

Road to Sustainability

2026 Sustainability Report
(FY2025)

Contents

Introduction

CEO Message	003
Hyundai at a Glance	005
Business Performance	007
Sustainability Highlights	009
Sustainability Governance	010
Sustainability Framework	012
Stakeholder Engagement	014
Materiality Assessment	016

Environmental

Response to Climate Change Material Topic	022
Circular Economy and Resource Use Material Topic	042
Pollution and Water Resources	048
Biodiversity	053

Social

Health and Safety Material Topic	060
Sustainable Supply Chain Material Topic	067
Customer Experience Innovation Material Topic	081
Human Rights and Human Resources Management	090
Information Security and Privacy Protection	111
CSV Initiative	114

Governance

Board-centered Management	119
Shareholder-friendly Management	123
Ethics and Compliance Management	125
Risk Management	130

Sustainability Factbook

Facts & Figures	134
Certifications and Patents	148
GRI Index	149
TCFD Index	152
SASB Index	153
Global Network	154
Independent Assurance Statement	155
GHG Assurance Statement	157
About This Report	162



CEO Message



Jose Muñoz

José Muñoz
President and Chief Executive Officer
Hyundai Motor Company

Guided by our Progress for Humanity vision, we believe advancing electrified mobility is not only sound business, but part of our broader responsibility to help build a more sustainable future.

Dear Stakeholders,

At Hyundai Motor Company, we do not assume progress is inevitable. It must be earned over time through consistent, decisive action and a drive to keep improving. Guided by our Progress for Humanity vision, we believe advancing electrified mobility is not only sound business, but part of our broader responsibility to help build a more sustainable future. That vision reflects our belief that innovation and growth should create lasting value for customers, communities, and future generations. In 2025, our teams continued that work across the business through the decisions we made, the standards we set, and the long-term investments we are making to help define what comes next.

Hyundai is evolving from an automaker into a global leader in high-technology mobility. That transformation is changing how we operate and think about the business and sustainability over the long term. Our manufacturing, sourcing, people, and community priorities are becoming inextricably linked to our long-term targets for technology, growth, and performance. Sustainability is not separate from Hyundai’s evolution. It is a part of it.

This report reflects that work, the progress we made over the past year, and the areas where more remains to be done. I am proud of what our teams accomplished, and clear-eyed about how much further we have to go.

Electrification and Our Climate Response

Transportation is responsible for a significant share of global carbon emissions, much of it from road transport, including cars. That is why electrification remains an important part of how Hyundai sees mobility evolving and one part of our broader efforts to reduce greenhouse gas emissions.

In 2025, global electrified vehicle sales approached one million units, growing 27 percent year over year. Our EV sales grew 26 percent, reaching 276,000 units globally. Those figures are one measure of the shift taking place across our industry, as electrified mobility and the broader energy transition continue to reshape the market. Hyundai continues to invest with that long-term shift in mind, across products, production, and technology. By 2027, every Hyundai model sold in Europe will have an electrified version, and in North America we plan to launch extended-range electric vehicles in 2027 with a targeted range of more than 600 miles on a single charge.

We also continued to make progress in our own operations. In 2025, Hyundai achieved RE100 status across all our business sites in Europe, North America, and India — meaning 100 percent of the electricity consumed at those locations comes from renewable sources or is matched with renewable electricity. At our Metaplant in Georgia, Hyundai Motor Group signed a 147-megawatt photovoltaic power purchase agreement that is expected to help reduce greenhouse gas emissions.

Building on this progress, we are advancing our journey toward carbon neutrality by 2045.



Intro



Env



Soc



Gov



Data

CEO Message

Building the Technologies That Come Next

Electrification is one chapter of the sustainable mobility story. The next is being written in our hydrogen program, our software-defined vehicle platform, and our continued investments in AI, robotics, and other technologies and capabilities that are essential to supporting a lower-emission and more resilient business over the long term. Through Pleos, our unified technology platform, we are advancing software-defined vehicle capabilities and autonomous driving in ways that will fundamentally change the relationship between a vehicle and driver.

We believe that hydrogen has a central role to play in reducing greenhouse gas emissions in sectors that are harder to address through battery electrification alone. Our XCIENT hydrogen fuel cell trucks are in commercial operation across North America, Europe, and other key markets, while our HTWO hydrogen technology is expanding beyond vehicles into marine and power generation applications.

All of this work is backed by a KRW 125 trillion domestic investment through 2030, including KRW 50.5 trillion directed toward the technologies and capabilities that will help define Hyundai's future.

Product Responsibility and Supply Chain Standards

Our most fundamental responsibility is to earn and keep the trust of every individual and family that chooses a Hyundai vehicle. That means building vehicles customers can depend on, while staying attentive to affordability and the practical realities of ownership.

In the United States, we climbed from 12th place in J.D. Power Initial Quality in 2022 to 2nd place in 2025. Hyundai Motor Group also earned 21 IIHS Top Safety Pick and Top Safety Pick Plus awards — the most of any automotive group in the world for the second consecutive year. Sixteen of those awards went to Hyundai and Genesis brand vehicles combined. These achievements did not happen by accident.

They happened because thousands of people across our engineering, manufacturing, and quality teams made a daily commitment to quality and safety. I am grateful to every one of them.

We also know that our responsibility to our customers and our sustainability goals begins well before a vehicle reaches the road. Beyond the vehicle, we are reinforcing a culture of strict compliance and fair competition. Fulfilling our economic and legal responsibilities is not just an obligation. It is how we earn and keep the deep trust of our customers.

Last year, we took steps to strengthen oversight across our supply chain, including conducting on-site due diligence at mines and smelters for battery critical minerals, extending penalty provisions to existing business partners who do not meet our sustainability standards, and establishing a real-time forced labor risk screening system across our supply chain. We also conducted human rights due diligence at 47 global business sites.

This work is detailed, demanding, and often not visible. We do it because we believe that a company committed to Progress for Humanity cannot be selective about where that commitment applies.

Our People

None of this is possible without the 120,000 people who come to work every day committed to building something better. In 2025, our organizational culture survey score improved for the third consecutive year. Our voluntary turnover rate dropped by more than half over three years. We were named one of TIME's World's Best Companies, ranking 33rd globally and first among Asian automakers. While we have made progress in strengthening our culture, we still have more work to do to build high-performing teams with a broader range of backgrounds and experiences. We remain committed to continuous improvement across all areas of our organization.

Our Giving and Stewardship

The values we are building and reinforcing internally also shape how we contribute externally. In 2025, Hyundai Hope on Wheels expanded globally, launching programs in Canada and Mexico and bringing cumulative global donations to USD 320 million. Behind that number are thousands of children and families whose lives have been touched by research we helped fund. That is what purpose looks like in practice.

We also remain steadfast in our commitment to environmental stewardship. Through the IONIQ Forest project, we have planted over two million trees across 13 countries — spanning the United States, Brazil, India, and Korea — restoring biodiversity and nurturing ecosystems for generations to come. In parallel, our ongoing partnership with Healthy Seas has enabled the removal of 320 tons of marine litter across 10 countries, demonstrating our dedication to preserving the world's oceans.

Looking Forward

Hyundai Executive Chair Euisun Chung constantly pushes us to move quickly, think ahead and create opportunities from challenges. Applied to our sustainability efforts, that means not waiting for governments to demand action, not treating transparency as a burden, and not mistaking progress for arrival. This is a long road — an unwavering commitment to innovation and consistent responsibility in decision-making are the keys to future success. I am grateful to our shareholders, our customers, our partners, and our employees for the trust they place in Hyundai. This report is our accounting of what we did with it in 2025.

We will do more in 2026.

Hyundai at a Glance

Since its founding in 1967, Hyundai has strived to become a company beloved by customers through best-in-class products and services, with humanity at the heart of its journey. Guided by the belief that technological progress gains meaning only when grounded in value for humanity, we are evolving beyond an automobile manufacturer into a mobility solution provider, connecting people, spaces, and things while creating new value for customers' time. Furthermore, we are strengthening our sustainability management through the expansion of electrified mobility, the development of a hydrogen ecosystem, and the pursuit of carbon neutrality, creating positive impacts on the environment and society while advancing sustainable progress for humanity.

Overview of Hyundai Motor Company

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

Credit Ratings

DOMESTIC

AAA

Korea Ratings

AAA

NICE Investors Service

AAA

Korea Investors Service

OVERSEAS

A3

Moody's

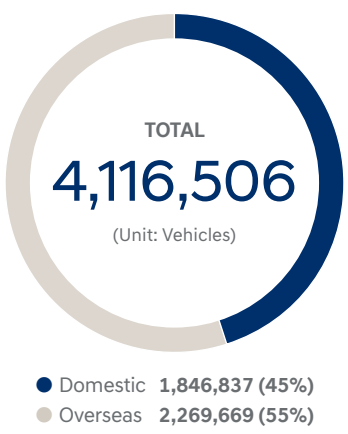
A-

S&P

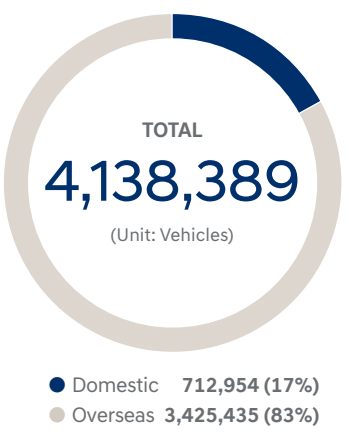
A-

Fitch

Production Overview

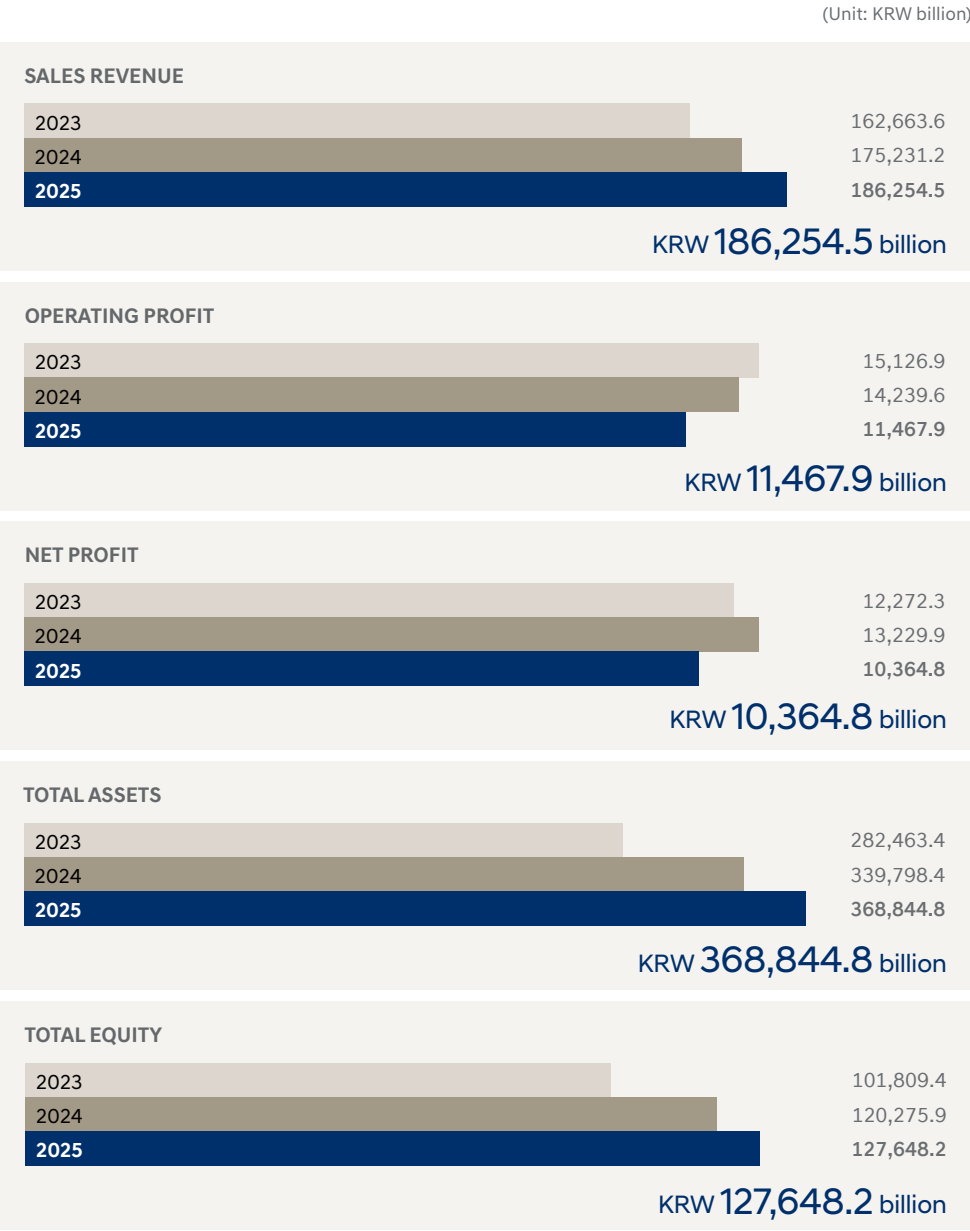


Sales Overview



* As of 2025; Based on wholesale

Key Financial Figures



* As of Dec. 31, 2025; Based on K-IFRS consolidated financial statements



Hyundai at a Glance

As of the end of 2025, Hyundai operates in more than 190 countries worldwide, serving customers across the globe. Driven by sophisticated design, reasonable pricing, and product competitiveness defined by the convenience, technology, and safety features customers value, we have continued to strengthen our relationships with customers around the world. As a result, we recorded solid sales performance in 2025, selling approximately 4.14 million vehicles globally. In particular, balanced sales across top-selling models—the Tucson, Elantra (AVANTE), Creta, Kona, and Santa Fe—supported our overall sales performance.

Global Best-selling Models

(Unit: Vehicles)

Tucson

656,840

Including ICE, HEV, and PHEV



Elantra (AVANTE)

383,265

Including ICE and HEV



Creta

370,724

Including ICE and EV



Kona

304,653

Including ICE, EV, and HEV



Santa Fe

252,558

Including ICE, HEV, and PHEV





Intro



Env



Soc



Gov



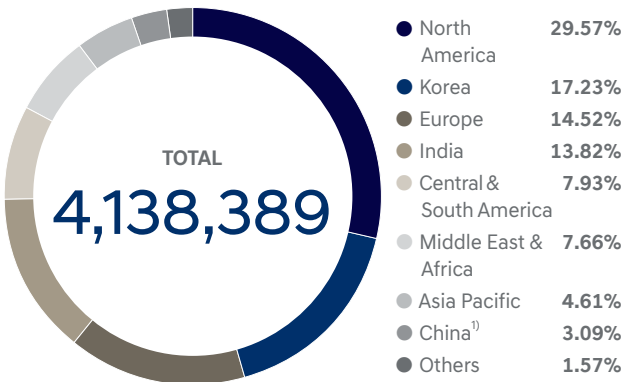
Data

Business Performance

Hyundai practices customer-first management through its nationwide network of directly operated branches and dealerships, strengthening sales competitiveness through tailored, market-specific promotions and differentiated marketing activities. In response to intensifying market competition, we are continuously expanding our electrified vehicle lineup in line with global trends while pursuing qualitative growth driven by our technological and design capabilities. Moreover, we will continue to strengthen our brand presence in the global market by reorganizing our sales network around high-performing dealers, advancing online marketing capabilities, and carrying out authentic Creating Shared Value (CSV) initiatives.

Sales Breakdown by Major Market

(Unit: Vehicles)



¹⁾ BHMC

* As of 2025; Based on wholesale

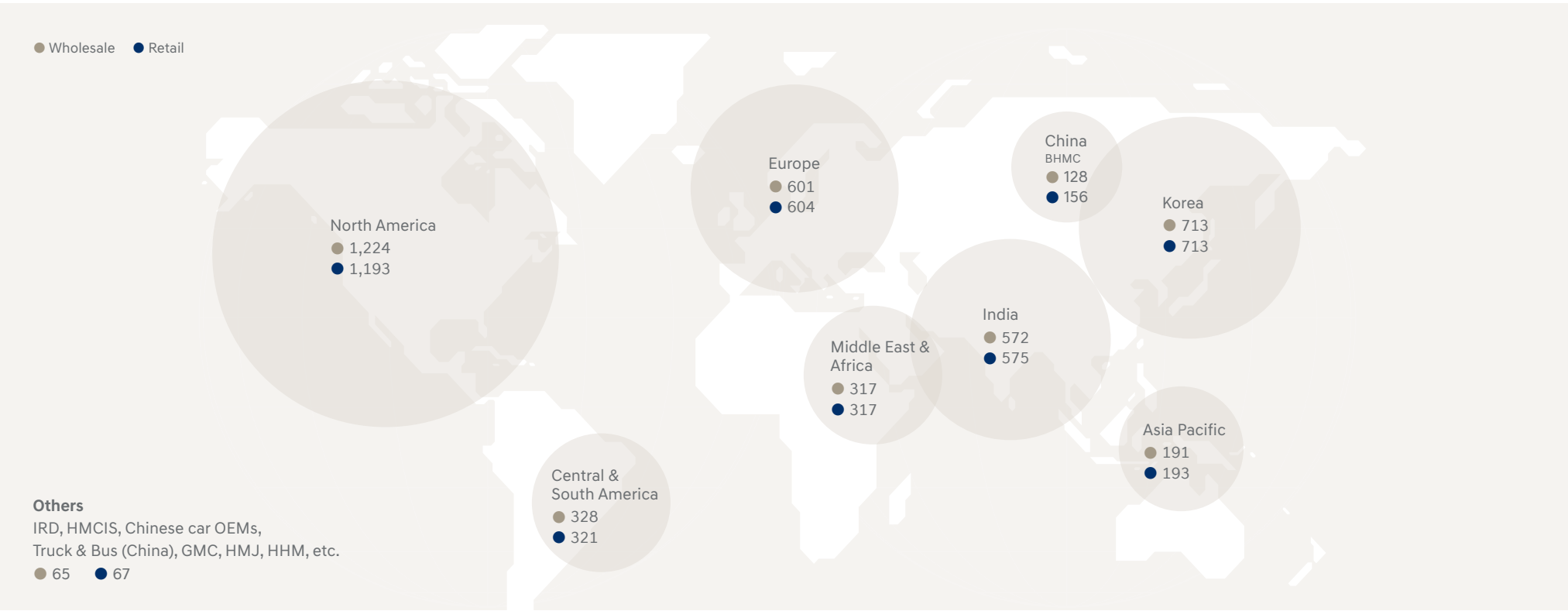
Business Strategy

Hyundai is diversifying its business portfolio to proactively respond to the rapidly evolving mobility industry landscape. In the domestic market, we continue to identify and develop new future mobility-based business opportunities aligned with changing customer lifestyles, while in global markets, we pursue tailored sales strategies through regional subsidiaries, reflecting local regulations and market characteristics.

Furthermore, we are accelerating investments to advance the transition to software-defined vehicles (SDVs) and strengthen our capabilities in next-generation battery technologies. In particular, the full-scale operation of Hyundai Motor Group Metaplant America (HMGMA) has further reinforced the resilience of our global supply chain. The establishment of a hybrid mixed-production system at HMGMA, together with the expansion of next-generation hybrid electric vehicle (HEV) and extended-range electrified vehicle (EREV) lineups, serves as a key driver enabling us to respond agilely to evolving market demand during the electrification transition while delivering more intelligent mobility experiences to customers. Additionally, to strengthen sustainability across our value chain, we are expanding the application of low-carbon steel, introducing energy-efficiency solutions, and leveraging robotics technologies to automate high-risk operations. Through these initiatives, we are advancing both carbon emissions reduction and workplace safety. These broad-based innovations will serve as a solid foundation for realizing our vision of “Progress for Humanity” and driving the sustainable growth of the future mobility ecosystem.

Sales by Major Market

(Unit: 1,000 vehicles)



* As of 2025



Business Performance

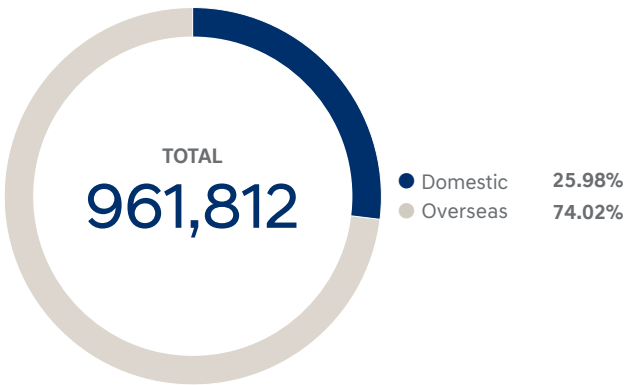
Delivering measurable progress through electrification strategy

Hyundai is accelerating its business transformation centered on electrification and hydrogen energy to realize sustainable future mobility.

Despite uncertainties in the global market in 2025, we demonstrated solid fundamentals by achieving record-high revenue through an improved sales mix centered on high-value-added vehicles such as HEVs. In particular, our vertically integrated structure encompassing more than 50 subsidiaries, together with an electrified lineup spanning HEVs, EVs, and fuel cell electric vehicles (FCEVs), represents a key competitive strength that enables us to respond flexibly to diverse customer needs. Leveraging these strengths, we aim to achieve annual sales of 3.3 million electrified vehicles by 2030 while further strengthening our leadership position in the global electrification market.

Electrified Vehicle¹⁾ Sales Breakdown by Domestic and Overseas Markets

(Unit: Vehicles)



¹⁾ Electrified vehicle: EV, HEV, PHEV, FCEV

Electrified Vehicle Sales by Powertrain

(Unit: Vehicles)

EV

In 2025, Hyundai delivered solid sales performance in the global EV market, led by its dedicated EV brand, IONIQ. In particular, IONIQ 5 recorded the highest global sales among our EV models, serving as a strong driver of our electrification performance, followed by Kona Electric and Casper Electric. Building on our diverse EV lineup, we continue to meet a wide range of customer needs while strengthening our global electrification leadership.

275,669



HEV, PHEV

To respond flexibly to the recent temporary slowdown in global EV demand, we are strategically expanding our HEV lineup and sales mix. In 2025, SUV-focused HEV models—including the Tucson, our best-selling HEV model, as well as the Santa Fe, PALISADE, and Kona—earned strong customer preference, establishing themselves as key drivers of both profitability and the transition to electrification.

679,017



FCEV

Our FCEV business continues to lead the market with NEXO at the forefront. In particular, following the launch of the significantly upgraded second-generation NEXO in 2025, we have continued to record steady sales growth, although FCEVs account for a relatively limited share of our overall electrified vehicle portfolio. Leveraging our differentiated hydrogen fuel cell technology, we will continue to strengthen our leadership in the global hydrogen ecosystem from a long-term perspective.

7,126



* As of 2025; Based on wholesale



Sustainability Highlights

Hyundai is expanding the scope of its sustainability management practices across the company, from increasing electrified vehicle sales to transitioning to renewable energy, advancing future technologies centered on hydrogen and software-defined vehicles (SDVs), as well as strengthening supply chain, human rights, and board-centered management.

147MW

Photovoltaic PPA signed at HMGMA

(Based on total procurement across Hyundai Motor Group)

Voluntary Turnover Rate

53%↓

6.8% in 2022 → 3.2% in 2025

83%

LCA Coverage

Electrified Vehicle Sales

962K units

27% increase year-on-year

U.S. Initial Quality Study

J.D. Power IQS*

No. 2

* IQS (Initial Quality Study): A metric measuring the number of quality issues experienced during the first 90 days of new vehicle ownership

Organizational Culture Survey

3 consecutive years of improvement

(80.2 points in 2025)

Credit Ratings from the 3 Major Global Rating Agencies

A

Moody's, S&P, Fitch

Board Diversity

33%

Female director ratio

4 female directors out of 12 board members

Introduction of the lead independent director system

Enhancing independence and transparency of the Board

Expansion of hydrogen ecosystem leadership

Expanded application of hydrogen fuel cell systems (HTWO) beyond automotive into non-automotive sectors such as shipping, power generation, and aviation

Conducted on-site audits at battery supply chain mines and smelters

Completed on-site audits in the Democratic Republic of the Congo (cobalt and copper) and Indonesia (nickel)

16 models* received the highest ratings in the crash safety assessment

IIHS TSP/TSP+ (The highest global total for 2 consecutive years based on Hyundai Motor Group's combined results)

* Number of models that received IIHS (Insurance Institute for Highway Safety) Top Safety Pick+ and/or Top Safety Pick ratings, including Hyundai and Genesis models

RE100 achieved at all business sites in North America, Europe, and India

Aiming to achieve RE100 across all overseas operations by 2027 and globally by 2045

Human rights and ethics due diligence across global business sites

Conducted at 47 business sites, including manufacturing/sales subsidiaries and R&D centers

Cumulative Donation Amount of Hyundai Hope on Wheels*

USD 320 million

* CSR initiative to support pediatric cancer research and treatment



Intro



Env



Soc



Gov



Data

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. Underpinned by sustainability management governance, major pending issues are discussed semiannually at the Sustainability Management Committee under the BOD, the 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 KPI. 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 BOD is mandated and authorized to manage and oversee Hyundai’s sustainability matters, managing 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 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 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.

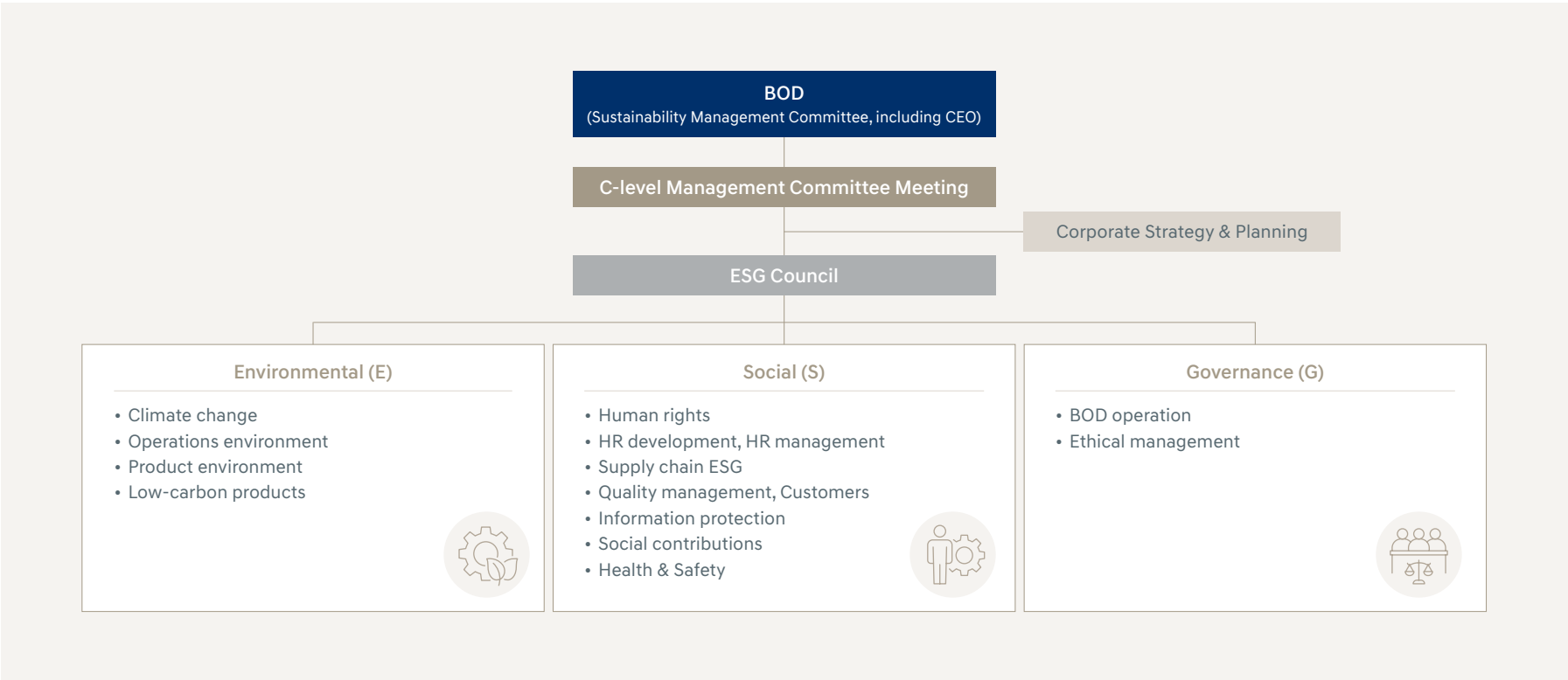
C-level Management Committee Meeting

C-level Management Committee Meeting (MCM), 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 meeting enables us to deliberate and decide on a range of issues and topics on a regular basis. When the MCM 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.

Corporate Strategy & Planning Division

The Corporate Strategy & Planning Division under the CEO is responsible for overseeing company-wide sustainability management activities. The Division supervises the Sustainability Planning Team and leads the development and implementation of sustainability strategies. It also reviews the progress of key sustainability initiatives, including climate change and biodiversity, and manages sustainability performance across the organization. Going forward, the Division will continue to enhance the company-wide sustainability management framework, strengthen capabilities for addressing key sustainability issues, and reinforce performance management to contribute to the creation of long-term corporate value.

Sustainability Governance



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, and global business. 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 can faithfully fulfill their responsibilities. In particular, our independent directors contribute to strengthening the Board's expertise through diverse activities, including the role of independent director in charge of compliance management undertaken by independent director Yoon Hee Choi.

To support independent directors to deepen their understanding of 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 addition, we support the development of professional competencies that can help independent directors effectively perform their roles.

MANAGEMENT AND OVERSIGHT OF SUSTAINABILITY MATTERS

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 Self-Inspection and education so that a culture of compliance permeates at all levels of the company.

Ethical Management

Under the oversight of the Sustainability Management Committee under the BOD, we thoroughly review 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.

Health and Safety

Hyundai formulates health and safety plans each year and have them approved by the Board. 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 2025, we selected eight key initiatives—including ESG risk reviews of critical mineral sourcing, strengthened responsible mineral supply chain management, and the establishment of a resource circularity strategy framework—and established and implemented initiative-specific goals. 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 for selecting key initiatives, implementation progress, and related performance outcomes, and monitors their progress on an ongoing basis.

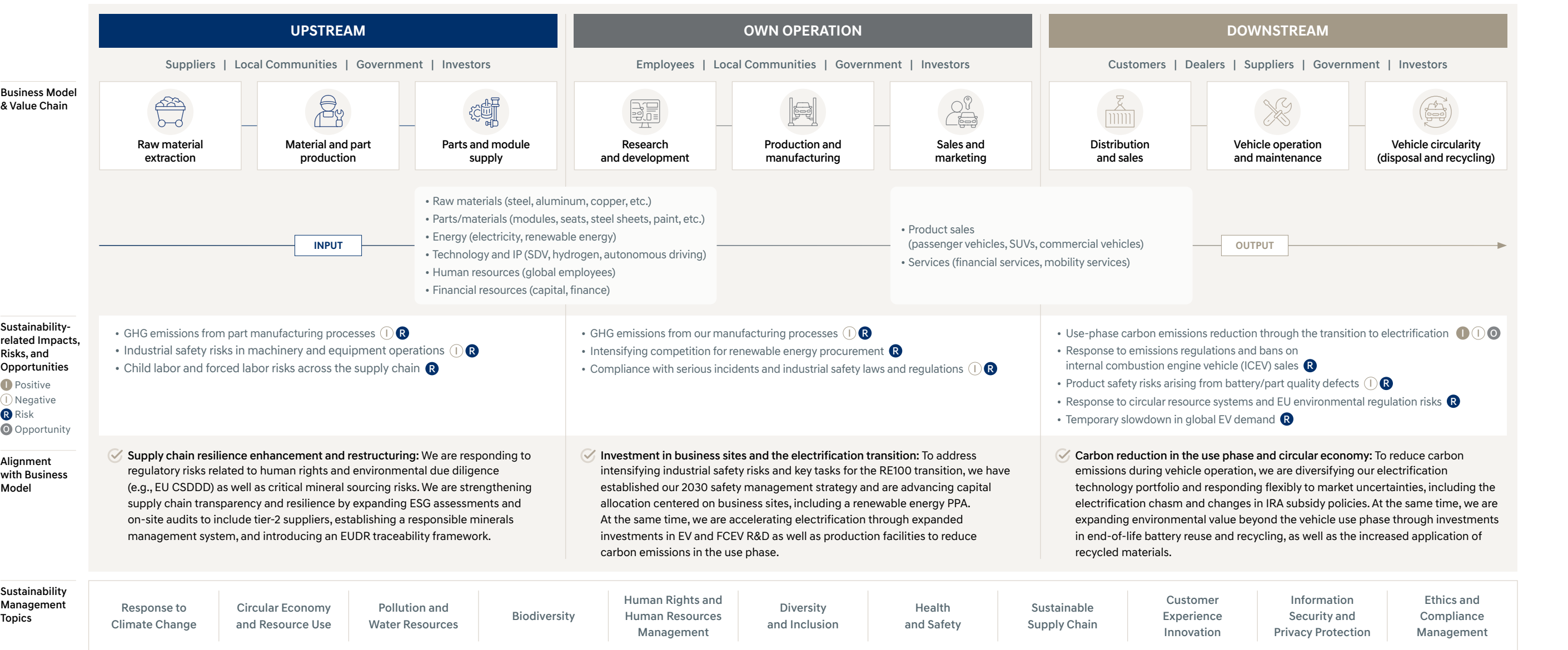
ESG KPIs

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.

Board Member Training in 2025	
Date	Topic
Jan. 21	Technology development trends in smart mobility in China
Apr. 22	Updates on our response to U.S. tariff developments
Jul. 16	Response strategies for the implementation of the revised Commercial Act
Jul. 24	Fraud patterns and internal controls
Oct. 24	Commercial Act revision trends and the Board governance enhancement measures
Oct. 28	Cybersecurity issues and our response strategies
	Just transition as a strategic imperative for the automotive industry

Sustainability Framework

Hyundai conducts business across the entire automotive value chain, from the procurement of raw materials and components to research and development, vehicle manufacturing, sales, and customer vehicle operation and services. We proactively identify sustainability-related impacts, risks, and opportunities arising across this value chain and integrate them into our core business strategies and key management decisions.



Sustainability Framework

Sustainability Goals and Strategic Initiatives

Hyundai identifies material sustainability issues across the entire value chain and has selected and transparently disclosed 11 key sustainability management topics spanning environmental, social, and governance areas. We pursue clear goals and implementation strategies for each topic while continuously advancing our management framework to reflect business characteristics and stakeholder expectations. Through these efforts, we proactively manage risks and create new business opportunities, positioning sustainability management as a foundation for future competitiveness while accelerating the transition to sustainable future mobility.

Response to Climate Change UpOwnDown Hyundai has identified climate change response as a key priority and is working toward achieving RE100 across all domestic and overseas business sites while continuously expanding electrification. For Scope 1 and 2 emissions generated from our own operations, we aim to reduce emissions by approximately 42% by 2030 from 2024 levels, primarily through the transition to renewable energy, including achieving RE100 across all overseas business sites by 2027. In addition, we are accelerating the transition to electrification to achieve our target of reducing Scope 3 (Category 11) emissions generated during the use phase of sold vehicles by approximately 63% by 2035 from 2024 levels.	Human Rights and Human Resources Management UpOwnDown Based on our Human Rights Charter, Hyundai promotes global human rights management for employees, suppliers, local communities, customers, and consumers. Through our five key human rights management pillars—governance, education, commitment, due diligence, and remediation—we annually assess our current status and areas for improvement to identify key priorities. In addition, we operate an H-SENSE-based talent development framework aligned with our mid- to long-term strategy, targeting by 2030 at least an 80% completion rate for mandatory companywide content among all employees, over 80% utilization of onboarding and leadership content, and over 80% utilization of H-SENSE content across overseas subsidiaries.	Sustainable Supply Chain UpOwn Hyundai is minimizing human rights and environmental risks across the supply chain while establishing a responsible sourcing framework. We conduct risk assessments and on-site audits for a total of 2,086 companies, including all tier-1 parts suppliers, key tier-2 suppliers, and non-parts suppliers exceeding a certain transaction threshold. For the 25 suppliers where adverse impacts have been identified, we provide integrated follow-up management through the development and completion of corrective action plans.
Circular Economy and Resource Use OwnDown Hyundai is advancing the use of recycled and bio-based materials and enhancing battery circularity systems with the goal of reducing resource consumption and establishing a circular resource system. By expanding a circular value chain encompassing the entire life cycle from production and use to recovery, we are enhancing resource efficiency and the sustainability of the EV ecosystem.	Diversity and Inclusion Own Hyundai is strengthening diversity and inclusion with the goal of establishing a balanced leadership structure and an inclusive work environment. By 2030, we aim to achieve a 15% ratio of female managers in Korea and a 27% ratio of female managers at overseas business sites. We are also expanding an inclusive organizational culture through unconscious bias training for employees at global business sites and the cumulative hiring of 450 persons with disabilities in Korea over a three-year period.	Customer Experience Innovation OwnDown Hyundai is driving customer experience innovation across the entire process from product planning and sales to maintenance and digital services. In 2025, we recorded a Customer Satisfaction Score – Hyundai Customer Experience Index (HCXI) result of 71.9, ranked No. 1 in Domestic Maintenance Service Satisfaction (HCXI) with a score of 73.3, achieved an Overseas Sales Customer Satisfaction (NPS) score of 93.4 and an Overseas Maintenance Service Satisfaction (NPS) score of 84.3, and continued to advance quality and service innovation based on 4,932,017 VoC cases.
Pollution and Water Resources UpOwnDown Hyundai manages environmental impacts arising from pollutant emissions and water consumption based on reduction targets relative to production plans. Pollutant emissions and water consumption targets have been set to achieve a 5% year-on-year reduction based on production volume.	Health and Safety UpOwn Hyundai is advancing a sustainable safety management system centered on people and technology, with the prevention of serious accidents and the establishment of a strong safety culture as its core objectives. Through prevention-focused strategies such as risk assessments, work environment improvements, emergency response measures, and supplier support, we are enhancing safety levels across our operations and supply chain. To drive fundamental improvements in safety incidents, we plan to make concentrated improvement investments of KRW 200 billion annually through 2030.	Information Security and Privacy Protection OwnDown Hyundai operates a management system centered on the Information Security Committee, the Chief Information Security Officer (CISO), and the companywide Chief Privacy Officer (CPO) to protect information assets and customer data. As of 2025, we maintained zero cases of secondary use of data and zero information security incidents, while strengthening digital trust through penetration testing, vulnerability assessments, and continuous monitoring.
Biodiversity UpOwnDown Hyundai recognizes biodiversity conservation as an important issue across the value chain and is strengthening our management systems to minimize the impacts of our business activities on ecosystems. To this end, in terrestrial ecosystems, we are promoting local ecosystem restoration with the goal of planting a cumulative total of approximately 3 million trees worldwide by 2035, while in marine ecosystems, we are carrying out initiatives aimed at collecting 400 tons of marine waste by 2027.		Ethics and Compliance Management UpOwnDown Hyundai is preventing regulatory violations and corruption risks while practicing transparent and responsible management. We are strengthening the implementation of our compliance culture through the annual compliance and ethics management pledge, achieving a 94.3% pledge participation rate and a 90.4% executive compliance training completion rate.

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 them, 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). Important issues identified through internal review and deliberation are applied to business operations or followed up through improvement activities. We conduct monitoring on a regular basis on the incorporation of these issues into 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		Improvement 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	
Classification	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) • Online (official website, App, social media) • Car club, influencer • Customer promotions (Motor show, exhibition, test driving) • Customer satisfaction survey • Sports sponsorship	• Online dealer portal • Dealer meetings and invitation events • Regular dealer council • Regular dealer visits by Hyundai employees in charge of regional management	• Labor-Management Council • Organizational culture diagnosis and employee satisfaction survey • On/offline grievance receipt channels • Occupational Safety and Health Committee • Meetings, events, etc. • Musculoskeletal Disorder Prevention Management Committee • Education and training related to work and safety	• Win-win growth portal site¹⁾ • Suggestion box²⁾ for transparent procurement • Win-Win Cooperation Practice Center website³⁾ • Global Win-Win Cooperation Center (GPC Portal)⁴⁾ • HMG Partner System⁵⁾ • Seminars and training	• Community contribution program (employees' participation in volunteer work, educational and cultural support, mobility support) • Communication with local communities nearby the company's operations (council consisting of residents) • Recruitment program (publicize recruitment to local talent) • Events held for unity, including local cultural, sports, and art events	• Public hearings • Policy-making discussions and briefings	• Annual Shareholders Meeting • Company briefing and conference • IR interview • Non-Deal Roadshow • CEO Investor Day • Sustainability Management Committee • IR website 		
Key Activities	• Technology investment and development to improve product and price competitiveness • Strengthen product safety/quality management • Lead the future mobility, autonomous driving, and electrification market • Increase customer satisfaction • Improve brand image	• Expand the vehicle lineup • Improve dealer margin and compensation system • Technology investment and development to improve product and price competitiveness • Improve brand image	• Employee competency building • Improve employee human rights and diversity • Improve organizational culture and evaluation/compensation • Improve labor-management relations • Reinforce health and safety in the workplace	• Support for supplier's ESG management • Support for supplier's carbon emissions reduction • Support for supplier's workplace safety management • Support for supplier's Information security management • Help suppliers advance toward future mobility • Support for mid/small-sized supplier's win-win cooperation	• Job creation and retention • Promote local community-tailored social contributions (child abuse prevention, support for youth transitioning to independent living, etc.) • Enhance operations environmental efficiency • Assess and protect biodiversity related to business activities • Support the local community infrastructure (Tourism promotion, facility installation, etc.) • Preventing the depopulation of local areas by addressing the low birth rate issue	• Disseminate electrified vehicles and strengthen vehicle safety • Support electrification of small- to mid-sized suppliers • Provide support for global supply chain and trade issues • Support commercialization of new businesses, including robotics, AAM, etc.	• Enhance global corporate value and improve fundamentals • Mid- to long-term future business strategies • Strengthen roles of ESG governance • Increase BOD expertise and efficient operation • Strengthen the management on climate change-related financial impact • Reinforce supply chain ESG management • Enhance employee diversity • 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⁾ Operating the suggestion box for transparency and ethical practices and the suggestion box for tier-2 and tier-3 suppliers

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 climate change response strategy, supply chain management, human rights, and governance, and this makes active communication important.

Roles of the BOD and Top Management

As Hyundai evolves into a smart mobility solution provider and a leading global EV brand, active engagement with investors serves as an important indicator and source of insight into the voice of the capital market. The Board and top management at Hyundai, therefore, communicate with institutional investors on a regular basis to discuss our performance concerning business and overall ESG management.

The Sustainability Management Committee under the BOD regularly discusses ESG-related risks, status, and improvements. Top management is in charge of conversing the company's future business strategy and ESG management targets with investors.

Facilitating Shareholder/Investor Communication

At Hyundai, 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.

ESG Meetings  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.	IR Website  Hyundai 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 stands for a sustainable future. Investors, one of the key stakeholders, have a high level of interest in 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 trust with their stakeholders. ESG-related investment plans, including reducing greenhouse gas emissions, expanding the use of renewable energy, and leveraging carbon offset technologies, are inevitable for a sustainable future. Through continued engagement relating to the above, we aim to sustain a trustworthy relationship.

Furthermore, we update 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 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 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.

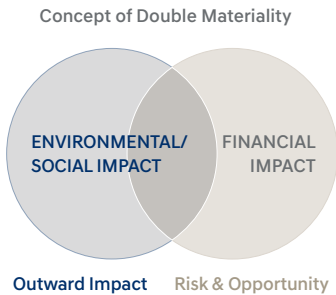
We can sustain a solid relationship with investors, shareholders, and other stakeholders through appropriate risk management. It is therefore very important to take appropriate and effective measures when a risk arises and to also establish measures to prevent recurrence. When a risk becomes an issue, 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. We 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 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 Assessment

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 our impact on the environment and society, while the risk and opportunity assessment examines how external factors affect our financial position. No significant changes were observed in the assessment process 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 from the outward impact perspective. From the risk and opportunity perspective, a total of six topics were identified: energy, product-related resource circulation, and supply chain human rights, as well as the three topics deemed material from the outward impact perspective.



Double Materiality Analysis Process

Step

DESCRIPTION

SELECTION

Selecting Sustainability-related Topics

This step involves choosing topics relevant to Hyundai from a broad spectrum of sustainability issues. We have utilized the EU CSRD Sustainability Reporting Standard (ESRS), ESG-related internal reports, sustainability disclosure and assessment indicators, and accordingly identified 39 relevant topics. In conducting our 2026 double materiality assessment, we additionally considered industry-specific materiality from a value chain perspective.

Detailed Procedures

Corporate Value Chain Activities (Automotive Sector)

Upstream

Own Operations

Downstream

Raw material acquisition

Parts production

Transportation

Assembly (Manufacturing)

Distribution Operation (Usage)

Disposal/Recycling

Selection of Material Topics

Long List

Selection Criteria

All ESRS topics and company-defined additional topics (39)

Key agenda items of the BOD

Sustainability disclosure and assessment indicators: SASB, MSCI, Sustainalytics, etc.

Sustainability regulations and media coverage

Inquiries from investors, NGOs, and customers

Benchmarking of industry peers

Short List

IRO¹⁾ assessment topics selected based on screening criteria (22)

¹⁾ IRO: Environmental and social impacts of the company on stakeholders (Impact), and risks and opportunities affecting the company's financial position arising from stakeholders (Risk & Opportunity)

IDENTIFICATION

Identifying IRO Related to Sustainability Topics

This step involves identifying and detailing IRO of selected topics. By analyzing value chain-specific characteristics of the automotive industry based on business reports, industry outlook materials, and inquiries from investors, NGOs, and customers, we defined relevant activities and reviewed various sources to identify 34 environmental and social impacts. We also analyzed global issues, sustainability regulations, and compliance requirements to identify 38 financial risks and opportunities.

Topics Subject to IRO Identification

Climate Change

Pollution/Water

Biodiversity/
Circular Economy

Climate change mitigation

Climate change adaptation

Energy

Air pollution

Water pollution

Water consumption

Microplastics

Biodiversity

Ecosystem services

Resource inflows

Product-related resource circulation

Workers²⁾

Customers

Business Activities

Workers' health and safety

Working conditions

Training and capability development

Labor relations

Diversity

Supply chain human rights

Consumer health and safety

Information protection of consumers

Ethical management

Supplier relationship management

Responsible AI

Environmental/Social Impact

Financial Impact

Impact (34)

Risk/Opportunity (38)

Negative

Short-term³⁾

Potential

Positive

Mid- to Long-term³⁾

Actual

Risk

Short-term³⁾

Opportunity

Mid- to Long-term³⁾

²⁾ Employees and workers in the value chain

³⁾ Short-term = current reporting year, mid-term = up to 5 years, long-term = more than 5 years

ASSESSMENT

Assessment of Sustainability Topics

This step involves assessing the identified IROs. To ensure the reliability and objectivity of the assessment, we selected evaluators with expertise in Hyundai's value chain and sustainability topics. Based on the EU ESRS Guidelines, from the impact perspective, we quantified severity (scale, scope, and irremediability) and likelihood, while from the risk and opportunity perspective, we quantified the magnitude (qualitative and quantitative) and likelihood of potential financial effects on a five-point scale.

Environmental/Social Impact

Financial Impact

Severity (scale, scope, and irremediability)

Likelihood

Magnitude

Likelihood

Examples of impact assessment

Examples of R/O assessment

Environ-mental and social impacts

Severity⁴⁾

Likeli-hood⁷⁾

Scale

Scope

Irremedi-ability⁵⁾

Financial impact

Magni-tude⁶⁾

Likeli-hood⁷⁾

Climate change mitigation

Energy

Consumer safety

Climate change mitigation

Energy

Resource circulation

4

4

4

4

5

4

4

5

4

4

4

4

Climate change mitigation

Energy

Resource circulation

Climate change mitigation

Energy

Resource circulation

5

4

4

4

3

4

3

3

3

3

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

R/O Score for Each Topic

Average of severity and likelihood

Average of magnitude and likelihood

⁴⁾ Scale: The gravity of the impact on the environment and society

⁵⁾ Scope: Extent of the impacts on society and the environment

⁶⁾ Magnitude: The size and scale of potential financial impacts on company business

⁷⁾ Likelihood: Chance that a potential event will actually occur

PRIORITIZATION & DISCLOSURE DETERMINATION

Material Topic Prioritization & Risk Management Integration

This step involves a process of determining priorities based on quantified assessment results, thereby identifying material disclosure topics. To determine the prioritization of each topic's IROs, we established threshold values for scores. As a result, three topics from the impact perspective and six topics from the R/O perspective were identified as material topics for 2026. Compared with the previous reporting period, “labor relations” was removed from the list and “energy” was added from the risk and opportunity perspective. The results of the materiality assessment are reported to the Sustainability Management Committee under the BOD, and the identified material topics are incorporated into and managed through the enterprise risk management process.

Financial Impact

Threshold

Threshold

Environmental/Social Impact

Climate change mitigation

Air pollution⁸⁾

Product-related resource circulation

Supply chain labor and human rights

Energy

Workers' health and safety

Consumer health and safety

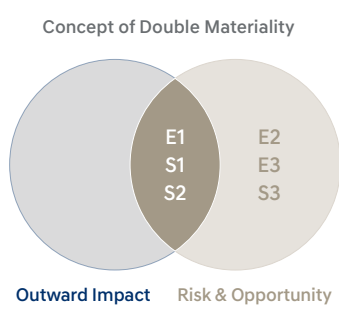
⁸⁾ “Air pollution” topic was integrated into “Climate change mitigation (Vehicle electrification)” topic due to overlapping IROs related to ICEV emissions.

016

Materiality Assessment

Results of the 2026 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 environmental and social impacts, or ② materiality from the financial perspective.

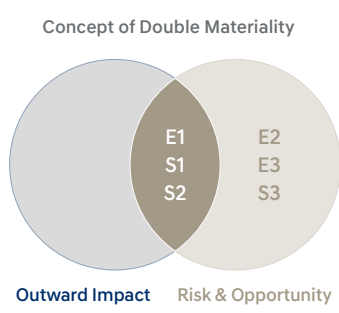


Outward Impact Aspect										
ESG	Topics	Position within the Value Chain	Internal Factors Affecting Stakeholders	Output Metrics	Impact Valuation					Impact Metrics
					Impact Type			Stakeholder Evaluation Area	Description of Social Cost	
E1	Climate change mitigation (Transition to electrified vehicles)	Downstream	• Transition of the business structure from internal combustion engine vehicles (ICEVs) to electrified vehicles and continuous development and production of electric vehicles (EVs) and fuel cell electric vehicles (FCEVs) to reduce greenhouse gases (GHG) emissions during the use phase	Reduction in GHG emissions from EVs compared to ICEVs over the same mileage	Positive impact	Actual	Short- to long-term	Environmental	• Social cost avoided¹⁾ - A comparison of GHG emissions from Hyundai's global EV models sold in 2025 (excluding large commercial vehicles) and ICEV models over a reference driving distance of 200,000 km showed an annual GHG reduction effect of 1,986,351 tCO ₂ -eq, based on emissions generated from the fuel production stage through the driving stage. ²⁾ Through these GHG emission reductions, we were able to reduce the social cost of atmospheric carbon dioxide by KRW 695,452 million.	KRW 695,452 million = (Difference in per-vehicle GHG emissions between a baseline ICEV and an EV over 200,000 km) × 2025 EV sales volume ²⁾ × social cost of GHG emissions ³⁾
	Climate change mitigation (GHG emissions)	Own operations	• GHG emissions from the use of fossil fuels (e.g., LNG) and electricity generated from non-renewable energy sources in vehicle manufacturing processes	Scope 1 and 2 GHG emissions	Negative impact	Actual	Short- to long-term	Environmental	• Social cost caused - In 2025, Hyundai emitted 1,911,084 tCO ₂ -eq of GHG. GHG contributes to adverse environmental impacts such as extreme weather events, changes in precipitation patterns, sea level rise, desertification, water scarcity, the spread of tropical diseases, and biodiversity loss. The social cost caused by our GHG emissions in 2025 is KRW 669,100 million.	KRW 669,100 million = Scope 1 and Scope 2 emissions in 2025 X social cost of GHG emissions ³⁾
		Upstream	• GHG emissions from the use of fossil fuels (e.g., LNG) and electricity generated from non-renewable energy sources in the manufacturing of automotive parts, including engines, batteries, motors, tires, steering/transmission systems, and interior materials	Scope 3 GHG emissions	Negative impact	Actual	Short- to long-term	Environmental	• Social cost caused – Hyundai's Scope 3 emissions contribute to such adverse environmental impacts as extreme weather events, changes in precipitation patterns, sea level rise, desertification, water scarcity, 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.	
		Downstream	• Use of non-renewable fuel sources in the transportation and distribution of vehicles to customers	Scope 3 GHG emissions	Negative impact	Actual	Short- to long-term	Environmental	• Social cost caused – GHG emissions generated during the transportation and distribution of Hyundai's products may contribute to adverse environmental impacts such as extreme weather events, changes in precipitation patterns, sea level rise, desertification, water scarcity, the spread of tropical diseases, and biodiversity loss.	

¹⁾ Calculated GHG emissions reduction using the Korea Transportation Safety Authority's Automobile Mileage Statistics (2023)
²⁾ Included only passenger vehicle models among Hyundai's global EV sales in 2025 (262,442 units), excluding vans and commercial vehicle models due to the absence of baseline vehicle models in the Korea Transportation Safety Authority's Automobile Mileage Statistics (2023)
³⁾ 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 GHG was assessed at USD 244/tCO₂-eq

Materiality Assessment

Results of the 2026 Materiality Assessment in Detail



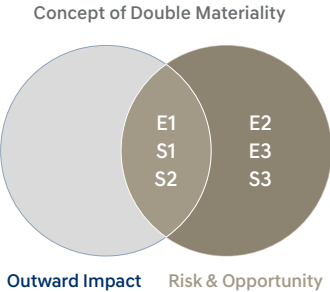
Outward Impact Aspect										
ESG	Topics	Position within the Value Chain	Internal Factors Affecting Stakeholders	Output Metrics	Impact Valuation					Impact Metrics
					Impact Type			Stakeholder Evaluation Area	Description of Social Cost	
S1	Consumer health and safety	Downstream	• Safety risks associated with batteries used as key components in EVs due to inadequate manufacturing or storage (composed of lithium-ion cells, with the potential for ignition and explosion resulting from thermal runaway caused by internal cell short circuits, leading to the decomposition of flammable electrolytes and the release of combustible gases) • Potential fires in EVs and charging stations caused by overloading due to inadequate manufacturing or storage of batteries installed in EVs	Physical harm and financial losses to users caused by battery explosions	Negative impact	Potential	Mid- to long-term	Consumer	• Social cost caused - 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 can have long-term impacts on individuals' daily lives, while declining consumer confidence in electric vehicles may delay the expansion of electrified mobility, thereby hindering the reduction of use-phase carbon emissions in the automotive industry.	
		Downstream	• Increased likelihood of accidents in cases of declining component quality or inadequate performance of safety systems, considering the characteristics of the mobility industry	Consumer damages due to vehicle defects	Negative impact	Potential	Mid- to long-term	Consumer	• Social cost caused - Insufficient product safety assurance may lead to vehicle-related property damage and accidents involving injuries or loss of life, causing physical and psychological distress to consumers and creating social anxiety regarding means of transportation.	
S2	Workers' health and safety	Own operations	• Potential occurrence of safety accidents causing bodily injury during work processes involving the handling of machinery and equipment	Employee LTIFR ⁴⁾	Negative impact	Actual	Short- to long-term	Social	• Social cost caused - 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		Supplier LTIFR	Negative impact	Actual	Short- to long-term	Social		

⁴⁾ Lost Time Injury Frequency Rate



Materiality Assessment

Results of the 2026 Materiality Assessment in Detail



Risk & Opportunity Aspect ¹⁾								
ESG	Topics	Position within the Value Chain	External Factors Driving Financial Risks and Opportunities		Impact on the Company		Impact Metrics	
E1	Climate change mitigation (Transition to electrified vehicles)	Downstream	• Social: Temporary slowdown in EV demand (electrification chasm) • Policy: – Easing of ICEV regulations and reduction of EV incentives in the U.S. and the EU – EU Green Claims Directive: Requires scientific substantiation and clear labeling as anti-greenwashing measures, with key penalties including sales bans, fines, corrective orders, and civil liability for damages		• Potential revenue decline resulting from reduced EV demand • Potential costs associated with compliance and management in response to the EU Green Claims Directive, as well as potential financial penalties, including fines, in cases of regulatory non-compliance	Costs	Risk	Mid- to long-term
		Own operations Downstream	• Social: Negative shifts in public perception of internal combustion engine vehicles • Technical: Technological advancements accelerating the electrification transition and climate change response, including the pace of achieving price parity • Regulatory: Regulations imposing driving restrictions on ICEVs, including the Clean Air Conservation Act and the Special Act on the Reduction and Management of Fine Dust		• Potential revenue growth driven by the expansion of the mid- to long-term EV market through strengthened EV competitiveness • Potential increases in capital expenditures, including R&D costs and infrastructure investments for EV production • Potential revenue decline resulting from reduced sales of ICEVs	Revenue Costs	Opportunity Risk	Mid- to long-term Mid- to long-term
	Climate change mitigation (GHG emissions)	Upstream	• Regulatory: EU Carbon Border Adjustment Mechanism (CBAM), EU Deforestation Regulation (EUDR)		• Potential increases in procurement costs due to rising raw material prices or the sourcing of alternative raw materials, as well as potential financial penalties, including fines, in cases of regulatory non-compliance	Costs	Risk	Mid- to long-term
	E2	Energy	Own operations	• Social: Intensifying competition for renewable energy (electricity) procurement among companies seeking to reduce GHG emissions and achieve RE100 targets, driven by the sharp increase in electricity demand from data centers resulting from AI adoption • Regulatory: Regulations related to the reduction of GHG emissions (Scope 1 and 2), including Korea's Emissions Trading Scheme (K-ETS)		• Potential costs associated with the transition to renewable energy and the purchase of emissions allowances resulting from failure to meet GHG emissions reduction targets	Costs	Risk
E3	Product-related resource circulation	Upstream	• Regulatory: EU End-of-Life Vehicles Regulation (ELVR), EU Deforestation Regulation (EUDR)		• Potential costs associated with the transition to recycled plastic materials and the procurement of deforestation-free alternative raw materials, as well as potential revenue declines due to import and sales bans in cases of non-compliance with relevant laws and regulations	Costs	Risk	Mid- to long-term
		Upstream	• Regulatory: EU Battery Regulation		• Potential costs associated with R&D for end-of-life battery collection and recycling, battery mineral supply chain due diligence, and battery carbon footprint traceability, as well as potential revenue declines due to sales bans in cases of non-compliance with relevant laws and regulations	Costs	Risk	Mid- to long-term
S1	Consumer health and safety	Downstream	• Social: Human and property damage resulting from EV battery fires caused by technical defects or inadequate management, and negative consumer perceptions of EV safety hindering EV adoption		• Potential losses resulting from investment costs to enhance battery safety and quality and recall costs, as well as negative impacts on revenue due to declining EV sales	Costs	Risk	Mid- to long-term
		Downstream	• Social: Vehicle safety-related lawsuits and recalls in major sales markets • Regulatory: Automobile Management Act, Product Liability Act		• Potential losses resulting from investment costs to enhance vehicle safety and quality and recall costs, as well as negative impacts on revenue due to declining vehicle sales	Costs	Risk	Mid- to long-term
S2	Workers' health and safety	Downstream	• Regulatory: Safety and health-related regulations by country, including the Serious Accidents Punishment Act and the Occupational Safety and Health Act		• Potential productivity and revenue decline due to operational disruptions, as well as potential costs associated with compensation for affected workers, litigation depending on company liability, and measures to ensure workplace and workers' safety to prevent recurrence	Costs	Risk	Mid- to long-term
S3	Supply chain labor and human rights	Upstream	• Social: High societal awareness of the need to protect labor and human rights related to child labor and forced labor • Regulatory: UN Convention on the Rights of the Child, ILO Declaration on Fundamental Principles and Rights at Work, EU Forced Labour Regulation (AFLR), Uyghur Forced Labor Prevention Act, and Fighting Against Forced Labour and Child Labour in Supply Chains Act		• Potential costs associated with supply chain human rights risk assessment, risk mitigation, and implementation of corrective actions, as well as potential losses resulting from reputational damage, including reduced capital inflows • Potential revenue declines due to import bans resulting from inadequate responses to forced labor-related supply chain investigations in Europe and the U.S.	Costs	Risk	Mid- to long-term

¹⁾ Risks and opportunities within the same topic and across the value chain are stated in an integrated manner.

Materiality Assessment

Management strategy for Material Topics and Alignment with Executive Compensation (KPI)

ESG	Topic	Business Strategy	Performance in 2025	Key Performance Indicators (KPIs) ¹⁾	Mid- to Long-Term Goals
E1	Climate change mitigation (Transition to electrified vehicles)	To respond agilely to rapidly changing market demand through a flexible sales strategy beyond its traditional ICEV-centered approach, Hyundai is diversifying its electrification portfolio, securing differentiated battery technologies through R&D investment and the internalization of development capabilities, and strengthening EV production capabilities through the construction and expansion of global manufacturing facilities. In addition, we are expanding the application of hydrogen fuel cell systems into diverse mobility and energy sectors, particularly in commercial vehicles.	- Number of electrified vehicles (EV, HEV, PHEV, FCEV) sold in 2025: 961,812 - Number of EVs sold in 2025: 275,669 - Number of FCEVs sold in 2025: 7,126 * Based on 2025 wholesale	- Sales of electrified vehicles - Activities related to electrified vehicles - The number and proportion of EV sales	Aim to achieve annual sales of 3.3 million electrified vehicles by 2030 (60% of total sales)
	Climate change mitigation (GHG emissions)	Hyundai has established an implementation framework for its mid- to long-term climate change response plan, which is centered on electrification, the hydrogen society, and the development of a circular economy ecosystem. This plan includes 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.	- SBTi (Science Based Targets initiative) approval - Expanded the Scope 3 – Category 11 (Use of Sold Products) emissions reduction target boundary to include “well-to-tank” emissions - Secured carbon absorption potential through the restoration of 2 sea forests covering 150 ha along the Ulsan coast	Establishment of a carbon neutrality implementation system and target achievement rates	- Aim to achieve a 42% reduction in Scope 1 and 2 GHG emissions by 2030 compared to the base year (2024) - Aim to achieve a 63% reduction in Scope 3 – Category 11 (Use of Sold Products) GHG emissions by 2035 compared to the base year (2024)
E2	Energy	Hyundai will prioritize the transition of electricity consumption to renewable energy sources in alignment with its RE100 roadmap. In the long term, we plan to expand the use of renewable energy and apply green hydrogen to key manufacturing processes in connection with the realization of a hydrogen society.	- Achieved RE100 across all business sites in Europe, North America, and India - Signed a 147 MW photovoltaic power purchase agreement (PPA) for Hyundai Motor Group Metaplant America (HMGMA), a new EV manufacturing plant in the U.S. (approximately 75 MW when considering Hyundai’s ownership share) - Achieved a 35% renewable electricity transition rate across global business sites in 2025 (88% at overseas business sites)	Renewable energy transition target achievement rate	- Aim to achieve RE100 across all overseas business sites by 2027 - Aim to transition 100% of electricity used across all global business sites to renewable energy by 2045
S3	Supply chain labor and human rights	Hyundai recognizes supply chain labor and human rights risks—including child labor, forced labor, and the exploitation of migrant workers across the global supply chain—as a material issue to be managed. We therefore systematically identify and assess human rights risks across all stages of the supply chain, from raw material extraction to component manufacturing, and apply phased measures, including corrective actions and penalties, such as bidding restrictions, according to risk levels.	- Conducted ESG written assessments for a total of 2,086 domestic and overseas suppliers - Conducted ESG on-site audits for a total of 127 domestic and overseas suppliers - Expanded the scope of ESG assessment to include key tier-2 suppliers and non-parts suppliers and linked assessment results to bidding procedures - Established an automated system for continuous forced labor risk screening - Established a forced labor on-site audit manual and institutionalized standard procedures for forced labor risk response - Conducted on-site audits of mines and smelters in the battery critical mineral supply chain	- ESG assessment rate/audit rate of suppliers - Supplier risk corrective action rate - ESG level management of suppliers	- Aim to continuously strengthen a risk-based supply chain ESG management framework - Plan to enhance and update selection criteria for priority-managed and high-risk suppliers and strengthen on-site audits for selected suppliers - Aim to achieve a 100% ESG written assessment rate for priority-managed suppliers - Aim to achieve a 100% compliance rate with minimum ESG written assessment requirements for suppliers - Plan to continuously increase the proportion of sourcing from certified smelters - Plan to implement differentiated management by key themes to respond to global regulations - Aim to achieve 100% written assessment coverage of water- and biodiversity-related high-risk suppliers by 2028

¹⁾ KPIs are linked to the compensation of executives, including the CEO.



Intro



Env



Soc



Gov



Data

Environmental



The environment is the foundation on which humanity depends, and we have a responsibility to safeguard it for future generations.

Hyundai recognizes climate change, resource depletion, pollution, and biodiversity loss as critical business priorities and addresses them systematically. We are establishing strategies for greenhouse gas emissions reduction and climate action, while enhancing resource efficiency for the transition to a circular economy and reducing impacts across the product life cycle. Through pollutant management, water stewardship, and biodiversity conservation, we strive to operate sustainably in harmony with nature. Building on these efforts, we will proactively respond to evolving environmental regulations and market expectations while creating sustainable value for future generations.

In This Section

Response to Climate Change **Material Topic**

Circular Economy and Resource Use **Material Topic**

Pollution and Water Resources

Biodiversity



Material Topic



Intro



Env



Soc



Gov



Data

Response to Climate Change

Hyundai identifies, assesses, and manages climate-related risks and opportunities to strengthen its response to climate change. We have established key climate strategies through our climate governance framework and, based on these strategies, analyze the potential impacts of climate change on our business while striving to proactively respond to broader changes in the business environment arising from evolving laws and regulations. Through our climate response efforts, we seek not only to manage risks but also to identify new opportunities. We will continue to proactively respond to evolving market demand by expanding our electrified mobility portfolio and advancing future mobility technologies, including autonomous driving and connected cars.

GOVERNANCE

GOVERNANCE BODY

Sustainability Management Committee

The Sustainability Management Committee, the highest decision-making body for overseeing climate-related risks and opportunities at Hyundai, 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 approves 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, environmental impacts throughout the product life cycle, and supply chain ESG management.

[Composition of the Sustainability Management Committee](#)

[Board Member Training in 2025](#)

Key Agenda Items from the Perspective of Climate-related Risks and Opportunities in 2025

Governance Body	Date	Classification	Key Agenda Items	Consideration for Climate- Related Risks and Opportunities
Sustainability Management Committee	Apr. 24	Approved	• Approval of Hyundai's 2025 ESG strategy	• Implementing carbon neutrality strategy 2.0 (optimization of reduction measures and expansion of reduction initiatives)
BOD	Sep. 18	Approved	• Approval of mid- to long-term strategy and financial targets	• Expanding electrified vehicle lineup • Leveraging the Group synergies based on an integrated vertical value chain (establishment of a low-carbon supply chain, investment in next-generation batteries, etc.)

MANAGEMENT

Management Committee Meeting

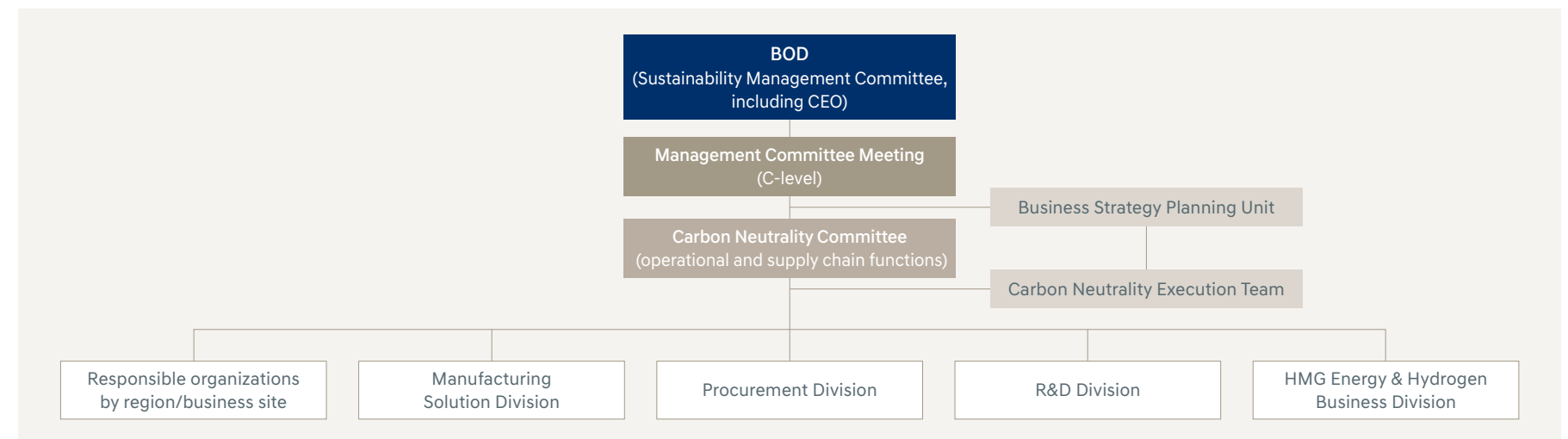
Hyundai regularly reviews key ESG issues, including carbon neutrality, and related management progress through the C-level Management Committee Meeting attended by major executives, including the CEO. Based on these reviews, major risks, necessary performance improvements aligned with our mid- to long-term business strategies, and matters requiring deliberation and approval by the highest decision-making body are escalated to the Sustainability Management Committee.

