vehicle mass production.' As for the production plant, the criteria include 'checking and eliminating the risk of parts assembly problems under the conditions of the mass production environment in the actual factory' and 'checking and eliminating risks that may occur during mass production.' All four risk criteria are verified before a vehicle enters mass production.

## Company-Wide Risk Training

To enhance the independent directors' understanding of our business and strengthen their expertise in risk oversight, we conduct annual seminar-based training on topics such as business status, ESG risks, diversity, and risks related to new businesses. In 2024, such training covered Hyundai's risk management system and updates on key risks, Hyundai Motor Group's hydrogen vision and hydrogen business strategy, company-level responses to the tightening ESG disclosure regulations, and the necessity for supply chain human rights risk management for the purpose of complying with regulations such as EU Anti-Forced Labor Regulation.

We provide all employees with training on our risk response approach anchored on the 2030 strategy that were set forth in 2024 as our company-wide strategies and Hyundai way, which defines how we work to address future risks and opportunities. We do this with a range of training tools, from online training and workshops to sharing Hyundai Way best practices across the board and rewarding Hyundai Heroes for their exceptional performance in championing the Hyundai Way, to ensure the 2030 strategy and the Hyundai Way are communicated among all employees and embedded into their daily operations. Aside from this, we have provided working-level employees responsible for offering Hyundai's sustainability performance data with annual seminar-based training since 2022 on emerging sustainability issues and risks by inviting third-party experts. In 2024, this training addressed risks associated with the circular economy and the just transition that are gaining increasing attention in the sustainability field. We also publish Weekly B.I. Briefing reports to share updates on the latest key risk trends through the intranet, facilitating risk management training in the process.

# Risk Management

## Current Status of Material Key Risks

### Risk Appetite Determination Process

Hyundai follows the risk management process of 'risk identification – impact(materiality)/likelihood analysis – priority setting – risk appetite determination – response' to determine its appetite for risks involving the company and develop response strategies. The internal risk sensing system implemented by the BPM Group under the Strategy & Governance allows us to analyze and assess key identified risks for their impact(materiality) and likelihood based on financial and business impact. The response priorities are set based on these analysis and assessments. For high-priority risks, their risk appetite is determined in line with the three principles of 1) alignment with Hyundai's vision, goal and future strategy (2030 strategy), 2) risk tolerance capacity including market position and financial capability, and 3) magnitude of potential losses or gains.

### Regulatory Risks

Automobile companies are exposed to various regulatory risks related to their business activities, as well as the environmental, safety, quality, and certification aspects of their products. These regulations have significant impacts not only on their operations but also on their financial performance. In particular, fleet-wide $CO_2$ emission standards or corporate average fuel economy standards, which are currently implemented in major countries, are being tightened continuously in order to achieve the carbon reduction targets of those countries. In 2023, the EU adopted a target for reducing $CO_2$ emissions from passenger cars. The new target sets the path towards zero $CO_2$ emissions for new passenger cars by mandating a 55% reduction by 2030 compared to 2021 levels, and 100% by 2035. To meet these targets, a significant expansion of electric vehicles(EVs) of automobile companies is deemed necessary.

To mitigate the risk of non-compliance with $CO_2$ emissions or fuel efficiency regulations in major countries, Hyundai is continuously strengthening its EV lineup and sales. We calculate and incorporate regulatory response volumes, including EV volumes, into our short-, medium- and long-term sales volume plans.

### Geopolitical and Geoeconomic Risks

Geopolitical risks are defined as the potential political, economic, military, and social risks that can emerge from a nation's involvement in international affairs. Typically, they emerge whenever there is a major shift in power, a conflict, or a crisis. These risks can have far-reaching implications for both the country itself and the global companies at large. Following the inauguration of the Trump Administration in early 2025, the US government's shifting policy stance has heightened risks further. In particular, the Trump Administration is seeking to levy universal tariffs on Canada, Mexico, and Europe in addition to China as well as specific tariffs on automobiles and steel while repealing the Inflation Reduction Act and tax credits for EVs introduced by the previous Biden Administration. Such shifts in policy by the US government is expected to bring immense impact on Hyundai's business and finance.

Hyundai has established a dedicated organization named the Policy Coordination Office (PCO) to monitor political and policy risks in key countries such as Korea, the US, the EU and China.

### Procurement Risk

The shortage of vehicle semiconductors, leading to prolonged production delays for automotive companies, is an example of how supply uncertainties for specific components can escalate into risks that delay overall production. In addition, the increase in raw material and energy prices can cause a rise in production costs, negatively impacting profitability. In particular, for EVs, which consume approximately six times more critical minerals than internal combustion engine vehicles (ICEVs), the supply-side risks such as mineral shortages have intensified as the production of EVs has surged among automotive companies. Furthermore, as new mining developments increase, there is growing demand among stakeholders for responsible mineral sourcing due to the increase in cases of environmental and human rights violations associated with mining activities.

Hyundai is addressing material and component procurement risks through such measures as securing an adequate inventory for strategic materials and components, promoting the in-house production of key components, and expanding its direct purchasing of strategic materials. Moreover, to address the risk of rising raw materials prices, Hyundai established a system for real-time monitoring of core raw materials' market conditions and automated calculation of profit and loss impacts. These initiatives should enable Hyundai to respond to the profit and loss risks caused by fluctuations in raw material prices.

### Macroeconomic Risks

Automobiles are among the consumer goods highly sensitive to economic cycles and are widely exposed to macroeconomic risks. The quantitative easing adopted by major countries to counter the economic slowdown in the wake of the COVID-19 pandemic, combined with supply chain disruptions and the Russia-Ukraine war, have resulted in a sharp rise in prices. As these countries, with the US taking the lead, continued with their aggressive monetary tightening to tackle the crisis of inflation, the global economy began to feel the effects of the three highs (high prices, high interest rates, and high exchange rates). This policy stance has led to signs of economic downturn in major economies, and some of these countries are already experiencing negative growth and economic stagnation.

Hyundai has strengthened its ability to predict changes in demand due to economic cycles by creating a model based on macroeconomic and industrial risk analysis, which was primarily developed by its specialized organization, the HMG Business Intelligence Institute. It utilizes leading indicators closely related to the demand for new vehicles to predict and analyze both the business cycle and medium-term demand for new vehicles. In addition, it has analyzed various global economic downturn scenarios. To effectively address macroeconomic risks and prepare for the worst-case scenario, we are responding through production and sales adjustments, exploration of new alternative markets, and the strengthening of new model launches, etc.

### Major Financial Risks

Changes in interest rate policy across major countries have resulted in increased fluctuations in interest expenses incurred by companies when raising funds for their operations. The strength of the US dollar has led to a depreciation in the currencies of major countries. In particular, the continuous rise in the KRW-USD exchange rate and increased financial market volatility have accelerated these trends. To maximize shareholder value and reduce capital costs, Hyundai strives to maintain an optimal capital structure. In addition, we conduct sensitivity and stress tests to evaluate the impact of market risks (exchange rates, interest rates, and prices). We also have signed derivative contracts and use them as a means of hedging risks so as to manage identified risks more effectively. Hyundai has been making continuous efforts to mitigate financial risks arising from market uncertainties by monitoring debt ratios for short-term and long-term borrowings of each of its subsidiaries, with an aim to optimize our borrowing structure. In relation to exchange rate risks, we identify exchange rate risks based on various scenarios involving the appreciation or depreciation of the Korean won. We also establish measures for expanding hedging activities and devise plans to offset potential foreign exchange losses, with the goal of managing financial risks resulting from currency fluctuations.

# Risk Management

**Risk Exposure Assessment and Mitigation Action**

| Classification | | Key risk factors | Risk exposure | | Mitigation actions |
|---|---|---|---|---|---|
| | | | Likelihood[1] | Magnitude[2] | |
| Nonfinancial risks | Regulatory risks | Risks of regulatory violations due to product and workplace-related regulations, including environment and safety | Medium | High | Integrating volumes for regulatory response in business planning in response to vehicle $CO_2$ regulations |
| | Geopolitical and geoeconomic risks | Risks resulting from policy changes in the US, Europe and other major countries | High | High | Increasing the proportion of local production and establishing a self-sufficient local production system, etc. |
| | Macroeconomic risks | Risk of a decline in new car demand due to a global economic downturn | Medium | Medium | Reinforcing demand change forecasting due to economic conditions, analysis by scenario of global economic crisis, etc. |
| | Procurement risks | Risks of increasing procurement costs and delayed or discontinued supplies | Medium | High | Securing adequate inventories of strategic materials and core parts, internalizing core parts, etc. |
| | Operational risks | Risks related to business operations such as product/technology development, production, and sales | Medium | Low | Identifying, analyzing, and responding to operational risks in the planning department of each division |
| Financial risks | Exchange risks | Exchange risk due to major foreign currency market fluctuations | Medium | Medium | Managing currency risks through the analysis of different scenarios assuming the appreciation/depreciation of the Korean won |
| | Interest rate risks | Fluctuations in interest expenses on borrowings due to changing interest rate policies | Medium | Medium | Responding to the risk of rising interest rates by repaying borrowings mainly at subsidiaries with surplus liquidity |
| | Liquidity risks | Risk of insufficient cash flow | Low | Medium | Drawing up long-term and short-term funding plans, establishing a funding system, etc. |

1) Assessment criteria for likelihood: High: 50% or more, Medium: 25-50%, Low: less than 25%
2) Assessment criteria for magnitude:
Quantitative assessment: Whether the impact on the business has a significant level of impact on its sales or net income.
Qualitative assessment: Whether the impact on the business influences future its strategies and decisions.

**Emerging Risks**

## Heightened Risk of Failing to Meet $CO_2$ Emission Target amid the EV Chasm

**Risk Context**

Since the end of 2023, the global EV market has been encountering the EV chasm amid growing uncertainties rising from EV subsidy cuts in some countries, high EV prices, lack of charging infrastructure, and battery safety concerns. Here, the chasm refers to a slowdown in market growth following the exponential growth in the early technology innovation phase. This sluggish growth is specifically evident in the EU market which led the global EV market along with China. The European Automobile Manufacturers' Association says the EU EV market contracted by 5.9% in 2024 from the previous year, with EVs' total market share falling from 14.6% in 2023 to 13.6% during the same period. The decline in EU EV demand poses challenges to automakers in responding to the EU's fleet-average $CO_2$ emission regulations. The EU finalized its regulatory emission targets for mitigating $CO_2$ emissions from passenger cars, aiming for a 15% cut in 2024, a 55% cut in 2030, and ultimately achieving zero emissions by 2035 from the 2021 baseline. According to experts, meeting the 2030 emission target requires carmakers to have their EVs account for 80% of their total EU sales. Some estimate that automakers may face up to 16 billion euros in penalties in EU.

Hyundai sold approximately 609 thousand cars and just under 70,000 EVs in Europe in 2024 representing nearly 11% of Hyundai's European sales. The EV chasm may dampen Hyundai's EV sales in both the short and mid-to-long-term, heightening risks relating to fleet-average $CO_2$ regulations.

**Hyundai's Approach**

We take a two-track approach to countering the declining EV demand in the EV chasm phase and reduce fleet-average $CO_2$ emissions of our passenger car models. First, we will continue bolstering our EV lineups by launching new models, including entry-level EV (Casper EV), to address the weakened EV demand while adding EREVs(Extended Range Electric Vehicle) which eliminate dependence on external charging to our portfolio.

To reduce fleet-average $CO_2$ emissions from ICE cars, we aim to expand hybrid models for those types of vehicles with heavy $CO_2$ emissions along with increasing EV sales. While our hybrid system has been primarily deployed for sub-medium and medium cars, its application will extend to large and luxury cars with high $CO_2$ emissions, raising the number of hybrid models from the current 7 to 14 in the upcoming years. Specifically, our Genesis models that are slowing down our fleet-average $CO_2$ emission reduction will be all made available in hybrid models except for the EV-exclusive model.

## Increased Risks Due to the Prevalence of Anti-Forced Labor Regulations

**Risk Context**

Regulations banning forced labor including child labor are being widely adopted in the EU, the US, Canada and other major countries. In March 2024, the European Council and Parliament tentatively agreed to implement the Anti-Forced Labor Regulation (AFLR) prohibiting the distribution and import of products within the EU region associated with forced labor in the manufacturing process encompassing supply chains. The European Commission formally declared the AFLR enter into force in December 2024. The pertinent provisions will apply from the end of 2027, banning products suspected of involving forced labor in the upstream manufacturing process from being place on or imported into the European market until the concerned company provides sufficient justification to prove otherwise. If the product in question is found to be associated with forced labor, it should be withdrawn or disposed of in its entirety at the expense of the company. Non-compliance with the AFLR raises concerns of production delay or discontinuation at EU plants due to import bans on components suspected or found to be made with forced labor, not to mention the risk of product sales and imports suspended in the EU market.

Hyundai sold about 609 thousand cars in the EU as of 2024, and the cars we sell in the EU region (locally produced cars and cars produced in Korean and imported into the EU) will be directly subject to the EU AFLR. In the US which has implemented the Uyghur Forced Labor Prevention Act since 2022, allegations emerged that certain parts used by some global automakers were produced with forced labor in the Uyghur region of China, leading to delays in customs clearance for thousands of their vehicles.

**Hyundai's Approach**

We are establishing an integrated risk response system to address increasingly stringent anti-forced labor regulations that are emerging across the EU, the US, and Canada among others. This involves human rights risk due diligence conducted on our supply chains and business sites to identify and prevent potential risks, reinforcing our commitment to respecting human rights and building sustainable supply chains. To prevent the risk of compulsory labor within the supply chain, the Legal Division and the Procurement Division have been collaborating since 2023 to assess supplier risks using databases provided by specialized third-party organizations. For high risk suppliers identified through such risk screenings, follow-up actions are taken including regular monitoring and additional due diligence to ensure that human rights risks are promptly detected and addressed throughout the supply chain.

In tandem with this, annual written assessments are conducted on tier-1 and major tier-2 suppliers in Korea and abroad. written assessment results are used in determining high-risk suppliers who are then subject to on-site audit. This multi-layered approach ensures that human rights risks are effectively prevented across the supply chain. Our own sites and subsidiaries undergo human rights and environmental risk assessments covering multiple aspects such as compulsory labor, health & safety, ethical management, and the environment. For sites identified as requiring improvement based on assessment results, improvement plans are developed and corresponding measures are implemented to seek continuous improvement.

# Tax Obligation

## Tax Strategy

Hyundai recognizes that tax risk management is a prerequisite for sustainability management, and that compliance with tax laws plays an important role in securing customer profits, maximizing shareholder profits, and contributing to national finances. Therefore, as a taxpayer, we are faithfully fulfilling our tax obligations. We also respect the principle of fair taxation by tax authorities and strive to comply with the spirit as well as the letter of the tax laws and regulations in the countries in which we operate. Furthermore, the BOD and the Audit Committee regularly review and approve our financial status and performance as well as operational status of the internal accounting management system.

Hyundai Motor Company Tax Policy

## Tax Risk Management

Strict compliance with the laws is at the core of Hyundai's tax risk management policy. We faithfully provide all the evidence requested by tax authorities to take the lead in creating a transparent tax culture. Hyundai strictly prohibits the use of tax avoidance practices, such as using tax structures without commercial substance or utilizing tax havens. We do not engage in any practices that involve transferring value created to low-tax jurisdictions. Furthermore, as a global company, we prevent tax risks in advance by identifying differences in the tax laws of different countries and their intention and by analyzing their respective dispute risks. Notably, we adhere to the arm's length principle as a way to prevent the risk of double taxation arising from competition for taxation rights between tax authorities.

