

Social

Hyundai values and respects all its stakeholders and, most notably, spares no effort in supporting its employees and suppliers, who play a pivotal role in achieving sustainable growth, so that they can unlock their full potential. In the meantime, we pursue constant innovation with the aim of providing differentiated value to our customers, our raison d’être, while scaling positive impact for local communities on the basis of win-win partnerships.



3.1	Employees
3.2	Suppliers
3.3	Customers
3.4	Social Contribution

Winner of the “Brilliant Kids Motor Show” which depicts the future mobility imagined by children

Employees

Strategic HR Management

Hyundai's HR management is focused on responding preemptively to major ongoing changes in the market environment, such as the transition to electrification and competition over autonomous driving, and thus promotes HR management activities enhancing the new growth engines in cutting-edge areas such as PBV, AAM, and robotics. While operating a recruitment system that can secure talents with the skills and capabilities necessary for its “mobility innovation” and “great transformation into new growth engines,” Hyundai quantitatively analyzes information obtained from its evaluations of employees' performance, competency identification, organizational engagement, and social relationships in order to establish a mid- to long-term HR management plan based on the comprehensive analysis of data. At the same time, we provide our employees with new opportunities for personal growth by operating a learning support system that empowers them to develop their unique competencies and career paths on their own initiative.

Talent Recruitment and Retention

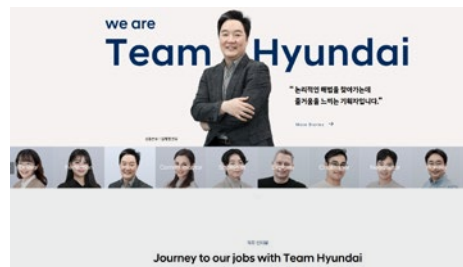
Direction of Talent Recruitment and Retention

Hyundai is fulfilling its social responsibility of creating jobs even amid a business environment in which uncertainty is increasing due to the global spread of COVID-19, disruptions in the supply of major parts, and the paradigm shift of the automobile industry towards future mobility. In 2021, we hired some 2,000 general and research positions, about twice as many as in 2019 prior to the global pandemic. Most notably, in the midst of youth unemployment that is emerging as a serious social problem in Korea, Hyundai is contributing to the creation of jobs for youth by hiring young people (aged 19-34) for about 88% of all its new general and research posts. Furthermore, we are striving to improve the quality of recruitment by reorganizing recruitment process, expanding quantitative recruitment initiatives, launching a new internal IT system and website, enhancing the skills of our HR personnel, and developing a new recruit training program tailored to the recruitment environment and preferences of young people.

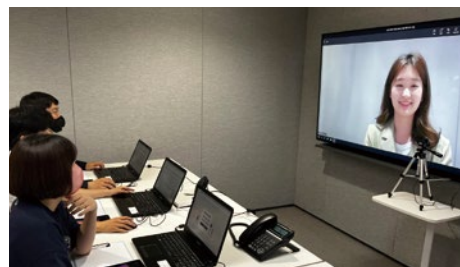
Hyundai's Talent Recruitment Strategies

- Establish a pipeline to discover excellent talents in the field of future strategic technology and timely recruit them
- Operate a regular recruitment system centered on the types of job expertise required on-site and promote continuous improvement of the system
- Run various internship programs such as H-Experience in order to discover excellent talents at home and abroad
- Implement a recommendation system to recruit experienced personnel through employees' social relationships
- Expand the mobile and online recruitment process to increase the efficiency of recruitment-related tasks and costs





Recruitment website



Non-face-to-face recruitment



Employee referral system

Job Rotation System

While securing external talents at the right time, Hyundai promotes job rotation so that existing employees can demonstrate their capabilities in the right place. Based on the needs of its departments and the aspirations of its employees, Hyundai implements job rotation for such purposes as promoting a positive workplace culture, improving employees' productivity, and developing corporate capabilities and technologies. We facilitate the job rotation system as a way to reduce cost and time required to hire and train new employees, while also providing existing personnel with opportunities to develop their managerial skills by experiencing various tasks.

Year-round Recruitment System

Hyundai became the first company in Korea to abolish the long-standing annual recruitment system, to hire people as and when necessary. For the past two years, it has had a positive impact on the country's recruitment market. First, the company no longer has to recruit people based on its rigid recruitment standards. By hiring people as needed, Hyundai has been able to be more flexible to changes in its business. Second, the new policy is drawing attention as a way to respond preemptively to changes in the current labor market led by Millennials and Generation Z. The young generations, who tend to place more importance on their own career and personal life, account for a significant portion of the company's employees. Unlike the former annual recruitment system, whereby the company hired people from the employer's perspective at a fixed time of the year, the new recruitment system allows people to apply for the right jobs at any time, and is consequently expected to meet the demands of the future labor market.