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 Division, Procurement Division, 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.

Climate Change Governance



Response to Climate Change

GOVERNANCE

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.

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

STRATEGY

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Types		Risk/Opportunity	Impact on Business Model and Value Chain	Expected Impact		
Risks	Current Regulations		- Strengthening of national cap-and-trade regulations and rising carbon prices - National net-zero targets in place	✔ Short-term	✔ Mid-term	✔ Long-term
	New Regulations	Policies and regulations for responding to climate change	- Increasing carbon cost burdens on products exported to Europe following the full-scale implementation of the EU Carbon Border Adjustment Mechanism (CBAM), along with the expanding discussions on the adoption of carbon border adjustment mechanisms in major countries such as the U.S. - Strengthening requirements under the U.S. Inflation Reduction Act (IRA), including increased demands for North American local production and supply chain restructuring for electric vehicle subsidies, leading to changes in investment and operational structures	✔ Short-term	✔ Mid-term	✔ Long-term
	Technology	Acceleration of competition in developing electrified 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 costs associated with fines for non-compliance - Brand damage, disinvestment, and customer loss due to fuel economy-related lawsuits	✔ Short-term	✔ Mid-term	✔ Long-term
Transition	Market	Instability of raw material prices	Rising raw material procurement costs and weakening supply chain stability due to imbalances between EV battery demand and the supply of key raw materials (lithium, cobalt, and nickel)	✔ Short-term	✔ Mid-term	✔ Long-term
	Reputation	Increased demand from investors and stakeholders for climate change action	Declining ESG ratings and investor confidence, along with deteriorating financing conditions, in the event of insufficient climate response efforts	✔ Short-term	✔ Mid-term	✔ Long-term
Opportunities	Products/ Services	Acceleration of the transition to electrification	Changes in product portfolios and restructuring of profit models driven by the acceleration of electrification transition	✔ Short-term	✔ Mid-term	✔ Long-term
	Markets	Spread of technological innovations for responding to climate change	- Expansion of the EV market driven by advancements in electrification technologies and improvements in cost structures - Revitalization of the hydrogen market due to climate tech R&D - Advancement of vehicle functions and creation of new revenue models driven by developments in AI and software technologies	○ Short-term	✔ Mid-term	✔ Long-term
	Energy Source		Enhanced energy cost efficiency through increased renewable energy adoption	✔ Short-term	✔ Mid-term	✔ Long-term
	Resource Efficiency		Cost reductions and conservation of natural resources through expanded resource circulation and increased use of recycled materials	○ Short-term	✔ Mid-term	✔ Long-term
Physical	Acute Risks	Extreme wind speed, wildfire, flood, hail/ thunderstorm, 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, drought, cold wave	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 timeline	✔ Short-term (0-3 years) ✔ Mid-term (3-10 years) ✔ Long-term (10-25 years)	Application scope	✔ Business sites: All global operations (including new ones, expected facility life cycle considered) ✔ Upstream activities: Purchased goods and services, capital goods, upstream distribution, etc. ✔ Downstream activities: Transportation, use (customers), end-of-life treatment and recycling, etc.
-----------------------------	--	--------------------------	--



Response to Climate Change

STRATEGY

Strategy 1 ENERGY REDUCTION 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 audits, we identify improvement opportunities and establish energy efficiency strategies based on detailed analyses of individual processes and facility characteristics. In 2025, we introduced a global carbon emissions management system and a smart manufacturing plant energy management system to manage company-wide energy and carbon data in an integrated manner. These systems quantitatively analyze equipment-level energy consumption, failure rates, equipment aging, and expected savings relative to investment costs to identify energy-intensive processes and prioritize improvement areas. Once improvement areas are identified, we implement key measures such as applying high-efficiency motors and inverters, installing regenerative energy systems, converting utility heat sources (steam → LNG), and establishing waste heat recovery systems. To scale up these energy-saving and efficiency solutions, we have committed KRW 111.2 billion in investment over the ten-year period from 2021 to 2030, targeting reductions of 250,412 MWh of electricity consumption and 48.88 million Nm³ of LNG consumption. We verify the effectiveness of each initiative through post-completion performance analyses and continuously monitor the outcomes of our energy-saving activities. Furthermore, we enhance employee awareness through education on energy-saving technologies and facilities across our business sites, while promoting organization-wide participation through practice-based initiatives such as compliance with heating and cooling temperature standards and the prevention of energy waste.

Hyundai has developed an in-house low-temperature curing coating technology for the painting process, which accounts for approximately 40% of total energy consumption in automobile manufacturing, reducing the curing temperature from 140°C to 90°C. This technology is expected to reduce energy consumption in the painting process by approximately 40% while maintaining processing time and ensuring the same level of quality, and is scheduled for application at our Ulsan EV Plant in 2026. In addition, at our engine plants, which account for approximately 20% of energy use, we are significantly reducing standby power losses through the adoption of variable motor load control and smart air control systems, with plans to expand these technologies to similar facilities. By continuously scaling energy efficiency innovations across all production plants, we will continue to fulfill our responsibility to build a sustainable manufacturing environment.

GHG Reduction and Energy Saving Activities at Major Business Sites

Ulsan Plant The Ulsan Plant is pursuing operational efficiency improvements alongside facility investments. It is implementing greenhouse gas (GHG) reduction initiatives through

the “Energy Diet 10” campaign and actively participating in government-led energy efficiency programs such as “KEEP 30.” In addition, the Plant continues to invest in GHG reduction measures, including upgrades to steam production facilities and incinerator differential pressure generators, as well as the replacement of aging gas meters.

Asan Plant The Asan Plant is systematically reducing energy consumption by improving the efficiency of its production facilities. On the vehicle assembly line, energy regeneration units have been installed on drop lifts, leveraging their vertical movement to recover and reuse energy generated during descent, thereby preventing unnecessary power loss. On the engine production line, a variable control system has been introduced for high-capacity pumps, enabling automatic switching to energy-saving mode during non-operating hours. Beyond production equipment, the plant has reduced energy waste by decentralizing its hot water supply system and continues to replace aging equipment with high-efficiency alternatives.

R&D Center in Korea The R&D Center in Korea is focusing on raising energy efficiency and using waste heat. It is carrying out multifaceted efficiency activities, such as reducing electric power consumption through automated lighting control systems and the adoption of high-efficiency LEDs, as well as reducing standby load through the separate operation of cooling transformers. In particular, it established a circular energy utilization system by using heat generated during waste treatment as steam to reduce boiler operation.

HMMA Hyundai Motor Manufacturing Alabama (HMMA) identified improvement opportunities for its major facilities through energy diagnostics conducted in collaboration with an outside professional organization in 2025. By investigating compressed air leaks at the engine production plant, it has identified areas of energy loss and is currently carrying out repair work.

HMGMA Hyundai Motor Group Metaplant America (HMGMA) is conducting GHG reduction activities based on systematic energy management systems. It strictly cuts power to unused equipment, including lighting, HVAC systems, and production facilities, and implements energy-saving operations during peak electricity demand hours. In particular, it has established a Factory Energy Management System (FEMS) for integrated management of electricity, HVAC, lighting, and production facilities at the building level, and shares real-time monitoring results company-wide to encourage employee participation in energy-saving activities.

BUSINESS CASE

Setting the Standard for Zero Energy Factory



Establishment of a building energy design standard for new plant application

In collaboration with Kia and Hyundai Engineering, Hyundai developed a methodology for evaluating building energy performance and a design standard to establish a “ZERO Energy Factory (ZEF)” that minimizes the building energy load of production plants and systematically uses new and renewable energy. The standard organizes energy optimization technologies across the architectural, mechanical, electrical, and renewable energy sectors in consideration of production plant characteristics, and presents a performance evaluation process that can be applied throughout the planning, design, construction, and operation stages. In particular, it includes energy consumption analysis and an ECO2-OD¹⁾-based evaluation system to enable a quantitative review of building layout, envelope performance, equipment capacity sizing, and the application of high-efficiency equipment and renewable energy.

This design standard is structured to enable compliance with legal requirements and reasonable investment cost reviews in consideration of the Zero Energy Building (ZEB) certification system and the energy-saving design criteria for non-residential buildings scheduled to become stricter after 2025. In addition, it clearly categorizes mandatory, recommended, and review items for each technical element in new plant construction, thereby enabling flexible application according to plant type and conditions.

Hyundai plans to use this methodology and design standard in a phased manner during the construction of new plants and major production facilities, thereby systematically improving energy efficiency and switching to a zero energy factory (ZEF).



¹⁾ Energy performance evaluation of eco-friendly housing



Response to Climate Change

STRATEGY

Strategy 2 TRANSITION TO RENEWABLE ENERGY

RE100 Implementation Plan

Hyundai, along with other major Group affiliates, such as Kia, Hyundai MOBIS, and Hyundai WIA, declared its commitment to the global initiative RE100 in 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 this end, we plan to implement optimal renewable energy solutions tailored to country-specific renewable energy supply conditions, government policies and regulations, and individual plant circumstances. These solutions include the gradual expansion of renewable energy initiatives through 2045, such as solar panel installations at major business sites, the purchase of renewable energy certificates, and power purchase agreements (PPAs). As of 2025, we achieved RE100 across all business sites located in regions with favorable renewable energy environments, including North America, Europe, and India. Excluding Korea, the renewable electricity transition rate for electricity used across overseas business sites reached 88%.

Adoption of Renewable Energy at Major Business Sites

Domestic Operations Hyundai signed a 444 MW power purchase agreement (PPA) in 2024 and has been gradually adopting renewable energy starting since 2025. Around 610 GWh of renewable energy will be stably supplied each year to our major domestic operations, including production plants and R&D centers. This is expected to help us reduce annual GHG emissions by nearly 280,000 tons.

We are also continually expanding our infrastructure for off-grid photovoltaic power generation. The Ulsan Plant operates approximately 15 MW of rooftop photovoltaic power facilities across the logistics tower parking structure and the EV plant, while the Asan Plant operates a 9.3 MW photovoltaic power facility at its vehicle finishing yard. The Jeonju Plant currently operates a 2 MW rooftop photovoltaic power generation system and plans to install an additional system with a capacity of approximately 5 MW.

In addition to its existing photovoltaic power generation facilities with a capacity of approximately 4 MW, the R&D Center in Korea is installing an additional 6 MW, which is scheduled to begin full-scale operation in the second half of 2026.

Hyundai Motor Türkiye Otomotiv A.Ş Hyundai Motor Türkiye Otomotiv A.Ş achieved its RE100 target by purchasing renewable energy certificates as of 2025. It plans to build photovoltaic power generation facilities in 2026 to expand its infrastructure for off-grid photovoltaic power generation.

Hyundai Motors India (Manufacturing) The Chennai Plant of Hyundai Motor India Regional Headquarters achieved its RE100 target in 2025. It is procuring renewable energy through various means, including on-site photovoltaic power generation facilities installed in idle space at the business site, PPAs, and renewable energy certificates. In particular, it signed an equity investment-type PPA with a local renewable energy power plant in 2024 and has been procuring carbon-free electricity since 2025. The Pune Plant, which began full-scale operations in India in 2025, achieved RE100 upon completion through the operation of on-site power generation facilities and the purchase of renewable energy certificates.

Hyundai Motor Manufacturing Indonesia Hyundai Motor Manufacturing Indonesia (HMMI) expanded its on-site power generation capabilities by installing approximately 11 MW of photovoltaic power generation facilities, alongside the efficient operation of its existing photovoltaic power generation facilities. In 2025, HMMI produced approximately 3,300 MWh of renewable energy through on-site photovoltaic power generation and is achieving RE100 through cooperation with the local government.

Hyundai Motor Manufacturing Czech Hyundai Motor Manufacturing Czech (HMMC) has maintained RE100 since 2022 and built a 5 MW on-site photovoltaic power generation facility in 2025. It is also moving forward with signing a vPPA to secure a stable supply of renewable electricity.

BUSINESS CASE

Signing Renewable Energy PPAs at Global Manufacturing Sites



Hyundai Motor Group Metaplant America (HMGMA)

Hyundai Motor Group sought renewable energy procurement to achieve RE100, centered on HMGMA in Georgia, US. It secured a renewable energy supply base by signing a long-term 147 MW photovoltaic power generation PPA jointly with a local affiliate, through which it is working to reduce GHG emissions from its production process. HMGMA is also mitigating risks associated with electricity price fluctuations and enhancing the operational stability and efficiency of global electrification production hubs.

Hyundai Motors India (Chennai Plant)

Hyundai Motors India (Chennai Plant) signed an equity investment-type PPA with a local renewable energy company in India to ensure stable procurement of renewable energy for its production facilities and support mid- to long-term carbon emissions reduction. It is securing both power supply stability and long-term sustainability through directly acquiring equity stakes in renewable energy power plants, going beyond simple electricity purchasing. The Headquarters established a 25-year long-term PPA linked to a total of 117.9 MW of new photovoltaic and wind power projects in the Tamil Nadu region, acquiring a 26% equity stake in the corporate entity operating the power plants. This has established a foundation for meeting the electricity demand of its major production facilities, including the Chennai Plant, with renewable energy and maintaining a stable mid- to long-term power procurement structure in a highly volatile electricity market. Through such equity investment-type PPAs, Hyundai plans to secure both renewable energy supply stability and cost effectiveness while accelerating the energy transition of its global production hubs.

RE100 Roadmap





Intro



Env



Soc



Gov



Data

Response to Climate Change

STRATEGY

Strategy 3 TRANSITION TO ELECTRIFICATION

Transition Direction of Electrification

Hyundai is pursuing carbon emissions reductions during the vehicle use phase while also advancing an electrification-centered business structure and implementing a flexible powertrain strategy in response to changing market conditions. Based on a diverse portfolio of electrification technologies, including hybrid electric vehicles (HEVs), plug-in HEVs (PHEVs), EVs, FCEVs, and extended range electrified vehicles (EREVs), Hyundai is implementing an electrified mobility strategy tailored to regional demand and regulatory environments.

In addition, by developing next-generation hybrid systems and a software-defined vehicle (SDV) architecture, we are strengthening the competitiveness of products that integrate hardware and software, thereby supporting mid- to long-term profitability. We are expanding the application of our hydrogen fuel cell systems to the mobility and energy sectors, with a focus on commercial vehicles, and are also participating in the development of global partnership-based ecosystems to support the expansion of electric and hydrogen infrastructure. Through these strategies, we continue to enhance our technological and business competitiveness as a mobility solution provider.

Mid- to Long-Term Electrification Strategy

To achieve the goals of our electrification strategy, we are expanding production hubs, with a focus on regions with high EV demand, and optimizing our production system to respond to regional demand. We are also enhancing our electrification competitiveness through a comprehensive battery strategy that includes developing next-generation battery technologies, battery modularization, and strengthening cost competitiveness, while enhancing EV marketability through improved hardware performance and advanced software-based functions. In particular, we are expanding the transition to electrification in a phased manner in response to changing market conditions and plan to strengthen regional production capabilities based on our global production network, while enhancing our market responsiveness through expanded local production.

Electrification Plan

Growth in electrification demand has recently undergone some adjustments in major markets. Against this backdrop, demand for electrified vehicles, driven primarily by hybrid vehicles, is expanding, and the pace of transition varies depending on regional policies and infrastructure conditions. Nevertheless, the electrification of mobility remains a key global priority for addressing climate change, and its mid- to long-term direction remains unchanged. Accordingly, Hyundai is strengthening its ability to respond to demand based on a diverse electrification portfolio, including hybrid vehicles and EREVs, in response to changing market conditions, while continuing to strengthen EV production capabilities and battery technology competitiveness. Through this approach, we plan to consistently pursue our mid- to long-term electrification strategy while responding to uncertainty in the electrification transition process.

Responding to Market Demand Hyundai is implementing a hybrid vehicle-centered sales expansion strategy in response to changes in market demand during the transition to electrification. We are strengthening product appeal and cost competitiveness through the application of next-generation hybrid systems and model expansion, while flexibly responding to demand in major markets by leveraging the mixed-model production system of our global production hubs. In addition, we plan to expand hybrid production centered on our HMGMA plant in North America to respond to growing regional demand.

Meanwhile, the EREV is an electrified model that addresses range limitations by using an engine to charge the battery while maintaining an EV-based driving experience, serving as a transitional solution that can respond to charging infrastructure constraints and demand uncertainty. We will begin mass production of EREVs primarily in North America and China in 2027, diversifying our electrification portfolio with a focus on large SUVs and mid-sized models. Through this hybrid- and EREV-based electrification strategy, we are responding to changing market conditions and gradually advancing the transition to electrification.

Boosting Production Capacity Hyundai addresses changes in market demand through global plant construction and expansion, as well as optimal facility utilization. Specifically, Hyundai Motor Group Innovation Center Singapore (HMGICS) serves as an innovative production hub that applies smart manufacturing technologies, including robotics, AI, and digital twins, and operates as a sustainable manufacturing facility with an on-site electricity generation capacity through photovoltaic power. We are expanding the application of these innovative production technologies to HMGMA in the U.S. HMGMA plans to achieve an annual production capacity of up to 500,000 units by 2028 through phased expansion, based on a flexible production system that concurrently manufactures EVs and hybrid vehicles. Furthermore, by establishing a localized production system linked to battery manufacturing and material procurement, we are strengthening our responsiveness to the North American market. By increasing the proportion of vehicles produced locally and sold in the U.S. by 2030, we aim to simultaneously advance the transition to electrification and ensure supply chain stability.

Internalizing Battery Development Capabilities EV batteries are a key factor in determining cost, driving range, and performance, and Hyundai is strengthening the execution of its electrification strategy by internalizing battery development capabilities. Based on an understanding of battery cell characteristics, we engage in the integrated development of system design and control technologies, including Battery Management System (BMS) technologies, and have secured a technological foundation that enables direct management of battery performance and quality. This includes technologies that diagnose battery status in real time across driving, charging, and parking conditions, and predict and detect signs of abnormalities in advance. In addition, we are establishing a system that continuously monitors battery conditions for a certain period after parking and enables preemptive responses through vehicle control and external notifications in the event of abnormalities.

Going forward, we plan to advance our technology to enable more precise diagnostics and life cycle management by using data that is collected in diverse operating environments through a cloud-based BMS. In terms of the battery system, we applied a multi-layered safety design, including fire-retardant materials and emergency vents, along with a structure that prevents thermal runaway regardless of cell form factor, resulting in the minimization of thermal propagation in the event of a battery fire. By doing so, we are continually strengthening the safety and reliability of EVs.

Response to Climate Change

STRATEGY

Strategy 3 TRANSITION TO ELECTRIFICATION

Expanding Electrified Vehicles

EV Hyundai launched the dedicated electrified model IONIQ in 2016 and introduced the Kona Electric, a compact electric SUV, 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 Cargo and Cargo Refrigerated, logistics-specialized models on our new electrification business platform, ST1. In 2025, we are diversifying our electrification business model by expanding our lineup of Purpose-Built Vehicles (PBVs) based on the ST1 platform and expanding into global markets. Based on our diversified lineup, we plan to increase the share of EV sales to approximately 30% by 2030.

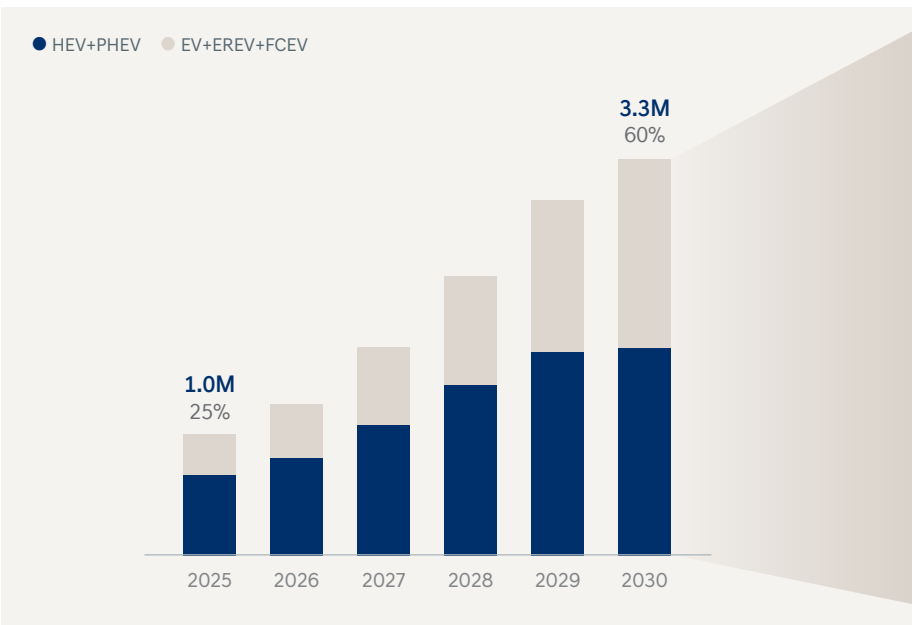
HEV and PHEV Hybrid models are available for all models, such as Elantra (AVANTE), Kona, Sonata, Tucson, Santa Fe, and Grandeur except for large SUVs and small sedans. We are also offering a plug-in hybrid lineup in our Sonata, Tucson, and Santa Fe models. By 2030, Hyundai aims to expand hybrid vehicle sales to account for around 28% of total sales.

FCEV The NEXO, which Hyundai first unveiled in 2018, is a leading FCEV that operates by generating electricity through the chemical reaction of hydrogen and oxygen. We are expanding our FCEV leadership by mass-producing Elec-City fuel cell buses and XCIENT fuel cell heavy-duty trucks. In October 2024, we premiered “INITIUM,” an FCEV concept car, and in 2025 unveiled a next-generation FCEV through the completely redesigned NEXO, featuring a driving range of over 700 km and enhanced performance and safety. We aim to sell approximately 19,000 FCEVs annually by 2030.

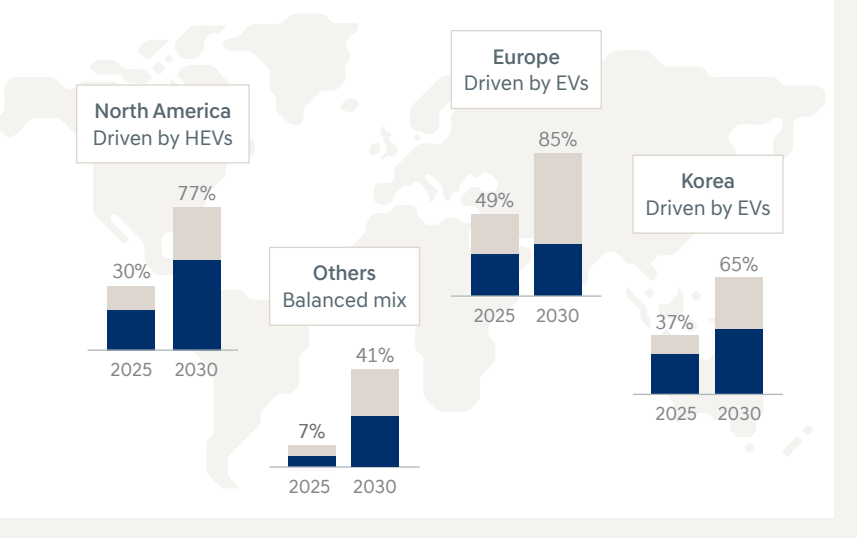
Other Alternative Fuel Vehicles Hyundai continues releasing region-specific alternative fuel models powered by bioethanol and compressed natural gas (CNG) among others. Our flex-fuel model HB20 was designed to meet the bioethanol demand of Latin America. Our aim is to raise the proportion of flex-fuel vehicles and LPG vehicles to 3.6% and 1.7% respectively by 2030.

Sales of Other Alternative Fuel Vehicles in 2025			(Unit: Vehicle)
Flex-fuel Model	LPG Model	CNG Model	
191,190	81,826	779	

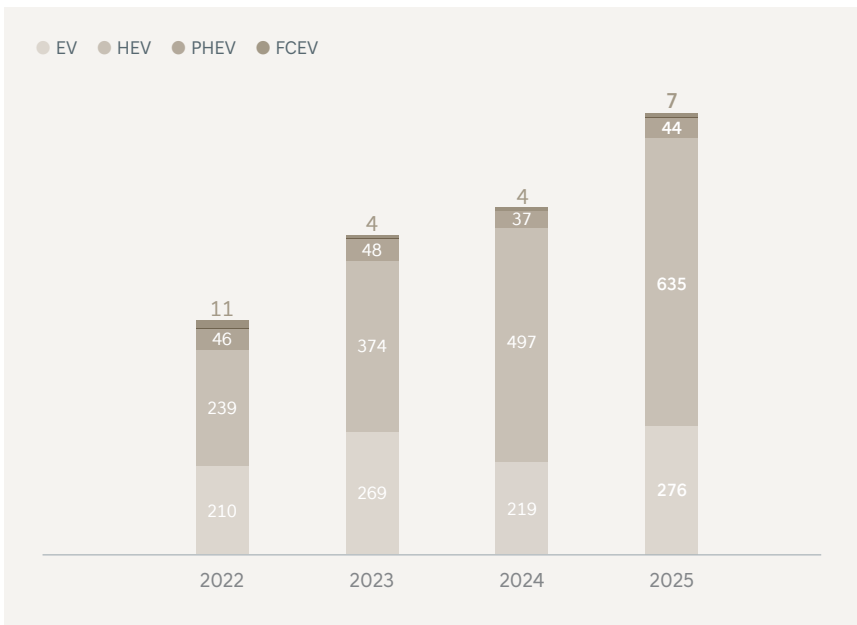
Electrified Vehicle Sales Targets (Sales Volume and Sales Mix)*



Regional Electrified Vehicle Sales Portion



Global Sales of Electrified Vehicles



* Based on the 2025 CEO Investor Day presentation

Response to Climate Change

STRATEGY

Strategy 3

TRANSITION TO ELECTRIFICATION

Optimizing EV Battery Performance and Efficiency

Hyundai’s dedicated EV batteries are designed to provide a cumulative driving distance 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.

Model	Korea	Europe (WLTP)	U.S. (EPA)
IONIQ 5	5.2 km/kWh	16.0 kWh/100km	114 MPGe
IONIQ 5 N	3.7 km/kWh	17.2 kWh/100km	78 MPGe
IONIQ 6	6.0 km/kWh	13.5 kWh/100km	132 MPGe
IONIQ 6 N	4.2 km/kWh	18.7 kWh/100km	-
IONIQ 9	4.3 km/kWh	19.9 kWh/100km	92 MPGe
Kona Electric	5.5 km/kWh	14.7 kWh/100km	116 MPGe
Casper Electric	5.6 km/kWh	14.9 kWh/100km	-
GV60	5.1 km/kWh	16.7 kWh/100km	110 MPGe
Electrified GV70	4.5 km/kWh	19.4 kWh/100km	96 MPGe
Electrified G80	4.4 km/kWh	18.1 kWh/100km	96 MPGe

¹⁾ Based on the combined energy consumption efficiency of representative trims by model

Strategy 4

FUEL EFFICIENCY IMPROVEMENT

Enhancing 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.

Real-Road (Off-Cycle) Fuel Economy Test 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) where various factors are controlled, 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 CO₂ Standards (Fuel Economy) in Major Markets

In major markets, fleet average CO₂ standards and average fuel economy standards are being used to drive emissions reductions in the automotive sector to support countries in achieving their carbon reduction targets. Through an amended regulation in 2023, the EU stipulated a 55% reduction in passenger car CO₂ emissions by 2030 compared to 2021 levels and a 100% reduction by 2035. More recently, the EU introduced certain flexibilities for the 2025–2026 compliance period in consideration of the automotive industry’s implementation burden. The U.S. established a fleet average fuel economy target of approximately 49.1 mpg for MY2026 under the Corporate Average Fuel Economy (CAFE) standards finalized in 2022, followed by ongoing discussions on adjustments to the relevant regulations.

We will respond to increasingly stringent CO₂ regulations in respective key markets by expanding 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.

Classification	Unit	2022	2023	2024	2025
Average CO ₂ Emissions in the EU ¹⁾	g/km	101.4	105.7	111.3	98.6
Average Fuel Economy in the U.S. (Combined)	mpg	40.8	41.8	42.0	41.9
Average Fuel Economy in China	L/100km	6.28	6.19	6.24	6.22

¹⁾ 2030 EU Average CO₂ Emissions Target: 49.5 g/km



Response to Climate Change

STRATEGY

Strategy 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 vehicle life cycle, including raw material acquisition, part manufacturing, part transportation, vehicle manufacturing, vehicle distribution, vehicle operation, and end-of-life treatment. As of 2025, the LCA coverage rate was 83%. The LCA was conducted using the full LCA methodology for all vehicle models.

Hyundai conducts LCAs using the EF (Environmental Footprint) 3.1 methodology of the EU PEF¹⁾, assessing 13 impact categories. These categories are global warming, ozone depletion, particulate matter, ionizing radiation, photochemical ozone formation, acidification, eutrophication (terrestrial, freshwater, marine), land use, water depletion, and resource depletion (minerals, metals, and fossil fuels). As for energy consumption and pollutant emissions in vehicle manufacturing, including electricity, we utilized actual data measured from our operations. In the EV operational phase, we reflected changes in the future electricity generation structure 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

Impacts Covered by LCA

Ecological Consequences	Resource Use	Human Health
Global warming potential (GWP) Acidification potential (AP) Particulate matter (PM) Eutrophication potential (soil, freshwater, marine ecosystems) Ozone depletion potential (ODP) Photochemical ozone creation potential (POCP)	Abiotic depletion (minerals, fossil fuels) Land use Water depletion	Ionizing radiation

Use of LCA

Through LCA, Hyundai quantitatively identifies the potential environmental impacts of vehicles and uses this data to analyze environmental impacts at each stage of the vehicle life cycle to improve overall vehicle environmental performance. In the raw material acquisition stage, we are expanding the use of low-carbon steel and recycled aluminum materials. In the parts manufacturing and vehicle production stages, we are committed to RE100 and resource circulation. When developing new vehicles, we aim to minimize environmental impacts by incorporating LCA results into vehicle development.

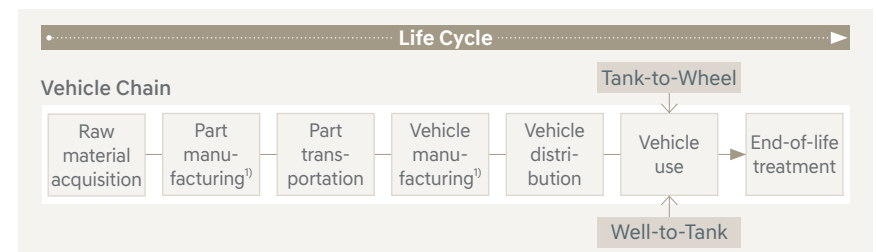
LCA Results

In 2025, Hyundai expanded the scope of the evaluation to include commercial vehicles, in addition to previously assessed categories such as key EV lineups, high-efficiency hybrid models, and major internal combustion engine vehicle (ICEV) models, and conducted full LCAs for a total of 41 models.

Sales Ratio of Vehicles with Full LCA Conducted



Life Cycle Stages Covered by LCA



¹⁾ Environmental impacts arising from supplier parts manufacturing are reflected on a limited basis using each supplier's energy consumption data, while certain components, such as battery cells, are assessed using commercial databases.

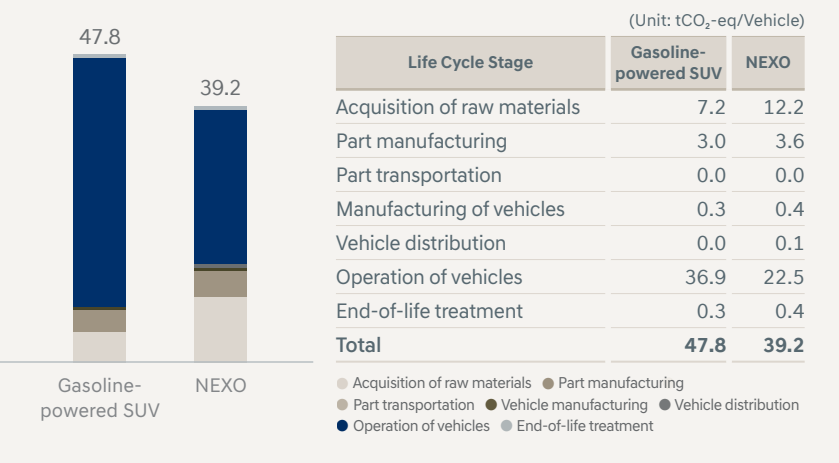
²⁾ Environmental impacts related to vehicle manufacturing are assessed based on actual data from Hyundai's business sites, including energy and water consumption and pollutant emissions.

BUSINESS CASE

Conducted an LCA on the Next-generation FCEV "NEXO" in 2025



The second-generation NEXO, a completely redesigned model unveiled in 2025, is Hyundai's leading FCEV. It is an electrified vehicle that uses hydrogen as an energy source and emits no greenhouse gases during operation. Owing to these characteristics, the NEXO is regarded as a key mobility solution for reducing carbon emissions. LCA results indicate that the NEXO's global warming potential (GWP, tCO₂-eq) is approximately 18% lower than that of a comparable gasoline-powered SUV. The NEXO emits no GHGs during operation and therefore demonstrates environmental advantages from a life cycle perspective over conventional internal combustion engine vehicles, even when accounting for the environmental impacts of hydrogen production. However, the NEXO uses parts and materials not used in ICEVs, such as fuel cell systems and high-pressure hydrogen storage tanks, resulting in relatively greater environmental impacts during the raw material extraction stage. As the expansion of clean hydrogen is expected to gradually reduce the environmental impacts of hydrogen production, environmental impacts during the raw material extraction stage will become an increasingly important management consideration from a life cycle perspective. To reduce such environmental impacts, we are continually expanding the use of alternative materials and the development and application of recycled materials.



Response to Climate Change

STRATEGY

Strategy 6 UPSTREAM EMISSIONS REDUCTION

Strengthening Carbon Emissions Reduction Capabilities in Automotive Supply Chain

Amid tightening global carbon regulations and growing carbon neutrality demands across the supply chain, suppliers continue to face increasing responsibility and burden in managing carbon emissions. In November 2025, Hyundai signed the “Supply Chain Carbon Reduction Partnership Program” with the government, public institutions, and 87 parts suppliers to accelerate supply chain decarbonization based on shared growth with suppliers and to simultaneously address climate change and strengthen industrial competitiveness. Through this agreement, we established a system designed to enable cascading emissions reductions across the supply chain by providing financial support to tier-1 parts suppliers for the replacement of carbon-reduction facilities and having them extend the benefits of such support to tier-2 suppliers.

Furthermore, we are systematically strengthening the foundation for suppliers' voluntary emissions reductions by linking the establishment of mid- to long-term carbon reduction plans for high-emitting suppliers, the adoption of low-carbon facilities, and the operation of training and capacity-building programs. Through these efforts, we aim to strengthen suppliers' response capabilities, establish a foundation for proactively responding to tightening global carbon regulations, and further promote the low-carbon transition of the entire supply chain, thereby enhancing the sustainability of the industrial ecosystem.



Signing ceremony for the MOU on the 2025 Supply Chain Carbon Reduction Partnership Program

Support for Supplier's Emissions Reduction Planning

Hyundai collects and reviews suppliers' carbon emissions and reduction plans and carries out various initiatives to support suppliers' carbon reduction efforts based on the results. Since 2024, we have managed suppliers in our supply chain by categorizing them as high-emitting suppliers or general suppliers based on their emissions levels, and have required high-emitting suppliers to undergo annual third-party verification of their emissions. In 2025, we supported 111 suppliers in establishing GHG inventories through a support program for third-party verification of supplier site emissions and enabled 149 suppliers to receive emissions verification. This has enabled suppliers to accurately identify site-level carbon emissions and build the capabilities needed to pursue ongoing reduction activities. Starting with support for the establishment of mid- to long-term reduction targets for high-emitting suppliers in Korea in 2025, we plan to expand the scope of support in 2026 to include general suppliers in Korea and high-emitting suppliers overseas, while also monitoring their reduction performance.

Reducing Carbon Emissions from Raw Materials

Hyundai set 2024 as the baseline year and plans to gradually reduce the carbon intensity (kgCO₂/kg) of key raw materials, including aluminum and steel, by 2035, thereby driving carbon emissions reduction across the entire supply chain. In case of aluminum, we aim to reduce the average carbon emission intensity by around 55% by 2035. To this end, we will continually expand the application of recycled aluminum while adopting low-carbon aluminum. Our goal for steel is a reduction of approximately 30% by 2035.

Starting in 2026, we plan to apply, for the first time, steel produced via a hybrid process using steel scrap and electric arc furnaces, which reduces carbon emissions by approximately 20% compared to conventional methods, and steadily increase the application volume thereafter. In addition, after 2029, we will further expand carbon reduction effects by adopting steel with approximately 60–70% lower carbon emissions produced through Hyundai Steel's electric arc furnace steelworks in Louisiana, U.S. For plastics, we established a goal of increasing the recycled plastic application rate to 25% by 2035. We plan to begin application primarily in Europe, where regulatory requirements are stringent, and gradually expand the scope of application across regions and vehicle parts.

Support for Supplier Parts LCA

Hyundai operates the “parts LCA support program” to systematically manage suppliers' carbon emissions and support their actual reduction efforts. Through this program, we calculate the carbon emissions generated throughout the entire process, from raw material acquisition to parts manufacturing and transportation, and actively support suppliers' reduction activities by objectively verifying high-emission processes.

Starting with support for 86 high-emitting suppliers in calculating carbon emissions for individual parts in 2023, we expanded the scope of support to include all tier-1 suppliers in Korea in 2024. In 2025, we operated specialized training programs in collaboration with an external organization (K-Mobility Bridge Foundation) and supported 130 overseas suppliers by reviewing their supplier part LCA deliverables at the interim and final stages. Starting in 2026, we plan to manage parts carbon emissions from the bidding stage and gradually expand the scope of applicable items and vehicle models.

Activities for Supporting Suppliers' Carbon Reduction Efforts

Activity	Description
Training for and raising awareness of suppliers	• Executives: Hosting Supplier Partnership Day and sharing Hyundai's carbon neutrality strategy • Employees: Offering training on the enhancement of suppliers' capabilities of carbon neutrality (Global Partnership Center)
Strengthening of carbon reduction management capabilities	• Supporting the development of carbon neutrality experts at suppliers • Supporting the establishment and implementation of carbon reduction roadmaps (73 tier-1 suppliers) • Providing consulting support for responses to global carbon regulations (CBAM) (25 tier-1 and 2 suppliers)
Support for supplier parts LCA	• Support for calculating carbon emissions from raw material acquisition to component manufacturing and transportation stages (33 suppliers in Korea, 130 overseas) • Support for reduction activities by identifying high carbon emission manufacturing processes
Supplier carbon reduction facility purchase support program	• Supporting the replacement of high-efficiency energy facilities for mid-sized and small enterprises (79 tier-1 and 2 suppliers) • Providing consulting support for process improvements at supplier business sites (100 tier-1 and 2 suppliers) • Supporting supplier participation in government-supported carbon reduction programs (100 tier-2 suppliers)



Response to Climate Change

STRATEGY

Strategy 7 EXPANDING HYDROGEN BUSINESS Hydrogen Value Chain

Hydrogen can be produced, stored, transported, and utilized in various ways, and is regarded as a practical energy source capable of replacing fossil fuels based on its high energy density. Accordingly, hydrogen demand is expected to continue growing during the transition to low-carbon energy. In response to these trends, Hyundai Motor Group (HMG) is strategically advancing its hydrogen business and unveiled an integrated hydrogen value chain spanning the broader hydrogen industry at CES 2024. Our hydrogen value chain connects hydrogen production, storage, transportation, and utilization, supporting the expansion of the hydrogen ecosystem by leveraging diverse business capabilities across the Group. Through HTWO Grid, HMG plans to expand its business scope beyond mobility into the energy sector and continue advancing the development of a hydrogen-based low-carbon energy ecosystem.

Closed-Loop Hydrogen Production HMG has developed W2H (Waste-to-Hydrogen) technology, which converts organic waste into circular hydrogen while providing an effective solution for waste disposal. We are successfully promoting the W2H ecosystem initiative by establishing biogas-based clean hydrogen production facilities and integrated energy utilization systems in Cheongju and Paju, Korea.

In particular, HMG is collaborating with the Indonesian government and state-owned enterprises to develop a hydrogen ecosystem based on resource circulation in Indonesia. We plan to prevent natural disasters by capping the Sarimukti landfill site and converting biogas extracted from the landfill into circular hydrogen using Hyundai Rotem's hydrogen reformer. As the first overseas expansion of a resource-circulating hydrogen production demonstration project developed in Korea, this has received strong support from the Indonesian government.

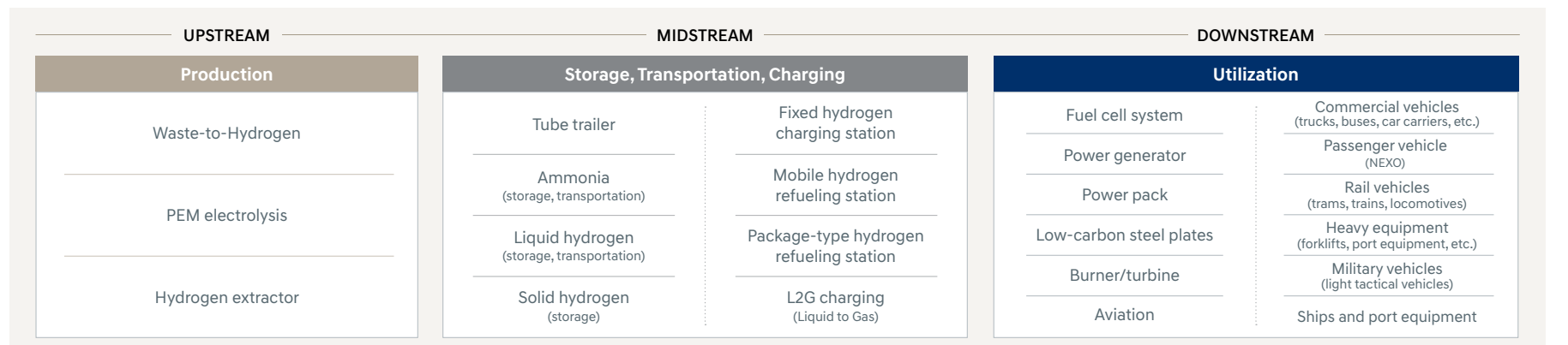
In Hong Kong, Hyundai Motor Company and Hyundai E&C are participating in hydrogen ecosystem development and activation as part of an MOU between Korea's Ministry of Land, Infrastructure and Transport and the Hong Kong government. Key initiatives include the construction of W2H facilities producing hydrogen from landfill gas in Hong Kong, the development of liquid hydrogen refueling stations, and the introduction of hydrogen mobility solutions.

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 of the end of May 2026, 30 XCIENT Fuel Cell trucks had achieved a cumulative driving distance of 591,113 miles (approximately 950,000 km). This project, the largest single deployment of heavy-duty hydrogen fuel cell trucks in North America, is contributing to the replacement of conventional high-carbon freight trucks. In addition, HMG signed an MOU with Incheon International Airport in 2024 and is expanding the hydrogen mobility ecosystem across multiple fronts, including the deployment of hydrogen fuel cell buses, the transition of airport vehicles to hydrogen fuel cell vehicles, and the expansion of hydrogen refueling infrastructure.

Establishment of Innovative Growth Hub for Future Business Hyundai Motor Group is pursuing a transition to a future technology company centered on robotics, AI, and energy solutions. Accordingly, we seek to establish an innovative growth hub through large-scale investment in Saemangeum, a region rich in renewable energy resources. In particular, we have identified the advancement of robotics and physical AI capabilities, together with the development of a hydrogen energy ecosystem, as key pillars, while simultaneously strengthening next-generation industrial competitiveness and advancing the low-carbon transition. In the Saemangeum region, advanced value chains are being developed, including AI data centers, robotics manufacturing and parts clusters, photovoltaic power generation, and water electrolysis-based hydrogen production facilities. Among these, the hydrogen business plays a central role in establishing a clean hydrogen production and utilization system linked to renewable energy. We plan to expand the scope of hydrogen utilization by building an integrated infrastructure encompassing hydrogen production, storage, transport, and utilization based on water electrolysis plants linked to photovoltaic power generation, and by using the produced hydrogen as an energy source for various mobility applications, such as trams and buses.

Expanding the Hydrogen Fuel Cell System Lineup Centered on HTWO, its hydrogen brand and business platform, HMG is expanding the application of hydrogen fuel cell technology beyond vehicles into diverse industries. Leveraging the hydrogen value chain, we are extending its use into new mobility sectors such as hydrogen trams and vessels. Through these efforts, we are broadening the role of hydrogen as an energy source that is generated from and powers our everyday lives, while also advancing the realization of a hydrogen society.

Hydrogen Value Chain





Response to Climate Change

STRATEGY

Strategy 7 EXPANDING HYDROGEN BUSINESS

Leveraging strategic collaboration with Group affiliates, Hyundai is expanding hydrogen mobility solutions powered by hydrogen fuel cells. In 2024, we acquired Hyundai Mobis’ hydrogen fuel cell business and internalized development and production functions while reorganizing related operations, thereby strengthening the execution foundation of our hydrogen business. In October 2025, we held a groundbreaking ceremony for a new hydrogen fuel cell plant in Ulsan and are building a key production hub aimed at fully advancing the hydrogen business and expanding the hydrogen industry ecosystem, with completion targeted for 2027. In doing so, we plan to develop hydrogen fuel cell systems optimized for next-generation mobility platforms, expand their application across diverse mobility and industrial sectors, and contribute to the development of the hydrogen ecosystem.

Hydrogen-powered Logistics Business HMG established HTWO Logistics in partnership with GLOVIS America in early 2024, introducing hydrogen-powered 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 use-phase carbon emissions compared to conventional diesel trucks. In addition, we are driving innovation in hydrogen-powered logistics businesses through the planning and development of autonomous hydrogen fuel cell trucks in collaboration with U.S.-based autonomous commercial vehicle solution company PlusAI.

Strengthening Partnerships for Hydrogen Business

Hydrogen Council The Hydrogen Council is the world’s first and only global CEO-led initiative established during the 2017 World Economic Forum (Davos Forum) to accelerate the transition to a hydrogen-powered society. Based on the recognition of hydrogen as a key enabler in the global energy transition, approximately 140 global companies representing the entire hydrogen value chain—including Hyundai, Toyota, Linde, Air Liquide, and Siemens Energy—participate in the Council. It also serves as a platform for sharing a common vision, consolidating industry perspectives, and expanding collaboration to address key challenges facing the hydrogen industry. In particular, Hyundai Motor Group Executive Chair Euisun Chung served as Co-Chair of the Hydrogen Council from 2019 to 2020, and since 2024, Vice Chair Jaehoon Chang has assumed the role of Co-Chair, actively leading global corporate collaboration toward the realization of the hydrogen economy.

Strategy 8 CARBON OFFSETTING

Atmospheric Carbon Capture and Utilization Academic Research

HMG 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. The Group and the participating universities are developing 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 CO₂ Utilization Section. The DAC Section will conduct research on technologies for efficiently capturing CO₂ present in the atmosphere at a concentration of 0.04%, while the CO₂ Utilization Section focuses on converting captured CO₂ into methanol, methane, carbon materials, and other synthetic fuels and automotive 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 offsetting that actively capture carbon from the atmosphere and store it or convert it into useful energy, thereby contributing to climate change mitigation.



Hyundai Motor Group, established the Joint Research Lab for Carbon Neutrality

Natural Capital-based Carbon Offsetting

Hyundai recognizes the creation of a sustainable future where humankind and nature coexist as an important corporate responsibility, going beyond means of transportation. As a result of examining long-term offsetting strategies from various angles to respond to climate change, we chose seaweed-based blue carbon as a core solution. Blue carbon is a part of Nature-based Solutions aimed at addressing climate change and simultaneously preserving ecosystems. In particular, we are continuing public-private collaboration to expand seaweed-based blue carbon. In addition to land-centered carbon absorption efforts, we are expanding our business scope to focus on the restoration of the marine ecosystem and its potential for carbon absorption.

As a participating company, Hyundai plays a role centered on communication related to marine forest creation, public awareness enhancement, and exploring the potential for global expansion, contributing to the establishment of a foundation for marine ecosystem conservation activities to expand into international climate discussions. In this process, we seek to convey to our customers and society as a whole that protecting marine ecosystems is not an issue confined to a specific industry or region, but a shared responsibility for future generations.

Going forward, Hyundai plans to explore various collaborative models that enhance the value of natural capital in connection with renewable energy, resource circulation, biodiversity conservation, and other initiatives.



Direct transplantation of seaweed



Intro



Env



Soc



Gov



Data

Response to Climate Change

BUSINESS CASE

East Sea Seaweed Forest Creation Project

Seaweed-based blue carbon is a differentiated area in which Hyundai can establish its own offsetting model, and has become a key strategy for strengthening climate leadership. To this end, we became the first private company to participate in the national sea forest creation project (2024–2027) in collaboration with the Ministry of Oceans and Fisheries, the Korea Fisheries Resources Agency, and Ulsan Metropolitan City. Based on a KRW 4 billion matching fund, we are carrying out two sea forest restoration projects covering 150 hectares along the Ulsan coast, securing an annual carbon absorption potential of approximately 1,000 tCO₂. In addition, we are jointly operating the “Sea Forest Blue Carbon Forum” with the government, academia, and international organizations, and are actively contributing to the recognition of seaweed as an official blue carbon sink by the IPCC in October 2025.

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 pollutants such as excess nitrogen and phosphate to purify 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.

We are also carrying out various external activities to build a seaweed-based blue carbon ecosystem and raise global awareness. Building on “IONIQ Forest,” we are pursuing a marine ecosystem restoration campaign, hosting global forums, and implementing a storytelling-based brand campaign—“Forests Without Names”—to communicate our marine ecosystem restoration strategy in a more multifaceted manner. Based on these activities, we seek to establish ourselves as a leading player in the blue carbon credit market, which is expected to expand significantly after 2030, while continuously exploring the potential to expand into a tangible carbon offsetting business.

Case 1. Recognized for marine forest creation efforts: Winner of the Presidential Award at the 14th Marine Arbor Day

On the occasion of “Marine Arbor Day,” Hyundai received the Presidential Award in recognition of its contributions to public-private collaboration initiatives aimed at advancing seaweed-based marine forest creation and the expansion of blue carbon. This award is meaningful in that it represents official recognition of our long-term commitment to addressing public challenges, particularly marine ecosystem restoration and climate change response. In particular, our continued participation in marine forest creation, along with awareness-raising activities to share the value of marine ecosystems with the public and information disclosure through digital platforms, was recognized as an effort to transform natural assets into shared social assets.

Hyundai recognizes this award as both a responsibility and a starting point for the continued expansion of nature-based climate solutions. Going forward, we will continue strengthening carbon absorption capacity across marine and terrestrial ecosystems and advancing collaboration with the international community.



14th Marine Arbor Day



Case 2. “Forests Without Names”: Giving marine ecosystem an identity

Hyundai is planning and implementing the “Marine Forest Naming Project” to more easily convey the environmental value of marine forests and expand contact points with citizens. The purpose of this project is to encourage citizens to view marine forests as environmental assets that need to be protected rather than mere objects of policy and management by giving the marine forests names and narratives just like terrestrial forests.

In particular, we disclosed the marine forests we helped create, as well as some natural marine forests by making a connection to a digital map platform, thereby transparently communicating the location, value, and significance of these marine ecosystems to customers and stakeholders in Korea and abroad. By doing so, we aim to expand marine ecosystem protection activities into a continued process of management and participation rather than a one-off campaign.



Forests Without Names

Response to Climate Change

STRATEGY

CLIMATE CHANGE SCENARIO ANALYSIS

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 scenarios are primarily from the IEA and IPCC, with some information derived from internal analysis.

	Scenario	Definition	Time Horizons	Source	Business Scope
Transition	NZE (1.5°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 (2.5°C)	Scenario based on current energy-related policies implemented or announced in each sector and country			
	CPS (2.9°C)	Scenario in which only currently implemented energy and climate policies are maintained			
Physical	SSP1-2.6 (Below 2°C)	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 (Above 4°C)	Worst-case scenario where the temperature increase exceeds 4 degrees Celsius due to GHG emissions			

Transition Scenario Analysis

TRANSITION RISK ANALYSIS

Tightening of Automobile Fuel Efficiency Regulations



Strengthening Emissions Trading Scheme Regulations



RISK FACTORS
In line with enhanced global fleet CO₂ 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).

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

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 2035 (assuming 70% free allocation) range from a minimum of KRW 95.9 billion to KRW 331.8 billion.

COUNTERMEASURES
Hyundai established the 2045 GHG emissions reduction roadmap to reduce GHG emissions. Through various reduction activities such as increasing the use of renewable energy and reducing emissions at business sites, we aim to minimize the purchase of emissions allowances and enhance climate resilience. When implementing the emissions reduction roadmap, we expect to generate approximately KRW 28.7 billion to KRW 99.2 billion in revenue in 2035 from the sale of surplus emission allowances.

TRANSITION OPPORTUNITY ANALYSIS

Acceleration of Electrification



Energy Transition



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 2035 will rise from a minimum of KRW 36 trillion (CPS) to a maximum of KRW 40 trillion (STEPS) 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 considering the mid-to long-term electrification roadmap, our EV sales are projected to increase from a minimum of approximately KRW 79 trillion to a maximum of approximately KRW 89 trillion.

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 electricity (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 PPAs, to achieve RE100 by 2045. Reflecting this renewable energy transition plan, continuous reductions in electricity costs are expected. By actively expanding the use of renewable energy, we expect to achieve positive effects in both environmental sustainability and cost efficiency.

Response to Climate Change

STRATEGY

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 speed, flood, wildfire, hail/thunderstorm, precipitation) and chronic risks (heat, drought, cold wave). Quantitative financial impacts were specifically derived for extreme wind speed, 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.

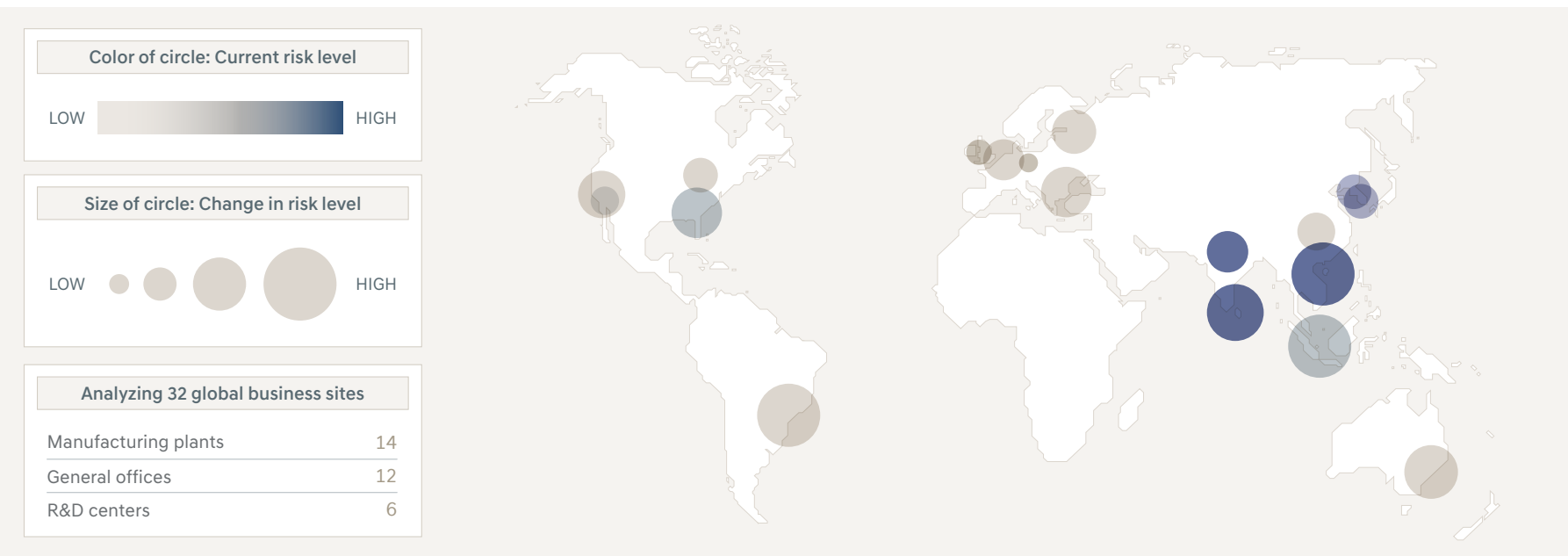
Financial impacts are calculated at five-year intervals using 1995 as the base year. For the analyzed assets and revenue, projected annual losses in 2030 are estimated to range between KRW 220 billion (SSP1-2.6) and KRW 300 billion (SSP5-8.5).

When impact pathways are considered by type of disaster, acute disasters such as extreme wind speed, flood, and wildfire 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. Based on these findings, we will strive 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	SSP1-2.6	SSP5-8.5	SSP1-2.6	SSP5-8.5	SSP1-2.6	SSP5-8.5
Financial Impact (KRW billion/year)	220	300	430	710	550	1,220

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



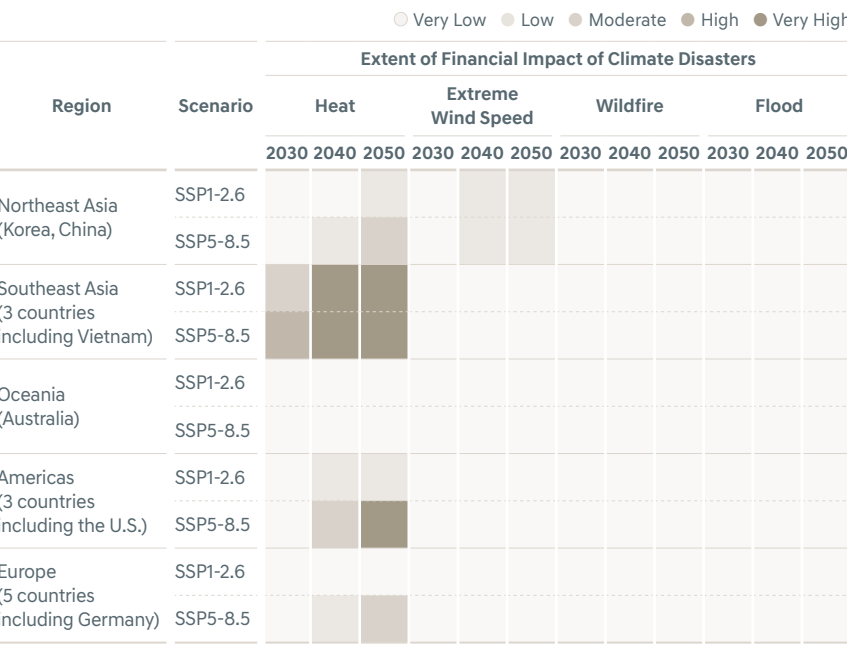
Impact Analysis Results by Type of Disaster

Disaster	Analysis Results
Heat	• The risk of extreme heat is forecast to increase across all operations in the future due to global warming.
Wildfire	• 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 Speed	• 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.
Flood	• The flood risk in Germany and Vietnam is projected to remain consistently high.
Cold Wave	• The risk of cold waves is forecast to decrease across all operations in the future due to global warming.
Drought	• 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/ Thunderstorm	• The risk of hail/thunderstorms is projected to remain negligible across all operations.

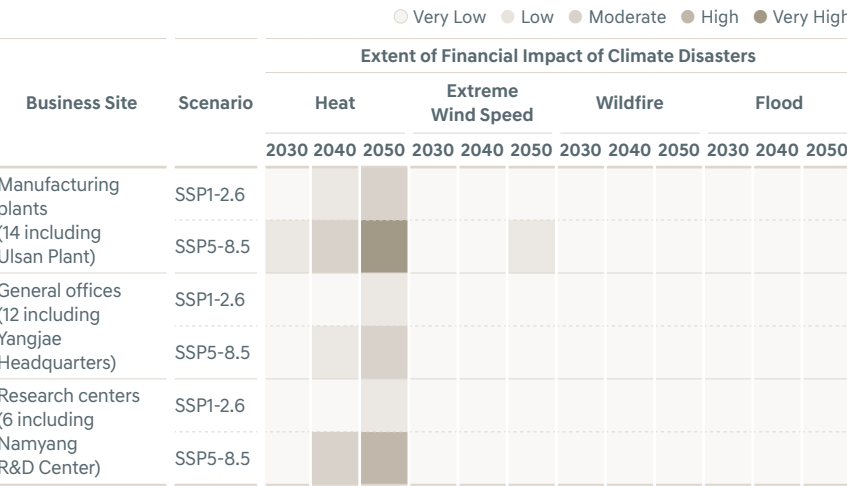
Response to Climate Change

STRATEGY

Analysis Results of Financial Impact by Region



Analysis Results of Financial Impact by Business Site



Physical Risks and Key Response Activities



Heavy Rainfall/Flood

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 flood
- 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
 - Secure adequate flood prevention equipment 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, financial relief for dealer inventory vehicles, repair support for dealers



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), plant/relocate windbreak trees, and inspect tree supports
 - Reinforce and inspect facility utility control rooms and supply routes, install damage prevention equipment
 - Regularly clear debris from 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



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



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. Climate change issues identified across each region and organization are communicated to the Business Strategy Planning Unit, which identifies the risks and opportunities associated with each issue and assesses their potential strategic and financial impacts on the company in order to establish company-wide response strategies.

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

Assessment and Reporting Stage The Business Strategy Planning Unit at the Headquarters assesses the strategic and financial impacts that the factors and issues identified during the identification stage may have on the company. Based on their materiality, the matters are reported to the CEO or to the BOD through the Management Committee Meeting for decision-making.

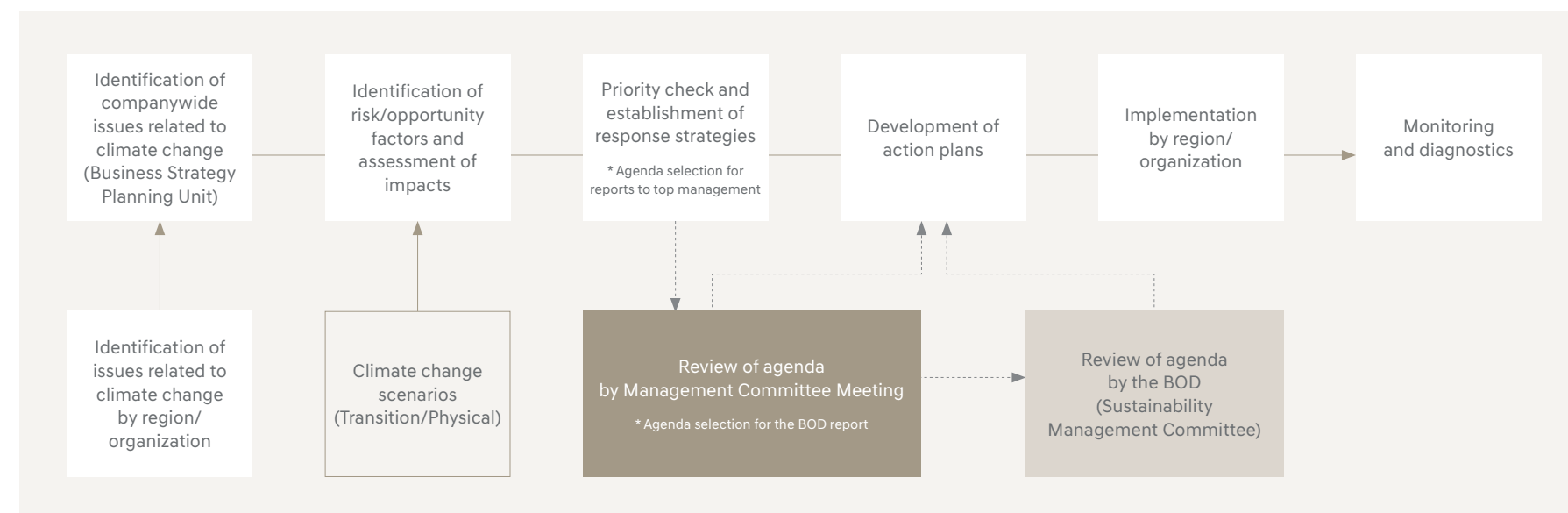
Management Stage Climate change issues that have been incorporated into decision-making are proactively reflected in the KPIs of working-level divisions across the relevant regions and organizations. Through collaboration between the Business Strategy Planning Unit and relevant organizations, Hyundai systematically manages climate change across 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 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 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



Response to Climate Change

METRICS AND TARGETS

CLIMATE-RELATED METRICS

GHG Emissions

		(Unit: tCO ₂ -eq)	
Classification		2024 ¹⁾	2025
Scope 1 + Scope 2 ²⁾		2,198,406	1,911,084
Scope 1		729,974	720,642
Scope 2 (Location-based)		1,786,324	1,858,897
Scope 2 (Market-based)		1,468,432	1,190,442
Scope 1 + Scope 2 emission intensity (GHG emissions per vehicle produced)		0.530	0.464
Scope 3 ³⁾		203,863,854	199,704,253
Category 1	Purchased goods and services	28,974,971	30,976,380
Category 2	Capital goods	373,758	2,013,738
Category 3	Fuel- and energy-related activities	407,693	639,111
Category 4	Upstream transportation and distribution	2,858,226	2,345,209
Category 5	Waste generated in operations	526,117	231,554
Category 6	Business trip	62,247	118,532
Category 7	Employee commuting	133,115	2,316,276
Category 8	Upstream leased assets	-	-
Category 9	Downstream transportation and distribution	568,043	-
Category 10	Processing of sold products	6,377	9,470
Category 11	Use of sold products (Well-to-Wheel)	165,447,364	157,799,559
Category 12	End-of-life treatment of sold products	1,847,207	1,711,368
Category 13	Leased assets	15,551	11,546
Category 14	Franchises	106,794	25,376
Category 15	Investments	2,536,391	1,506,134

¹⁾ The 2024 GHG emissions were recalculated based on the base-year (2024) emissions in alignment with the SBTi-approved target, resulting in differences from those reported in the previous year.

²⁾ 5 additional overseas subsidiaries (including HMGICS) were added to the 2025 emissions calculation boundary compared with 2024.

³⁾ Emissions for Categories 2, 7, and 14 changed significantly from 2024 due to enhancements to activity data, emission factors, and calculation methodologies implemented in 2025.

Approach for Measuring Emissions

Hyundai applied internationally recognized standards and relevant laws and guidelines in Korea to consistently and systematically calculate/manage GHG emissions. To set organizational boundaries, we applied the Operational Control approach and included within the calculation scope the GHG emissions generated from business sites and activities over which we have operational control.

We calculated Scope 1 and Scope 2 emissions based on The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) and The Greenhouse Gas Protocol: Scope 2 Guidance and complied with the domestic Framework Act on Carbon Neutrality and Green Growth and the Guidelines for Reporting and Certification of GHG Emissions Trading Scheme. In addition, we used the IPCC Guidelines for National Greenhouse Gas Inventories and relevant accounting tools, and also reflected standards for calculating GHG emissions required by other regulatory authorities and stock exchanges.

For Scope 3 emissions, we identified and calculated other indirect emissions generated across the corporate value chain in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011), covering six major greenhouse gases: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF₆). We calculated emissions in carbon dioxide equivalents (tCO₂-eq) using the 100-year Global Warming Potential (GWP) from the Fifth and Sixth Assessment Reports of the Intergovernmental Panel on Climate Change (IPCC).

Analysis of Emissions Differences

With its joining of the Science Based Targets initiative (SBTi) in October 2025, Hyundai set its organizational boundaries on a consolidated basis to enhance the consistency and international standard compliance of GHG management. Accordingly, we conducted a recalculation of GHG emissions based on SBTi guidance, and set the base year for recalculation as 2024.