### Tax Reporting by Country[1)]




| Country | Korea | U.S. | | Germany | Czech | Türkiye | India | Brazil | Indonesia | Canada |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| Entity Name | Hyundai Motor Company | Hyundai Motor America | Hyundai Motor Manufacturing Alabama | Hyundai Motor Europe | Hyundai Motor Manufacturing Czech | Hyundai Motor Türkiye Otomotiv A.Ş | Hyundai Motor India | Hyundai Motor Central & South America | Hyundai Motor Manufacturing Indonesia | Hyundai Auto Canada |
| Primary Activities | Manufacturing and sales of complete vehicles | Sales of complete vehicles and parts | Sales of complete vehicles and parts | Marketing and sales of complete vehicles | Sales of complete vehicles and parts | Sales of complete vehicles and parts | Manufacturing and sales of complete vehicles | Manufacturing and sales of complete vehicles | Manufacturing and sales of complete vehicles | Manufacturing and sales of complete vehicles |
| No. of Employees | 75,819 | 1,282[2)] | 4,305 | 283 | 2,823 | 2,446 | 10,190 | 3,249 | 1,855 | 278 |
| Revenue (KRW million) | 79,060,777 | 46,315,068 | 15,473,386 | 3,459,609 | 11,056,791 | 5,204,563 | 11,090,993 | 3,948,594 | 1,887,675 | 6,375,399 |
| Profit Before Tax (KRW million) | 15,283,857 | 2,004,153 | 386,624 | 62,806 | 745,568 | 311,424 | 1,249,132 | 107,168 | 67,209 | 264,274 |
| Income Tax Payable (KRW million) | 1,659,840 | 25,618 | (2,779)[3)] | 7,269 | 5,982 | 0 | 0 | 0 | 0 | 26,235 |
| Income Tax Paid (KRW million) | 3,043,322 | 458,228 | 71,863 | 21,769 | 175,324 | 65,530 | 323,439 | 26,265 | 783 | 70,178 |

1) This financial information is based on the separate financial statements (before elimination of intercompany transactions) and includes major global manufacturing entities. The disclosed figures account for approximately 112% of consolidated revenue and 115% of consolidated profit before tax.
2) Hyundai Motor America shares the same legal entity as Hyundai Motor North America and Genesis Motor North America; therefore, the number of employees attributed to Hyundai Motor America includes employees from both Hyundai Motor North America and Genesis Motor North America.
3) A negative income tax payable amount occurred due to a projected tax refund, as the actual tax paid was lower than the tax provisioned in advance.

# Sustainability Factbook


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# Facts & Figures

## Finance

### Summary Financial Statements(Consolidated)

| Classification | | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|---|
| Financial position | | | | | | |
| | Total assets | KRW billion | 255,742 | 282,463 | 339,798 | |
| | Total liabilities | KRW billion | 164,846 | 180,654 | 219,522 | |
| | Total equity | KRW billion | 90,897 | 101,809 | 120,276 | |
| Financial performance[1)] | | | | | | |
| | Sales | KRW billion | 142,151 | 162,664 | 175,231 | |
| | Operating profit | KRW billion | 9,825 | 15,127 | 14,240 | |
| | Selling and administrative expenses | KRW billion | 18,447 | 18,357 | 21,510 | |
| | Net profit | KRW billion | 7,984 | 12,272 | 13,230 | Including non-controlling interests |
| Profitability ratio[1)] | | | | | | |
| | Operating profit margin | % | 6.9 | 9.3 | 8.1 | |
| | Net profit margin | % | 5.6 | 7.5 | 7.5 | |

1) As Hyundai Motor Manufacturing Rus LLC (HMMR) is classified as a disposal asset group and discontinued operation at the end of 2023, the amount for the 2022 has been restated.

### Summary Financial Statements(Separate)

| Classification | | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|---|
| Financial position | | | | | | |
| | Total assets | KRW billion | 83,412 | 85,065 | 96,144 | |
| | Total liabilities | KRW billion | 27,657 | 24,277 | 26,921 | |
| | Total equity | KRW billion | 55,756 | 60,787 | 69,223 | |
| Financial performance | | | | | | |
| | Sales | KRW billion | 65,308 | 78,034 | 79,061 | |
| | Operating profit | KRW billion | 2,829 | 6,671 | 6,599 | |
| | Selling and administrative expenses | KRW billion | 9,342 | 9,600 | 11,728 | |
| | Net profit | KRW billion | 3,702 | 7,343 | 12,241 | |
| Profitability ratio | | | | | | |
| | Operating profit margin | % | 4.3 | 8.5 | 8.3 | |
| | Net profit margin | % | 5.7 | 9.4 | 15.5 | |

### Distribution of Economic Value(Consolidated)

Audited Financial Statements of Hyundai Motor Company

| Classification | | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|---|
| Total | | KRW billion | 96,741 | 113,645 | 115,982 | |
| | Dividends (Shareholders and investors) | KRW billion | 1,830 | 2,999 | 3,148 | |
| | Interest expenses (Shareholders and investors)[1)] | KRW billion | 523 | 558 | 451 | Refer to “financial income and financial expense” in the notes to the consolidated financial statement |
| | Salaries (Employees)[1)] | KRW billion | 10,638 | 12,078 | 13,480 | Refer to “classification of expenses by nature” in the notes to the consolidated financial statement |
| | Raw materials costs (Suppliers)[1)] | KRW billion | 80,682 | 93,205 | 94,516 | Refer to “classification of expenses by nature” in the notes to the consolidated financial statement |
| | Income tax (Government)[1)] | KRW billion | 2,979 | 4,627 | 4,232 | Refer to “income tax” in the notes to the consolidated financial statement |
| | Donation (Local communities)[1)] | KRW billion | 89 | 178 | 155 | Refer to “other income/expense” in the notes to the consolidated financial statement |

1) As Hyundai Motor Manufacturing Rus LLC (HMMR) is classified as a disposal asset group and discontinued operation at the end of 2023, the amount for the 2022 has been restated.

### Distribution of Economic Value(Separate)

| Classification | | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|---|
| Total | | KRW billion | 53,731 | 65,468 | 65,366 | |
| | Dividends (Shareholders and investors) | KRW billion | 1,830 | 2,999 | 3,148 | |
| | Interest expenses (Shareholders and investors) | KRW billion | 190 | 116 | 112 | Refer to “financial income and financial expense” in the notes to the financial statement |
| | Salaries (Employees) | KRW billion | 7,007 | 7,861 | 8,559 | Refer to “classification of expenses by nature” in the notes to the financial statement |
| | Raw materials costs (Suppliers) | KRW billion | 44,184 | 52,031 | 50,405 | Refer to “classification of expenses by nature” in the notes to the financial statement |
| | Income tax (Government) | KRW billion | 474 | 2,332 | 3,043 | Refer to “income tax” in the notes to the financial statement |
| | Donation (Local communities) | KRW billion | 46 | 129 | 99 | Refer to “other income/expense” in the notes to the financial statement |

# Facts & Figures

## Finance

### R&D Investment

| Classification | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|
| Total R&D expense | KRW million | 3,340,589 | 3,973,573 | 4,589,424 | |
| Government subsidy | KRW million | (4,016) | (4,708) | (2,977) | |
| R&D expense to sales ratio | % | 2.3 | 2.4 | 2.6 | Total R&D expenses/sales of the year X 100 |

### Distribution of Investment (Consolidated)

| Classification | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|
| CAPEX | KRW billion | 3,879 | 6,455 | 7,252 | Based on head office and overseas business sites |
| Depreciation | KRW billion | 5,048 | 4,946 | 4,287 | Refer to "classification of expenses by nature" in the notes to the consolidated financial statement |
| Difference(CAPEX – depreciation) | KRW billion | (1,169) | 1,509 | 2,965 | |
| Treasury stock buyback | KRW billion | 193 | 0 | 232 | |
| Total(Dividend payouts + share buybacks) | KRW billion | 2,023 | 2,999 | 3,380 | |

## Production/Sales

### Production Overview

| Classification | | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|---|
| Total | | Vehicle | 4,000,294 | 4,289,776 | 4,146,335 | |
| | Domestic | Vehicle | 1,732,639 | 1,947,351 | 1,858,136 | |
| | India | Vehicle | 706,000 | 765,000 | 767,000 | |
| | China[2)] | Vehicle | 255,000 | 241,300 | 165,338 | |
| | U.S. | Vehicle | 332,900 | 369,000 | 361,632 | |
| | Czech Republic | Vehicle | 322,500 | 340,500 | 330,890 | |
| | Russia[2)] | Vehicle | 44,163 | N/A | N/A | |
| | Brazil | Vehicle | 209,045 | 204,300 | 209,538 | |
| | Türkiye | Vehicle | 208,100 | 242,100 | 245,000 | |
| | Vietnam[2)] | Vehicle | 63,020 | 46,835 | 55,251 | |
| | Indonesia | Vehicle | 82,500 | 79,580 | 85,750 | |
| | Singapore | Vehicle | N/A | 581 | 640 | |
| | Others[3)] | Vehicle | 44,427 | 53,229 | 67,160 | |

2) China/Russia: based on passenger vehicle, Vietnam: HTMV (passenger/commercial)
3) Others: HTBC(China Commercial), HTCV(Vietnam Commercial), CKD(Passenger/Commercial), Russia Commercial, etc.

### Sales Overview

| Classification | | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|---|
| Total | | Vehicle | 3,942,922 | 4,216,898 | 4,141,959 | |
| | Domestic | Vehicle | 688,884 | 762,077 | 705,010 | |
| | Overseas | Vehicle | 3,254,038 | 3,454,821 | 3,436,949 | |

# Facts & Figures

## Environmental[1)]

### Energy Consumption

| Classification | | Unit | 2022 | 2023 | 2024[2)] | Note |
|---|---|---|---|---|---|---|
| Total | | MWh | 7,580,603 | 7,544,671 | 7,273,062 | |
| | Electricity (Non-renewable) | MWh | 3,376,795 | 3,259,913 | 3,059,868 | |
| | Electricity(Renewable) | MWh | 280,498 | 473,166 | 614,312 | |
| | LNG | MWh | 3,525,029 | 3,383,641 | 3,280,385 | |
| | Diesel, kerosene, gasoline | MWh | 131,268 | 131,697 | 165,331 | |
| | Steam, heat | MWh | 94,027 | 102,349 | 106,244 | |
| | Others | MWh | 172,986 | 193,905 | 46,922 | Propane, butane, etc. |
| Intensity | | MWh/Vehicle | 1.90 | 1.76 | 1.75 | |

1) The reporting scope for environmental data includes all domestic business sites and 12 overseas production subsidiaries.
2) HMGICS's consumption was not included, and their consumption in 2024 is scheduled for third-party verification in the second half of 2025.

### Greenhouse Gas(GHG) Emissions

| Classification | | Unit | 2022 | 2023 | 2024[3)] | Note |
|---|---|---|---|---|---|---|
| Sum of Scope 1 and 2 | | $tCO_2$-eq | 2,404,069 | 2,275,751 | 2,097,809 | Emissions target for 2024: 2,190,757 $tCO_2$-eq |
| | Scope 1 | $tCO_2$-eq | 719,949 | 696,590 | 679,822 | |
| | Scope 2 | $tCO_2$-eq | 1,684,120 | 1,579,161 | 1,417,987 | Market-based approach |
| Scope 1+2 intensity | | $tCO_2$-eq/Vehicle | 0.601 | 0.531 | 0.506 | |
| Scope 3[4)] | | $tCO_2$-eq | 137,935,453 | 148,126,153 | 147,253,154 | See p.39 for Scope 3 emissions by category |

3) HMGICS's emissions were not included, and their emissions in 2024 are scheduled for third-party verification in the second half of 2025.
4) Emissions for 2022-2023 were recalculated following a change in the estimation methodology.

### Consumption of Primary Raw Materials[5)]

| Classification | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|
| Steel(Amounts used) | Ton | 1,151,012 | 1,230,799 | 1,238,092 | |
| Steel(Scrap) | Ton | 388,900 | 410,665 | 407,423 | |
| Aluminum(Amounts used) | Ton | 146,270 | 156,930 | 138,184 | |
| Aluminum(Scrap) | Ton | 41,773 | 39,116 | 40,963 | |
| Raw materials intensity(Per vehicle produced) | Ton/Vehicle | 0.324 | 0.323 | 0.332 | |

5) Aggregated site data were restated for disclosure to reflect corrections in previously reported figures for steel consumption and scrap volumes at certain business sites.

### Volume of Water Intake by Source[6)]

| Classification | | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|---|
| Total | | Ton | 19,409,623 | 20,691,252 | 19,092,233 | |
| | Municipal(Industrial) water | Ton | 17,891,560 | 19,006,576 | 17,164,301 | |
| | Surface water | Ton | 1,089,350 | 1,204,112 | 1,462,944 | |
| | Ground water | Ton | 428,714 | 468,297 | 456,966 | |
| | Seawater | Ton | 0 | 12,267 | 8,022 | |

6) Aggregated site data were restated for disclosure to reflect corrections in previously reported figures on water withdrawal volumes at certain business sites.

### Volume of Water Intake by Source for Each Type of Business Sites

| Classification | | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|---|
| Plants total | | Ton | 16,883,551 | 17,932,813 | 16,308,211 | |
| | Municipal(Industrial) water | Ton | 15,381,390 | 16,288,164 | 14,430,974 | |
| | Surface water | Ton | 1,089,350 | 1,204,112 | 1,462,944 | |
| | Ground water | Ton | 412,811 | 428,270 | 406,271 | |
| | Seawater | Ton | 0 | 12,267 | 8,022 | |
| Research institutes total | | Ton | 1,759,529 | 1,992,256 | 2,054,039 | |
| | Municipal(Industrial) water | Ton | 1,759,529 | 1,992,256 | 2,054,039 | |
| | Surface water | Ton | 0 | 0 | 0 | |
| | Ground water | Ton | 0 | 0 | 0 | |
| | Seawater | Ton | 0 | 0 | 0 | |
| Sales/service total | | Ton | 238,879 | 246,475 | 250,057 | |
| | Municipal(Industrial) water | Ton | 238,879 | 225,189 | 226,269 | |
| | Surface water | Ton | 0 | 0 | 0 | |
| | Ground water | Ton | 0 | 21,286 | 23,788 | |
| | Seawater | Ton | 0 | 0 | 0 | |
| Others(Headquarters,training institutes) total | | Ton | 527,664 | 519,709 | 479,926 | |
| | Municipal(Industrial) water | Ton | 511,761 | 500,968 | 453,019 | |
| | Surface water | Ton | 0 | 0 | 0 | |
| | Ground water | Ton | 15,903 | 18,741 | 26,907 | |
| | Seawater | Ton | 0 | 0 | 0 | |

# Facts & Figures

## Environmental

### Volume of Water Intake by Source and Region[7]

| Classification | | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|---|
| Korea total | | Ton | 12,891,157 | 14,219,435 | 12,677,526 | |
| | Municipal(Industrial) water | Ton | 12,870,446 | 14,175,433 | 12,620,005 | |
| | Surface water | Ton | 0 | 0 | 0 | |
| | Ground water | Ton | 20,711 | 44,002 | 57,521 | |
| | Seawater | Ton | 0 | 0 | 0 | |
| Europe total | | Ton | 781,725 | 844,406 | 808,390 | |
| | Municipal(Industrial) water | Ton | 712,787 | 734,280 | 708,065 | |
| | Surface water | Ton | 0 | 0 | 0 | |
| | Ground water | Ton | 68,938 | 110,126 | 100,325 | |
| | Seawater | Ton | 0 | 0 | 0 | |
| Americas total | | Ton | 2,193,991 | 2,033,620 | 2,449,966 | |
| | Municipal(Industrial) water | Ton | 1,708,728 | 1,598,773 | 1,992,304 | |
| | Surface water | Ton | 146,198 | 120,679 | 158,542 | |
| | Ground water | Ton | 339,065 | 314,169 | 299,120 | |
| | Seawater | Ton | 0 | 0 | 0 | |
| Asia total | | Ton | 3,542,751 | 3,593,791 | 3,156,352 | |
| | Municipal(Industrial) water | Ton | 2,599,599 | 2,498,091 | 1,843,928 | |
| | Surface water | Ton | 943,152 | 1,083,433 | 1,304,403 | |
| | Ground water | Ton | 0 | 0 | 0 | |
| | Seawater | Ton | 0 | 12,267 | 8,022 | |

7) The data were recalculated for disclosure due to change in regional classification criteria.