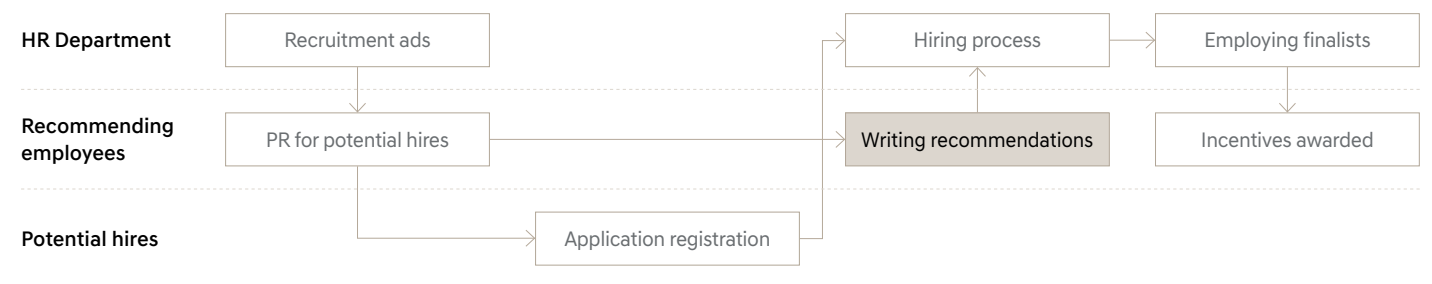
Non-face-to-face Recruitment Process

Since the onset of the COVID-19 pandemic, Hyundai has been invigorating the mobile and online recruitment process. The company has built the infrastructure and procedures required to conduct the entire recruitment process online, including the review of job application documents and the conduct of job interviews. Contrary to initial concerns about the mobile and online recruitment process, the new system has reduced applicants' costs and saved the company's time by enabling efficient and timely recruitment of talented applicants. Going forward, we will expand the non-face-to-face recruitment process, except in cases where face-to-face interaction is essential due to the nature of the tasks involved.

Employee Referral System

Hyundai operates an employee referral system in order to secure outstanding talents in the area of strategic technologies including R&D, electrification, AAM, robotics, and software. This system enables the company to verify the job expertise of recommended, experienced candidates, while allowing the latter to settle in and adapt to the organization easily thanks to their relationship with the employees who recommend them. In order to invigorate the system, the company is widening the recommending employees' access to its recruitment process to the extent that fairness is not compromised, while offering them incentives related to the recruitment of the persons recommended by them.

Employee Referral Process

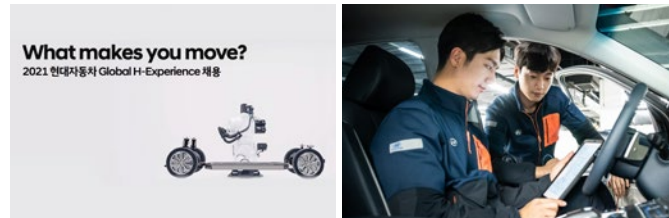


“H-Experience” to Nurture Talents

As a representative Korean company, Hyundai is faithfully fulfilling its social responsibility of nurturing young talents by expanding its internship program, which provides young people with opportunities to gain experience in various jobs. We run the H-Experience internship program for college students as a part of our efforts to provide them with job opportunities and secure outstanding talents in advance. In 2021, we expanded the program by 250% compared to the previous year, and accordingly the number of jobseekers whom we have hired through the internship program has also increased. In addition, in 2021, we continued to run the Global H-Experience internship program, which we launched in 2020 in a drive to discover global talents among students at home and abroad and build networks with them. During the year, Hyundai launched the ASEAN H-Experience internship program for young people from ASEAN countries, which are growing as a strategic region for the company, in an effort to further expand the diversity of its internship program. As such, the program has successfully extended internship opportunities to young people from the ASEAN region who are preparing for employment opportunities in Korea. We are also making continuous efforts to nurture future talents through various channels, including industry-academia cooperation with major partner schools, in addition to running the internship programs.

2022 Hyundai Mechatronics Traineeship

Hyundai hires interns to perform data-based, high-level diagnostics and maintenance work as well as checking functions at its head office and service centers nationwide. Through the Service High-Tech Internship Program, it offers full-time contracts to interns who perform well. The internship program will enable the company to nurture talents who can handle not only regular automobile maintenance but also high-level maintenance tasks such as data-based analytics and accident prevention.



2021 Global H-Experience

2022 Hyundai Mechatronics Traineeship

Hyundai Talent Analysis

Measuring Employee Performance

Hyundai monitors and checks its employees to determine whether they are carrying out their work according to key performance indicators (KPIs) established in advance and whether they are achieving their individual performance goals. The company considers it a criterion for outstanding talents to receive positive feedback on their performance from superiors and colleagues, and to exceed their individual performance goals over an extended period of time.

Identifying Skill Gaps

Hyundai sets essential competency requirements for each position and determines to what extent each of its individual employees must meet those requirements. For employees in leadership positions, the company categorizes them into five types, namely, “strategic”, “nurturing”, “responsible”, “pushing”, and “collaborative”, and measures their abilities in their respective category so as to identify outstanding leaders.

Employee Retention

Hyundai conducts an annual organizational culture assessment of its employees to determine whether there is any improvement that needs to be made in its HR and welfare systems to prevent the departure of outstanding talents. When it is anticipated that an employee intends to leave the organization, the company identifies the reason for the person's departure and promptly takes measures.

Network Analysis

Hyundai derives solutions to collaboration problems by analyzing relationships between departments. It quantitatively analyzes the frequency and duration of collaboration to identify inter-departmental relationships and manages any isolated or marginalized department accordingly. To this end, we operate and manage a database that specifically records problems that occur during inter-departmental collaboration.

Competitive Intelligence

Hyundai identifies the anticipated competitive situation due to its entry into new business areas, and, based on the results, defines the capabilities and technologies required to overcome any difficulties. When implementing irregular recruitment, employee referral, or intern-to-full-time conversion, the company places priority on selecting candidates equipped with its pre-defined competencies and skills.