In the recalculation process, emissions increased or decreased in some Scope 3 categories due to an expansion of the calculation scope and changes in methodology. In particular, for Category 1 (Purchased goods and services), we enhanced the comprehensiveness of upstream supply chain emissions by additionally incorporating emissions data directly collected from suppliers into the existing calculation methodology.

In addition, we newly calculated emissions for Category 4 (Upstream transportation and distribution), Category 10 (Processing of sold products), and Category 14 (Franchises), which were not included in the previous calculation scope. This has enabled us to build a foundation for more systematic identification and management of other indirect emissions that are generated from the overall value chain.

Meanwhile, for Category 11 (Use of sold products), we expanded the calculation methodology from the previously applied Tank-to-Wheel approach to a Well-to-Wheel approach, additionally incorporating the Well-to-Tank stage covering fuel production and supply. Accordingly, emissions generated during both the fuel production and supply stages and the vehicle operation stage were reflected. As a result, Category 11 showed the largest increase in emissions.

This recalculation is foundational work for setting targets that are in line with SBTi standards. We will continually enhance the accuracy and reliability of Scope 3 emissions management by improving data quality and advancing the calculation methodology.

Response to Climate Change

METRICS AND TARGETS

Input Variables and Assumptions – Scope 1&2

Scope 1&2 Hyundai’s GHG emissions were calculated in accordance with the scope-specific definitions in the GHG Protocol. Scope 1 emissions were categorized as direct emissions from business sites that the company directly owns or operationally controls, and include stationary combustion, mobile combustion, and fugitive emissions. For stationary combustion emissions, fuel consumption including liquefied natural gas (LNG), diesel, kerosene, propane, and other fuels was used as activity data. Calculations were carried out by applying the basic emission factors presented in the 2006 IPCC Guidelines for National Greenhouse Gas Inventories. Mobile combustion emissions were based on the consumption of gasoline, diesel, butane, jet kerosene, and compressed natural gas (CNG), and calculated by applying the basic emission factors per fuel and per GHG. Furthermore, fugitive emissions included emissions resulting from refrigerant gas leakage. Emission factors were not separately applied given the nature of the activity data involved.

Scope 2 emissions were calculated for indirect emissions from the use of externally purchased electricity and steam. For purchased electricity, we used the volume of purchased electricity as activity data and calculated emissions by applying country-specific electricity emission factors. For purchased steam, we used the volume of purchased steam as the basis and applied supplier-specific steam emission factors first. Where such information was unavailable, national steam emission factors were applied. Scope 1 and Scope 2 emissions were calculated by applying activity data per emission source and the corresponding officially recognized emission factors, resulting in consistency and reliability of the calculations.

Input Variables and Assumptions – Scope 3

Category 1. Purchased goods and services This category includes GHG emissions generated during the production process of products and services purchased by Hyundai in relation to vehicle manufacturing within the reporting period. The calculation scope covers the period from raw material extraction to the stage prior to finished vehicle manufacturing (Cradle to Gate), encompassing emissions from raw material mining, materials and parts manufacturing, and vehicle production by contract manufacturers in consideration of industry characteristics. We apply a hybrid approach considering data availability and methodological reliability and seek to use the most reliable data available at each stage. Emissions from material production are calculated using average data based on vehicle production volumes, material application weights by vehicle model, and material-specific emission factors. Emissions from parts manufacturing and contract vehicle production are calculated by allocating suppliers’ reported Scope 1 and Scope 2 emissions in proportion to Hyundai’s production contribution. However, considering data availability across the supply chain, we prioritized the use of primary data collected directly from key domestic tier-1 suppliers. This data represents approximately 60% of the total emissions of our tier-1 suppliers in Korea. This methodology provides a balanced reflection of supply chain emissions while minimizing reliance on highly uncertain assumptions. In addition to the aforementioned data, internal LCA results and officially recognized life cycle inventory (LCI) databases are also used in the calculations.

Category 2. Capital goods This category covers GHG emissions generated during the production of capital goods acquired during the reporting year, including the construction and expansion of production plants and buildings, manufacturing facilities, logistics and energy infrastructure, IT equipment, and office assets. Emissions generated during the use stage of these assets are included in Scope 1 or Scope 2 and are excluded from this category. Emissions are calculated using a combination of the average data method and the spend-based approach, depending on data availability. For assets with available volume or specification data, average emission factors are applied, while spend-based estimates using industry-specific supply chain emission factors are applied to assets with limited physical data. Capital expenditure (CapEx) records, asset inventories, available volume data, industry emission factors, and internal and external LCA databases are used in the calculations.

Category 3. Fuel- and energy-related activities These are upstream GHG emissions that arise from the process of producing/supplying fuel and electricity consumed by Hyundai and are not included in Scope 1 and Scope 2. They include emissions from the fuel extraction, processing, and transportation process and from electricity transmission/distribution losses. Emissions are calculated using an average data method that applies production and transportation emission factors to fuel and electricity consumption reported under Scope 1 and Scope 2. Country-specific energy production pathways and emission factors are applied to reflect regional differences in energy mixes. Energy consumption data, production and transportation emission factors, and officially recognized LCI databases are used in the calculations.

Category 4. Upstream transportation and distribution This category includes GHG emissions generated from transportation and distribution services purchased by Hyundai from third parties. Inbound logistics for parts and outbound logistics of finished vehicles prior to sale fall under this category. Emissions are calculated by primarily applying a transport distance-based approach and by using transport weight, distance, and emission factors per mode of transport.

Category 5. Waste generated in operations These are GHG emissions generated during the treatment/disposal process by third parties of wastes generated from business sites that are owned or controlled by Hyundai. Wastes that are treated within business sites are included in Scope 1 or Scope 2. Emissions are calculated by applying the waste-type-specific method and by using the volume of generated waste per treatment method, including landfill, incineration, and recycling, and the corresponding emission factors. Key data is volume of generated waste, treatment records, and emission factors per region.

Category 6. Business trip This category includes emissions from employee business travel, using modes of transportation that are not owned or controlled by the company, such as air travel, rail, bus, and private vehicles. For emissions, we apply a distance-based method based on actual travel distance in cases where such information is available and use a spend-based estimation method in cases where distance data is limited. For air travel, business travel records including connecting sections, travel distance and cost data, information on modes of transport, and emission factors per mode are used.

Response to Climate Change

METRICS AND TARGETS

Category 7. Employee commuting These GHG emissions arise from employee commuting between residences and workplaces. Emissions are calculated using average data reflecting the number of employees, the modal share of commuting methods, average commuting distance, and number of working days, with emission factors applied for each commuting mode. Employee statistics, commuting surveys or alternative indicators, and transportation mode emission factors are used in the calculations.

Category 8. Upstream leased assets Emissions from assets that are leased and operated by Hyundai are already included in Scope 1 and Scope 2 in accordance with the company’s organizational boundary-setting principle. This category was therefore excluded to prevent redundant calculation.

Category 9. Downstream transportation and distribution This category includes emissions generated from the transportation and distribution of finished vehicles after they have been sold to customers. Due to differences in regional market structures, as well as limitations in data availability and reliability, emissions for this category have not been calculated since 2025.

Category 10. Processing of sold products These emissions are generated during the additional processing by third parties of intermediate goods sold in fully assembled or semi-knocked-down (CKD/SKD) form. Emissions are calculated using average data based on estimated energy consumption for processing and country-specific electricity emission factors. Production and sales data, processing-related assumptions, electricity emission factors by country, and LCA reference data are used in the calculations.

Category 11. Use of sold products (Well-to-Wheel) These emissions are generated during the use stage of Hyundai vehicles sold during the reporting year, and account for the highest proportion of the company’s Scope 3 emissions. The calculation scope includes all passenger and commercial vehicles sold worldwide and reflects Well-to-Wheel (WTW) emissions across the entire vehicle use stage. WTW emissions are calculated separately for Well-to-Tank (WTT) and Tank-to-Wheel (TTW). WTT emissions include emissions generated during the production, processing, and distribution of fuel and electricity, and reflect regional differences in energy mixes by applying country-specific fuel and electricity production pathways. For EVs, country-specific electricity emission factors and vehicle electricity consumption are applied, while for FCEVs, hydrogen production methods and relevant emission factors are considered. TTW emissions are direct emissions from fuel combustion during vehicle operation.

We apply recognized fuel efficiency and CO₂ emissions data using a sales-volume-weighted approach, reflecting powertrain types and market-specific driving cycles. Since EVs and FCEVs do not generate direct emissions during the use stage, TTW emissions are treated as zero. The lifetime driving distance of vehicles is assumed to be 200,000 km for passenger cars and 400,000 km for commercial vehicles based on industry practices and internal technical review results. Through this life cycle-based WTW approach, we are consistently evaluating the impact of vehicle electrification, energy transition, and regional differences in energy systems on GHG emissions during the usage stage.

Category 12. End-of-life treatment of sold products These emissions are generated during the end-of-life stage, including dismantling, recycling, and final disposal of vehicles sold during the reporting year. They are calculated by using a material-based approach that applied vehicle weight, material composition, waste treatment proportion per country, and disposal stage emission factors per material. During calculation, we use sales performance, vehicle weight and material composition information, waste treatment statistics, and LCA databases.

Category 13. Leased assets These emissions are generated in the stage of using assets owned by Hyundai and leased to third parties. They are calculated by allocating the assets’ Scope 1 and Scope 2 emissions based on the ratio of the total building area that is accounted for by the leased area. As such, building energy consumption data, leased area information, and Scope 1 and Scope 2 emissions data are used.

Category 14. Franchises These emissions arise from the process of operating franchise bases. They are calculated by using an average data method where Scope 1 and Scope 2 emissions of leading franchise business sites are multiplied by the total number of franchises. Energy consumption of leading business sites, the number of franchises, and relevant emission factors are used.

Category 15. Investments These Scope 3 emissions are related to companies subject to investment over which Hyundai does not have operational control. They are calculated by using an equity-based approach that applies Hyundai’s equity share to the Scope 1 and Scope 2 emissions reported by the companies subject to investment. We use information disclosed by investee companies, equity ownership information, financial reports, and industry-specific emission factors, while industry-average emission factors are used as supplementary data where company-specific data is unavailable.

CLIMATE-RELATED TARGETS
Carbon Neutrality Targets

Hyundai is a supporter of the Paris Agreement and recognizes its corporate role and responsibility to reduce global GHG emissions. Accordingly, we have set mid- to long-term goals to achieve carbon neutrality across the entire vehicle value chain by 2045, from raw material extraction and manufacturing to product use and end-of-life treatment.

We set a target to reduce Scope 1 and Scope 2 emissions generated from business site operations by approximately 42% by 2030 compared to the 2024 base year. This target is aligned with the 1.5°C scenario and has been approved by the Science Based Targets initiative (SBTi).

As to Scope 3 emissions from raw material sourcing and parts manufacturing (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. GHG emissions generated during the stage of using sold vehicles (Scope 3 – Category 11) include emissions from the fuel/electricity production and supply stages (Well to Tank) and GHG emissions from customers’ vehicle operation process (Tank to Wheel). Our goal is to reduce Scope 3 – Category 11 emissions by 63% by 2035 compared to the 2024 base year, and this target has been validated by the SBTi.

Furthermore, by the target year of 2045, Hyundai plans to offset any residual carbon emissions by continuing to pursue carbon offset activities. These include investing in carbon capture, utilization and storage (CCUS) technology, recycling end-of-life batteries for energy storage systems (ESS), and restoring marine ecosystems.



Intro



Env



Soc



Gov



Data

Response to Climate Change

METRICS AND TARGETS

Stakeholder Engagement

In collaboration with the Korea Automobile & Mobility Association (KAMA), Hyundai is carrying out diverse activities to reduce carbon emissions in the transportation sector, such as expanding the dissemination of EVs, responding to environmental regulations, and preemptively responding to international agreements. We engaged in policy recommendations and discussions amid a reduction in EV purchase subsidies, resulting in our contribution to the establishment of supplementary incentive measures, and made efforts to accelerate the transition of the transportation sector by expanding EV dissemination. We have also established a united industry front starting from the initial stages of the 2035 Nationally Determined Contribution (NDC) discussions, thus contributing to advancing key demands into social agenda, such as reflecting technology-neutral principles and diversifying reduction methods. Furthermore, for international cooperation on automotive LCA, we participated in meetings of the GRPE¹⁾ under the United Nations Economic Commission for Europe (UNECE) and the A-LCA Informal Working Group (IWG). Additionally, we promoted international discussion on the concept of data quality grading as part of our efforts toward LCA foundation-building in Korea and abroad.

¹⁾ GRPE: Working Party on Pollution and Energy, a subsidiary body of the UNECE World Forum for Harmonization of Vehicle Regulations (WP.29)

Carbon Emissions Reduction Investment

Hyundai has established an investment plan of approximately KRW 3.5 trillion from 2026 to 2035 to reduce carbon emissions at its business sites. 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.

Internal Carbon Pricing

Hyundai utilizes an internal carbon price for Scope 1 and 2 emissions to more systematically assess climate-related risks and opportunities. Applying a shadow price approach, the internal carbon price assumes a potential cost associated with carbon emissions and is used in selected business decision-making processes, including energy efficiency improvements, reviews of low-carbon investments, identification of low-carbon business opportunities, and cost-benefit analyses. As of 2025, the internal carbon price is applied on a differentiated basis within a range of USD 7–84/tCO₂-eq, based on emissions trading system (ETS) allowance prices in the regions where business sites are located. Going forward, we plan to continuously review the scope and application of internal carbon pricing in response to changes in the business environment and regulatory landscape.

Plan to Achieve Targets

Carbon Emissions Reduction from Own Operations Hyundai strives to reduce carbon emission 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, we will expand the application of green hydrogen to major manufacturing processes in connection with the realization of a hydrogen society.

Electrification Hyundai aims to gradually reduce internal combustion engine vehicle sales and expand EV sales globally to reduce carbon emissions during the vehicle use phase. 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 Suppliers' Carbon Emissions Reduction 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 emissions reduction efforts. 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 high-emitting raw material suppliers, there will be a collaborative response linked to automotive design technologies, focusing on material recycling and the expanded use of new materials.

Carbon Offsetting and Removal In addition to reducing carbon emissions, Hyundai has been steadily participating in research on technologies for the absorption and removal of residual emissions. We are participating in the development of atmospheric carbon capture technologies through industry-academia research and expanding natural capital-based carbon offset activities through public-private collaboration. With a focus on seaweed-based blue carbon, we are participating in marine forest creation projects to simultaneously restore marine ecosystems and enhance carbon sequestration functions. Moving forward, we will support the expansion and institutionalization of blue carbon through collaboration with relevant organizations.

Target Review Process

Third-party Verification of the Set Targets Hyundai set its GHG emissions reduction targets in accordance with the guidelines established by SBTi, a global science-based target-setting initiative. In 2025, we received SBTi approval for our short-term reduction targets for Scope 1 and Scope 2 emissions and Scope 3 (Category 11) emissions.

[SBTi Target Dashboard](#)

Target Review Process We monitor and assess our implementation of and progress towards the set targets to achieve carbon neutrality by 2045. 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.



Material Topic



Intro



Env



Soc



Gov



Data

Circular Economy and Resource Use

To address climate change and resource depletion while accelerating the transition to a circular economy, Hyundai is strengthening resource circularity across the entire product life cycle, from design and production to use and disposal. From the product development stage onward, we are expanding circularity-focused design and the application of sustainable materials, while establishing collection and recycling systems for end-of-life products to promote the circular use of resources. In addition, we continuously improve resource efficiency and minimize waste generation throughout the production process, while complying with extended producer responsibility regulations in each country to contribute to the realization of a circular economy.

GOVERNANCE

MANAGEMENT Committee

Resource Circulation Committee To systematically promote resource circulation under a common strategic direction and respond to recycling-related regulations such as the EU End-of-Life Vehicle Regulation (ELVR) and the EU Battery Regulation (EUBR), Hyundai jointly discusses resource circulation optimization measures with relevant departments through the Resource Circulation Committee. The Committee operates regularly on a monthly basis according to its agenda, and key findings and strategic directions are reported to management for review and decision-making. Through these efforts, we establish strategic directions for building a comprehensive closed-loop circulation system covering vehicle design, waste resource recovery, and reuse for five major materials and components, including plastics, steel, aluminum, batteries, and motors. We also analyze sector-specific issues identified during this process and develop solutions to enhance product competitiveness across the entire circular value chain, from design to vehicle production.

STRATEGY

IMPACTS, RISKS AND OPPORTUNITIES

Circular Economy and Resource Use Identification Results

Hyundai has identified impacts and risks related to the circular economy and resource use across the entire value chain. In terms of resource outflows related to products and services, positive impacts arise from applying recycled materials from the product design stage and establishing recycling systems for end-of-life products, thereby promoting resource circulation and mitigating environmental impacts. However, across both upstream and downstream value chain activities, strengthened circular economy and the EUBR involve financial risks, including increased costs for material conversion, technology development, and supply chain due diligence, as well as restricted market access through sales bans and fines in cases of regulatory non-compliance. With regard to resource inflows, including the use of resources, delays in developing sustainable material technologies upstream may create financial risks associated with difficulties in responding to regulations and rising raw material costs. In addition, strengthened conflict minerals regulations create financial risks related to increased supply chain due diligence and traceability costs, as well as reputational damage and reduced sales in the event of regulatory violations.

VEHICLE CIRCULARITY

Developing and Applying Sustainable Materials

Recycled Plastics Hyundai recognizes the essential role played by the transition to a circular economy in achieving zero waste, conserving natural resources and reducing carbon emissions 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 proactively 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. Moving forward, we plan to apply our recycled plastic development roadmap more systematically across vehicle components, including interior and exterior parts, which account for the largest share of plastic use in vehicles, as well as chassis, body, and electrification components.

Bio-based Materials Addressing climate change requires a transition from a linear economy to a circular economy. Alongside recycled plastics, Hyundai is strategically expanding the use of bio-based materials. Natural materials absorb atmospheric carbon dioxide during growth. When such materials are used directly or converted into bio-based materials through chemical processing and applied to automotive components, a carbon fixation mechanism is activated that fixes atmospheric carbon dioxide into materials. We continue to develop technologies based on a variety of natural bio-based feedstocks, including natural fibers, seashells, and apple peels, while also advancing the development of automotive components using plastics synthesized from biomass feedstocks.

In 2025, we completed the development of a biomass-based soft coating material and are currently reviewing its application to interior components. These efforts create dual environmental value by reducing dependence on petroleum and decreasing atmospheric carbon dioxide. Moving forward, we will continuously improve the performance and economic feasibility of bio-based materials and expand their future applications.

Car to Car Project We are implementing the “Car to Car” project to recycle parts from end-of-life vehicles (ELVs) 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 electric vehicles (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.

Cooperation in Sustainable Material Technology Development Hyundai is strengthening cooperation with domestic and overseas material suppliers and parts suppliers to develop sustainable materials, including recycled and bio-based materials, and expand their application in vehicles. As a result of these efforts, in 2025, Hyundai, together with KOLON GLOTECH, Huvis, and PUcore, developed recycled materials applicable to automotive components by utilizing physical and chemical recycling technologies for seat belts and seat foam generated from end-of-life vehicles. Based on achieving component performance equivalent to existing materials, we are reviewing their application to car mats and door trim components for future vehicle models scheduled for production and sale. As part of these activities, in 2025, we completed the development of recycled plastics for use in car mats, door trims, seats, and interior garnish components by recovering end-of-life vehicle plastic components such as seat belts, seat foam, and interior trim parts, and plan to apply them to vehicle models to be sold in 2026. In addition to responding to the EU ELVR, we will continue to develop new materials and recycling technologies to enable the reuse of various end-of-life vehicle components in automotive parts as part of our efforts to reduce carbon emissions.



Recycled PET suede interior materials (headliner, sun visor)

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 are promoting the establishment of a “Material Closed Loop” system that recycles recovered materials from end-of-life vehicles, while also pursuing “Open Loop” resource circulation by repurposing waste generated outside the automotive industry, such as PET bottles and discarded fishing nets, as well as household waste. For natural materials, we are developing and applying bio-based materials derived from such natural byproducts as corn, sugarcane, and rapeseed.

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 sold in Europe. 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.

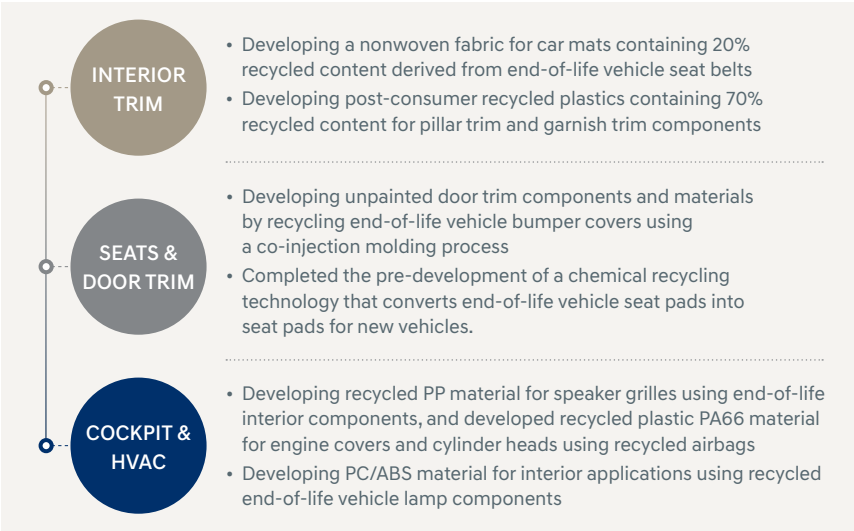
Genesis EVs Recycled and bio-based materials have also been applied to components such as the headliner, pillar trim, sun visor, and package tray in the GV60, Electrified GV70, and Electrified G80. In the Electrified GV70, a natural fabric containing 30% wool has been used on the front surface of the headrests and seat sides, while the Electrified G80 features “Forged Wood” trim made from reclaimed wood fragments.

The All-New NEXO The All-New NEXO actively incorporates sustainable materials throughout its interior and exterior. These include recycled plastics recovered from end-of-life vehicles—applied for the first time by Hyundai to exterior bumpers and cladding, as well as bio-based leather, bio-polyurethane leather, bio paint, bioplastics, recycled PET fabric, and linen fabric.

Status of Sustainable Material Development

Part Name	Material (Recycled Content)	Details
FEM carrier	PA6-GF30 (35% post-consumer recycled content)	Developing a material containing at least 35% recycled content derived from discarded fishing nets
	PP-LGF40 (30% post-consumer recycled content)	Developing a material for FEM carriers with improved flowability using post-consumer recycled materials
Fender insulator	PP-TD20 (30% recycled content derived from end-of-life vehicle parts)	Developing a material containing at least 30% recycled content derived from end-of-life vehicle parts and post-consumer waste
Fender side cover	PP-TD40 (50% recycled content derived from end-of-life vehicle parts)	Developing a material containing 50% recycled content derived from end-of-life vehicle parts
Dash insulator	PET (PCR ¹⁾ 60%) + PU foam (cPIR ²⁾ 3%)	Developing polyurethane foam incorporating PET with 60% recycled content and recycled polyol

¹⁾ PCR: Post-Consumer Recycled
²⁾ cPIR: chemically recycled Post-Industrial Recycled





Circular Economy and Resource Use

STRATEGY

Battery Circular System

Group-wide Partnership for a Battery Circular System Hyundai is establishing a battery circular system aimed at pursuing sustainability through the recycling and reuse of end-of-life batteries generated from EV dismantling in alignment with the battery life cycle. The battery life cycle 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 reviewing upstream and downstream battery business operations and developing relevant competencies.

Based on our global sales and service network, we have established a collection and procurement system for end-of-life batteries and are expanding a circular system that recovers key materials such as cobalt, lithium, and nickel from batteries that are difficult to reuse or remanufacture and reintroduce them into the battery manufacturing process. Hyundai Glovis is leveraging its global logistics network to connect end-of-life batteries with reuse and recycling operations. Hyundai Mobis sorts and remanufactures recovered batteries for use in older electric vehicles (EVs) and after-sales service (A/S) applications.

Furthermore, the Basic Materials Research Center is gradually advancing recycling technology development in preparation for the anticipated large-scale generation of end-of-life batteries after 2035. Together with partners possessing battery recycling technologies, we are developing and validating key component technologies for each process and next-generation technologies for battery recycling. Through these efforts, Hyundai is verifying the commercial viability of battery recycling processes while building a recycling technology value chain.

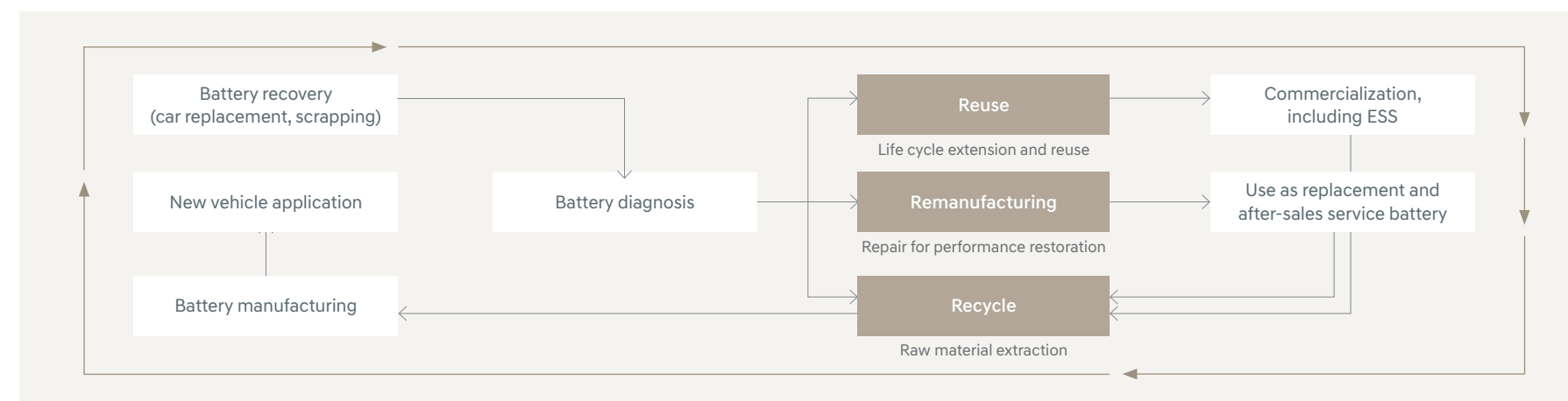
Battery Recovery Hyundai is collaborating with Hyundai Glovis, a group company, to establish a global network and transportation control system that systematically collects and transports end-of-life batteries from various locations around the world, including scrapyards, dealerships, after-sales service centers, and Battery-as-a-Service (BaaS) sites. We are also building an integrated diagnostic and pretreatment 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, a company possessing pretreatment technology for end-of-life batteries, in the construction of a system capable of enabling easy transportation and securing black powder—an intermediate material from which valuable metals can be extracted. Additionally, we have secured a logistics system that complies with the complex and diverse regulations of each country.

Battery Reuse Hyundai has been conducting pilot projects to reuse end-of-life EV batteries for ESS applications. In December 2020, we became the first company in Korea to receive regulatory sandbox approval for a demonstration project involving a power ESS using reused end-of-life batteries, and established ESS facilities with capacities of 2 MWh and 300 kWh, respectively, at Hyundai's Ulsan Plant and the Gongju Plant of OCI Specialty, a demonstration partner. Commercial operation linked to photovoltaic power generation commenced in January 2021. In April 2022, we partnered with Korea Water Resources Corporation to deploy 400 kWh ESS units for Busan Eco Delta Smart City. Continuing from these efforts, through strengthening internal capabilities and collaborating across the Group, we have continued to establish recovery and diagnostic criteria for end-of-life batteries generated from various vehicle models, simultaneously advancing ESS reuse demonstration projects to verify their technical and commercial feasibility. Through these efforts, we are preparing to contribute to the establishment of a circular ecosystem spanning the entire automotive battery life cycle.

Battery Remanufacturing Among end-of-life batteries generated at relatively early stages of the battery life cycle, Hyundai selects top-quality batteries through technical evaluations of remaining lifespan and safety and remanufactures them for after-sales service (A/S) use. Battery remanufacturing can extend battery service life and effectively reduce environmental impacts arising from resource disposal processes, while minimizing the burden of new manufacturing processes and associated costs to achieve high economic efficiency. Accordingly, we established the “HMG Standard Remanufacturing Process” and systematized standards for the intake, inspection, disassembly, and assembly of recovered batteries to build a quality assurance system, thereby actively expanding our remanufacturing business in major markets.

In 2025, we collaborated with a specialized battery remanufacturer in North America to establish a “customer–dealer–logistics–remanufacturer” value chain and became the first in North America to introduce battery remanufacturing services, achieving 350 remanufactured battery supply cases. In Korea and Europe, where remanufacturing initiatives have also been continuously pursued, we expanded the range of applicable vehicle models in cooperation with various remanufacturing partners, recording 555 and 722 remanufactured battery supply cases, respectively, in 2025. Going forward, we plan to strengthen our remanufacturing logistics system, including the recovery of replaced parts, through continued collaboration with Hyundai Mobis. Currently, remanufactured products are mainly supplied for warranty repairs; however, if their application expands to general repair services in the future, they are expected to enhance customer value by broadening customer choice.

Framework for the Battery Circular System





Circular Economy and Resource Use

STRATEGY

Battery Recycling Under our battery circular 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. Hyundai is focusing on securing technologies that enable the sustainable and safe recycling of large volumes of end-of-life batteries expected in the future, with the aim of completing a battery circular system by reintroducing recovered raw materials into battery manufacturing processes. In particular, through domestic and international partnerships, we are conducting proof-of-concept (PoC) projects for direct recycling technologies and electrochemical metal recovery technologies. Based on these efforts, we plan to strengthen regional battery raw material supply capabilities through our battery circular system and establish a stable electric vehicle ecosystem.

Establishing an Ecosystem for Battery Recycling Hyundai is strengthening cooperation systems within the Group while also promoting partnerships with domestic and overseas companies. In particular, Hyundai Glovis, which is responsible for collecting and processing end-of-life batteries and linking them to recycling businesses within the Group's battery circular system, is strengthening the recycling business value chain by signing business agreements related to upstream and downstream battery recycling operations. It is also optimizing the foundational system for battery circulation by utilizing both pre-processing and post-processing technologies. In addition, Hyundai is pursuing a mid- to long-term strategy to first establish a circular economy centered on manufacturing scrap from the Indonesian joint venture (JV) and subsequently expand end-of-life battery recycling. To this end, we are carrying out phased collaboration with cell manufacturers and material suppliers, covering everything from recycled metal production to quality verification for use in manufacturing lines. In 2026, we plan to sign a business agreement with Zhejiang Huayou Recycling Technology to conduct the pre-processing of recovered scrap and end-of-life batteries.

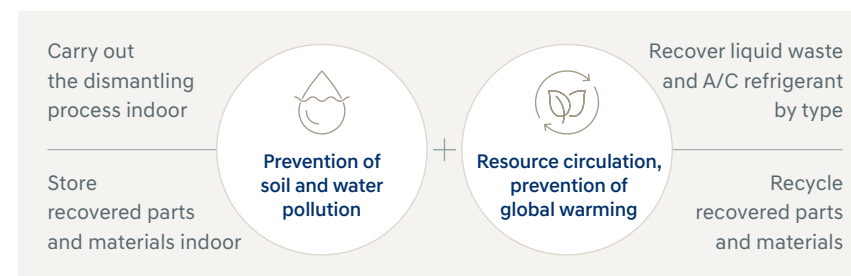
Customer Battery Care Program We team up with battery companies early from the development stage to enhance the longevity, recyclability, and safety of batteries. Aside from this, we operate the Customer Battery Care Program to improve the efficiency of battery use in the customer use phase: when a customer 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.

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 materials and recycling of materials. Customers may apply for ELV services through our official website and other channels, 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 ELVs. 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 strengthening our partnerships with scrap vehicle companies. In 2025 alone, we recovered nearly 200,000 tons of resources from ELVs and achieved 82.8% in ELV recycling when thermal recovery is excluded. In the meanwhile, Hyundai does not seek direct financial gain from ELV recovery and recycling, 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 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, and thinner. Steel and aluminum are predominantly used in the body shop, while steel and aluminum 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.

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 with reduced critical mineral content from the battery development stage. 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.



Circular Economy and Resource Use

STRATEGY

Discharge Material Management

Waste Hyundai monitors and manages waste generation and recycling volumes by waste type and treatment method across each production plant. Internally, we conduct inspections and audits of waste management practices at domestic and overseas business sites through H-SAT (Hyundai-Safety Assessment Tool), which evaluates workplace health and safety performance. Externally, we undergo annual third-party assessments of our waste management practices through ISO 14001 audits. In particular, we strive to reduce waste generation and expand recycling based on the results of internal and external environmental assessments, while ensuring that waste generation does not increase in line with rising production volumes. In our automobile production process, we successfully recycle metal wastes and are working to broaden recycling efforts to include waste paint, waste thinner, packaging materials, and sludge waste. In addition, each business site makes annual investments in waste treatment and recycling facilities.

Each production plant is working to reduce its waste, expand its recycling initiatives, and minimize its landfill use. Hyundai Motor Manufacturing Indonesia reduced annual waste generation by 883 tons through company-wide waste reduction programs focused on reducing metal scrap and waste compounds. Hyundai Motor Türkiye reduced waste treatment volumes and associated costs not only through company-wide waste separation practices but also through waste reduction activities and material reuse initiatives within its production departments.

The Asan Plant and Hyundai Motor Brasil have achieved the Zero Waste To Landfill (ZWTL) certification. 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 level of the Responsible Company Seal awarded by PCN Do Brasil and the National Institute of Metrology Standardization and Industrial Quality (INMETRO), and additionally received the Zero Waste Institute certification from the Instituto Lixo Zero Brasil (ILZB). The Jeonju Plant is progressively improving its waste synthetic resin treatment methods. Moving away from conventional incineration and landfill disposal practices, the plant is transitioning to more resource-circular manner, including recycling and the production of solid recovered fuel.

Hyundai also conducts annual environmental education and campaign for its employees based on its environmental policy to promote waste reduction and recycling. In 2025, the headquarters launched campaigns aimed at improving waste circularity across domestic business sites. As part of these efforts, the Asan Plant conducted a “Cooler Bag Making Using Waste Banners” campaign, collecting used banners and recycling them into insulated bags for delivering breakfast meals at the plant, thereby reducing both waste generation and the use of disposable plastic bags. As part of a reusable container promotion initiative that has been carried out for seven years, the Jeonju Plant implemented a reusable tumbler campaign in public facilities, actively encouraging the use of reusable tumblers instead of disposable cups at in-house cafés, thereby reducing disposable cup usage. Meanwhile, the headquarters conducted a resource circulation awareness campaign targeting employees and the general public. By introducing cases of sustainable material development utilizing recycled waste materials and natural materials applied to Hyundai EVs such as IONIQ, and by exhibiting upcycled products made from waste resources, including bags and lamps, we helped reframe the value of waste and raise awareness of resource circulation, thereby leading efforts to expand waste recycling.

RISK MANAGEMENT

RISK MANAGEMENT PROCESS

Risk Management Methods Related to Circular Economy and Resource Use

Hyundai identifies regulatory, resource, supply chain, and operational risks that may arise during the transition to a circular economy as key management areas and addresses them by incorporating such considerations throughout product development and business operations. In particular, to respond to strengthened global resource circulation regulations such as revisions to the EU ELVR, we continuously monitor relevant laws, regulations, and market requirements while operating a framework that incorporates recyclability and recoverability considerations from the design stage onward, thereby proactively mitigating potential regulatory risks. Accordingly, we have established a vehicle development system that stably achieves recyclability rates of at least 85% and recoverability rates of at least 95% in response to the EU ELVR and global recyclability standards, thereby consistently meeting regulatory requirements.

Furthermore, through resource circulation-based technological responses such as expanding the application of recycled plastics, establishing a battery circular ecosystem, and developing alternative materials, we are mitigating supply chain risks arising from raw material supply instability and growing dependence on critical resources. At the same time, we are carrying out preventive management activities focused on high-risk business sites to address operational risks caused by climate and environmental changes, including water scarcity. Through these efforts, we recognize circular economy-related risks not merely as environmental issues, but as key risk factors affecting mid- to long-term corporate value and business sustainability, and systematically manage them across the company.

Circular Economy and Resource Use

METRICS AND TARGETS

METRICS

Raw Material Use and Scrap

Hyundai monitors the consumption of steel and aluminum, two of its key raw and subsidiary materials, and manages scrap volumes alongside their usage to promote efficient raw material utilization.

(Unit: Tons)

Classification	2023	2024	2025
Steel/aluminum use ¹⁾	1,387,729	1,376,276	1,294,483
Steel/aluminum scrap	449,781	448,386	512,916

¹⁾ Based on the quantity directly introduced into the production process within manufacturing plants; and excludes raw material volumes contained in externally purchased semi-finished products, components, and other materials

Waste

Waste-related metrics are categorized and tracked by business site and treatment type, while waste diversion volume and diversion rate are measured to assess the performance of the resource circulation system.

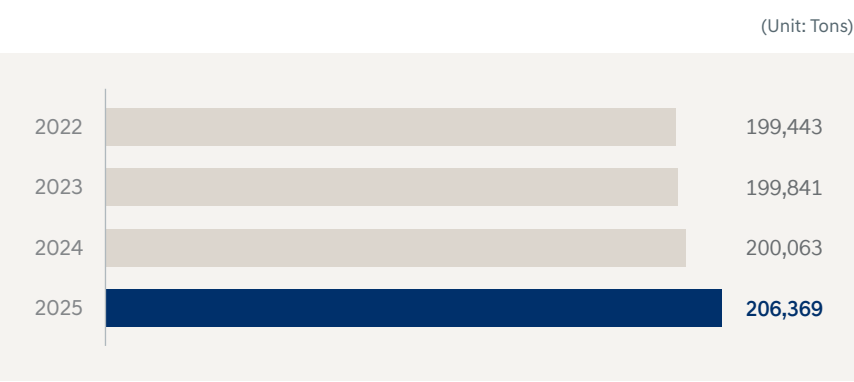
(Unit: Tons, %)

Classification	2023	2024	2025
Total waste generated ¹⁾	1,026,599	910,206	927,556
Waste diverted from disposal ²⁾	960,536	834,571	845,177
Waste diversion rate	93.6	91.7	91.1

¹⁾ Some business sites revised historical data, and the aggregated figures were restated accordingly.
²⁾ Diversion volume including other types of recovery

Resources Recovered from ELVs

Through its ELV recovery and recycling system, Hyundai recovers a wide range of resources, including steel, non-ferrous metals, and plastics, while managing the total volume of recovered resources. The volume of resources recovered from ELVs has shown a continuous upward trend, and in 2025, we contributed to resource circulation by recovering approximately 200,000 tons of resources within Korea.





Pollution and Water Resources

Hyundai has established an environmental management system for sustainable business operations by operating an environmental governance framework under the oversight of its highest decision-making body and managing company-wide environmental initiatives in line with its environmental management policy. Through pollution and water resources management activities, we respect the value of nature and humanity and pursue sustainable growth through communication with stakeholders. We reduce the environmental impacts of our production processes by replacing facilities and investing in new equipment, while managing air and water pollutants based on internal management standards. In the case of hazardous substances, we respond not only to legal requirements but also to global initiatives, as such substances may affect not only the environment but also the health and safety of employees in relevant functions.

GOVERNANCE

GOVERNANCE BODY

Sustainability Management Committee

The BOD and its subcommittee, Sustainability Management Committee oversee environmental management by regularly 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, were proposed as agendas to the Sustainability Management Committee and received approval in the first half of the year. In the latter half of the year, the Committee also approved the 2045 carbon neutrality strategy updated to reflect our mid- to long-term business plans. In 2025, the Committee approved Hyundai's ESG strategy, including environmental management initiatives across business sites, and received a report on the results of ESG due diligence conducted at our business sites.

MANAGEMENT

C-level Management Committee Meeting

The Management Committee Meeting (MCM) attended by the CEO and other C-level executives serves to regularly review our ESG key tasks and their progress, including our carbon reduction 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.

Committee and Dedicated Teams

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.

Headquarters' Supervising Organization

Hyundai's 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, planning and managing overall environmental investment, culture, technology, and education. 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; ensuring compliance with environmental regulations; enhancing business site environmental efficiency; and operating facilities to manage pollutants that occur in the business operation process. It also implements environmental policies 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 resource circulation technologies and developing low-carbon products. This ranges from reducing carbon and hazardous gas emissions from vehicles through electrified vehicle development, recycling-conscious designs to performing product life cycle assessments (LCA), developing sustainable materials, substituting hazardous substances, and exploring CCUS (carbon capture, utilization and storage) technology.

Environmental Management Policy

Hyundai has established the Environmental Management Policy in recognition of the environment as a core element of corporate management and to promote systematic environmental management. We continuously review and revise the Policy to reflect domestic and international environmental regulations, global environmental issues, and changes in market and business conditions. The Policy is centered on key environmental management areas such as climate change response, pollutant reduction, biodiversity protection,

circular economy development, and support for suppliers' environmental management. Based on this policy, we, together with all subsidiaries and business units, manage environmental impacts that may arise throughout our business activities and value chain and pursue improvements in environmental performance.

In addition, we encourage suppliers, contract partners, and other entities throughout the supply chain to comply with the Policy and promote related cooperation and support to facilitate their participation in environmental management activities. We also prioritize compliance with environmental laws and regulations in each country where our business sites are located and carry out environmental management activities based on the Environmental Management Policy where relevant regulations are insufficient. Furthermore, we strive to ensure the effective implementation of the Policy throughout our business operations through employee environmental awareness training, stakeholder communication, and supply chain cooperation programs.

 [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, 4) 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 operate their Environmental Management System (EMS) in accordance with ISO 14001, the international standard for environmental management system, while achieving ISO 14001 certification from a third-party organization 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.



Pollution and Water Resources

GOVERNANCE

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. Our environmental investment budget for 2025 amounted to KRW 2,178.6 billion, while actual investment execution approximately doubled year-on-year to KRW 1,943.8 billion. Of this amount, KRW 21.1 billion was invested to environmental facility investments aimed at reducing pollutant emissions across business sites. The environmental facility investments made at overseas operations are excluded 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 established an emergency response system to address various environmental accidents based on international safety, health, and environment standards. The headquarters and each business site have established emergency response organizations and communication systems and prepared emergency response manuals that include disaster prevention facilities and equipment inventories, which are shared with employees. We also regularly conduct department-specific emergency response drills based on environmental accident scenarios. In addition, domestic business sites systematically respond to major environmental regulations through consultative bodies for environmental managers and the Hyundai-Kia Chemical Substances Council. Hyundai Motor Group Metaplant America (HMGMA), a major overseas business site, has established preventive management procedures for environmental accidents and regularly conducts spill response drills to strengthen its response capabilities.

STRATEGY

IMPACTS, RISKS AND OPPORTUNITIES

Pollution and Water Resources Identification Results

Hyundai has identified the following material impacts and risks related to pollution and water resources throughout its value chain. With regard to air pollution, pollutant emissions from our own operations and downstream internal combustion engine vehicles (ICEVs) negatively affect human health and ecosystems, while also creating financial risks such as expanded sales restrictions due to tighter emissions regulations and increased costs for developing low-emission vehicles. In terms of water pollution, pollutant leaks during production and transportation processes negatively affect aquatic and marine ecosystems, increasing financial risks such as environmental restoration costs and legal sanctions. Regarding microplastics, those generated from upstream tire wear negatively affect marine ecosystems and human health. In relation to water use, large-scale water consumption negatively affects water availability in water-stressed regions and has been identified as creating financial risks such as increased water procurement costs and production disruptions.

STRATEGY AND DECISION-MAKING

Air Pollutants

We apply internal management standards by referencing the legal permissible 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. We establish site-specific annual emission targets by setting target ranges at or below the air pollutant emission levels recorded over the previous two years, and manage emissions through performance evaluations against these targets to prevent emissions from increasing in line with production growth.

Domestic and overseas business sites are continuously improving dust collection and exhaust facilities to reduce air pollutant emissions. We reinforced aging exhaust ducts at our paint shops and maintained hazardous substance removal equipment, while material plants minimized atmospheric emissions by replacing dust collection systems and newly installing activated carbon collectors at organic compound storage facilities. In addition, HMGMA has contributed to improved air quality and compliance with environmental regulations by reducing VOC emissions by approximately 80% or more compared to previous levels through the conversion of oil-based paints used in touch-up processes to water-based paints.

Water Pollutants

Before discharging wastewater from each production plant, we ensure full compliance with the effluent pollutant standards established by respective countries and regions. Employing advanced treatment techniques, we maintain pollutants in effluents in most cases 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 Nitrogen) and T-P (Total Phosphorus) generated from automotive painting and washing processes are also subject to measurement and management. Based on these measurement data and target ranges set at or below water pollutant discharge levels recorded over the previous two years, we set annual discharge targets for each business site. Performance against these targets is regularly evaluated to ensure that discharges do not increase in tandem with production growth.

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. Across domestic and overseas business sites, we maintain strict controls to prevent untreated wastewater from being discharged externally. We also continuously advance process improvements aimed at reducing water pollutant discharges and enhancing treatment efficiency, including replacing aging pumps and pipelines, improving aeration systems, and introducing new sludge treatment facilities.

[Intro](#)[Env](#)[Soc](#)[Gov](#)[Data](#)

Pollution and Water Resources

STRATEGY

Harmful Substances

Management of Harmful Substance Hyundai manages hazardous substances by classifying them into three categories—prohibited use, restricted use, and enhanced management—and prohibits the use of high-risk regulated substances while applying alternative materials based on international standards and domestic and overseas regulations. Given the nature of the automotive industry, which requires numerous components, we apply the same hazardous substance management standards to suppliers to prevent regulated substances from being included in final delivered products, while also sharing domestic and international regulatory trends related to hazardous substances with supplier personnel and supporting the establishment of their own response systems. In addition, we monitor hazardous chemical leaks in real time through our integrated environmental facility monitoring system and strengthen hazardous substance management systems across the supply chain by improving data consistency through user training on the IMDS (International Material Data System).

Substance Data Tracking and Assessment Hyundai has assessed its exposure to hazardous substances regulated by EU REACH (Registration, Evaluation, Authorization and Restriction of Chemicals), TSCA (Toxic Substances Control Act) in the United States, the Act on 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 the new vehicle development and design stage, we have been tracking substances used in vehicle components using IMDS and MAMS (Material Analysis Management System) to identify the chemical composition information of components and 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. After mass production begins, Hyundai conducts regular inspections of suppliers, performing physical component and material analysis to identify any changes in substance information that may occur during the mass production process.

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 EU ELVR (End-of-Life Vehicles Regulation) and REACH, which regulate hazardous substances most proactively and 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.

Furthermore, Hyundai has been pushing to replace PFAS (per- and polyfluoroalkyl substances), for which regulations are currently being discussed in Europe and North America, with the aim of banning the use of PFAS before the regulation, expected to take effect in 2029. In addition, Hyundai is working with raw material suppliers and parts manufacturers 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. Going forward, Hyundai plans to prioritize the replacement of PFAS in vehicle models subject to PFAS regulations.

Water

Hyundai monitors water consumption, water recycling volumes, and water pollutant emissions at each production plant and identifies and improves opportunities for water efficiency management and water pollutant reduction based on internal site evaluations and ISO 14001 certification audit results. In particular, we manage water efficiency to ensure that water consumption does not increase in line with production growth and strive to expand water recycling volumes. Furthermore, we evaluate water risks at each business site based on the Aqueduct Water Risk Atlas, a water risk assessment tool developed by the World Resources Institute (WRI). Water risks at Beijing Hyundai Motor Company (BHMC), Hyundai Truck & Bus China (HTBC), the Chennai Plant and Pune Plant under Hyundai Motors India (HMI), and Hyundai Mexico (HYMEX) have been identified as “Extremely High,” and we are promoting improvements in water efficiency and the expansion of water recycling volumes, particularly at sites with high water risk.

Individual manufacturing plants are also pursuing reductions in water consumption and the expansion of water recycling. The Chennai Plant in India, located in a region experiencing severe water shortages, and the Asan Plant in Korea have established zero liquid discharge systems to recycle water. In particular, the Chennai Plant is expanding water recycling as well as rainwater harvesting and storage systems with the goal of achieving water self-sufficiency by 2030 as a proactive response to water risks. It recycles water through the zero liquid discharge system and operates a rainwater harvesting system and six reservoirs with a maximum storage capacity of up to 335,000 tons. In addition, service centers across India have introduced a “dry wash service” that cleans vehicles without using water, reducing water consumption by approximately 120 liters per vehicle and achieving water savings of more than 650 million liters over the past five years.

Hyundai Motor Türkiye Otomotiv A.Ş (HMTR) is improving water use efficiency by replacing approximately 38% of its total water consumption with supplied water from the industrial complex management authority. Hyundai Motor Manufacturing Alabama (HMMA) is pursuing a project to expand cooling water reuse cycles from the previous three to four cycles to up to eight cycles, which is expected to reduce annual cooling water consumption to approximately 33% of current levels by the end of 2026. Beijing Hyundai Motor Company (BHMC) has established water management measures that consider the entire life cycle of water resources and is introducing water-saving equipment, conducting regular facility maintenance, and providing employee training on water conservation practices. Hyundai Motor Manufacturing Indonesia (HMMI) is saving approximately 2,560 tons of water annually by reusing water generated from spray cleaning processes in its paint shop.

Hyundai conducts annual environmental education for employees based on its environmental management policy to encourage water conservation and expanded recycling. In particular, service centers encouraged water conservation by sharing social media text messages with employees promoting water and energy savings, while the Chennai Plant displayed posters highlighting the importance and urgency of water conservation on World Water Day (March 22), designated by the UN, and promoted water conservation by presenting practical water-saving tips to employees.



Pollution and Water Resources

STRATEGY

Environmental Management Support

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 provide support for professional capacity building through specialized training on environmental laws and regulations, participation in seminars and exhibitions, and ISO auditor training programs. In 2025, such environmental training was completed by a total of 55,737 employees, with total training hours reaching 105,638 hours. Beyond employee training, we also support our suppliers with environment-related training programs. These include ESG training courses available on online platforms to communicate the necessity for environmental management and the roles of suppliers as well as conducting 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 reviews and discusses appropriate countermeasures.

BUSINESS CASE

Environmental Initiatives at Global Sites

Hyundai is improving quantitative environmental indicators for each site in Korea and overseas, while simultaneously actively pursuing qualitative environmental enhancement activities and initiatives at each domestic and overseas site. These qualitative activities are also included in sites' performance indicators, along with quantitative indicators, and are reflected in the environmental performance evaluations of each business site.

Hyundai Motor Brasil (HMB)

HMB became the first company in the automotive industry to obtain “Hyundai Zero Landfill” certification in 2018 and has since operated a leading waste management system as a Global Zero Waste subsidiary. It safely stores waste by classifying it into recyclable, hazardous, organic, and other categories, and transparently manages transportation and final disposal processes through the issuance of Waste Transport Manifests (MTRs). Furthermore, in cooperation with Antares, it developed a pioneering project to convert phosphate sludge generated during vehicle production into raw materials for fertilizer made from recycled materials. Through this initiative, approximately 270 tons of sustainable fertilizer can be produced annually, while raw materials such as phosphorus and zinc can also be recovered.

Hyundai Motor Manufacturing Alabama (HMMA)

HMMA is enhancing water resource management efficiency through its cooling tower water chemistry improvement project. To address scaling issues caused by the high mineral content in the local water supply, the facility engineering team worked with a chemical supplier to pursue the introduction of an acid chemical injection system. Through improvement measures such as installing the chemical injection system and optimizing piping and system operations, it enhanced the cooling system's scale prevention performance and expects to reduce annual water consumption. This project is regarded as an innovative example of a sustainable water treatment process that simultaneously achieves operating cost reductions and water resource conservation.

Hyundai Motor Manufacturing Indonesia (HMMI)

In November 2025, HMMI carried out biodiversity conservation activities in cooperation with a local national park through the “Hyundai Eco Summit Biodiversity Program.” With the participation of national park officials, employees, and local communities, 100 endangered and endemic trees were planted, and it plans to continuously monitor their survival and growth in cooperation with the national park team. In addition, Hyundai plans to establish a sustainable biodiversity program through a long-term cooperation agreement with national parks and continue activities that support both nature conservation and coexistence with local communities.

HMMI,
contributing to biodiversity conservation
through endemic tree donation

HMMI,
collaborative biodiversity program with
stakeholders



Pollution and Water Resources

STRATEGY

Environmental Opportunity Analysis	
Opportunity	
Definition	We consume large volumes of water in cooling/washing/painting processes for vehicle manufacturing, and our manufacturing operations span overseas production plants in Korea and overseas, including the U.S., 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 both reducing water consumption and expanding water recycling. As a result of these efforts, we recycled a total of 1,569,871 tons of water in 2025. This water recycling effort generated operating cost savings of approximately KRW 1.3 billion. * Financial Impact Calculation: Total amount of water recycled in 2025 (1,569,871 tons) × Cost per ton of water (KRW 829, based on 2024 rates in Korea)
Response Strategy	Our Asan Plant and Chennai 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 wet-type dust collectors in the paint booths. By implementing such systems, we are reducing water-related costs by enhancing water recycling.

RISK MANAGEMENT

RISK MANAGEMENT PROCESS
Pollution and Water Resources-Related Risk Management Method

Hyundai also monitors the implementation status of environmental management at its global business sites through H-SAT (Hyundai-Safety Assessment Tool), which evaluates workplace health and safety standards. By conducting both document-based and on-site evaluations, we quantitatively assess and analyze environmental management levels at each business site and seek to manage risks by improving vulnerable areas while simultaneously enhancing overall environmental management standards. In particular, during on-site evaluations, we thoroughly manage potential risk factors by inspecting pollutant emission facilities and hazardous substance handling facilities to prevent negative impacts such as environmental pollution. The results of these environmental management evaluations are linked to the KPIs of executives and site managers, thereby promoting stronger environmental management leadership and more active on-site risk management activities.

METRICS AND TARGETS

METRICS
Pollutant Emissions

Pollutant-related metrics are measured in detail by business site and pollutant type, and an efficient management system is maintained by tracking emissions per unit produced in consideration of production activities.

Pollutant Emissions Volume ¹⁾		(Unit: Tons)		
Classification	2023	2024	2025	
Air pollutant emissions ²⁾	1,591	1,738	861	
Water pollutant discharge ³⁾	533	600	1,075	

¹⁾ Some business sites revised historical data, and the aggregated figures were restated accordingly.
²⁾ Air pollutant emissions include NOx, SOx, and PM.
³⁾ Water pollutant discharges include TOC (COD), BOD, and SS.

Water Consumption and Recycling

Water-related indicators are tracked separately for consumption and recycling volume, while water use per unit produced reflecting production plans and volumes is also monitored to support effective management.

Water Consumption and Recycling ¹⁾		(Unit: Tons, Tons/Vehicle)		
Classification	2023	2024	2025	
Water consumption ²⁾	11,223,441	11,382,647	10,243,259	
Water consumption intensity	2.62	2.75	2.49	
Water recycling volume	1,799,380	1,684,054	1,569,871	

¹⁾ Some business sites revised historical data, and the aggregated figures were restated accordingly.
²⁾ Water consumption is defined as water withdrawal minus water discharge.

TARGETS
Pollutant Emissions

Pollutant emission targets are established for each business site, and progress against these targets is continuously monitored. Each year, the targets are set at a level equivalent to a 5% reduction from projected emissions based on planned production volumes and implemented accordingly.

Water Consumption

The 2025 water consumption target was set at 10,754,372 tons, representing a 5% reduction from projected water consumption based on planned production volumes for 2025. Actual water consumption amounted to 10,243,259 tons.

Biodiversity

Hyundai recognizes that biodiversity significantly affects natural capital across areas including food security, health, air quality, water quality, and raw material supply. Based on the TNFD LEAP framework and leveraging ENCORE, IBAT, the WWF Biodiversity Risk Filter, and site-specific environmental impact assessments, we identify and assess biodiversity-related dependencies, impacts, risks, and opportunities across our operations and supply chain. We then structured our disclosures around the four pillars presented in the TNFD recommendations—governance, strategy, risk management, and metrics and targets. While striving to mitigate the negative impacts associated with identified risks, we are also carrying out a range of biodiversity conservation initiatives, including the protection of high-risk species in communities near our business sites and the restoration of terrestrial and marine ecosystems.

LEAP-based Analysis of Biodiversity-related Dependencies, Impacts, Risks, and Opportunities

Step

LOCATE

Description

Definition of the Scope of Analysis for Dependencies, Impacts, Risks, and Opportunities (DIRO)

Hyundai defined a total of 20 business sites, including the headquarters, R&D centers, and manufacturing plants in Korea, and key operations in major countries such as the U.S., the Czech Republic, and Brazil, as the scope of analysis for biodiversity-related dependencies, impacts, risks, and opportunities.

Domestic	Headquarters	Yangjae Headquarters
	Manufacturing plants	Ulsan, Asan, and Jeonju Plants
	R&D centers	Namyang, Uiwang, and Mabuk Research Centers
Overseas	U.S.	HMMA, HMGMA
	China	BHMC, Hyundai Truck & Bus (China)
	India	Hyundai Motor India (Chennai and Pune Plants)
	Brazil	HMCSA
	Türkiye	HMTR
	Czech Republic	HMMC
	Singapore	HMGICS
	Vietnam	HMTV
	Indonesia	HMMI
	Mexico	Hyundai Mexico

TNFD

TASKFORCE ON NATURE-RELATED FINANCIAL DISCLOSURE (TNFD)

- Established in June 2021 under the leadership of international organizations including the United Nations Environment Programme Finance Initiative (UNEP FI), the United Nations Development Programme (UNDP), and the World Wide Fund for Nature (WWF)
- Published its final recommendations on nature-related risk management and disclosure (TNFD Recommendations) in September 2023
- Recommends the use of the LEAP approach when identifying, assessing, managing, and disclosing companies' nature-related dependencies, impacts, risks, and opportunities

EVALUATE

ASSESSMENT

Assessment of Dependencies and Impacts (DI) and Evaluation of Risks and Opportunities (RO)

TNFD categorizes the ways in which natural capital affects business activities into four dimensions: dependencies, impacts, risks, and opportunities. These four dimensions influence businesses through complex interrelationships. Hyundai assessed dependencies and impacts across the automotive manufacturing industry, value chain, and individual production sites by leveraging global biodiversity-related tools and site-specific environmental impact assessment data. In addition, we evaluated biodiversity-related regulations, as well as risks and opportunities associated with individual production sites. Through this process, Hyundai established the foundation for addressing the four core disclosure pillars required under the TNFD framework: governance, strategy, risk management, and metrics and targets.

Nature

Dependencies

Risks

Impacts

Opportunities

Business

DEPENDENCIES

IMPACTS

RISKS

OPPORTUNITIES

Industry	Country/Region	Specific Location
ENCORE	IBAT	Site-specific environmental impact assessments

Industry	Country/Region	Specific Location
EU Deforestation Regulation (EUDR)	WWF Biodiversity Risk Filter	Site-specific environmental impact assessments

PREPARE

DIRO Mitigation and Response Activities

Hyundai carries out activities related to biodiversity-related DIRO based on the AR3T action framework proposed by the Science Based Targets Network (SBTN). In addition, we disclosed biodiversity-related information for the first time this year based on the TNFD disclosure requirements.

SBTN AR3T FRAMEWORK

AR3T is a framework for addressing negative impacts within DIRO through five approaches: Avoid, Reduce, Regenerate, Restore, and Transform. The mitigation of negative impacts is intrinsically linked to dependencies, risks, and opportunities. Dependencies can amplify a company's impacts on natural capital, while the extent to which impacts are mitigated through the AR3T framework influences the magnitude and likelihood of a company's risks and opportunities.

Avoid

Reduce

Transform

Restore

Regenerate

Disclosure

Hyundai has introduced disclosures aligned with the TNFD requirements and plans to continuously enhance them.

Governance

Strategy

Risk Management

Metrics and Targets

053

Biodiversity

GOVERNANCE

MANAGEMENT

Biodiversity Governance

Hyundai recognizes the importance of biodiversity preservation across its business activities and carries out diverse activities for its systematic implementation. We strategically manage core tasks, such as establishing mid- to long-term commitments on biodiversity restoration and enhancement, declaring and revising biodiversity policies, establishing biodiversity assessment and impact reduction action plans, and planning and implementing deforestation prevention and reforestation projects. These major decisions and initiatives are implemented following review and final approval by management (C-level executives).

Dedicated Organization

For company-wide management of biodiversity issues, Hyundai operates the Sustainability Planning Team under Corporate Strategy & Planning Department as an organization dedicated to biodiversity. The Sustainability Planning Team is in charge of responding to disclosures based on the TNFD framework and managing the establishment/execution of natural capital strategies. It reviews measures to implement on-site biodiversity activities in consideration of natural capital characteristics of each business site together with relevant departments, including CSO.

Biodiversity Protection Policy

Hyundai has established the Biodiversity Protection Policy based on international agreements and guidelines. In compliance with laws and regulations related to biodiversity enhancement in areas surrounding business sites, the conservation of natural habitats, and the use of forests, soil, and water resources, we are advancing biodiversity conservation and restoration activities across its business operations based on this policy.

 [Hyundai Motor Company Biodiversity Protection Policy](#)

STAKEHOLDER ENGAGEMENT

Hyundai recognizes the potential impacts of its key raw material sourcing and business operations on local ecosystems and indigenous communities, thereby taking both biodiversity conservation and the protection of indigenous peoples' rights into consideration. Accordingly, when developing project plans, we apply the principle of Free, Prior and Informed Consent (FPIC) from affected communities to ensure that local natural capital and the unique cultures and values of indigenous peoples are respected. In addition, we carry out biodiversity-related social contribution initiatives in countries such as Brazil and Vietnam, taking into account the livelihoods of local communities that depend on natural capital.

STRATEGY

DEPENDENCIES, IMPACTS, RISKS AND OPPORTUNITIES (DIRO)

Automotive Industry and Value Chain

Using ENCORE, a tool that provides industry-level biodiversity information, Hyundai identified potential dependencies and impacts on natural capital across its operations and supply chain sectors. From a dependency perspective, an overall high level of dependency on water-related ecosystem services was observed. In particular, the non-ferrous metal mining sector showed high dependencies on water purification, rainfall pattern regulation, and water flow maintenance, while our operations (automobile manufacturing) also showed moderate dependencies on water purification, water flow maintenance, and flood mitigation. From an impact perspective, pollution (e.g., noise and light) and the discharge of toxic pollutants into water and soil were assessed

as very high across our operations, as well as the non-ferrous metal mining and basic iron and steel/metal manufacturing sectors. The non-ferrous metal mining sector also showed very high impacts related to land and freshwater use, including freshwater use area and seabed use area. Taken together, these findings indicate that Hyundai's nature-related risks are concentrated more in its upstream supply chain—particularly the non-ferrous metal mining and basic iron and steel/metal manufacturing sectors—than own operations. Key dependencies were identified as water-related ecosystem services, including water supply, water purification, and water flow maintenance, while key impacts included pollution, toxic pollutant discharges, and air pollutants.

		HMC	Supply Chain–related Industries					
		Manufacture of motor vehicles	Mining of non-ferrous metal ores	Manufacture of rubber products	Casting of iron and steel	Manufacture of basic precious and other non-ferrous metals	Manufacture of batteries and accumulators	Manufacture of parts and accessories for motor vehicles
		● Very High ● High ● Moderate ● Low ● Very Low						
Dependencies	Biomass provisioning							
	Water supply							
	Global climate regulation services							
	Rainfall pattern regulation services (sub-continental scale)							
	Local (micro and meso) climate regulation services							
	Air filtration services							
	Soil quality regulation services							
	Soil & sediment retention services							
	Solid waste remediation services							
	Water purification services							
	Water flow regulation services							
	Flood mitigation services							
	Storm mitigation services							
	Noise attenuation services							
	Other regulating and maintenance services (incl. Dilution by atmosphere and ecosystems)							
Other regulating and maintenance services (incl. Mediation of sensory impacts)								
Impacts	Disturbances (e.g. noise, light)							
	Area of freshwater use							
	Emissions of GHG							
	Area of seabed use							
	Emissions of non-GHG air pollutants							
	Other abiotic resource extraction							
	Generation and release of solid waste							
	Area of land use							
	Emissions of toxic pollutants to water and soil							
	Emissions of nutrient pollutants to water and soil							
	Volume of water use							
Introduction of invasive species								

Biodiversity

STRATEGY

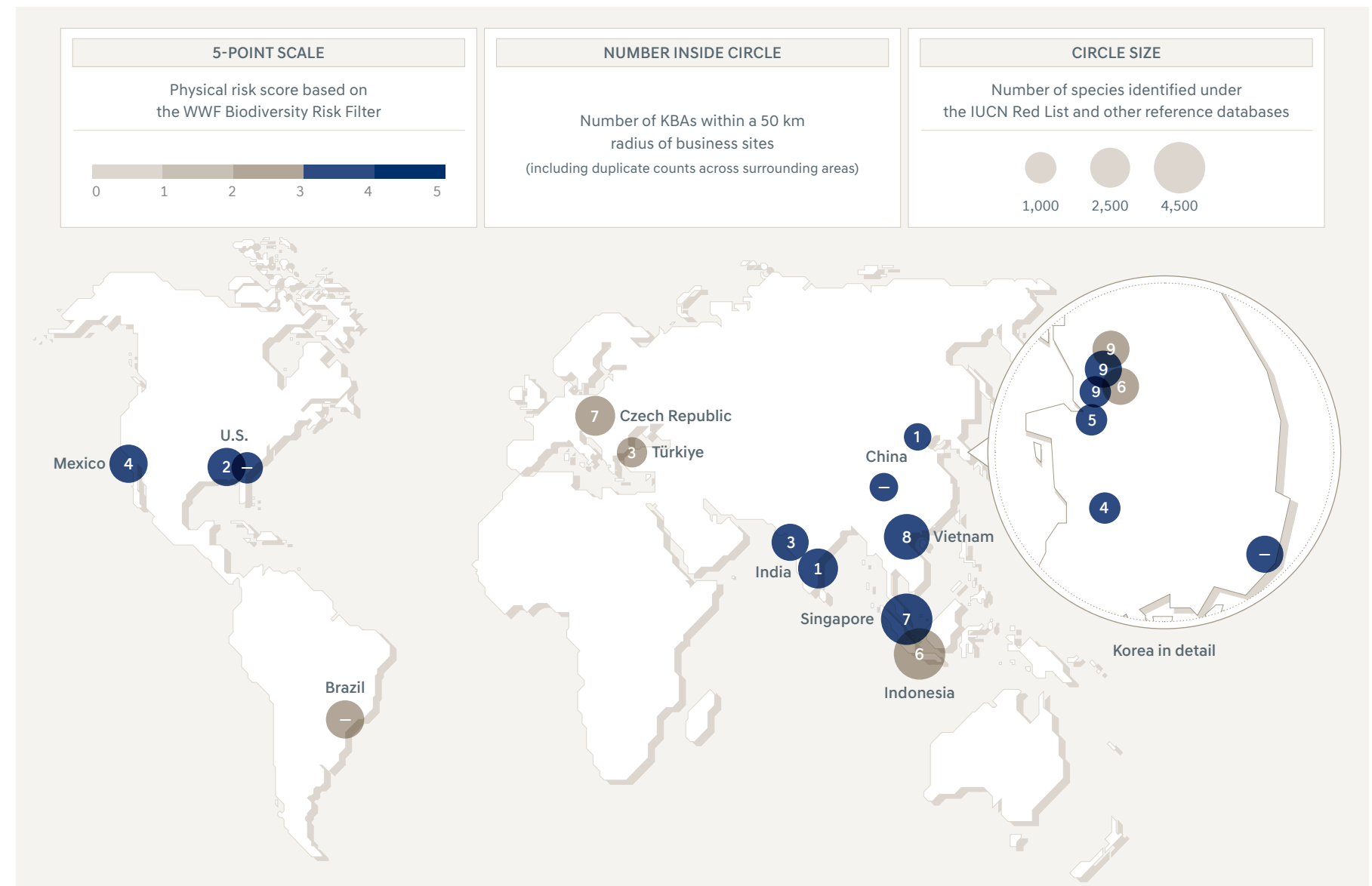
Major Countries and Regions

Biodiversity Impact Analysis Hyundai utilized the Integrated Biodiversity Assessment Tool (IBAT), a global biodiversity assessment tool that provides integrated information on Key Biodiversity Areas (KBAs), Protected Areas (PAs), and protected species listed on the International Union for Conservation of Nature (IUCN) Red List, to identify biodiversity-sensitive areas near its business sites. Based on an analysis of the geographic coordinates of 20 major domestic and overseas business sites, including the Yangjae Headquarters and Ulsan Plant, the greatest concentration of protected areas was identified at Hyundai Motor Manufacturing Czech (HMMC), where the EU Natura 2000 network and other legally protected areas overlap extensively. The greatest diversity of protected species listed on the IUCN Red List was observed at Hyundai Motor Manufacturing Indonesia (HMMI), which is located near tropical coastal and marine ecosystems.