### Water Consumption[8]

| Classification | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|
| Water consumption | Ton | 10,578,611 | 11,181,546 | 10,220,059 | |
| Water discharge | Ton | 8,831,012 | 9,509,706 | 8,872,174 | |
| Volume of water recycled | Ton | 2,284,150 | 2,631,445 | 2,928,451 | |
| Ratio of water recycled | % | 21.6 | 23.5 | 28.7 | |
| Water use intensity | Ton/Vehicle | 2.64 | 2.61 | 2.46 | |

8) Water consumption was calculated by subtracting discharges from withdrawals. Aggregated site data were restated for disclosure to reflect corrections in previously reported figures on water withdrawal volumes at certain business sites.

### Pollutant Discharges

| Classification | | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|---|
| Total air pollutant emissions[9] | | Ton | 1,977 | 1,661 | 1,832 | |
| | SOx | Ton | 314 | 71 | 70 | |
| | NOx | Ton | 754 | 508 | 599 | |
| | Dust | Ton | 909 | 1,082 | 1,163 | |
| Air pollutant intensity | | kg/Vehicle | 0.494 | 0.387 | 0.442 | |
| Water pollutant emissions[9] | | Ton | 827 | 841 | 822 | |
| | TOC(COD) | Ton | 655 | 648 | 628 | |
| | BOD | Ton | 122 | 125 | 138 | |
| | SS | Ton | 50 | 68 | 56 | |
| Water pollutant intensity | | kg/Vehicle | 0.207 | 0.196 | 0.198 | |
| VOCs and THC emissions | | Ton | 8,322 | 9,204 | 8,398 | VOCs: Volatile Organic Compounds |
| Emissions intensity of VOCs and THC | | kg/Vehicle | 2.08 | 2.15 | 2.03 | THC: Total Hydrocarbon |
| Hazardous chemical usage[10] | | Ton | 11,524 | 9,316 | 9,184 | |

9) Aggregated site data were restated for disclosure to reflect corrections in previously reported figures on air (NOx) and water (TOC/BOD) pollutants at certain business sites
10) Data on the use of hazardous chemicals were restated to reflect a change in the definition from specific hazardous chemicals(NaOH, HCl and others) to hazardous chemicals designated by the country where we are based.

### Waste Generation[11]

| Classification | | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|---|
| Total[12] | | Ton | 649,173 | 1,047,968 | 929,013 | |
| | General waste | Ton | 533,696 | 571,322 | 557,142 | |
| | Designated waste | Ton | 40,553 | 43,123 | 55,241 | |
| | Construction waste | Ton | 74,924 | 433,523 | 316,630 | |
| Waste emission intensity[13] | | Ton/Vehicle | 0.018 | 0.016 | 0.019 | |
| Amount of waste recycling | | Ton | 578,957 | 978,312 | 849,485 | |
| Waste recycling rate | | % | 89.2 | 93.4 | 91.4 | |

11) Aggregated site data were restated for disclosure to reflect corrections in previously reported figures on waste generation at certain business sites
12) Waste generation has increased since 2023 in line with the construction of new plants in Korea(EV plant, hyper casting shop) and changes in the operation of existing processes at overseas sites
13) Waste per one vehicle of subtracting the recycled amount from total waste.

# Facts & Figures

## Environmental

### Waste Treatment Volume by Waste Type and Treatment Method[14]

| Classification | | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|---|
| General waste(non-hazardous waste) | | Ton | 533,696 | 571,322 | 557,142 | |
| | Incineration (collected as thermal energy) | Ton | 11,862 | 14,079 | 16,207 | |
| | Incineration (not collected as thermal energy) | Ton | 6,291 | 6,520 | 6,270 | |
| | Landfill | Ton | 20,686 | 19,311 | 20,603 | |
| | Recycling | Ton | 487,346 | 526,257 | 506,472 | |
| | Others | Ton | 7,511 | 5,155 | 7,590 | Biodegradation, etc. |
| Designated waste(hazardous waste) | | Ton | 40,553 | 43,123 | 55,241 | |
| | Incineration (collected as thermal energy) | Ton | 13,284 | 13,850 | 18,017 | |
| | Incineration (not collected as thermal energy) | Ton | 2,310 | 2,232 | 2,134 | |
| | Landfill | Ton | 1,290 | 1,886 | 2,407 | |
| | Recycling | Ton | 16,811 | 19,246 | 26,508 | |
| | Others | Ton | 6,857 | 5,909 | 6,175 | Biodegradation, etc. |
| Construction waste | | Ton | 74,923 | 433,522 | 316,630 | |
| | Incineration (collected as thermal energy) | Ton | 0 | 0 | 0 | |
| | Incineration (not collected as thermal energy) | Ton | 0 | 0 | 0 | |
| | Landfill | Ton | 120 | 710 | 121 | |
| | Recycling | Ton | 74,800 | 432,809 | 316,506 | |
| | Others | Ton | 3 | 3 | 3 | Biodegradation, etc. |

14) Aggregated site data were restated for disclosure to reflect corrections in previously reported figures on waste at certain business sites

### Environmental Investment and Green Purchasing

| Classification | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|
| Environmental investment[15] | KRW billion | 5,061 | 8,611 | 9,716 | |
| Green purchasing[16] | KRW billion | 12 | 5,653 | 6,599 | |

15) Including electrified vehicle development expenses and facility investment expenses for workplace environment improvement(facility investment expenses for workplace environment improvement are calculated for Korean operations only)
16) Green purchasing refers to the procurement of products bearing external environmental certifications such as the Eco-Label. Hyundai adheres to its internal green purchasing guidelines in sourcing Eco-Labeled products, products bearing the Good Recycled label, and products designed to reduce hazardous substances.

### Sales Portion of Eco-friendly Vehicles[17]

| Classification | | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|---|
| Total | | % | 17.3 | 21.6 | 22.3 | Ratio of total sales based on managerial accounting |
| | EV | % | 8.5 | 9.9 | 7.4 | |
| | HEV | % | 6.5 | 9.7 | 13.1 | |
| | PHEV | % | 1.7 | 1.6 | 1.2 | |
| | FCEV | % | 0.6 | 0.4 | 0.6 | |

17) Standards for eco-friendly vehicles: EV, HEV, PHEV, FCEV

### Sales Portion of Models for which Full-LCA was Conducted

| Classification | Unit | 2022 | 2023[18] | 2024[19] | Note |
|---|---|---|---|---|---|
| Total | % | 25.03 | 40.90 | 62.20 | Based on no. of vehicles sold(shipment) |

18) Sales portion of LCA-certified products in 2023: Tucson ICE (10.2%), Elantra-Avante ICE (5.0%), Kona Electric (0.5%), IONIQ 6 (1.9%)
19) Sales portion of LCA-certified products in 2024: Tucson ICE (9.1%), Elantra-Avante ICE (4.5%), Kona Electric (1.6%), IONIQ 6 (1.0%)

# Facts & Figures

## Social

### Number of Employees by Region and Gender(Korea/Overseas, by Country)

| Classification | | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|---|
| Korea total | | Person | 73,431 | 74,203[1] | 75,819 | Based on the number of directly employed workforce as of December 31, 2024 (including those assigned to global sites from the Headquarters in Korea) |
| | Male | Person | 68,809 | 69,076 | 70,114 | |
| | Female | Person | 4,622 | 5,127 | 5,705 | |
| Overseas total | | Person | 52,638 | 50,706 | 50,588 | |
| | Male | Person | 45,045 | 42,797 | 42,108 | |
| | Female | Person | 7,593 | 7,909 | 8,480 | |
| | North America subtotal | Person | 18,229 | 19,389 | 18,805 | |
| | Male | Person | 14,798 | 15,518 | 14,603 | |
| | Female | Person | 3,431 | 3,871 | 4,202 | |
| | Europe subtotal | Person | 10,010 | 7,655 | 7,654 | A significant downsizing of workforce occurred following the plant closure in Russia in 2023[2] |
| | Male | Person | 8,447 | 6,328 | 6,256 | |
| | Female | Person | 1,563 | 1,327 | 1,398 | |
| | - EEA subtotal | Person | N/A | N/A | 4,589 | Data on workforce in the EEA(European Economic Area)[3] have been compiled since 2024 |
| | Male | Person | N/A | N/A | 3,789 | |
| | Female | Person | N/A | N/A | 800 | |
| | China subtotal | Person | 9,340 | 7,745 | 7,606 | |
| | Male | Person | 7,695 | 6,160 | 6,041 | |
| | Female | Person | 1,645 | 1,585 | 1,565 | |
| | India subtotal | Person | 9,976 | 10,935 | 11,475 | |
| | Male | Person | 9,688 | 10,599 | 11,039 | |
| | Female | Person | 288 | 336 | 436 | |
| | Others subtotal | Person | 5,083 | 4,982 | 5,048 | |
| | Male | Person | 4,417 | 4,192 | 4,169 | |
| | Female | Person | 666 | 790 | 879 | |

1) The data were restated to correct the 2023 omission of employees assigned to global sites from the Headquarters in Korea
2) A significant downsizing of workforce occurred due to the prolonged Russia-Ukraine war and the resulting closure of our Russian plant
All 1,700+ employees identified for reduction completed the process on a voluntary basis through a “voluntary retirement” program.(provided severance pay including one year's worth of salary and additional compensation based on years of service).
3) The EEA (European Economic Area) refers to an economic cooperation area formed by certain countries of the European Union (EU) and the European Free Trade Association (EFTA). Data on personnel in this region has been collected since 2024.

### Number of Employees by Duty

| Classification | | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|---|
| Total | | Person | 126,069 | 124,909 | 126,407 | |
| | Executive | Person | 758 | 792 | 813 | Excluding 13 research fellows in executive positions |
| | Research fellow | Person | 20 | 20 | 13 | |
| | Research | Person | 17,216 | 18,245 | 20,008 | |
| | Office work | Person | 25,613 | 24,248 | 25,645 | |
| | Technical/Production/ Maintenance | Person | 66,384 | 64,381 | 61,856 | |
| | Sales | Person | 7,330 | 7,503 | 7,186 | |
| | Others | Person | 8,748 | 9,720 | 10,886 | Advisor, specially appointed staff for special duties, temporary staff, etc. |

### Number of Employees by Nationality(Korea)[4]

| Classification | | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|---|
| Total | | Person | 73,395 | 74,160 | 75,753 | |
| Total number of manager-level employees | | Person | 17,060 | 18,024 | 18,955 | |
| Korea | | Person | 73,325 | 74,077 | 75,647 | |
| | Managers | Person | 17,004 | 17,961 | 18,887 | 99.64% of total managers |
| U.S. | | Person | 42 | 48 | 63 | |
| | Managers | Person | 34 | 38 | 40 | 0.21% of total managers |
| Canada | | Person | 8 | 15 | 17 | |
| | Managers | Person | 7 | 12 | 14 | 0.07% of total managers |
| China | | Person | 9 | 10 | 12 | |
| | Managers | Person | 6 | 6 | 6 | 0.03% of total managers |
| Germany | | Person | 11 | 10 | 14 | |
| | Managers | Person | 9 | 7 | 8 | 0.04% of total managers |

4) Top 5 nationalities by headcount

### Number of Employees by Age

| Classification | | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|---|
| Total | | Person | 126,069 | 124,909 | 126,407 | |
| | Under 30 years old | Person | 26,249 | 26,979 | 27,564 | |
| | 30-50 years old | Person | 65,028 | 62,376 | 64,402 | |
| | Over 50 years old | Person | 34,792 | 35,554 | 34,441 | |

# Facts & Figures

## Social

### Number of Employees by Gender

| Classification | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|
| Total | Person | 758 | 792 | 813 | |
| Female executives | Person | 50 | 59 | 64 | |
| Korea | Person | 17 | 21 | 21 | |
| North America | Person | 19 | 26 | 27 | |
| Europe | Person | 5 | 6 | 8 | |
| China | Person | 6 | 5 | 3 | |
| India | Person | 0 | 0 | 1 | |
| Others | Person | 3 | 1 | 4 | |
| Male executives | Person | 708 | 733 | 749 | |
| Percentage of female executives | % | 6.6 | 7.4 | 7.9 | Number of female executive / total number of executives * 100 |
| Percentage of male executives | % | 93.4 | 92.6 | 92.1 | Number of male executives / total number of executives * 100 |
| Total | Person | 126,069 | 124,909 | 126,407 | |
| Female employees | Person | 12,215 | 13,036 | 14,185 | All female employees including executives |
| Korea | Person | 4,622 | 5,127 | 5,705 | |
| North America | Person | 3,431 | 3,871 | 4,202 | |
| Europe | Person | 1,563 | 1,327 | 1,398 | |
| China | Person | 1,645 | 1,585 | 1,565 | |
| India | Person | 288 | 336 | 436 | |
| Others | Person | 666 | 790 | 879 | |
| Male employees | Person | 113,854 | 111,873 | 112,222 | All male employees including executives |
| Percentage of female employees | % | 9.7 | 10.4 | 11.2 | Number of female employees / total number of employees *100 |
| Percentage of male employees | % | 90.3 | 89.6 | 88.8 | Number of male employees / total number of employees * 100 |

| Classification | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|
| Total number of female executives in top management | Person | 50 | 59 | 64 | |
| Percentage of female executives in top management | % | 6.6 | 7.4 | 7.9 | Total number of female executive / total number of executives |
| Total number of managers | Person | 23,713 | 26,477 | 27,990 | Manager: All employees in manager or higher positions |
| Total number of female managers | Person | 2,155 | 2,759 | 3,277 | |
| Percentage of female managers | Person | 9.1 | 10.4 | 11.7 | Number of female managers / Total number of managers |
| Number of managers in Korea | Person | 17,088 | 18,043 | 18,502 | |
| Female | Person | 1,071 | 1,360 | 1,576 | |
| Number of managers overseas | Person | 6,625 | 8,434 | 9,488 | |
| Female | Person | 1,084 | 1,399 | 1,701 | |
| Total number of junior-level manager | Person | 17,416 | 20,140 | 21,604 | Junior-level manager: Non-supervisory employees in manager or higher positions |
| Total number of female junior-level manager | Person | 1,603 | 2,276 | 2,642 | |
| Percentage of female junior-level manager | Person | 9.2 | 11.3 | 12.2 | |
| Total number of junior-level manager in Korea | Person | 13,470 | 14,327 | 15,207 | |
| Female | Person | 939 | 1,198 | 1,408 | |
| Total number of junior-level manager overseas | Person | 3,946 | 5,813 | 6,397 | |
| Female | Person | 664 | 1,078 | 1,234 | |
| Number of employees in revenue-generating departments/positions[5] | Person | 117,489 | 120,020 | 120,452 | |
| Female | Person | 9,695 | 12,278 | 13,254 | |
| Percentage of female employees in revenue-generating departments/ positions | % | 8.3 | 10.2 | 11.0 | |
| Number of employees in STEM positions[6] | Person | 59,344 | 56,262 | 61,396 | |
| Female | Person | 2,590 | 3,000 | 3,216 | |
| Percentage of female employees in STEM positions | % | 4.4 | 5.3 | 5.2 | |

5) Revenue-generating department: Business-related functions including planning, products, R&D, procurement, production, sales, marketing, quality and services
6) STEM(Science, Technology, Engineering and Math) staff: Employees involved in STEM functions including R&D, procurement, plant – general/research, quality, and ICT

# Facts & Figures

## Social

### Employees with Disabilities

| Classification | | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|---|
| Total | | Person | N/A | N/A | 1,932 | |
| | Korea | Person | 1,920 | 1,701 | 1,530 | Based on the reported number in December (Korea Employment Agency for Persons with Disabilities) |
| | Overseas | Person | N/A | N/A | 402 | Number of overseas employees with disabilities has been compiled since 2024 |
| Percentage of employees with disabilities | | % | N/A | N/A | 1.62 | Number of employees with disabilities / total number of employees * 100 |
| | Korea | % | 2.82 | 2.50 | 2.19 | Number of employees with disabilities / number of full-time employees in Korea * 100 |
| | Overseas | % | N/A | N/A | 0.79 | Number of employees with disabilities / total number of overseas employees * 100 |

### Non-Employee Workers(Korea)

| Classification | | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|---|
| Total | | Person | 4,756 | 4,688 | 4,615 | Based on the Business Report |
| | Male | Person | 2,482 | 2,438 | 2,310 | |
| | Female | Person | 2,274 | 2,250 | 2,305 | |