Recruiting & Hiring

Hyundai identifies outstanding talents by analyzing the profiles of talents who have shown interest in the company's recruitment, participated in the hiring process, or been referred by its employees. Further, the company operates a differentiated and diversified recruitment process to secure global talents, including holding briefing sessions for overseas master's and doctoral students.



Systematic Recruitment System and Process

Since shifting to the year-round recruitment system in 2019, Hyundai has promoted a full-scale reorganization of its recruitment process in a bid to respond to large-scale hiring needs. In addition, starting from 2022, we will completely reorganize our recruitment website and recruitment system in line with ongoing changes in the recruitment environment in order to operate a data-based, consistent recruitment process, while seeking to provide a more intuitive and convenient recruitment experience to internal and external customers.

As we changed to field-led year-round recruitment, relevant departments have increased their participation in the recruitment process. Accordingly, we have set a Recruit Support Center in place at each of large-scale business sites to improve the quality of recruitment process by enhancing professionalism in the hiring process. Meanwhile, to ensure fairness in recruitment process, Hyundai has begun operating a selection process in which various decision makers from the business and HR departments participate, whereby the multifaceted strengths of talents are identified through a complex evaluation process designed to verify their excellence and suitability.

In addition, we conduct regular internal audits to continuously improve recruitment process and enhance transparency, while constantly raising employees' awareness about the importance of fair recruitment. Going forward, we will develop a recruitment inspection checklist for a sophisticated system designed to self-check fairness in our recruitment process, while continuing to secure transparency by extending the period and expanding the scope of internal audits.

Strategic Workforce Planning

Opportunity	Use	Outcome
<ul style="list-style-type: none"> Introduce various methods of talent analysis to secure excellent human resources and analyze their relative competitiveness 	<ul style="list-style-type: none"> Use the results of the talent analysis in the core competency analysis of the company's manpower, recruitment process, portfolio of HR planning, recruitment strategy, etc. 	<ul style="list-style-type: none"> Increase collaboration between departments through organizational network analysis Conduct organizational culture assessment and make improvements to analyze potential reasons for leaving the organization and establish countermeasures, etc.



Directions of Talent Development

Creating a Culture of Growth

Hyundai has been creating a self-directed learning culture and environment in which its employees and diverse organizations can develop their capabilities and contribute to improving the company’s performance and long-term values. The company motivates its employees to actively participate in self-improvement activities by connecting their performance in this regard to its HR processes based on their individual self-growth data, while engaging in close communication with its employees and leaders through various communication channels so as to spread the culture of personal growth company-wide. Also launched is the “Strategic Learning Lab” whereby we strengthen company-wide connectivity and support the formation and maintenance of networks among employees.

Improving Infrastructure for Growth

To empower its employees with a culture of self-directed learning, Hyundai has established a growth platform and an all-year-round, all-employees targeted learning system (education platform) “Learning Lounge”, and continues to improve them. We provide our employees with customized curation through new contents that our employees can access all year round according to their individual learning needs. Going forward, we will introduce a next-generation learning platform, where our employees can share not only learning content but also their learning experiences and knowledge, in order to further promote our employees' self-directed learning.

Cultivating Customer-centric Leaders

At Hyundai, leaders always put the interests of customers first when making decisions. They are also committed to building a desirable ecosystem where humans and nature can coexist in a bid to create a better future for the upcoming generations who will be our potential customers. To empower our leaders to fulfill their roles and responsibilities, we help them to internalize all the capabilities required to not only excel in their respective fields but also to respond quickly to the rapidly changing business environment company-wide. Hyundai strives to lay the foundation for changes in its leaders’ behaviors to result in changes in their organizations and members as well.

Job and Leadership Training in 2021			(Unit: Hours)
Classification	Job	Leadership	Total
Training hours ¹⁾	26,804	2,271	29,075
No. of courses ²⁾ (Learning Lounge)	3,670 (19 categories)	931 (3 categories)	4,601

¹⁾ Total operating hours for each course (Not total hours based on number of participants)
²⁾ Number of courses offered on “Leaning Lounge”; available for all employees

Performance Evaluation System

For the efficient management of employees’ performance, Hyundai conducts MBO performance evaluations using individual objective standards as well as the multi-faceted evaluation and the ranking evaluation. The MBO performance evaluation concerns general and research staff. However, as those who are excluded from the appraisal also prepare personal goals, and feedback is given on their performance, all employees of Hyundai are ultimately subject to the MBO-based performance evaluation.

Multidimensional Performance Appraisal
(Comparative Evaluation Included)

Hyundai conducts the multi-faceted evaluation in two stages – the Leadership Surround View and Peer Surround View. In 2021, we conducted a multi-faceted evaluation of 95.5% of our employees (executives and general and research staff), and in 2022 we have 100% of our employees conduct comparative analysis of peers in the same position, thus helping them ensure objective self-evaluation.

24/7 Feedback (View-T)

On the “HR Lounge (HR support system) – View-T” page, leaders and team members can freely share performance- and growth-related contents and exchange feedback 24/7. Team members can appeal the results of the evaluation of their work performance at any time, while leaders can provide feedback on their members' performance at any time without having to face them. They are also free to communicate whenever the need arises for the purpose of sharing information and ideas or providing feedback.