Biodiversity Risk Analysis Hyundai evaluated the physical and reputational risks of 20 major domestic and overseas business sites using the WWF (World Wide Fund) Biodiversity Risk Filter, a biodiversity assessment tool developed by the WWF. From a physical risk perspective, Hyundai was assessed as having a moderate level of risk overall. However, our production plants in Korea and Hyundai Thanh Cong Manufacturing Vietnam (HTMV) were assessed as having a high level of risk and will be subject to continued monitoring. In terms of reputational risk, all business sites were identified as having low or moderate levels of risk.

Business site Environmental Impact Assessment Hyundai analyzes environmental impact assessment results for each production site in conjunction with global biodiversity assessment tools, in order to comprehensively evaluate site-specific information across global business sites. Through this, Hyundai thoroughly identifies factors that could affect the surrounding biodiversity based on each business site's location, and carries out systematic diagnosis and response activities accordingly. Hyundai continues to manage biodiversity DIRO through response activities tailored to the characteristics of each business site.

Biodiversity-related DIRO Status Across Global Business Sites



Biodiversity

STRATEGY

IMPACTS ON BUSINESS MODEL AND VALUE CHAIN

Biodiversity-Related Key Factors Hyundai identified biodiversity-related dependencies, impacts, risks, and opportunities affecting its global operations using various biodiversity data and analytical tools.

Key Factors	Impacts on Business Model and Value Chain
Ecosystem dependencies on raw material sourcing across the supply chain	- The non-ferrous metal mining sector has a high dependency on water ecosystem services, and therefore ecological changes (water depletion, habitat damage, etc.) in mining regions directly impact the stability of raw material procurement. - There is a possibility of supply disruptions in case of stricter environmental regulations in mining regions in relation to the emission of toxic pollutants and impact of land/water use.
Water scarcity and protected species risks at business sites	Potential supply chain water scarcity risks and changes in water resources may indirectly affect the habitats of protected species and escalate into environmental regulatory and permitting risks.
Supply chain regulatory risks arising from the implementation of the EUDR	- Priority items such as leather/rubber, in accordance with the EUDR that was came into effect in 2025, are used for vehicle seats, tire parts, etc. - The use of rubber and leather raw materials linked to deforestation may increase the risk of delays or disruptions in the procurement of related parts due to import restrictions in Europe.
Mitigation of biodiversity risks associated with the transition to EVs	A reduction in raw material inputs and manufacturing processes resulting from the decrease in the number of components associated with the transition to electric vehicles (EVs) reduces dependence on non-ferrous metal mining and lowers biodiversity risk exposure across the supply chain.
Enhancing supply chain resilience through the expansion of the circular economy	An expansion of the circular economy system, including battery recycling/remanufacturing, reduces demand for new mining, contributing to the mitigation of volatility in raw material procurement costs and stability in the supply chain.
Reducing operational uncertainty through ecosystem restoration activities	- Strengthen preparedness for tightening environmental regulations by proactively implementing ecosystem restoration activities linked to protected species habitats and KBAs near business sites - Enhance social acceptance during business expansion and permitting processes while reducing mid- to long-term operational uncertainty

ACTIONS TO ADDRESS RISKS AND OPPORTUNITIES

Direction of Biodiversity Management We plan to strengthen water management and local ecosystem monitoring, focusing on Hyundai Motor India, Hyundai Mexico, and Beijing Hyundai Motor Company, where water scarcity and protected species habitats overlap, and to establish biodiversity risk management systems from a climate adaptation perspective for our business sites in Vietnam and Korea, which are highly exposed to climate-related disasters. For business sites located near protected species habitats and KBAs, including the Ulsan Plant and Hyundai Motor Manufacturing Alabama, we will strengthen ecosystem impact assessments and stakeholder engagement during business operations and expansion to enhance regulatory preparedness and secure social acceptance. In addition, we will continue to advance toward a management approach that mitigates biodiversity risk exposure across the supply chain over the mid- to long-term.

Mitigation Method	Key Initiative
Avoid	Before establishing, modifying, or expanding a large business site, we pre-assess how the activity will impact the nature assets, including biodiversity (flora and fauna) and air environment, water environment, and land environment, of the planned project site and surrounding area, and determine whether to proceed with, restrict, or defer the project based on the assessment results.
Reduce	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.
Restore	- We pursue the restoration of endangered, high-risk species, threatened species due to climate change, and degraded ecosystems. - Animal restoration: We strive to preserve and restore species, such as by setting protection zones for the endangered Long-billed Plover and Cinereous Vulture, a natural monument, which live in the Taehwa River, in collaboration with Ulsan Metropolitan City and East Asian-Australasian Flyway Partnership. - Plant restoration: Following the cultivation and planting of Korean Fir in the Hongcheon area, an 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 pennsylvanicum Ker Gawl. - Ecosystem restoration: We are implementing a restoration and ecological garden development project on a site affected by ecosystem degradation (nearly 9,000m²) under the public-private partnership with Asan City.
Regenerate	- We undertake regeneration projects for terrestrial and marine ecosystems. - Terrestrial ecosystem: We are expanding habitats to help increase terrestrial species populations by planting 2.22 million trees across 13 countries, including Korea, South America, North America, and Europe, by 2025 through the IONIQ Forest project. - Marine ecosystem: In collaboration with Healthy Seas, we will collect a total of 320 tons of ocean waste (waste fishing nets, etc.) in 8 European countries (Greece, Italy, etc.), the U.S., and Korea by 2025 to help increase marine life populations, including the return of marine fish species.
Transform	- Transitioning toward an EV-centered business model that can reduce carbon footprints compared with internal combustion engine vehicles (LCA results indicate potential reductions of up to approximately 67%) - We are promoting the adoption of sustainable materials to reduce biodiversity impacts associated with raw material extraction as vehicle manufacturing requires various raw materials, including metals, rubber, and leather - Promoting the development and dissemination of new ecosystem restoration technologies through public-private partnerships - Conducting research on ecosystem restoration methodologies for wildfire-affected areas using the IONIQ 9 Seed Ball Drone Station in collaboration with the Baekdudaegan National Arboretum

SBTN AR3T Framework Hyundai plans to establish and implement biodiversity response activities in a phased manner across its overall business sites and supply chain based on the SBTN's AR3T framework for derived biodiversity management priorities. AR3T is a phased response framework for systematic management of companies' negative impact on nature, and consists of the five steps of Avoid, Reduce, Restore, Regenerate, and Transform. It adopts a sequential approach that begins with avoiding negative impacts on biodiversity and then minimizes unavoidable impacts and restores/regenerates damaged ecosystems. Through the Transform stage, the framework covers system-level transitions, such as supply chains/business models, to address the root cause of biodiversity loss.



Biodiversity

STRATEGY

Asia To support the systematic management of HMMI, Hyundai conducted a biodiversity assessment through an independent third-party organization. The assessment identified a total of 747 flower species and 32 plant species in the areas surrounding the site. In addition, activities undertaken by HMMI, such as greening the areas around the plant and creating green spaces, were confirmed to have a positive impact on biodiversity. Meanwhile, land-use change, as well as air and noise pollution, were identified as factors that may have negative impacts. However, these negative impacts were confirmed to be at a manageable level through the operation of pollution reduction facilities and the expansion of buffer green areas. Furthermore, HTMV, BHMC, and HMTR identify the status of the biological environment through environmental impact assessments and minimize environmental impacts through the safe treatment of wastewater, dust, and various wastes generated during business operations. HMI is implementing its own water-saving projects to mitigate water resource risks and has planted approximately 1.1 million trees since 2021, primarily in areas surrounding its business sites. HMGICS has a relatively low level of environmental impact but continues to monitor biodiversity impacts associated with its geographic location.

In Korea, Hyundai is carrying out biodiversity conservation activities in areas surrounding its domestic business sites. The Ulsan Plant is implementing the restoration project for the Rosy Bitterling, a flagship species of the Taehwa River, as well as activities to protect waterbird habitats. The Asan Plant conducted projects to improve the ecological environment of degraded natural areas along the Sapgyocheon Stream and restore migratory bird habitats, in addition to releasing juvenile fish into the Gokgyocheon Stream and planting Korean winter hazel and *Rhodotypos scandens* on Mt. Yeonginsan. In particular, the Jeonju Plant is collaborating with Deogyusan National Park to monitor and artificially propagate endangered species, including *Cypripedium japonicum*, *Aconitum austrokoreense* Koidz., and *Lilium pennsylvanicum* Ker Gawl.

Europe To prevent risks associated with the EUDR, Hyundai completed a preliminary assessment at the headquarters level covering leather and rubber components for vehicles produced in or exported to Europe. Preparatory training on EUDR response guidelines was provided to procurement working-level teams at Headquarters and in the EU, as well as relevant suppliers. Based on these efforts, we are establishing a response system together with suppliers, including the identification of deforestation-related risks.

The Beskydy Mountains are located near HMMC. The mountain range is one of Europe's important biodiversity areas and provides a natural habitat for diverse flora and fauna. Taking these environmental characteristics into account, Hyundai has made continuous efforts since 2021 to preserve the ecosystem of the region. As part of these efforts, we conserved 50 hectares of grassland by planting 11,000 fir seedlings, installing 200 facilities for rare butterfly monitoring, and sowing 10 million herbaceous plant seeds.

The Americas Based on biodiversity assessment results, Hyundai is implementing habitat quality improvement projects aimed at achieving a Net Positive Impact on biodiversity. Since 2012, HMMA has planted native species through a forestation project in areas near streams surrounding the business site. Through this project, HMMA has planted 50,000 trees near the business site and has conducted regular monitoring of flora and fauna in surrounding wildlife areas twice a year since 2010. In addition, since 2023, in collaboration with The Nature Conservancy (TNC), Hyundai has planted a total of 100,000 native species across 40 hectares in the state of São Paulo, where Hyundai Motor Brasil is located, and the neighboring state of Minas Gerais, thereby further improving habitats for terrestrial species. Furthermore, HMGMA and Hyundai Mexico identify the status of the biological environment through environmental impact assessments and minimize environmental impacts through the safe treatment of wastewater, dust, and various wastes generated during business operations.

Qualitative Biodiversity-Related Financial Impacts

With the strengthening of global biodiversity-related regulations, including the EU Corporate Sustainability Due Diligence Directive (CSDDD) and the EUDR, fluctuations in sourcing costs for key battery raw materials and increases in supply chain due diligence and monitoring costs are expected. In business sites where water scarcity overlaps with the presence of protected species habitats, rising water procurement costs and expenditures related to compliance with environmental regulations may also act as potential cost factors. Conversely, reductions in raw material consumption through electrification and the circular economy, together with supply chain diversification, are expected to contribute to sourcing cost stabilization. In addition, ecosystem conservation activities in areas surrounding business sites are considered likely to positively support the mitigation of reputational risks and the securing of social acceptance for business permitting and expansion.

RISK MANAGEMENT

RISK MANAGEMENT PROCESS

Biodiversity-Related Risk Management Process

Risk Identification Hyundai recognizes the potential impacts that biodiversity issues may have across its business operations and supply chain and has established a two-way management approach to manage them systematically. Given the nature of the automotive industry, biodiversity-related dependencies and impacts are widely distributed not only across our manufacturing sites but also throughout upstream supply chains, including non-ferrous metals mining and steel manufacturing. Accordingly, we apply both a top-down assessment, which provides a macro-level view of risk structures at the industry and value chain levels, and a bottom-up assessment, which identifies detailed, site-specific risks and opportunities at individual manufacturing facilities. Identified biodiversity issues are prioritized through a phased assessment process, and through this methodology, we aim to strengthen our foundation for more effective natural capital management.

Risk Management Hyundai manages biodiversity issues identified through a two-way approach in an integrated manner across both business sites and the supply chain. At the business site level, we establish priorities for impact mitigation and conservation activities based on the natural capital characteristics and ecosystem sensitivity of each site and implement them in a phased manner. At the supply chain level, we manage biodiversity-related issues through a comprehensive approach centered on the Supplier Code of Conduct, taking into account diverse considerations such as ecosystem impacts associated with battery mineral extraction and the protection of indigenous peoples' rights. Material biodiversity-related issues are also incorporated into and operated through the enterprise risk management (ERM) process.

IMPACT ASSESSMENT PROCESS

Biodiversity Impact Assessment Process for Business Sites

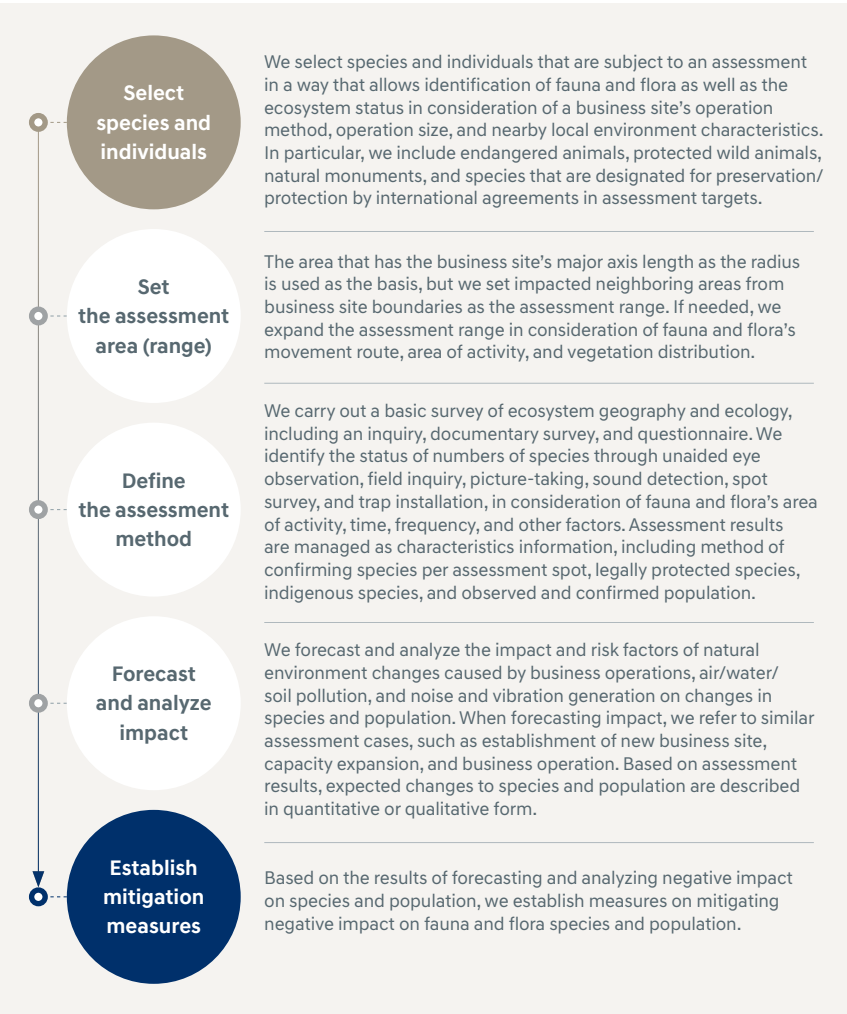
Hyundai conducts environmental impact assessments exclusively for its large-scale business sites based on relevant laws and regulations in the respective country, to forecast and analyze the impact on residents' living conditions and the natural environment caused by environmental factors that arise in the process of newly constructing or expanding business sites, or during their operation. 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 impact assessment that identifies the distribution of fauna and flora and ecosystem status, through which they forecast impact and risk factors on specific species and populations and establish mitigation measures.

Biodiversity

RISK MANAGEMENT

In addition, each business site carries out biodiversity and habitat protection activities and collaborates with government agencies, relevant organizations, non-profit groups, and professional organizations to raise the effectiveness of protection activities.

Biodiversity Impact Assessment Process for Business Sites – Flora and Fauna Distribution Survey and Impact Analysis



METRICS AND TARGETS

METRICS

Terrestrial Ecosystem

Hyundai has been implementing the “IONIQ Forest” project since 2016, creating forests across 13 countries, including the U.S., Brazil, Germany, Türkiye, the Philippines, and India. In 2025, we established the IONIQ 9 Seed Ball Drone Station and, in collaboration with the Baekdudaegan National Arboretum, carried out forest ecosystem restoration in wildfire-affected areas in Uljin. In India, we planted 1.1 million trees primarily in areas surrounding our business sites, while in Vietnam, we partnered with IUCN to restore an 80,000-tree mangrove forest in the Mekong Delta. In the U.S., we planted 110,000 trees in wildfire-affected areas in California. Through the global IONIQ Forest project, we planted a cumulative total of approximately 2.22 million trees by 2025.

Marine Ecosystem

As part of its efforts to conserve marine ecosystems, Hyundai has been collecting marine waste and carrying out upcycling initiatives in Europe, Korea, and the U.S. since 2021. In collaboration with our partner, Healthy Seas, we collect abandoned fishing nets and marine waste that threaten marine ecosystems, contributing to marine ecosystem restoration. In addition, we conduct marine environmental education and awareness-raising activities for future generations, providing opportunities to directly experience the importance of marine ecosystem conservation. Together with Healthy Seas, we collected a cumulative total of 320 tons of marine waste and provided marine environmental education to 4,861 people by 2025.

TARGETS

Terrestrial Ecosystem

Hyundai aims to plant a cumulative total of approximately 3 million trees worldwide by 2035. By restoring forests in wildfire-affected areas in Korea, the U.S., and other countries, as well as creating forests near business sites, we will contribute to ecosystem restoration. In addition, we plan to support environmentally friendly and effective forest management through the global expansion of the IONIQ 5 and IONIQ 9 Drone Stations.

Marine Ecosystem

Hyundai aims to collect 400 tons of marine waste by 2027 by expanding the geographic scope of its marine ecosystem conservation activities. We plan to continue collecting marine waste, including discarded fishing nets, by expanding collection activities to include Korea and the U.S., in addition to the existing eight European countries.

Classification	Metrics	Targets	Progress	Detailed Strategies for Achieving Goals
Terrestrial ecosystem	- Area of regeneration - Number of trees planted to build forests	- Area of regeneration: Regenerate a total of 3,000 ha of terrestrial ecosystem (forest, grassland) by 2035 - Planting trees: Plant 3 million trees by 2035	- Restoration area: Completed the restoration of terrestrial ecosystems of 2,218 ha, including forests and grasslands, between 2016 and 2025 - Tree planting: Planted a total of 2,221,156 trees between 2016 and 2025	Advancing progress toward the target through new ecosystem restoration projects in key countries where our production plants are located, including Korea, the U.S., Brazil, and the Czech Republic, together with the global expansion of the IONIQ Forest project
Marine ecosystem	Volume of marine waste collected, including waste fishing nets	Collect a cumulative total of 400 tons of marine litter by 2027	Collected a total of 320.9 tons of marine litter on nearly 86 occasions in 8 European countries, Korea, and the U.S. between 2021 and 2025 (41.6 tons in 2025)	Expanding the marine litter collection initiative to include Korea and the U.S. in addition to 8 European countries to attain the set goal



Intro



Env



Soc



Gov



Data

Social



Today, corporate sustainability is evaluated not only by business performance, but also by the impact companies create across society.

Hyundai is committed to creating social value alongside economic value throughout its business activities. Based on a proactive health and safety management system, we strive to protect the lives and safety of our stakeholders while strengthening sustainability across the supply chain. Customer-centric insights fuel innovation across our products and services, while global-standard security systems power our digital transformation. In addition, we foster an inclusive environment grounded in respect for human rights, diversity, and inclusion, while creating future value through our CSV initiatives. In this way, we continue to scale social impact and drive positive change, enabling more people to enjoy greater value.

In This Section

Health and Safety [Material Topic](#)

Sustainable Supply Chain [Material Topic](#)

Customer Experience Innovation [Material Topic](#)

Human Rights and Human Resources Management

Information Security and Privacy Protection

CSV Initiative

Material Topic

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 robust 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.

GOVERNANCE

GOVERNANCE BODY

Board of Directors

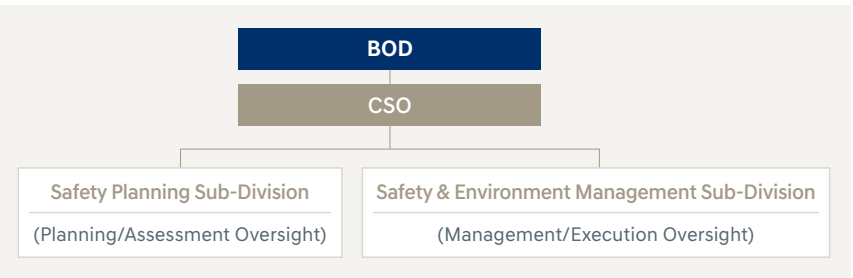
Hyundai regards safety not simply as a matter of regulatory compliance, but as a fundamental pillar of sustainable growth and corporate social responsibility, undertaking company-wide efforts to advance this commitment. These activities and plans related to occupational safety and health are managed systematically, and matters related to the annual operation of the occupational safety and health management system, objectives, implementation plans, and implementation status are reported to and approved by the Board of Directors (BOD). The BOD closely reviews the company’s occupational safety and health strategies and implementation status and provides continuous support, guidance, and oversight to ensure the effective implementation of safety-related policies.

MANAGEMENT

Chief Safety Officer (CSO)

Our CEO and other members of top management review and oversee relevant monthly performance and key outcomes. The Chief Safety Officer (CSO), who also serves as CEO, is responsible for implementing overall health and safety governance, and the company-wide health and safety organization operates directly under the CEO. Under the oversight of the CSO, 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.

Health and Safety Management System



With the help of third-party occupational health and safety experts, we review health and safety practices at our business sites, assess the likelihood of relevant incidents, and participate in post-incident investigations. KPIs related to health and safety management are assigned to responsible employees, including senior management, leaders, and field managers, and their performance against the set goals is evaluated.

Committee and Dedicated Teams

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.

Introduction of the Health and Safety Management System

All our domestic and international sites operate health and safety management systems that include implementation plans, risk identification and improvement measures, and performance evaluations. 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 support suppliers to establish a health and safety management system so that they could build independent health and safety capabilities.

Safety Management KPIs

Hyundai recognizes safety as a pillar of corporate management in its efforts to enhance sustainability and establishes and evaluates safety management KPIs on an annual basis. Evaluations are conducted across all our organizations, with evaluation indicators designed to reflect the business characteristics of each organization in order to prevent serious accidents and strengthen the safety governance framework. The indicators consist of leading indicators (preventive activities) and lagging indicators (management performance). Leading indicators include the health, safety and environment assessment tool (H-SAT), identification and mitigation of major risk factors, and safety leadership activities, while lagging indicators include the occurrence of serious accidents and the target achievement rates for accident-related indicators (accident rate, absenteeism rate). Through the indicators, we comprehensively monitor safety management activities across all areas, including non-manufacturing divisions as well as manufacturing sites.

Classification		Key Performance Indicators	
		Lagging Indicators	Leading Indicators
Manufacturing divisions	3 divisions	• Accident rate/absenteeism rate ¹⁾ target achievement rate • Pollutant emissions target achievement rate • Safety incident rate, etc.	• H-SAT • Identification and mitigation of major risk factors, etc.
	11 business units		
Non-manufacturing divisions	2 groups		
	31 divisions	• Accident indicator target achievement rate • Occurrence of serious accidents, etc.	• H-SAT • Safety leadership • Completion of statutory safety training, etc.
	19 business units		

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 System (ISO 45001)-Certified Workplace

All manufacturing subsidiaries at home and abroad

100%





Intro



Env



Soc



Gov



Data

Health and Safety

STRATEGY

IMPACTS, RISKS AND OPPORTUNITIES

Health and Safety Identification Results

Hyundai operates a systematic process to identify occupational health and safety-related risks and opportunities. Key occupational health and safety-related risks include the risk of accidents and serious incidents during production and non-routine operations, supplier-related safety incidents, violations of occupational health and safety regulations, and the occurrence of musculoskeletal disorders. Key opportunities include embedding safety awareness through the establishment of a safety culture, implementing global safety standards through occupational health and safety management system certification, and strengthening supply chain stability by enhancing suppliers' safety management capabilities. These risks and opportunities were deemed material in consideration of changes in the external environment, such as the strengthening of occupational health and safety laws, regulations, and policies, as well as increasing stakeholder expectations regarding occupational health and safety.

BUSINESS MODEL AND VALUE CHAIN

Occupational health and safety-related risks and opportunities impact Hyundai’s business model in the following ways and are expected to continue to do so in the future. Industrial accidents may result in temporary production line shutdowns, loss of skilled personnel, and legal sanctions arising from violations of safety-related laws and regulations. Conversely, strengthening the occupational health and safety management system creates opportunities to improve productivity and attract and retain talent by maintaining a stable production environment and protecting employee health. In the event of a serious incident, penalties against responsible management personnel under the Serious Accidents Punishment Act, suspension of business operations, and a decline in customer trust may occur. On the other hand, proactive safety investments create opportunities to reduce accident prevention costs, improve external sustainability ratings and assessment results, and enhance corporate value. Occupational health and safety-related risks and opportunities also affect suppliers. Industrial accidents at suppliers may lead to production delays due to disruptions in parts supply, as well as legal risks arising from joint liability involving contractors. Conversely, strengthening suppliers' safety capabilities creates opportunities to secure supply chain stability and establish long-term partnerships with outstanding suppliers. In the future, serious incidents occurring within the supply chain are expected to increase regulatory risks related to supply chain due diligence. On the other hand, improvements in supply chain safety standards may lead to improved results in external sustainability and supply chain assessments.

STRATEGY AND DECISION-MAKING

Health and Safety Strategy Roadmap

2030 Safety Management Strategy Hyundai established its 2030 Safety Management Strategy to proactively respond to increasingly diversified industrial and workplace safety risks and strengthened occupational health and safety policies, while preparing for the transition to software-defined vehicle (SDV)-based mobility services. We adopted “Together for BARO ZERO”¹⁾ as our safety management vision, emphasizing the practice of taking ownership of safety in one’s role, preventing risks together with colleagues, and fostering a sustainable safety culture in which people and technology work in harmony. Based on this vision, we established three core business strategies, nine implementation strategies, and 28 action tasks: “Predictive and Prepared Safety Management,” which aims to minimize blind spots and proactively identify potential risks to establish systems for the fundamental prevention of accidents; “Transformation Toward Efficient Ways of Working,” which seeks to strengthen capabilities to prevent serious incidents through changes in work processes using data-driven digital technologies; and “Everyday Safety with Everyone’s Participation,” which focuses on safety culture activities based on the safety brand, innovation in safety education systems, development of safety personnel, and embedding safety awareness among employees. The “2030 Safety Management Strategy” was reported to and approved by the BOD at its first meeting in 2026, and we plan to continue implementing initiatives to achieve the strategy going forward.

Key Contents of the 2030 Safety Management Strategy



¹⁾ BARO means following safety rules “correctly” and communicating with each other “immediately,” while ZERO represents serious accidents and “zero” on-site safety risks.



Health and Safety

STRATEGY

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

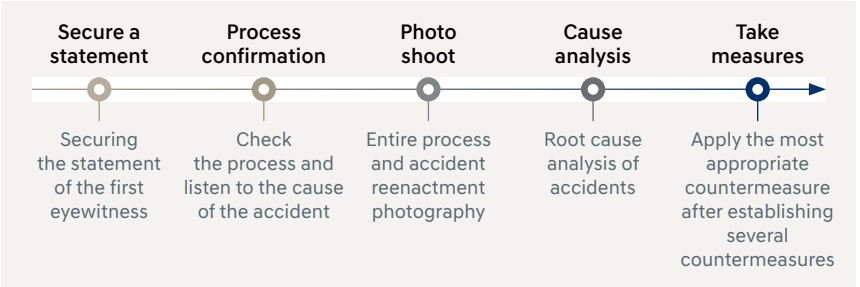
Response to Emergencies

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.

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.

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



* 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



Health and Safety

STRATEGY

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 CSO.

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 systematically review company-wide safety and quality activities throughout the entire process from vehicle development to manufacturing, including body, painting, assembly, and finished vehicle inspection, while identifying, addressing, and managing potential issues. In addition, we continuously monitor accident cases involving customers and, in the event of quality defects, take prompt recall and campaign measures followed by effectiveness reviews, as part of our ongoing efforts to ensure safe and convenient mobility for our 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’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, 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.

Health and Safety Culture Promotion and Training

Promoting Health and Safety Culture In 2025, Hyundai launched its safety brand “BARO ZERO” through a joint labor-management declaration ceremony and has since promoted safety culture initiatives under the slogan “Safety BARO, Risk ZERO.” Through the introduction of the BARO ZERO safety brand, we have established a unified and structured safety messaging system and are strategically and systematically promoting safety culture initiatives so that employees can internalize BARO ZERO’s values of “immediate action, immediate improvement, zero haste, and zero negligence.”

On-site Safety Awareness Activities Hyundai is promoting initiatives to strengthen employee safety awareness through activities such as CSO safety messages, division head safety newsletters, H-Safety Together, the establishment of an ongoing safety rewards program, and the development of mandatory company-wide safety content. In addition, to encourage greater on-site participation, we expanded participatory safety initiatives, including the establishment of the H-Safety Experience Center and the SHE idea contest “Let’s Join Together! BARO ZERO.” To further spread the safety culture, BARO ZERO-inspired designs were also applied to the interiors and exteriors of buildings as well as company vehicles.

Introducing Company-wide Safety Awareness Campaign Hyundai produced and distributed company-wide safety awareness campaign content titled “When an Ordinary Day Is No Longer Ordinary” to raise employee safety awareness and promote a safety culture throughout the organization. The content was designed to convey the message that the ordinary days we often take for granted are made possible by a foundation of safety. Through emotionally driven, narrative-based storytelling, it reexamines the value of safety, which can easily be overlooked in everyday life, and encourages employees to personally reflect on the meaning of safety. In particular, it moves beyond conventional information-based training approaches to foster empathy and raise awareness, thereby contributing to a shared understanding of safety and the spread of safety culture across the organization.

Activities to Prevent High-consequence Incidents in the Workplaces

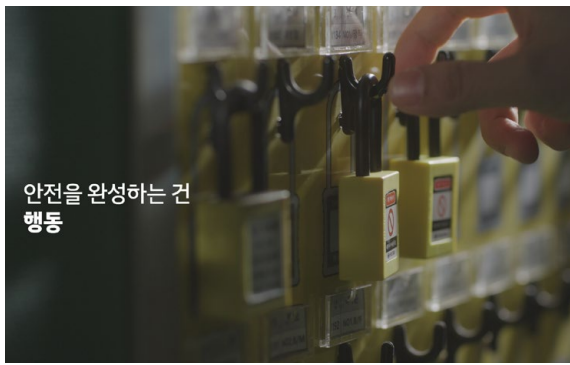
Classification	Description of Activities
Regular mobile safety inspections	• Introduction of mobile inspections to ensure the safety of work processes and operating facilities
Installation of smart motion sensors	• Prevention of high-consequence incidents by installing sensors, primarily in safety management 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 safety management guidelines covering all phases from design to construction to strengthen safety management for non-routine construction work
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



BARO ZERO, Hyundai’s safety brand character



Company-wide safety engagement media



Health and Safety

STRATEGY

H-Safety Experience Center Hyundai plans to establish the “H-Safety Experience Center” at its Ulsan Plant in August 2026, the first facility in Korea to simulate an actual production site using projection mapping technology. Based on a labor-management agreement reached in 2025, construction of the H-Safety Experience Center commenced in February 2026. The facility, with a total floor area of approximately 280 pyeong (approximately 10,000 square feet) within the Ulsan Plant, will consist of six zones—Welcome, Safety, Traffic Safety, Accident Experience, Risk Assessment, and Emotional Safety Zones—and will provide experiential training based on actual accident cases to help employees internalize safety awareness. Moving forward, we plan to gradually open the facility to suppliers and local communities, thereby fulfilling our social responsibility through safety and contributing to the creation of a safer society.

Classification	Site	Opening	Facilities
Safety experience center	Ulsan Plant	Aug. 2026 (to be established)	6 experiential zones
	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



H-Safety Together

Holding H-Safety Together In 2025, Hyundai hosted “H-Safety Together” to foster a collaborative safety culture under the message, “My safety is the company’s safety, and ultimately my family’s happiness.” This was the first large-scale, company-wide safety culture initiative involving both employees and their families, with approximately 2,000 employees and family members participating. Through the “Safety for Everyone” program, participants were encouraged to recognize their own safety and that of their colleagues as top priorities, while the “Family Safety Golden Bell” event highlighted the importance of safety as a foundation for family happiness. The event served as a meaningful opportunity for all participants to come together around the value of safety.

Health and Safety Training Hyundai has established its own training system, the Safety Education Platform, which enables all employees to take health and safety training consisting of 128 educational videos easily and conveniently in an online and mobile environment. We produce engaging and informative safety training content 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.

Job Competency Training To strengthen safety capabilities, Hyundai has established the Safety Academy job competency training system and operates year-round training programs for all safety personnel, including the CSO organization, business unit safety teams, and safety promoters. In response to the growing need for specialized expertise in safety, we have developed new practice-oriented training courses and introduced case-based, hands-on content to enhance employees’ practical capabilities for immediate on-site application. In addition, we have introduced an internal instructor program to foster in-house experts and promote a culture of voluntary growth. This training system aims to systematically strengthen the safety expertise of all employees and contribute to the prevention of serious incidents and the creation of a safety culture.

Supporting the Acquisition of Safety Professional Certifications To strengthen professional competencies in on-site safety management, we are operating an Industrial Engineer Industrial Safety Certification course for employees. The Certification program is a national technical qualification initiative that verifies the specialized knowledge and skills required of industrial workplace safety professionals. The program began at the Ulsan Plant in 2023 and was expanded in 2024 to include the Asan Plant, Jeonju Plant, the R&D Center, and sales/service divisions. By the second half of 2025, a total of 1,346 employees had taken the examination, with 1,117 earning certifications, resulting in a high pass rate of 83% and contributing to on-site safety management.

Support for Supplier Occupational Safety and Health
Preventing Serious Accidents at Suppliers Hyundai implements safety training support and reward programs for suppliers demonstrating excellence in safety management to enhance suppliers’ safety management standards. In addition, we developed a digital supplier safety management system to evaluate suppliers’ accident prevention capabilities in advance and establish a framework for selecting qualified suppliers and contractors. To strengthen suppliers’ safety management systems, we carried out various safety management activities, including supplier information registration, supplier safety management capability assessments, operation of occupational safety and health committee, and joint inspections.

Conducting Supplier Safety Inspections and Strengthening Safety Awareness Hyundai conducts assessments through external specialists to improve suppliers’ safety standards and prevent industrial accidents, while supporting suppliers in establishing self-managed safety systems and enhancing occupational health and safety capabilities based on the assessment results. In 2025, we conducted intensive inspections targeting suppliers that showed insufficient results in the previous year’s assessments, to identify hazards and vulnerabilities and provide tailored consulting support, thereby significantly improving safety standards.

Additionally, we conducted occupational health and safety assessments of tier-2 suppliers for the first time in 2025, through the Foundation for Industrial Safety Partnerships, and have been working with tier-1 suppliers to improve identified weaknesses. Furthermore, we run an occupational health and safety partnership support program to fundamentally strengthen suppliers’ safety capabilities. We support tier-1 and 2 suppliers by providing risk assessment consulting to help them establish their own safety management systems and share safety trends and best practices through the quarterly health and safety win-win council.

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. In particular, for tier-1 suppliers operating PSM (Process Safety Management) facilities, painting processes, gas facilities, and battery systems, the Procurement Division and plant fire safety teams jointly inspected major ignition risk factors at supplier business sites, including electrical facilities, grounding systems, static electricity, and battery storage conditions. We also actively supported suppliers in strengthening their fire prevention capabilities by recommending various fire prevention measures, including the installation of fire hydrants and alarm systems in compliance with applicable regulations.

Health and Safety

STRATEGY

Moreover, to strengthen suppliers' safety awareness, we hosted safety management seminars and exhibitions for CEOs of tier 1 and 2 suppliers. During the seminars, we presented our occupational health and safety policies and key implementation strategies for preventing serious incidents, while also sharing response strategies related to the Serious Accidents Punishment Act and the government's industrial safety policies. In particular, we showcased the latest safety technologies, including forklift safety devices, safety sensors, smart glasses, and demonstrations of AMRs (Autonomous Mobile Robots), providing suppliers with opportunities to directly experience safety equipment applicable to their workplaces.

Under the safety device cost support program for tier-1 and 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. Moreover, we conducted Safety Academy programs and safety seminars to support the practical safety management activities of supplier safety managers and personnel. We also measure suppliers' level of safety awareness as part of efforts to embed a strong safety culture across their business sites. 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, reflecting to our commitment to enhancing safety awareness among our employees and workers.

FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASH FLOWS

Occupational health and safety risks may lead to reduced sales due to production line shutdowns and supplier parts supply disruptions caused by industrial accidents. Selling, general and administrative expenses (SG&A) may increase due to investments in safety facilities, while provisions and contingent liabilities may increase in the event of violations of the Serious Accidents Punishment Act. In addition, there is a risk that Hyundai's brand value, a key intangible asset, may be adversely affected.

Conversely, proactive safety investments may contribute to improved operating profit through the reduction of accident-related losses, while enhanced external sustainability assessment results may strengthen corporate credibility, potentially lowering financing costs and stabilizing operating cash flows.

RISK MANAGEMENT

RISK MANAGEMENT PROCESS

Prevention and Monitoring of Occupational Health and Safety-Related Risks

Accident Management Centered on Serious Injuries and Fatalities 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 2025, the accident rate at Hyundai's domestic business sites was 0.73, representing an approximately 8.8% decrease compared with 0.80 recorded in 2024. This improvement was primarily attributable to proactive investment and focused management efforts aimed at improving processes with a high frequency of accidents. To uphold employees' right to health, Hyundai ensures that employees receive appropriate medical treatment and support for returning to work, while implementing various safety culture initiatives to prevent the occurrence of high-consequence incidents.

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 2025, we implemented 105 improvement measures, including the installation and reinforcement of safety devices and access restrictions for processes with caught-in hazards. Moving forward, we will continuously improve risk factors identified in high-risk processes and facilities through follow-up investments.

Assessment of the Safety and Environmental Management (H-SAT) Hyundai independently developed and operates the H-SAT (Hyundai-SHE Assessment Tool) system with the goal of continuously improving and standardizing safety and environmental management levels. Through H-SAT, we quantitatively evaluate and analyze management performance levels and improve identified weaknesses. The assessment results are linked to the KPIs of management and personnel with safety responsibilities, encouraging stronger occupational health and safety leadership and more proactive accident prevention activities at business sites. H-SAT consists of safety and health, fire safety, and environment categories and utilizes 264 detailed indicators, including serious accident prevention activities, on-site safety management, and leaders' occupational health and safety responsibilities and roles. In 2025, we identified a total of 1,201 areas for improvement in the safety and environmental management system as well as on-site issues, all of which were fully addressed through follow-up assessments of corrective action implementation.

H-SAT Assessment Results and Improvements

				
Classification	Safety	Health	Fire Safety	Environment
Management system assessment	- High-consequence incident prevention activities - Health and safety management system, etc.	- Employee health impairment prevention - Statutory and in-house health programs, etc.	- Emergency responses/drills - Fire prevention plan, etc.	Water and air pollution control facility management, etc
On-site workplace inspection	- Hazardous machinery and equipment - Safety devices for unmanned processes, etc.	- Work environment monitoring and process management - Hazardous chemicals	- Statutory hazardous materials & gas management sites - Fire-vulnerable areas	- Management of statutory environmental facilities - Pollutants management, etc.
Identified improvements	- Inadequate access prevention measures for automated facilities - Insufficient improvement measures for risk assessment hazards	Inadequate on-site updates of MSDS information, etc.	Inadequate management of firefighting equipment, etc.	Inadequate reporting and management of soil contamination facilities, etc.
Improvement rate	100%	100%	100%	100%



Intro



Env



Soc



Gov



Data

Health and Safety

METRICS AND TARGETS

METRICS

Occupational Health and Safety Incidents and Accident Rates

Hyundai continuously tracks incident data and accident rate indicators to systematically manage occupational health and safety risks across its business sites.

Classification	Unit	2023	2024	2025	Note
Number of work-related fatalities for employees	Person	2	2	0	
Number of work-related fatalities for in-house suppliers ¹⁾	Person	0	0	0	
Number of employees involved in occupational accidents	Person	593	561	534	146 occupational illness cases, 0 work-related fatalities
Accident rate	%	0.58	0.56	0.54	
Employee LTIFR ²⁾	Cases/1 million working hours	1.89	1.90	1.53	
In-house supplier LTIFR ²⁾	Cases/1 million working hours	2.02 ⁴⁾	2.41 ⁴⁾	0.82	
Employee TRIR ³⁾	Cases/200,000 working hours	0.97	1.79	1.34	
In-house supplier TRIR ³⁾	Cases/200,000 working hours	0.40 ⁴⁾	0.48 ⁴⁾	0.21	

* Data coverage: Domestic operations (plants, R&D centers, and Korea business operations) and overseas production sites
¹⁾ In-house contractors at Hyundai Motor Company
²⁾ LTIFR (Lost-Time Injury Frequency Rate) = (Number of lost-time injuries x 1,000,000)/annual working hours
³⁾ TRIR (Total Recordable Incident Rate) = (Number of recordable incidents)/(total hours worked) x 200,000
⁴⁾ The 2023 and 2024 data were restated due to an error in calculating working hours for in-house supplier employees.

Health and Safety Training

Hyundai provides customized occupational health and safety training tailored to employees' job functions and risk levels, while systematically managing training completion records for all employees. In particular, we seek to foster a strong safety culture by strengthening field-oriented safety capabilities.

Training	Target	Hours	Completers (Persons)
Regular training	Office workers	Over 6 hours per half-year	Total: 554,670 Group: 162,675 Mobile: 391,995
	Sales workers	Over 6 hours per half-year	
	Other workers	Over 12 hours per half-year	
Training for new hires	Daily workers and workers with employment contract terms of 1 week or less	Over 1 hour	New hires
	Daily workers and workers with employment contract terms exceeding 1 week and up to 1 month	Over 4 hours	
	Other workers	Over 8 hours	

Industrial Engineer Industrial Safety Certifications Obtained

Hyundai actively supports the acquisition of the Industrial Engineer Industrial Safety Certification to secure professional safety personnel and continuously monitors related performance indicators. From 2023 to 2025, the pass rate for applicants at domestic business sites was 83%, and the certification status by business site is as follows.

Classification	Ulsan	Asan	Jeonju	R&D Center	Sales/Maintenance	Total
Applicants (Persons)	754	105	129	237	121	1,346
Successful candidates (Persons)	626	88	117	196	90	1,117
Pass rate (%)	83%	83%	90%	83%	74%	83%

TARGETS

Expansion of Occupational Safety and Health Investments

Hyundai plans to make concentrated improvement investments of KRW 200 billion annually through 2030 to drive fundamental improvements in accident prevention. This represents a systematic approach focused not merely on post-incident responses, but on proactively eliminating risk factors and preventing accidents in advance.

In the occupational health and safety area, we plan to expand investments focused on strengthening facility safety beyond legal requirements and improving working environments, through which we aim to create a work environment that places the highest priority on workers' health and safety while significantly reducing industrial accident rates over the long term. In the environmental and fire safety area, we plan to fully replace aging air and water environmental facilities and make focused investments in battery fire prevention, whose importance is increasing alongside the transition to electrification. In particular, we seek to realize sustainable business operations by simultaneously strengthening environmental management and safety management. In addition to the current occupational health and safety governance structure centered on domestic manufacturing sites, we will strengthen safety management governance for non-production operations, new businesses, and overseas business sites by 2030. In doing so, Hyundai plans to establish a consistent safety management system across all global business sites and foster a shared safety culture among all employees.



Material Topic

Sustainable Supply Chain

Hyundai has established a responsible supply chain management system and related sustainability strategies and targets, based on which it implements policies and programs to promote shared growth with suppliers. In addition, we identify and mitigate risks in advance through supply chain due diligence and strengthen our supply chain management capabilities through collaboration with global initiatives. We also strive to establish a sustainable supply chain management system by providing comprehensive support to enhance suppliers' capabilities and operating grievance handling procedures. Based on the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, we identify, prevent, and mitigate adverse human rights and environmental impacts across our supply chain, and will continue to enhance the transparency of our disclosures in line with actual impacts and risks within the supply chain.

GOVERNANCE

MANAGEMENT

Sustainable Supply Chain Management Governance

To promote shared growth with the supply chain, Hyundai has established the Supplier Cooperation & Safety Support Team and the Small and Medium Supplier Cooperation Support Team under the Procurement Division to strengthen supplier support. In addition, the Supply Chain Sustainability Management Team is responsible for managing and overseeing sustainability risks within the supply chain. When supplier-related issues arise, the status is reported to the Sustainability Management Committee under the Board of Directors (BOD), and key supply chain ESG performance indicators are linked to organizational KPIs and reviewed annually.

Hyundai is keenly aware of human rights violations arising in conflict-affected and high-risk areas. We have therefore established management systems to comply with our responsible minerals policy and fulfill social responsibilities to prevent such violations and safeguard the health and safety of workers. Through these efforts, we continuously monitor and manage environmental pollution and human rights issues in conflict-affected areas.

Committee and Dedicated Teams

Supply Chain Sustainability Council Hyundai operates the Supply Chain Sustainability Council to proactively respond to increasingly stringent global ESG regulations and stakeholders' growing demands for information disclosure. Led by the Supply Chain Sustainability Management Team, the Council regularly brings together relevant departments, including sustainability-related functions, legal, risk management, and stakeholder engagement teams. Participants discuss legal reviews of global issues, the designation of responsible departments and response measures, as well as systems for sharing supply chain sustainability issues and areas requiring improvement. The Council is held on a quarterly basis, and emergency meetings are convened when significant issues arise, enabling us to support internal decision-making by reviewing risks from multiple perspectives and seeking to proactively prevent legal and reputational risks.

Organization Responsible for Supply Chain Sustainability Management Through a dedicated team within the Procurement Division, Hyundai is responding to increasingly stringent global regulations on supply chain due diligence. Additionally, we oversee supply chain due diligence and promote carbon neutrality among suppliers, ensuring timely management of supply chain sustainability for parts, raw materials and equipment supplied to our vehicle manufacturing plants in Korea and overseas.

Procurement Personnel To strengthen Hyundai's responsible sourcing system across its global supply chain, procurement personnel consider regional regulatory environments and supply chain characteristics in each region. In 2025, to enhance the ESG understanding and management capabilities of regional procurement organizations, we conducted on-site training sessions for procurement expatriates and local staff in major regions, including Europe, India, Indonesia, and North America. The training focused on ESG regulations (such as EUDR, EUBR, CSDDD, and FLR), key headquarters policies, human rights and environmental risk indicators, and carbon emissions management procedures.

Sustainable Supply Chain Management Governance



Sustainable Supply Chain

STRATEGY

IMPACTS, RISKS, AND OPPORTUNITIES

Supply Chain Identification Results

Hyundai systematically identifies and manages ESG issues that may arise across the entire supply chain. In particular, we recognize that various negative impacts and risks exist within the upstream supply chain in relation to suppliers' environmental and social responsibilities. Inadequate occupational health and safety management systems at supplier worksites increase the risk of workplace accidents for workers. Furthermore, fundamental human rights violations—such as child labor, forced labor, and the use of conflict minerals—can severely undermine the rights of local workers and children. These supply chain issues not only have a direct adverse impact on supplier workers, but may also translate into financial risks for Hyundai through legal sanctions, production disruptions, and reputational damage. This underscores the importance of proactive and integrated supply chain management.

STRATEGY AND DECISION-MAKING

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 ecofriendly production system.

Hyundai derives its supply chain management strategy by comprehensively considering risks and opportunities related to stakeholder needs, quality and technological competitiveness, stable supply chain operations, fair trade practices, and environmentally friendly production systems. Additionally, to enhance supply chain sustainability, we are advancing supplier sustainability risk assessment and due diligence systems. These supply chain management strategies are implemented from an integrated perspective that encompasses not only ESG sustainability, but also quality, cost, and delivery stability, as well as business continuity risk management.

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 in enhancing their sustainability capabilities, Hyundai implemented a program through the end of 2025 to assist them in deploying safety equipment, establishing security systems, and reducing carbon emissions. Hyundai has established targets such as the on-site audit completion rate for high-risk suppliers, corrective action implementation rate, and certified smelter sourcing rate to enhance supply chain sustainability, and regularly monitors the status of their implementation.

3-year Roadmap for Supply Chain Sustainability Due Diligence Implementation

Hyundai conducts supply chain sustainability due diligence on all tier-1 parts suppliers. For tier-2 suppliers, industries identified as presenting high environmental and human rights risks—including painting, plating, casting, and forging—are designated as key risk management targets. We also require tier-1 suppliers that engage with tier-2 suppliers in these industries to implement enhanced sub-supplier management practices, including due diligence on tier-2 suppliers.

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 limited replaceability, or have a large trade volume are chosen and managed as significant (key) suppliers. Tier-1 suppliers registered and managed in 2025 totaled 1,690 (procurement volume of 100%), consisting of 379 suppliers in Korea and 1,311 suppliers overseas. Of the tier-1 suppliers, there are 93 key suppliers (procurement volume of 71%). When selecting key suppliers, we apply enhanced management systems not only based on the supply of key components and transaction volume, but also by including suppliers identified as high-risk through ESG due diligence results. 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 39.

5 Strategic Directions for Supply Chain Management

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

3-year Roadmap for Supply Chain Sustainability Due Diligence Implementation





Intro



Env



Soc



Gov



Data

Sustainable Supply Chain

STRATEGY

Major Human Rights/Labor Rights Risks and Distribution in the Supply Chain

Hyundai’s supply chain extends across multiple countries and industries, ranging from vehicle parts procurement to raw material mining, and different human rights and labor rights risks exist depending on the supply chain stage and region. We identify structural risks within the automotive industry supply chain using the Responsible Business Alliance (RBA) risk assessment platform, the OECD Guidelines for Multinational Enterprises, and global risk databases provided by external specialized agencies, and reflect these risks in our due diligence process.

Expanding Supply Chain Sustainability

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.

This Code of Conduct has been established in alignment with international standards and frameworks, including the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights (UNGPs), the ILO Core Conventions, the OECD Guidelines for Multinational Enterprises, and the Ten Principles of the United Nations Global Compact (UNGC). In particular, tier-1 suppliers are required to cascade the Code of Conduct throughout their supply chains to ensure that the compliance requirements are effectively applied to lower-tier suppliers, including tier-2 and tier-3 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 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. Hyundai shares revisions to its Supplier Code of Conduct policy with headquarters employees and suppliers.

Major matters related to supply chain sustainability management plans and programs are continuously improved through oversight and review at the Board level, and any revisions are communicated to the Procurement Division and relevant departments through internal training. Notably, our Supplier Code of Conduct was updated with provisions on the prohibition of compulsory labor. Accordingly, we do not procure raw materials, parts, or components that are directly or indirectly associated with forced labor at any stage of the supply chain, and also require suppliers to establish and implement policies prohibiting the use of forced 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](#)

Incorporating Sustainability into the Bidding System Hyundai monitors the status of safety and environmental incidents at suppliers by distributing guidelines on occupational health, safety, and environmental management standards, as well as by conducting sustainability risk assessments and due diligence. We also apply bidding penalties to suppliers involved in such incidents. Moreover, when selecting new suppliers, we evaluate sustainability, safety, and security practices. The results of these evaluations are reflected in transaction terms and conditions, and beginning in 2025, evaluation results for existing suppliers have also been incorporated into the bidding system. When suppliers pass the evaluation, we review not only evaluation reports and due diligence questionnaires, but also sustainability-related documents such as ethics pledges, eco-friendly parts supply agreements, and quality assurance agreements.

We continuously strengthen our supply chain due diligence standards and specify them on our official website and in standard contracts. In addition, revised sustainability regulations are incorporated into new contracts upon contract renewal with suppliers, thereby imposing a legal obligation on suppliers to comply with the Supplier Code of Conduct. In the event of violations, we request suppliers to promptly take corrective actions or suspend the relevant activities. 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 into the RFQ form to uphold the principle of zero tolerance for forced labor, obligating suppliers to effectively implement sustainability management in the contract signing and renewal process.

Key Risks in the Automotive Industry

Risk Type	Stage of Occurrence	High-risk Regions/Industries	Relevance to Hyundai’s Supply Chain
 Forced labor (recruitment fees, etc.)	Raw material mining to tier-1 and tier-2 parts manufacturing	- Industries with a high reliance on migrant workers - Regions/industries operating government-mandated employment placement programs	Overseas local parts supply chains
 Child labor	Raw material mining to tier-1 and tier-2 parts manufacturing	- Mineral mining sites (including countries classified as OECD CAHRA¹⁾) - Manufacturing industries with a high proportion of migrant workers	Overseas local parts supply chains Battery raw material supply chains
 Inadequate occupational health and safety management	Raw material mining to tier-1 and tier-2 parts manufacturing	- Countries with weak local regulations - Industries involving high-risk processes such as chemical and dust exposure	Industries prioritized for tier-2 supplier risk management (casting, forging, painting, plating, etc.)
 Environmental pollution (water resources, ecosystems, forests, etc.)	Raw material mining	- Mining regions for key battery minerals (cobalt, lithium, nickel, etc.) - Raw materials subject to the EUDR (rubber, etc.)	Battery raw material supply chains
 Violations of indigenous peoples’ rights (non-compliance with FPIC)	Raw material mining and processing	Mining regions for key battery minerals (cobalt, lithium, nickel, etc.)	Battery raw material supply chains Items subject to EUDR (tires, etc.)

¹⁾ Conflict-Affected and High-Risk Areas

Sustainable Supply Chain

STRATEGY

Responsible Minerals Management

Responsible Minerals Management Roadmap Hyundai has been making active efforts to implement a phased roadmap for responsible minerals management as a key element of building a sustainable supply chain. In 2024, based on the results of a mineral materiality assessment, we selected conflict minerals (tin, tantalum, tungsten, and gold) and cobalt as priority minerals for management and strengthened related policies and management systems. In 2025, we expanded the scope of managed minerals to 22 types and additionally designated battery materials such as nickel, lithium, and natural graphite as priority minerals based on the materiality assessment results. Accordingly, we revised our responsible minerals policy and enhanced management processes, thereby establishing a more systematic management framework. In addition, we are conducting written assessment and on-site audit for newly designated priority minerals to identify and manage potential risks. In 2026, we plan to further expand the scope of priority minerals to include additional minerals and further strengthen our management system. Through this phased approach, we aim to enhance the transparency and resilience of the responsible minerals supply chain while promoting respect for human rights.

Classification	Key Risks	Management Plan
Conflict minerals	Financing of armed groups, etc.	Verify whether a smelter is RMAP ¹⁾ -compliant (CMRT ²⁾)
Battery materials	Child labor, forced labor, environmental pollution, water depletion, infringement of indigenous peoples' rights, etc.	Verify a smelter for certification status (EMRT ³⁾), conduct on-site audit in line with OECD guidelines
Other minerals		Verify LPPM ⁴⁾ 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 ensures responsible minerals sourcing.

²⁾ CMRT (Conflict Minerals Reporting Template)

³⁾ EMRT (Extended Minerals Reporting Template)

⁴⁾ 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 Raw Materials Sourcing Policy Hyundai's responsible raw materials sourcing policy aims to minimize unnecessary resource waste and prevent environmental degradation and human rights violations stemming from illegal practices. We manage raw and subsidiary materials based on priorities determined by their environmental and social impacts. 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.

 Hyundai Motor Company Responsible Raw Materials Sourcing Policy

Responsible Minerals Sourcing Policy Hyundai recognizes that there are conflict minerals that are unethically mined and distributed, including human rights violations and environmental destruction, in conflict-affected areas, and prohibits use of conflict minerals (tin, tantalum, tungsten, gold) that are unethically sourced from conflict-affected 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. In 2025, we revised the policy to supplement language related to child and forced labor in alignment with ILO standards and to clarify management principles.

In addition, Hyundai requires suppliers to comply with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and reflects such requirements in contractual terms with suppliers. 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 responsible minerals procurement policy that calls for non-use of conflict minerals and fulfillment of social responsibilities to include suppliers' clients.

 Hyundai Motor Company Responsible Minerals Sourcing Policy

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. In addition, Hyundai manages the sustainability of conflict minerals across lower-tier suppliers through separate written assessments, on-site audits, and contractual clauses with tier-1 suppliers.

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. Additionally, we respect the principles of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and continuously require suppliers, through the Supplier Code of Conduct, to respect indigenous peoples' rights in the acquisition and use of land, prohibit unlawful forced eviction, and establish stakeholder consultation procedures. Concerns related to FPIC may be reported through our grievance mechanisms, and if violations are confirmed, corrective actions are required of the relevant suppliers.

Hyundai continues to collaborate with various stakeholders in support of indigenous peoples' rights. Moving forward, we will strive to ensure that policies recognizing and respecting land rights and indigenous peoples' rights are incorporated into the planning stages of our business activities.



Sustainable Supply Chain

STRATEGY

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 violations affecting indigenous peoples, land use change, and forest conversion affecting the country of origin.

Hyundai regularly inspects and manages whether items directly and indirectly imported by its European plants are subject to EUDR regulations, while promoting EUDR compliance across the overall supply chain. For indirectly supplied items, which account for a considerable portion of products subject to the regulation, we regularly monitor suppliers' compliance with EUDR requirements and provide training support to strengthen suppliers' response capabilities. Two suppliers are directly subject to EUDR requirements in relation to directly procured items. Of these, we confirmed the country of origin for one supplier and identified no material risks through a risk assessment. For the remaining supplier, we plan to conduct a risk assessment after clearly confirming the country of origin and resume transactions only if regulatory compliance can be ensured. In the event that significant risks are identified within the supply chain, we implement mitigation or disengagement measures in a phased manner, thereby operating a responsible supply chain management system.

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.

K-Mobility Bridge Foundation To assist automotive parts suppliers in enhancing overall capabilities for quality and technology management, we partner with the K-Mobility Bridge Foundation 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.

Hyundai's EUDR Response Process



Supplier Training in 2025

(Unit: Persons)

Classification		Number of Participants	Remarks
K-Mobility Bridge Foundation	Quality Academy	3,456	17 customized training courses
	General training, etc.	4,869	General management training, seminar, etc.
Global Partnership Center	Training by industry, etc.	93,806	650 courses
Total		102,131	

Sustainable Supply Chain

STRATEGY

Technical Training for Suppliers Hyundai provides technical training through the K-Mobility Bridge Foundation 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 Guidance and Management Consulting Support Performance (Unit: Companies)					
Classification	Composition	Areas	2023	2024	2025
Technical Training (Quality and Technology Support Group)	Technical experts in various production areas	Supporting improvements by listening to quality- and technology-related challenges	108	192	218
Management Consulting (Management Innovation Support Group)	Industry-specific management specialist	Providing consulting support on overall management, including R&D, production technology, quality control, planning, etc.	30	12	12

Spreading and Disseminating Sustainability among Suppliers
Win-Win Cooperation Letter Hyundai publishes the Win-Win Cooperation Letter—a dedicated newsletter for shared growth with suppliers—to introduce programs operated in support of mutual growth and to share key policies and activities in the areas of occupational safety, information security, and sustainability management. The newsletter is distributed to all tier-1 suppliers through official notices, the win-win growth portal, and the website of the Hyundai Kia Automotive Suppliers Association.



 Hyundai Win-Win Growth Portal

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. Based on this recognition, we provided ESG management capacity-building training for key personnel responsible for human rights and environmental matters at our suppliers. 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. In addition, we share our roadmap with suppliers to ensure alignment of carbon strategies across the value chain, while continuously expanding collaboration to strengthen climate risk response capabilities throughout the supply chain.

ESG Capacity Enhancement Training for Suppliers Provided in 2025 (Unit: Companies)		
Classification	Key Topic	Number of Participating Suppliers
ESG capability enhancement	ESG auditor training program (for tier-1 suppliers)	352
	Basic ESG assessment response training (for tier-2 suppliers and non-parts suppliers)	925

Supplier ESG Seminars Organized in 2025 (Unit: Persons)		
Classification	Key Topic	Number of Participants
Response to global regulations	Briefing on responsible minerals	1,893
	Measures to respond to the EU Deforestation Regulation	150
ESG policy awareness training	Training on revisions to ESG policies, including the Supplier Code of Conduct	2,096

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. The results of the 5-Star certification are reflected as one of the criteria in the comprehensive supplier evaluation, and obtaining the certification contributes to improving suppliers’ overall evaluation scores. In doing so, suppliers may benefit from preferential consideration for parts supply during new vehicle development and other advantages associated with comprehensive evaluation results. In addition, suppliers can also pursue benefits such as reduced quality management costs and enhanced independent export capabilities.

5-Star Evaluation Items		
Quality 5-Star	Technology 5-Star	Delivery 5-Star
- Defect rate - Claim reimbursement ratio - Quality management system - Outsourcing management, etc.	- R&D personnel, equipment, and investment - New technology performance, patents, and technology sensing activities - R&D activity performance in the product development process	- Production line stoppage cases, time, reimbursement ratio - A/S parts delivery rate - KD parts delivery rate



Sustainable Supply Chain

STRATEGY

Quality Evaluation of Tier-2·Tier-3 Suppliers (SQ Mark) Hyundai operates the “Supplier Quality Mark (SQ Mark)” system for raw material and subsidiary material suppliers (tier-2 and tier-3 suppliers) that directly impact automotive parts quality. The purpose of this system is to expand the quality management system to the raw material stage by regularly evaluating and certifying the facilities and quality processes of tier-2 and lower-tier suppliers that supply raw materials and parts to tier-1 suppliers. Evaluations cover 19 industries (44 detailed business categories), including electrical/electronics, rubber, casting/forging, heat treatment, and plating/painting. Evaluation items consist of five areas: production condition management, inspection and testing, equipment management, material management, and quality management systems. For new and special evaluations, Hyundai evaluators directly visit suppliers to inspect facilities and processes, while regular evaluations are conducted annually under the supervision of tier-1 suppliers. Suppliers that achieve the required evaluation score (at least 600 out of 1,000 points) are granted SQ Mark certification. Even after certification, we conduct regular follow-up evaluations to continuously monitor quality levels.

Quality Education for Suppliers Hyundai provides quality training for its domestic tier-1 and tier-2 suppliers in order to enhance their quality competitiveness to a world-class level. To this end, the Global Win-Win Cooperation Center operates an online platform while also running in-person training programs to provide comprehensive quality-related education covering quality management system establishment, quality technologies, quality control, and quality assurance. In addition, we operate the GPC Quality Expert Program, which includes certification assessments and support for certified experts’ activities, thereby helping suppliers embed quality management capabilities into their on-site operations.

Strengthening and Developing Supplier Quality Capabilities Hyundai hosts annual “Quality Seminars” for tier-1 suppliers in Korea to strengthen suppliers’ quality competitiveness and share quality issue improvement cases and supply chain quality management measures. We also hold the “Monthly Supplier Quality Meeting” every other month with representatives from overseas local suppliers to share quality trends and know-how with suppliers operating overseas alongside Hyundai. In addition, we conduct seminars for the heads of suppliers operating overseas alongside Hyundai to share quality-related trends and best practices for quality improvement. Lastly, for tier-2 and 3 suppliers, we dispatch experts with automotive technical expertise to continuously carry out “field quality competitiveness enhancement” activities that support improvements in quality, technology, and productivity.

Guest Engineer System Hyundai operates the Guest Engineer System, through which researchers from the R&D divisions of automotive parts suppliers participate in the design and development of new vehicle components. 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

Strengthening and Developing Supplier Technology Capabilities Hyundai operates various support programs to enhance suppliers’ technological competitiveness. First, we operate the “R&D Technical Support Program,” which shares Hyundai’s R&D know-how and conducts prior analyses of areas requiring improvement for each supplier aimed at providing customized technical support and strengthening capabilities in applying new technologies and manufacturing methods. We also transfer Hyundai-owned patents to suppliers free of charge and host New Technology Exhibitions to share cases involving the advancement of transferred technologies and their application to products. In addition, we are implementing a smart factory development project for tier-1 and 2 SME suppliers that integrates the entire production process using ICT technologies. Based on suppliers’ production facility conditions, support is provided on a customized basis across basic, intermediate, and advanced levels. From 2019 to 2025, we contributed a total of KRW 35 billion to support the transition of 1,054 suppliers to smart factories.

Protecting 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 directly or indirectly by providing online patent education on patent application and patent search methods and helping them reduce their patent cost.

2025 Quality & Safety Training Programs (Suppliers)

Classification	Training Contents	Target Suppliers	Number 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.	4,682	15,514	Ongoing

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

Sustainable Supply Chain

STRATEGY

Strengthening a Foundation for Sustainable Growth

Making Cash Payments and Adjusting Raw Material Prices Suppliers classified as small and medium-sized enterprises (SMEs) with annual sales of less than KRW 500 billion are paid the full amount of supply payments in cash, while large enterprises and mid-sized enterprises with annual sales of KRW 500 billion or more are paid by note with a 60-day term. Supply payments are made on a weekly basis. In addition, large enterprises, mid-sized enterprises, and SMEs supplying export parts are paid the full amount of supply payments 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.

Major Fund Support Programs for Suppliers

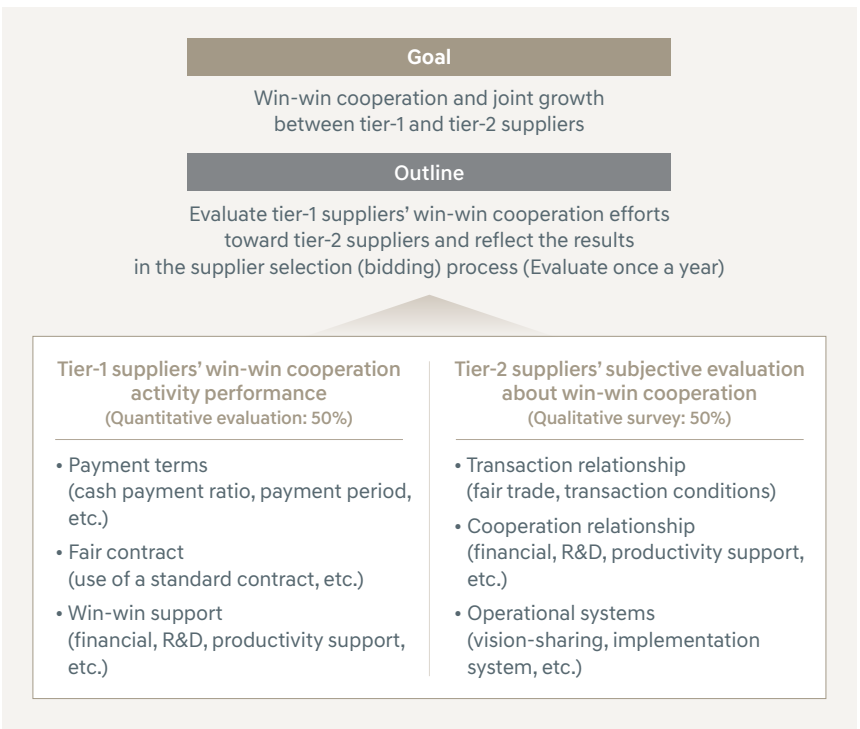
Future Growth Mutual Fund	- Deposited KRW 37.4 billion, provided KRW 93.5 billion - Provide investment funds at low interest rates for quality and productivity improvements of tier-1 and tier-2 suppliers (Industrial Bank of Korea)
Future Growth Win-Win Fund	- Deposited KRW 150 billion, provided KRW 225 billion - 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 billion¹⁾ - 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 - 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 - Provide low-interest operating funds to tier-1 suppliers to expand the raw material price linkage system for tier-1 suppliers to tier-2 and 3 suppliers (Shinhan Bank)
Loan Interest Support Fund	- Deposited KRW 100 billion, provided KRW 200 billion - 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 a 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 Hyundai received the highest grade in the 2025 Win-win Growth Index evaluation organized by the Korea Commission for Corporate Partnership, which annually assesses the level of shared growth practices of approximately 200 major large corporations in Korea. This index measures the level of cooperation between large and SMEs 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.

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 have established and operate an internal system to systematically share major regulatory trends with suppliers in Korea and abroad. Through this system, suppliers receive real-time notifications on newly enacted regulations and major regulatory changes, enabling them to respond in a timely manner. Moreover, we shared revisions to our ESG management policies with suppliers in 2025 to enhance awareness of the updated sustainability management standards and strengthen implementation capabilities.

Core suppliers from Korea and abroad attended Global Supplier Day held in Singapore in 2025, where we shared updates on supply chain due diligence regulations, including the U.S. Uyghur Forced Labor Prevention Act (UFLPA), as well as compliance cooperation requirements. In addition, we operate a Hyundai Motor Group UFLPA working group comprising approximately 60 employees from the legal, procurement, and ESG functions, through which regulatory enforcement trends and response measures are shared on a monthly basis.