### Employee Training(Korea)

| Classification | | | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|---|---|
| Number of employees subject to training | | | Person | 72,257 | 73,020 | 74,586 | As of Dec. 31(excluding expatriates) |
| Total training expenses | | | KRW 100 million | 636 | 806 | 851 | |
| Training expenses per employee | | | KRW 10,000 | 86.6 | 108.7 | 112.2 | Total training expense / total number of employees |
| | By position | | | | | | |
| | | Executives in top management level | KRW 10,000 | 399.6 | 323.8 | 122.0 | |
| | | Mid-level manager/ Non-manager | KRW 10,000 | 86.2 | 109.2 | 114.0 | |
| | By gender | | | | | | |
| | | Male | KRW 10,000 | 86.7 | 108.6 | 113.6 | |
| | | Female | KRW 10,000 | 107.6 | 134.5 | 119.9 | |
| | By age | | | | | | |
| | | Under 30 years old | KRW 10,000 | 77.9 | 106.1 | 118.0 | |
| | | 30~50 years old | KRW 10,000 | 150.4 | 179.3 | 128.1 | |
| | | Over 50 years old | KRW 10,000 | 29.9 | 38.8 | 95.7 | |
| Training hours per employee | | | Hour | 33.8 | 46.7 | 40.8 | Total training hours provided to employees / total number of employees |
| | By position | | | | | | |
| | | Executives in top management level | Hour | 32.4 | 33.5 | 30.1 | Total training hours by position / number of employees by position |
| | | Mid-level manager/ Non-manager | Hour | 34.3 | 47.5 | 41.6 | |
| | By gender | | | | | | |
| | | Male | Hour | 33.2 | 45.6 | 40.7 | |
| | | Female | Hour | 50.9 | 72.0 | 51.1 | |
| | By age | | | | | | |
| | | Under 30 years old | Hour | 62.8 | 77.5 | 65.4 | |
| | | 30~50 years old | Hour | 38.8 | 52.8 | 44.1 | |
| | | Over 50 years old | Hour | 21.7 | 31.2 | 28.2 | |
| Training days per employee | | | Day | 4.2 | 5.8 | 5.1 | Training hours per employee / 8 hours (based on an 8-hour workday) |

# Facts & Figures

## Social

### Labor Union Membership(Korea)

| Classification | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|
| Employees eligible for membership[7] | Person | 44,554 | 43,092 | 42,220 | |
| Number of people with labor union membership | Person | 42,296 | 40,985 | 39,662 | As of end of Dec. each year |
| Labor union membership percentage | % | 94.9 | 95.1 | 93.9 | |

7) The number of employees eligible for membership has been redefined since 2024: (previously)Total number of employees → (revised)Number of employees eligible for union membership pursuant to the collective agreement

### Overview of Strikes

| Classification | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|
| Total number of strikes[8] | Case | 0 | 1 | 2 | |
| Number of days of work loss due to strikes | Day | 0 | 1 | 2 | Based on lost workdays involving 1,000 or more employees |

8) Political strikes led by the Metal Workers' Union. Two unauthorized(political) strikes took place, not legally authorized under bargaining rights acquired through formal negotiations. No strikes have been staged in relation to collective bargaining.(marked 6 consecutive years of strike-free agreement)

### Parental Leave(Korea)[9]

| Classification | | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|---|
| Number of employees who took parental leave | | Person | 688 | 661 | 639 | Employee who took parental leave in the reporting year (Changed to include those on extended leave.) |
| | Male | Person | 350 | 301 | 292 | |
| | Female | Person | 338 | 360 | 347 | |
| Proportion of employees who took parental leave | | % | 17 | 16 | 15 | Proportion of employees who took parental leave within one year of childbirth during the year among those with a child born during the year |
| | Male | % | 8 | 7 | 7 | |
| | Female | % | 93 | 96 | 91 | |
| Return-to-work rate after parental leave | | | | | | Proportion of the employees who returned to work during the year among those scheduled to return during the year (Changed to exclude those on extended leave from the count of employees scheduled to return.) |
| | Male | % | 96.5 | 95.4 | 97.4 | |
| | Female | % | 98.3 | 98.0 | 98.5 | |
| Retention rate after parental leave | | | | | | Proportion of employees who returned from parental leave in the previous year and remained employed for 12 months or more[10] |
| | Male | % | 94.3 | 97.3 | 96.6 | |
| | Female | % | 96.0 | 94.7 | 97.5 | |

9) Revised retroactively according to the changed criteria (from 2024, disclosure of parental leave status in business reports is mandatory → unified disclosure standards for business reports and SR reports).
10) Change in the retention rate calculation for parental leave: The criteria have changed from "employees remaining at the end of the year after returning" to "employees who have remained employed for 12 months or more after returning."

### New Employee Hires

| Classification | | | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|---|---|
| Total | | | Person | 23,018 | 25,419 | 23,631[11] | |
| | By gender | | | | | | |
| | | Male | Person | 20,344 | 22,467 | 20,228 | |
| | | Female | Person | 2,674 | 2,952 | 3,403 | |
| | By age | | | | | | |
| | | Under 30 years old | Person | 13,939 | 16,551 | 14,531 | |
| | | 30~50 years old | Person | 6,624 | 5,900 | 5,293 | |
| | | Over 50 years old | Person | 2,455 | 2,968 | 3,807 | |
| | By nationality(Korea) | | | | | | |
| | | Korea | Person | 8,110 | 10,741 | 11,056 | Top 5 nationalities by headcount |
| | | US | Person | 4 | 9 | 10 | |
| | | Canada | Person | 1 | 5 | 4 | |
| | | UK | Person | 0 | 0 | 3 | |
| | | China | Person | 1 | 1 | 2 | |

11) Reduction in new hires and replacement hires for natural attrition due to declining global demand

### Internal Recruitment(Korea)

| Classification | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|
| Internal recruitment ratio | % | 92.0 | 96.4 | 96.5 | Placement-to-vacancy ratio that reflects internal recruit and transfer |

### Youth Intern Employment(Korea)

| Classification | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|
| Total number of hired people | Person | 120 | 117 | 176 | Intern / Research intern / Recruitment type intern / Experience-based intern |
| Full-time conversion rate | % | 30.0 | 41.0 | 49.4 | Number of personnel converted to regular employment in 2024: 87 |

# Facts & Figures

## Social

### Employee Turnover

| Classification | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|
| Number of employees at the beginning of the year | Person | 118,042 | 121,608 | 120,233 | |
| Korea | Person | 66,523 | 70,902 | 69,645 | As of January 31 of the reporting year |
| Overseas | Person | 51,519 | 50,706 | 50,588 | As of December 31 of the reporting year |
| Total turnover rate | % | 11.4 | 10.8 | 9.5 | |
| Voluntary turnover rate[12] | % | 6.8 | 5.6 | 4.3 | |
| Domestic turnover rate | % | 5.5 | 5.4 | 4.9 | |
| By gender | | | | | |
| Male | Person | 3,499 | 3,694 | 3,294 | |
| Female | Person | 144 | 122 | 123 | |
| By age | | | | | |
| Under 30 years old | Person | 150 | 524 | 140 | |
| 30~50 years old | Person | 400 | 385 | 197 | |
| Over 50 years old | Person | 3,093 | 2,907 | 3,080 | |
| By position | | | | | |
| Executives in top management level | Person | 95 | 8 | 35 | |
| Mid-level manager | Person | 103 | 540 | 574 | Junior-level managers have been included under Mid-level managers since 2023 |
| Non-manager | Person | 3,445 | 3,268 | 2,808 | |
| Domestic voluntary turnover rate[12] | % | 0.94 | 0.81 | 0.39 | |
| Overseas turnover rate | % | 19.0 | 18.3 | 15.7 | |
| By gender | | | | | |
| Male | Person | 8,567 | 8,213 | 5,863 | |
| Female | Person | 1,206 | 1,078 | 2,089 | |
| Overseas voluntary turnover rate[12] | % | 14.0 | 12.4 | 10.3 | |

12) Voluntary turnover: When employees voluntarily leave their positions for reasons other than retirement, dismissal, etc.

### Wage by Gender(2024)

| Classification | Unit | Male | Female | Note |
|---|---|---|---|---|
| Average total compensation for employees[13] | KRW million | 125 | 112 | |
| Gender pay gap | | | | |
| Executives | | | | |
| Average basic salary | KRW | 363,768,905 | 353,370,350 | |
| Average total wage[13] | KRW | 462,844,708 | 495,780,348 | |
| Managers | | | | Senior-level general/research positions |
| Average basic salary | KRW | 99,801,021 | 91,792,429 | |
| Average total wage[13] | KRW | 157,774,933 | 138,780,973 | |
| Non-manager | | | | Junior-level general/research positions |
| Average basic salary[14] | KRW | 58,953,220 | 61,249,004 | |

13) Total annual wage including basic salary and bonus
14) Including salary and bonus

### Organizational Culture Survey

| Classification | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|
| Employee engagement rate | % | 72.9 | 79.8 | 81.1 | |
| Employee satisfaction(survey results) | Point | 72.9 | 76.6 | 79.4 | |

### Employees Subject to Regular Performance Appraisal

| Classification | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|
| Total coverage ratio[15] | % | N/A | N/A | 100 | Disclosed since 2024 |
| Male | % | N/A | N/A | 100 | Number of male employees / number of male employees |
| Female | % | N/A | N/A | 100 | Number of female employees / number of female employees |

15) Excluding certain exceptions(including contract positions, new hires)

# Facts & Figures

## Social

### Social Contributions

| Classification | | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|---|
| Expenditures by type | Cash donations | KRW million | 44,998 | 125,133 | 94,221 | |
| | In-kind contributions | KRW million | 2,925 | 4,546 | 5,246 | |
| | Employee volunteer | KRW million | 832 | 911 | 1,249 | Monetary value conversion of employees' volunteer hours[16] |
| | Management overhead | KRW million | 10,466 | 14,929 | 20,655 | |
| Expenditures by area | Local community investment | KRW million | 39,506 | 113,358 | 86,067 | |
| | Simple donation | KRW million | 6,632 | 15,424 | 12,620 | |
| | For commercial use | KRW million | 12,251 | 15,826 | 21,435 | |
| Expenditures by region | Korea | KRW million | 58,389 | 144,608 | 120,122 | |
| | Overseas | USD | 22,394,209 | 27,896,064 | 33,153,512 | |
| Employees volunteering (Korea) | Number of volunteer activities | Case | 627 | 613 | 1,074 | |
| | Number of participants | Person | 5,592 | 7,436 | 8,207 | |
| | Number of hours participated | Hour | 15,016 | 19,005 | 19,345 | |

16) Employees' annual volunteer hours x employees' average hourly wage (average annual income / annual no. of work days / hours)

### Donations/Contributions/Sponsorship Organizations

| Classification | | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|---|
| Total expenditures by type | | KRW million | 5,180 | 6,009 | 4,674 | |
| | Associations and tax-free groups | KRW million | 5,180 | 6,009 | 4,674 | Associations and groups related to industry |
| | Lobbyist and interest groups | KRW million | 0 | 0 | 0 | |
| | Political donations | KRW million | 0 | 0 | 0 | |
| | Others | KRW million | 0 | 0 | 0 | |
| Expenditures by major contributed association | | | | | | |
| | Foundation of Korea Automotive Parts Industry Promotion | KRW million | 3,300 | 10,972 | 12,794 | |
| | Korea Automobile & Mobility Association | KRW million | 2,178 | 2,453 | 2,360 | |
| | Korea Automotive Technology Institute | KRW million | 332 | 230 | 237 | |
| | H2Korea | KRW million | 200 | 200 | 200 | |
| | Korea Traffic Disabled Association | KRW million | 100 | 100 | 120 | |

### Quality

| Classification | | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|---|
| Quality Index(Based on the survey conducted by J.D. Power and Associates) | | | | | | |
| | U.S. Vehicle Dependability Study(Hyundai) | Ranking (score) | Non-premium 3rd (148) | Non-premium 6th (170) | Non-premium 9th (198) | |
| | U.S. Initial Quality Study(Hyundai) | Ranking (score) | Non-premium 12th (185) | Non-premium 10th (188) | Non-premium 3rd (162) | |
| | U.S. Vehicle Dependability Study(Genesis) | Ranking (score) | Premium 1st (155) | Premium 2nd (144) | Premium 5th (200) | |
| | U.S. Initial Quality Study(Genesis) | Ranking (score) | Premium 1st (156) | Premium 5th (176) | Premium 3rd (184) | |
| Quality management system certification | | % | 100 | 100 | 100 | All business sites in Korea and overseas are ISO 9001 certified |

### Customer Satisfaction

| Classification | | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|---|
| Customer satisfaction survey results | | | | | | |
| | Customer Satisfaction Score - Hyundai Customer Experience Index (HCXI) | Score | 72.1 | 72.2 | 71.0 | 1:1 weight assigned to sales/maintenance |
| | External evaluation – National Customer Satisfaction Index (NCSI) | Ranking | 1st place at all segments | 1st place at all segments | 1st place at all segments | Sub-medium, medium, semilarge, large, compact RV, large RV, electric vehicles |
| | External evaluation – Korean Standard-Quality Excellence Index (KS-QEI) | Ranking | 1st place at all segments | 1st place in 10 categories (total 14 categories) | 1st place in 12 categories (total 14 categories) | Luxury sedan E-segment, medium, large SUV, electric vehicle, automobile AS, and other 12 segments |
| | External evaluation – Korean Customer Satisfaction Index (KCSI) | Ranking | 1st place at all segments | 1st place at all segments | 1st place at all segments | Passenger vehicles, RVs, compact vehicles, electric vehicles |
| | Domestic Maintenance Service Satisfaction (HCXI) | Score(Ranking) | 71.8(1st) | 72.5(1st) | 73.0(1st) | 1:1 weight assigned to directlyrun/ Bluehands |
| | Overseas Sales Customer Satisfaction (NPS) | Score(Country of implementation) | 87.7(35 countries) | 90.6(35 countries) | 93.8(34 countries) | |
| | Overseas Maintenance Service Satisfaction (NPS) | Score(Country of implementation) | 77.5(35 countries) | 78.8(35 countries) | 82.3(34 countries) | |

# Facts & Figures

## Social

### Safety and Health

| Classification | | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|---|
| Number of work-related fatalities for employees | | Person | 1 | 2 | 2 | |
| Number of work-related fatalities for contractors[17] | | Person | 0 | 0 | 0 | |
| Total number of employees involved in occupational accidents | | Person | 508 | 593 | 561 | 146 cases of occupational diseases<br>1 case of work-related fatality |
| | Korea | Person | 478 | 559 | 483 | |
| | Overseas | Person | 30 | 34 | 78 | |
| Total accident rate | | % | 0.55 | 0.58 | 0.56 | |
| | Korea | % | 0.81 | 0.93 | 0.80 | |
| | Overseas | % | 0.07 | 0.08 | 0.20 | |
| Employee LTIFR[18] | | Number of cases/ million working hours | 1.94 | 1.89 | 1.90 | Based on figures of the Ulsan, Asan, and Jeonju plants in Korea, and overseas manufacturing plants<br>Number of injuries that prevent workers from recovering to the same state before the accident within six months: 60 cases |
| In-house supplier LTIFR[18] | | Number of cases/ million working hours | 1.53 | 1.05 | 1.01 | |
| Employee OIFR[19] | | Number of cases/20k working hours | 0.53 | 0.77[21] | 0.67 | |
| Employee TRIR[20] | | Number of cases/20k working hours | N/A | 0.97 | 1.79 | Compiled since 2023 |
| TRIR of in-house suppliers[20] | | Number of cases/20k working hours | N/A | 0.23 | 0.20 | Compiled since 2023 |

17) In-house contractors at Hyundai Motor Company
18) LTIFR(Lost-Time Injuries Frequency Rate) = (Number of lost-time injuries x 1,000,000) ÷ annual working hours
19) OIFR(Occupational Illness Frequency Rate) = (Number of work-related illness cases)/(total hours worked) x 200,000
20) TRIR(Total Recordable Incident Rate) = (Number of recordable incidents)/(total hours worked) X 200,000
21) Corrected 2023 data due to a miscalculation of working hours