Performance-based Compensation
Fair Evaluation and Compensation System

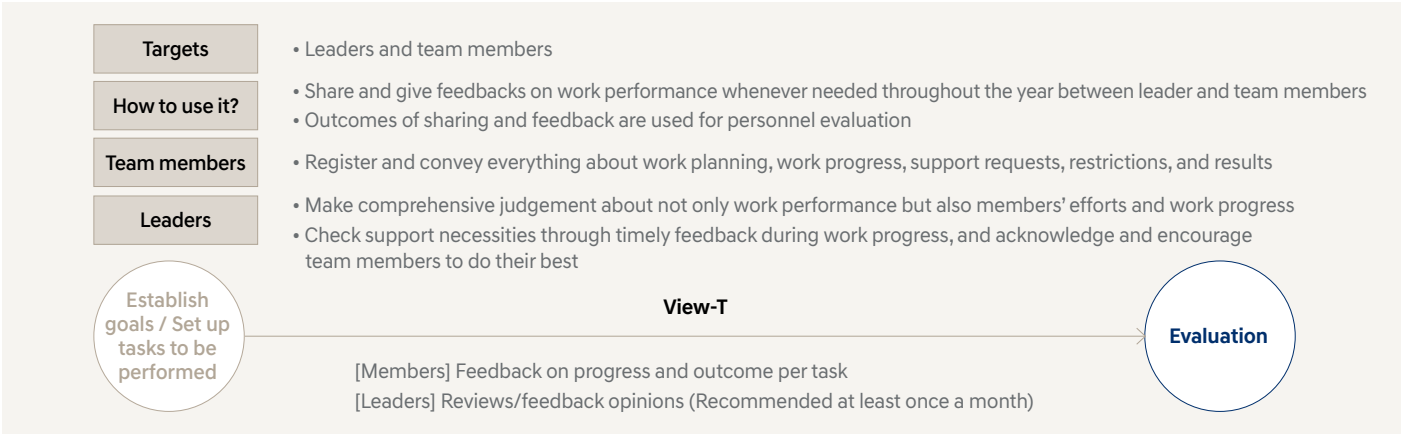
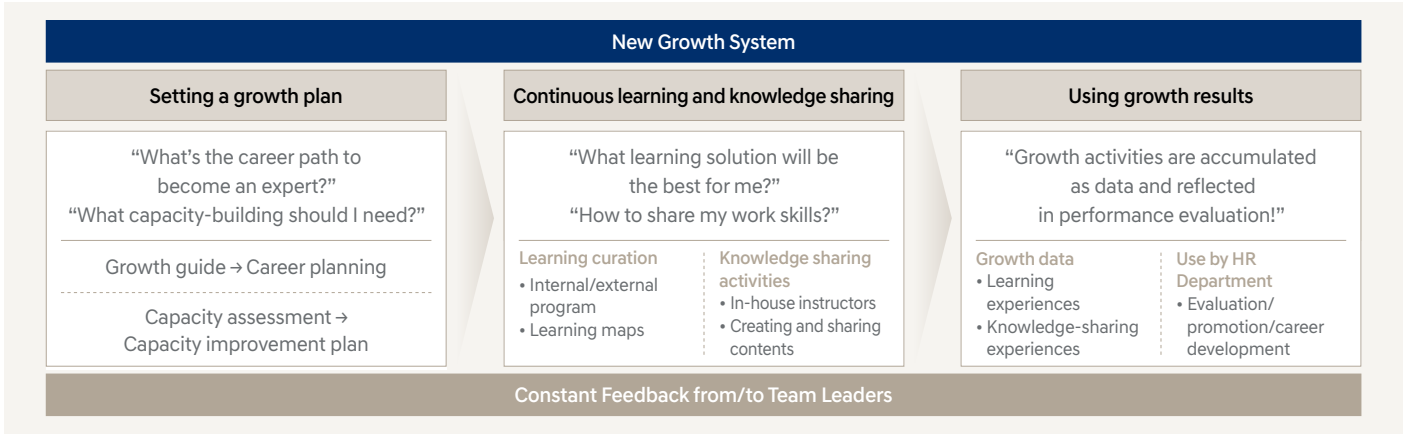
To inspire its employees to always do their best, Hyundai operates an equal and fair compensation system regardless of their gender or nationality. It has established a compensation system in which fair compensation is granted through various kinds of employee evaluation, such as the multi-faceted, MBO, relative, and regular evaluation, while improving its personnel system to ensure that its employees’ performance improvements can be reflected in their personal compensation.

Compensation System Aligned with Performance

Hyundai strives to ensure that all of its employees receive fair compensation based on their performance. In particular, we have introduced an absolute evaluation system that compensates for the shortcomings of the existing relative evaluation method, and then reorganized our compensation system so that variable pay items can be fairly determined according to individual work performance. In addition, we inspire our employees to work harder by sharing any excess profits from business performance with them each year.

Employee Stock Ownership Plan

Hyundai implements the employee stock ownership plan (ESOP) for all its employees to improve their social and economic status, facilitate close labor-management cooperation, and increase corporate productivity. Following the granting of 665,870 shares in 2020, the company offered 441,671 shares to its employees in 2021. By 2021 we had granted a total of 1,929,983 shares, equivalent to 0.9% of total shares, to our employees through the ESOP.



Securing Professional Competencies

R&D E-Conference (R&D Technology Forum x Group Conference)

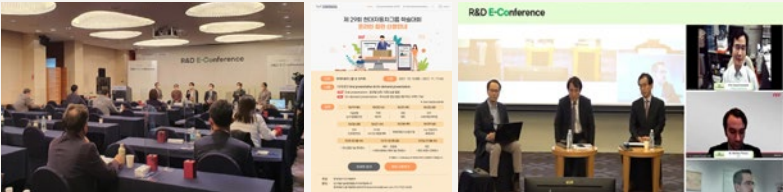
Since 1993, Hyundai has held the annual academic conference with the goal of “securing future competitiveness” by switching to a platform centered on the “virtuous cycle of knowledge” (production → accumulation → reproduction), which enables its researchers' research outcomes to be internalized by transforming their thesis into knowledge-sharing content. Since 2008, participation in this system has been expanded to all Hyundai Group companies including Hyundai research institutes based overseas.