Sustainable Supply Chain

STRATEGY

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 addition, Hyundai actively participates in industry and multi-stakeholder initiatives to effectively manage human rights and environmental risks amid complex global supply chains.

As a member of the RBA, we apply the standards of the RBA Code of Conduct to our supply chain due diligence processes. In particular, we incorporate the RBA's Validated Assessment Program (VAP) into the establishment of on-site audit standards to ensure the objectivity of audits for high-risk suppliers and consistency with international standards. In addition, as a member of the RMI, we use the CMRT and EMRT to systematically assess suppliers' conflict minerals status and verify whether smelters within the supply chain are certified under the RMAP. By leveraging the mineral database and smelter certification information operated by the RMI, we are also able to access global mineral supply chain data that would be difficult to establish independently, thereby strengthening supply chain transparency.

We also participate in Drive Sustainability, a strategic partnership of global automotive manufacturers, and incorporate key indicators from the Sustainability Assessment Questionnaire (SAQ) into our supplier ESG assessment criteria. Through this approach, we ensure that our supplier evaluations align with common standards across the global automotive industry. In 2025, we also conducted EcoVadis assessments for all tier-1 suppliers in Korea to further verify consistency with international standards.

These global initiatives are operated under multi-stakeholder structures involving companies, NGOs, regulatory authorities, and other stakeholders. We seek to enhance the effectiveness of supply chain human rights and environmental management by incorporating stakeholder perspectives from the field into our supply chain management policies and due diligence criteria. Separately, we continue to engage with NGOs and civil society organizations. For example, in response to stakeholder requests to strengthen human rights due diligence across the battery material supply chain, we added EV battery minerals to our priority management areas and are gradually expanding supply chain mapping and due diligence activities.

Stakeholder 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 partnership built on mutual growth. To this end, we operate 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.

In 2025, a total of 19 grievances were received and addressed through the Supply Chain Sustainable Management Center, the supplier ESG grievance reporting system operated by Hyundai Motor Company. However, no reports related to human rights or environmental risks within the supply chain were submitted. Moving forward, we plan to continuously operate our grievance receipt, review, and follow-up management processes to ensure that reported grievances contribute to improvements in the supply chain management system.

Grievance Handling Process



* The progress status at each stage is shared with the grievance submitter.

Supply Chain ESG Grievance Handling Status (Unit: Cases)		
Classification	Number of cases received	Number of cases resolved
Supply Chain Sustainable Management Center	19	19

* A reporting channel for all stakeholders affected by the company's supply chain

Win-Win Cooperation Center

Supplier Grievance Handling Status (Unit: Cases)		
Classification	Number of cases received	Number of cases resolved
Suggestion box for transparency and ethical practices ¹⁾	13	13
Suggestion box for tier-2 and tier-3 suppliers ²⁾	118	118

¹⁾ A reporting channel for transparency and ethics-related issues, including bribery and entertainment, abuse of power, corruption, and improper solicitation
²⁾ A grievance channel for suppliers to raise general concerns related to win-win cooperation programs, systems/processes, and other business-related matters

Stakeholder Engagement In identifying supply chain risks, Hyundai actively utilizes reports and concerns raised by external stakeholders as key inputs for due diligence reviews, alongside its internal monitoring systems. We monitor information related to human rights and environmental risks across the supply chain on an ongoing basis through various external channels, including media reports, NGOs and civil society organizations, regulatory authority announcements, and academic research. When information is deemed credible and material, we promptly initiate additional due diligence procedures. In 2025, we conducted on-site audits of several overseas suppliers for which forced labor risks had been identified through media reports and external allegations. These audits were carried out by an independent third-party audit institution using due diligence criteria widely adopted across the industry. As a result of the audits, the forced labor risks identified through media reports and external allegations were not substantiated on-site. We have also established internal criteria for assessing the materiality and credibility of supply chain concerns raised by stakeholders and systematized a phased response process based on assessment outcomes, including requests for additional information, written verification, and independent third-party audits.



Sustainable Supply Chain

RISK MANAGEMENT

RISK MANAGEMENT PROCESS

Supply Chain-Related Risk Management Process

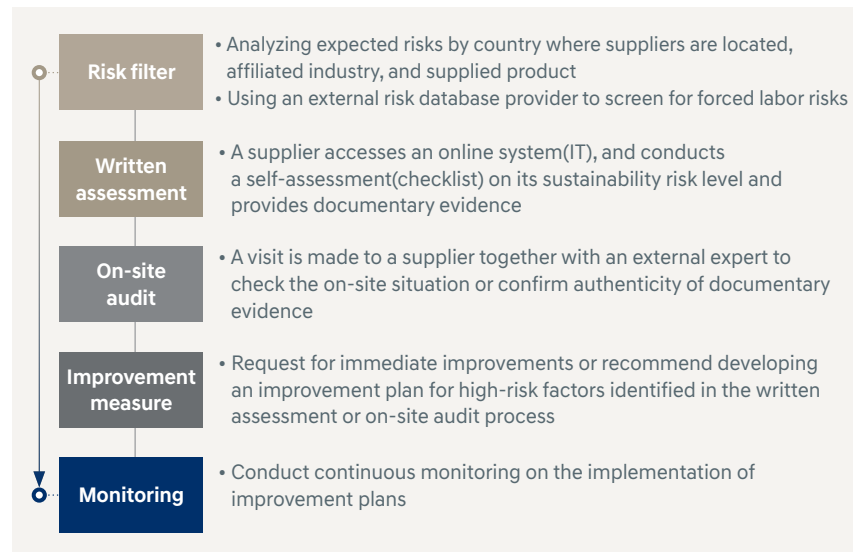
Risk Due Diligence Process Hyundai's supply chain sustainability risk management process consists of prior risk identification (screening), written assessments, on-site audits, and improvement and monitoring. All suppliers are evaluated for compliance with the Supplier Code of Conduct through written assessments and on-site audits. To effectively identify potential sustainability risks across the supply chain, we continuously enhance our assessment criteria in line with global trends. In addition, to respond to global supply chain due diligence regulations, we established a supply chain compliance program related to forced labor risks, thereby strengthening our integrated supply chain sustainability risk management system.

Due Diligence Aligned with Supply Chain Management Strategies Hyundai has 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.

The results of these assessments are reflected in the Company's procurement policies, and new suppliers are eligible for business transactions only if they meet the required threshold score in the sustainability risk assessment.

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. Based on risk screening results, we recommend and implement follow-up measures, including regular monitoring and additional due diligence. In particular, we conduct detailed supply chain reviews for suppliers assessed as having a "high" or above risk level. These reviews primarily focus on key parts and materials, including aluminum, steel, tires, batteries, and polysilicon, with priorities adjusted in consideration of changes in external conditions and emerging risks.

Steps of Risk Due Diligence



Supply Chain Risk Pre-Identification Step



Sustainable Supply Chain

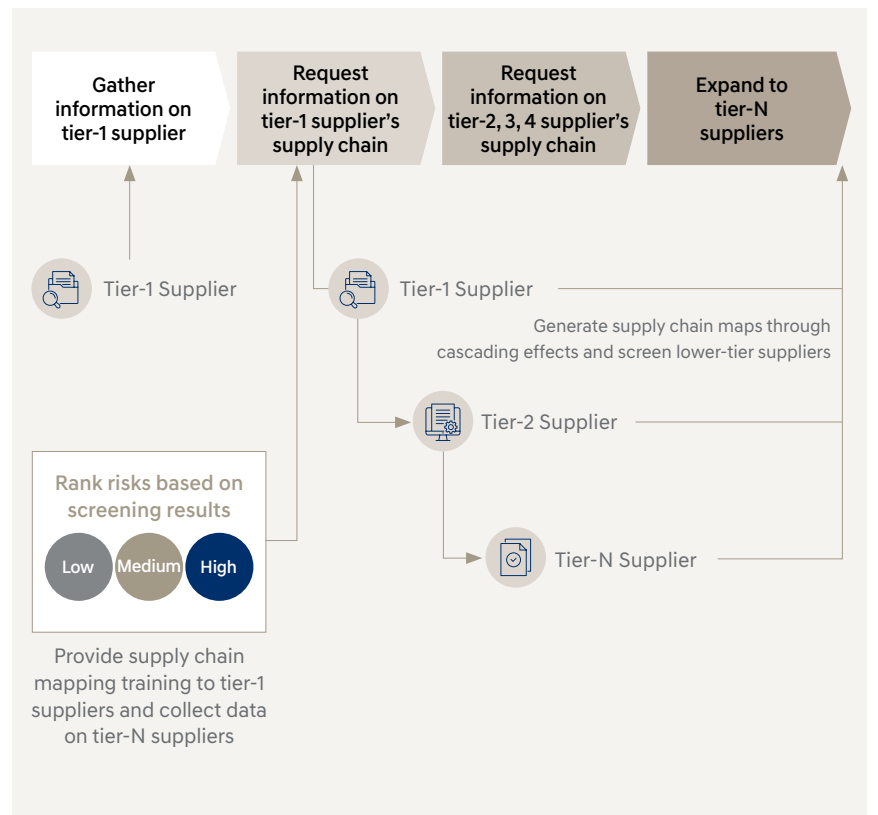
RISK MANAGEMENT

Particularly, in relation to the U.S. UFLPA, the automotive and aerospace sectors are considered high-risk sectors, accounting for approximately 80% of all UFLPA-related shipments inspected by U.S. Customs and Border Protection (CBP) in 2025, according to CBP enforcement statistics. In response, our Legal Department has developed and operates an automated screening system capable of conducting ongoing forced labor risk screenings across tens of thousands of suppliers. In addition, we conduct mock detention exercises for high-risk suppliers that simulate actual CBP detention scenarios to assess their preparedness to secure supply chain documentation and request corrective action plans where necessary, thereby strengthening proactive response capabilities.

Written Assessment Hyundai assesses supply chain sustainability risks based on its unique, distinctive indicators and criteria. The written assessment consists of indicators aligned with the requirements of the Supplier Code of Conduct and is conducted through an online assessment system accessible to all suppliers in Korea and abroad. Suppliers are required to complete the assessment on a self-assessment basis and submit supporting documents. The results of the written assessment serve as the basis for identifying suppliers' sustainability risks, selecting suppliers for on-site audits, and classifying high-risk suppliers.

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.

High-risk Supplier Identification Process



Supply Chain Sustainability Risk Assessment Indicators

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

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 • OECD Guidelines for Multinational Enterprises • EcoVadis • Drive Sustainability	• Responsible Business Alliance • UN Sustainable Development Goals • UN Global Compact • Carbon Disclosure Project

On-site Audit Hyundai selects suppliers subject to on-site audits by comprehensively considering the results of written assessments as well as supplier-specific human rights and environmental risks. 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. In 2025, we conducted on-site audits for a total of 127 suppliers. During the audit process, we reviewed suppliers' systems and policies across various areas, including working conditions and labor environments, protection of indigenous peoples' rights, lawful handling of waste and pollutants, health and safety management systems, and information security management. As a result of the 2025 on-site audits, all 25 suppliers identified as having potential violations of domestic and international regulations completed the establishment and implementation of corrective action plans. For suppliers confirmed as high risk, we apply various phased risk mitigation measures based on the specific facts of each case, thereby operating a management system that goes beyond simple risk identification and leads to effective risk prevention.

Separately, for overseas suppliers where forced labor risks were identified through external stakeholder reports and allegations, we conducted on-site audits through an independent third-party institution led by the Legal Department to verify whether such risks existed. The audits confirmed that no significant human rights risks were identified.

Sustainable Supply Chain

RISK MANAGEMENT

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.

Key Risk Areas	Key Findings	Hyundai's Response
Biodiversity & Ecosystems	Lack of biodiversity impact assessments and absence of ecosystem resource management systems	Providing guidance on the need for biodiversity impact assessments and education on related methodologies
Water Resource Management	Insufficient water and wastewater management systems and absence of quantitative water quality indicator management	Supporting the establishment of water management indicators and recommending the implementation of monitoring systems
Upstream Supply Chain Management	Inadequate supplier risk due diligence systems and lack of ESG considerations in supplier selection	Providing supply chain ESG criteria and strengthening the dissemination of the Supplier Code of Conduct across the upstream supply chain
Greenhouse Gases & Climate Change	Insufficient target-setting by Scope and lack of detailed emissions reduction roadmaps	Providing training and information on greenhouse gas reduction methodologies
Responsible Raw Material Sourcing	Transactions with non-RMAP-certified smelters and insufficient origin traceability documentation	Requiring suppliers to transition to sourcing from certified smelters

Responsible Minerals Risk 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 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. This has enabled us to progressively expand required procedures across key mineral supply chains, including supply chain mapping, risk assessments, and the implementation of corrective actions.

Materiality Assessment Results of Responsible Minerals			
Assessment Criteria	Conflict Minerals (tin, tungsten, tantalum, gold)	Battery Materials (cobalt, lithium, nickel, 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		Regular monitoring minerals

* The specific scope of conflict-affected and high-risk areas (CAHRAs) follows the definitions set forth in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and relevant regulations, and is subject to periodic review and updates.

Responsible Minerals Management Process Hyundai operates a systemic responsible minerals management process to advance responsible raw material sourcing along the global supply chain. To this end, we require suppliers to comply with international standards and frameworks, including the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Due Diligence Guidance), the Responsible Minerals Initiative (RMI), and the EU Battery Regulation (EUBR), while minimizing human rights risks within the supply chain through a phased approach.

Our supplier contracts and agreements include requirements related to conflict minerals. In particular, we require tier-1 suppliers to sign a commitment to source from RMAP-conformant smelters, thereby strengthening responsible minerals sourcing. In cases where serious risks identified under Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas are detected, we may immediately suspend or terminate the business relationship.

Conflict Minerals Management Process





Sustainable Supply Chain

RISK MANAGEMENT

Investigating the Conflict Mineral Status of Suppliers and Checking Risks

Hyundai conducts supply chain assessments of suppliers using tin, tantalum, tungsten, and gold (3TG) to strengthen supplier management and encourage responsible business practices. We collect CMRT data from lower-tier suppliers that provide parts containing conflict minerals through tier-1 suppliers. We also gather supplier feedback and communicate the importance of actively participating in the conflict minerals management process, thereby encouraging all suppliers subject to the assessment to submit the required documentation. Based on the CMRT data submitted by suppliers, we verified whether suppliers traded with RMAP-certified smelters. Where suppliers did not trade with certified smelters, we requested that they implement socially responsible mineral sourcing policies and trade with RMAP-certified smelters.

On-site Audit of Mines and Smelters To directly verify human rights and environmental risks across its key battery mineral supply chain, Hyundai conducted on-site audits of nickel and cobalt mines and smelters located in the Democratic Republic of the Congo and Indonesia in 2025 through an independent third-party audit institution, RCS Global. The audits covered all areas of human rights, labor, environment, and governance, applying the OECD Due Diligence Guidance, the EUBR, and the IRMA Standard for Responsible Mining (Critical Requirements) as assessment criteria. We also shared the audit results with suppliers and requested the establishment of corrective action plans, while continuously monitoring implementation status. Alongside the audits, we requested suppliers related to conflict minerals (3TG), copper, lithium, and graphite to complete SAQs, thereby identifying risks across the supply chain from multiple perspectives.

CASE

Located in the Democratic Republic of the Congo

Case 1 Cobalt and copper mines and smelters

Hyundai conducted an on-site audit of integrated cobalt and copper mining and smelting operations located in the Democratic Republic of the Congo. The audit confirmed that no material human rights violations, including forced labor, child labor, or involvement with illegal armed groups, were identified. Positive findings were also confirmed, including the absence of underage workers, the operation of stakeholder engagement mechanisms for local communities, and compliance with legal procedures related to land acquisition. However, areas for improvement were identified in relation to OECD and EUBR standards, including deficiencies in internal management systems for supply chain due diligence, the absence of ESG risk assessment procedures, temporary suspension of ISO 14001 certification, and the need to strengthen safety monitoring of tailings facilities.



CASE

Located in Indonesia

Case 2 Nickel mine

Hyundai conducted an on-site audit of a nickel mine located in Indonesia. The audit confirmed a high level of management across environmental, health and safety areas, including maintenance of ISO 14001 and ISO 45001 certifications, achievement of the “Green” rating under the Indonesian Ministry of Environment’s PROPER program, implementation of greenhouse gas (GHG) reduction initiatives and renewable energy adoption, operation of local community development programs, and the absence of forced labor and child labor. However, several areas for improvement were identified, including the lack of a formal responsible mineral sourcing policy, the absence of a dedicated management structure for supply chain due diligence, and insufficient grievance channels for external stakeholders.



Case 3 Nickel smelter

Hyundai conducted an on-site audit of a nickel hydrometallurgical smelter located in Indonesia. The facility holds RMI RMAP certification and operates an integrated ISO 14001 and ISO 45001 management system. The audit confirmed positive practices related to responsible mineral sourcing, including the establishment of a traceability system for raw materials, the absence of forced labor and child labor, and the operation of an internal whistleblower system. However, areas for improvement were also identified, including the need to strengthen the design standards and safety monitoring systems for tailings storage facilities in line with international standards, expand the scope of upstream due diligence for supplying mines, and enhance third-party verification of GHG emissions.



[Responsible Minerals Report](#)

Sustainable Supply Chain

METRICS AND TARGETS

METRICS

Supplier Overview

Hyundai classifies and manages its suppliers by category, including tier-1 suppliers, tier-2 suppliers, and non-parts suppliers, and designates priority management targets by comprehensively considering factors such as strategic parts transactions and transaction volume. Among all suppliers, tier-1 suppliers designated as priority management targets account for approximately 71% of the company's procurement volume.

(Unit: Companies)

Classification	Number of suppliers	Remarks
Total number of managed suppliers	2,086	Includes all tier-1 parts suppliers, key tier-2 suppliers, and non-parts suppliers * Non-parts suppliers are defined as companies exceeding a certain transaction amount threshold.
Number of high-priority suppliers	132	Selected based on transaction volume, parts criticality, and risk exposure * Key tier-2 suppliers subject to priority management are selected based on parts criticality and sourcing methods. * High-priority tier-1 suppliers account for 71% of the company's total procurement volume among all suppliers.

Supply Chain Sustainability Due Diligence

Hyundai conducts written assessments covering 100% of all tier-1 parts suppliers, key tier-2 suppliers, and major non-parts suppliers. Based on the results of these assessments, as well as stakeholder requirements and other relevant factors, we carry out on-site audits primarily for suppliers deemed to have high actual or potential risks. For suppliers identified as not meeting our requirements or causing such negative impacts as violations of local regulations, corrective action plans are established, and their implementation is continuously monitored.

(Unit: Companies)

Classification	Number of suppliers	Remarks
Total number of suppliers subject to written assessments	2,086	100% completion of supplier written assessments
Based on high-priority suppliers	132	* Excluding non-parts suppliers below the transaction amount threshold
Total number of suppliers subject to on-site audits	127	
Based on high-priority suppliers	5	
Total number of suppliers with identified severe negative impacts	25	Suppliers with a high likelihood of legal risk occurrence
Based on high-priority suppliers	1	
Total number of suppliers with completed corrective action plan establishment/implementation	25	100% completion of corrective action plan establishment and implementation
Based on high-priority suppliers	1	
Total number of suppliers receiving improvement support	1,477	Provision of support programs, including ESG training and consulting
Based on high-priority suppliers	103	

TARGETS

Sustainability Enhancement Goals

Hyundai aims to establish a supply chain management system capable of effectively responding to global regulations, such as the EUBR and the EUDR, as well as sustainability issues, while continuously improving its supplier ESG assessment and management processes. In particular, we plan to develop assessment indicators tailored to specific sustainability topics and supplier types, with the goal of achieving a 100% completion rate for mandatory supplier written assessments. In addition, we will make continuous efforts to strengthen our responsible minerals management system and enhance compliance with global certification schemes to further improve transparency and reliability across the supply chain.

Supply Chain Sustainability Enhancement Goals

Differentiated management of key topics and the institutionalization of responsible minerals management to effectively respond to global sustainability and regulatory risks, including the EUBR and EUDR



Supplier ESG Assessment

- Establishment of assessment indicators by key themes, including water resources and biodiversity, as well as tailored indicators for SMEs
- Achievement of a 100% compliance rate with minimum requirements for supplier ESG written assessments



Responsible Minerals Management

- Expansion of responsible minerals on-site audits
- Improvement of sourcing rates from certified smelters

Material Topic

Customer Experience Innovation

Hyundai, under its quality philosophy of “failure-free, zero-defect quality automobiles,” considers the actual and potential impacts of its products and services on consumers and end users, and leads the development of new safety technologies while making diverse efforts to protect not only drivers but also passengers and caregivers. Quality is managed across all stages of the vehicle lifecycle so that customer requirements are continuously fed back into the product development process, preventing the escalation of quality and safety issues and advancing the overall quality and safety system. In addition, Hyundai listens to the voice of customers and provides convenience-oriented services throughout the vehicle lifecycle to ensure that customers enjoy the best possible “CAR LIFE.” Hyundai is also striving to establish itself as a sustainable brand through brand management and ethical marketing activities.

GOVERNANCE

GOVERNANCE BODY

Board of Directors

Hyundai’s Board of Directors (BOD) reviews matters related to customer safety and product quality through formal agenda submission or reports when such matters fall under the agenda categories defined in the Board’s regulations. If significant matters related to customer safety and product quality involve business planning and operations, major investments, or health and safety plans, they are reviewed at the board level in accordance with the relevant procedures. The BOD reviews such matters from the perspective of enterprise-wide risk management and internal control systems and oversees whether management’s decisions are executed appropriately in accordance with the BOD regulations and the company’s governance framework.

MANAGEMENT

Governance for Customer Safety and Quality

Quality and safety are at the core of Hyundai’s value proposition, serving as uncompromising and non-negotiable top priorities-past, present, and future. Since 2024, Hyundai has operated an integrated organization, the Global Safety & Quality Office (GSQO), which oversees both safety and quality to realize these values. President Brian Latouf was appointed as the Global Chief Safety and Quality Officer (GCSQO) to drive a fundamental paradigm shift in vehicle safety and quality management and enhance customer value. He oversees quality management policies and internal processes across all stages, from vehicle development and production to post-sales operations.

Committee and Dedicated Teams

Quality Issue Decision-Making System

Hyundai convenes regular meetings to enable senior management to make decisions on quality issues. These quality meetings bring together more than 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 has enabled us to identify safety and quality issues during the development stage and support rapid decision-making for problem resolution.

At the final stage before the mass production of new vehicles, regular quality inspections are conducted to review potential quality risks and corresponding corrective actions, and the results are shared with top management, thereby supporting a preventive quality management system. In addition, under the leadership of the KASO&QA Division, Hyundai operates a recall prevention consultative body involving departments such as R&D, procurement, quality, and production management. Through monthly meetings attended by executive-level leaders, we continuously discuss root cause analyses of recalls, review the implementation status of corrective actions, share preventive activities, and improve related processes and systems.

Furthermore, the Quality Division and the R&D Center collaborate in operating a voice of customer (VoC) improvement process, diversifying quality improvement initiatives and focusing on customer-driven quality enhancements, including responses to urgent VoC issues. Customer complaints are also communicated to each service center to ensure that the appropriate corrective measures are taken.

STRATEGY

IMPACTS, RISKS AND OPPORTUNITIES

Customer Safety and Quality Identification Results

Hyundai has identified impacts and risks across the entire value chain in relation to customer experience innovation. From the perspective of consumer and end-user safety, failure to meet safety standards in upstream electric vehicle (EV) battery manufacturing and storage processes may lead to fires or explosions, potentially having adverse impacts on human life and safety. Within its own operations, insufficient quality control in the product design and manufacturing stages may result in defects that adversely affect consumer safety. From a financial perspective, safety defects may result in large-scale recall costs as well as consumer litigation and compensation expenses, and may also give rise to financial risks—such as a decline in sales and market share due to reduced brand trust—across both upstream and own operations.

PRODUCT RESPONSIBILITY

Product Quality Management

Strengthening Quality Verification Capabilities

We enhance our verification capabilities throughout our quality value chain by regularly conducting training on roles and key tasks in the areas of pre-manufacturing quality, manufacturing quality, and market quality. The training programs are provided to all employees, including contract workers, through various formats such as in-person training, online courses, and the distribution of educational materials and newsletters. Additionally, 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.

2025 Outcomes of Quality & Safety Training Program Implementation (Employees)			
Quality-related Training	Target	Type & Cycle	Number of Trainees
Safety	Company-wide all full-time employees	Learning materials available 24/7	27,965
GSQO Academy	All full-time employees in the GSQO	Group training (23 sessions per year)	510
Safety & Quality Newsletter	All employees in the GSQO	Newsletter	1,996

Customer Experience Innovation

STRATEGY

Drum for Safety To further enhance customer safety, Hyundai operates Drum for Safety as our internal whistleblowing channel available to 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 to require further investigation upon review, this is classified as a ‘potential safety and quality issue’ and addressed through appropriate follow-up actions. The outcomes of such reviews and actions taken are disclosed to raise awareness of customer safety. Since its launch in August 2021, Drum for Safety received 727 cases on a cumulative basis as of February 2026, of which 97% were fully resolved with 22 cases currently under review.

Vehicle Safety Assessment
Crash Safety Assessment Hyundai utilizes data from the U.S. National Highway Traffic Safety Administration (NHTSA) and global traffic accident data, along with information accumulated from its domestic service network and quality divisions, to address more complex types of accidents and reflect the findings in the development process. As a result of these efforts, Hyundai developed the world’s first “multi-collision airbag” in 2019 to help prevent secondary collisions. The company also possesses 27 types and 170 sets of crash test dummies used in real vehicle crash tests, which enables precise measurement of injuries under various collision conditions, thereby enhancing passenger safety performance.

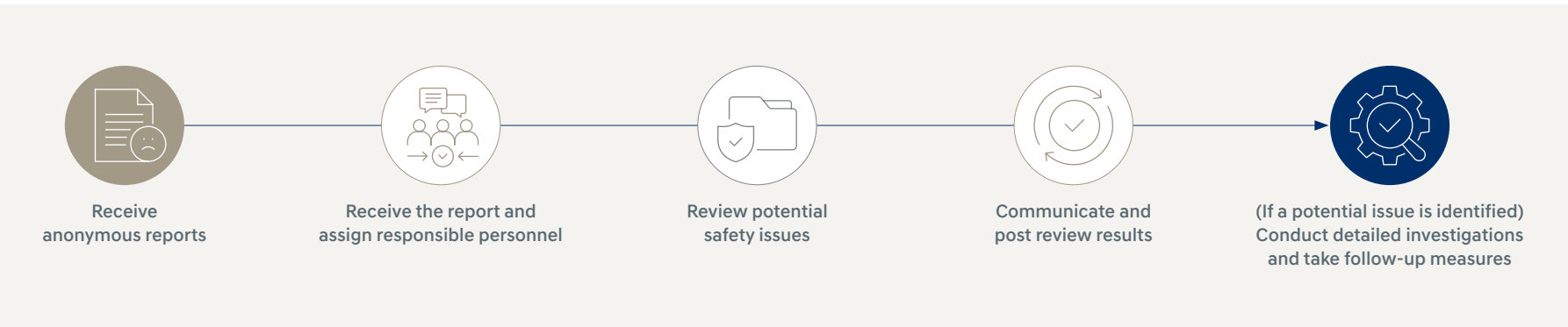
EV Safety Test Hyundai prioritizes EV safety and performance above all, and continues to invest in innovative technology development. In 2025, various models of electric vehicles, such as the IONIQ 5, IONIQ 6, and IONIQ 9, received the highest rating, TSP+ (Top Safety Pick+), in crash safety evaluations conducted by the Insurance Institute for Highway Safety (IIHS), demonstrating strong crash safety and accident prevention performance despite the strengthened evaluation criteria. In particular, electrified models based on the dedicated EV platform (E-GMP) achieved top ratings in key categories such as frontal and side crash tests, proving that they meet the safety standards required in era of vehicle electrification.

2025 New Car Assessment Program (NCAP) Hyundai participates in annual vehicle safety assessments conducted by leading safety evaluation organizations in major markets around the world. Under the New Car Assessment Program (NCAP), 24 models, including NEXO, IONIQ 9, and PALISADE, achieved the highest 5-star rating across Korea, Europe, the United States, Australia, and other regions. These models also received excellent ratings in IIHS crash evaluations in the U.S., with 12 Hyundai models earning TSP or higher ratings.

Winners of the 2025 NCAP			
Region	5-star (Top Rating)	Ratio ¹⁾	Models Rated
Korea	NEXO, IONIQ 9, PALISADE	100%	3 models in total
Europe	NEXO, IONIQ 9	66.7%	3 models in total
U.S.	23 vehicles including PALISADE, Santa Cruz, and IONIQ 6	76.7%	30 models in total
Australia	IONIQ 9, PALISADE	66.7%	3 models in total

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 selected by NCAP for evaluation.

Drum for Safety



NCAP (New Car Assessment Program)



Customer Experience Innovation

STRATEGY

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.

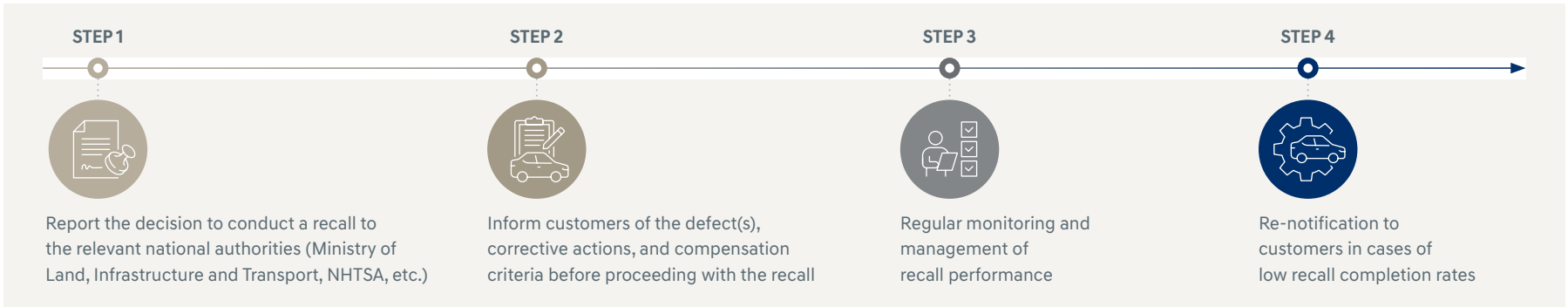
Warranty for Free Repairs Hyundai applies the free repair warranty period in consideration of the average lifecycle and durability of each type of vehicle such as passenger cars, SUVs, and commercial vehicles (trucks and buses). For key eco-friendly components separately applied to HEV, EV and FCEV, in particular, Hyundai extends free repair warranty periods to further enhance the sustainability of electrified vehicles. (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; please refer to our official website for details including commercial vehicles (trucks and buses).
²⁾ For details on warranty periods for emission-related parts and special warranty vehicles, please refer to our website.

Voluntary Recalls and Recurrence Prevention Management Hyundai voluntarily implements vehicle recalls to proactively protect customers. When we identify a manufacturing defect likely to cause accidents through 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. Moreover, we comprehensively review the causes of recalls and the implementation status of improvement measures, share recall prevention activities by division, and discuss improvements to related processes, systems, and policies.

AI-based Quality Control Hyundai operates smart factories leveraging artificial intelligence (AI) and big data to manufacture the highest-quality products. The AI machine vision inspection systems introduced at major production facilities, such as HMGICS in Singapore, utilize deep learning technology to automatically detect and classify minute defects—such as paint flaws, scratches, and dents—on vehicle exteriors and remove defective products from the production line in real time. Through the Hyundai Big Data Platform, sensor data, vehicle operation data, and component history information are integrated and analyzed by AI models to predict quality abnormalities in advance, enabling early defect detection and preventing large-scale recall risks. In this way, data-driven AI decision-making minimizes unnecessary processes, enhancing manufacturing accuracy, efficiency, and overall quality.

Voluntary Recall Implementation Process



MAXIMIZING CUSTOMER SATISFACTION

Customer Service and Communication Channels

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 enables employees to clearly understand customer response directions and focus on key response elements at each customer touchpoint, ensuring that customers receive consistent and high-quality service anytime and anywhere. In addition, overseas regional headquarters and sales subsidiaries have established strategic customer service directions to carry out customer response activities that comprehensively reflect 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, 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 2025

Training Programs	Number of Trainees
Customer communication skills	5,014
Leadership development and decision-making	179
Advanced training on customer service situations	40

Customer Experience Innovation

STRATEGY

Integrating VoC into Business Operations Hyundai recognizes Voice of Customer (VoC) as a critical pillar of our business conduct, and we use it as the foundation for improving service quality and products. Customer opinions and feedback are systematically collected and analyzed through various channels—including customer centers, the company website, and the My Hyundai application—using one-on-one inquiries, AI-based chatbots, online form submission, and other functions, and are reflected as top priorities in improving service and product quality. In this process, services are continuously improved to enhance accessibility for both customers with disabilities and senior customers. As part of these efforts, all product quality, connected car service (CCS) and service-related issues received through the VoC are intensively managed and analyzed.

We take a data-driven approach to swiftly and effectively address 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-centric services in so doing.

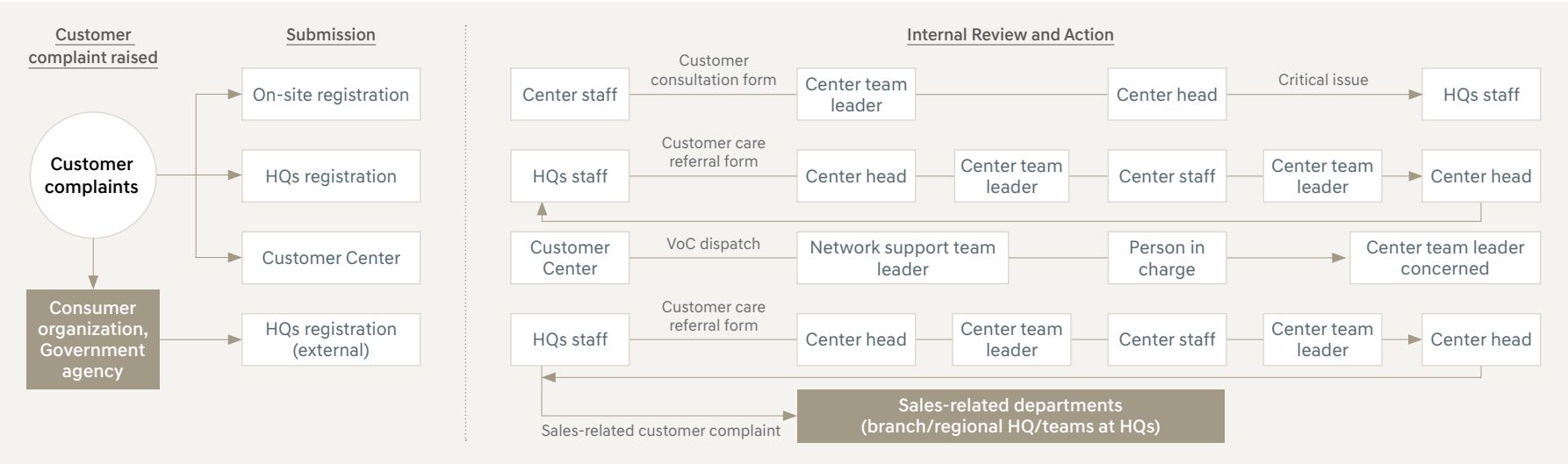
Customer Compensation and Dispute Resolution Hyundai is actively engaged in compensating customers and resolving disputes. Customers can report complaints and damages through on-site channels, headquarters reception, and customer centers. Most cases are handled by employees at high-tech centers nationwide, who manage the entire process from consultation to compensation decisions and payment execution. Customers are informed sequentially of the processing status related to customer compensation. We provide 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 nature and significance of each case, Hyundai also collaborates with the Customer Care Management departments at headquarters to ensure the smooth resolution of complaints. In particular, Hyundai monitors in real time the status of lawsuits, long-term delivery delays, and unresolved cases arising from customer complaints. The Customer Service Solution Team receives updates on the status of long-term outstanding cases from each center and provides closure support through the headquarters’ representative.

For litigation cases involving fires, vehicle accidents, and similar incidents, the Legal Team, R&D Center, and Quality Division work together to prepare technical materials and establish litigation response strategies. In cases where continuous quality-related claims are raised, the Company works with relevant quality improvement departments to conduct joint investigations and support the development of customer response measures. In cases involving persistent quality complaints, we collaborate with the Quality Division to conduct joint investigations and support the development of customer response plans.

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 directly operated high-tech service centers. To support the continuously growing number of EV owners, Hyundai has expanded the number of Bluehands service centers capable of repairing EVs and FCEVs to approximately 1,000 and 180 locations, respectively.

Customer Compensation and Dispute Resolution Process



Bluehands	- Hyundai’s official service suppliers – 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 – Launched in 2007, Bluemembers is a customer service program for Hyundai vehicle owners that supports a more enjoyable and convenient car life through a variety of specialized membership programs.
Bluelink	- Hyundai’s Connected Car Service – Hyundai’s connected car service leverages the latest IT and communication technology to provide remote control, safety security, vehicle management, and navigation services.



Customer Experience Innovation

STRATEGY

All Care Service Through its “All Care” services, Hyundai categorizes key services for vehicle management and safety into “CAR LIFE” and “CAR CARE” and presents them in an easy-to-understand format. Services for convenient CAR LIFE include on-site car wash and hand wash services, as well as the Genesis-exclusive “Airport Service.” EV-specific services include “EV Worry-Free Car,” which offers rapid on-site charging and reservation-based inspections, as well as the charging subscription plan “Lucky Pass H.”

In the CAR CARE category, Hyundai provides information on warranty repair systems and operate optional warranty programs, along with additional services such as body repair support in the event of accidents and regular inspection services. These include Body Care services (exterior repair) and Warranty Plus (extended warranty products). From a preventive perspective, vehicle conditions are monitored through Blue Worry-free Check-up and Doorstep Vehicle Care Service, while in emergencies, roadside assistance, mobile charging services, and hydrogen vehicle emergency delivery services are provided.

- **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 the customer center. Based on the findings of the investigations conducted 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 throughout every stage of their EV journey from purchase to resale. As part of our purchase benefits, 200,000 charging credits are provided, and efforts are made to alleviate uncertainty through EV body care services and new vehicle replacement programs during the ownership period. In addition, various services are offered to enhance customer convenience and provide emergency support, such as doorstep charging service. Regular inspections are also conducted to ensure safe driving for customers. Such efforts contribute to progressing towards sustainability management goals and delivering an enhanced customer experience at Hyundai.

Hyundai’s All Care Services (Passenger Car)¹⁾

CAR LIFE

Convenient CAR LIFE Services

CAR LIFE Services

- Car wash
Nationwide car wash service booking

EV-only Services

(Hyundai EV charging solution)

- EV Worry-free Car
Fast charging (20kWh), glass cleaning, inspection
- Lucky Pass H
Charging subscription



CAR CARE

Warranty Plans and Service Offerings

Repair Warranty Plans

- Repair within warranty periods by vehicle type/parts

Consumables Replacement Service



Customizable Warranty Plans

- Set warranty coverage for body and general parts to suit one's lifestyle needs

Additional Service Offerings

- 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)
- Warranty Plus
Extend warranty coverage for additional contract periods/distances traveled



Prevention and Inspection

Blue Worry-free Inspection

- Provide inspection services to Bluemembers who own Hyundai vehicles in Korea: 8 years of passenger cars (1/year), 10 years for EVs (1/year), 3 years for commercial cars (7 in total)

Doorstep Auto Care Service



- Visit the customer's preferred location and replace engine oil sets (required) and consumables (optional)

Doorstep Before Service

- Visit the customer's preferred location to provide basic vehicle check-ups and maintenance counseling



Emergency and Repair

Emergency Roadside Service

- Provide emergency roadside assistance and on-site support in situations where vehicle breakdowns make driving difficult

Doorstep Charging Service

- Provide Bluemembers with emergency charging services at no cost



Emergency Delivery for FCEVs

- Provide towing services in case of vehicle issues, including battery discharge or fuel depletion



Over-servicing Prevention Program

- In cases of suspected excessive maintenance at Bluehands, launch an insurer-led investigation and provide compensation when the claim is substantiated

Customer Vehicle Support Service

- Provide customers whose car is undergoing warranty repairs with a replacement vehicle

Global Customer Service Optimization To enhance customer experience through its best-in-class after-sales services, Hyundai establishes and implements innovative service operation strategies in collaboration with overseas sales subsidiaries and dealerships. In 2025, Hyundai redefined and standardized processes across the entire customer service journey, focusing on efficient network operations to minimize customer response times while enhancing service capabilities through the adoption of new technologies. Hyundai also explored new business models and expanded partnerships to increase the service category's contribution to overall profitability. In addition, we strengthened the capabilities of overseas dealers and developed talent to advance our service operations, while enhancing our service technology platforms and infrastructure, including the introduction of AI-based technical information recommendation systems. Hyundai will continue to strengthen our global customer care services through tailored strategies that reflect both market characteristics and customer expectations.

¹⁾ Based on services available in Korea, and service details may vary by country.

Customer Experience Innovation

STRATEGY

“My Hyundai” as a Global One App In November 2024, Hyundai launched a new “My Hyundai” app in Korea, integrating the existing My Hyundai, Bluelink, and Digital Key (1.0) applications into a single platform. In July 2025, the new app was launched simultaneously in 43 European countries, marking the beginning of its global expansion, and some 4.147 million customers are now using Hyundai's integrated mobility app. This new app supports a variety of features, including remote vehicle control, charging status check, vehicle monitoring, and maintenance/car wash service booking. It also enables customers to seamlessly access information and functions needed for vehicle management through a single connected experience within one app, allowing them to enjoy a wide range of services more conveniently.

Supporting the Mobility-Disadvantaged through Shucle (Mobility Service) Hyundai leverages “Shucle”, its demand responsive mobility service, to promote mobility rights for transportation-disadvantaged individuals. The demand-responsive transit (DRT) service “Mobility Care DDOKBUS,” operated in Daebudo, serves transportation-vulnerable groups such as the elderly, pregnant women, and children, and is provided using specially equipped SOLATI vehicles that can accommodate wheelchair users.

 **CSV Project in Korea – Mobility**

SUSTAINABLE BRAND

Ethical Marketing

Advertising & Marketing Ethics Policy Hyundai announced the “Advertising & Marketing Ethics Policy” to support customers in making informed purchasing decisions regarding products and services and to foster a sound advertising and marketing environment. The Policy sets forth such fundamental principles as providing accurate product and service information to customers, avoiding unfair comparisons with 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 its products and services.

 [Hyundai Motor Company Advertising & Marketing Ethics Policy](#)

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 its products and services while striving to ensure the right to know of our customers by labeling relevant information.

	Korea	China	Europe	North America
Product	Vehicle self-certification information (type and model of car, vehicle identification number, vehicle weight, year of production, tire, etc.)	ID labeling, vehicle identification number (W/screen), anti-theft warning labeling	ID labeling, E-marks certifying various items (lights, safety belts, horn, mirrors, glass, etc.)	Manufacturer name, model name, trim, model year, vehicle identification number (VIN), etc.
Environment	Fuel efficiency labeling, exhaust gas warning labeling	Fuel efficiency labeling	Information on diesel exhaust smoke, battery recycling, fuel, and refrigerants	VECI ⁴⁾ and refrigerant labeling
Safety	Information such as airbag warnings, gross vehicle weight ratings for commercial vehicles, and maximum payload capacity	CCC ¹⁾ labeling, CRS ²⁾ , airbag warning labeling	ISOFIX ³⁾ pictograms, temporary spare tire speed limits, airbag warnings, electric vehicle charging ports, fuel filler openings, refrigerant information, etc.	Information such as tire pressure, safety certification, airbag warnings, high-voltage batteries, and anti-theft systems

¹⁾ CCC: China Compulsory Certification

²⁾ CRS: Child Restraint System

³⁾ ISOFIX: International standard anchorage system for child safety seats

⁴⁾ VECI: Vehicle Emission Certification Information



Customer Experience Innovation

STRATEGY

Greenwashing Risk Management Hyundai has established a greenwashing prevention and risk management process to respond proactively to increasingly stringent global ESG regulatory requirements and to enhance the credibility of its external communications. To mitigate risks from the content creation stage, internal guidelines have been developed and are applied during the planning and production stages, and, when necessary, potential risks are reviewed in advance based on consultation and advisory support from the legal department. At the review stage, self-assessments are conducted using an internal checklist that comprehensively reflects global regulations and cases, and, based on the results, revisions and supplementary measures are taken prior to distribution.

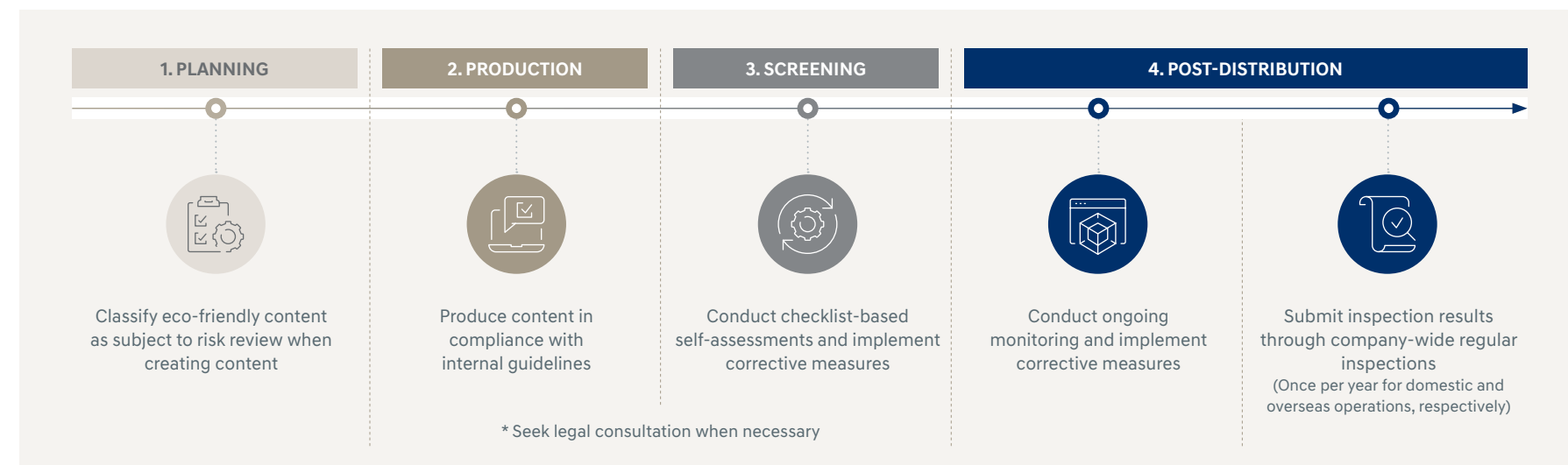
After distribution, regular company-wide inspections are conducted at least once per year both domestically and internationally to strengthen post-management. In addition, a company-wide culture of greenwashing prevention is being established through continuous employee training. Moving forward, Hyundai will make continuous efforts to strengthen trust with stakeholders through the transparent and accurate disclosure of information.

Brand Management

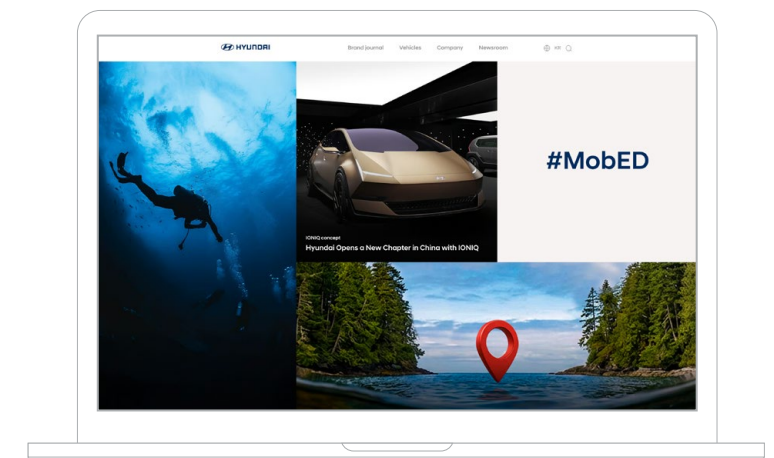
Brand Tracking Study We conduct a Brand Tracking Study (BTS) to check customers' brand awareness, purchase intention, satisfaction, etc. based on price, performance, quality, and eco-friendliness for each brand. Most notably, in terms of brand preference, Hyundai examines not only the reliability, competitiveness, service, and affordability of its 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, providing a clear understanding of each brand's competitive position in the market. The BTS results are used as key inputs for developing brand strategies at the regional sales level, and are fully incorporated into our marketing operations by identifying effective customer communication messages.

Greenwashing Risk Review Process



Hyundai Brand Journal



Customer Experience Innovation

RISK MANAGEMENT

RISK MANAGEMENT PROCESS

Quality Management System

Establishing an Integrated Quality Management System Hyundai has established a company-wide integrated quality management system to satisfy its customers' diverse quality and safety requirements, while each of its production sites operates their own quality management system to promote thorough quality management across all processes, including automobile design, parts development, process operation, pre-mass production, and mass production. Moreover, regular internal audits are conducted to ensure accountable quality control throughout the manufacturing process. Additionally, both domestic and overseas production sites have obtained 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 Risk Management

Quality Management System and Risk Management Hyundai operates an integrated quality management system that manages quality risks across all stages, from new vehicle development to mass production and post-sales. In the new vehicle development stage, potential quality risks are reviewed in advance through design and test vehicle validation, while in the mass-production stage, product quality stability is ensured through production process and component quality management. Customer complaints and quality issues are continuously monitored and reflected in quality improvement and quality assurance activities.

Quality risks, defect cases, and customer complaint information identified during the quality management process are shared not only across all company sites but also with suppliers, and are used in improvement activities to prevent the recurrence of quality issues. Before mass production, functional and durability validation using test vehicles is conducted alongside quality inspections from the customer's perspective to verify quality levels.

Status of Quality Management System (ISO 9001) Certification

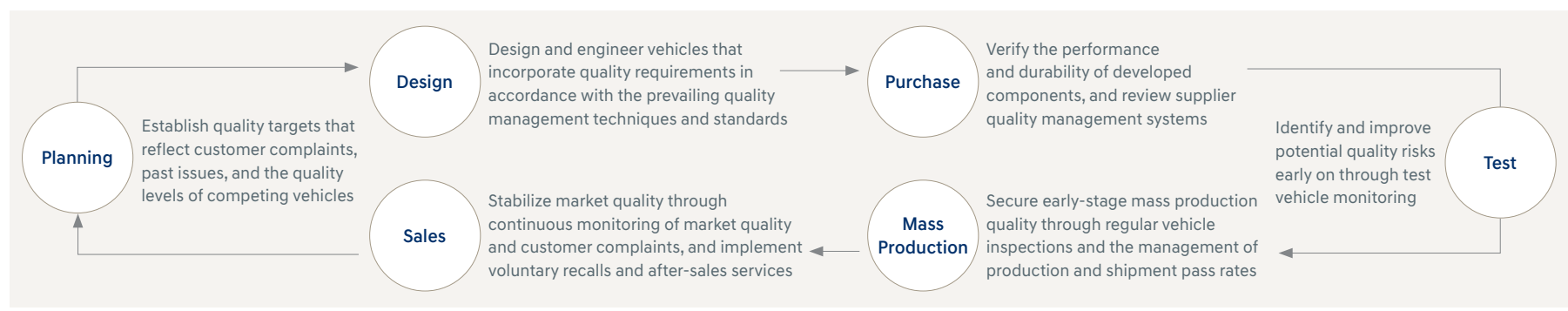


In addition, Hyundai operates quality management standards that reflect the characteristics of electrified vehicles, such as hybrid, electric, and hydrogen fuel cell vehicles, and continuously improves these standards based on the results of quality inspections and analyses. Through this, quality risks that may arise in electrified vehicles are managed systematically.

After mass production, process management indicators and quality inspection results are comprehensively analyzed to identify quality risks at an early stage and, when necessary, investigations and improvement activities involving relevant departments are carried out. Through these quality management activities, quality risks that may arise during the production process are prevented, and consistency in vehicle quality is maintained.

Response to Quality VoCs Hyundai continues to promote business innovation based on the voice of customers (VoC) to establish a company-wide customer complaint response system. In addition, the Quality Division and R&D Division among others collaborate to operate a VoC improvement process, diversifying quality improvement initiatives and responding promptly to urgent VoC cases, while focusing on quality enhancement based on customer feedback. We also 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 these efforts to prioritize customer safety and satisfaction, quality indicators account for 5% of the CEO's KPI evaluation.

Quality Management Process



BUSINESS CASE

Key Quality VoC Response Cases

Decision to Conduct Voluntary Recall for Four Models Including Genesis

In April 2025, Hyundai decided to carry out a proactive voluntary recall in accordance with its safety-first policy to fundamentally address an abnormality in the airbag control unit (ACU) software identified through customer complaints. Hyundai received customer complaints (three cases in Korea, 0.03%) involving four models, including the GV70 (JK1 PE, JK1 EV PE, RG3 EV PE, and ME1), indicating the possibility that airbag warning lights may illuminate at startup and the airbags may not deploy in the event of a collision. Upon conducting an immediate root cause analysis, we confirmed that the issue stemmed from a software logic error in which the ACU repeatedly reset and failed to boot properly due to an error during initialization of the cybersecurity module (HSM) within the ACU. As the issue was determined to directly affect passenger protection performance, we proactively conducted a voluntary recall covering 10,655 vehicles, including ACU software updates. Furthermore, to prevent recurrence of similar issues, we are enhancing our validation processes by strengthening software design verification procedures and redefining cybersecurity module management standards.

Customer Experience Innovation

METRICS AND TARGETS

Recalls and Warranty Provisions

Voluntary Recall Status			
(Unit: 10,000 vehicles, KRW million)			
Classification	2023	2024	2025
Number of recalled vehicles	548	308	225
Recall costs	485,173	511,012	179,367

Warranty Provisions

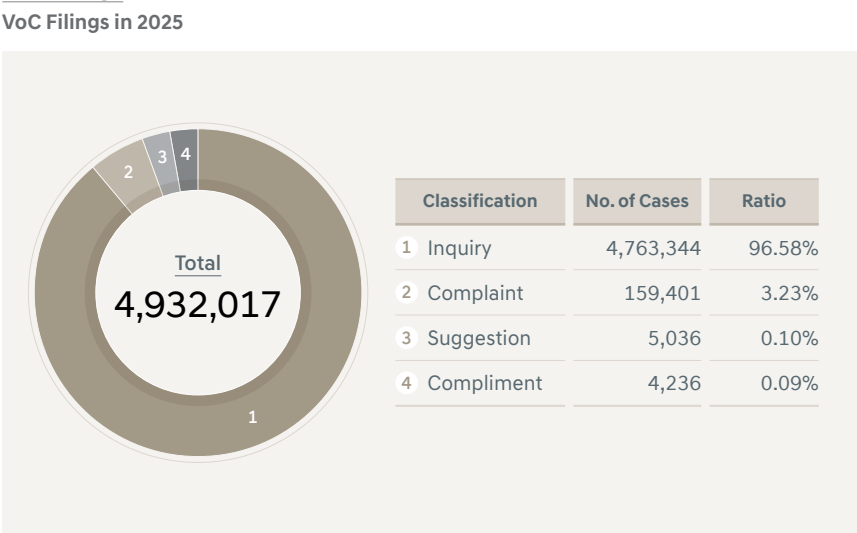
(Unit: KRW million)			
Classification	2023	2024	2025
Provision warranty balance at the beginning of the period	10,399,527	9,121,153	9,567,739
Warranty costs during the period	3,442,626	3,229,923	4,124,557

External Quality Index *

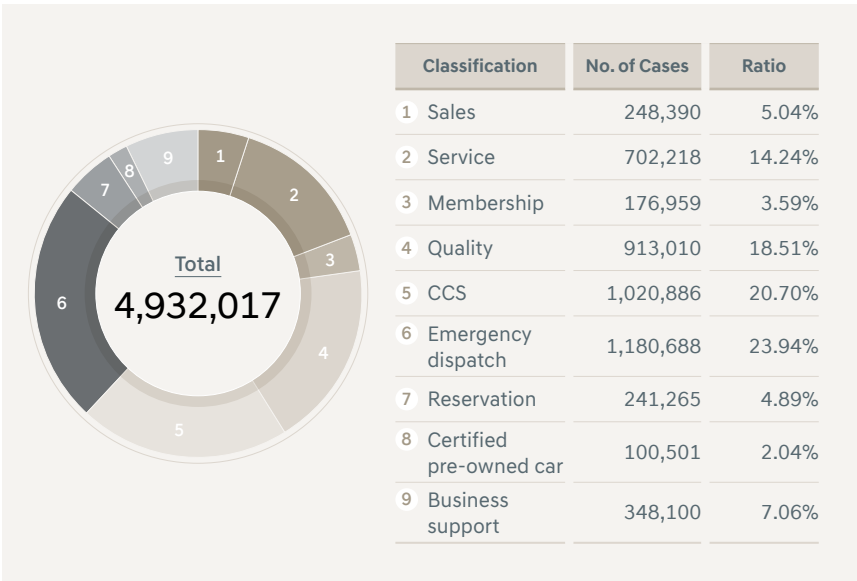
Classification	Unit	2023	2024	2025
U.S. Vehicle Dependability Study (Hyundai)	Ranking (Score)	Non-premium 6th (170 points)	Non-premium 9th (198 points)	Non-premium 12th (222 points)
U.S. Initial Quality Study (Hyundai)	Ranking (Score)	Non-premium 10th (188 points)	Non-premium 3rd (161 points)	Non-premium 2nd (173 points)
U.S. Vehicle Dependability Study (Genesis)	Ranking (Score)	Premium 2nd (144 points)	Premium 5th (200 points)	Premium 7th (213 points)
U.S. Initial Quality Study (Genesis)	Ranking (Score)	Premium 5th (176 points)	Premium 3rd (184 points)	Premium 3rd (183 points)

* Based on J.D. Power survey results

VoC Filings



2025 VoCs by Type



Customer Satisfaction Score Survey Results

Classification	Unit	2023	2024	2025
Customer Satisfaction Score – Hyundai Customer Experience Index (HCXI)	Score	72.2	71.0	71.9 ¹⁾
External evaluation – National Customer Satisfaction Index (NCSI)	Ranking	1st place in all segments	1st place in all segments	1st place in all segments ²⁾
External evaluation – Korean Standard-Quality Excellence Index (KS-QEI)	Ranking	1st place in 10 categories (14 categories in total)	1st place in 12 categories (14 categories in total)	1st place in 12 categories (15 categories in total) ³⁾
External Evaluation – Korean Customer Satisfaction Index (KCSI)	Ranking	1st place at all segments	1st place at all segments	1st place at all segments ⁴⁾
Domestic Maintenance Service Satisfaction (HCXI)	Score (Ranking)	72.5 (1st)	73.0 (1st)	73.3 (1st) ⁵⁾
Overseas Sales Customer Satisfaction (NPS)	Score (Country of implementation)	90.6 (35 countries)	93.8 (34 countries)	93.4 (34 countries)
Overseas Maintenance Service Satisfaction (NPS)	Score (Country of implementation)	78.8 (35 countries)	82.3 (34 countries)	84.3 (33 countries)

¹⁾ Combined score for sales and service satisfaction
²⁾ Compact passenger vehicles, mid-size vehicles, near-large vehicles, large vehicles, compact RVs, large RVs, and EVs
³⁾ 12 categories, including all passenger vehicle segments, EVs, luxury sedan D/E segments, and automotive after-sales service
⁴⁾ Passenger vehicles, RVs, compact vehicles, EVs, and premium vehicles
⁵⁾ Average combined score of directly operated service centers and Bluehands service centers

Human Rights and Human Resources Management

Hyundai endorses international standards and guidelines related to human rights and labor, and promotes human rights management across global supply chain. We have identified four key stakeholder groups—employees, suppliers, communities, and customers—and strive to address areas for improvement by selecting annual human rights management priorities. We also conduct human rights due diligence across our business sites and suppliers to identify human rights risks and implement mitigation measures. In terms of human resource management, we implement talent recruitment strategies aimed at strengthening future competitiveness, operate training systems to enhance employees' core job competencies, and provide fair performance-based compensation systems and employee welfare programs. We believe diverse backgrounds and experiences strengthen collaboration and drive our shared goals.

GOVERNANCE

GOVERNANCE BODY

Board of Directors

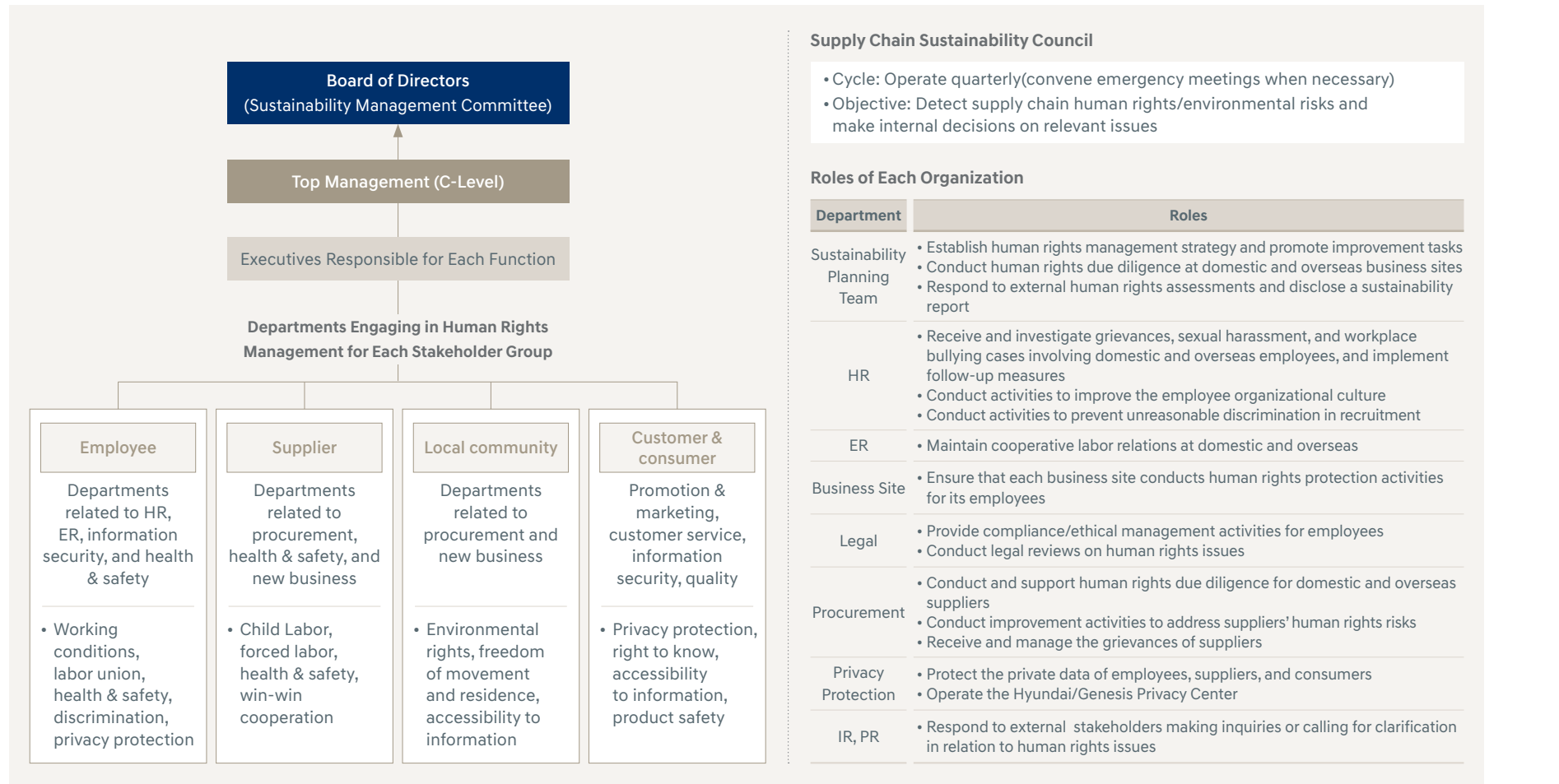
Our human rights management governance is structured around the continuous reporting system and the issue response system. Site- and region-specific human rights risks identified through due diligence conducted across business sites and suppliers are reported to C-level management and the Sustainability Management Committee under the Board of Directors (BOD). In addition, significant human rights-related matters are reported to management on an ad hoc basis as needed. Through this reporting framework, Hyundai systematically manages human rights risks and integrates relevant considerations into key decision-making processes.

MANAGEMENT

Committee and Dedicated Teams

Hyundai has established a management system centered on dedicated organizations and committees to ensure the effective implementation of its human rights management framework. Based on human rights management functions organized by stakeholder group, we develop human rights management strategies and manage human rights risks across domestic and overseas business sites and suppliers. A total of 198 personnel are assigned to dedicated human rights management organizations, including Sustainability Planning, Legal, and HR Teams. In December 2024, we established the Supply Chain Sustainability Council, creating a collaborative framework across key departments, including Procurement, Legal, IR, PR, and Sustainability Planning Teams. Moving forward, we plan to operate a regular human rights committee to address a broader spectrum of issues beyond the supply chain. This will enable us to proactively mitigate global human rights risks and respond swiftly to emerging challenges.

Human Rights Management Governance



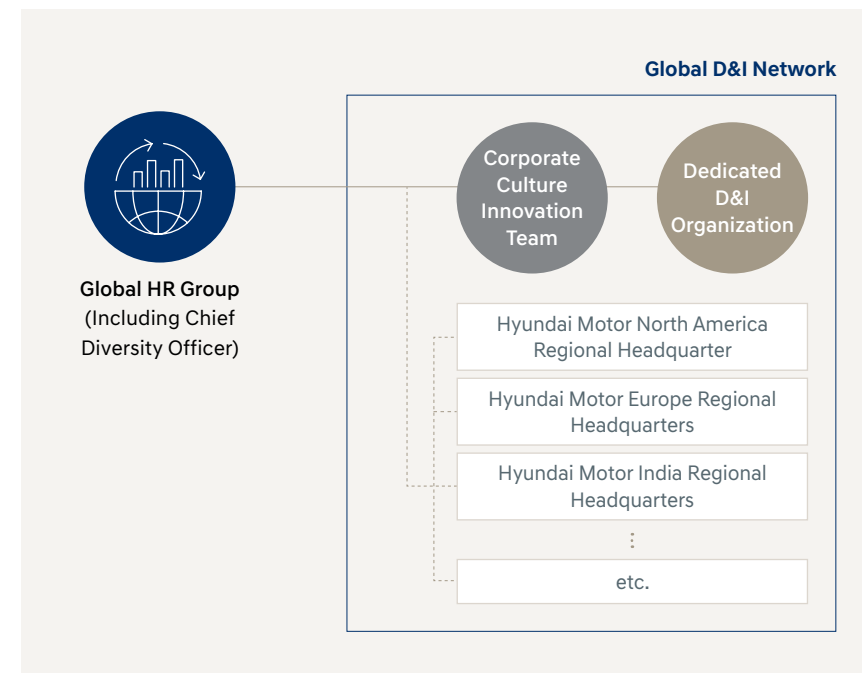


Human Rights and Human Resources Management

GOVERNANCE

Diversity and Inclusion Promotion Framework

Hyundai operates a dedicated global D&I organization within the Culture Innovation Team under the Global HR Group and systematically promotes company-wide diversity and inclusion strategies. We have established a global D&I network involving all global subsidiaries to ensure that inclusion strategies reflecting the characteristics and diversity of each region and entity are effectively implemented based on a consistent global direction.



Human Rights Charter

Since establishing the Human Rights Charter in 2020, Hyundai has remained firmly committed to upholding the principles set forth in the Charter. Our Human Rights Charter applies to our own employees, including executives, 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 Human Rights Charter](#)

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 Fundamental Conventions	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
UN Declaration on the Rights of Indigenous Peoples	UN Convention on the Rights of Persons with Disabilities

Non-Discrimination & Anti-Harassment Policy

Hyundai adopted 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 discomfort.

[Hyundai Motor Company Non-Discrimination & Anti-Harassment Policy](#)

STRATEGY

IMPACTS, RISKS AND OPPORTUNITIES

Human Rights and Human Resources Management Identification Results

Hyundai has identified impacts and risks across its value chain related to human rights and human resource management. In terms of working conditions and employment, the reorganization of production systems driven by the transition to electrification may increase employment uncertainty for existing employees and negatively affect job stability. With regard to social dialogue, freedom of association, and labor-management councils, guaranteeing labor rights and operating labor-management committees generate positive impacts by improving working conditions. However, intensified labor disputes may also lead to financial risks, including revenue losses caused by production disruptions.