## Governance

### Compliance Education

| Classification | | Unit | 2024 | Note |
|---|---|---|---|---|
| Total number of education | | Case | 54 | |
| By region | | | | |
| | Korea | Case | 41 | |
| | Overseas | Case | 13 | |
| By topic | | | | |
| | Advanced compliance education | Case | 25 | Including fair trade and overseas subsidiaries |
| | Basic compliance education | Case | 29 | For new executives, new hires, experienced hires, and expatriates among others |
| Total number of education method | | | | |
| | On-line | Case | 11 | |
| | Off-line | Case | 43 | |
| Hours by education method | | | | |
| | On-line | Hour | 14 | |
| | Off-line | Hour | 45 | |
| Monitoring education focused on compliance risk | | Person | 395 | In-person education on technical data under subcontract laws for the Procurement Division |

### Major Cases of Legal/Regulatory Non-Compliance[1]

| Classification | | Unit | 2022 | 2023 | 2024 | Note |
|---|---|---|---|---|---|---|
| Number of data privacy incidents[2] | | Case | 0 | 0 | 2[3] | Zero incidents occurred in 2024 |
| Number of information security incidents | | Case | 0 | 0 | 0 | |
| Number of labeling/advertising violations | | Case | 0 | 0 | 0 | |
| Penalty and fine for noncompliance with environmental regulations[4] | No. of cases of environmental violations | Case | 0 | 1[5] | 2[6] | |
| | Penalty and fine | KRW million | 0 | 4,023 | 45,724 | |

1) For details on non-compliance with laws and regulations, see the Business Report 'XI. Other matters necessary for investor protection – 3. Sanctions and related matters'
2) The calculation is based on cases where Hyundai Motor Company received dispositions such as fines, penalties or corrective actions from regulatory authorities(Personal Information Protection Commission, Korea Communications Commission)
3) There was one data breach incident in July and one data leak incident in September of 2022. Administrative actions were taken by the Personal Information Protection Commission in August 2024 for both cases, and fines were paid in October.
4) Only cases of environmental regulatory non-compliance involving penalties of US$10,000 or more were included
5) Hyundai Motor America (HMA) and Hyundai America Technical Center (HATCI) based in the US paid fines imposed due to failure to self-report controller changes in the vehicles they sold. To prevent recurrence, internal processes and operational manuals for the reporting of controller changes were improved.
6) Fines were paid for environmental violations in Germany(May 2024) and Korea(July 2024) as follows
   - Germany : Certain diesel vehicles exceeded Euro 5 and 6b emission limits under real driving conditions, which was attributed to negligence in supervisory duties on the part of Hyundai Motor Europe(HME), Hyundai Motor Deutschland(HMD), and Hyundai Motor Europe Technical Center(HMETC). This resulted in the violation of Germany's Administrative Offenses Act and fines of approximately 29.89 million euros. No evidence of intentional misconduct was found as a result of investigations, and the internal technical compliance system was strengthened to prevent recurrence.
   - Korea : The Ulsan Plant paid fines of KRW 30 million for violations of the Clean Air Conservation Act and regulations governing environmental testing and inspections. To prevent recurrence, consulting was provided by environmental expert organizations to assess issues, propose improvement measures, and advance compliance processes related to environmental regulations.

# Global Network

Hyundai operates production plants, sales subsidiaries and R&D centers in major overseas markets. Through our global sales network we provide customers worldwide with an enjoyable car life.

Headquarters
7

Manufacturing
14

Sales
26

R&D Center
9

Others
18




Hyundai Motor India Headquarters, Hyundai Motor Central & South America Headquarters: Integrated single entities for both manufacturing and sales

# Certifications and Patents

## Certification List by Business Site (ISO Certification)

| Classification | | Term of Validity | Note |
|---|---|---|---|
| ISO 14001 (Environmental Management) | Business sites in Korea (Ulsan Plant, Asan Plant, Jeonju Plant, Namyang R&D Center, Headquarters, Korea Business Division) | 2024 - 2026 | Integrated certification |
| | Hyundai Motor Manufacturing Alabama(HMMA) | 2024 - 2026 | |
| | Beijing Hyundai Motor Company(BHMC) | 2024 - 2027 | |
| | Hyundai Motor India(HMI) | 2023 - 2026 | |
| | Hyundai Motor Central & South America(HMCSA) | 2024 - 2027 | |
| | Hyundai Motor Manufacturing Czech(HMMC) | 2024 - 2027 | |
| | Hyundai Motor Türkiye Otomotiv A.Ş(HMTR) | 2024 - 2027 | |
| | Hyundai Motor Manufacturing Indonesia(HMMI) | 2022 - 2025 | |
| | Hyundai Truck & Bus China(HTBC) | 2023 - 2026 | |
| | Hyundai Mobility Global Innovation Center in Singapore(HMGICS) | 2023 - 2026 | |
| | Hyundai Thanh Cong Vietnam(HMTV) | 2024 - 2027 | |
| | HTWO Guangzhou | 2024 - 2027 | |
| | Hyundai Motor de Mexico(HYMEX) | 2024 - 2027 | |
| ISO 45001 (Health and Safety Management) | Business sites in Korea(Ulsan Plant, Asan Plant, Jeonju Plant, Namyang R&D Center, Mabuk R&D Center, Uiwang R&D Center, Pangyo R&D Center, Headquarters, domestic business divisions, HI-TECH Centers in Korea) | 2024 – 2027 | Integrated certification |
| | Hyundai Motor Manufacturing Alabama(HMMA) | 2024 – 2026 | |
| | Beijing Hyundai Motor Company(BHMC) | 2024 – 2027 | |
| | Hyundai Motor India(HMI) | 2023 - 2026 | |
| | Hyundai Motor Central & South America(HMCSA) | 2024 - 2027 | |
| | Hyundai Motor Manufacturing Czech(HMMC) | 2024 - 2027 | |
| | Hyundai Motor Türkiye Otomotiv A.Ş(HMTR) | 2024 – 2027 | |
| | Hyundai Motor Manufacturing Indonesia(HMMI) | 2022 - 2025 | |
| | Hyundai Truck & Bus China(HTBC) | 2023 - 2026 | |
| | Hyundai Mobility Global Innovation Center in Singapore(HMGICS) | 2023 – 2026 | |
| | Hyundai Thanh Cong Vietnam(HMTV) | 2024 – 2025 | |
| | HTWO Guangzhou | 2024 – 2027 | |
| | Hyundai Motor de Mexico(HYMEX) | 2024 - 2027 | |
| ISO 27001 (Information Security Management) | Business sites in Korea | 2024 - 2027 | |
| ISO 9001 (Quality Management) | Business sites in Korea & Overseas | 2024 - 2027 | |
| ISO 50001 (Energy Management) | Beijing Hyundai Motor Company(BHMC) | 2025 - 2028 (Renhe/Yangzhen Plants) | |
| | Hyundai Motor India(HMI) | 2024 - 2027 | |
| | Hyundai Motor Türkiye Otomotiv A.Ş(HMTR) | 2025 - 2027 | |
| | Hyundai Motor Manufacturing Indonesia(HMMI) | 2023 - 2026 | |

## Domestic and International Patent

| Indicator | | Unit | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| Accumulated number of patents held | | Case | 35,772 | 37,788 | 39,385 |
| New patent application (yearly) | Total number of new patent applications | Case | 7,729 | 6,853 | 7,436 |
| | Future technology (autonomous driving, connectivity) | Case | 780 | 729 | 799 |
| | Eco-friendly technology[1] (electrification, hydrogen energy, recycle, biomaterial, CCUS[2]) | Case | 2,194 | 1,702 | 2,151 |
| | Others | Case | 4,755 | 4,422 | 4,486 |

1) Eco-friendly technology : Classified and compiled eco-friendly technologies to achieve carbon neutrality
2) CCUS: Carbon Capture, Utilization and Storage

# GRI Index

## Universal Standards

| GRI Standards | | Page | Note |
|---|---|---|---|
| No. | Title | | |
| 2-1 | Organizational details | 144 | |
| 2-2 | Entities included in the organization's sustainability reporting | 144 | p.479-484 of Business Report |
| 2-3 | Reporting period, frequency and contact point | 144 | |
| 2-4 | Restatements of information | 45-46, 115-118, 121 | |
| 2-5 | External assurance | 137-143 | |
| 2-6 | Activities, value chain and other business relationships | 3-4, 14 | |
| 2-7 | Employees | 118-120 | |
| 2-8 | Workers who are not employees | 120 | |
| 2-9 | Governance structure and composition | 9-10, 97-101 | |
| 2-10 | Nomination and selection of the highest governance body | 97 | |
| 2-11 | Chair of the highest governance body | 97 | |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | 9-10, 22, 101 | |
| 2-13 | Delegation of responsibility for managing impacts | 9-10, 22, 101 | |
| 2-14 | Role of the highest governance body in sustainability reporting | 101 | |
| 2-15 | Conflicts of interest | 97, 100 | |
| 2-16 | Communication of material issues | 98 | |
| 2-17 | Collective knowledge of the highest governance body | 10 | |
| 2-18 | Evaluation of the performance of the highest governance body | 99 | |
| 2-19 | Remuneration policies | 17, 99 | |
| 2-20 | Process to determine remuneration | 100 | |
| 2-21 | Annual total compensation ratio | 99 | |
| 2-22 | Statement on sustainable development strategy | 3-4 | |
| 2-23 | Policy commitments | 20, 47, 53-54, 74, 104-105 | |
| 2-24 | Embedding policy commitments | 20, 56-57, 70, 74 | |
| 2-25 | Processes to remediate negative impacts | 21, 56-57, 70, 77 | |
| 2-26 | Mechanisms for seeking advice and raising concerns | 13, 21, 57, 77, 104-105 | |
| 2-27 | Compliance with laws and regulations | 124 | |
| 2-28 | Membership associations | 123 | |
| 2-29 | Approach to stakeholder engagement | 12-13 | |
| 2-30 | Collective bargaining agreements | 121 | |
| 3-1 | Process to determine material topics | 14 | |
| 3-2 | List of material issues | 15-17 | |
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## Topic Specific Standards - Economic

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| 201-2 | Financial implications and other risks and opportunities due to climate change | 22-38 | |
| 201-3 | Defined benefit plan obligations and other retirement plans | 62 | |
| 201-4 | Financial assistance received from government | 114 | |
| 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage | 122 | |
| 202-2 | Proportion of senior management hired from the local community | 118 | |
| 203-1 | Infrastructure investments and services supported | 123 | |
| 203-2 | Significant indirect economic impacts | 123 | |
| 205-1 | Operations assessed for risks related to corruption | 104-106 | |
| 205-2 | Communication and training about anti-corruption policies and procedures | 104-106 | |
| 205-3 | Confirmed incidents of corruption and actions taken | 104-106 | |
| 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | - | |
| 207-1 | Approach to tax | 111 | |
| 207-2 | Tax governance, control, and risk management | 111 | |

# GRI Index

## Topic Specific Standards - Environmental

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| 301-2 | Recycled input materials used | 45 | |
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| 302-1 | Energy consumption within the organization | 45, 115 | |
| 302-2 | Energy consumption outside of the organization | 39 | |
| 302-3 | Energy Intensity | 39, 115 | |
| 302-4 | Reduction of energy consumption | 24-25 | |
| 303-1 | Interactions with water as a shared resource | 45-46, 134 | |
| 303-2 | Management of impacts related to wastewater | - | |
| 303-3 | Water withdrawal | 45, 115-116 | |
| 303-4 | Water discharge | 45, 115-116 | |
| 303-5 | Water consumption | 45, 115-116 | |
| 304-1 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | - | |
| 304-2 | Significant impacts of activities, products and services on biodiversity | 47-49 | |
| 304-3 | Habitats protected or restored | 47-49 | |
| 304-4 | IUCN Red List species and national conservation list species with habitats in areas affected by operations | 49 | |

| GRI Standards | | Page | Note |
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| 305-4 | GHG emissions intensity | 39, 115 | |
| 305-5 | Reduction of GHG emissions | 24-34 | |
| 305-7 | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | 116 | |
| 306-1 | Waste generation and significant waste-related impacts | 43-46 | |
| 306-2 | Management of significant waste-related impacts | 43-46 | |
| 306-3 | Waste generated | 117 | |
| 306-4 | Waste diverted from disposal | 46, 117 | |
| 306-5 | Waste directed to disposal | 117 | |
| 308-1 | New suppliers that were screened using environmental criteria | 75-76 | |
| 308-2 | Negative environmental impacts in the supply chain and actions taken | 76 | |

# GRI Index

## Topic Specific Standards - Social

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|---|---|---|---|
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| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 61-67 | |
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| 403-4 | Worker participation, consultation, and communication on occupational health and safety | 69-73 | |
| 403-5 | Worker training on occupational health and safety | 70-73 | |
| 403-6 | Promotion of worker health | 70 | |
| 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 70-73 | |
| 403-8 | Workers covered by an occupational health and safety management system | 69 | |
| 403-9 | Work-related injuries | 124 | |
| 403-10 | Work-related ill health | 124 | |
| 404-1 | Average hours of training per year per employee | 120 | |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | 58-60, 62 | |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | 122 | |

| GRI Standards | | Page | Note |
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| No. | Title | | |
| 405-1 | Diversity of governance bodies and employees | 98 | |
| 405-2 | Ratio of basic salary and remuneration of women to men | 64, 122 | |
| 406-1 | Incidents of discrimination and corrective actions taken | 57, 105 | |
| 407-1 | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | 55, 76 | |
| 408-1 | Operations and suppliers at significant risk for incidents of child labor | 55, 57, 76 | |
| 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | 55, 57, 76 | |
| 411-1 | Incidents of violations involving rights of indigenous peoples | - | No incidents of violations occurred |
| 413-1 | Operations with local community engagement, impact assessments, and development programs | 12, 47-49, 90-93, 123 | |
| 414-2 | Negative social impacts in the supply chain and actions taken | 76 | |
| 415-1 | Political contributions | 123 | No political contributions made |
| 416-1 | Assessment of the health and safety impacts of product and service categories | 84-85 | |
| 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | 84-85, 124 | |
| 417-1 | Requirements for product and service information and labeling | 88 | |
| 417-2 | Incidents of non-compliance concerning product and service information and labeling | 124 | No incidents of violations occurred |
| 417-3 | Incidents of non-compliance concerning marketing communications | 124 | No incidents of violations occurred |
| 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | 124 | |

# ESRS(European Sustainability Reporting Standards) Index

## ESRS 2. General Disclosures

| Indicator No. | Title | Page |
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| ESRS 2 BP-1 | General basis for preparation of the sustainability statements | 144 |
| ESRS 2 BP-2 | Disclosures in relation to specific circumstances | 29, 39, 45, 46, 113, 115-118, 121, 124 |
| ESRS 2 GOV-1 | The role of the administrative, management and supervisory bodies | 9-10, 22, 97-101 |
| ESRS 2 GOV-2 | Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies | 98, 101 |
| ESRS 2 GOV-3 | Integration of sustainability-related performance in incentive schemes | 10, 17, 21, 40, 70 |
| ESRS 2 GOV-4 | Statement on sustainability due diligence | 53-56, 75-76 |
| ESRS 2 GOV-5 | Risk management and internal controls over sustainability reporting[1] | - |
| ESRS 2 SBM-1 | Market position, strategy, business model(s) and value chain | 6-7, 26-27 |
| ESRS 2 SBM-2 | Interests and views of stakeholders | 12-13 |
| ESRS 2 SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model(s) | 14-16 |
| ESRS 2 IRO-1 | Description of the processes to identify and assess material impacts, risks and opportunities | 14 |
| ESRS 2 IRO-2 | Disclosure Requirements in ESRS covered by the undertaking's sustainability statements | 130-132 |

1) We have been operating an IT system-based "ESG platform" since 2022 to secure ESG data collection-inspection-disclosure efficiency and credibility of all business sites in Korea and abroad

## ESRS E1. Climate Change

| Indicator No. | Title | Page |
|---|---|---|
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| ESRS E1-2 | Policies related to climate change mitigation and adaptation | 20, 24-34 |
| ESRS E1-3 | Actions and resources in relation to climate change policies | 24-26, 31-34, 40 |
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| ESRS E1-6 | Gross Scopes 1, 2, 3 and Total GHG emissions | 39, 115 |
| ESRS E1-7 | GHG removals and GHG mitigation projects financed through carbon credits | 16, 33 |
| | Avoided emissions of products and services | 15, 28 |
| ESRS E1-8 | Internal carbon pricing[2] | - |
| ESRS E1-9 | Potential financial effects from material physical and transition risks and potential climate-related opportunities | 23, 35-38 |

2) The internal carbon price is aligned with ETS prices and is used to improve energy efficiency, implement low-carbon strategies and investments, and discover low-carbon business opportunities.