From October to November 2021, Hyundai held a technology forum and an academic conference concurrently under the name of “R&D Technology Forum x Group Conference”. Through the event, we were able to present an integrated perspective on the current status of our research activities at the departmental level and the future direction of R&D on major technologies in the industry. Unlike the previous operation centered on research and general staff, the 2021 event was co-hosted by the Research Lab and Academic Conference Division, thereby enabling the personnel of the Hyundai Motor Group to not only present their thesis, but also to attend the conference and share their insights into their respective technologies with other participants. During the Conference, some 299 papers in 19 areas were presented and shared with 3,057 participants through real-time on-site and video presentations. Additionally, 99 papers published in video format were uploaded to the “Learning Lounge”, an employee education platform, for five weeks and shared with 3,365 employees.

We are planning to expand and reorganize the academic conference to focus on core technologies based on our R&D strategy, starting in 2020, and will also set the -offline hybrid operation process which was successful in 2021.

Key Achievements and Plans of Hyundai Motor Group Academic Conference

- 19 tech conferences were held from October to November 2021 with the participation of 3,057 people
- 1,368 abstracts were submitted, and 299 papers were presented
- The conference will be expanded and reorganized in 2022 to shift the focus to be centered around core technologies





R&D Project-based Joint Research Programs

Hyundai has been operating a joint research program in conjunction with leading research institutes at home and abroad to develop future-oriented R&D technologies since 2012. Every year, 20 senior-level researchers participate in the joint research program and apply the fruits of their research to the company's mass-produced vehicles and advanced technologies upon their return to the company, thus playing a key role in helping the company to secure competitiveness in core technologies. The joint research program also promotes knowledge sharing to lay the foundations for internalizing new technologies and enhancing the company's R&D capabilities.

Results of R&D-based Joint Research in 2021

Classification	Number of times
Development of new technologies	13
Creation of solutions to on-site problems	9
Patents, research paper	19
Dissemination of research results	17

Car Master Training Program

In order to enhance its essential competencies as a global automobile manufacturer, Hyundai implements a car master training program. Currently, 99.7% of its employees are participating in this sales-related training program based around video contents. The training consists in enhancing employees' professionalism (electrification, luxury cars), cultivating their basic product knowledge (training on new vehicles, etc.), and strengthening customer care (CS, CRM). Trainees have the opportunity to acquire specialized knowledge related to vehicles and to further enhance their customer service skills. As a result, Hyundai received higher evaluation scores in the 2021 KCSI (Korean Customer Satisfaction Index, recognized for its long history and public trust), and was selected as the No.1 company in the customer satisfaction category of the passenger car sector for the 28th consecutive year.

Training to Internalize Sustainability


As the international situation has become highly unstable due to the ongoing COVID-19 crisis and the war in Ukraine, companies are working hard to introduce sustainable management as a way to reduce uncertainty. To position itself at the forefront of this trend, Hyundai has prepared training programs designed to internalize sustainability for its employees. In 2021, it conducted training on human rights, safety, environmental protection, and quality in addition to the regular job training for employees on their duties and leadership skills, for a total of 37,055 hours. Going forward, we will continue expanding the learning experience of its employees to ensure that ESG becomes a key element – and not just a fad – in the company's transformation.

Sustainability Training in 2021

		Sustainability						
Classification	Job	Leadership					Sub total	Total
			Human rights	Safety	Environment	Quality		
Training hours	26,804	2,271	49	4,676	1,250	2,005	7,980	37,055

* Total operating hours for each course (Not total hours based on number of participants)

Areas of Sustainability Training




Human rights

Prevention of sexual harassment, raising awareness of the disabled, etc.



Safety

Factory safety, safety managers' duties, etc.



Environment

Environment-related job training, eco-friendly vehicles, fuel cells, etc.



Quality

Quality-related job training, on-site quality management competency improvement, etc.

Great Workplace Culture

Hyundai aims to become a company where its employees can grow and feel proud of themselves and their role in the company. To this end, we have set three work attitudes – Bold Moves, Positive Energy, Inner Qualities – as our organizational culture goals. Furthermore, based on the opinions of employees, we have set “Hyundai’s way of working, CoC (Code of Conduct)” and strive to internalize it company-wide by appointing a person to take charge of changes of the organizational culture and innovation for each organization, working together with leaders. In the midst of the prolonged pandemic, Hyundai is providing full support to create a comfortable work environment, thereby prioritizing its employees’ convenience and welfare. Hyundai is also working hard to create an organizational culture that allows employees to immerse themselves in their work in an autonomous and proactive atmosphere based on active communication with and respect for their fellow talents.