In the area of education and competency development, employee training and capability development programs create positive impacts by enhancing employees' skills and employability. In other labor-related human rights areas, inadequate information security management may lead to privacy violations through the leakage of employees' personal information. Such incidents may also result in financial risks, including fines, compensation claims, and reputational damage.

ADVANCING HUMAN RIGHTS MANAGEMENT

Direction and Strategy

Hyundai supports the international human rights and labor standards and guidelines set forth in its Human Rights Charter and promotes global human rights management based on these principles. We define the key stakeholders in our human rights management framework as employees, suppliers, local communities, and customers and consumers, and implement initiatives across five key areas: governance, education, declaration, due diligence, and remedy. In addition, we proactively assess ESG risks, including human rights risks, during decision-making processes related to new investments and supply chains. We also work to prevent and respond to human rights risks through employee training, preventive activities addressing key human rights issues, and the operation of a human rights grievance management system. Each year, Hyundai reviews the implementation status and areas for improvement across these five areas, identifies key priorities, and promotes phased improvements through consultation with relevant departments.

Human Rights and Human Resources Management

STRATEGY

Human Rights Risk Assessment in Investment Decision-making

Since 2024, Hyundai has operated an ESG risk screening system within the project investment review process for new plant construction and expansion projects. The checklist is structured based on global standards related to project investment, including the IFC Performance Standards on Environmental and Social Sustainability and the Equator Principles, to assess a broad range of ESG risks, including impacts on human rights, cultural heritage, ecosystems, local communities, and indigenous peoples.

In 2025, we introduced ESG risk review procedures into the investment review process for electric vehicle (EV) battery supply chain-related projects, which are considered to carry relatively high human rights and environmental risks. Moving forward, we plan to continuously expand the scope of ESG risk reviews within our internal investment review processes.

Human Rights Education

Statutory Education and D&I Education Hyundai conducts annual human rights training to promote employees' understanding of and compliance with the principles of the Human Rights Charter while enhancing human rights awareness. Approximately 20 human rights-related training courses are provided, including legally mandated training such as sexual harassment prevention and disability awareness training, as well as content covering human rights management concepts, human rights violation cases, related legislation, and industry trends. Human rights-related content is also incorporated into ethics training programs for domestic team leaders, the heads of overseas subsidiaries, and expatriates, which have been expanded since 2023.

In particular, we rolled out global D&I (Diversity & Inclusion) training videos in March 2025 to approximately 123,000 employees worldwide through our domestic and overseas training platforms. The D&I mindset training provided to all employees highlighted the importance of psychological safety within the organization and addressing microaggressions to foster mutual respect and prevent discrimination in the workplace. Additionally, customized training tailored to specific job functions was provided to key departments engaged in human rights-related work, enhancing employees' understanding of the relationship between their roles and the human rights of stakeholders.

Global Human Rights Education

① (For all employees) D&I Mindset Training

Introduction to the concepts of diversity and inclusion and presentation of the three principles of the D&I mindset

② Human Rights Management Training by Job Function

Introduction to the concept of human rights management and explanation of the relationship between job responsibilities and stakeholder human rights
– Targeted at departments participating in human rights management governance, including HR, ER, Health & Safety, Procurement, PR & Marketing, and Customer Service



Outcomes of Human Rights Education in 2025



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 prevent 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 may 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
Clearly 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

STRATEGY

Remediation

Human Rights Grievances Hyundai established 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 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, grievances are promptly assessed the situation according to the established procedures. If necessary, measures are taken to address the root causes of the complaint, improve internal systems or work methods, and prevent recurrence.

Furthermore, for employees found to have committed human rights violations, including 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.

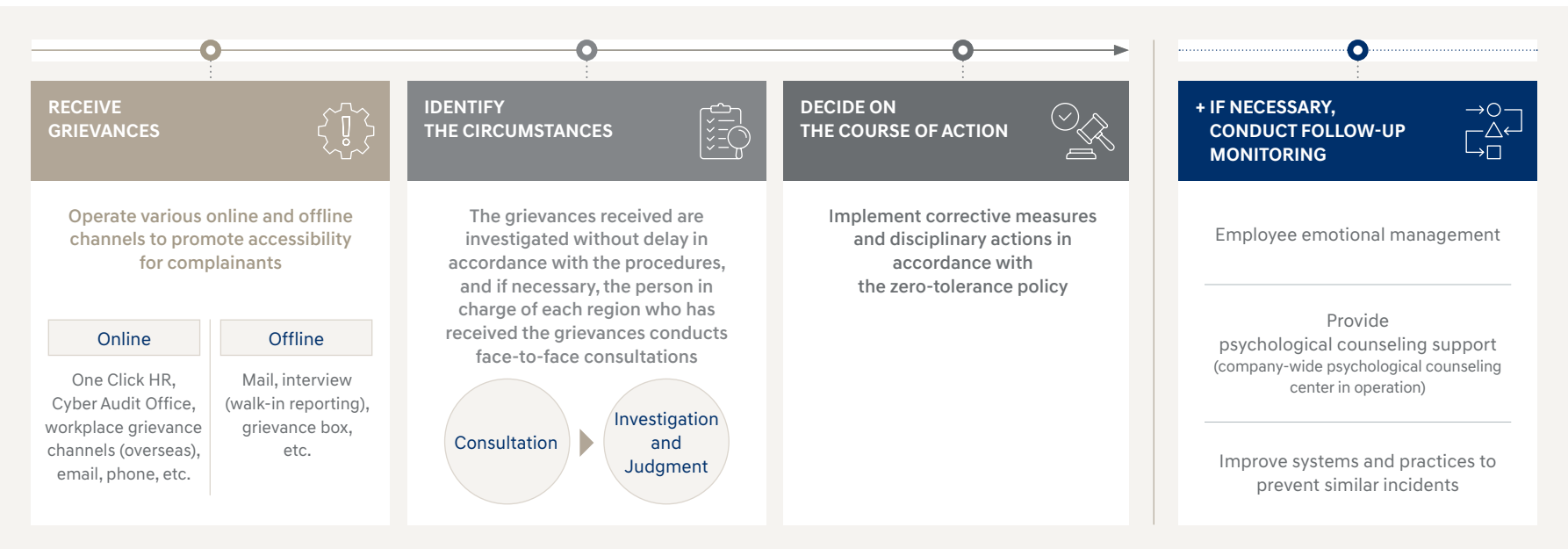
Employee Grievances in 2025*

<u>Number of grievances received</u>	<u>Number of grievances addressed</u>	<u>Grievance resolution rate</u>
67 cases	67 cases	100%

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

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 gather feedback from 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.

Grievance Mechanism



Domestic

- 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
- 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
- Leverage the Labor-Management Council to verify the need to improve the working environment to accommodate an increasing number of women employees at production plants, supplement facilities available for expecting mothers, and work to check their use status on an on-going basis
- Provide tailored support for the grievances raised by employees until their full resolution through responsible personnel monitoring the progress made

Overseas

- 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
- 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)
- 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





Human Rights and Human Resources Management

STRATEGY

STRATEGIC HR MANAGEMENT

Talent Recruitment and Management

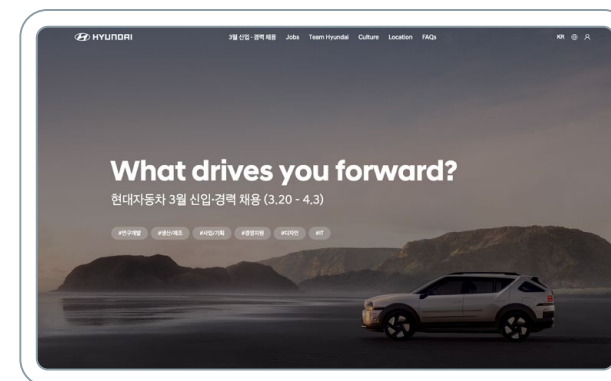
Process and System Hyundai improves its recruitment procedures each year with the candidate experience in mind and operates flexible hiring processes tailored to job characteristics and business needs. We also operate various internship programs for students in Korea as well as global talent, including candidates from ASEAN countries, providing opportunities to gain hands-on experience and build professional capabilities at Hyundai.

To this end, we define the expertise, qualifications, and skills required by departments seeking talent in advance, establish the selection criteria, and maintain systems that enable the timely recruitment of job-oriented talents with active departmental participation. We also have a dedicated recruitment function comprising decision-makers from HR and relevant business departments who evaluate the expertise and suitability of applicants in a fair manner.

To prevent discrimination based on applicants' personal characteristics during the recruitment process, we specify relevant guidelines in interviewer manuals and provide related training to interviewers. In particular, employees who have not completed interviewer training are prohibited from participating as interviewers to ensure fairness in evaluations while enhancing evaluator competency. We also strengthen transparency by operating checklists for self-assessment of procedural fairness at each stage of the recruitment process. Following recruitment procedures, we conduct regular internal audits to review the overall hiring process and immediately implement corrective actions if issues related to fairness or integrity are identified. Moreover, recruitment platform and systems are maintained and continuously enhanced to enable applicants to more easily access recruitment information and apply for positions. Preferential treatment is also provided to protected employment groups, including persons with disabilities and veterans, in accordance with applicable laws and regulations.

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

Internal Recruitment and Job Transfer We implement job transfers on an as-needed basis to meet the staffing needs of working-level departments and assist employees in their career development. In addition, we offer regular internal recruitment opportunities, allowing employees to apply for positions in their department or role of choice. This also enables department heads to proactively reach out to employees who express interest in specific positions. Employees who wish to transfer or receive internal scouting offers become eligible for job transfers following the established selection process including document reviews and interviews. We fully leverage our internal recruitment and job transfer programs to support employees in their career growth and competency development.



Hyundai Motor Company Talent Recruitment Website

Performance Evaluation System To ensure fair and reasonable evaluation of both performance and work processes, Hyundai operates goal-based performance and process evaluation systems for general and research employees, along with ongoing and periodic feedback programs. We encourage employees to pursue shared organizational objectives by establishing both organizational and individual goals in alignment. KPIs are established for each organizational unit (i.e., team), and organizational goals are shared with employees through goal alignment sessions. These organizational goals are then cascaded down to establish individual goals. Work progress and outcomes are continuously reviewed based on established goals, and the process is documented and reflected in evaluations.

- **Performance Management and Feedback** Hyundai operates 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 embed a feedback-oriented culture starting at the leadership level. Ongoing and regular feedback is also provided to foster timely feedback exchange between leaders and team members. This helps members brief their leader on progress updates and matters requiring support while leaders offer coaching at critical moments by taking into account individual performance, collaboration with colleagues, and overall organizational contribution. Such feedback sessions ensure both leaders and members check in on their performance and encourage fair performance management by leaders while boosting employee motivation. Surveys are conducted at key stages to regularly gather employee feedback on the feedback process and incorporate the results into related system improvements.

- **360° Multi-Faceted Evaluation** Our 360° multi-faceted evaluation is applied to both leaders and team members. Each year, leaders receive 360° feedback through the Leadership Surround View (LSV) to gain objective insights into their own leadership and enhance their leadership skills. A similar program 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 foster a culture of collaboration.

Human Rights and Human Resources Management

STRATEGY

Talent Development and Professional Competencies

To ensure employees are aligned with Hyundai’s business strategy and strengthen core capabilities, including job competencies, Hyundai provides a wide range of learning solutions under the “H-SENSE” brand, which represents the essential capabilities required of Hyundai employees. In particular, we have established a talent development strategy aligned with our mid- to long-term business strategy through H-SENSE. The strategy focuses on communicating business strategies and ways of working through a “Global One Message” by expanding H-SENSE content globally, while developing tailored H-SENSE solution maps for overseas subsidiaries to reinforce core capabilities. To this end, we aim to achieve a completion rate of over 80% for company-wide mandatory content by 2030, as well as over 80% adoption of standardized onboarding and leadership content and H-SENSE solutions distributed to overseas subsidiaries.

Moreover, we regularly distribute “H-SENSE Must-see,” a mandatory content series for global employees designed to enhance understanding of our core business strategies. To instill “How Hyundai Works” — encompassing the Hyundai Way, which defines our ways of working, and 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, operating year-round, also assists employees in enhancing their digital transformation (DX) competencies in areas such as AI, data and software to build future-proof DX capabilities. To help employees build stronger job expertise, each organization identifies its core competencies and develops and operates associated training programs. Our global career development program provides top talent recognized for their global mindset and professional excellence with the opportunity to work across our worldwide locations, leading global field organizations and delivering tangible outcomes. This allows participating employees to evolve into global talent and drive future business success.

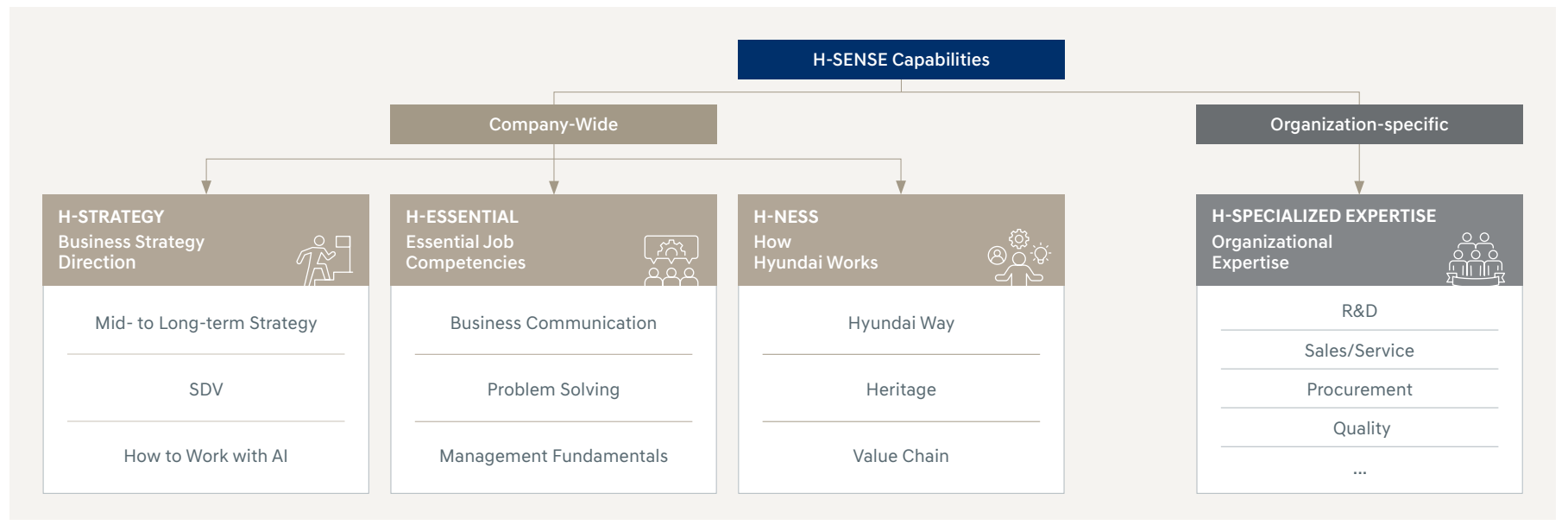
Learning Lounge and Learning Lab The Learning Lounge supports employees in pursuing self-directed growth by providing an environment where employees set their future growth plans, receive recommendations on necessary learning solutions, and pursue self-initiated learning. Approximately 19,000 learning solutions are made available through this platform, including online content relating to cross-functional competencies, to assist employees in becoming agents of change and driving innovation. In particular, the online learning content available through the Learning Lounge is provided to all workers, including full-time employees, part-time employees, and contractors, enabling continuous access to a wide range of content related to leadership, digital transformation, culture, and other job competency development areas.

Meanwhile, our Learning Lab program helps employees voluntarily form learning groups to seek growth through peer networking and collaboration. Participants select topics relevant to their competency development needs, determine their learning schedule and methods, and engage in three-month Learning Lab activities to strengthen their skills, thereby fostering 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 2025) (Unit: Courses)

Classification	Training Provided
Company-wide, cross-functional training	Business strategy direction (496), Essential job competencies (3,440), How Hyundai Works (38)
Organization-specific training	R&D (3,412), Production and manufacturing technology (2,388), Business-related and others (5,165)
Leadership-related training	On-going training (1,254), Formal training (1,239)
Statutory training	Compliance and security (237), Fire/safety and others (1,049)

H-SENSE Framework



Human Rights and Human Resources Management

STRATEGY

Leadership Training Program Hyundai operates a wide range of leadership training programs for all employees to foster talent capable of contributing to business performance. Employees who do not currently hold leadership positions may access our online learning system Learning Lounge to set their own development goals and engage with 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.

Group and team heads receive training to develop practical performance management skills covering goal setting, feedback, and evaluation, to ensure they drive performance alongside their members. These leaders are also invited to participate in the Leaders Learning Lab, a community of practice designed to facilitate insight sharing and build future-ready leadership capabilities. Top leaders participate in the Insight Forum and Global Insight programs to expand their business perspectives and global acumen. For employees taking on leadership roles in overseas operations, we offer tailored training programs for expatriates and heads of global subsidiaries.

Certification Acquisition Support Programs for Enhanced Expertise Hyundai offers certification preparation training courses for obtaining qualifications essential to specific job roles, as well as preparation for the HDAT¹⁾ certification, which assesses data analysis (DA) and data science/AI modeling (DS) competencies required in the evolving industry and related fields. The company covers the cost of these training programs.

As of 2025, a total of 1,346 employees responsible for workplace health & safety who completed the Industrial Engineer and Industrial Safety Engineer certification programs took the certification examination. Among them, 1,117 obtained the certification, achieving a high pass rate of 83%. In addition, a total of 415 employees across 14 sessions completed the HDAT-DA Fast Track program for general, R&D, and legal employees, with 366 participants obtaining HDAT-DA certification.

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 training programs covering human rights, safety, environment, and quality to strengthen our suppliers' management capabilities. Furthermore, we are committed to providing specialized ESG training tailored to each employee's job role, with the aim of building a sustainability mindset and strengthening sustainability management capabilities among our employees.

Leadership Training Program

Training Type	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	Providing leadership training on new roles as mid-level managers responsible for executing company-wide strategies based on their expertise Helping understand one's new leader role and develop skills required for organizational operation	Employees promoted to senior positions Newly-appointed team/group/sub-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.) 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)	Leaders in team leader or higher-level roles Expatriates, heads of overseas subsidiaries, and employees engaging in global collaboration

Sustainability Training Programs Provided (As of March 2026)					(Unit: Courses)
	Human Rights	Safety	Environment	Quality	Total
Number of courses	36	1,991	1,231	1,238	4,496

* Keyword search results on the Learning Lounge platform

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.

Human Rights and Human Resources Management

STRATEGY

Retiree Support Program

Pre-Retirement Training Hyundai operates various programs to support employees in preparing for retirement. Under these programs, we provided online and offline training and specialized consulting to 5,236 employees by age group and function.

Career Consulting Service Hyundai provides 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 training covering a broad array of areas, including life planning, entrepreneurship, reemployment and certification acquisition. This is further supported by one-on-one counseling, dialogue with senior colleagues, “Special Startup Day,” and small group discussions for practical assistance.

After leaving the company, Hyundai provides 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 in sustaining their professional growth beyond their tenure with the company.

Pre-Retirement Support Program Results (2025)

Classification	Manager		
Course	Future Planning 60	Special Lecture on Career Transition	My Work, My Value for 58/59
Target	60 years old	60 years old	59, 59 years old
Completers	1,331 persons	1,914 persons	632 persons
Topic	- Preparing life/career design plans aligned with one's life career - Change management, life planning, and health	Guidance on retirement including pension options to support employees in designing one's postretirement life	- Financial management - Making my work valuable

Classification	Senior Manager	
Course	Future Planning – Basic	Future Planning – Advanced
Target	59 years old	60 years old
Completers	478 persons	398 persons
Topic	- Developing positive perceptions on retirement and exploring career options to plan one's post-retirement life - Lecture: Wealth management, licenses - Consulting: Career, finance	- Acquiring key information for career transition after retirement and developing specific action plans - Lecture: Wealth management, administrative management - Consulting: Re-employment, start-up, social contribution, returning to farming and rural living

Classification	Car Master	
Course	Future Planning 59	Future Planning 60
Target	59 years old	60 years old
Completers	332 persons	151 persons
Topic	Supporting post-retirement life planning covering change management, financial planning, career exploration and expansion, and re-employment	

Just Transition

Concept of Just Transition and Hyundai's Approach The International Labour Organization (ILO) defines a just transition as “greening the economy in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind.” This concept is also explicitly referenced in the Paris Agreement and is based on the principle that the adverse social and economic impacts arising from the transition to a low-carbon economy should be proactively recognized and systematically addressed to ensure that stakeholders, including workers and local communities, are not left behind.

Hyundai goes beyond the traditional concept of just transition — which focuses on protecting stakeholders during the green transition — by broadening its scope and deepening its application. We systematically address the multifaceted impacts of structural changes across the mobility industry — including the shift toward electrification-driven business models, the rise of robotics, and the advent of AI— on employees, suppliers, local communities, and customers. This embodies the core principle of Hyundai's just transition strategy: ensuring that no one is left behind amid accelerating technological innovation and industrial transformation.

Human Rights and Human Resources Management

STRATEGY

Strengthening Workforce Capabilities and Reskilling for the Electrification Era Hyundai proactively recognizes the potential adverse impacts on employees arising from the transition to eco-friendly mobility and operates systematic workforce training and redeployment programs to mitigate such impacts. In particular, we are implementing a Just Transition Strategy that supports both skills development and psychological well-being to ensure that R&D personnel engaged in internal combustion engine (ICE)-related work are not left behind during the Electrification Transition.

• **Electrification Vision and Fundamental Training** In 2025, Hyundai provided training programs for R&D employees to prepare for the transition to electrification. First, through a special lecture personally delivered by the Executive Vice President overseeing electrification development, we shared the future business direction to help employees understand the context of change and foster a shared understanding of the transition. This was followed by a five-day engine fundamentals course jointly conducted by external experts and internal instructors, covering engine operating principles, R&D trends, and key systems in depth, along with engine development case studies from Hyundai Motor Group. In addition, a five-day transmission and HEV fundamentals course provided practical training on topics including the basic principles of hybrid systems, the structure of Hyundai transmission systems (ICE/ HEV), transmission performance test cases, with a focus on practical applications.

- **Advanced HEV Transmission Course** As hybrid electric vehicle (HEV) transmissions continue to grow in importance in the electrification market, understanding of the next-generation TMED-II (Transmission Mounted Electric Device) HEV transmission system is emerging as a core competency for R&D personnel. Accordingly, Hyundai organized a separate five-day course combining theoretical and hands-on training and operated an advanced reskilling program covering areas including transmission concepts and lever analysis methods, integrated transmission theory, expert lectures on transmission control, and practical HEV drivetrain analysis exercises. In doing so, we are creating pathways that naturally enable employees to naturally expand their expertise accumulated in the ICE domain into HEV development capabilities.

Electrification Track Training Programs	
Classification	Topic
Powertrain	Motor theory, transmissions, reduction gears, power modules, core motor components, and motor analysis
Power Conversion	Inverters, motor control, power modules, electrical and electronic systems, and power electronics
Battery	Battery modules/packs, lithium-ion batteries (LIB), next-generation batteries, battery management systems (BMS), and charging systems
Thermal Management	Drive motor thermal management, power electronics component thermal management, cooling systems, HVAC systems, and integrated thermal management

- **Electrification Core Components Program** Hyundai systematically designs and operates electrification core component training programs aimed at building shared foundational competencies for R&D employees. The training covers key electrification technology areas, including motors, inverters, and batteries, and is delivered through a combination of online and in-person learning formats. In addition, in-depth job-specific and domain-specialized courses are separately organized by center to support customized competency development. Hyundai has also established a self-directed learning environment through the online learning platform (Learning Lounge) covering topics such as electrical and electronic fundamentals, alternating current (AC) circuits, motor fundamentals, power conversion fundamentals, and control theory across various electrification fields.

Reskilling Manufacturing Workforce for the AI and Robotics Transition In addition to the transition to electrification, Hyundai actively supports traditional manufacturing professionals in adapting to rapidly evolving technologies such as AI and robotics. In particular, to realize our mid- to long-term goal of establishing a “24-hour unmanned fully automated factory” by 2030, we are implementing retraining programs that build software job competencies—including data analytics, AI, and robot control—on top of the extensive manufacturing expertise of existing production technology specialists, rather than completely transforming their roles.

To this end, we operate the Manufacturing SW Academy, which systematically develops nine core software competencies essential for manufacturing operations, including data and AI, vision systems, robot and facility control, and communications and networking. We are also generating tangible outcomes through the Data Boot Campus, where employees directly carry out hands-on projects to develop solutions that can be immediately applied in the field. In 2025, approximately 1,500 employees completed the program, achieving the meaningful milestone of 25% of employees reaching Data/AI competency Level 2 or higher. In 2026, we plan to continuously accelerate the internalization of manufacturing software capabilities, with the goal of nurturing approximately 1,000 talent.

Social Dialogue with Labor Unions At Hyundai, labor and management are jointly committed to proactively responding to changes in the global automotive industry and strengthen competitiveness in the future mobility sector. In particular, during the 2025 collective bargaining process, labor and management signed the “Special Agreement for the Future Mutual Development of Labor and Management,” agreeing to strengthen communication and cooperation on measures to support the future development of domestic plants, including workforce allocation at the Ulsan EV Plant amid the transition to electrification, as well as quality assurance and worker safety assurance. In addition, through collective bargaining and related discussions, labor and management agreed to jointly implement training initiatives—including mobility industry transition education, EV job training, manufacturing technology transition training, special training for employees assigned to the Ulsan EV Plant, and joint industrial transition training programs for parts suppliers—to help employees respond to employment changes arising from industry transformation and adapt smoothly to future technological changes. Labor and management continue to reinforce their joint efforts to establish a safety-first culture.

Human Rights and Human Resources Management

STRATEGY

GREAT WORKPLACE CULTURE

Improving Workplace Culture

Organizational Culture Survey Hyundai recognizes that high employee engagement is one of the key factors that influences the company’s performance and individual talent development. We therefore conduct an annual assessment to gauge the level of organizational culture among our employees. We leverage 74 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, and company” in line with the framework linking positive employee experience to organizational performance.

In the 2025 organizational culture survey, 87% of all employees participated, marking the highest participation rate since the survey was introduced. The average score also increased by 0.8 points year-on-year to 80.2, for the first time, exceeding the 80-point threshold. While most areas showed improvement, employee resonance with the company’s mid-to long-term direction declined slightly. This was interpreted as reflecting employee feedback — from those who share the company's vision — expressing the need for more detailed execution strategies and stronger communication to support its implementation. In response, Hyundai is strengthening communication with employees through company-wide performance and goal-sharing sessions, while also enhancing execution capabilities by introducing team leader training programs from 2026 onward to help departments identify and implement improvement initiatives based on organizational culture survey results. In addition, change leaders responsible for driving transformation within each organization continue to identify areas for improvement based on survey results and carry out change initiatives tailored to organizational needs.

In 2025, we selected organizational structures and processes—areas repeatedly identified for improvement through organizational culture surveys—as key improvement themes and implemented customized initiatives for each organization focused on clarifying roles and responsibilities (R&R) and building a collaborative culture. In particular, the Procurement Division carried out targeted improvement initiatives, including the “Connect & Collaborate” workshop, among others. As a result, collaboration-related survey scores saw a meaningful increase of 3.4 points year-on-year.

Corporate Culture Activities and Programs

Hyundai Way In 2024, Hyundai globally launched the Hyundai Way and drove company-wide change management. 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 ongoing reward program, embedding it across various systems to foster a culture of employee engagement.

In 2025, based on organizational culture survey results, we are expanding company-wide initiatives designed to connect employees' day-to-day work with the company’s vision and strategy to strengthen employees' shared understanding of the company's vision and strategy. In particular, we operate “Hyundai Way Week” to help employees systematically understand and practice the Hyundai Way of working. We are also distributing the “Hyundai Way Deck 2.0,” which features exemplary global cases showcasing how the Hyundai Way is practiced and embodied in daily work, fostering an environment where employees around the world can collaborate based on shared principles and ways of working.

Flexible Work Arrangements Hyundai has adopted hybrid work arrangements to foster a corporate culture in which employees focus on their work rather than their physical location, working autonomously. The “H-Work Station” serves as our hub office allowing employees to choose their preferred workspace, improving both job satisfaction and work efficiency. Furthermore, this shift mirrors Hyundai’s future-driven corporate culture. In addition, we operate a separate contract-based employment system that provides a part-time working option for workers who face difficulties working under a full-time arrangement, allowing them to work under reduced contractual hours.

Promoting Mental Wellness for Employees and Their Families To actively support our employees in leading a healthy professional life and caring for their 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, in operation since 2023, provides practical solutions relieving employees' psychological challenges and has been highly valued by our employees, receiving high satisfaction ratings. Going forward, we remain committed to supporting employees in caring for their families and maintaining their 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, Hyundai 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 yearly collective bargaining, 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 similarly situated 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 managerial employees, and in compliance with the procedures for amending employment rules under the Labor Standards Act.

In 2025, Hyundai established the 7th 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 growing global competition and uncertainties, the 7th 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 conduct wage and collective bargaining in accordance with local labor laws and regulations. To establish working conditions and welfare programs that create mutually beneficial outcomes for both employees and the company, we hold both regular and ad hoc dialogue sessions and strive to reach agreements that are reasonable and satisfactory to both labor and management.

Human Rights and Human Resources Management

STRATEGY

Although labor unions have not been established at subsidiaries in the U.S., Türkiye, and Indonesia, Hyundai actively listens to employees' voices through open and direct communication, as well as proactive employee relations (ER) management. 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, industry-level bargaining is conducted. 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). Particularly in Türkiye, we continuously strive to improve employees' working conditions in response to geopolitical risks, high inflation, and rising costs.

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 concerns by individually holding regular dialogue sessions between employees and management, operating grievance counseling centers, and conducting field visits. 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 jointly navigate the industry transition, labor and management at Hyundai have established a Joint Labor-Management Task Force (TFT) and the Job Stability Committee to engage in ongoing discussions. Labor and management are also jointly working to develop concrete measures for the future development of the automotive industry, including domestic investment and strengthening competitiveness in response to changes in the future mobility industry. At Hyundai, labor and management continue to pursue GHG emission reduction activities for a sustainable global environment, while maintaining mutual benefit efforts with parts suppliers. Furthermore, we continue to conduct training programs and campaigns aimed at fostering global corporate citizenship befitting our status as a global automotive player.

FAIR COMPENSATION AND EMPLOYEE BENEFITS

Remuneration System

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

Performance-based Compensation Hyundai provides variable pay based on performance assessment results, and adjusts pay raises considering internal/external economic conditions, market situations, and business performance. We do not permit any unfair 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. Hyundai determines variable pay for all employees fairly based on individual job performance. In addition to performance-based variable pay, Hyundai distributes excess profits from business performance 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 2025, a total of 1,766,020 shares were subscribed, comprising 1,529,994 employer contributed shares and 236,026 employee-purchased shares. A total of 7,848,797 shares have been distributed through the ESOP to date, and 6,771,922 shares were held under the plan as of the end of 2025 (representing a 3.33% ownership stake). All our full-time employees, who account for over 90% of the total workforce, are eligible for both the ESOP and the employee stock purchase plan.

ESOP Operation Status

Classification		2024	2025
New contributions	Company contributions	1,510,345	1,529,994
	Individual contributions	246,294	236,026
Total		1,756,639	1,766,020
Number of employee-owned shares (ownership)		5,394,300 (2.58%)	6,771,922 (3.33%) ¹⁾

¹⁾ Based on the combined holdings of common and preferred shares; the ownership ratio based on common shares in the 2025 Business Report (VII. Matters Concerning Shareholders) is 2.96%.

Employee Welfare Benefits System

Tailored Employee Benefits Programs Hyundai operates a variety of employee benefits programs to support employees' work-life balance, providing customized benefits such as family event support, leave programs, children's education subsidies, and vehicle purchase discounts. In particular, we actively support employees in balancing childcare and work by providing parental leave benefits that exceed legal requirements. In addition, through a flexible benefits system, employees can select benefits tailored to their individual lifestyles.

Health Support for Employees To support employee health and wellness, Hyundai operates employee-only fitness centers (gymnasiums) and exercise programs at its headquarters, the Ulsan, Asan, and Jeonju plants, and the Namyang R&D Center. At headquarters in particular, we renovated aging facilities and renewed the gymnasium with modern amenities to provide employees with a more comfortable environment for managing their health and well-being.

Selective Working Hours System Hyundai implements a selective working hours system that allows employees to determine their own optimal working hours based on the nature of their work. This selective working hours system applies to certain job positions, allowing employees to select their own start and end times and daily working hours within the available time slots, excluding mandatory working hours. We also operate a flexible work system that allows for general (office) employees in Korea to work overtime during peak business periods and only the mandatory hours during off-peak periods, provided that they fulfill their designated monthly working hours. 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. For employees who took a leave of absence due to occupational injuries return to work with residual disabilities following occupational injury leave, we provide additional compensation commensurate with the degree of disability, in addition to the disability benefits guaranteed under the Act.



Human Rights and Human Resources Management

STRATEGY

DIVERSITY AND INCLUSION

Diversity and Inclusion at Hyundai

Hyundai is a global company operating in more than 200 countries and has grown together with employees from diverse cultural backgrounds and with a wide range of values and experiences. Within this global business environment, diversity has naturally become embedded across the organization, and we recognize it as a key driver of sustainable growth and innovation. Moreover, to foster a culture that respects different backgrounds and perspectives across our global operations, we have incorporated “Diversity & Inclusion” as one of the principles of the Hyundai Way—our way of working—and continue to share and reinforce these values with employees worldwide.

In 2025, we established global D&I priority areas and targets and implemented them company-wide. As a result, we exceeded all targets set for key initiatives such as diversity awareness training, the advancement of women in leadership, and the employment of persons with disabilities. These achievements were also recognized through external evaluations both in Korea and overseas. In Korea, we have maintained our Family-Friendly Certification for 12 consecutive years since 2014 and were recognized as an outstanding company in 2026. Overseas, we received the “Best Inclusive Company with Disability Hiring” award for the first time in recognition of our efforts in disability employment. Many of our global business sites also earned certifications such as “Great Place to Work, Top Employer,” recognizing their efforts to foster inclusive workplaces. Beginning in 2026, we are strengthening D&I governance with the participation of global executives and implementing more ambitious mid- to long-term goals across business sites worldwide.

 [Hyundai Motor Company Diversity & Inclusion Policy](#)

Gender

Hyundai is fostering an inclusive environment where all employees can fully develop their capabilities and grow regardless of gender across diverse business environments worldwide. In particular, amid increasingly complex and uncertain global business conditions, we recognize gender diversity as an important source of competitiveness that broadens organizational perspectives and strengthens execution capabilities.

Women’s Leadership Expanding Globally Hyundai continues to steadily increase the representation of women across its global operations. The proportion of female employees at overseas business sites increased for three consecutive years, reaching 17.3% in 2025, with this trend consistently observed across the global organization rather than in any specific region. Diversity within the leadership pipeline is also continuing to strengthen. In particular, the proportion of women executives at overseas business sites has increased for seven consecutive years, demonstrating improved gender balance within key decision-making structures.

Cultural Foundation for Sustainable Women’s Leadership Hyundai continues to advance leadership development programs and foster a culture that embraces gender diversity. Through women’s leadership training, special lectures, and various messages and networking activities linked to International Women’s Day across global business sites, we share the experiences and growth journeys of women leaders while encouraging broader exchange and learning across the organization.

Women-Friendly Working Environment Hyundai operates a range of programs designed to help employees maintain career continuity throughout different stages of life while balancing career development and family life. As a result, in Korea, we recorded a 99% return-to-work rate following parental leave and a 98% retention rate after returning to work in 2025, demonstrating that these programs contribute to the stable retention of talent. We not only guarantee paid leave that exceeds local statutory requirements for maternity leave, paternity leave, and fertility treatment leave, but also actively support employees beyond legal standards regarding parental leave and reduced working hours during childcare periods, thereby fostering an inclusive work environment for employees during pregnancy, childbirth, and childcare. These programs are applied to all employees across all global subsidiaries, meeting or exceeding the statutory requirements of each country.

SPOTLIGHT

Hyundai Motor India Regional Headquarters

Appointing the first woman executive:
The result of deliberate progress



Hyundai Motor India Regional Headquarters operates the women's leadership development program “TrailblazHER” for high-potential women employees, systematically providing opportunities for capability development, mentoring, and career growth. Through these efforts, it has established a foundation for future women leaders to grow within the organization, resulting in the appointment of the first woman executive in the Regional Headquarters in 2025.



Hyundai Motor Manufacturing Czech

Programs designed with
leadership pipeline continuity in mind



Hyundai Motor Manufacturing Czech operates internal programs designed not as one-time initiatives to expand women's leadership, but to ensure continuity in the leadership pipeline. The company supports the growth of women's talent through leadership training and mentoring, while also providing tailored support for employees returning from parental leave to help ensure career continuity. As a result, the proportion of women managers more than doubled from 8.3% in 2023 to 16.7% in 2024 and maintained its upward trend, reaching 16.9% in 2025.



Human Rights and Human Resources Management

STRATEGY

Additionally, to support sufficient rest and recharge, we encourage employees to freely use paid annual leave through long-term leave programs, such as the Leadership Build-up Break and Hi-Five leave, as well as extended leave connected to public holidays. In particular, welfare points are provided during Hi-Five leave periods to encourage employees to take extended leave.

Expanding into Core Business Areas Women employees at Hyundai are expanding beyond traditional support functions into broader business areas, including R&D, STEM-related fields, and revenue-generating functions. This shift contrasts with the typical workforce structure in the manufacturing industry, where employees are often concentrated on specific functions, and demonstrates Hyundai's commitment to embracing gender diversity within the core talent pipeline that drives global competitiveness.

Gender Pay Gap Hyundai determines compensation based on individual experience and performance to ensure equal pay regardless of gender. We annually analyze gender pay gaps to monitor trends and underlying causes and strive to prevent structural gender-based pay disparities across our HR systems. Additionally, gender equality training is provided to leaders to help prevent unfair discrimination in key decision-making processes affecting compensation, including evaluations and promotions.

SPOTLIGHT

Hyundai Motor North America Headquarters

International Women's Day: Beyond celebration, toward learning and connection



Hyundai Motor North America operated programs focused on learning and connection throughout March in conjunction with International Women's Day and Women's History Month. Through an online well-being session on resilience, employees explored the foundations of leadership that enable individuals to care for themselves while continuing to deliver strong results. A subsequent talk session centered on motorsports case studies highlighted how an inclusive engineering culture can drive innovation and business performance. In addition, fireside chats with women leaders provided opportunities to share experiences related to leadership and career journeys, creating a space where personal stories could inspire broader organizational learning.



Achievements in operating family-friendly programs

Hyundai has been continuously operating family-friendly programs to support employees during pregnancy, childbirth, and childcare, and has thus maintained the Family-Friendly Certification for 12 consecutive years since 2014. In particular, we were recognized as an Outstanding Family-Friendly Company in 2026, reaffirming the effectiveness of these programs through external evaluations.



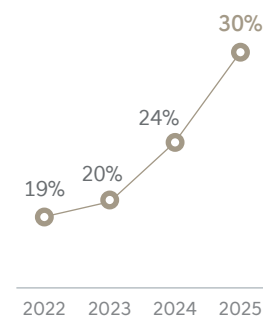
SPOTLIGHT

Hyundai America Technical Center

A hub for developing future engineers

Hyundai America Technical Center (HATCI), Hyundai's research organization in North America, recognizes women engineers as a key talent pool and has expanded recruitment channels through partnerships with professional networks such as SWE and the Women in Automotive Network (WAN), as well as university- and community-based career fairs. As a result, women accounted for 30% of newly hired R&D employees at HATCI in 2025, reflecting a notable increase in the recruitment of female talent into technical organizations. HATCI is building a strong foundation for women to enter research and technical functions from the early stages of their careers and grow into future leadership pipelines over the long term.

Ratio of Female New Hires



Female-to-Male Wage Ratio by Major Region

• Korea

- Based on general staff, women in manager positions recorded compensation levels 7.8% higher than those of male employees in 2025. At the senior manager positions of G3 and G4, male employees' compensation was analyzed to be 5.5% and 3.9% higher, respectively, while the overall gender pay gap at the senior manager level remained similar to the previous year.
- Gender pay gaps primarily arise from differences in years of service and similar factors, but the gap has continued to narrow over time. Compared with 2024, the overall gap decreased by 1.6%p in 2025.

• Overseas

- At Hyundai Motor North America Headquarters, one of Hyundai's major overseas business sites, compensation for men in manager positions was 4.4% higher than that of women. In contrast, compensation for women in senior manager positions was analyzed to be 1.5% higher than that of men.
- By grade level, women's compensation was 10.8%, 5.5%, and 1.6% higher in Grade 4, 5, and 8, respectively. In Grade 6, 7, and 9¹⁾, compensation levels between men and women were found to be largely comparable, with gaps remaining below 1%.

¹⁾ Grade 6 and below are broadly equivalent to manager positions in Korea, while Grades 7–9 are broadly equivalent to senior manager positions in Korea.



Human Rights and Human Resources Management

STRATEGY

Maternity, Childcare, and Family Care Support Programs in Korea		
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. - 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 (reduced hours are made available throughout pregnancy for high-risk pregnancies).
	Maternity leave	- Female employees expecting childbirth are provided with 90 days of protected maternity leave before and after childbirth (120 days in cases of multiple pregnancies and 100 days in cases of premature birth). * In accordance with the Labor Standards Act, the first 60 days are provided as paid leave. For the remaining 30 days, Hyundai provides additional financial compensation by covering the difference between the government maternity leave benefit and the employee's ordinary wage, ensuring the full 90-day period is paid.
	Pregnancy loss leave	Providing leave periods based on the stage of pregnancy in cases of miscarriage or stillbirth to support employee health and recovery
	Fertility leave and fertility treatment expense support	- Offering 6 days of fertility leave per year (5 days paid, available on a daily basis) for fertility treatments - Providing actual cost support for employees and their spouses to receive fertility treatment
	Prenatal checkup	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 complimentary accommodation and meals at company-designated hotels for employees or their spouses during pregnancy and childbirth, available from 6 months of pregnancy until 2 years after childbirth (up to two nights)
	Paternity leave (non-primary caregiver)	- Offering up to 20 days of leave* to non-primary caregivers within 120 days of childbirth * In accordance with the Labor Standards Act, 20 days of paid leave are provided.
	Parental leave	Providing both male and female employees with an additional 1 year of unpaid leave (divisible once), in addition to the statutory 1-year paid parental leave provided under the Labor Standards Act for each child to support the care of children aged 8 or younger or in the 2nd grade of elementary school or below (divisible into up to three periods)
Childcare	Reduced hours during the childcare period	- Providing both male and female employees with up to 2 years of reduced hours during the childcare period per child to care for children aged 12 or younger or in 6th grade of elementary school or below (can be split by 1 month) - Providing employees who have used a combined total of 2 years of parental leave and reduced working hours for childcare with an additional 1 year of reduced working hours for childcare use - Allowing employees to 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 6 daycare centers, including those at headquarters, Gangnam, the Ulsan/Asan/Jeonju plants, and the 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 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	Providing leave for employees whose spouse is selected for an overseas assignment within Hyundai, separate from parental leave, when the employee accompanies the spouse for continuous co-residence of at least 1 year during the assignment period (or for at least 50% of the assignment period when the assignment is shorter than 2 years). Leave may be used only for the spouse's official assignment period.

* Programs such as maternity leave and parental leave are implemented equally across all global subsidiaries, meeting or exceeding the statutory requirements of each respective country.

Disability

Hyundai continues to identify and recruit talent with disabilities across diverse roles and steadily foster a more inclusive workplace. Following recruitment, we continuously review and improve all aspects of employment, including the working environment and organizational culture, to help employees with disabilities fully demonstrate their capabilities without barriers in both their work and overall workplace experience.

Improving Employment and Working Environments for Persons with Disabilities

Hyundai views disability employment not simply as increasing headcount, but as building sustainable job structures that enable persons with disabilities to fully demonstrate their capabilities across diverse roles. In Korea, we are expanding hiring scale and job functions through direct employment while also promoting the establishment of subsidiary-type standard workplaces for persons with disabilities, thereby creating employment models that support stable employment and long-term growth. Following recruitment, we operate various work arrangements, including remote work and reduced working hours, alongside job placements tailored to job characteristics and working environments so that employees with disabilities can focus on their work without barriers. Through these efforts, we are expanding flexible work options to help all employees fully utilize their capabilities regardless of disability status. In addition, we continue to carefully review and improve accessibility across the overall work environment so that employees with disabilities can work without inconvenience or limitations.

• **Workplace Where Individual Challenges Do Not Become Barriers** Hyundai is improving accessibility across workspaces to minimize physical barriers that employees may encounter in their daily work. We are reducing inconvenience in everyday work environments by upgrading accessible restrooms and ramps at main entrances and parking areas, installing call bells and tactile paving blocks, creating designated parking spaces and walkways, and providing assistive equipment such as height-adjustable desks. These improvements are not intended as special accommodations for a particular group, but as part of broader workplace enhancements aimed at creating an environment where everyone can work without barriers.

• **Change Expanded Through External Organizations** In April 2025, Hyundai signed a “Business Agreement for the Promotion of Employment of Persons with Disabilities” with the Korea Employment Agency for Persons with Disabilities, establishing a cooperative framework to continuously review the actual work experiences and working environments of employees with disabilities while expanding disability employment. In addition to internal reviews, we continuously assess and improve the overall work environment through the objective perspectives and expertise of external professional organizations.

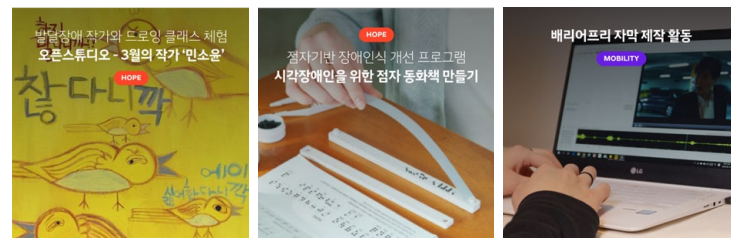


Human Rights and Human Resources Management

STRATEGY

Awareness-Raising on Disability Hyundai recognizes that the awareness and attitudes of coworkers are also important factors in creating an inclusive workplace. In Korea, in addition to legally mandated disability awareness training, we provide customized awareness programs for teams where newly hired employees with disabilities are assigned. These programs are offered as on-demand learning content with English subtitles and have received positive feedback from employees, including comments such as “an opportunity to understand differences without prejudice” and “a chance for self-reflection.” Moreover, to support the smooth integration of newly hired employees with disabilities into the organization, we provide coworkers with introductory information and communication guidelines, while fostering an environment where individuals are recognized first and foremost as colleagues rather than being defined by their disabilities.

Extending the Value of Inclusion Beyond the Organization into Society Hyundai does not confine the value of inclusion within the organization. We operate a variety of employee participation-driven social contribution programs so that employees can experience and practice inclusion in their everyday lives beyond the workplace. Our employees become active participants who learn and grow together rather than simply providing support through such activities as drawing classes where employees appreciate artworks by artists with developmental disabilities and interact with the artists, the production and donation of Braille storybooks, and the creation of barrier-free subtitles for individuals with hearing impairments. These activities go beyond merely communicating the message of inclusion and instead evolve into meaningful practices that extend into society through employee participation.



SPOTLIGHT

Hyundai Motor Central & South America Regional Headquarters



Designed for inclusion from work environment to culture

Hyundai Motor Central & South America Regional Headquarters (HMCSA RHQ) is a representative example of building work environments and support systems tailored to different types of disabilities and job characteristics, reflecting the region’s relatively high proportion of employees with hearing impairments. From the onboarding stage, it provides customized onboarding and training programs, including sign language interpretation, to help employees with disabilities focus on their work and adapt smoothly to the organization from the early stages of employment. In addition, through small-group discussion forums known as “Discussion Circles,” it directly listens to feedback from employees, including employees with disabilities, and continuously addresses workplace challenges and areas requiring improvement. Workplace environment assessments involving specialists are also conducted to review workspaces, mobility routes, and accessibility, while improvements are implemented based on employees’ actual workplace experiences. HMCSA RHQ also operates basic sign language and inclusive leadership training programs for health & safety personnel and leaders, while fostering a collaborative culture free from prejudice and discrimination through special lectures featuring athletes with disabilities.

Hyundai Motor Manufacturing Indonesia



Achievements in inclusive employment for persons with disabilities

Hyundai Motor Manufacturing Indonesia (HMMI) achieved disability employment rates exceeding legal requirements and received the “Best Inclusive Company with Disability Hiring” award in recognition of its disability-friendly work environment and inclusive employment practices. This award represents official external recognition of HMMI’s continued efforts to advance inclusive employment not merely as a matter of regulatory compliance, but throughout its hiring practices and overall workplace environment.

Cultural Inclusion

Hyundai has been operating global businesses through collaboration among employees with diverse cultures, nationalities, and experiences. This culture of inclusion has enhanced the quality of global collaboration and decision-making while driving organizational innovation and stronger business outcomes. We have not only worked to broaden employees’ understanding of cultural diversity and inclusion, but have also embedded these values across our systems, talent management practices, and ways of collaboration.

Global Diversity as the “Power of Working Together” Even within a globally dispersed business structure, Hyundai views this not as a limitation but as an opportunity to leverage diversity, driving meaningful changes across talent strategies, systems, and ways of working.

SPOTLIGHT



Eliminating unconscious bias

Hyundai is expanding unconscious bias training to prevent discrimination within the organization and foster fair decision-making and a collaborative culture. Some overseas subsidiaries, including sales and research organizations in North America, already operate this training program, focusing on helping employees recognize unconscious biases in their daily work and leadership activities while building a culture of mutual respect and trust. In particular, Hyundai Motor Group Innovation Center Singapore (HMGICS), where employees from diverse cultural backgrounds work together and unconscious bias training is considered especially important, also plans to provide this training to all employees.

Human Rights and Human Resources Management

STRATEGY

SPOTLIGHT



ERG initiatives by global subsidiaries

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, Hyundai supports 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.

Employee Resource Groups		
Socially disadvantaged groups	Inclusion@HAC	DEI&B Committee
	HMMIERG Community	
Women	We Are (Women in Automotive) Group Empodera	Mujeres informadas
	Women@HAC	Red de Mujeres
Working parents	Women's Community	Women's Alliance Group
	Wconnect@Hyundai	Women@Hyundai
Religion	Parent@HAC	H.ARMonY
Race	Mosque muslim council	HMMI worship
	Group Ascendencia	Hyundai Asian Network Alliance
Disability	Boston Dinamicos	Hyundai Soul
	Amigos Unidos	
LGBT+	Group Habiliverso	Hyundai Cares
Veterans	Group Somos Pride Group	Drive Equality
Generations	Veterans Group	Stars & Stripes
	Group Conexão	
	Young Professional Group	Young Leaders

- Talent Development: Developing Future Talent Based on Diversity** Hyundai manages its future leadership pipeline in a balanced way to ensure that talent is not concentrated in specific regions or backgrounds. Through the global succession plan and talent demand & supply discussions, we review whether talent from diverse regions and cultural backgrounds is appropriately represented throughout the leadership pipeline while strengthening systems to ensure that global perspectives and diverse viewpoints are reflected in mid- to long-term decision-making. In Korea, we operate internship programs for talent from various countries, providing opportunities to experience global business environments through actual business projects. In 2025, the recruitment of international talent increased by more than 30% year-on-year, continuing the expansion of Hyundai's global talent pool.
- Recognition: Global Diversity as Organizational Competitiveness** Hyundai operates a global idea contest as a platform where employees from diverse cultural backgrounds can share their unique perspectives, while also running the Hyundai Honors Awards to recognize talent from a wide range of backgrounds. In particular, global organizations demonstrated strong performance in 2025. For the first time since the launch of the global idea contest, an overseas research center was selected for the top award. In addition, global organizations including the Hyundai Motor India Engineering, Hyundai Motor Technology and Engineering Center (China), and HMGICS received top honors at the Hyundai Honors Awards, demonstrating how organizational diversity is becoming a valuable source of competitiveness.
- Way of Working: Collaborative Structure Through Global Networks** Hyundai regularly shares key regional issues and HR operational practices through a global HR network involving HR leaders from each region. HR practices validated in the field are disseminated company-wide as global best practices, enabling systems and experiences shaped by the unique characteristics and diversity of each region to become shared innovation assets across the organization rather than remaining within individual subsidiaries.

Inclusive Global Working Environment Hyundai fosters a working culture in which cultural diversity and inclusion are naturally respected within employees' daily work experiences and utilized as strengths through collaboration.

SPOTLIGHT



Global Mobility Framework – Expanding individual growth and organizational capability

Through its Global Mobility Program, Hyundai connects and leverages talent across global organizations beyond geographical boundaries. Each organization can secure the capabilities it needs at the right time, while employees expand their experiences and roles on the global stage rather than remaining within a single region. Through this mobility of talent, skills and know-how accumulated by individuals circulate as shared assets across the global organization rather than remaining within specific subsidiaries, thereby strengthening competitiveness built on global diversity.



Global Change Agent – Global One Team spirit

Hyundai promotes change management initiatives led by Global Change Agents that reflect the characteristics and organizational challenges of each region. After being piloted at selected business sites beginning in 2024, the program was officially expanded across global business sites in 2026 based on two years of operational experience.

Based on organizational culture assessment results and employee feedback, Change Agents identify subsidiary-specific initiatives aligned with company-wide direction while sharing best practices and strengthening organizational capabilities together.

Human Rights and Human Resources Management

STRATEGY

SPOTLIGHT

Global Hyundai Way Week – Bridging differences, practicing one culture

In a global organization shaped by employees from diverse cultures and backgrounds, inclusion begins with connecting people through a shared way of working. In 2025, Hyundai held Global Hyundai Way Week to share the Hyundai Way—our way of working—across the organization while enabling each region to participate in ways suited to its local environment and culture.

Key Global Activities

- **Headquarters:** Highlighting Hyundai Way in everyday work through showcasing real-world cases and interactive exhibitions
- **India & Central/South America:** Expanding employee understanding and engagement through employee participation programs and workshops
- **Americas & Europe:** Sharing collaboration- and execution-oriented ways of working through online and offline activities



Hyundai Motor Manufacturing Middle East

Establishing a One Team collaborative culture that embraces diversity

Hyundai Motor Manufacturing Middle East (HMMME), established in Saudi Arabia in 2025, brings together employees from diverse nationalities and cultural backgrounds, making it essential to establish effective collaborative ways of working. HMMME, therefore, focused on recognizing cultural differences not as barriers but as a natural foundation for collaboration, while fostering a One Team culture. Through preliminary assessments and leadership interviews, it assessed the perceptions and experiences of diverse employees, including local staff and expatriates, and developed rules of engagement grounded in mutual respect. Subsequent culture workshops enhanced understanding of cultural differences and communication styles, thereby helping to establish a collaborative foundation for working effectively in a multicultural environment.



External Initiatives and Awards/Certifications



1

Headquarters in Korea

Received the WIN (Women in INnovation) NEW 2025
Acknowledged as the Outstanding Family-friendly Company NEW 2026

2

Hyundai Motor India Regional Headquarters

Top Employer Certified 2026

3

Hyundai Motor Manufacturing Indonesia

Best Inclusive Company with Disability Hiring NEW 2025
HR Asia Award NEW 2025
TOP Human Capital NEW 2025

3

Hyundai Motors Indonesia

HR Asia Award NEW 2025

4

Hyundai Motor United Kingdom

Great Place to Work Certified NEW 2025

5

Hyundai Motor Europe Regional Headquarters

Top Employer Certified NEW 2026

6

Hyundai Motor Manufacturing Czech

Sodexo Employer of the Year 1st place 2025

7

Hyundai Motor Türkiye Otomotiv A.Ş

Brandon Hall Awards NEW 2025

8

Hyundai Auto Canada

Great Place to Work Certified 2025
Best Workplaces with the Most Trusted Executive Team NEW 2025
Best Workplaces for Giving Back NEW 2025
Greater Toronto's Top Employers NEW 2025
Canada's Best Diversity Employers NEW 2025

9

Hyundai Motor North America Regional Headquarters

Great Place to Work Certified 2025

10

Hyundai Translead

Great Place to Work Certified 2025

11

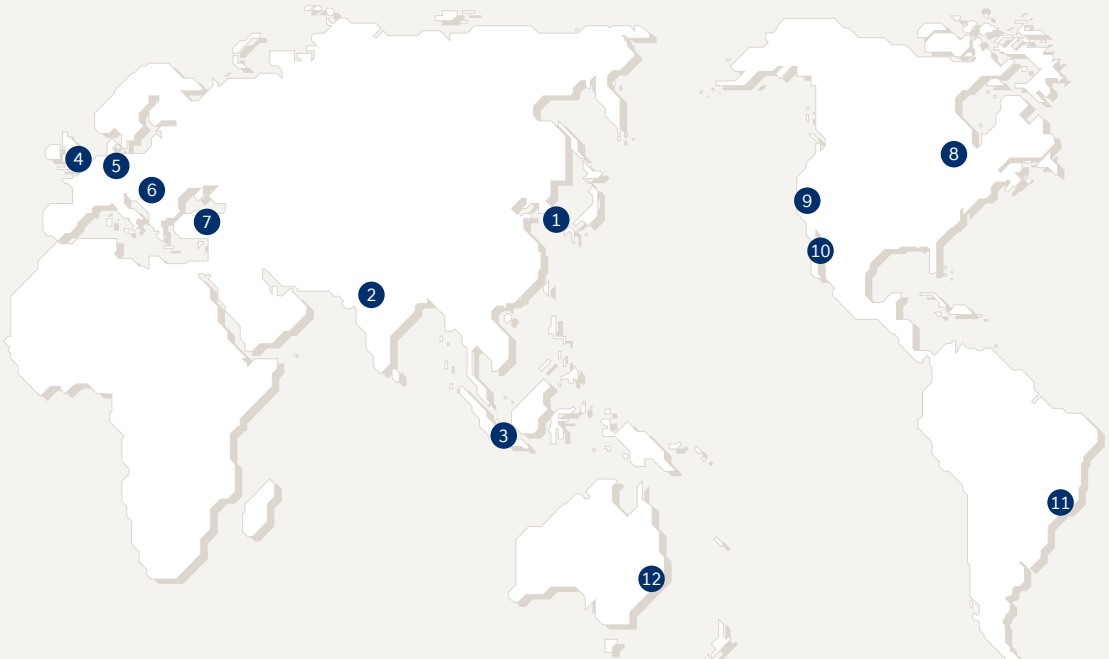
Hyundai Motor Central & South America Regional Headquarters

Great Place to Work Certified 2025
Great People (Mental Health) Certified NEW 2025

12

Hyundai Motor Company Australia

Great Place to Work Certified 2025



* Awards and certifications newly received after the publication of the 2025 Sustainability Report are marked with "NEW."

106

Human Rights and Human Resources Management

RISK MANAGEMENT

HUMAN RIGHTS RISK MANAGEMENT

Human Rights Due Diligence

Scope of Human Rights Risk Assessment Hyundai selects targets for human rights due diligence by comprehensively considering the relevance of major businesses and each subsidiary's operations, management systems, and risk level assessment results. The scope includes manufacturing subsidiaries, research centers, overseas regional headquarters, and domestic and overseas business subsidiaries. In 2025, a total of 47 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. Through these human rights risk assessments, we plan to identify potential risks at the operational level and continuously improve identified shortcomings.

Vulnerable Groups at Human Rights Risk 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.).

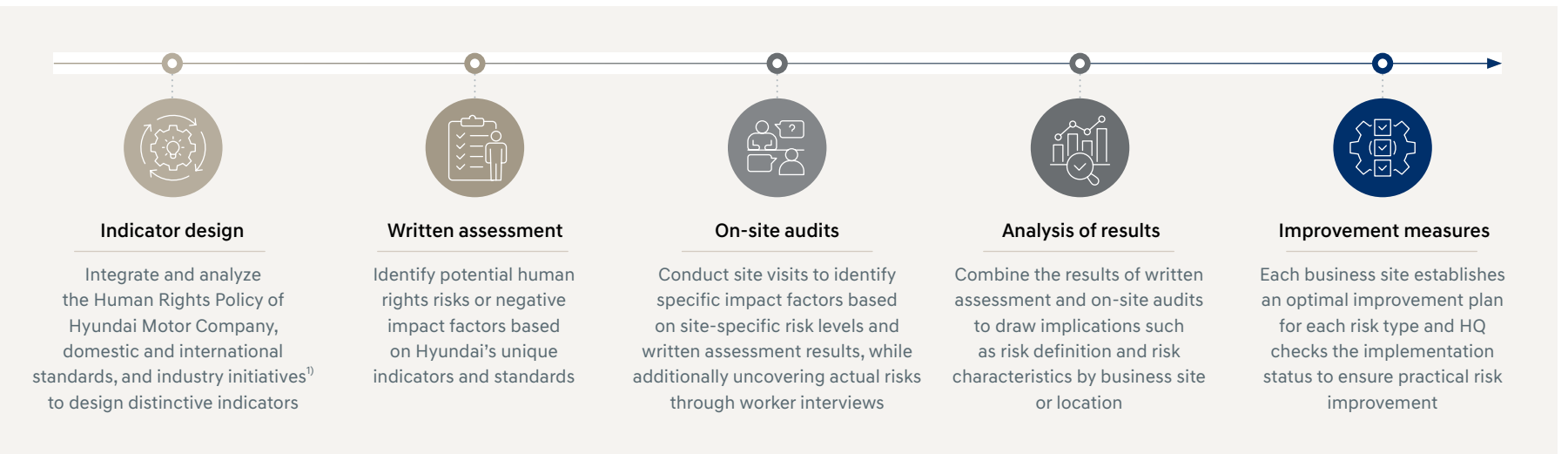
Design of Human Rights Risk Assessment Indicators Hyundai strives to accurately identify existing and potential human rights risks both within and beyond its business activities. To this end, we developed human rights risk assessment indicators based on the Hyundai Motor Company Human Rights Charter, referencing domestic and international human rights standards as well as guidelines from industry initiatives. 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, incorporating employee feedback, and reviewing these together with third-party specialized organizations.

Prediction of Human Rights Risk Prior to conducting written human rights risk assessments and on-site due diligence, Hyundai reviews internal and external environments—including country-specific human rights laws and regulations, investigation materials from domestic and international organizations and media outlets, publications and guidance from industry initiatives, and interviews with site personnel—to proactively identify potential human rights risks that may affect various stakeholder groups, including employees, women, children, migrant workers, suppliers, and local communities.

Prediction Results of Human Rights Risk

	● Potential Risk ○ Low Risk					
	Domestic	Employees	Suppliers	Local Communities	Women	
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		●	●	○	●	
Human rights of local communities and vulnerable groups		○	●	●	●	
Guarantee of environmental rights		○	●	●	○	
	Overseas	Employees	Migrant/Contract Workers	Suppliers	Local Communities	Women Children
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		●	●	●	○	● ○
Human rights of local communities and vulnerable groups		○	●	●	●	● ●
Guarantee of environmental rights		○	○	●	●	○ ○

Human Rights Risk Assessment Process



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

Human Rights and Human Resources Management

RISK MANAGEMENT

Similar to the findings in 2023, our 2025 preliminary human rights risk assessment identified potential human rights risks in Korea related to suppliers' working conditions, including wages and working hours, as well as discrimination, workplace harassment, and occupational safety. Overseas, potential risks associated with forced labor, labor conditions, and freedom of association were identified among migrant and contract workers and suppliers. Women and children were also identified as groups requiring enhanced management attention in relation to discrimination, harassment, and child labor, particularly within supply chains.

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.

In 2025, we conducted written assessments across a total of eight categories comprising 85 detailed questions. Based on the insights derived from the assessment results, we plan to proactively identify and appropriately address potential human rights risks within our business sites. 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 (64 questions)		2. Ethics (12 questions)	
1-1	Human rights and labor risk	2-1	Ethical management system
1-2	Human rights management system	2-2	Greenwashing risk management
1-3	Human rights risk management		
1-4	Working condition improvement		
1-5	Supply chain human rights and labor man-agement		
1-6	Living environment human rights manage-ment		

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.

Business Site Human Rights Risk Assessment in 2025

Classification		Results
Hyundai business site	Ratio of business sites where human rights risks as-sessment was conducted ¹⁾	100
	Ratio of business sites where risks were identified ²⁾	6.4
	Ratio of improvement measures and activities 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
* Headquarters, regional headquarters, and domestic and overseas manufacturing/sales/R&D business sites (for overseas operations, business sites with more than 50% headquarters ownership and 50 or more employees)
²⁾ Business sites where risks (non-conformances) were identified through on-site audits

Human Rights Due Diligence Results and Corrective Measures

Written Assessment Results for Our Own Operations In 2025, Hyundai conducted human rights risk assessments across a total of 47 business sites, including domestic and overseas business sites and joint ventures. Among these, 42 were overseas business sites located in regions including North America, Central and South America, Europe, India, and China. The assessment results showed that the average indicator compliance rate across all domestic and overseas business sites was approximately 86.2%, reflecting improvements in compliance levels across human rights and ethics-related indicators compared with the previous year. Meanwhile, certain overseas research centers and sales subsidiaries were identified as requiring additional improvements in specific indicators and were therefore designated as priority improvement business sites. We will make continuous efforts to enhance the level of human rights management at overseas business sites by providing guidelines to strengthen the fundamental human rights and ethics management framework and offering tailored support that reflects institutional and operational improvement needs identified through the assessments.

On-site Audit Results for Our Own Operations In 2024, Hyundai conducted on-site audits at five manufacturing subsidiaries in the Latin America and Asia-Pacific regions, followed by audits at four manufacturing subsidiaries in North America and China in 2025. Through these on-site audits, approximately 70 indicators were reviewed, and the results showed that most requirements were met, while employee interviews also confirmed high levels of job satisfaction. However, several areas requiring improvement were identified, including enhancing the transparency of grievance handling channels and strengthening labor risk management related to subcontracted labor. Accordingly, we requested the implementation of such measures as externally disclosing grievance handling channels, formalizing whistleblower protection policies, and establishing systems to ensure subcontractors comply with headquarters standards. Hyundai also plans to continuously monitor implementation through regular inspections. In 2026, we plan to conduct on-site audits at manufacturing subsidiaries in Europe and Korea and systematically manage human rights risks across all domestic and overseas manufacturing subsidiaries through regular audits by region.

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.

Human Rights and Human Resources Management

RISK MANAGEMENT

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- to long-term plans.

Based on the 2025 due diligence results, Hyundai plans to further enhance the human rights and ethics management systems of overseas business sites while continuously strengthening human rights risk management systems, including those related to in-house subcontractors. To this end, we will provide human rights and ethics management guidelines to overseas business sites and address gaps in systems and processes by sharing best practices and strengthening training, thereby strengthening the foundation for compliance with local regulations and the prevention of human rights risks.

Improvement Actions by Key Findings	
Human rights and ethics management system establishment	- Established internal ethics reporting channels and publicly disclosed grievance handling procedures on business site websites - Conducted regular human rights and ethics training and introduced human rights training for recruitment personnel
Supplier ESG management	- Reflected ESG requirements by revising the Supplier Code of Conduct and executing compliance agreements with suppliers - Conducted human rights and environmental training for suppliers
In-house subcontractor human rights management	Revised in-house subcontracting agreements to incorporate human rights protection provisions

Analysis of Human Rights Risk by Region

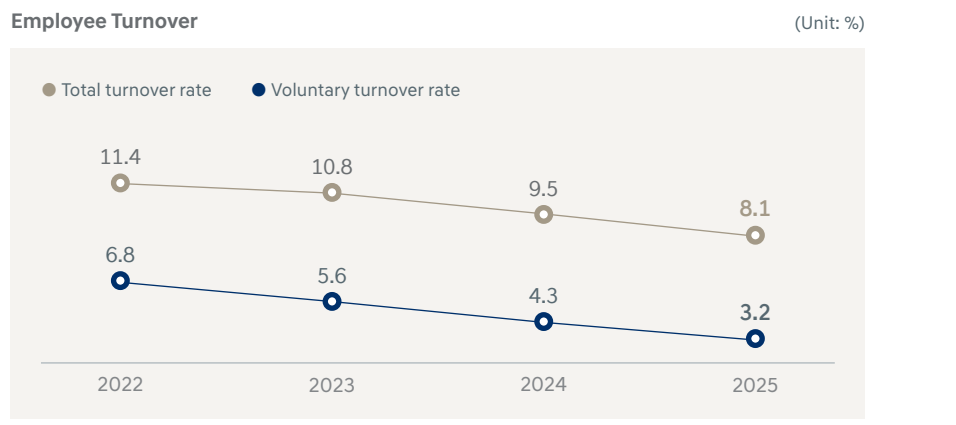
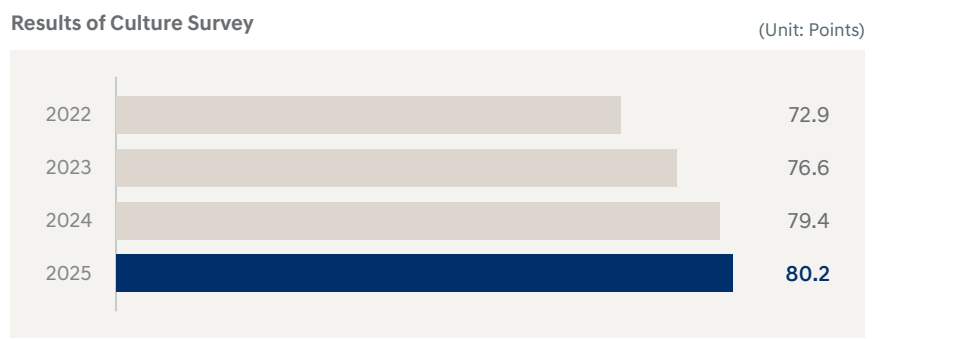
Europe	North America	Central & South America	India	China
We are strengthening our human rights due diligence process at our own operations and across supply chains in line with the latest regulatory trends including EU Corporate Sustainability Due Diligence Directive (CSDDD). Through various policies, 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.	Both federal laws and state regulations provide detailed provisions for human rights protection. Each site is also establishing its management system to abide by local laws and regulations. As a result of the 2025 audits, no significant deficiencies requiring attention were identified at the business sites.	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.	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 in-house 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.	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. Through the 2025 on-site audits, we enhanced grievance management systems and reviewed suppliers' ESG management practices, implementing necessary improvement measures.