## ESRS E2. Pollution

| Indicator No. | Title | Page |
|---|---|---|
| ESRS E2-1 | Policies related to pollution | 20, 46 |
| ESRS E2-2 | Actions and resources related to pollution | 21, 46 |
| ESRS E2-3 | Targets related to pollution | 50 |
| ESRS E2-4 | Pollution of air, water and soil | 50, 116 |
| ESRS E2-5 | Substances of concern and substances of very high concern | 116 |
| ESRS E2-6 | Potential financial effects from pollution-related impacts, risks and opportunities | 21, 124 |

# ESRS(European Sustainability Reporting Standards) Index

## ESRS E3. Water and Marine Resources

| Indicator No. | Title | Page |
|---|---|---|
| ESRS E3-1 | Policies implemented to manage water and marine resources | 20, 45-46 |
| ESRS E3-2 | Actions and resources related to water and marine resources | 21, 33, 45-46 |
| ESRS E3-3 | Targets related to water and marine resources | 46 |
| ESRS E3-4 | Water consumption | 45, 115-116, 135 |
| ESRS E3-5 | Potential financial effects from water and marine resources-related impacts, risks and opportunities | 21 |

## ESRS E4. Biodiversity and Ecosystems

| Indicator No. | Title | Page |
|---|---|---|
| ESRS E4-1 | Transition plan on biodiversity and ecosystems[3)] | - |
| ESRS E4-2 | Policies related to biodiversity and ecosystems | 20, 47 |
| ESRS E4-3 | Actions and resources related to biodiversity and ecosystems | 48 |
| ESRS E4-4 | Targets related to biodiversity and ecosystems[3)] | 48 |
| ESRS E4-5 | Impact metrics related to biodiversity and ecosystems change | 48-49 |
| ESRS E4-6 | Potential financial effects from biodiversity and ecosystem-related risks and opportunities | 21 |

3) We present a mid- to long-term goal as well as activity and performance target through Hyundai Motor Company Biodiversity Protection Policy and Hyundai Motor Company No Deforestation Policy

Biodiversity Protection Policy No Deforestation Policy

## ESRS E5. Resource Use and Circular Economy

| Indicator No. | Title | Page |
|---|---|---|
| ESRS E5-1 | Policies related to resource use and circular economy | 20, 42-44 |
| ESRS E5-2 | Actions and resources related to resource use and circular economy | 42-44 |
| ESRS E5-3 | Targets related to resource use and circular economy | 42-44, 46 |
| ESRS E5-4 | Resource inflows | 45, 115 |
| ESRS E5-5 | Resource outflows | 43, 116-117 |
| ESRS E5-6 | Potential financial effects from resource use and circular economy-related impacts, risks and opportunities | 21 |

## ESRS S1. Own Workforce

| Indicator No. | Title | Page |
|---|---|---|
| ESRS S1-1 | Policies related to own workforce | 54 |
| ESRS S1-2 | Processes for engaging with own workers and workers' representatives about impacts | 61, 69 |
| ESRS S1-3 | Processes to remediate negative impacts and channels for own workers to raise concerns | 57, 61, 104 |
| ESRS S1-4 | Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions | 54-73 |
| ESRS S1-5 | Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | 54, 69 |
| ESRS S1-6 | Characteristics of the undertaking's employees | 118-119 |
| ESRS S1-7 | Characteristics of non-employee workers in the undertaking's own workforce | 120 |
| ESRS S1-8 | Percentage of total employees covered by collective bargaining agreements<br>For employees not covered by collective bargaining agreements, a description of reasons and countermeasures | 61, 121 |
| | No. of strikes, no. of work loss days due to strikes, measures and discussions to resolve strikes, etc. | 121 |
| ESRS S1-9 | Average hourly wage difference between genders, ratio of women's hourly wage against men's hourly wage | 122 |
| | Persons subject to family care leave (maternity leave, parental leave, etc.), no. of persons who went on a leave, retention rate after returning to work after leave | 121 |
| ESRS S1-10 | Adequate wages[4)] | 62, 122 |
| ESRS S1-11 | Social protection | 62 |
| ESRS S1-12 | Persons with disabilities | 120 |
| ESRS S1-13 | Percentage of employees that participated in regular performance and career development reviews | 58, 122 |
| | Average number of training hours and expenses per person | 120 |
| ESRS S1-14 | Percentage of own workers who are covered by the undertaking's health and safety management system based on legal requirements and/or recognized standards or guidelines | 69, 126 |
| | Number and rate of work-related injuries and ill health, the number of days lost to work-related injuries, accidents, and ill health | 124, 136 |
| ESRS S1-15 | Work-life balance indicators | 62-63, 121 |
| ESRS S1-16 | Ratio of the annual total compensation ratio of the highest paid individual to the median annual total compensation for all employees | 99 |
| ESRS S1-17 | Number of work-related incidents and severe human rights impacts and incidents within its own workforce and any related material fines or sanctions for the reporting period | 55-56, 70-73 |
| | Number of complaints and severe human rights impacts and incidents within its own workforce and any related countermeasures and plans to prevent reoccurrence | 55-56, 70-73 |

4) We set a wage that is more than the minimum wage specified in local laws where our domestic and overseas business sites are located. An accurate wage that is calculated according to work hours is regularly paid on a set date.

# ESRS(European Sustainability Reporting Standards) Index

## ESRS S2. Workers in the Value Chain

| Indicator No. | Title | Page |
|---|---|---|
| ESRS S2-1 | Policies related to value chain workers | 73-74, 79 |
| ESRS S2-2 | Processes for engaging with value chain workers about impacts | 74, 76-78 |
| ESRS S2-3 | Processes to remediate negative impacts and channels for value chain workers to raise concerns[5] | 77 |
| ESRS S2-4 | Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions | 74-82 |
| ESRS S2-5 | Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | 74 |

5) Through Hyundai Motor Group's Transparent Purchase Practices Center, we operate a "suggestion box for transparency and ethical practices" and "suggestion box for tier-2 and tier-3 suppliers

## ESRS S3. Affected Communities

| Indicator No. | Title | Page |
|---|---|---|
| ESRS S3-1 | Policies related to affected communities | 90 |
| ESRS S3-2 | Processes for engaging with affected communities about impacts | 12 |
| ESRS S3-3 | Processes to remediate negative impacts and channels for affected communities to raise concerns | 12 |
| ESRS S3-4 | Taking action on material impacts on affected communities, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions | 90-93 |
| ESRS S3-5 | Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | 90-93 |

## ESRS S4. Consumers and End Users

| Indicator No. | Title | Page |
|---|---|---|
| ESRS S4-1 | Policies related to consumers and end-users | 86-87 |
| ESRS S4-2 | Processes for engaging with consumers and end-users about impacts | 84-87 |
| ESRS S4-3 | Processes to remediate negative impacts and channels for consumers and end-users to raise concerns | 84-86 |
| ESRS S4-4 | Taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions | 84-86 |
| ESRS S4-5 | Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities[6] | - |

6) We are continually carrying out activities based on three major directions – "strengthen maintenance capabilities," "secure outstanding personnel," and "operate maintenance regulations" – to enhance customer and consumer service quality

## ESRS G1. Business Conduct

| Indicator No. | Title | Page |
|---|---|---|
| ESRS G1-1 | Top decision-making body's declaration of ethical management and roles and responsibilities in relation to management and supervision | 10, 101, 104 |
| | Requirements in the Ethics Charter and Code of Conduct | 104 |
| ESRS G1-2 | Operating the compliance program, conducting activities to make payment improvements, such as the win-win payment system | 82, 106 |
| | Diagnosing and conducting a due diligence on supplier ESG risks, reflecting diagnosis and due diligence results in supplier selection criteria[7] | 74-76 |
| ESRS G1-3 | Activities to prevent corruption or bribery, and a system to investigate and report outcomes to the administrative, management and supervisory bodies | 104-105 |
| | Activities to prevent unfair trading, and a system to investigate and report outcomes to the administrative, management and supervisory bodies | 104-105 |
| ESRS G1-4 | Number of confirmed incidents of corruption or bribery, details of public legal cases, the number of confirmed incidents in which own workers were dismissed or disciplined | 105 |
| | Number of confirmed incidents of unfair trading, details of public legal cases, the number of confirmed incidents in which own workers were dismissed or disciplined | 105 |
| ESRS G1-5 | Political influence and lobbying activities[8] | 123 |
| ESRS G1-6 | Payment practices | 82 |

7) We operate the "5-star System," which evaluates technology/quality/delivery levels to certify outstanding suppliers. We also reflect the results of evaluating ESG and safety/environment/security in trade conditions
8) In accordance with Anti-Corruption/Bribery Policy of Hyundai Motor Company, we handle charitable donations and sponsorships fairly according to internal execution standards and processes. Donations and sponsorships for political purposes are prohibited.

Anti-Corruption/Bribery Policy of Hyundai Motor Company

# TCFD Index

| Disclosure Focus Area | Title | Page | Note[1)] |
|---|---|---|---|
| Governance | Describe the board's oversight of climate-related risks and opportunities. | 9, 22 | Report to Sustainability Management Committee of the BOD and review thereof<br>CDP questions:4.1.2 |
| | Describe management's role in assessing and managing climate-related risks and opportunities. | 9, 22 | Discussion of strategic direction and implementation plans, as well as review of progress and performance, through the C-level Management Committee Meeting<br>CDP questions: 4.3 |
| Strategy | Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. | 23, 35-38 | CDP questions: 2.1, 3.1, 3.1.1, 3.6, 3.6.1 |
| | Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning. | 23, 35-38 | CDP questions: 3.1.1, 3.6.1, 5.1.2, 5.2, 5.3.1, 5.3.2, 5.14, 5.14.1 |
| | Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | 35-39 | CDP questions: 5.1, 5.1.1, 5.1.2 |
| Risk Management | Describe the organization's processes for identifying and assessing climate-related risks. | 39 | CDP questions: 2.1, 2.2.1, 2.2.2, 2.2.5, 2.2.6, 2.2.8, 2.2.9 |
| | Describe the organization's processes for managing climate-related risks. | 24, 39 | CDP questions: 2.1, 2.2.1, 2.2.8, 2.2.9 |
| | Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management. | 9, 39, 107 | CDP questions: 2.1, 2.2.1 |
| Metrics and Targets | Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process. | 6, 25-34, 115 | Energy consumption, vehicle sales status, sales, etc.<br>CDP questions: 7.5.2, 7.54, 7.54.1, 7.54.2 |
| | Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. | 39, 115 | CDP questions: 7.6, 7.7, 7.8, 7.8.1, 12.1, 12.1.1, 12.1.3, 12.3 |
| | Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets. | 25-27, 31, 33-34, 40-41 | CDP questions: 7.53, 7.53.1, 7.53.2, 7.53.4, 7.54, 7.54.1, 7.54.2 |

1) Based on CDP 2024 questions

# SASB Index

<table>
<tr><th></th><th></th><th>Accounting Metric</th><th>Page</th><th>Note</th></tr>
<tr><td>Product Safety</td><td>TR-AU-250a.1</td><td>Percentage of vehicle models rated by NCAP programs with an overall 5-star safety rating, by region</td><td>84</td><td>
<table>
<tr><th>Region</th><th>5-star (top rating)</th><th>Ratio[1)]</th><th>Models Rated</th></tr>
<tr><td>Korea</td><td>Santa Fe</td><td>50%</td><td rowspan="2">2 models in total</td></tr>
<tr><td>Europe</td><td>Santa Fe</td><td>50%</td></tr>
<tr><td>U.S.</td><td>IONIQ 5, PALISADE, Santa Cruz etc. total 23 vehicles</td><td>76.7%</td><td>30 models in total</td></tr>
<tr><td>Australia</td><td>Santa Fe</td><td>50%</td><td>2 models in total</td></tr>
<tr><td>India</td><td>Tucson</td><td>100%</td><td>1 model</td></tr>
</table>
1) 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. The NCAP assessment does not cover all new models released by each brand every year. The ratio represents the percentage of vehicle models rated 5-star (top rating) out of models randomly chosen by NCAP for evaluation.
</td></tr>
<tr><td></td><td>TR-AU-250a.2</td><td>Number of safety-related defect complaints, percentage investigated</td><td>84</td><td>Constant monitoring of customer complaints and 100% voluntary recall immediately when potential issues are recognized to customers of Ministry of Land, Infrastructure and Transport (Korea), NHTSA (U.S. Department of Transportation's National Highway Traffic Safety Administration)</td></tr>
<tr><td></td><td>TR-AU-250a.3</td><td>Number of vehicles recalled</td><td>85</td><td>2024: 3.08 million vehicles (voluntary recall)</td></tr>
<tr><td>Labor Practices</td><td>TR-AU-310a.1</td><td>Percentage of active workforce covered under collective bargaining agreements</td><td>121</td><td>2024: 93.9% (domestic basis)</td></tr>
<tr><td></td><td>TR-AU-310a.2</td><td>(1) Number of work stoppages, and<br>(2) total days idle</td><td>121</td><td>2024: Two strike incidents with more than 1,000 people taking a break from work, resulting in a total loss of 2 days (domestic and overseas)</td></tr>
<tr><td>Fuel Economy &<br>Use-phase Emissions</td><td>TR-AU-410a.1</td><td>Sales-weighted average passenger fleet fuel economy, by region</td><td>29</td><td>EU average passenger fleet carbon emissions, China/U.S. average fleet fuel economy
<table>
<tr><th colspan="2">Classification</th><th>2021</th><th>2022</th><th>2023</th><th>2024</th></tr>
<tr><td colspan="2">Average fleet carbon emissions in EU (g/km)</td><td>107.1</td><td>101.4</td><td>105.7</td><td>111.3</td></tr>
<tr><td colspan="2">Average fleet fuel economy in China (L/100km)</td><td>6.15</td><td>6.28</td><td>6.19</td><td>6.24</td></tr>
<tr><td rowspan="2">Average fleet fuel economy in U.S. (mpg)</td><td>Passenger car</td><td>42.8</td><td>45.1</td><td>47.7</td><td>51.7</td></tr>
<tr><td>Light truck</td><td>30.9</td><td>36.1</td><td>35</td><td>35.7</td></tr>
</table>
</td></tr>
<tr><td></td><td>TR-AU-410a.2</td><td>Number of<br>(1) zero emission vehicles (ZEV),<br>(2) hybrid vehicles, and<br>(3) plug-in hybrid vehicles sold</td><td>6</td><td>Number and proportion of eco-friendly vehicles sold in 2024 (Unit: 1,000)
<table>
<tr><th>Classification</th><th>HEV/PHEV</th><th>EV</th><th>FCEV</th><th>Total</th></tr>
<tr><td>Global</td><td>534(12.9%)</td><td>219(5.3%)</td><td>4(0.1%)</td><td>757(18.3%)</td></tr>
</table>
</td></tr>
<tr><td></td><td>TR-AU-410a.3</td><td>Discussion of strategy for managing fleet fuel economy and emissions risks and opportunities</td><td>26-29</td><td>Expansion of sales of electric vehicles and promotion of fuel efficiency improvement for internal combustion engines</td></tr>
<tr><td>Materials Sourcing</td><td>TR-AU-440a.1</td><td>Management of risks related to use of main materials</td><td>44-45, 78, 109</td><td>Details are provided on the respective page of the report and Hyundai's conflict mineral management report</td></tr>
<tr><td>Materials Efficiency &<br>Recycling</td><td>TR-AU-440b.1</td><td>Total amount of waste from manufacturing, percentage recycled</td><td>46, 116-117</td><td>Total waste emissions from business sites as of 2024: 929,013 tons, recycling rate: 91.4%</td></tr>
<tr><td></td><td>TR-AU-440b.2</td><td>Weight (ton) of end-of-life material recovered, percentage recycled</td><td>43</td><td>Weight of materials reused/recycled after end-of-life in 2024 was around 200,000 tons<br>End-of-life recycling rate in 2024 was 82.6% excluding heat recovery, 92% including heat recovery</td></tr>
<tr><td></td><td>TR-AU-440b.3</td><td>Average recyclability of vehicles sold</td><td>42</td><td>Vehicle Recyclability: 85% (95%, when including waste energy recovery)</td></tr>
<tr><td>Activity Metrics</td><td>TR-AU-000.A</td><td>Number of vehicles manufactured</td><td>6, 114</td><td>4,146,335 Vehicles</td></tr>
<tr><td></td><td>TR-AU-000.B</td><td>Number of vehicles sold</td><td>6, 114</td><td>4,141,959 Vehicles</td></tr>
</table>