Improving Workplace Culture

Diagnosis of Organizational Culture

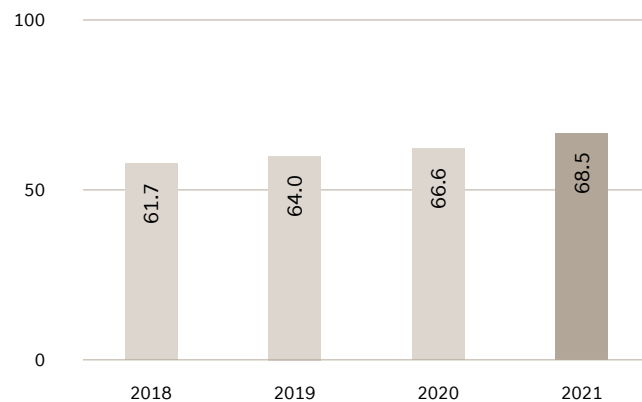
The high level of employee engagement is one of several factors that have a big impact on the company’s performance and talent growth. In September 2021, Hyundai conducted a culture survey consisting of 71 items in seven areas – business, people, work, leadership, HR system, infrastructure and organizational efficiency – in which 72.9% of all its employees, including general, research and legal staff, participated. Hyundai plans to further improve the level of employee engagement based on the results of the diagnosis.

Next Big Idea to Innovate Organizational Culture

Hyundai holds the Next Big IDEA contest twice a year as a way to encourage its employees to create an innovative and challenging organizational culture. In 2021, ideas related to eco-friendly technology for a sustainable future, such as reducing carbon emissions and promoting electric vehicle deployment, stood out. In the second half of the same year, Hyundai’s employees submitted 2,610 ideas, the largest number ever. The company designated 19 of the proposals as “excellent ideas” and supported their practical implementation by the relevant departments. In addition, we launched a suggestions platform in 2021 to allow our employees to suggest ideas and share various opinions anytime, anywhere. We have also enabled them to initiate change through bottom-up activities such as the “Town Hall Meeting”, which allows two-way communication, and the “Hyundai Bamboo Forest”, an anonymous communication channel.

Results of Culture Survey

(Unit: Points)



Poster for Next Big Idea contest



Town Hall Meeting

Programs to Change Organizational Culture

Hyundai is developing a variety of organizational culture programs to improve its employees’ work engagement centered on “Hyundai’s Way of Working, CoC”. Such efforts include activities designed to internalize the way the organization works and to improve “inner qualities” (work/product quality) in order to enhance the meaning of, and initiate voluntary changes in, employees’ work. Hyundai is striving to create an organizational culture in which all its employees can grow and feel pride in their work, while those in charge of change and innovation in each department are encouraged to play a central role in the effort. It has promoted substantial change and innovation in its work processes through “IT infrastructure” and “H-Work Stations” that have laid the foundations for an efficient work environment. Moreover, Hyundai is not only creating a horizontal culture but also an autonomous and active work atmosphere in which it promotes its employees’ creativity and challenging spirit through communication, as well as running campaigns that advocate upgrades of its organizational culture.

Internalizing “Hyundai’s Way of Working, CoC (Code of Conduct)”

Under the title of “Kill the Company”, Hyundai conducted a survey to all employees on ways in which they can “save” the company, as opposed to ways in which they can “kill the company”. The results of the survey have led to the development of “Hyundai’s Way of Working, CoC”, based on which various efforts are being made to have its employees voluntarily comply with the CoC by promoting positive energy, responsibility and perseverance, and new challenges and attempts. Such efforts include the production of videos containing the commitments of its executives and staff, from the CEO to new employees, as well as diverse programs designed to urge employees to implement CoC in their work performance.

Applying Customer’s Perspective

Hyundai operates an experience-oriented program that allows its employees to explore the company’s products and services from the customer’s perspective so that they can pursue perfection to a higher standard, feel rewarded, and immerse themselves in their work performance. In 2021, through a total of seven new vehicle quality verification sessions, Hyundai employees from various sectors were invited to participate as test drivers in the final quality inspection of new car models on the verge of mass production, so that it could carefully review even the smallest details from the customer’s perspective and guarantee the quality of the products. We also launched a program in which our researchers and customers are asked to drive a car and discuss product quality and driving sensibility on an insight trip, thus allowing our product development personnel to hear voice of customers first-hand and gain inspiration and motivation for their technology development.

Accelerating Change and Innovation in Divisions

Hyundai promotes innovation of the organizational culture at each division in two directions – a top-down method initiated by leaders and a bottom-up method driven by team members. The company emphasizes the leadership of top leaders through corporate culture sessions held at the monthly management meetings in order to lead to actual changes of behavior. We also monitor organizational culture issues through each division’s officer in charge of change and innovation and implement solutions based on voice of employees (VOE).

Building a Creative Work Environment

Hyundai makes continuous efforts to improve its work environment with the aim of establishing a flexible working system. Starting with the trial run of the smart open office system, in which employees select spaces where they work, in 2019, we have since improved the efficiency of individual workspaces and expanded collaboration spaces to increase employee satisfaction. In 2020, while we were expanding the smart office system at the Yangjae headquarters, non-face-to-face way of working expanded due to the COVID-19 pandemic. In 2021, we opened a total of eight “H-Work Stations” in the Seoul and Gyeonggi region, while simultaneously replacing employees’ personal computers with laptops, and creating a smart work environment suitable for telecommuting through the groupware system upgrade to increase the utilization of video conferencing and cloud services.

Adopting the Hybrid Work System

Hyundai intends to maintain remote working such as telecommuting and H-Work stations even after the end of the COVID-19 crisis. To create an organizational culture in which people work autonomously by immersing themselves in “work rather than places”, we have conducted a remote working campaign. In addition, we informed our employees of desirable telecommuting etiquette, based on opinions collected through VOEs, in order to form a consensus on adopting the Hybrid Work System. We also encouraged our employees to use an IT tool for online meetings, enabling us to maintain operational efficiency in the non-face-to-face environment.