METRICS AND TARGETS

METRICS

Metrics and Employee Satisfaction and Turnover Rate

Hyundai has continuously worked to create a great workplace environment, and these efforts are reflected in positive changes across key indicators. The annual organizational culture survey score reached 80.2 points in 2025, demonstrating a steady upward trend over the past three years (total increase of 7.3 points). In addition, the voluntary turnover rate, a key indicator of organizational health and talent retention, decreased by more than half (53%), from 6.8% in 2022 to 3.2% in 2025. These results demonstrate that our efforts to foster a more flexible and horizontal organizational culture and strengthen communication with employees are contributing to higher employee satisfaction and stronger long-term employee retention.

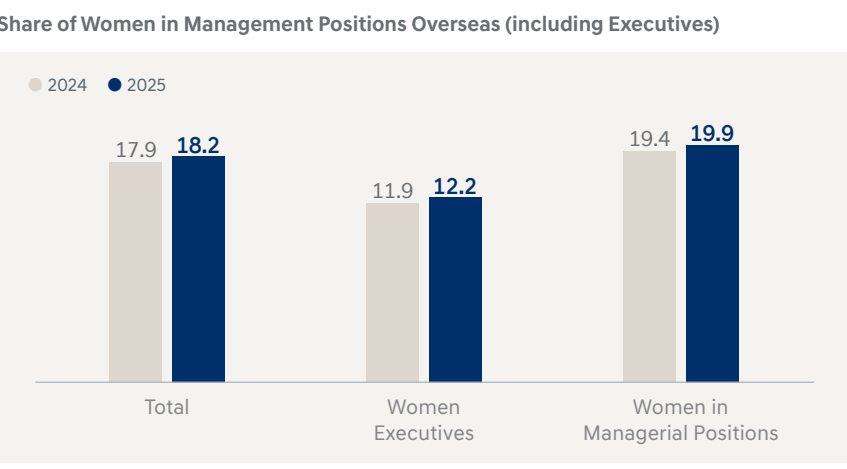


Human Rights and Human Resources Management

METRICS AND TARGETS

Share of Women in Management Positions

Hyundai manages the ratio of women in managerial positions as a key indicator to support women's participation and influence in leadership roles and decision-making processes. Based on the company-wide expansion of female talent and the accumulation of experience in core business areas, the proportion of women in managerial and leadership positions has also increased. As a result, the ratio of women in managerial positions (including executives) at overseas business sites rose year-on-year to 18.2% in 2025, with upward trends observed at both managerial and executive levels. This demonstrates that the expansion of female talent is extending beyond specific job levels and throughout the broader leadership pipeline.



TARGETS

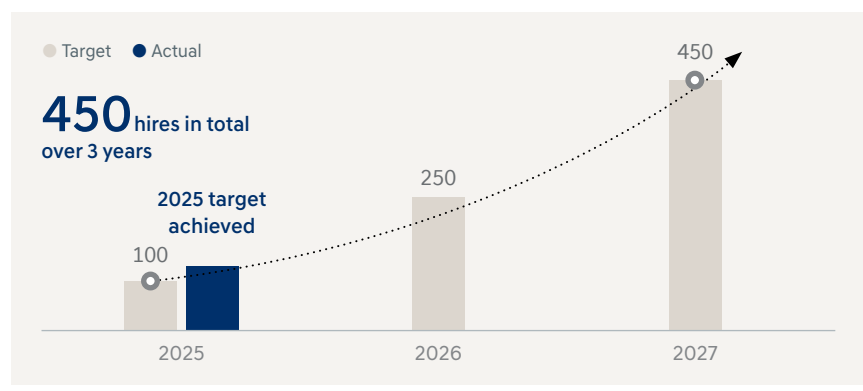
Women in Managerial Positions

Hyundai has set ambitious mid- to long-term goals of achieving a 15% ratio of female managers in Korea and a 27% ratio of female managers at overseas business sites by 2030 and reviews implementation progress annually. To achieve these targets, we have established an operational framework involving regional leadership teams across the globe, ensuring that meaningful improvements are pursued under leadership accountability.



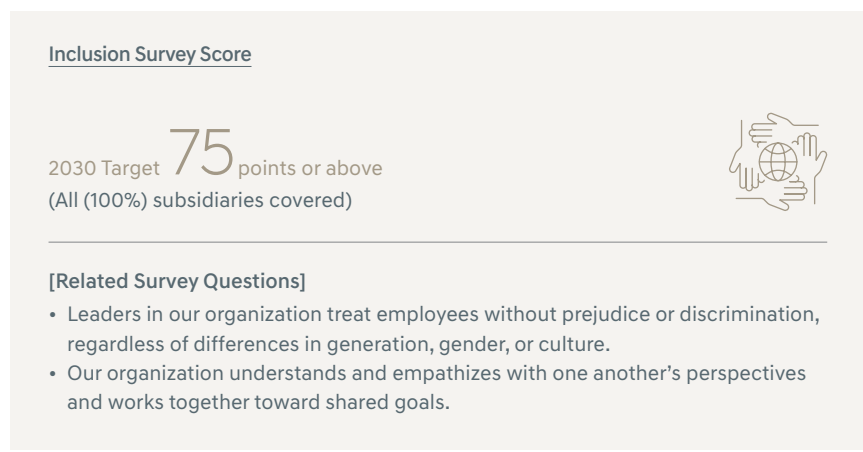
Recruitment of People with Disabilities (Korea)

Employment of persons with disabilities is not simply about hiring, but more importantly about how well employees with disabilities can adapt to their roles and continue working over the long term. Viewing recruitment as a starting point, Hyundai carefully reviews and improves the overall working environment so that individual circumstances do not become barriers in daily work processes.



Cultural Inclusion

To assess whether awareness of cultural inclusion is translating into actual behavioral and organizational changes, Hyundai has established inclusion-related items within its Organizational Culture Survey as key management indicators and confirmed that the company-wide average score reached a highly positive level of 81 points in 2025. Furthermore, we have set an ambitious goal of achieving an average score of at least 75 points ("Agree") across all global business sites by 2030 in order to ensure a consistent level of cultural inclusion throughout the organization.





Information Security and Privacy Protection

Hyundai recognizes the protection of corporate information assets and customers’ personal data as a core value in the era of smart mobility and continues to advance its information security and privacy protection systems. We operate a management-led Information Security Committee regularly and operate a company-wide security management system centered on the CISO, CPO, and dedicated teams. We also comply with legal standards throughout the entire lifecycle of personal data and strengthen a preventive management system. Additionally, we have obtained domestic and international information security certifications such as ISO 27001, ISMS-P and CSMS, while providing security education and training to employees to cultivate a security culture. Furthermore, based on the trust of stakeholders, we strive to foster a strong security culture across the organization.

GOVERNANCE

MANAGEMENT

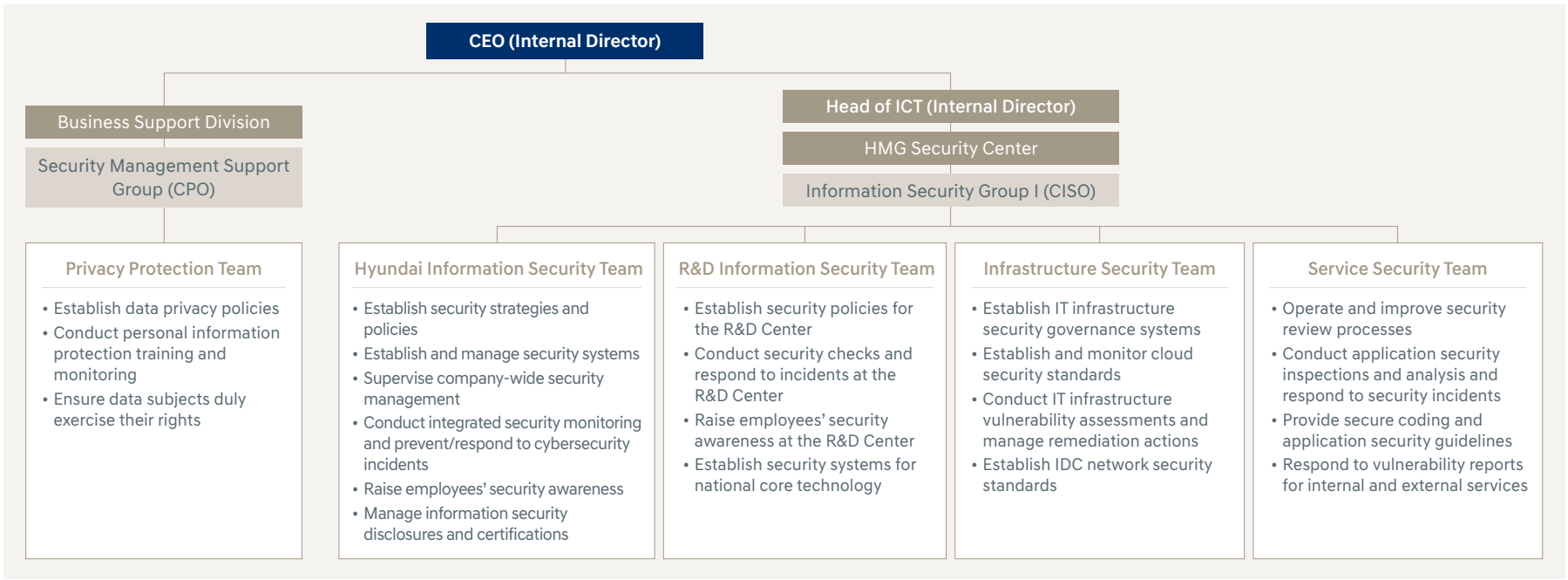
Information Security Committee and Dedicated Teams

The Information Security Committee, led by top management, is convened on a regular basis twice a year as the company’s highest decision-making body for information security, where executives from key related functions—including HR, audit, legal affairs, R&D, and plant security—deliberate on and approve major company security agenda items. Additionally, to ensure that the Committee’s decisions are implemented across the organization, the Chief Information Security Officer (CISO) is designated as the Head of the Information Security Group I and oversees all aspects of information security.

Key activities include establishing security strategies and governance, responding to cybersecurity threats, developing security architecture and technology roadmaps, enhancing employee security awareness and culture, ensuring regulatory compliance and executive communication, and conducting annual internal audits of the information security management system.

[Hyundai Motor Company Information Security Policy](#)

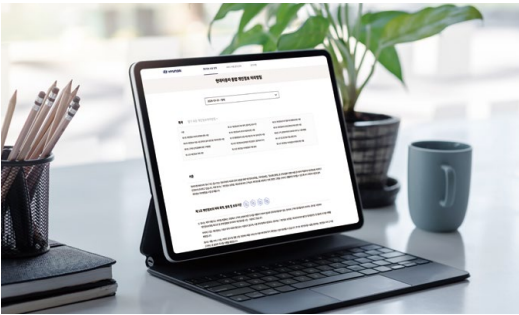
Information Security and Privacy Protection Organization



Privacy Protection Committee and Dedicated Teams

Hyundai has established and operates a data privacy management system to ensure compliance with data privacy laws and other pertinent regulations. To this end, 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. In other words, personal data is collected, used, and disclosed only within the scope consented to by customers, who may also request suspension of processing or withdraw their consent (opt-out) at any time. Moreover, we transparently disclose our Privacy Policy through the Privacy Center to make it accessible 24/7 by customers. In 2025, 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](#)





Intro



Env



Soc



Gov



Data

Information Security and Privacy Protection

STRATEGY

IMPACTS, RISKS AND OPPORTUNITIES

Information Security and Privacy Protection Identification Results

Hyundai identifies potential negative impacts and risks related to the protection of customer personal data. If information security is inadequately managed during the processing of customer data, data breaches may infringe on customers' privacy rights and result in financial and psychological harm. Additionally, data breaches may lead to regulatory fines and liability for damages under the Personal Information Protection Act, while also eroding customer trust—potentially resulting in decreased sales and brand value, along with higher costs for incident response and security enhancements.

INFORMATION SECURITY

Information Security Management System

Hyundai is 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. We have established a cybersecurity management system covering the entire vehicle lifecycle—from vehicle design to in-use operation—and obtained Cyber Security Management System (CSMS) certification in Europe in 2022. We have also maintained ISO 27001 certification since 2006 and held Information Security Management System (ISMS) certification for our customer website and connected car services since 2020. Additionally, in 2025, we obtained ISMS-P certification, thereby validating a comprehensive information security management system that encompasses personal information protection. 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.

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. Establish disaster recovery procedures in accordance with information security-related business continuity plans, and conduct disaster recovery simulation drills at least annually
4. Provide phishing email training and malware infection prevention education to employees at least once a year
5. Promote security awareness activities, including distributing security newsletters to all employees at least once a month and operating department-level Security Day programs
6. Conduct security vulnerability assessments by infrastructure and service area, manage remediation measures, and enhance security review processes



PRIVACY PROTECTION

Organizational Measures for Privacy Protection

Hyundai establishes and operates privacy policies and guidelines to ensure the safe use of personal data, while also conducting regular training for all employees and outsourced data processors. Additionally, we promptly address potential vulnerabilities through inspections of data processing practices and monitoring for misuse and abuse, and operate processes to minimize risks by reviewing privacy impacts and intrusion factors from the design stage when developing or modifying data processing services and systems.

Ensuring Data Subject Rights

Hyundai operates a Privacy Center to protect the rights of data subjects and transparently discloses and regularly updates its privacy policy. 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, as well as assessments on the personal information management practices of our outsourced data processors (entrusted entities). In addition, we have maintained ISO 27001 certification since 2006 and have also obtained and sustained ISMS certification from the Korea Internet & Security Agency (KISA) since 2020 for key services and systems, including customer websites and connected car services, thereby earning recognition of our information security management system from internationally recognized certification bodies.

Additionally, annual audits of compliance with privacy policies are conducted by government agencies, including inspections of unique identification information and evaluations of privacy policies by the Personal Information Protection Commission, as well as inspections of location-based service providers and linked information user entities by the Korea Media and Communications Commission.

Information Security and Privacy Protection

RISK MANAGEMENT

RISK MANAGEMENT PROCESS

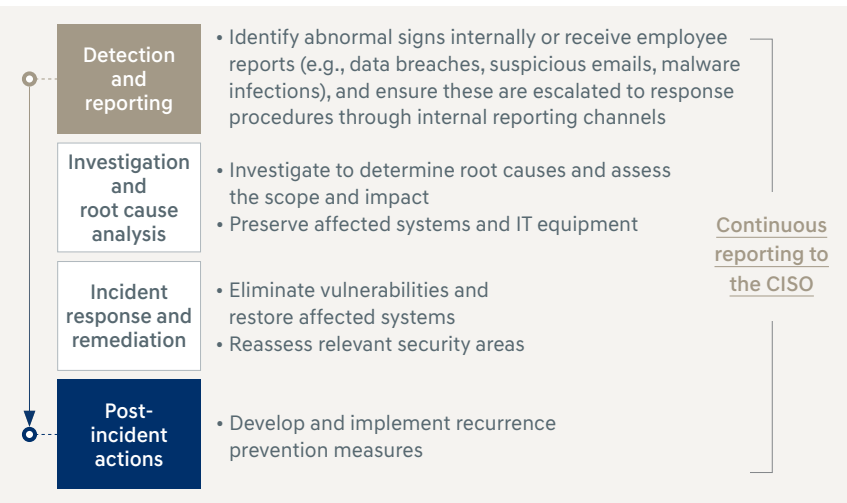
Information Security Incident Risk Management System

Hyundai has established and operates an information security incident response system to ensure a swift and systematic response in the event of information security incidents, such as cyber breaches and data leaks. Hyundai has standardized and manages procedures across all stages—encompassing incident detection and reporting, root cause and impact analysis, incident response, and post-incident measures. Furthermore, in accordance with the “Information Security Incident Response Guidelines,” Hyundai conducts mock incident response drills at least once a year, continuously strengthening its response capabilities by addressing areas for improvement identified during these exercises.

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 penetration testing through third-party security experts to assess both the likelihood of real-world attacks and the effectiveness of our response systems. In 2025, 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.

Information Security Incident Handling Process



Privacy Incident Risk Management System

Hyundai has established and operates internal response procedures and role frameworks to ensure swift and consistent responses in the event of incidents such as data breaches. Centered on our dedicated privacy protection teams, we establish and manage standardized procedures covering incident detection, initial response, reporting to relevant authorities, notification of data subjects, and follow-up measures. We also continuously develop and implement recurrence prevention measures based on lessons learned from incident response.

Technical Measures for Privacy Protection

Hyundai grants access rights to personal data processing systems on a strict need-to-know basis to prevent personal data breaches and unauthorized exposure, and encrypts sensitive information—such as personal data in transit and unique identification information—so even if data is leaked due to external attacks, it cannot be used. Additionally, we maintain security solutions such as antivirus software and intrusion prevention and detection systems in an up-to-date state, while conducting continuous monitoring to defend against external intrusions such as hacking. We are also adopting and implementing protection measures as required by data privacy laws and information security certification standards.

Personal Data Breach Response Process



METRICS AND TARGETS

METRICS

Number of Information Security/Personal Data Incidents*

Hyundai manages the number of violations as a key performance indicator to strengthen information security and privacy protection. In 2025, no privacy or information security incidents occurred, indicating that internal preventive management and security controls were stably maintained.

Classification	Unit	2023	2024	2025
Number of data privacy incidents	Cases	0	2	0
Number of information security incidents	Cases	0	0	0

* Calculated based on cases where Hyundai Motor Company received dispositions—such as fines, penalties, or corrective actions—from regulatory authorities (Personal Information Protection Commission, Korea Media and Communications Commission), and are counted in the year in which payment of the applicable disposition was completed.

Rate of Secondary Use of Customer Data*

Hyundai continuously monitors and manages whether customer data collected under its privacy policy is used for purposes other than those for which it was originally collected. No cases of secondary use of customer data have occurred over the past three years, and customer data has been managed within the scope of consent.

Classification	Unit	2023	2024	2025
Rate of secondary use of customer data	%	0	0	0
Number of secondary uses of customer data	Cases	0	0	0

* Calculated based on the number of cases in which data was used for purposes other than the “purposes of collection, use, and provision of personal data” disclosed to data subjects in the annual privacy policy

TARGETS

Hyundai implements measures to prevent and manage information security incidents and personal data breaches. To this end, we strengthen responses to external threats and internal controls, comply with legal standards across the entire lifecycle of personal data—collection, use, storage, and disposal—and operate a prevention-focused management system through employee training and inspections. Moving forward, we will continue to enhance our information security and privacy protection levels and maintain a stable, proactive response system to prevent related incidents.

Information security incident target

0 cases

Personal data breach target

0 cases



CSV Initiative

CSV IMPLEMENTATION SYSTEM

Implementing CSV Strategy

In 2025, 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



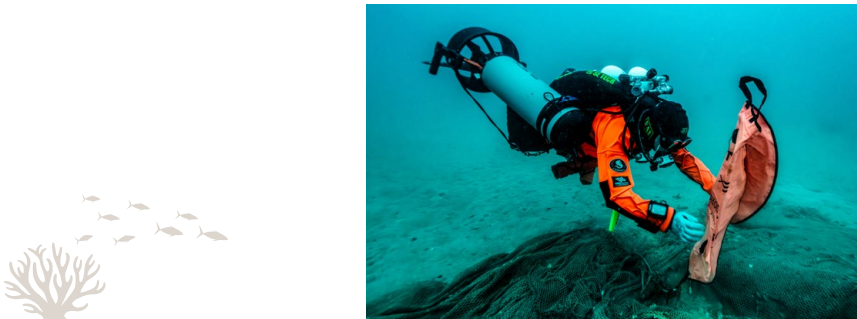


CSV Initiative

CSV PROJECT

Waste Collection and Upcycling

PRESERVING MARINE ECOSYSTEMS Since 2021, Hyundai has collected marine waste across Europe, Korea, and the U.S., promoting upcycling initiatives to recycle these materials and support the preservation of marine ecosystems. In partnership with Healthy Seas, we collect abandoned fishing nets and marine debris that threaten marine ecosystems and work toward ecosystem restoration. After sorting, recyclable waste fishing nets are regenerated into a nylon fiber called ECONYL® by the textile manufacturer Aquafil, together with other waste nylon materials. ECONYL® is used as a floor mat material in six vehicle models sold in Europe, including IONIQ 5, IONIQ 6, IONIQ 9, INSTER, Santa Fe, and NEXO. We also conduct marine environmental education and awareness programs for future generations, providing opportunities to directly experience the importance of marine ecosystem conservation. Together with Healthy Seas, Hyundai collected a cumulative total of 320.9 tons of marine waste and provided marine environmental education to 4,861 people as of 2025.



2025 Key Achievements In 2025, 41.6 tons of marine waste were collected through cleanup activities in 10 countries, including Europe, Korea, and the U.S., and the removal of abandoned aquaculture sites known as “Ghost Farms” contributed to ecosystem restoration. Additionally, 1,493 people worldwide received marine environmental education using VR content through the Healthy Seas program, and these efforts were introduced at the UN Ocean Conference.

Future Plans Hyundai aims to continue collection activities to contribute to marine cleanup while expanding waste fishing net collection infrastructure through various partnerships and sustaining mass production of eco-friendly materials, with plans to extend activities to Türkiye. The goal is to collect a cumulative total of 400 tons of marine waste by 2027.

IMPROVING ENVIRONMENTAL ISSUES OF LOCAL COMMUNITIES Since August 2022, Hyundai has been promoting waste plastic collection activities to address environmental issues in Indonesia. In the Bekasi region, a community-led recycling center has been established by expanding the functions of an existing recycling facility, operating as an integrated hub that handles collection, washing and shredding, and production and sale of recycled materials. The center ensures long-term operational stability through a structure in which a local cooperative participates in all operations and reinvests generated profits into facility management. Additionally, in cooperation with Good Neighbors, we support cooperative formation, recruitment, and operational training, and conduct recycling education for local residents together with local waste plastic suppliers. Meanwhile, in the Jakarta region, we have promoted a circular economy initiative in partnership with Save the Children. Since 2022, we have provided climate change and circular economy education for middle and high schools and child-friendly spaces, while also conducting awareness-raising activities linked to the installation of waste plastic collection bins. Through these efforts, a cumulative total of 29 tons of waste plastic had been collected and recycled as of 2025.



2025 Key Achievements A plastic pellet plant was established in Bekasi, and production equipment and transport vehicles for raw materials were provided to build a foundation for recycled material production. Awareness programs for 26 schools and waste management training for 142 persons contributed to raising awareness and expanding participation in the community.

Future Plans In 2026, Hyundai plans to establish a community-based operating organization and secure production and operational capabilities through training and consulting support, thereby stabilizing the operational foundation. In the second half of the year, we plan to produce 10 tons of recycled materials per month using community waste, thereby enhancing local waste management capacity.

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 2025, Hyundai newly established the IONIQ 9 Seed Ball Drone Station and, in cooperation with the Baekdudaegan National Arboretum, promoted sustainable forest ecosystem restoration in areas affected by wildfires in Uljin. Additionally, by operating it in conjunction with the IONIQ 5 Drone Station established in 2023, we make continuous efforts to support more effective ecosystem restoration and research. In India, 1.1 million trees were planted mainly in areas near business sites, while in Vietnam, Hyundai worked with the IUCN (International Union for Conservation of Nature) to restore damaged mangrove forests in the Mekong Delta. Through the global IONIQ Forest project, Hyundai planted a total of approximately 2.22 million trees by 2025. Moving forward, under the value of coexistence between people and the planet, we will continue a wide range of eco-friendly activities such as tree planting and restoration of wildfire-damaged areas through cooperation with various global partners.



2025 Key Achievements To enable sustainable and effective ecosystem restoration, the IONIQ 9 Seed Ball Drone Station was newly established, and approximately 1.31 million trees were planted over the year in Korea, the United States, Vietnam, and India. Additionally, a “Tree Correspondents” promotional campaign was launched to mark the 10th anniversary.

Future Plans Hyundai aims to plant approximately 3 million trees worldwide by 2035. We have established plans to contribute to ecosystem restoration by restoring forests in wildfire-affected areas in Korea and the U.S. and creating forests near business sites. We will also support eco-friendly and efficient forest management through the global expansion of the IONIQ 5 and 9 Drone Stations.



CSV Initiative

CSV PROJECT

Supporting Gait Rehabilitation Using a Wearable Robot (X-ble MEX)¹⁾

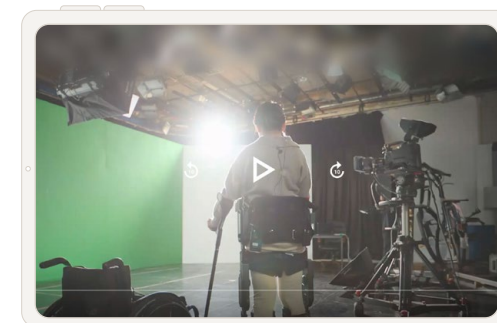
Based on robotics technology, Hyundai supports rehabilitation for patients with lower-body paralysis and is taking the lead in helping mobility-impaired individuals overcome physical limitations and improve mobility. From 2023 to 2025, we entered into agreements with the National Rehabilitation Center and Asan Medical Center and have been promoting rehabilitation treatment and research cooperation using the wearable medical robot “X-ble MEX.” This medical device is offered as an additional treatment option for patients, with its effectiveness in robotic rehabilitation therapy being validated through joint research with partner medical institutions and continuously enhanced based on usability evaluations.

¹⁾ X-ble Medical Exoskeleton

This has enabled us to expand opportunities for robotic rehabilitation therapy for patients with incomplete spinal cord injuries while reducing therapists’ physical burden and reliance on manpower, as well as supporting data-driven and systematic treatment planning.

On the International Day of Persons with Disabilities in 2025, a campaign was conducted in which a person with lower-body paralysis who received rehabilitation using X-ble MEX participated in delivering the weather forecast on the KBS 9 o’clock news. Through this, we broadened social awareness of disabilities and delivered an inclusive message that technology can meaningfully transform human lives.

▶ Hyundai X-ble MEX



2025 Key Achievements Through collaboration with the National Rehabilitation Center and Asan Medical Center, research on X-ble MEX rehabilitation therapy has been completed, and the results will be published in academic journals. In addition, X-ble MEX obtained Class III medical device certification from the Korean Ministry of Food and Drug Safety in November 2025.

Future Plans Hyundai plans to expand donations and partnerships with hospitals so that X-ble MEX can be offered as a new rehabilitation treatment option to more patients.

MOBILITY



Supporting Mobility for Transportation-Vulnerable Groups Using Shucle (Mobility Service)

Hyundai supports improved mobility rights for transportation-vulnerable groups by utilizing “Shucle,” an AI-based demand-responsive mobility service. In June 2023, we signed an MOU with Ansan City, Gyeonggi Transportation Corporation, Kyungwon Passenger Transport, and Citizens’ Coalition for Safety Living to promote the mobility care support project for transportation-vulnerable groups in Ansan City. Through this partnership, we have been supporting the operation of DDOKBUS, a mobility care service utilizing demand responsive transit (DRT) on Daebudo Island. DDOKBUS provides services for vulnerable groups such as the elderly, pregnant women, and children in Daebudo, and users can request rides through the DDOKTA app, phone calls, or kiosks installed at key facilities. To improve convenience, the Company donated two Solati special-purpose vehicles equipped for wheelchair access and supports the use of DDOKTA. DDOKTA is a mobility platform tailored for Gyeonggi Province, developed based on Shucle.

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.



2025 Key Achievements Hyundai contributed to enhancing mobility convenience through mobility support services for transportation-vulnerable groups utilizing its technologies. Over the past year, the cumulative number of service uses reached 8,518 by older adults and 9,660 by adolescents. The service satisfaction score was recorded at 4.86 out of 5.

Future Plans Hyundai plans to promote a Shucle-based mobility support project in Seosan, Chungcheongnam-do. We will also reduce vehicle wait times and further enhance mobility convenience by developing vehicles for vulnerable users and supporting first- and last-mile transportation.



Intro



Env



Soc



Gov



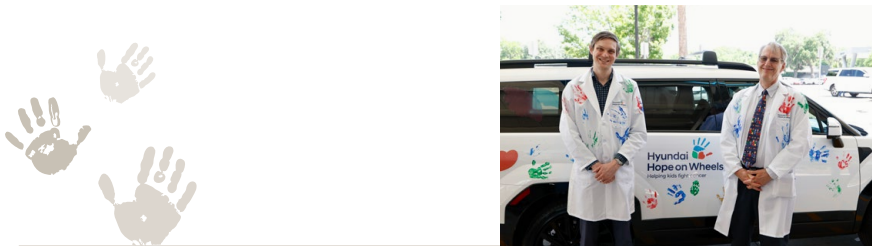
Data

CSV Initiative

CSV PROJECT

Hyundai Hope on Wheels

Hyundai Hope on Wheels is a flagship social contribution program that began in 1998 at Hyundai Motor America (HMA) and has been in operation for 28 years. By 2025, cumulative donations reached approximately USD 277 million in the U.S., establishing it as one of the country's top three pediatric cancer charities. Under a joint funding model in which dealers donate a set amount per vehicle sold and Hyundai adds matching contributions, the program supports pediatric cancer research and treatment, patient recovery, and awareness initiatives. Having achieved long-standing results in the U.S., Hyundai Hope on Wheels has been expanding globally since 2024. In 2024, child health support initiatives in Australia and Korea were linked with Hyundai Hope on Wheels in collaboration with dealers, and in 2025, the program expanded across North America to include Canada and Mexico. Additionally, in 2025, Hyundai Motor Company accelerated the global expansion of Hyundai Hope on Wheels and unveiled a new brand identity. The new identity incorporates wings, a heart, and a leaf within a handprint, conveying messages of Hope, Love, and Recovery. Based on partnerships between Hyundai and its dealer network, Hyundai Hope on Wheels continues to expand globally, and we will continue supporting pediatric cancer treatment and research so that children can look forward to a happier future.



2025 Key Achievements In the U.S., Hyundai Hope on Wheels commemorated its 27th anniversary by donating USD 27 million to support pediatric cancer research and patient care. In 2025, we also supported the publication of a total of 45 research papers through 108 pediatric cancer researchers across 98 institutions. Additionally, following its operations in the U.S., Australia, and Korea, Hyundai Hope on Wheels was newly launched in Canada and Mexico in 2025. Through these global initiatives, cumulative donations reached USD 320 million, supporting activities for pediatric cancer research, treatment, and awareness.

Future Plans In 2026, Hyundai plans to continue global expansion by launching new pediatric cancer support programs in Europe and India. In addition to supporting treatment costs for pediatric cancer patients, we will continue to fund research and promote awareness initiatives in 2026 as well.

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, Cambodia, and Laos, thus reaching even more students.



2025 Key Achievements In 2025, we provided this program to 326 elementary and middle schools in Korea and 18 schools overseas. In particular, we supported educational exchange with ASEAN countries and extended the scope of this program to include Laos in partnership with the UNESCO Asia-Pacific Center of Education for International Understanding and the Ministry of Education.

Future Plans Hyundai plans to continue nurturing future mobility talent by providing children across various regions with new experiences and equal access to learning opportunities.



STEM TRAINING Hyundai operates STEM education programs in local communities surrounding its major business sites in Alabama, California, Georgia, and Michigan in the U.S. We support hands-on engineering education from kindergarten through high school, including the Georgia Hydrogen Grand Prix, a hydrogen fuel cell RC car design and racing competition. We also help elementary school students in South Los Angeles directly experience clean energy and sustainable mobility concepts. These activities go beyond simple educational support and symbolically demonstrate Hyundai's commitment to fulfilling our social responsibility by fostering local talent and building a foundation for the sustainable growth of the future mobility industry under our "Progress for Humanity" vision.

2025 Key Achievements In 2025, 2,098 students and 12 teachers participated in and benefited from these programs.

Future Plans Hyundai plans to contribute to nurturing future mobility talent by developing curricula linked to its proprietary technologies, such as fuel cells and robotics.

H-MOBILITY CLASS Since 2020, Hyundai has been running the H-Mobility Class, a talent nurturing program for undergraduate and graduate students in science and engineering in Korea. The H-Mobility Class includes basic and advanced training on five courses: power train, electrification, energy solution, autonomous driving, and robotics, which are strategic technologies for the future. The advanced training features offline practice to help students internalize their learning and develop practical skills.

2025 Key Achievements In 2025, 1,600 students participated in the H-Mobility Class, and its learning courses were renewed to improve learner engagement and program effectiveness.

Future Plans In 2026, Hyundai aims to advance the program into one that further contributes to strengthening technological capabilities by enhancing hands-on curriculum design using AI technologies and reflecting the latest industry trends. 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.





Intro



Env



Soc



Gov



Data

Governance



Robust governance and responsible management drive corporate value and unlock new opportunities for sustainable growth.

Hyundai practices responsible management grounded in advanced governance aligned with global standards. Guided by board-centered management, we operate a decision-making system built on diversity, independence, and expertise, while enhancing corporate value through balanced oversight of management. In addition, we strengthen trust with stakeholders through transparent disclosure and by reinforcing our ethics and compliance management framework. Furthermore, we continue to advance enterprise risk management system to proactively respond to key risks and transform them into opportunities for growth, thereby strengthening long-term sustainability.

In This Section

Board-centered Management

Shareholder-friendly Management

Ethics and Compliance Management

Risk Management

Board-centered Management

Hyundai has established the “Guidelines on the Diversity of the Board of Directors” and the “Guidelines on the Independence of Independent Directors,” and appoints directors with diversity, expertise, and independence to establish a sound and transparent governance structure. In addition, we enacted the Corporate Governance Charter as part of our efforts to build a more advanced 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, and faithfully supervises the activities of management. Built on the Board-centered management and our understanding of stakeholders, we do our utmost to maximize corporate value.

COMPOSITION OF THE BOD

Board Composition

Hyundai’s Board of Directors (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 various fields such as management, accounting, finance, law, future/industry technology, and respects diversity without discrimination on the grounds of gender, race, religion, etc.

Appointment of Directors and CEO Succession Plan

All of Hyundai’s directors are appointed through a resolution of the general shareholders’ 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 selects suitable candidates from the pool and recommends them as candidates for internal director and CEO.

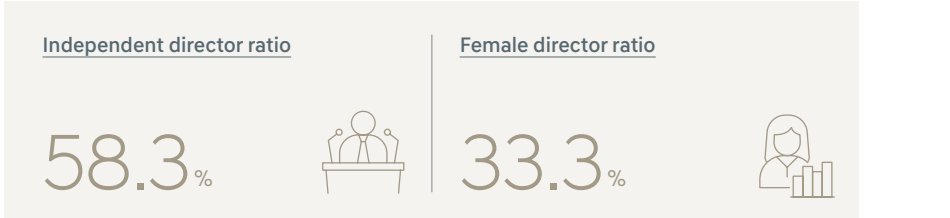
Independence of Directors and Restrictions on Concurrent Positions

Hyundai has put in place strict independence guidelines, meeting the legal standards required by the Korean Commercial Act, based on international standards. Hyundai’s independent directors independently monitor the efficient operation of the company and perform 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 directors, 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.

BOD Composition

Classification	Name	Title	Career		Date of Appointment	Gender	Nationality
Internal Directors	Euisun Chung ¹⁾	Executive Chair & CEO	Currently Executive Chair, Hyundai Motor Group		Mar. 12, 2010	Male	Korea
	José Muñoz	President & CEO	Currently President & CEO, HMC		Mar. 23, 2023	Male	US, Spain
	Yeong Il Choi	Executive Vice President & CEO	Currently Executive Vice President of HMC Domestic Productions and CSO		Mar. 26, 2026	Male	Korea
	Eunsook Jin	President	Currently President of HMC ICT Management Division		Mar. 20, 2025	Female	Korea
	Seung Jo Lee	Executive Vice President & CFO	Currently Executive Vice President of HMC Finance Division		Mar. 21, 2024	Male	Korea
Independent Directors	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 Laborlaw 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	Currently 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

^{*} As of the end of March 2026 ¹⁾ Chair of the BOD



Board-centered Management

Director Tenure

As of the end of March 2026, the average tenure of all twelve members of the BOD was 3.4 years, and under the Commercial Act, the tenure of an independent director cannot exceed six years. Among the directors appointed in March 2026 were three internal directors (two re-appointed and one newly appointed) and two independent directors (all re-appointed).

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. Furthermore, we have developed improvement plans for the Board by benchmarking best practices both domestically and internationally. Going forward, we will incorporate these ideas to enhance the composition and operations of the Board and committees.

Appointing the Lead Independent Director and Launching the Independent Directors' Meeting

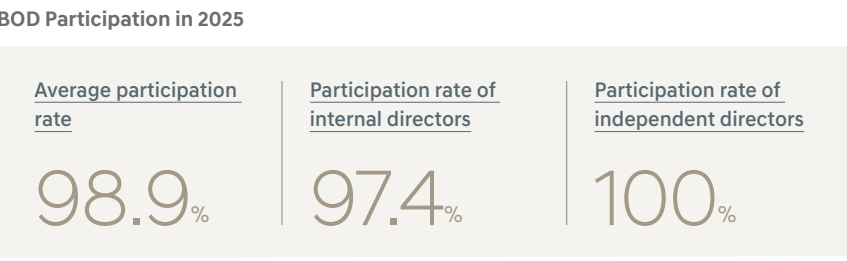
In April 2025, we decided to appoint a lead independent director to enhance the transparency of the BOD's decision-making, and established the Independent Directors' Meeting exclusively attended by independent directors to ensure the effectiveness of our lead independent director system. The lead independent 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, thereby facilitating smooth 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.

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 2026, three directors of foreign nationality (José Muñoz, Jim Myong Doh, Benjamin Tan) and four women directors (Eunsook Jin, Ji Yun Lee, Yoon Hee Choi, Suyi Kim) sat on the BOD.

With about 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 global 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 of the Board of Directors and the Independence of Independent Directors](#)



Skills Metric	Internal Directors					Independent Directors						
	Euisun Chung	José Muñoz	Yeong Il Choi	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

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 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. We preemptively reflected the revised Commercial Act in our Articles of Incorporation at the 58th GSM, stipulating that two Audit Committee members be separately elected, and additionally appointed independent director Seung-Wha Chang through separate election at the same GSM.

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.

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 management

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.

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)
58th	Mar. 10, 2025	Support for the refund of property tax and comprehensive real estate holding tax for the Gye-dong office building	From Feb. 2025 until completion	145
	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, shareholder communication	Overall management

Board-centered Management

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, independent director Benjamin Tan, a global finance expert who previously worked at GIC (Government of Singapore Investment Corporation), provides professional insight into Hyundai Motor Company’s related policies.

In addition, we have appointed independent director Yoon-Hee Choi, a legal expert, as the Independent Director for Compliance Management, thereby continuously strengthening compliance management and the compliance oversight function of the Board of Directors.

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 key safety and health plans and implementation status, 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, shareholder communication	Overall management

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, 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⁾	BOD member ²⁾	Independent director	Employee	CEO-to employee pay ratio
Average compensation per person	9,729	1,974	152	131	74.3 times

* For further details, please refer to the 2025 Business Report published on the FSS’ electronic disclosure system.

¹⁾ In consideration of the CEO’s role and leadership, expertise, contribution to the company, and talent development efforts, among other factors, 3,333 common shares and other bonuses were granted in accordance with the employment agreement. Pursuant to the agreement and upon Board approval, 3,333 common shares were granted on July 31, 2025, all of which were treasury shares held by Hyundai.

²⁾ Including all internal and independent directors

Executive Performance Evaluation and Remuneration

At Hyundai, executive remuneration consists of an annual salary based on rank and position, and performance incentives determined based on performance for the relevant year. 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 are granted within a range of 0% to 200% of annual base salary, based on a comprehensive assessment of the Company’s business performance and the individual’s performance evaluation rating. 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 Remuneration

Classification	CEO	Senior Management
Annual salary	Determine by comprehensively taking into account CEO roles, leadership, expertise and contribution to the company	Individually determine based on the management remuneration system and executive salary standards covering one’s position and role
Performance incentive	Combination of the company’s financial results and organizational performance (KPI) → Performance incentive grade Financial performance KPI Sales 30% Profit & Loss 70% Financial 35% Business/Strategy 45% Sustainability 20% Common indicators (additional/ deduction points) ⊖ Performance incentive grade S / A / B / C / D	Combination of organizational performance (KPI), Individual performance (MBO), and policy implementation → Performance incentive grade KPI MBO Policy Implementation KPI* assessment results by division Annual performance goal besides KPIs Business goals People goals Culture Survey (organizational culture diagnosis) ⊖ Performance incentive grade S / A / B / C / D
* Including ESG		

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 general shareholders’ meetings 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 SHAREHOLDERS’ MEETING AND SHAREHOLDER RETURN POLICY

Status of Stock Issuance

Hyundai’s total number of issued shares is 265,390,108, consisting of 204,757,766 shares of common stock and 60,632,342 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 2025, 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 shareholders’ meeting has been held for the past three years.

Stock Issuance Status

Classification		Authorized Shares	Shares Issued	Note
Common stocks		450,000,000	204,757,766	With voting rights
Preferred stocks	Preferred stocks		23,340,960	Without voting rights
	2 Preferred stocks	150,000,000	34,963,930	
	3 Preferred stocks		2,327,452	

* As of the end of 2025

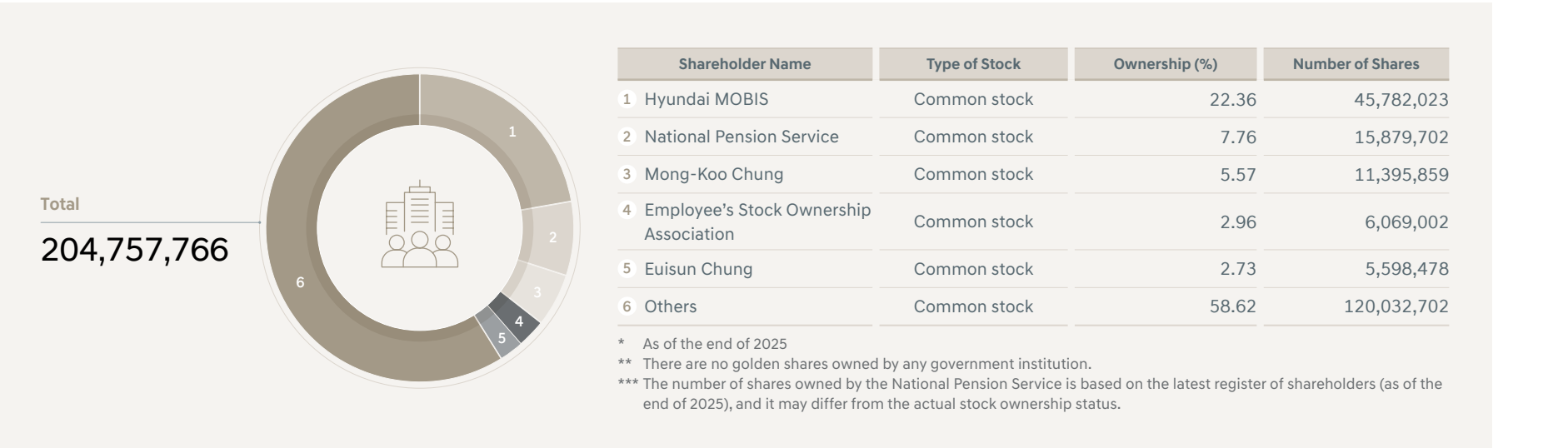
GSM Convocation and Notice

By the CEO pursuant to a BOD resolution, Hyundai convenes a regular general shareholders’ meeting (GSM) within three months after the end of each accounting period, and extraordinary shareholders’ meeting if necessary. Unless all shareholders agree, no other resolutions can be made apart from the meeting purpose they are notified in advance. When convening a meeting, 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.

Share Ownership





Shareholder-friendly Management

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.

Shareholder Return Policy

To enhance shareholder value, Hyundai has been paying dividends, the amount of which 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 treasury share cancellation policy by retiring 1% of our treasury shares each year during the three-year period from 2023 to 2025, 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 repurchases and cancellations) from 2025 to 2027, pursue an average ROE of 11-12% over the three years, and pay a minimum annual dividend of KRW 10,000 (KRW 2,500 per quarter), driving our sustained commitment to elevating shareholder value.

On the date of the BOD meeting at which dividends are approved, we disclose the relevant information 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.



Ethics and Compliance Management

Hyundai strives to fulfill its economic and legal responsibilities to all stakeholders by upholding business ethics and promoting compliance management and fair trade. The Sustainability Management Committee, 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. We support our employees in conducting their duties ethically by establishing the Ethics Charter & Code of Conduct, while enhancing compliance awareness through such initiatives as the compliance management system, Compliance Self-Inspection, compliance guidelines and newsletters. Moreover, we are spreading the management's determination to strengthen fair trade compliance throughout the company and conduct regular employee education.

GOVERNANCE

GOVERNANCE BODY

Board of Directors

The Board of Directors of Hyundai manages and oversees legal risks related to compliance and ethical management. The Board has established a compliance management system to monitor the company's legal risks and has designated an independent director with legal expertise as the director responsible for compliance management in order to strengthen compliance oversight and perform supervisory functions at the Board level.

Additionally, the Board regularly receives reports on compliance support activities carried out by the Compliance Officer and the results of effectiveness evaluations to review whether the company's compliance management system is operating appropriately. With respect to fair trade compliance, the Board also receives reports through the Sustainability Management Committee on the operational performance and plans for the following year related to Fair Trade Compliance Program (CP) at each business site, thereby managing and overseeing company-wide fair trade compliance.

Furthermore, the Board deliberates and approves major matters related to ethical management through the Sustainability Management Committee under the Board. The Committee comprehensively reviews the transparency of internal transactions and the status of ethical management initiatives, while deliberating the establishment and revision of ethical management policies and codes of ethics and incorporating the outcomes into the Ethics Charter. Compliance with the Ethics Charter & Code of Conduct is reviewed through semiannual regular audits and ongoing audits, and the results are reported to the Sustainability Management Committee. Through these efforts, the Board regularly oversees the company's management status related to preventing violations of ethical standards, including corruption and bribery.

MANAGEMENT

Dedicated Organization – Compliance Team

At Hyundai, the 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 Manager of his or her respective department so that he or she can carry out compliance control activities within the department.

Ethics Charter & Code of Conduct

Hyundai Motor Company Ethics Charter & 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. The Ethics Charter & Code of Conduct specifically covers corruption and bribery, discrimination, information confidentiality, conflicts of interest, antitrust/anticompetitive practices, money laundering and insider trading, environment, health and safety, and whistleblowing.

 [Hyundai Motor Company Ethics Charter & Code of Conduct](#)

Anti-Corruption & Bribery Policy

Hyundai Motor Company Anti-Corruption & Bribery Policy is designed to prevent risks related to corruption and bribery practices in advance and support employees in 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](#)

STRATEGY

IMPACTS, RISKS AND OPPORTUNITIES

Ethics and Compliance Management Identification Results

Hyundai identified impacts and risks related to ethics and compliance management across the entire value chain. From a corporate culture perspective, we are generating positive impacts by enhancing transparency and contributing to corruption prevention through the operation of ethical management systems, whistleblower protection programs, and compliance training.

However, corruption and unethical conduct may undermine public trust and disrupt fair business practices, while the leakage of core technologies may weaken technological competitiveness. From a financial perspective, incidents such as corruption or technology leaks can trigger legal sanctions, litigation costs, customer attrition resulting from reputational damage, and diminished investor confidence. Similarly, unfair trade practices within supplier relationship management pose risks including legal penalties, reputational damage, and increased costs associated with securing alternative supply chains.

PROMOTING ETHICS AND COMPLIANCE MANAGEMENT

Handling and Resolution Procedures for Code of Conduct Violations (Corruption, Bribery, etc.)

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. Hyundai provides employees with information on the prevention of workplace sexual harassment and bullying, as well as guidance on how to report related concerns through One-Click HR, via its internal policy board. Related reports are received through the One-Click HR system.

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.

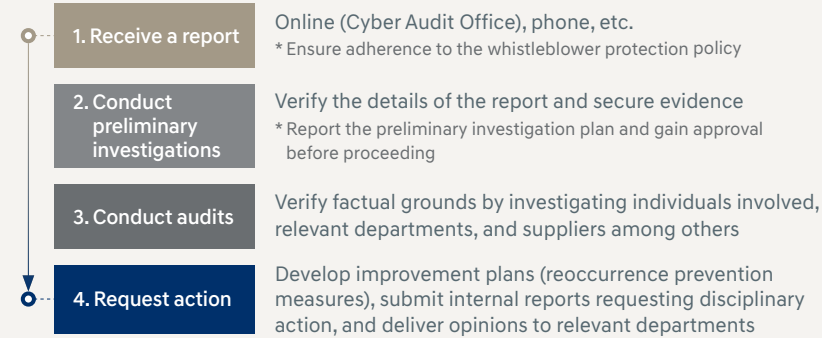


Ethics and Compliance Management

STRATEGY

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.

Handling and Resolution Procedures for Code of Conduct Violations (Corruption, Bribery, etc.)



Reporting Channels*

Cyber Audit Office Hyundai Motor Group Cyber Audit Office		By Phone +82-2-3464-3500	
By Fax +82-2-3464-8813		By Mail Hyundai Motor Group Audit Office	

The department 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 measures, such as termination of business relations or compensation for damages, will be taken based on the severity of the issue.

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 it is confirmed that a violator has attempted retaliation against or identification of a whistleblower, or has engaged in any other form of secondary harm, aggravated disciplinary action may be imposed in accordance with Chapter 3, Article 9 (Reporting Violations of Ethical Standards) of the workplace ethics regulations. 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. |

Promoting Compliance Culture

Hyundai aims to promote a culture of compliance by adopting diverse approaches and distributing the relevant contents. Through an online system, we provide employees with ongoing legal advice, contract reviews, and compliance support. We also offer standard contract templates by business area (39 in Korean and 24 in English) to help employees perform their duties in compliance with applicable laws. In 2025, as part of employee engagement initiatives, we held the “Fair Trade CP Employee Voice Listening Week” in the first half of the year and “Compliance Week” in the second half to help employees engage more closely with compliance and CP activities. In addition, we strengthened compliance awareness by conducting annual compliance and ethical management pledges for all employees at senior manager level and above, achieving a high pledge completion rate of 94.3%.

Furthermore, as part of expanding compliance initiatives across overseas subsidiaries, we established the Global Compliance Hub, an ongoing collaboration channel between headquarters and overseas subsidiaries, promoting the establishment of a self-driven compliance culture across our overseas subsidiaries.

Conducting Compliance Training

Hyundai provides regular and ad hoc compliance training for all employees, including new hires, newly promoted employees, employees assigned to new positions, and expatriates. In 2025, we conducted online compliance training programs for administrative, R&D, and legal personnel, covering key regulations including the Fair Trade Act, the Subcontracting Act, and the Housing Lease Protection Acts. In addition, we held the “Fair Trade CP Academy” on a semiannual basis for CP Council members, compliance personnel, and relevant departments by topic, providing tailored compliance training aligned with their respective responsibilities. Furthermore, we conducted compliance training for all executives, including foreign executives, with a total of 375 executives completing the program, achieving a high completion rate of 90.4% and reinforcing management’s compliance awareness. We also improved the accessibility of our bimonthly compliance newsletter by redesigning it in a card news format and separately produced and distributed a leadership compliance management newsletter for executives twice a year.

* Separate reporting channels are operated by key global subsidiaries and are accessible in local languages.



Ethics and Compliance Management

STRATEGY

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 Compliance 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.

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 2025, we conducted compliance training on improper management interference for high-risk departments, including the Procurement Division and the Automotive Parts Development Sub-Division (departments related to the Fair Transactions in Subcontracting Act), with a total of 384 employees participating in two in-person sessions and one online session. Additionally, to prevent technology leakage, we provided additional online training for the Procurement Division, with 1,254 employees participating.

AI ETHICS

Responsible AI Governance and Ethical Principles

Hyundai is committed to advancing AI innovation while upholding ethical responsibility and fostering a responsible AI ecosystem built on the trust of customers and society. To this end, we plan to establish an AI governance framework in 2026 and, as part of the preparatory process, have distributed the "Comprehensive AI Legal Guide" in 2025 to clearly set out the legal and ethical standards employees are required to follow throughout the AI development and utilization lifecycle.

We have adopted personal data protection, bias prevention, transparency, and human-centered AI design as our core principles. We ensure individuals' rights to respond to, request explanations for, and refuse automated decision-making under personal data protection laws, while striving to apply standards for personal data processing throughout the life cycle of AI development and deployment, guidelines on the use of pseudonymized and synthetic data, and AI privacy risk management models. Even when publicly available personal data is used for AI training, we are establishing processes to rigorously implement technical and administrative safeguards, including prompt and output filtering, access controls, secure storage and management, and unlearning.

To avoid potential bias in the use and/or development of AI, we conduct prior verification and periodic reviews for high-impact AI systems used for decision-making in areas such as recruitment and performance evaluation, and plan to establish a systematic framework for managing harmful bias by incorporating the NIST AI Risk Management Framework (AI RMF) and the TTA Guidelines for Trustworthy AI Development. Additionally, we seek to mandate human oversight for fully automated decision-making wherever possible to ensure customers' right to request human intervention, while proactively preparing to respond to domestic and international regulatory trends, including obligations applicable to high-risk AI under the EU AI Act and high-impact AI under Korea's Framework Act on the Development of Artificial Intelligence and the Creation of a Foundation for Trust.

To enhance transparency, we plan to comply with obligations for clear labeling and disclosure of AI-generated content and automated decision-making, beginning with key service areas directly related to user trust, while also providing meaningful explanations of the criteria, procedures, and implications of automated decision-making. We are enhancing our internal systems toward transparent disclosure of the operating principles and data sources of AI systems in alignment with the EU AI Act's transparency obligations and requirements for the disclosure of summaries of training data.

By referencing the risk-based classification frameworks established under Korea's Framework Act on the Development of Artificial Intelligence and the Creation of a Foundation for Trust and the EU AI Act, we seek to clearly distinguish responsibilities and obligations based our roles and responsibilities, while also strengthening our documentation and governance systems in accordance with the accountability principle of the NIST AI RMF. We are defining clear boundaries regarding what AI can and cannot do and establishing control systems to restrict usage scope and prevent mission creep in accordance with the EU AI Act's risk-based classifications (prohibited AI practices, high-risk AI systems, AI systems subject to transparency obligations, and minimal-risk AI systems). In particular, we adhere to the principle of excluding AI uses explicitly prohibited under the EU AI Act, such as subliminal manipulation, social scoring, and indiscriminate real-time remote biometric identification (RBI) in public spaces, while continuously enhancing control systems to prevent use beyond intended purposes.

We also recognize the environmental sustainability of AI systems as an important aspect of our responsibilities and are striving to minimize AI's ecological footprint through the establishment of energy-efficient infrastructure, model optimization, and restrictions on unnecessary training and operations.

Restricted Access to Sensitive AI Functions

Hyundai is actively considering the introduction of a "Limited Access" system and the establishment of related frameworks for sensitive AI functions that may raise ethical or privacy concerns, such as facial recognition, biometric recognition, and driver monitoring systems. Access to sensitive AI functions will be granted only to pre-approved personnel and departments, and we plan to establish a process requiring the submission of applications specifying the intended purpose, data scope, and security measures for review by relevant departments. In particular, we explicitly prohibit practices such as the collection of biometric data without customer consent, indiscriminate real-time facial recognition in public spaces, fully automated critical decision-making without human oversight, and tracking of behavioral patterns that may infringe on personal privacy.



Ethics and Compliance Management

STRATEGY

Regarding employees' use of generative AI, we restrict usage to officially authorized tools that have undergone information security and data privacy assessments. Organizations seeking to introduce new AI tools must obtain final approval following a security review by the HMG Security Center and an ethics and privacy assessment by the AI Project Review Committee within the AI Governance TFT. The input of confidential information, personal data, or technical information into unapproved external generative AI services is prohibited.

Access and usage records for sensitive AI functions are electronically logged and retained, and the AI Governance TFT regularly reviews usage status and updates control policies.

Clear Labeling of AI-generated Content and AI-driven Decisions

Hyundai plans to continuously advance its clear labeling framework for content generated by AI systems and the outcomes of AI-driven decisions, while faithfully fulfilling its obligations under applicable laws and regulations, including enabling users to identify AI-generated content.

Hyundai explicitly displays labels such as “AI-generated” and “AI-edited” on images, videos, and text content created or edited using generative AI across official websites, social media, and marketing channels, particularly in areas subject to transparency obligations under applicable laws and regulations. In particular, when generative AI is used for vehicle renderings, concept designs, marketing campaign content, and similar materials, we plan to appropriately disclose the use of AI in captions or at the bottom of the content. We will also continue efforts to ensure content transparency within the legal framework, including actively considering the adoption of C2PA (Coalition for Content Provenance and Authenticity)-based Content Credentials.

For generative AI-based chatbots, voice assistants, recommendation systems, and similar services provided through Hyundai's integrated mobility platform and connected car services, users are informed in advance that they are interacting with AI systems through methods such as in-product disclosures. For example, the AI chatbot used by Hyundai's customer service center displays a message or logo at the beginning of the conversation indicating that users are “communicating with an AI agent” and provides an option to connect to a human agent when necessary.

We are also striving to ensure transparency in internal AI tools used by dealer and sales organizations. When generative AI is used for tasks such as generating customer response scripts, supporting sales proposal preparation, and analyzing customer data, outputs will be marked as “AI-Generated Draft” and subject to human review and approval. In particular, for AI-driven decisions that significantly affect customers, such as customer credit assessments, insurance premium calculations, and lease approvals, we plan to continuously improve related processes to ensure customers' right to know and opportunities to raise objections by including such notices in decision notifications, such as: “This decision is based on the analysis of an AI system, and you may request human review if you wish to raise an objection.”

We will continue to enhance our AI-generated content labeling policies, actively consider adopting international standards such as C2PA, and foster a transparent AI usage environment in which users and customers can clearly recognize and trust their interactions with AI systems.

AI-based Customer Response and Objection Handling Process

Hyundai has introduced AI technologies, including large language models (LLMs), into customer complaint handling and customer support processes to provide prompt responses while maintaining transparent procedures for raising objections to AI-driven decisions. Customer objections and complaint data received during AI-assisted consultations are automatically classified through an AI-based VOC analysis system and directly utilized as feedback for improving product quality and enhancing services.

Furthermore, we have established structures that ensure objection handling through Human-in-the-Loop (HITL) mechanisms in AI chatbot and voicebot services. We are continuously strengthening AI accountability not only in existing services but also in future systems by embedding, from the design stage onward, mechanisms that promptly connect customers to specialized customer support personnel (handoff) whenever they are dissatisfied with AI-assisted responses.

Additionally, during the handling of complaints received through external organizations such as the Korea Consumer Agency and the Consumers Union of Korea, AI supports fair and reliable customer responses based on objective standards by reflecting relevant laws, regulations, and consumer dispute resolution standards based on the reviews and processing outcomes conducted by professional personnel. If customers are dissatisfied with the outcome or require additional clarification, we operate a system in which reviews and responses are conducted in accordance with the internal procedures of the relevant external organizations.

Continuous Learning System for Responding to AI Model Performance Degradation and Drift

Hyundai applies a continuous learning system based on drivers' driving data to maintain stable performance in its AI-based driver assistance systems. Our independently developed Smart Cruise Control-Machine Learning (SCC-ML) technology continuously collects information across a wide range of driving scenarios through sensors such as front cameras and radar, transmits the information to the ADAS control unit, and analyzes drivers' driving styles and tendencies using machine learning algorithms.

The system comprehensively considers various speed ranges and distance conditions relative to surrounding vehicles, focusing on factors such as following distance, acceleration behavior, and responsiveness. By distinguishing among more than 10,000 driving patterns, it continuously updates and reflects drivers' recent driving tendencies. Through this mechanism, we manage our autonomous driving assistance features to continuously reflect drivers' actual driving characteristics and adapt to changing driving behaviors. In addition, the system is configured to exclude driving behaviors that significantly deviate from safe driving practices from the learning process to ensure system reliability. Moving forward, we plan to further strengthen mechanisms for managing AI model drift and performance degradation through continuous data updates and learning, thereby enhancing the stability and reliability of our autonomous driving assistance systems.

Ethics and Compliance Management

STRATEGY

Employee Training on the Ethical Use and Security of AI

Hyundai plans to implement structured training programs this year to enable employees to use AI technologies ethically and safely, and is promoting company-wide AI capability-building initiatives to foster a responsible AI culture across the organization. The AX Capability Development Subcommittee within the AI Governance TFT is responsible for the design and delivery of related training programs, and all educational activities are conducted based on the published AI Implementation Guidelines.

To support employees' practical understanding of AI ethics and compliance, we incorporate related content into training programs designed for employees in leadership roles. Specifically, the “Decision-Making Course” for division heads covers topics such as the Framework Act on the Development of Artificial Intelligence and the Creation of a Foundation for Trust, relevant cases, and legal precedents, while the “AX Leader Basic Course” for team leaders and department heads also incorporates related content. Additionally, to improve accessibility for all employees, we plan to distribute online training content covering these topics through our internal learning platform, “Learning Lounge.”

In addition, we plan to regularly distribute relevant materials and hold briefing sessions to help employees proactively recognize AI hallucinations, bias, and ethical issues that may arise in practice, and to build effective safeguards against them. As part of practical internalization efforts, we have conducted a company-wide online briefing on the “AI Project Implementation Process” to share standards for the safe use of AI.

Moving forward, we plan to continue holding briefing sessions for individual divisions as needed and to continuously strengthen AI compliance capabilities across the Group.

RISK MANAGEMENT

RISK MANAGEMENT PROCESS

Prevention and Monitoring of Ethics-related Risks

Hyundai includes provisions on bribery, facilitation payments, and rebates in its Ethics Charter & Code of Conduct and Anti-Corruption & Bribery Policy to ensure that employees of both the Company and its suppliers conduct business in a transparent and fair manner. We provide timely training on ethical standards, including anti-corruption and anti-bribery, to employees newly subject to compliance training, such as newly appointed executives, new and experienced hires, and expatriates prior to overseas assignment. Through these programs, we help employees raise awareness of anti-corruption and anti-bribery risks and support their prevention. In 2025, we conducted a total of 43 anti-corruption and anti-bribery training sessions. Through the compliance management system, we provide ad hoc legal advisory services related to anti-corruption and bribery matters, enabling employees to review in advance whether certain actions may constitute violations of the Improper Solicitation and Graft Act or involve breach of trust or embezzlement, thereby helping to proactively prevent anti-corruption and bribery risks. In addition, ahead of major holiday periods each year, we provide all employees with advance guidance on key considerations under the Improper Solicitation and Graft Act to promote compliance with relevant laws and prevent inappropriate practices. We actively receive reports on risks related to violations of ethical standards by employees through the Compliance Help Desk (system, telephone, and email). In addition, we monitor the implementation status of employees' ethical standards through semiannual regular audits and ongoing audits each year, and report the results to the Sustainability Management Committee under the Board of Directors.

Prevention and Monitoring of Compliance-related Risks

Hyundai conducts Compliance Self-Inspection in various legal areas, including fair trade, anti-corruption and personal information protection, to help employee assess the legal risks related to their work. In 2025, we conducted Compliance Self-Inspection covering fair trade, personal information protection, and ethical business conduct regulations (including the Improper Solicitation and Graft Act), with 16,202 senior manager-level employees and 379 executives participating. Furthermore, in 2025, Hyundai conducted its first compliance risk assessment aimed at advancing domestic compliance management. Using questionnaires developed based on legislative trends and the company's current compliance environment, the assessment was conducted for team leaders and employees in charge across 69 fair trade-related teams, with a total of 217 participants. We identify and respond to potential operational risks through Self-Inspection and risk assessment questionnaires tailored to specific business characteristics. Going forward, we plan to actively incorporate the results of Compliance Self-Inspection and risk assessments into future compliance activities to continuously help reduce compliance risks.

METRICS AND TARGETS

METRICS

Disciplinary Action against Non-compliance with the Code of Ethics

We track and manage disciplinary actions for Code of Conduct violations by category, while simultaneously conducting preventive and anti-recurrence activities for major violation types.

(Unit: Cases)			
Classification	Number of Disciplinary Action	Classification	Number of Disciplinary Action
Corruption or bribery	6	Conflicts of interest	0
Discrimination or harassment	9	Money laundering or insider trading	0
Customer privacy violation	0		

Fair Trade Education Provided

We regularly conduct fair trade compliance training for all employees and manage training implementation based on the number of training sessions and participants. In particular, we promote a culture of compliance through job-specific training tailored to different risk levels.

Number of Training Sessions	Number of Participants
13	31,556



Risk Management

Hyundai continues to strengthen its enterprise risk management system by conducting performance evaluations and training linked to key risk indicators. Moving forward, we will make continuous efforts to transform crises into opportunities based on our thorough analyses of core risks and our commitment to enhancing risk management processes.

GLOBAL RISK MANAGEMENT SYSTEM

Risk Governance

To manage risks proactively, the Board of Directors (BOD), executives, and employees participate in the process of risk identification, assessment and prioritization according to their respective roles and responsibilities.

BOD The BOD, as the organization's highest decision-making body, is responsible for the management and oversight of potential future risk factors. In addition, to proactively mitigate and prevent ESG risks, the implementation plans and progress of ESG risk response initiatives are also reported to the Sustainability Management Committee under the BOD. In 2025, eight risk response initiatives were selected, and their implementation plans and performance are managed and supervised through reporting to the Sustainability Management Committee.

Executive The Corporate Strategy & Planning Division executive leads enterprise risk management, and a Management Committee composed of C-level executives, including the CEO, is in place. The Committee selects and reviews major risks with high likelihood and significant financial impact on a monthly basis, examines the results of impact analyses, and establishes response plans. In particular, as failure to respond promptly to major risks may result in operational constraints and financial losses, we focus on the proactive prevention and mitigation of key risks.

Dedicated Organization At Hyundai, the Business Risk Management (BRM) Team is responsible for enterprise risk management. The Team reviews risks, evaluates the response systems and levels for identified risks, and manages risks within each division through designated risk management personnel. Where risk response systems are insufficient or absent, roles and responsibilities for risk response across internal organizations are clearly defined to prevent gaps in response.