# WEF IBC Stakeholder Capitalism Metrics

<table>
<tr><th>Theme</th><th>Metrics</th><th>Page</th><th>Note</th></tr>
<tr><td>Governing Purpose</td><td>Setting purpose</td><td>3-7</td><td>Hyundai Motor Company is striving to provide customers with the best products and services possible.</td></tr>
<tr><td>Quality of BOD</td><td>BOD composition</td><td>97-101</td><td>The BOD consists of 5 internal directors and 7 external directors. In order to faithfully perform the duties as an external director, it is prohibited to concurrently hold the position of director, executive officer, or auditor in two or more other companies outside of our company.</td></tr>
<tr><td>Stakeholder Engagement</td><td>Material issues impacting stakeholders</td><td>14-18</td><td>In order to identify material sustainability management issues that impact Hyundai's stakeholders, we performed a materiality analysis in target of Hyundai employees and outside sustainability management experts.</td></tr>
<tr><td rowspan="2">Ethical Behavior</td><td>Anti-corruption</td><td>104-106, 124</td><td>Reports on unfair and corrupted acts are submitted and processed through the Cyber Audit Office. Additionally, we provide compliance management and ethics trainings to raise our members' compliance awareness and to build an ethical compliance culture.</td></tr>
<tr><td>Reporting mechanisms</td><td>54-57, 104-105</td><td>Through a regular half-yearly audit and frequent audits every year, we examine the status of employees' practice of the Code of Ethics, and report the results to the BOD's Sustainability Management Committee.</td></tr>
<tr><td>Risk and Opportunity Oversight</td><td>Integrating risk and opportunity into business process</td><td>16-17, 23, 107-110</td><td>By identifying regional/organizational issues on climate change issues, we evaluate the impacts of each factor affecting the company in aim of establishing a decent, company-wide response strategy. In addition, we carry out a materiality analysis to disclose the management directions for each major issue, key performance and mid- to long-term plans.</td></tr>
<tr><td rowspan="2">Climate Change</td><td>Greenhouse gas (GHG) emissions</td><td>39, 115</td><td>We disclose the total greenhouse gas emissions occurring from all domestic business sites and 11 overseas subsidiaries.<br>Greenhouse gas emissions (Scope 1+2, $tCO_2$-eq): 2,097,809<br>Emissions for a total of 11 categories (6 upstream and 5 downstream) are disclosed.<br>Greenhouse gas emissions (Scope 3, $tCO_2$-eq): 147,253,154</td></tr>
<tr><td>TCFD implementation</td><td>133</td><td>Details of all recommendations in the TCFD Index can be found in the Sustainability Report and the Carbon Disclosure Project (CDP).</td></tr>
<tr><td>Nature Loss</td><td>Land use and ecological sensitivity</td><td>49</td><td>The Ulsan Plant, the largest single plant, is located within a 0.07 km radius of the Taehwa River, and the lower reaches of the Taehwa River have been designated as an ecological landscape conservation area and wildlife protection area to preserve the habitat of wild animals and plants such as migratory birds.</td></tr>
<tr><td>Freshwater Availability</td><td>Water consumption and withdrawal in water-stressed areas</td><td>45-46, 115-116</td><td>Hyundai Motor Company evaluates water risks for each business site based on the WRI Aqueduct Water Risk Atlas Tool. As a result of the evaluation, it was determined that India (HMI), Türkiye (HMTR), USA (HMMA) and Indonesia (HMMI) production subsidiaries and BHMC, HTBC, and HTWO Guangzhou located in China have extremely high water risks.<br><br>HMI, HMTR, HMMA, HMMI, BHMC, HTBC, HTWO Guangzhou
<table>
<tr><th>Volume of water withdrawal (Ton)</th><th>Volume of water consumption (Ton)</th><th>Rate of water withdrawal</th><th>Rate of water consumption</th></tr>
<tr><td>5,333,379</td><td>3,820,775</td><td>27.90%</td><td>37.40%</td></tr>
</table></td></tr>
<tr><td rowspan="4">Dignity and Equality</td><td>Diversity and Inclusion</td><td>63-68, 118-119</td><td>Data on employees by age, female employees, and employment status of the disabled is disclosed in the Sustainability Report.</td></tr>
<tr><td>Pay equality</td><td>64, 99, 122</td><td rowspan="2">The average remuneration per person and the gender pay gap are disclosed in the Sustainability Report.</td></tr>
<tr><td>Wage level</td><td>64, 99, 122</td></tr>
<tr><td>Risk for incidents of child, forced or compulsory labor</td><td>55-57</td><td>We are strengthening screening to identify and prevent risks in areas with potential for child/forced labor.</td></tr>
</table>

# WEF IBC Stakeholder Capitalism Metrics

<table>
<tr><th>Theme</th><th>Metrics</th><th>Page</th><th>Note</th></tr>
<tr><td>Health and Well-being</td><td>Health and safety</td><td>124</td><td>The number of industrial accident victims, industrial accident rate, work loss rate and occupational disease rate are disclosed in the Sustainability Report.<br><br>LTIFR & OIFR<br><br><table><tr><th>Classification</th><th>Accident rate</th><th>LTIFR</th><th>OIFR</th></tr><tr><td>Employees (Korea)</td><td>0.80</td><td>2.47</td><td>1.07</td></tr><tr><td>Employees (Overseas)</td><td>0.20</td><td>0.95</td><td>0</td></tr><tr><td>Employees (Total)</td><td>0.56</td><td>1.90</td><td>0.67</td></tr><tr><td>Suppliers (Korea)</td><td>N/A</td><td>1.14</td><td>N/A</td></tr><tr><td>Suppliers (Overseas)</td><td>N/A</td><td>0.55</td><td>N/A</td></tr><tr><td>Suppliers (Total)</td><td>N/A</td><td>1.01</td><td>N/A</td></tr></table></td></tr>
<tr><td>Skills for the Future</td><td>Training provided</td><td>120</td><td>The status of employee training (training hours by position, training expense) is disclosed in the Sustainability Report.</td></tr>
<tr><td rowspan="3">Employment and Wealth Generation</td><td>Absolute number and rate of employment</td><td>121-122</td><td>The number of new employees and the turnover rate are disclosed in the Sustainability Report.</td></tr>
<tr><td>Economic contribution</td><td>113-114</td><td>Sales and financial information, R&D expenses (details of the company's investments and government subsidies), information on economic values distributed are disclosed in the Sustainability Report and the Business Report.</td></tr>
<tr><td>Financial investment contribution</td><td>114</td><td>Hyundai Motor Company is committed to improving the company's successful investment and profitability.<br><br>Total capital expenditure - Depreciation expense: KRW 2,965 billion<br>Buyback of treasury stock + Dividend payment: KRW 3,380 billion</td></tr>
<tr><td>Innovation of Better Products and Services</td><td>Total R&D expense</td><td>114</td><td>Total R&D expense spent is as follows:<br><br>Total R&D expenses: KRW 4.6 trillion<br>Government subsidy: KRW (2,977) million</td></tr>
<tr><td>Community and Social Vitality</td><td>Total tax paid</td><td>111, 113</td><td>Details of corporate income tax are disclosed in the Sustainability Report and annual reports.</td></tr>
</table>

# Independent Assurance Statement

DNV Business Assurance Korea, Ltd. ('DNV', 'we', or 'us') has been commissioned by Hyundai Motor Co., Ltd. (hereafter referred to as 'Hyundai Motor' or 'the Company') to undertake an independent limited assurance on the Company's 2025 Sustainability Report 'Road to Sustainability' (hereafter referred as 'the Report') for the calendar year ending 31 December 2024. The intended users of this assurance statement are the management and stakeholders of Hyundai Motor.

## Standards of Assurance

This assurance engagement has been carried out in Type 2 limited assurance in accordance with AccountAbility's AA1000 Assurance Standard v3 and DNV's VeriSustain protocol V6.0, which is based on our professional experience and international assurance best practice including the International Standard on Assurance Engagements (ISAE) 3000 – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised), issued by the International Auditing and Assurance Standards Board. DNV has reviewed the Report's adherence to the four principles of AA1000 AccountAbility Principles Standard (2018) and the accuracy, completeness, and neutrality principles of VeriSustain. In addition, DNV has reviewed the 'reliability of specified sustainability performance information' as described in 'Scope of Assurance'.

DNV's Verisustain protocol requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited or/and reasonable assurance.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less detailed than, those undertaken during a reasonable assurance engagement, so the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our conclusion, so that the risk of this conclusion being in error is reduced, but not reduced completely.

We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on Hyundai Motor website for the current reporting period.

## Scope of Assurance

We have carried out an independent limited assurance on the Report and an independent verification for selected performance indicators for the year ending 31 December 2023, which include the following:

- We have reviewed the GRI Topic Disclosures relevant to the Material Topics which have been identified as material through the materiality assessment undertaken by Hyundai Motor.
  - Climate change mitigation: 305-1~5
  - Product-related resources circularity: 301-1, 306-1
  - Air pollution: 305-7
  - Safety and health of consumers: 416-1~2
  - Safety and health of workers: 403-1~7, 403-9
  - Labor-management relations: 407-1
  - Human rights in supply chain: 408-1, 409-1, 414-1, 414-2
- Regarding the 'reliability of specified sustainability performance information'), we have reviewed the quality and reliability of Water Consumption (303-5), Scope 3 Emission (305-3), Waste Disposal (306-3), Work-related Injury (403-9), and Work-related Health (403-10) of the GRI Topic Standards.

## Opinion, observations and recommendations

On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not adhere to the four principles of AA1000 APS and the accuracy, completeness, and neutrality principles of VeriSustain described below. In terms of reliability of specified sustainability performance information, nothing came to our attention to suggest that these data have not been properly collated from information reported at operational level, nor that the assumptions used were inappropriate. Nothing came to our attention to cause us to believe that Hyundai Motor's Report is not prepared, in all material respects, in accordance with the GRI Standards.

Without affecting our assurance opinion, we provide the following observations against the principles of AA1000 APS and VeriSustain applicable to the relevant information described in the 'Scope of Assurance':

**Inclusivity: Stakeholder participation and opinion**
Hyundai Motor identifies customers, dealers, employees, suppliers, local communities, government and shareholders/investors as key stakeholder groups and reports various communication channels with each stakeholder and their major interests. In particular DNV confirms that these major interests have been applied in the materiality assessment process for promoting participation from stakeholders.

**Materiality: Identifying and reporting on material sustainability topics**
Hyundai Motor conducted a dual materiality assessment in order to disclose important information in relation to sustainability and additionally took into account importance of the industry in the perspective of value chain. This assessment includes the Company's impact on society and environment as well as financial impact on the Company itself, leading to identify risk and opportunity by and to the Company. After going through materiality assessment, the Company selected 7 material issues including climate change mitigation, health and safety of workers, and labor-management relations, and disclosed relevant information in the Report in an appropriate manner.

**Responsiveness: Transparent response to critical sustainability topics and related impacts**
Hyundai Motor identifies management focus and key indicators centered around materiality assessment and reports the related activities. The Company responds to sustainability topics and their impacts by disclosing sustainability related activities and performance as well as covering management strategies and compensation to senior management with regard to material topics. It is DNV's recommendation that labor-management relations, which is a materiality issue, be described in more detail by including the company's commitment and mid- to long-term goals to improve the level of response to the related topic.

**Impact: Monitoring, measuring and accounting for the impact of organizational activities on the organization and its stakeholders**
Hyundai Motor reports focus areas, their impacts and implementation plans, which are identified in order to mitigate negative impact on the Company and its suppliers across the value chain. The Company also assesses, evaluates and monitors sustainability impact through management of proper performance indicators. In particular, ISO 14001 and 45001 are applied to domestic and overseas factories for managing safety and health issues. With regard to supplier management, the Company conducts self ESG risk assessment (paper-based) for first tier suppliers and conducts onsite audits for 195 suppliers which include the high-risk suppliers identified through the self ESG risk assessment. DNV confirms that the Report includes monitoring and relevant explanation on impacts which the Company has on itself and stakeholders.

**Reliability: Accuracy and comparability of information presented in the report and the quality of underlying data management systems**
The data collection and processing process, supporting documents and records were verified through sampling techniques, and based on the result, no intentional errors or misstatements were found in the sustainability performance information described in the report. Hyundai Motor can explain the source and meaning of sustainability performance using reliable methods and data, and any errors or unclear expressions found during the verification process were corrected before the publication of the Report.

**Completeness: How much of all the information that has been identified as material to the organization and its stakeholders is reported**
Hyundai Motor reports on the Company's key non-financial disclosures based on its performance related to material topics during the reporting period of 2023 using appropriate GRI Topic Standard disclosures, for the identified boundaries of operations.

**Neutrality: Extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone**
Hyundai Motor discloses the Company's performance, challenges, and stakeholder concerns during the reporting period in a neutral, consistent, and balanced manner.

# Independent Assurance Statement

**Our competence, independence and quality control**

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17029:2019 – Conformity assessment, whose general principles are requirements for validation and verification bodies. Accordingly, DNV maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. We have no other contract with Hyundai Motor. Our multi-disciplinary team consisted of professionals with a combination of sustainability assurance experiences.

**Limitations**

DNV's assurance engagements are based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith, are true, and are free from material misstatements. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected.

The engagement excludes the sustainability management, performance, and reporting practices of the Company's suppliers, contractors, and any third parties mentioned in the Report. We did not interview external stakeholders as part of this assurance engagement.

We understand that the reported financial data, governance and related information are based on statutory disclosures and Audited Financial Statements, which are subject to a separate independent statutory audit process. We did not review financial disclosures and data as they are not within the scope of our assurance engagement. The assessment is limited to data and information in scope within the defined reporting period. Any data outside this period is not considered within the scope of assurance.

DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

**Responsibilities of the Directors of Hyundai Motor and of the assurance providers**

The Company's management has sole responsibility for the integrity of the Report and this responsibility includes designing, implementing, and maintaining internal controls over collection, analysis, aggregation and preparation of data, fair presentation of the information and ensuring that data is free from material misstatement.

DNV's responsibility is to plan and perform the work to obtain assurance about whether the relevant information described in the 'Scope of Assurance' has been prepared in accordance with the reporting requirements and to report to Hyundai Motor in the form of an independent assurance conclusion, based on the work performed and the evidence obtained.

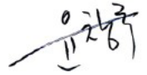
Our statement represents our independent opinion and is intended to inform the management and stakeholders of Hyundai Motor. DNV was not involved in the preparation of any statements or data included in the Report except for this Independent Assurance Statement.