Way of working, CoC

Promoting Employee Diversity

As a global company, Hyundai implements a variety of programs designed to guarantee employee diversity. To establish an equal and healthy workplace culture, it conducts annual online education for all its employees to improve their awareness of the disabled and of sexual harassment in the workplace, respectively. In addition, the Human Resource Development (HRD) Center offers a variety of training programs to foster a global mindset and respect for diversity among employees, while the Global HR Team fosters global talents and enhances their business capabilities through a global exchange program.

Diversity Programs

Onboarding course for new heads of overseas subsidiaries (intercultural leadership workshop)	Discussing on the roles of subsidiary heads in building a healthy communication culture with members from diverse cultural backgrounds
Pre-deployment course for overseas expatriates	Understanding cultural differences and identifying differences in the disposition of the country and appointed employees through GlobeSmart diagnosis
Basic course for team leaders	Creating an HR development culture based on the realization of individual strengths and understanding of employee diversity
Cross Cultural Seminar	Providing education courses to international employees on intercultural understanding and communication
Team dynamics workshops	Building an environment in which individuals' diversity can be demonstrated as an organizational strength, and establishing a plan to embrace employee diversity

Employee Resource Group

Women @ Hyundai	We create an inclusive environment that gives autonomy to female employees, customers, and suppliers' employees. From the perspective of female employees, we provide the necessary support to improve Hyundai's brand awareness, employee career development, and retention rate.	Female staff's ERG
Hyundai @ Soul	Based on the diverse experiences of our employees, we discuss how to enhance the modern brand image within the Black and African American communities. Hyundai management provides advice on how to develop cultural competencies from the perspective of diversity.	Black and African American staff's ERGs
#BecauseAsian	We tap into the characteristics and perspectives of the Asian culture to develop strategies that can make Hyundai a more successful company. We consider opportunities to leverage our employees' talents, skills, and networks. We support Hyundai's corporate promotions and community events.	Asian staff's ERG
Amigos Unidos	We harness the cultural intelligence of our Latino community to generate ideas for innovative management. We propose directions for Hyundai management from the perspective of Latino employees in the context of the growing Latino community.	Hispanic and Latin American staff's ERGs
Young Leaders	By maximizing the strengths of millennials, we propose ideas, solutions, and improvements that can contribute to Hyundai's excellence and success while building the foundation for our employee's individual career development and self-development.	Millennial staff's ERGs
Equality	We provide opportunities for education, career development, networking and workplace collaboration to LGBTQ+ (sexual minorities) employees while creating a positive and inclusive work environment. We also exchange ideas to increase Hyundai's brand awareness within the LGBTQ+ community.	LGBTQ+ staff's ERG
Hyundai CARES	We strive to improve the working conditions of people with disabilities and raise awareness about disabilities. We support employees with congenital or acquired disabilities, middle-aged employees with disabilities due to aging, and employees with children who need special care.	Disabled staff's ERG
Stars & Stripes	We maintain a forum attended by Hyundai employees, their spouses, their families, and supporters of U.S. veterans. We provide a safe and inclusive space for participants to have conversations about common interests, identities, etc., with a sense of belonging.	Veteran's ERG

Employee Diversity Programs

Hyundai encourages the Employee Resource Group activities, in which employees from diverse backgrounds gather to share their common interests in diversity and inclusion through communication and cultural programs. Participating employees can improve their internal teamwork and build external links in order to engage in mentoring, cultural exchanges, and community contributions based on their cultural diversity, in order to spread a positive influence not only within the company but also in the surrounding communities.



Diversity Policy

Basic Principles of Employee Diversity



Employees
Hyundai prohibits discrimination based on gender, race, ethnicity, nationality, cultural background, age, personal gender/identity, differences in political and religious beliefs, or disadvantages in social status, etc. without any reasonable reason, while offering its employees equal opportunities in employment, promotion, education, wages and welfare.



Products and services
Hyundai considers the diversity of its stakeholders, including customers, in the design, production and sales processes of its products and services. It ensures that its values of diversity and inclusion are not violated in marketing, branding or any other forms of internal and external public relations.



Supply chain
Hyundai monitors diversity and inclusion issues in its supply chain to ensure that its values are not compromised, while helping its entire supply chain and related individuals to gain access to fair opportunities and treatment.



Local community
Hyundai does not violate or infringe upon the history, culture, business practices, and other rights and interests of local communities in the course of its business operations, and strives to contribute to promoting diversity and inclusion among its stakeholders, including the members of its local communities.

Win-win Labor-management Culture

Labor Union Communication in Korea

Hyundai complies with the Constitution and the related laws in order to guarantee basic rights such as workers' right to independent association, collective bargaining and collective action.

In addition, the company has established the Collective Bargaining Council and the Labor-Management Council in accordance with the relevant laws and conscientiously engages in discussions to improve its employees' working conditions and resolve their grievances, while striving to boost its corporate competitiveness through the strong partnership it has formed between labor and management. In order to work in unison to respond to the Fourth Industrial Revolution, electrification, and the imminent transformation of business practices, Hyundai has launched the Future Change Response TFT and the Job Stability Committee, which are making notable headway. We also continue making practical efforts to improve the manufacturing competitiveness of our domestic plants in the areas of quality and productivity in particular.

