

Hyundai Motor Company · Kia CONFLICT MINERALS REPORT (RESPONSIBLE MINERALS REPORT)



Purpose

Recently, the issue of minerals such as tin, tantalum, tungsten, gold, and cobalt that are illegally mined in conflict and high-risk areas, including 10 African countries (Democratic Republic of Congo and adjacent countries), has been continuously raised, and in this regard, 'responsible purchase' of companies is continuously required.

Various parts including minerals such as tin, tantalum, tungsten, gold, and cobalt are used in automobiles produced by Hyundai Motor Company and Kia.

As a global company that considers the future and environment of mankind, Hyundai Motor Company and Kia continue to strive to establish a responsible mineral use management system, encourage suppliers to participate, and improve the environment and human rights in conflict and high-risk areas. We would like to disclose this effort through this report.

(Period of activity: Jan. 1-Dec. 31, 2022)



Responsible Sourcing Policy for Materials

Policy

Hyundai Motor Company and Kia are committed to fulfilling their responsibilities as global companies for a sustainable future by actively participating in banning the use of conflict minerals and responsible mineral sourcing.

Establishing a responsible supply chain management system and drawing suppliers' participation in it is the most important practice to minimize human rights violations and environmental destruction.

Hyundai Motor and Kia put human rights first and are making efforts to respect and protect human rights through norms of conduct.

Hyundai Motor and Kia recognize human rights violations and environmental destruction caused by mineral mining in conflict and high-risk areas as very serious problems.

Accordingly, we strive to eradicate human rights violations and environmental destruction, such as the exploitation of children's labor, that occur during mineral mining, and to protect the health and safety of mining workers.

Hyundai Motor Company and Kia will commit to regulatory compliance and other requirements, and commit to continuous improvement.

Based on the OECD Guide, the U.S. Securities and Exchange Commission's (SEC) requirements for companies under the Dodd-Frank Regulatory Reform Act, and the EU's conflict Mineral Regulations, we continue to manage conflict minerals and cobalt ethically and responsibly, and also guide our suppliers on the code of conduct.

We are continuously trying to make our suppliers deal with RMAP-certified smelters. As such, we continue to strive to minimize the negative impact on society and the environment, such as human rights violations and environmental destruction that may occur during mineral mining, and actively share reports on these activities with various stakeholders.



Responsible Sourcing Policy for Materials

Conflict minerals

Hyundai Motor and Kia recognize that there are unethical mining and distribution of conflict minerals, such as human rights violations and environmental destruction, in conflict areas including 10 African countries (Democratic Republic of Congo and adjacent countries), and prohibit the use of 3TG conflict minerals (tin, tantalum, tungsten, gold) unethically mined in these conflict areas.

In addition, we have established a basic policy to thoroughly investigate the inclusion of conflict minerals in the product to provide products that have undergone legal and ethical distribution processes to consumers and operate a supplier management process. We provide guidelines for management of conflict minerals to our suppliers and support related briefing sessions to help raise awareness of conflict minerals, and we regularly investigate them.

Responsible minerals

Hyundai Motor and Kia are managing the mineral supply chain more comprehensively, including conflict minerals (tin, tantalum, tungsten, gold) as well as minerals that pose human rights violations or environmental destruction issues in the mining process. In particular, we are aware of the issue of violations of children's human rights in the Cobalt mine in the Democratic Republic of the Congo and manage it according to the OECD guidelines.

In addition, we will continue to monitor newly controversial minerals and continue to review additional responses.

In response to global mineral issues, Hyundai Motor Company and Kia will continue to make efforts to ensure that mineral mining does not become a source of funding for disputes, and that mineral purchases that respect human rights and the environment and fulfill social responsibilities are made.

Efforts of Hyundai Motor Company and Kia

Hyundai Motor Company and Kia are currently managing major responsible minerals such as tin, tantalum, tungsten, and gold that are illegally mined and distributed, and cobalt. We will continue to investigate and monitor the responsible purchase of minerals by our suppliers, and furthermore, we will continue to make efforts to expand the policy of purchasing minerals that do not use conflict minerals and fulfill social responsibilities to our suppliers' clients.



Target Minerals

Hyundai Motor and Kia continue to monitor supplier companies for the use of conflict minerals and cobalt such as Tin, Tantalum, Tungsten, and Gold illegally or unethically mined/distributed in conflict areas in 10 African countries(Democratic Republic of the Congo, Rwanda, Burundi, Sudan, Angola, Uganda, Zambia, Central African Republic, Congo, and Tanzania).

Four conflict Minerals (3TG - Tin, Tantalum, Tungsten, Gold)

1) Tin (symbol: Sn)

- Tin is mainly used in soldering, plating, and is now widely used in most electronic and electrical products and components
- Mainly produced in some countries in Central Africa, China and Indonesia

2) Tantalum (symbol: Ta)

- Tantalum is widely used in electrical and electronic products that require high reliability in extreme environments
- Applied to electronic products, automobiles, aerospace products, electrical components, precision alloys, etc.