**Basis of our Opinion**

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of Hyundai Motor. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders. Our limited assurance procedures included, but were not limited to, the following activities:

- Peer and media review to identify relevant sustainability issues for Hyundai Motor in the reporting period;
- Review of the disclosures according to reporting requirements with a focus on the process and the result of materiality assessment, Topic Standards Disclosures and relevant management processes;
- Understanding of the key systems, processes and controls for consolidating, collecting, managing and reporting disclosures and KPIs in the Report;
- Review documentary evidence and management representations supporting adherence to the reporting principles and requirements, with a focus on understanding and testing, on a sample basis, key data sets
- On-site visit at the Hyundai Motor Head Office in Seoul, Republic of Korea to review the processes and systems for preparing site level sustainability data and implementation of sustainability strategy and carried out sample based assessment of site-specific data disclosures.
- Conduct interviews with representatives from the ESG team and relevant departments with overall responsibility of monitoring, data consolidation and reporting of the selected information

**For and on behalf of DNV Business Assurance Korea Ltd.**
Seoul, Republic of Korea
24 June 2025



**Chang Rok Yun**
Lead Verifier



**Yu Lee Jang**
Verifier




**So Hyun Kim**
Reviewer

This report has been translated into English solely for the convenience of international readers. The official version of this assurance statement is the signed English version; in case of any doubt regarding interpretation between this document and the Korean version of the statement, the Korean statement shall prevail.

AA1000
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DNV Business Assurance Korea Ltd. is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance.

# GHG Assurance Statement

## Relating to Hyundai Motor Company's Scope 1 & 2 GHG emissions in domestic sites for the calendar year 2024

**This Assurance Statement has been prepared for Hyundai Motor Company.**

### Terms of Engagement

LRQA was commissioned by Hyundai Motor Company (HMC) to provide independent assurance on its Greenhouse Gas (GHG) Inventory Report for the calendar year 2024 (the report) against 'the guidelines on emission reporting and certification under the GHG emissions trading system' and the monitoring plan for the calendar year 2024 using 'the verification guidelines for GHG emissions trading system'.
The report relates to direct GHG emissions and energy indirect GHG emissions. HMC's geographical boundary includes its domestic operations at Ulsan Plant, Asan Plant, Jeonju Plant, R&D Centers, HQ and owned buildings, Service Centers, Sales Branches (including car delivery centers), and Genesis Sales Branches. GHG emissions have been consolidated using an operational control approach.

### Management Responsibility

LRQA's responsibility is only to HMC. LRQA disclaims any liability or responsibility to others as explained in the end footnote. The management of HMC. is responsible for preparing the report and for maintaining effective internal controls over all the data and information within the report. Ultimately, the report has been approved by, and remains the responsibility of HMC.

### LRQA's Approach

LRQA's assurance engagement has been carried out in accordance with our verification procedure using 'the verification guidelines for GHG emissions trading system' to reasonable level of assurance.

The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

- Visiting sites and auditing management system to control the data and records related to GHG emissions and energy use;
- Interviewing the relevant personnel responsible for managing and maintaining data and associated records; and
- Reviewing the historical data and information back to source for the calendar year 2024.

### Level of Assurance & Materiality

The opinion expressed in this Assurance Statement has been formed on the basis of a reasonable level of assurance, and at the materiality of the professional judgement of the verifier and at the materiality level of 2.5%.

### LRQA's Opinion

Based on LRQA's approach, we believe that the report is prepared in accordance with "the guidelines on emission reporting and certification under the GHG emissions trading system" and the monitoring plan for the calendar year 2024 using "the verification guidelines for GHG emissions trading system" and the GHG emissions data in the Table 1 is materially correct.

**Il-Hyoung Lee**
On behalf of LRQA
2nd Floor, T Tower, 30, Sowol-ro 2-gil, Jung-gu, Seoul, Republic of Korea
LRQA Reference: SEO6012382

Dated: 30 March 2025

**Table1. Summary of HMC GHG emissions for CY 2024**

(Unit: KRW million)

| Scope of GHG emissions | Sites | | | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | Ulsan Plant | Asan Plant | Jeonju Plant | R&D Centres | HQ | Service Centres | Sales Branches | Genesis Sales Branches | |
| Direct GHG Emissions (Scope 1) | 309,016 | 42,397 | 40,678 | 53,832 | 6,674 | 5,312 | 2,513 | 7 | 460,430 |
| Energy Indirect GHG Emissions (Scope 2) | 580,852 | 123,590 | 84,510 | 228,047 | 20,005 | 13,552 | 14,310 | 1,088 | 1,065,955 |
| Total | 889,867 | 165,987 | 125,188 | 281,879 | 26,679 | 18,863 | 16,823 | 1,094 | 1,526,380 |

Note: The total GHG emissions may differ from the sum of GHG emissions disclosed by the Ministry of Environment due to the decimal value processing of GHG emissions at each site.

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# GHG Assurance Statement

## Relating to Hyundai Motor Company's Scope 1 & 2 GHG emissions in overseas sites for the calendar year 2024

**This Assurance Statement has been prepared for Hyundai Motor Company in accordance with our contract.**

### Terms of engagement

LRQA was commissioned by Hyundai Motor Company to provide independent assurance on its greenhouse gas (GHG) emissions inventory and energy consumption for the calendar year 2024 (here after referred to as "the report") against the assurance criteria below to a limited level of assurance and materiality of 5% using ISAE 3000 and ISAE 3410.

Our assurance engagement covered Hyundai Motor Company's operations and activities in overseas factories[1], and specifically the following requirements:

- Evaluating conformance with World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, revised edition[2]
- Evaluating the accuracy and reliability of data and information for direct GHG emissions (Scope 1), energy indirect GHG emissions (Scope 2) and energy consumption in operations of overseas factories.

1) HMGICS was excluded from the verification scope.
2) https://www.ghgprotocol.org

The main activities of Hyundai Motor Company include manufacturing of vehicles and the GHG emissions have been consolidated using an operational control approach.

LRQA's responsibility is only to Hyundai Motor Company. LRQA disclaims any liability or responsibility to others as explained in the end footnote. Hyundai Motor Company's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of Hyundai Motor Company.

### LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that Hyundai Motor Company has not, in all material respects:

- Met the requirements above; and
- Disclosed accurate and reliable data and information as summarized in Tables 1 and 2 below.

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of 5%.

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### LRQA's Recommendations

Hyundai Motor Company is recommended to improve its monitoring procedures related to refrigerant use, wastewater treatment systems, and waste gas incineration in order to enhance the accuracy of GHG emissions reporting.

### LRQA's approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Interviewing key people of the organization responsible for managing GHG emissions and energy consumption data and records;
- Reviewing the processes related to the control of GHG emissions and energy consumption data and records;
- Performing remote audits of overseas factories to assess potential omissions in GHG emission sources, energy consumption points, and renewable energy generation records;
- Reviewing whether the parameters used for calculating GHG emissions were referenced from recognized sources;
- Verifying historical GHG emissions and energy consumption data and records at an aggregated level for the calendar year 2024; and
- Visiting Hyundai Motor Company's headquarters and reviewing additional evidence made available by Hyundai Motor Company.

### LRQA's standards, competence and independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021 Conformity assessment – Requirements for bodies providing audit and certification of management systems that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

LRQA is Hyundai Motor Company's verification body for its GHG emissions under the GHG emissions trading system of Korea. The verification is the only work undertaken by LRQA for Hyundai Motor Company and as such does not compromise our independence or impartiality.

**Tae-Kyoung Kim**
LRQA Lead Verifier
On behalf of LRQA
2nd Floor, T Tower, 30, Sowol-ro 2-gil, Jung-gu, Seoul, Republic of Korea

Dated: 12 June 2025

LRQA reference: SEO000001622

# GHG Assurance Statement

**Table 1. Summary of Hyundai Motor Company's overseas factories, Scope 1 and Scope 2 GHG emissions for CY 2024**

| Overseas factories | Tonnes $CO_2e$ | | |
|---|---|---|---|
| | Direct GHG emissions (Scope 1) | Energy indirect GHG emissions (Scope 2, Location-based) | Energy indirect GHG emissions (Scope 2, Market-based) |
| HMMA | 34,360 | 126,192 | 162,269 |
| BHMC | 48,970 | 92,061 | 62,174 |
| HTWO | 370 | 1,092 | 1,092 |
| HMI | 29,715 | 236,850 | 56,773 |
| HMTR | 28,393 | 25,742 | 2,204 |
| HMMC | 33,434 | 37,352 | 153 |
| HMCSA | 10,030 | 7,503 | 4,778 |
| HTBC | 1,290 | 1,776 | 1,776 |
| HTMV | 6,221 | 17,157 | 17,157 |
| HMMI | 6,652 | 71,493 | 0 |
| HYMEX | 19,957 | 43,656 | 43,656 |
| Total | 219,392 | 660,874 | 352,032 |

Note 1: Scope 2, Location-based and market-based are defined in the GHG Protocol Scope 2 Guidance, 2015

**Table 2. Summary of Hyundai Motor Company's overseas factories, energy consumption for CY 2024**

| Overseas factories | TJ | | MWh | |
|---|---|---|---|---|
| | Total | Renewable energy | Total | Renewable energy |
| HMMA | 1,784 | 0 | 495,615 | 0 |
| BHMC | 1,402 | 178 | 389,315 | 49,482 |
| HTWO | 25 | 7 | 6,959 | 2,067 |
| HMI | 1,736 | 940 | 482,254 | 260,985 |
| HMTR | 721 | 203 | 200,295 | 56,445 |
| HMMC | 987 | 394 | 274,126 | 109,546 |
| HMCSA | 661 | 180 | 183,534 | 50,000 |
| HTBC | 68 | 0 | 18,782 | 0 |
| HTMV | 173 | 0 | 48,029 | 0 |
| HMMI | 420 | 309 | 116,553 | 85,787 |
| HYMEX | 642 | 0 | 178,301 | 0 |
| Total | 8,619 | 2,211 | 2,393,763 | 614,312 |

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# GHG Assurance Statement

## Relating to Hyundai Motor Company's Scope 3 emissions for the calendar year 2024

**This Assurance Statement has been prepared for Hyundai Motor Company in accordance with our contract.**

### Terms of engagement

LRQA was commissioned by Hyundai Motor Company to provide independent assurance on its GHG emissions inventory for the calendar year 2024 (here after referred to as "the report") against the assurance criteria below to a limited level of assurance and materiality of professional judgement using ISAE 3000 and ISAE 3410.

Our assurance engagement covered Hyundai Motor Company's domestic and overseas operations and activities, and specifically the following requirements:

- Evaluating conformance with GHG Protocol, Corporate Value Chain (Scope 3) Accounting and Reporting Standard[1)]
- Evaluating the accuracy and reliability of data and information for other indirect GHG emissions (Scope 3).

1) https://www.ghgprotocol.org

The main activities of Hyundai Motor Company include manufacturing of vehicles and the GHG emissions have been consolidated using an operational control approach.
LRQA's responsibility is only to Hyundai Motor Company. LRQA disclaims any liability or responsibility to others as explained in the end footnote. Hyundai Motor Company's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of Hyundai Motor Company.

### LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that Hyundai Motor Company has not, in all material respects:

- Met the requirements above; and
- Disclosed accurate and reliable data and information as summarized in Table 1 below.

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### LRQA's approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Interviewing key people of the organization responsible for managing GHG emissions data and records;
- Reviewing whether the parameters used for calculating GHG emissions were referenced from recognized sources;
- Verifying historical GHG emissions data and records at an aggregated level for the calendar year 2024; and
- Visiting Hyundai Motor Company's headquarters and reviewing additional evidence made available by Hyundai Motor Company.

### LRQA's standards, competence and independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021 Conformity assessment – Requirements for bodies providing audit and certification of management systems that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

LRQA is Hyundai Motor Company's verification body for its GHG emissions under the GHG emissions trading system of Korea. The verification is the only work undertaken by LRQA for Hyundai Motor Company and as such does not compromise our independence or impartiality.

**Tae-Kyoung Kim**
LRQA Lead Verifier
On behalf of LRQA
2nd Floor, T Tower, 30, Sowol-ro 2-gil, Jung-gu, Seoul, Republic of Korea

Dated: 12 June 2025

LRQA reference: SEO00001622

# GHG Assurance Statement

**Table 1. Summary of Hyundai Motor Company, Scope 3 GHG Emissions 2024**

| Scope of GHG emissions | Tonnes $CO_2e$ |
|---|---|
| Other indirect GHG emissions (Scope 3) | 147,253,154 |
| Purchased goods & services – raw materials for parts used in vehicles manufactured in domestic and overseas factories | 22,971,847 |
| Capital goods – laptops & monitors purchased in domestic sites | 164 |
| Fuel- and energy-related activities – upstream emissions of energy consumed in domestic sites and overseas factories (excluding steam purchased) | 323,711 |
| Waste generated in operations – treatment of waste generated from operations in domestic sites and overseas factories | 225,938 |
| Business travel – emissions of personal cars, buses, trains and domestic & international flights by employees working in domestic sites | 7,205 |
| Employee commuting – commuting by buses in domestic operations | 8,553 |
| Downstream transportation and distribution – vehicles manufactured in domestic factories | 1,505,041 |
| Use of sold products - internal combustion engine vehicles sold domestically and overseas | 114,199,544 |
| End-of-life treatment of sold products – vehicles sold domestically and overseas | 1,845,796 |
| Downstream leased assets – lessee companies in the headquarters building | 1,055 |
| Investments – Scope 1 and Scope 2 GHG emissions from investee companies, in which Hyundai Motor Company holds 20% or more of the shares and which are listed on the stock market of Korea. | 6,164,300 |

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# About This Report

### Reporting Principles and Standards

This report is in accordance with the Global Reporting Initiative(GRI) Standards. In addition, this report satisfies the four principles – Inclusivity, Materiality, Responsiveness, and Impact – of the AA1000APS (Accountability Principles Standard) that includes the obligation to explain sustainability management.
In addition, this report was prepared to align with the information disclosure guidelines of the Task Force on Climate-related Financial Disclosures(TCFD), Sustainability Accounting Standards Board(SASB), WEF IBC Stakeholder Capitalism Metrics, and European Sustainability Reporting Standards(ESRS).

### Reporting Period

This report covers activities undertaken from January 1st, 2024 to December 31st, 2024, including some key activities conducted until the first half of 2025. As for quantitative performance, if the results need to be tracked continuously, we have used data for the past three years.
The reporting cycle for this report is one year. The previous report was published in June 2024.

### Scope and Boundary of Report

The financial information in this report is based on the consolidated financial statements of Hyundai Motor Company in accordance with the Korean International Financial Reporting Standards(K-IFRS). The information regarding environmental and social aspects includes the domestic headquarters, production plants, research and development centers, service and logistics centers related to the automotive sector(manufacturing and sales of automobiles and auto parts, vehicle maintenance, etc.), and overseas subsidiaries involved in production and sales. If the reporting scope differs for other reporting items from the aforementioned scope, the reporting scope of the information is indicated separately.

Additionally, to enhance the understanding of sustainability information users, we provide information on significant impacts, risks, and opportunities obtainable throughout the entire value chain. This includes relevant information accessible and collected from upstream activities(e.g., raw material acquisition, parts production, transport) to downstream activities(e.g., vehicle sales, end-of-life vehicle treatment).

### Third Party Assurance

This report has been assured by an independent assurance corporation(DNV) to ensure the accuracy, objectivity and credibility of the report preparation process and all the information created. The financial information provided in this report has been audited by an independent auditor, and assurance on greenhouse gas emissions and energy usage was carried out by LRQA, an independent assurance corporation. Detailed assurance results can be found in the third-party assurance statement and greenhouse gas assurance statement.

### UN Global Compact

The UN Global Compact (UNGC) is an international agreement that former UN Secretary-General Kofi Annan suggested in 2000 to emphasize corporate execution of social responsibilities, and consists of ten major principles in the four areas of human rights, labor, environment, and anti-corruption. Hyundai supports the ten principles of the UNGC and strives to observe them in overall management.

COMMUNICATION ON PROGRESS

UN GLOBAL COMPACT

This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents

| | |
|---|---|
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| Reporting Boundary | Hyundai Motor Company (also include some data and information of Hyundai Motor Group) |
| Reporting Scope | Economic (based on Korean International Financial Reporting Standards),<br>Environmental, Social, and Governance |
| Reporting Period | January 1st, 2024 - December 31st, 2024<br>(also include some data and information from the first half of 2025.) |
| Reporting Cycle | Annual (last report was published in June 2024) |