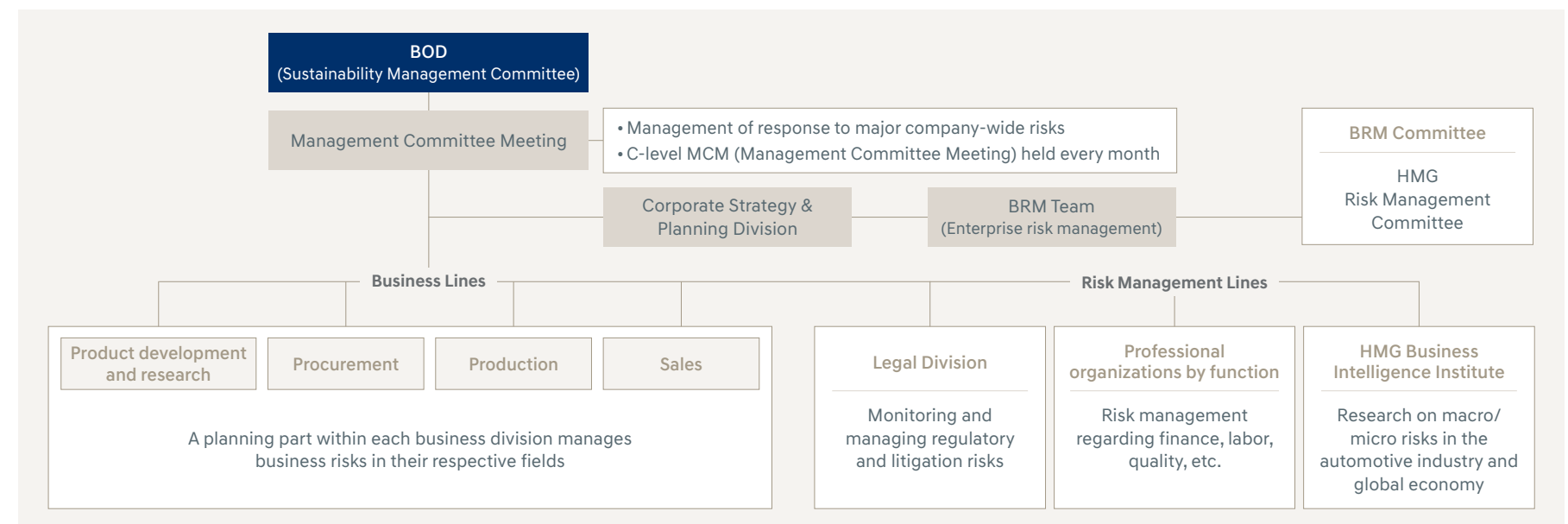
Sensing Organization The BRM Committee is a consultative body that shares progress and discusses response measures on a monthly basis regarding risks sensed across various divisions within Hyundai Motor Group, including Market Intelligence Center, R&D Division, and Economy & Policy Research Group. It identifies potential impacts and matters requiring review for various potential risks and supports relevant departments in responding effectively and in a timely manner.

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, India, 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.

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 check, report, and preemptive response through weekly/monthly/ongoing risk and task review meetings.

Risk Management System



Risk Management

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. Major risks identified through the internal risk sensing system of the BRM Team under the Corporate Strategy & Planning Division are analyzed and assessed based on their financial and

business impacts, as well as their likelihood and significance. 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.

Risk Exposure Assessment and Mitigation Action

Classification	Key risk factors	Risk exposure		Mitigation actions
		Likelihood ¹⁾	Magnitude ²⁾	
Non-financial risks	Regulatory risks	Medium	High	Integrating volumes for regulatory compliance in business planning in response to vehicle CO ₂ regulations. Hyundai continues to strengthen its EV lineup and sales, and reflects regulatory compliance volumes, including EV volumes, in its short- and mid- to long-term sales planning.
	Geopolitical and geoeconomic risks			Hyundai is increasing the proportion of local production and building self-sufficient local production systems. It also operates a dedicated organization to monitor policy and political risks in major countries, proactively identifies risks, analyzes their impact on Hyundai, and responds accordingly.
	Macro-economic risks	Medium	Medium	Hyundai enhances its ability to forecast demand changes driven by economic conditions and conducts global economic scenario analyses. It develops demand forecasting models based on leading economic indicators and responds through production and sales adjustments and the identification of alternative markets based on global crisis scenario analysis.
	Procurement risks	Medium	High	Hyundai secures appropriate inventory levels for strategic materials and key components, promotes the internalization of core components, and expands direct procurement of strategic materials. It also continuously monitors market conditions and has established an automated system to calculate profit-and-loss impacts to respond to risks arising from raw material price fluctuations.
	Operational risks	Medium	Low	Hyundai identifies, analyzes, and responds to operational risks in the planning department of each division.
Financial risks	Exchange risks	Medium	Medium	Foreign exchange risk is mitigated by matching foreign currency inflows and outflows by currency and maturity, and settlement timing is adjusted based on exchange rate forecasts.
	Interest rate risks	Medium	Medium	For short-term borrowings, Hyundai maintains an appropriate balance between fixed-rate and floating-rate borrowings. For long-term borrowings, fixed-rate borrowings are used in principle to hedge against the risk of future cash flow fluctuations.
	Liquidity risks	Low	Medium	Hyundai establishes short- and mid- to long-term financial management plans, and continuously analyzes and reviews forecasted cash flow and actual cash flow to manage the maturity structure of financial assets and liabilities.

Remuneration System Linked to Key Indicators

The KPIs of C-level executives, including the CEO, include financial risk indicators (such as profitability, cash liquidity, and debt ratio) and sustainability risk indicators (such as safety, quality, and information security). Annual performance evaluations are conducted based on these indicators, and the results are reflected in the compensation system for C-level executives.

Company-wide Risk Training

Hyundai conducts annual training on various potential risks to enhance independent directors’ understanding of the business and strengthen their expertise in risk management. In 2025, training was provided on various material risks affecting us—such as our response to U.S. tariffs, cybersecurity issues and response measures, and strategic initiatives related to a just transition—to support independent directors in effectively performing their duties.

We continuously provide training to employees on emerging ESG issues and risk management, and in 2025 invited external experts to conduct training on risks related to the circular economy and just transition. In addition, the HMG Business Intelligence Institute and Market Intelligence Center continuously share outlooks and insights on key risks with employees, providing education on major risks the Company may face and principles for responding to them.

Risk Assessment in the Product Development Process

Hyundai conducts various risk inspection activities during the product development process to prevent potential risks. When introducing new technologies, we analyze failure modes and their impacts to identify technical risks early and prevent issues before they occur. During the design phase, potential technical risks in assembly and operation/functional performance are identified and improved, and prototype parts produced based on design drawings are inspected to verify functionality, performance, and durability, thereby assessing mass production feasibility through a systematic risk review process. Furthermore, we continue to promote company-wide paradigm shifts and fundamental improvements in durability and quality to secure sustainable quality competitiveness and achieve best-in-class standards.



Risk Management

EMERGING RISKS

Increased cybersecurity threats and strengthened vehicle data protection regulations

RISK CONTEXT

As connected vehicles become more widespread and vehicle software continues to advance, cybersecurity risks across the global automotive industry are intensifying. As vehicle network connectivity expands, the risk of various cyberattacks—such as ransomware, remote intrusion, and exploitation of software vulnerabilities—is increasing, along with stronger regulatory and industry demands for management. In Europe, cases of cyber incidents involving major automakers have been reported, leading to ongoing expansion of regulatory discussions on remote vehicle control, software updates, and data protection. Against this backdrop, UN Economic Commission for Europe (ECE) Regulations R155 (Cybersecurity) and R156 (Software Updates) are being applied primarily to new vehicles, increasing the need for automakers to manage cybersecurity threats throughout the entire vehicle lifecycle and operate secure software update systems.

China is strengthening requirements for the storage and processing of vehicle data through automotive data security regulations and requires separate procedural measures for cross-border transfer of critical data. The U.S. is also advancing policies to refine connected car security standards based on its national cybersecurity strategy while strengthening security reviews across vehicle component and software supply chains. As vehicle cybersecurity and data protection regulations expand and become more sophisticated in major markets, global automakers must develop comprehensive response capabilities encompassing certification, operations, supply chains, and data management beyond technical measures.

Hyundai is continuously expanding connected car services and software-based features in global markets, which may increase compliance burdens due to strengthened cybersecurity and data protection regulations. Particularly, non-compliance with UN ECE R155 may restrict type approval in the EU market and directly affect sales, while violations of China's data security regulations may result in restrictions on local connected services and the imposition of fines. Furthermore, cyberattacks that compromise remote control functions or result in customer data breaches may lead to large-scale recalls, temporary suspension of OTA services, and class-action lawsuits, ultimately causing reputational damage and direct revenue losses.

HYUNDAI'S APPROACH

Hyundai has established and operates a company-wide response system by organizing specialized security teams across relevant functions, and conducts cybersecurity activities throughout the entire vehicle lifecycle—from development to post-production monitoring. To proactively respond to strengthening vehicle cybersecurity and data protection regulations in major markets such as Europe and China, we make continuous efforts to advance our enterprise-wide security management system. In particular, we have established CSMS (Cyber Security Management System) and SUMS (Software Update Management System) based on international regulatory requirements such as UN ECE R155 and R156, based on which we are strengthening our security response capabilities across vehicles and services by aligning with certification and operational requirements in key markets such as Europe and China.

Additionally, we operate a development system that incorporates security considerations across the entire vehicle lifecycle, from vehicle planning, development, validation, and mass production to post-sales operation and services. Security requirements are incorporated from the vehicle and electronic system development stages, and potential threat scenarios and vulnerabilities are identified in advance to ensure security from the design phase. Even after vehicle launch, we operate a management system to identify and respond early to potential safety and security issues that may affect customer safety and data protection. By comprehensively reviewing quality information, including voice of customer (VoC), vehicle and service operation data, and reports received through vulnerability disclosure channels, Hyundai proactively identifies vulnerabilities and anomalies across vehicles and services and continuously strengthens its response capabilities to ensure timely action.



Supply chain risks due to geopolitical instability in the Middle East

RISK CONTEXT

Following military conflict triggered by U.S. and Israeli airstrikes on Iran in March 2026, Iran's blockade of the Strait of Hormuz as a key response measure has increased global energy and maritime transportation risks. Rising tensions surrounding the Strait of Hormuz are increasing volatility in global oil and energy prices, placing a burden across the global economy. This geopolitical uncertainty may indirectly impact the automotive industry through cost, logistics, and supply chain risks. Rising and volatile energy prices may increase costs for key automotive raw materials such as steel, plastics, and chemical materials, as well as overall manufacturing processes, while deteriorating maritime transport conditions may affect procurement schedules and logistics costs.

Hyundai may be exposed to energy price volatility and maritime logistics risks in the course of operating its global production and supply chains. The Strait of Hormuz is a key shipping route through which approximately 20% of global seaborne crude oil passes, and prolonged blockades may lead to sharp increases in global oil prices and higher procurement costs for key automotive raw materials such as steel, plastic, and chemical materials. Additionally, rerouting and delays in maritime transport routes via the Middle East may disrupt component supply schedules to key production bases such as Europe and India and increase logistics costs, potentially leading to higher manufacturing costs and delays in production planning. Furthermore, if rising energy costs are passed on to suppliers, overall supply chain cost burdens may increase, affecting vehicle price competitiveness.

HYUNDAI'S APPROACH

To prevent production disruptions caused by prolonged geopolitical risks in the Middle East, Hyundai is addressing supply risks for components and raw materials through supply chain diversification. We selectively monitor components and raw materials sourced from high-risk regions, including countries adjacent to conflict zones, while securing alternative global supply sources and rerouted logistics pathways for key items. Additionally, we continuously conduct supply chain analysis and risk monitoring of raw materials to address uncertainties in the supply of naphtha, a key feedstock for plastics and synthetic rubber. Based on this, we have raised minimum safety stock levels for key items to secure sufficient inventory and are strengthening supply chain resilience through ongoing communication with relevant stakeholders.





Intro



Env



Soc



Gov



Data

Sustainability Factbook

In This Section

Facts & Figures

Certifications and Patents

GRI Index

TCFD Index

SASB Index

Global Network

Independent Assurance Statement

GHG Assurance Statement

About This Report



Facts & Figures

Finance

Summary Financial Statements (Consolidated)

Classification	Unit	2023	2024	2025	Note
Financial position					
Total assets	KRW billion	282,463	339,798	368,845	
Total liabilities	KRW billion	180,654	219,522	241,197	
Total equity	KRW billion	101,809	120,276	127,648	
Financial performance					
Sales	KRW billion	162,664	175,231	186,254	
Operating profit	KRW billion	15,127	14,240	11,468	
Selling and administrative expenses	KRW billion	18,357	21,510	22,749	
Net profit	KRW billion	12,272	13,230	10,365	Including non-controlling interests
Profitability ratio					
Operating profit margin	%	9.3	8.1	6.2	
Net profit margin	%	7.5	7.5	5.6	

Summary Financial Statements (Separate)

Classification	Unit	2023	2024	2025	Note
Financial position					
Total assets	KRW billion	85,065	96,144	98,580	
Total liabilities	KRW billion	24,277	26,921	28,612	
Total equity	KRW billion	60,787	69,223	69,969	
Financial performance					
Sales	KRW billion	78,034	79,061	78,767	
Operating profit	KRW billion	6,671	6,599	3,515	
Selling and administrative expenses	KRW billion	9,600	11,728	11,803	
Net profit	KRW billion	7,343	12,241	4,055	
Profitability ratio					
Operating profit margin	%	8.5	8.3	4.5	
Net profit margin	%	9.4	15.5	5.1	

Distribution of Economic Value (Consolidated)

Classification	Unit	2023	2024	2025	Note
Total	KRW billion	113,645	115,982	121,582	
Dividends (Shareholders and investors)	KRW billion	2,999	3,148	2,618	
Interest expenses (Shareholders and investors)	KRW billion	558	451	572	Refer to “financial income and financial expense” in the notes to the consolidated financial statement
Salaries (Employees)	KRW billion	12,078	13,480	13,360	Refer to “classification of expenses by nature” in the notes to the consolidated financial statement
Raw materials costs (Suppliers)	KRW billion	93,205	94,516	101,400	Refer to “classification of expenses by nature” in the notes to the consolidated financial statement
Corporate tax (Government)	KRW billion	4,627	4,232	3,477	Refer to “income tax” in the notes to the consolidated financial statement
Donation (Local communities)	KRW billion	178	155	155	Refer to “other income/expense” in the notes to the consolidated financial statement

Distribution of Economic Value (Separate)

Classification	Unit	2023	2024	2025	Note
Total	KRW billion	65,468	65,366	65,018	
Dividends (Shareholders and investors)	KRW billion	2,999	3,148	2,618	
Interest expenses (Shareholders and investors)	KRW billion	116	112	139	Refer to “financial income and financial expense” in the notes to the financial statement
Salaries (Employees)	KRW billion	7,861	8,559	8,385	Refer to “classification of expenses by nature” in the notes to the financial statement
Raw materials costs (Suppliers)	KRW billion	52,031	50,405	53,195	Refer to “classification of expenses by nature” in the notes to the financial statement
Corporate tax (Government)	KRW billion	2,332	3,043	595	Refer to “income tax” in the notes to the financial statement
Donation (Local communities)	KRW billion	129	99	86	Refer to “other income/expense” in the notes to the financial statement

R&D Investment

Classification	Unit	2023	2024	2025	Note
Total R&D expense	KRW million	3,973,573	4,589,424	5,535,385	
Government subsidy	KRW million	(4,708)	(2,977)	(7,853)	
R&D expense to sales ratio	%	2.4	2.6	3.0	Total R&D expenses/Sales of the year X 100



Facts & Figures

Finance

Distribution of Investment (Consolidated)

Classification	Unit	2023	2024	2025	Note
CAPEX	KRW billion	6,455	7,252	6,828	Based on head office and overseas business sites
Depreciation	KRW billion	4,946	4,287	5,016	Refer to “classification of expenses by nature” in the notes to the consolidated financial statement
CAPEX – depreciation	KRW billion	1,509	2,965	1,812	
Treasury stock buyback	KRW billion	0	232	705	
Dividend payouts + Treasury stock buyback	KRW billion	2,999	3,380	3,323	

Tax Reporting by Country (2025)

Country	Entity Name	Primary Activities	No. of Employees	Revenue ¹⁾ (KRW million)	Profit Before Tax ¹⁾ (KRW million)	Income Tax Accrued ¹⁾ (KRW million)	Income Tax Payable ¹⁾ (KRW million)
Korea	Hyundai Motor Company	Manufacturing and sales of complete vehicles	73,335	78,766,791	4,650,362	595,484	96,280
U.S. ²⁾	Hyundai Motor America	Sales of complete vehicles and parts	632	50,848,272	1,668,084	364,854	0
	Hyundai Motor Manufacturing Alabama		4,425	16,583,652	484,698	98,249	(669) ³⁾
Germany	Hyundai Motor Europe	Marketing and sales of complete vehicles	287	17,705,947	49,584	13,668	6,009
Czech	Hyundai Motor Manufacturing Czech	Sales of complete vehicles and parts	2,720	10,414,656	459,237	68,893	0
Türkiye	Hyundai Motor Türkiye Otomotiv A.Ş		2,206	5,046,722	297,099	117,875	0
India	Hyundai Motor India	Manufacturing and sales of complete vehicles	8,507	11,078,124	1,277,611	329,467	0
Brazil	Hyundai Motor Central & South America		3,193	4,311,563	110,824	52,910	14,847
Indonesia	Hyundai Motor Manufacturing Indonesia		1,795	1,614,016	75,177	901	0
Canada	Hyundai Auto Canada		274	6,834,720	284,197	76,023	0

¹⁾ The financial information is based on the separate financial statements (prior to the elimination of intercompany transactions), and the reporting boundary is consistent with that of the previous year (representing approximately 108% of consolidated revenue).

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⁾ Income taxes receivable resulting from tax payments exceeding the current income tax liability

Production/Sales

Production Overview

Classification	Unit	2023	2024	2025	Note
Total	Vehicle	4,289,776	4,146,335	4,116,506	
Domestic	Vehicle	1,947,351	1,858,136	1,846,837	
India	Vehicle	765,000	767,000	772,830	
China ¹⁾	Vehicle	241,300	165,338	194,600	
U.S.	Vehicle	369,000	361,632	427,320	
Czech Republic	Vehicle	340,500	330,890	276,175	
Brazil	Vehicle	204,300	209,538	214,139	
Türkiye	Vehicle	242,100	245,000	197,000	
Vietnam ¹⁾	Vehicle	46,835	55,251	42,540	
Indonesia	Vehicle	79,580	85,750	70,900	
Singapore	Vehicle	581	640	287	
Others ²⁾	Vehicle	53,229	67,160	73,878	

¹⁾ China: based on passenger vehicle, Vietnam: HTMV (passenger/commercial)

²⁾ Others: HTBC (China Commercial), HTCV (Vietnam Commercial), CKD (Passenger/Commercial), etc.

Sales Overview

Classification	Unit	2023	2024	2025	Note
Total	Vehicle	4,216,898	4,141,959	4,138,389	
Domestic	Vehicle	762,077	705,010	712,954	
Overseas	Vehicle	3,454,821	3,436,949	3,425,435	



Facts & Figures

Environmental* Response to Climate Change

Energy Consumption

Classification	Unit	2024 ¹⁾	2025	Note
Total ²⁾	MWh	7,352,542	7,666,194	
Electricity (Non-renewable)	MWh	3,105,244	2,548,848	
Electricity (Renewable)	MWh	629,173	1,399,122	
LNG	MWh	3,289,091	3,312,847	
Diesel, kerosene, gasoline	MWh	175,847	192,497	
Steam, heat	MWh	106,264	117,464	
Others	MWh	46,922	95,414	Propane, butane, etc.
Energy intensity	MWh/Vehicle	1.77	1.86	

¹⁾ The 2024 energy consumption was recalculated based on the base-year (2024) emissions in alignment with the SBTi-approved target, resulting in differences from those reported in the previous year.
²⁾ 5 additional overseas subsidiaries (including HMGICS) were added to the 2025 emissions calculation boundary compared with 2024.

Greenhouse Gas (GHG) Emissions

Classification	Unit	2024 ³⁾	2025	Note
Sum of Scope 1 and 2 ⁴⁾	tCO ₂ -eq	2,198,406	1,911,084	Emissions target for 2025: 2,044,518 tCO ₂ -eq
Scope 1	tCO ₂ -eq	729,974	720,642	
Scope 2	tCO ₂ -eq	1,468,432	1,190,442	Market-based approach
Scope 1+2 intensity	tCO ₂ -eq/Vehicle	0.530	0.464	
Scope 3	tCO ₂ -eq	203,863,854	199,704,253	See p.38 for Scope 3 emissions by category

³⁾ The 2024 GHG emissions were recalculated based on the base-year (2024) emissions in alignment with the SBTi-approved target, resulting in differences from those reported in the previous year.
⁴⁾ 5 additional overseas subsidiaries (including HMGICS) were added to the 2025 emissions calculation boundary compared with 2024.

Environmental Investment and Green Purchasing

Classification	Unit	2023	2024	2025	Note
Environmental investment ⁵⁾	KRW billion	861.1	971.6	1,943.8	
Green purchasing ⁶⁾	KRW billion	565.3	659.9	701.3	

⁵⁾ 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)
⁶⁾ 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.

Revenue Share of Electrified Vehicles⁷⁾

Classification	Unit	2023	2024	2025	Note
Total	%	21.6	22.3	27.5	
EV	%	9.9	7.4	8.4	
HEV	%	9.7	13.1	17.1	Ratio of total revenue based on managerial accounting
PHEV	%	1.6	1.2	1.4	
FCEV	%	0.4	0.6	0.7	

⁷⁾ Electrified vehicle classification: EV, HEV, PHEV, FCEV

Sales Portion of Models for which Full-LCA was Conducted

Classification	Unit	2023	2024	2025	Note
Sales portion of models for which full-LCA was conducted	%	40.9	62.2	83.0	Based on number of vehicles sold (shipment)

* Except for the Climate Change Response section, the reporting boundary for environmental data covers all domestic business sites and 14 overseas manufacturing subsidiaries.
** All intensity figures per vehicle are based on production volume.



Intro



Env



Soc



Gov



Data

Facts & Figures

Environmental

Circular Economy and Resource Use

Consumption¹⁾ and Scrap of Raw Materials

Classification	Unit	2023	2024	2025	Note
Steel Consumption	Ton	1,230,799	1,238,092	1,133,401	
Steel (Scrap)	Ton	410,665	407,423	469,495	
Aluminum Consumption	Ton	156,930	138,184	161,801	
Aluminum (Scrap)	Ton	39,116	40,963	43,422	

¹⁾ Based on the volume brought into production plants and directly input into manufacturing processes, excluding raw material volumes contained in externally purchased semi-finished products and components

Waste Generated

Classification	Unit	2023	2024	2025	Note
Total	Ton	1,026,599	910,206	927,556	
General waste	Ton	549,853	538,153	534,532	
Hazardous waste	Ton	43,223	55,423	47,237	
Construction waste	Ton	433,523	316,630	345,787	
Waste diverted from disposal	Ton	960,536	834,571	845,177	Diversion volume including other types of recovery
Waste diversion rate	%	93.6	91.7	91.1	

²⁾ Certain business sites revised previously reported data, and the aggregated figures have been updated accordingly.

Waste Treatment Volume by Waste Type and Treatment Method

Classification	Unit	2023	2024	2025	Note
General waste ³⁾	Ton	549,853	538,153	534,532	
Incineration with energy recovery	Ton	14,079	16,207	15,175	
Incineration without energy recovery	Ton	6,520	6,270	5,449	
Landfill	Ton	19,466	20,775	21,036	
Recycling and reuse	Ton	508,522	491,603	478,682	Diversion volume including other types of recovery
Others	Ton	1,267	3,298	14,191	Biodegradation, etc.
Hazardous waste	Ton	43,223	55,423	47,237	
Incineration with energy recovery	Ton	13,850	18,017	16,724	
Incineration without energy recovery	Ton	3,144	3,067	3,841	
Landfill	Ton	1,886	2,407	1,761	
Recycling and reuse	Ton	19,205	26,462	20,729	Diversion volume including other types of recovery
Others	Ton	5,138	5,470	4,182	Biodegradation, etc.
Construction waste	Ton	433,523	316,630	345,816	
Incineration with energy recovery	Ton	0	0	0	
Incineration without energy recovery	Ton	0	0	0	
Landfill	Ton	710	121	15	
Recycling and reuse	Ton	432,809	316,506	345,767	Diversion volume including other types of recovery
Others	Ton	3	3	5	Biodegradation, etc.

³⁾ Certain business sites revised previously reported data, and the aggregated figures have been updated accordingly.



Intro



Env



Soc



Gov



Data

Facts & Figures

Environmental

Pollution and Water Resources

Pollutant Discharges

Classification	Unit	2023	2024	2025	Note
Air pollutant emissions ¹⁾	Ton	1,591	1,738	861	
SOx	Ton	62	54	53	
NOx	Ton	501	588	411	
PM	Ton	1,028	1,096	397	
Air pollutant intensity	kg/Vehicle	0.371	0.419	0.209	
Water pollutant discharge ¹⁾	Ton	533	600	1,075	
TOC (COD)	Ton	343	410	594	
BOD	Ton	124	137	355	
SS	Ton	66	54	126	
Water pollutant intensity	kg/Vehicle	0.12	0.14	0.26	
VOC and THC emissions ²⁾	Ton	9,204	8,398	3,118	
Emissions intensity of VOC and THC	kg/Vehicle	2.15	2.03	0.76	
Hazardous chemicals consumed	Ton	9,316	9,184	10,154	

¹⁾ Some business sites revised historical data, and the aggregated figures were restated accordingly.
²⁾ VOCs: Volatile organic compounds; THC: Total hydrocarbon

Water Withdrawal by Source³⁾

Classification	Unit	2023	2024	2025	Note
Total	Ton	20,910,931	20,450,611	20,603,304	
Municipal and industrial water	Ton	19,223,472	18,524,027	18,755,600	
Surface water	Ton	1,206,895	1,461,597	1,412,496	
Groundwater	Ton	468,297	456,966	426,279	
Seawater	Ton	12,267	8,022	8,929	

³⁾ Some business sites revised historical data, and the aggregated figures were restated accordingly.

Water Consumption⁴⁾

Classification	Unit	2023	2024	2025	Note
Water consumption ⁵⁾	Ton	11,223,441	11,382,647	10,243,259	
Water consumption in areas with water stress ⁶⁾	Ton	3,311,025	3,339,619	2,892,611	
Water discharge	Ton	9,687,490	9,067,964	10,360,045	
Volume of water recycled	Ton	1,799,380	1,684,054	1,569,871	
Ratio of water recycled	%	16.0	14.8	15.3	
Water consumption intensity	Ton/Vehicle	2.62	2.75	2.49	

⁴⁾ Some business sites revised historical data, and the aggregated figures were restated accordingly.
⁵⁾ Calculated by subtracting water discharge from water withdrawal
⁶⁾ Based on the WRI Aqueduct Water Risk Atlas Tool assessment, HMI Chennai plant, HMI Pune plant, BHMC, HTBC, HMTR, HYMEX, HMMI, and the Jeonju Plant in Korea were identified as being located in high water-stress areas (High or above).



Facts & Figures

Environmental

Water Withdrawal by Business Site Type and Source

Classification	Unit	2023	2024	2025	Note
Plants total ⁷⁾	Ton	18,152,491	17,666,589	17,679,555	
Municipal and industrial water	Ton	16,505,059	15,790,700	15,888,928	
Surface water	Ton	1,206,895	1,461,597	1,412,496	
Groundwater	Ton	428,270	406,271	369,202	
Seawater	Ton	12,267	8,022	8,929	
Research institutes total	Ton	1,992,256	2,054,039	2,197,980	
Municipal and industrial water	Ton	1,992,256	2,054,039	2,197,980	
Surface water	Ton	0	0	0	
Groundwater	Ton	0	0	0	
Seawater	Ton	0	0	0	
Sales/service total	Ton	246,475	250,057	249,348	
Municipal and industrial water	Ton	225,189	226,269	226,811	
Surface water	Ton	0	0	0	
Groundwater	Ton	21,286	23,788	22,537	
Seawater	Ton	0	0	0	
Others (Headquarters, training institutes) total	Ton	519,709	479,926	476,421	
Municipal and industrial water	Ton	500,968	453,019	441,881	
Surface water	Ton	0	0	0	
Groundwater	Ton	18,741	26,907	34,540	
Seawater	Ton	0	0	0	

⁷⁾ Some business sites revised historical data, and the aggregated figures were restated accordingly.

Water Withdrawal by Region and Source

Classification	Unit	2023	2024	2025	Note
Korea total ⁸⁾	Ton	14,219,435	13,824,929	13,682,252	
Municipal and industrial water	Ton	14,175,433	13,767,408	13,587,365	
Surface water	Ton	0	0	0	
Groundwater	Ton	44,002	57,521	94,887	
Seawater	Ton	0	0	0	
Europe total	Ton	844,406	808,390	768,180	
Municipal and industrial water	Ton	734,280	708,065	680,333	
Surface water	Ton	0	0	0	
Groundwater	Ton	110,126	100,325	87,847	
Seawater	Ton	0	0	0	
Americas total	Ton	2,033,620	2,449,966	2,615,101	
Municipal and industrial water	Ton	1,598,773	1,992,304	2,220,025	
Surface water	Ton	120,679	158,542	151,530	
Groundwater	Ton	314,169	299,120	243,545	
Seawater	Ton	0	0	0	
Asia total ⁸⁾	Ton	3,813,470	3,367,326	3,537,771	
Municipal and industrial water	Ton	2,714,987	2,056,250	2,267,876	
Surface water	Ton	1,086,216	1,303,055	1,260,966	
Groundwater	Ton	0	0	0	
Seawater	Ton	12,267	8,022	8,929	

⁸⁾ Some business sites revised historical data, and the aggregated figures were restated accordingly.



Facts & Figures

Social

Human Resources Management

Global Workforce by Gender

Classification	Unit	2023	2024	2025	Note
Korea total	Person	74,203	75,819	73,335 ¹⁾	Based on the number of directly employed workforce as of December 31, 2025 (including those with no employment income reported in Korea during the reporting year due to leave of absence, overseas assignment, or other similar circumstances)
Male	Person	69,076	70,114	67,395	
Female	Person	5,127	5,705	5,940	
Overseas total	Person	50,706	50,588	50,025	
Male	Person	42,797	42,108	41,360	
Female	Person	7,909	8,480	8,665	
North America subtotal	Person	19,389	18,805	18,327	
Male	Person	15,518	14,603	13,958	
Female	Person	3,871	4,202	4,369	
Europe subtotal	Person	7,655	7,654	7,335	
Male	Person	6,328	6,256	5,982	
Female	Person	1,327	1,398	1,353	
- EEA subtotal	Person	N/A	4,589	4,811	Data on workforce in the EEA (European Economic Area) ²⁾ have been compiled since 2024
Male	Person	N/A	3,789	3,816	
Female	Person	N/A	800	995	
China subtotal	Person	7,745	7,606	7,603	
Male	Person	6,160	6,041	6,026	
Female	Person	1,585	1,565	1,577	
India subtotal	Person	10,935	11,475	11,646	
Male	Person	10,599	11,039	11,174	
Female	Person	336	436	472	
Others subtotal	Person	4,982	5,048	5,114	
Male	Person	4,192	4,169	4,220	
Female	Person	790	879	894	

Workforce by Job Category

Classification	Unit	2023	2024	2025	Note
Total	Person	124,909	126,407	123,360	
Executive	Person	792	813	922	Excluding 13 research fellows in executive positions
Research fellow	Person	20	13	13	
Research	Person	18,245	20,008	20,599	
Office work	Person	24,248	25,645	25,513	
Technical/Production/Maintenance	Person	64,381	61,856	60,312	
Sales	Person	7,503	7,186	6,681	
Others	Person	9,720	10,886	9,320	Advisor, specially appointed staff for special duties, temporary staff, etc.

¹⁾ Number of fixed-term employees as of December 31, 2025 (those with no employment income reported in Korea during the reporting year): 8,746
²⁾ 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.



Intro



Env



Soc



Gov



Data

Facts & Figures

Social

Employee Composition by Gender

Classification	Unit	2023	2024	2025	Note
Total	Person	792	813	922	
Female executives	Person	59	64	80	
Korea	Person	21	21	25	
North America	Person	26	27	39	
Europe	Person	6	8	9	
China	Person	5	3	2	
India	Person	0	1	1	
Others	Person	1	4	4	
Male executives	Person	733	749	842	
Percentage of female executives	%	7.4	7.9	8.7	Number of female executives / Total number of executives * 100
Percentage of male executives	%	92.6	92.1	91.3	Number of male executives / Total number of executives * 100
Total	Person	124,909	126,407	123,360	
Female employees	Person	13,036	14,185	14,605	All female employees including executives
Korea	Person	5,127	5,705	5,940	
North America	Person	3,871	4,202	4,369	
Europe	Person	1,327	1,398	1,353	
China	Person	1,585	1,565	1,577	
India	Person	336	436	472	
Others	Person	790	879	894	
Male employees	Person	111,873	112,222	108,755	All male employees including executives
Percentage of female employees	%	10.4	11.2	11.8	Number of female employees / Total number of employees * 100
Percentage of male employees	%	89.6	88.8	88.2	Number of male employees / Total number of employees * 100

Workforce by Age

Classification	Unit	2023	2024	2025	Note
Total	Person	124,909	126,407	123,360	
Under 30 years old	Person	26,979	27,564	24,752	
30-50 years old	Person	62,376	64,402	65,580	
Over 50 years old	Person	35,554	34,441	33,028	

Workforce by Nationality (Korea)³⁾

Classification	Unit	2023	2024	2025	Note
Total	Person	74,160	75,753	73,270	
Total number of manager-level employees	Person	18,024	18,955	19,768	
Korea	Person	74,077	75,647	73,163	
Managers	Person	17,961	18,887	19,699	99.65% of total managers
U.S.	Person	48	63	60	
Managers	Person	38	40	39	0.20% of total managers
Canada	Person	15	17	18	
Managers	Person	12	14	14	0.07% of total managers
China	Person	10	12	13	
Managers	Person	6	6	7	0.04% of total managers
Germany	Person	10	14	16	
Managers	Person	7	8	9	0.05% of total managers

³⁾ Top 5 nationalities by headcount

Non-Employee Workers (Korea)⁴⁾

Classification	Unit	2023	2024	2025	Note
Total	Person	4,688	4,615	4,706	Based on the Business Report
Male	Person	2,438	2,310	2,388	
Female	Person	2,250	2,305	2,318	

⁴⁾ Including workers not directly employed by the company, such as dispatched and subcontracted workers



Facts & Figures

Social

New Employee Hires

Classification	Unit	2023	2024	2025 ⁵⁾	Note
Total	Person	25,419	23,631	14,253	
By gender					
Male	Person	22,467	20,228	12,217	
Female	Person	2,952	3,403	2,036	
By age					
Under 30 years old	Person	16,551	14,531	5,782	
30~50 years old	Person	5,900	5,293	5,088	
Over 50 years old	Person	2,968	3,807	3,383	
By nationality (Korea)					
Korea	Person	10,741	11,056	8,522	Top 5 nationalities by headcount
U.S.	Person	9	10	4	
UK	Person	0	3	2	
Germany	Person	0	2	2	
China	Person	1	2	2	

⁵⁾ Reduction in new hires and replacement hires for natural attrition due to declining global demand

Internal Recruitment (Korea)

Classification	Unit	2023	2024	2025	Note
Internal recruitment ratio	%	96.4	96.5	95.8	Placement-to-vacancy ratio that reflects internal recruit and transfer

Employees Subject to Regular Performance Appraisal

Classification	Unit	2023	2024	2025	Note
Total coverage ratio ⁶⁾	%	N/A	100	100	Disclosed since 2024
Male	%	N/A	100	100	Male employees subject to evaluation / Number of male employees
Female	%	N/A	100	100	Female employees subject to evaluation / Number of female employees

⁶⁾ Excluding certain exceptions (including contract positions, new hires)

Employee Turnover

Classification	Unit	2023	2024	2025	Note
Number of employees at the beginning of the year	Person	121,608	120,233	120,982	
Korea	Person	70,902	69,645	70,957	As of January 31 of the reporting year
Overseas	Person	50,706	50,588	50,025	As of December 31 of the reporting year
Total turnover rate	%	10.8	9.5	8.1	
Voluntary turnover rate ⁷⁾	%	5.6	4.3	3.2	
Domestic turnover rate	%	5.4	4.9	5.8	
Employee turnover by gender					
Male	Person	3,694	3,294	3,997	
Female	Person	122	123	126	
Employee turnover by age					
Under 30 years old	Person	524	140	403	
30~50 years old	Person	385	197	305	
Over 50 years old	Person	2,907	3,080	3,415	
Employee turnover by job grade					
Executives in top management level	Person	8	35	134	
Mid-level manager	Person	540	574	556	
Non-manager	Person	3,268	2,808	3,433	
Domestic voluntary turnover rate ⁷⁾	%	0.81	0.39	0.42	
Overseas turnover rate	%	18.3	15.7	11.3	
Employee turnover by gender					
Male	Person	8,213	5,863	4,381	
Female	Person	1,078	2,089	1,266	
Overseas voluntary turnover rate ⁷⁾	%	12.4	10.3	7.0	

⁷⁾ Voluntary turnover: When employees voluntarily leave their positions for reasons other than retirement, dismissal, etc.



Facts & Figures

Social

Employee Training (Korea)

Classification	Unit	2023	2024	2025	Note
Total training expenses	KRW billion	80.6	85.1	60.4	
Training expenses per employee	KRW 10,000	108.7	112.2	82.3	Total training expense / Total number of employees
By position					
Executives in top management level	KRW 10,000	323.8	122.0	75.0	
Mid-level manager/ Non-manager	KRW 10,000	109.2	114.0	82.4	
By gender					
Male	KRW 10,000	108.6	113.6	81.9	
Female	KRW 10,000	134.5	119.9	87.8	
By age					
Under 30 years old	KRW 10,000	106.1	118.0	85.9	
30~50 years old	KRW 10,000	179.3	128.1	90.6	
Over 50 years old	KRW 10,000	38.8	95.7	70.1	
Training hours per employee	Hour	46.7	40.8	37.5	Total training hours provided to employees / Total number of employees
By position					
Executives in top management level	Hour	33.5	30.1	20.5	Total training hours by position / Number of employees by position
Mid-level manager/ Non-manager	Hour	47.5	41.6	37.6	
By gender					
Male	Hour	45.6	40.7	37.4	
Female	Hour	72.0	51.1	38.3	
By age					
Under 30 years old	Hour	77.5	65.4	61.7	
30~50 years old	Hour	52.8	44.1	39.3	
Over 50 years old	Hour	31.2	28.2	25.7	
Training days per employee	Day	5.8	5.1	4.7	Training hours per employee / 8 hours (based on an 8-hour workday)

Organizational Culture Survey

Classification	Unit	2023	2024	2025	Note
Employee engagement rate	%	79.8	81.1	87.2	Percentage of employees who responded to the organizational culture survey
Employee satisfaction (survey results)	Point	76.6	79.4	80.2	

Labor Union Membership (Korea)

Classification	Unit	2023	2024	2025	Note
Employees eligible for membership ^{⁹)}	Person	43,092	42,220	40,356	
Number of people with labor union membership	Person	40,985	39,662	37,829	As of the end of December each year
Labor union membership percentage	%	95.1	93.9	93.7	

⁹) Number of employees eligible for union membership pursuant to the collective agreement

Overview of Strikes

Classification	Unit	2023	2024	2025	Note
Total number of strikes ^{⁹)}	Case	1	1	1	
Number of days of work loss due to strikes ^{¹⁰)}	Day	1	2	3	Based on lost workdays involving 1,000 or more employees

⁹) Based on the number of “production suspension” cases disclosed through the Electronic Disclosure System (DART); Including one case each of participation in politically motivated strikes organized by the metalworkers' union in 2023 and 2024, and one strike related to collective bargaining in 2025

¹⁰) Aggregate duration of strike occurrences (2024: partial strike of 2 hours × 2 days; 2025: partial strikes of 2 hours × 2 days and 4 hours × 1 day)



Facts & Figures

Social

Women in Leadership Positions

Classification	Unit	2023	2024	2025	Note
Total number of female executives in top management	Person	59	64	80	
Percentage of female executives in top management	%	7.4	7.9	8.7	Total number of female executives / Total number of executives
Total number of managers	Person	26,477	27,990	29,093	Manager: All employees at senior manager level or above
Total number of female managers	Person	2,759	3,277	3,605	
Percentage of female managers	%	10.4	11.7	12.4	Number of female managers / Total number of managers
Number of managers in Korea	Person	18,043	18,502	19,300	
Female	Person	1,360	1,576	1,827	
Number of managers overseas	Person	8,434	9,488	9,793	
Female	Person	1,399	1,701	1,778	
Total number of junior-level managers	Person	20,140	21,604	22,453	Junior-level manager: Employees at senior manager level or above without supervisory responsibilities
Total number of female junior-level managers	Person	2,276	2,642	2,929	
Percentage of female junior-level managers	%	11.3	12.2	13.0	
Total number of junior-level managers in Korea	Person	14,327	15,207	15,887	
Female	Person	1,198	1,408	1,631	
Total number of junior-level managers overseas	Person	5,813	6,397	6,566	
Female	Person	1,078	1,234	1,298	
Number of employees in revenue generating departments/positions ¹⁾	Person	120,020	120,452	116,686	
Female	Person	12,278	13,254	13,483	
Percentage of female employees in revenue-generating departments/positions	%	10.2	11.0	11.6	
Number of employees in STEM positions ¹²⁾	Person	23,292	25,496	26,307	
Female	Person	2,320	2,692	2,866	
Percentage of female employees in STEM positions	%	10.0	10.6	10.9	

¹⁾ Revenue-generating department: Business-related functions including planning, products, R&D, procurement, production, sales, marketing, quality and services
¹²⁾ Calculation criteria revised in 2025. Executives, general staff, and R&D professionals in science, technology, engineering, and mathematics (STEM)-related functions, including R&D, procurement, quality, ICT, and manufacturing

Employees with Disabilities

Classification	Unit	2023	2024	2025	Note
Total	Person	N/A	1,932	1,921	
Korea	Person	1,701	1,530	1,423	Based on the reported number in December (Korea Employment Agency for Persons with Disabilities)
Overseas	Person	N/A	402	498	Number of overseas employees with disabilities has been compiled since 2024
Percentage of employees with disabilities	%	N/A	1.62	1.56	Number of employees with disabilities / Total number of employees * 100
Korea	%	2.50	2.19	2.08	Number of employees with disabilities / Number of full-time employees in Korea * 100
Overseas ¹³⁾	%	N/A	0.79	0.99	Number of employees with disabilities / Total number of overseas employees * 100

¹³⁾ Overseas employee figures are calculated only for entities where disability status can be identified under local laws.

Parental Leave (Korea)

Classification	Unit	2023	2024	2025	Note
Number of employees who took parental leave	Person	661	639	935	
Male	Person	301	292	551	Employees who took parental leave in the reporting year (Including extended leave periods)
Female	Person	360	347	384	
Proportion of employees who took parental leave	%	16	15	20	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	%	7	7	12	
Female	%	96	91	96	
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 (Employees with extended leave periods are excluded from employees expected to return to work)
Male	%	95.4	97.4	98.6	
Female	%	98.0	98.5	99.0	
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
Male	%	97.3	96.6	96.9	
Female	%	94.7	97.5	97.9	



Facts & Figures

Social

Wage by Gender (2025)

Classification	Unit	Male	Female	Note
Average total compensation for employees ¹⁴⁾	KRW million	132	118	
Gender pay gap				
Executives				
Average basic salary	KRW	352,172,552	318,708,333	
Average total compensation ¹⁴⁾	KRW	513,418,265	471,883,287	
Managers				Senior-level general/ research positions
Average basic salary	KRW	104,283,218	95,973,637	
Average total compensation ¹⁴⁾	KRW	162,545,555	142,515,038	
Non-managers				Junior-level general/ research positions
Average basic salary ¹⁵⁾	KRW	61,349,839	64,089,100	

¹⁴⁾ Total annual wage including basic salary and bonus
¹⁵⁾ Including salary and bonus

CSV Initiative

Social Contributions

Classification	Unit	2023	2024	2025	Note
Expenditures by type					
Cash donations	KRW million	125,133	94,221	81,258	
In-kind contributions	KRW million	4,546	5,246	5,217	
Employee volunteer	KRW million	911	1,249	1,146	Monetary value conversion of employees' volunteer hours ¹⁶⁾
Management overhead	KRW million	14,929	20,655	11,658	
Expenditures by area					
Local community investment	KRW million	113,358	86,067	71,280	
Simple donation	KRW million	15,424	12,620	14,641	
For commercial use	KRW million	15,826	21,435	12,212	
Expenditures by region					
Korea	KRW million	144,608	120,122	98,133	
Overseas	USD	27,896,064	33,153,512	47,079,470	
Employees volunteering (Korea)					
Number of volunteer activities	Case	613	1,074	1,033	
Number of participants	Person	7,436	8,207	6,029	
Number of hours participated	Hour	19,005	19,345	16,724	

¹⁶⁾ Employees' annual volunteer hours x employees' average hourly wage (average annual income / annual no. of work days / hours)



Intro



Env



Soc



Gov



Data

Facts & Figures

Social

Donations/Contributions/Sponsorship Organizations

Classification	Unit	2023	2024	2025	Note
Total expenditures by type	KRW million	6,009	4,674	7,201	
Associations and tax-free groups	KRW million	6,009	4,674	7,201	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					
K-Mobility Bridge Foundation	KRW million	10,972	12,794	10,846	
Korea Automobile & Mobility Association	KRW million	2,453	2,360	2,439	
Korea Automotive Technology Institute	KRW million	230	237	232	
H2Korea	KRW million	200	200	400	
Korea Traffic Disabled Association	KRW million	100	120	120	

Governance

Ethics and Compliance Management

Compliance Education

Classification	Unit	2024	2025	Note
Total number of education	Case	54	48	
By topic	Advanced compliance education	25	21	Including fair trade and overseas subsidiaries
	Basic compliance education	29	27	For new executives, new hires, experienced hires, and expatriates among others
Total number of education method	On-line	11	19	
	Off-line	43	29	
Hours by education method	On-line	14	30	
	Off-line	45	19	
Monitoring education focused on compliance risk	Person	395	243	In-person education on technical data under subcontract laws for the Procurement Division

Major Cases of Legal/Regulatory Non-Compliance¹⁾

Classification	Unit	2023	2024	2025	Note
Number of data privacy incidents ²⁾	Case	0	2 ³⁾	0	
Number of information security incidents ²⁾	Case	0	0	0	
Number of labeling/advertising violations	Case	0	0	0	
Environmental sanctions ⁴⁾	No. of cases of environmental violations	1 ⁵⁾	2 ⁶⁾	1 ⁷⁾	
	Monetary sanctions	KRW million	4,023	45,724	12,575

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⁾ Calculated based on cases where Hyundai Motor Company received dispositions—such as fines, penalties, or corrective actions—from regulatory authorities (Personal Information Protection Commission, Korea Media and Communications Commission), and are counted in the year in which payment of the applicable disposition was completed.

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 and Hyundai America Technical Center paid a fine for failing to submit a voluntary notification regarding certification for changes to vehicle control units in vehicles sold in the U.S. To prevent recurrence, the control unit change notification process and related operating manuals were improved.

⁶⁾ The following environmental-related fines were paid in Germany (May 2024) and Korea (July 2024).

- Germany: Hyundai Motor Europe, Hyundai Motor Deutschland, and Hyundai Motor Europe Technical Center paid an administrative fine of approximately EUR 29.89 million for a violation of the German Administrative Offences Act. Certain diesel vehicles exceeded emission limits under Euro 5 and Euro 6b standards under real driving conditions due to negligent failures in oversight and supervisory responsibilities. The investigation confirmed the absence of intentional misconduct, 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.

⁷⁾ HME and HMETC completed payment of approximately EUR 7.46 million, representing their respective share of the fine imposed by the European Commission in connection with the ELV recycling cartel case in Europe (June 2025).

Certifications and Patents

Certification List by Business Site (ISO Certification)

	Classification	Validity Period	Note
ISO 14001 (Environmental Management)	Business sites in Korea	2024 - 2026	Integrated certification across domestic business sites ¹⁾
	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 Motor Group Innovation Center Singapore (HMGICS)	2023 - 2026	
	Hyundai Thanh Cong Vietnam (HMTV)	2024 - 2027	
	HTWO Guangzhou	2024 - 2027	
	Hyundai Motor de Mexico (HYMEX)	2024 - 2027	
	Business sites in Korea	2024 - 2027	Integrated certification across domestic business sites ¹⁾
ISO 45001 (Health and Safety Management)	Hyundai Motor Manufacturing Alabama (HMMA)	2024 - 2026	
	Beijing Hyundai Motor Company (BHMC)	2024 - 2027	
	Hyundai Motor India (HMI)	2023 - 2026	
	Hyundai Motor Brasil (HMB)	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 Motor Group Innovation Center Singapore (HMGICS)	2023 - 2026	
	Hyundai Thanh Cong Vietnam (HMTV)	2024 - 2025	
	HTWO Guangzhou	2024 - 2027	
	Hyundai Motor de Mexico (HYMEX)	2024 - 2027	

¹⁾ Including headquarters, production plants (Ulsan, Asan, Jeonju), research centers, and domestic business divisions

	Classification	Validity Period	Note
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	Chennai Plant
	Hyundai Motor Türkiye Otomotiv A.Ş (HMTR)	2025 - 2027	
	Hyundai Motor Manufacturing Indonesia (HMMI)	2023 - 2026	

Patent Status

Indicator		Unit	2023	2024	2025
Accumulated number of patents held		Case	37,788	39,385	39,152
New patent application (yearly)	Total number of new patent applications	Case	6,853	7,436	7,932
	Future technology (autonomous driving, connectivity)	Case	729	799	666
	Environmental technology (electrification, hydrogen energy, recycle, bio-based materials, CCUS ¹⁾)	Case	1,702	2,151	3,042
	Other	Case	4,422	4,486	4,224

¹⁾ CCUS: Carbon Capture, Utilization and Storage



Intro



Env



Soc



Gov



Data

Global Reporting Initiative (GRI) Index

Topic Specific Standards – Economic

GRI Standards		Page	Note
No.	Title		
201-1	Direct economic value generated and distributed	134	
201-2	Financial implications and other risks and opportunities due to climate change	22-36	
201-4	Financial assistance received from government	134	
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	-	
202-2	Proportion of senior management hired from the local community	141-142	
203-1	Infrastructure investments and services supported	146	
203-2	Significant indirect economic impacts	146	
205-1	Operations assessed for risks related to corruption	125-129	
205-2	Communication and training about anti-corruption policies and procedures	125-129	
205-3	Confirmed incidents of corruption and actions taken	125-129	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	125, 129	Business Report, p. 506
207-1	Approach to tax		Hyundai Motor Company Tax Policy
207-2	Tax governance, control, and risk management		Hyundai Motor Company Tax Policy
207-3	Stakeholder engagement and management of concerns related to tax	135	

Topic Specific Standards – Environmental

GRI Standards		Page	Note
No.	Title		
301-1	Materials used by weight or volume	47, 137	
302-1	Energy consumption within the organization	39, 136	
302-3	Energy intensity	136	
302-4	Reduction of energy consumption	24-25	
303-1	Interactions with water as a shared resource	50, 52	
303-3	Water withdrawal	138-139	
303-4	Water discharge	138-139	
303-5	Water consumption	52, 138-139	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	53-58	
304-2	Significant impacts of activities, products, and services on biodiversity	53-58	
304-3	Habitats protected or restored	53-58	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	55	
305-1	Direct (Scope 1) GHG emissions	38, 136	
305-2	Energy indirect (Scope 2) GHG emissions	38, 136	
305-3	Other indirect (Scope 3) GHG emissions	38, 136	
305-4	GHG emissions intensity	38, 136	
305-5	Reduction of GHG emissions	23-33	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	138	
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	47, 137	
306-4	Waste diverted from disposal	47, 137	
306-5	Waste directed to disposal	137	
308-1	New suppliers that were screened using environmental criteria	69, 77-78, 80	
308-2	Negative environmental impacts in the supply chain and actions taken	69, 77-78, 80	



Intro

Env

Soc

Gov

Data

Global Reporting Initiative (GRI) Index

Topic Specific Standards – Social

GRI Standards		Page	Note
No.	Title		
401-1	New employee hires and employee turnover	143	
401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	99, 103, 105	
401-3	Parental leave	103, 145	
403-1	Occupational health and safety management system	60	
403-2	Hazard identification, risk assessment, and incident investigation	61, 65	
403-3	Occupational health services	61-62, 65	
403-4	Worker participation, consultation, and communication on occupational health and safety	61-66	
403-5	Worker training on occupational health and safety	63-64	
403-6	Promotion of worker health	103	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	61-65	
403-8	Workers covered by an occupational health and safety management system	60	
403-9	Work-related injuries	140	
403-10	Work-related ill health	140	
404-1	Average hours of training per year per employee	144	
404-2	Programs for upgrading employee skills and transition assistance programs	95-98	
404-3	Percentage of employees receiving regular performance and career development reviews	143	
405-1	Diversity of governance bodies and employees	119, 141-142	
405-2	Ratio of basic salary and remuneration of women to men	146	
406-1	Incidents of discrimination and corrective actions taken	93, 129	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	77, 107	
408-1	Operations and suppliers at significant risk for incidents of child labor	77, 107	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	77, 107	
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	14, 53-58, 114-117	
413-2	Operations with significant actual and potential negative impacts on local communities	55, 57	
414-1	New suppliers that were screened using social criteria	69, 77-78, 80	
414-2	Negative social impacts in the supply chain and actions taken	69, 77-78, 80	
415-1	Political contributions	147	No political contributions made

Topic Specific Standards – Social

GRI Standards		Page	Note
No.	Title		
416-1	Assessment of the health and safety impacts of product and service categories	82	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	89, 147	
417-1	Requirements for product and service information and labeling	86-87	
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	147	No incidents of violations occurred
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	147	



Intro

Env

Soc

Gov

Data

Climate-related Financial Disclosures (TCFD) Index

Indicator No.	Title	Page	Note ¹⁾
Governance	Describe the board's oversight of climate-related risks and opportunities.	10, 22	Report to Sustainability Management Committee of the BOD and review thereof CDP questions: 4.1.2
	Describe management's role in assessing and managing climate-related risks and opportunities.	10, 22	Discuss strategic directions and execution plans, and review implementation status and performance through Management Committee Meetings CDP questions: 4.3
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	23-33	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, 34-36	CDP questions: 3.1.1, 3.6.1, 5.1.2, 5.2, 5.3.1, 5.3.2
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	34-36	CDP questions: 5.1, 5.1.1, 5.1.2
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks.	37	CDP questions: 2.1, 2.2.1, 2.2.2
	Describe the organization's processes for managing climate-related risks.	37	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.	10, 37	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.	38-41	Energy consumption, vehicle sales status, sales, etc. CDP questions: 7.52, 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.	38, 136	CDP questions: 7.6, 7.7, 7.8, 7.8.1
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	13, 23, 40-41	CDP questions: 7.53, 7.53.1, 7.53.2, 7.54, 7.54.1, 7.54.2

¹⁾ Based on CDP 2026 questions



Intro



Env



Soc



Gov



Data

Sustainability Accounting Standards Board (SASB) Index

Accounting Metric			Page	Note					
Product Safety	TR-AU-250a.1	Percentage of vehicle models rated by NCAP programs with an overall 5-star safety rating, by region	82	Korea: 100%, Europe: 66.7%, U.S.: 76.7%, Australia: 66.7%					
	TR-AU-250a.2	Number of safety-related defect complaints, percentage investigated	83, 86	Continuous monitoring of customer complaints reported to the Ministry of Land, Infrastructure and Transport (MOLIT) in South Korea and the National Highway Traffic Safety Administration (NHTSA) in the U.S., and implementation of voluntary recalls (100%) immediately upon identifying potential defects.					
	TR-AU-250a.3	Number of vehicles recalled	89	2025: 2.25 million vehicles (voluntary recall)					
Labor Practices	TR-AU-310a.1	Percentage of active workforce covered under collective bargaining agreements	144	2025: 93.7% (domestic basis)					
	TR-AU-310a.2	(1) Number of work stoppages, and (2) total days idle	144	2025: One strike involving more than 1,000 employees, resulting in a total work stoppage of 3 days (domestic and overseas)					
Fuel Economy & Use-phase Emissions	TR-AU-410a.1	Sales-weighted average passenger fleet fuel economy, by region	28	EU average passenger fleet carbon emissions, China/U.S. average fleet fuel economy					
				Classification		2022	2023	2024	2025
				Average fleet carbon emissions in EU (g/km)		106.0	105.7	111.3	98.6
				Average fleet fuel economy in China (L/100km)		6.28	6.19	6.24	6.22
				Average fleet fuel economy in U.S. (mpg)		45.1	47.7	51.7	49.2
	Passenger car		45.1	47.7	51.7	49.2			
	Light truck		36.1	35.0	35.7	36.2			
	TR-AU-410a.2	Number of (1) zero emission vehicles (ZEV), (2) hybrid vehicles, and (3) plug-in hybrid vehicles sold	8	Number and proportion of electrified vehicles sold in 2025 (Unit: 1,000 vehicles)					
				Classification		HEV/PHEV	EV	FCEV	Total
				Global	679 (70.6%)	276 (28.7%)	7 (0.7%)	962 (100%)	
TR-AU-410a.3	Discussion of strategy for managing fleet fuel economy and emissions risks and opportunities	26-28	Expansion of sales of electric vehicles and promotion of fuel efficiency improvement for internal combustion engines						
Materials Sourcing	TR-AU-440a.1	Management of risks related to use of main materials	44-45, 70, 78-79	Details are provided on the respective page of the report and Hyundai's Responsible Minerals Report		Hyundai Motor Company Responsible Minerals Report			
Materials Efficiency & Recycling	TR-AU-440b.1	Total amount of waste from manufacturing, percentage recycled	47, 137	Total waste generated at business sites as of 2025: 927,556 tons, recycling rate: 91.1%					
	TR-AU-440b.2	Weight (ton) of end-of-life material recovered, percentage recycled	45, 47	Weight of materials reused/recycled after end-of-life in 2025 was around 206,000 tons End-of-life recycling rate in 2025 was 82.8% excluding heat recovery, 92.0% including heat recovery					
	TR-AU-440b.3	Average recyclability of vehicles sold	46	Vehicle recyclability: 85% (95%, when including waste energy recovery)					
Activity Metrics	TR-AU-000.A	Number of vehicles manufactured	5	4,116,506 vehicles					
	TR-AU-000.B	Number of vehicles sold	5	4,138,389 vehicles					



Intro



Env



Soc



Gov



Data

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.





Intro



Env



Soc



Gov



Data

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 2026 Sustainability Report ‘Road to Sustainability’ (hereafter referred as ‘the Report’) for the calendar year ending 31 December 2025. 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 2025, 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: 305-1~4
 - Energy: 302-1, 302-3
 - Product-related resources circulation: 301-1, 306-1
 - Consumer health and safety: 416-1, 416-2
 - Worker’s health and safety: 403-1~9
 - Supply chain labor and human rights: 408-1, 409-1, 414-1~2
- Regarding the ‘reliability of specified sustainability performance information’, we have reviewed the quality and reliability of Scope 1 & 2 emission (305-1~2), Worker’s Safety including LTIFR (403-9), Raw Material Use (301-1), Parental Leave (401-3) of the GRI Topic Standards.
- We have also reviewed the GRI Topic Disclosures including but not limited to Use of Water (303-5), Waste (306-1~5), Basic Salary by Gender and Wage Difference (405-2)

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 double materiality assessment in order to disclose important information in relation to sustainability. 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. In deciding material topics, the Company takes into account the result of 2023 materiality assessment, ESG KPIs of senior leaderships, ESG index at the Company’s group level, global assessment index, and benchmarking of peer group.

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 Consumer Health and Safety and Worker’s Health and Safety, which are materiality issues, 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 conducted 100% written inspections for all Tier 1 suppliers, core Tier 2 suppliers, and major non-component suppliers, and based on the results, it conducted ESG onsite audits on 127 companies. DNV confirms that the Report includes monitoring and relevant explanation on impacts which the Company has on itself and stakeholders.



Intro



Env



Soc



Gov



Data

Independent Assurance Statement

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 2025 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.

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. Our multi-disciplinary team consisted of professionals with a combination of sustainability assurance experiences. DNV conducted a verification of Hyundai Motor's greenhouse gas emissions in 2025, and concludes this does not affect the independence or fairness of the report assurance.

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
29 June 2026

Chang Rok Yun
Lead Verifier

Sang Yeon Park
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.

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.



Intro



Env



Soc



Gov



Data

GHG Assurance Statement



Relating to Hyundai Motor Company's Scope 1 & 2 GHG emissions in domestic sites for the calendar year 2025

Introduction

DNV Business Assurance Korea Ltd. (“DNV”) was commissioned by HYUNDAI MOTOR COMPANY (“Company”) to perform third-party verification of Greenhouse Gas Statement for the calendar year 2025. The company is responsible for the preparation of the GHG statement on the basis set out within the guidelines on the operation of GHG-ETS (Notification No. 2025-64 of Ministry of Environment). The Company has full responsibility of the GHG statement. According to terms of contract, DNV expressly disclaims any liability or responsibility for any decisions, based upon the verification opinion.

Scope of Verification

The GHG emissions data covered by our verification is based on the GHG statement submitted to the competent authority.

- Organizational boundary: HYUNDAI MOTOR COMPANY (in Korea)
- Operational boundary: Direct Emissions (Scope 1) and Indirect Emissions (Scope 2)
- Reporting period: 2025.01.01 ~2025.12.31

Verification Approach

The verification has been conducted in accordance with the verification principles and tasks outlined in the guidelines on the operation of GHG-ETS (Notification No. 2025-64 of Ministry of Environment) and the verification guideline for GHG-ETS (Notification No. 2025-165 of Ministry of Environment) based upon a reasonable level of assurance. DNV planned and concluded our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 2.5% materiality level. As part of the verification process, we have reviewed as follows;

- Adequacy of GHG data control, collection and emission calculation and report process
- The GHG statement is based on measurements and has inherent limitations that may arise from the process of calculating, estimating, and finalizing the reported data.

Conclusions

Based on the verification conducted, the information related to the GHG statement has been properly calculated and reported.

- DNV presents an ‘Unmodified’ opinion on Greenhouse Gas Emissions.

Accounting method	Greenhouse Gas Emissions (tCO ₂ -eq)			Energy Consumption (TJ)	
	Direct emissions (Scope 1)	Indirect emissions (Scope 2)	Total emissions	Renewable energy	Total energy
Location-based		1,084,648	1,564,345		
Market-based	479,697	1,084,521	1,564,218	114	32,378

※ In order to report the GHG emissions and Energy consumption as an integer, the value on the opinion might be different from the actual number with ± 1 tCO₂-eq.
* The location-based method reflects Scope 2 GHG emissions associated with electricity consumption from the national grid, as determined under GHG ETS.
** The market-based method is applied in accordance with the GHG Protocol, incorporating the company's Scope 2 GHG emissions based on renewable electricity purchased through a Power Purchase Agreement (PPA). Due to the absence of a government-published residual mix emission factor as defined by the GHG Protocol, the emission factor from GHG ETS has been used.

2026. 6. 15

Lee, Jang Sup

Country Representative

DNV Business Assurance Korea Ltd.

GHG Assurance Statement



Table 1. Summary of Hyundai Motor Company's domestic sites, Scope 1 and Scope 2 GHG emissions for CY 2025

Sites	Accounting method	Greenhouse Gas Emissions (tCO ₂ -eq)		
		Direct emissions (Scope 1)	Indirect emissions (Scope 2)	Total emissions (Scope 1,2)
Ulsan Plant	Location-based	334,683.517	579,139.909	913,823
	Market-based	334,683.517	579,012.832	913,696
Asan Plant	Location-based	42,949.866	118,339.029	161,288
Jeonju Plant	Location-based	38,348.957	81,504.835	119,853
R&D Centers	Location-based	50,287.661	254,463.270	304,750
HQ	Location-based	6,260.359	21,380.731	27,641
Service Centers	Location-based	4,713.356	14,126.439	18,839
Sales Branches	Location-based	2,446.052	14,518.076	16,964
Genesis Sales Branches	Location-based	8.645	1,178.87	1,187
Total	Location-based	479,697	1,084,648	1,564,345
	Market-based	479,697	1,084,521	1,564,218

* The above “Total emissions” are calculated by aggregating at the company level after rounding down figures at the site level; therefore the total emissions may differ from the sum of emissions by site.

Table 2. Summary of Hyundai Motor Company's domestic sites, energy consumption for CY 2025

Sites	Energy consumption (TJ)		Energy consumption (MWh)	
	Renewable energy	Total	Renewable energy	Total
Ulsan Plant	40.9	18,918.7	10,906	3,153,708
Asan Plant	43.7	3,343.1	12,132	499,332
Jeonju Plant	9.9	2,453.6	2,738	385,857
R&D Centers	19.9	6,345.0	5,523	841,650
HQ	-	569.0	-	84,089
Service Centers	-	383.0	-	55,132
Sales Branches	-	340.9	-	42,030
Genesis Sales Branches	-	24.8	-	2,613
Total	114	32,378.0	31,298	5,064,411

* For electricity, the net calorific value of 9.6 TJ/GWh in accordance with the Korea Emissions Trading Scheme (K-ETS) was applied, while a general conversion factor of 3.6 TJ/GWh was applied to other energy sources.

This Verification Opinion is valid as of the date of the issuance. Please note that this Verification Opinion would be revised if any material discrepancy which may impact on the Greenhouse Gas Emissions of the company is subsequently brought to our attention. In the event of ambiguity or contradiction in this opinion between English version and Korean version, Korean shall be given precedent.



Intro



Env



Soc



Gov



Data

GHG Assurance Statement



Relating to Hyundai Motor Company's Scope 1 & 2 GHG emissions in overseas sites and global Scope 3 GHG emissions for the calendar year 2025

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 2025 (hereinafter 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 the operations and activities of Hyundai Motor Company's global entities, and specifically the following requirements:

- Evaluating conformance with World Resources Institute / World Business Council for Sustainable Development's Greenhouse Gas Protocol¹: A Corporate Accounting and Reporting Standard, revised edition and GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard
- Evaluating the accuracy and reliability of data and information on direct GHG emissions (Scope 1), energy indirect GHG emissions (Scope 2) and energy consumption for overseas entities
- Evaluating the accuracy and reliability of data and information on other indirect GHG emissions (Scope 3) for global entities².

The main activities of Hyundai Motor Company's global entities include manufacturing and sales 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 the GHG emissions as summarized in the tables below are not materially correct, and that the Report has not been prepared in conformance with Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, revised edition and GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, except for the effect of the matters described below:

- GHG emissions and energy consumption from the operation of test vehicles by some R&D entities were not reported.

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 should:

- Improve the processes for quantifying and reporting GHG emissions from refrigerant leakage in air-conditioning systems, fuel and electricity use by vehicles, wastewater treatment plant operations, incineration of gaseous waste in production processes, and biomass-origin emission sources
- Improve Hyundai Motor Company's monitoring procedures for certain excluded modes of transportation in order to enhance the completeness and accuracy of emissions reporting for Scope 3 Category 6 Business Travel and Category 7 Employee Commuting
- Identify and improve weaknesses in the GHG emissions calculation sheets that may increase the likelihood of errors
- Improve the education and training system to strengthen the competency of relevant personnel responsible for GHG emissions calculation and reporting.

¹ <https://www.ghgprotocol.org>

² For the sales function, Scope 3 Categories 2, 5, 6, and 7 are limited to the regional sales entities' headquarters.

GHG Assurance Statement

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 processes related to the control of GHG emissions and energy consumption data and records;
- Reviewing whether GHG emissions and energy consumption have been calculated with parameters from recognized sources;
- Verifying historical GHG emissions and energy consumption data and records at an aggregated level for the calendar year 2025; and
- Reviewing additional evidence provided by Hyundai Motor Company through an on-site assessment of the headquarters and remote assessments of overseas entities.

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.

This verification engagement 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: 5 June 2026

LRQA reference: SEO00001622



Table 1. Summary of Hyundai Motor Company's overseas entities, Scope 1 and Scope 2 GHG emissions CY2025

Scope of GHG emissions	tCO ₂ -eq								
	North America	South America	Europe	India	Africa & Middle East	Asia Pacific	China	Japan	Total
Direct GHG emissions (Scope 1)	74,862	9,664	65,413	34,603	391	15,128	40,873	11	240,945
Energy indirect GHG emissions (Scope 2, Location-based)	227,913	4,067	65,762	252,964	172	73,387	149,352	632	774,249
Energy indirect GHG emissions (Scope 2, Market-based)	2,078	1,018	611	0	172	7,841	93,659	542	105,921

Note: 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 global entities, Scope 3 GHG Emissions CY2025

Scope of GHG emissions	tCO ₂ -eq
Other indirect GHG emissions (Scope 3)	199,704,253
Category 1. Purchased goods & services – materials of parts (excluding trailers) and selected Tier 1 suppliers	30,976,380
Category 2. Capital goods – buildings, machinery, vehicles, office furniture and fixtures, office equipment, computers and communication equipment	2,013,738
Category 3. Fuel- and energy-related activities	639,111
Category 4. Upstream transportation and distribution	2,345,209
Category 5. Waste generated in operations	231,554
Category 6. Business travel	118,532
Category 7. Employee commuting	2,316,276
Category 10. Processing of sold products	9,470
Category 11. Use of sold products – based on 200,000 km for passenger vehicles and 400,000 km for commercial vehicles	157,799,559
Category 12. End-of-life treatment of sold products	1,711,368
Category 13. Downstream leased assets	11,546
Category 14. Franchises	25,376
Category 15. Investments	1,506,134

Note: Category 1 includes Tier 1 suppliers located in Korea that Hyundai Motor Company has internally defined as high-emitting suppliers.