3) Tungsten (symbol: W)

- Tungsten is widely used throughout the electronics, automotive and aerospace industries due to its high strength and melting point
- It is widely used as a compound or alloy. The filament of the bulb is the most representative.

4) Gold (symbol: Au)

- Gold is widely used in IT and semiconductor components, medical devices, plating, PCB, etc.
- It belongs to precious metals and is used as a decorative product

Cobalt (symbol: Co)

- Cobalt is mainly used in lithium-ion batteries such as electric vehicles and mobile phones
- Cobalt is not one of the four major conflict minerals, but it is closely related to conflict minerals, and in the process of small-scale mining, it has emerged as a major mineral of responsibility due to the international community's interest in human rights violations.

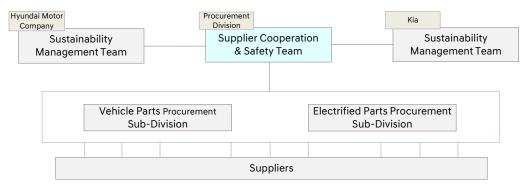


Conflict Mineral Management Organization

Hyundai Motor Company and Kia have a management organization that operates a management process to comply with responsible policies related to conflict minerals and fulfill social responsibility.

The Supplier Cooperation & Safety Team of the Purchasing Division conducts the management process related to conflict minerals, and Supplier Cooperation & Safety Team continuously manages and inspects the responsible mineral risks of each purchasing division and supplier throughout the year.

We also work closely with relevant departments such as the the Sustainability Management Team to manage and operate risks in the enterprise sector.



Conflict mineral management process

Hyundai Motor Company and Kia support the OECD conflict Minerals Guide, apply mutatis mutandis the CMRT /EMRT* form provided by RMI *, and establish a management process based on this and operate the management process based on responsible and clear policies.





Major activities of Hyundai Motor Company and Kia

Establishment of management policy

Hyundai Motor Company and Kia have established standards for responsible Sourcing of Materials within the "Code of Conduct for supplier Companies" and are posting the "Code of Conduct for supplier Companies" on website.

Hyundai Motor Company) https://www.hyundai.com/kr/ko/company-intro/sustain-manage/manage-system/esg-policy
Kia) https://worldwide.kia.com/kr/company/sustainability/about/how-it-works





Hyundai Motor Company and Kia will request their suppliers to declare that they will participate in responsible mineral sourcing through certified smelters without using unethically mined minerals, and continue to make efforts to expand their mineral purchase policies that fulfill their social responsibilities.

Apart from the sustainability report, based on international guidelines, Hyundai Motor and Kia have separately enacted and posted conflict mineral management policies on their website, and are publishing conflict mineral reports to disclose the results of their activities according to the conflict mineral management policy and process.

Hyundai Motor Company and Kia will communicate with stakeholders such as customers, members, and shareholders, and strive to create greater corporate value by constantly changing and innovating.







Major activities of Hyundai Motor Company and Kia

Raise awareness of suppliers

Hyundai Motor Company and Kia identified 3TG and cobalt-using items for major electric vehicles in advance, starting with the establishment of standards and schedule for Investigating the status of conflict minerals by suppliers in March 2022.

Since then, we have conducted overall awareness-raising activities through briefing sessions and training on conflict mineral management for our first and second suppliers, electric vehicle battery supplier and our purchasing staff. The main contents are the background of conflict mineral management, trends in conflict mineral regulations in major countries, our policy, CMRT/EMRT introduction and investigation plan, and whether or not to trade with certified smelters (RMAP).

Investigate the status of suppliers / Risk check

The status Investigating was conducted on primary and secondary suppliers that they are using 3TG and cobalt. CMRT and EMRT data were received from subcontractors supplying parts using 3TG and cobalt to 43 suppliers of primary suppliers and EV battery supplier. We listened to the opinions on the difficulties of submitting the data to the suppliers who did not submit the data, and again explained that they should actively respond to the conflict mineral management process, and recommended that all suppliers subject to investigation submit the data.

In addition, based on the CMRT and EMRT data submitted by the supplier, we conducted an inspection of the transaction status of the Certified Smelter (RMAP), and requested the supplier to implement a mineral purchase policy that fulfills its social responsibility and to conduct a transaction with the Certified Smelter (RMAP).

Report on supply chain due diligence

Hyundai Motors and Kia have separately enacted and posted conflict mineral policies on their website, and publish conflict minerals report every year.

Hyundai Motor Company and Kia communicate and sympathize with all stakeholders, including customers, members, and shareholders, and strive to create greater corporate value by constantly changing and innovating, and will continue to publish reports in line with the standards required by the international community to strengthen communication.