In 2018, in preparation for employment changes and labor-management conflicts due to the 4th Industrial Revolution, we launched the first advisory council for the Job Stability Committee consisting of five experts. The Committee hosted forums, seminars, and training sessions on various topics related to the future of the automotive industry. In 2020, Hyundai appointed seven advisors for the Committee, extending their term into the 3rd Committee in 2021. Acting as mediators between labor and management, the councilors scrutinize employment issues associated with the paradigm shift in the automotive industry.

Labor Union Communication Overseas

Beijing Hyundai Motor Company (BHMC) and China Hyundai Motor Corporation (CHMC) have the Chinese Trade Unions, while Hyundai Motor India (HMI), Hyundai Motor Manufacturing Czech (HMMC), and Hyundai Motor Brasil (HMB) have labor unions. The company's subsidiaries, whose employees are members of labor unions, engage in collective bargaining according to local labor laws in order to produce an agreement that can satisfy the majority of employees through mutually reasonable proposals and constructive discussions. Although its subsidiaries in the US, Russia, and Turkey do not have labor unions, they are striving to improve their compensation and welfare programs through active communication with their employees.

Hyundai's headquarter takes measures to improve its employees' satisfaction company-wide based on the results of surveys and interviews conducted with Hyundai employees worldwide. Each of Hyundai's overseas subsidiaries strives to resolve its employees' grievances by holding regular meetings between labor and management, operating grievance consultation centers, and dispatching the management on visits to business sites. As the COVID-19 situation continues and face-to-face communication with employees is limited, each overseas subsidiary remains committed to active communication through non-face-to-face tools such as mobile apps.

Welfare Benefit System

Operational Direction of the Welfare Benefit System

Hyundai guarantees its employees' quality of life through various welfare benefit programs. It strives to help them maintain a happy family life through

various measures designed to promote a work-life balance such as flexible work hours, remote working, and paid leave for childbirth and childcare.

Retirement Pension System

Hyundai has set a retirement pension system in place for all its employees so that they can prepare for post-retirement life. The company provides training on pension products to subscribers to help lay a stable foundation for their post-retirement days while protecting their retirement pension by accumulating a retirement pension reserve externally.

Retirement Planning

Hyundai runs a program to help its soon-to-be-retiring employees ease into retirement. In 2021, we offered differentiated retirement planning courses and specialized training programs to a total of 2,056 employees by position and job group.

Employee Welfare Programs

Flexible work hours	<ul style="list-style-type: none">Allowing employees in general/research/legal/production sectors to determine their actual working hours on a monthly basisThey can choose their working hours except for daily mandatory working hours (10 am to 4 pm) as long as they meet the monthly required working hours
Remote working	<ul style="list-style-type: none">To protect employees during the pandemic, each business site implements its own telecommuting systemHave been operating a remote working system (an optional hybrid work system including working from home or H-Work Stations) since 2021 as a flexible working scheme for employees, beyond the initial purpose of preventing the spread of infectious diseases
Childcare (Breastfeeding included)	<ul style="list-style-type: none">120 minutes of paid breastfeeding time per day to female employees for a year after childbirth
In-house daycare centers	<ul style="list-style-type: none">Offering married employees and the children of single-parent families access to in-house daycare centersAvailable at five locations: Headquarters, Ulsan Plant, Asan Plant, Jeonju Plant, and Namyang Technology Research Center
Child Happiness Travel	<ul style="list-style-type: none">Providing hotel lodgings and meals within six months before and one year after a childbirth to employees and their spouses. It includes up to two nights and three days at hotels approved by the company
Parental leave	<ul style="list-style-type: none">Providing up to two years of leave of absence (at least one year of paid leave) for each (adopted) child under the age of 8 or a child in second grade to both male and female employeesThe 2-year leave of absence shall include reduced working hours for childcare and the period of maternity leaveBenefits such as Management performance pay, Welfare points, and Employee Stock Ownership Plan are provided even during parental leave
Maternity leave	<ul style="list-style-type: none">Providing a 90-day maternity leave to female employees before and after childbirth (120 days for multiple pregnancies)
Reduced hours during pregnancy	<ul style="list-style-type: none">Providing reduced working hours to pregnant employees (2 hours from the start of a shift or before the end of a shift, or 1 hour each from the start of a shift and before the end of a shift) during the first trimester (within 12 weeks) or the last phase of pregnancy (over 36 weeks)
Reduced hours during childcare period	<ul style="list-style-type: none">Allowing employees with children of 8 years old or younger or a child in second grade to have reduced working hours for up to 2 years per child (2 splits allowed in the first year and 1 split in the second)Three options available – 2 or 4 hours after the shift starts, 2 or 4 hours before the shift ends, or 2 hours each before and after the shift starts and ends
Bereavement leave	<ul style="list-style-type: none">Offering a leave whose period is determined by the pregnancy period in case of miscarriage or stillbirth
Partner's leave	<ul style="list-style-type: none">Offering up to 10 days of partner's leave within 90 days of childbirth
Menstrual leave	<ul style="list-style-type: none">Offering a one-day menstrual leave per month to female employees
Family care leave	<ul style="list-style-type: none">Offering up to 90 days of family care leave per year to employees whose parents, children, spouses or spouses' parents need care due to illness, accident, or old age

Retirement Pension Asset under Management

(Unit: KRW million)

Classification	As of 2021 year-end	As of 2020 year-end
Insurance products	5,840,100	5,436,225
Others	3,235	3,701
Total	5,843,335	5,439,926

Retirement Planning Courses

Targets	Managers or below (Union members)		Senior employees	
Course	Future planning 56-60	Counseling	Basic course in planning for life after retirement	Intensive course in planning for life after retirement
Age	56-60	56-60	59	60
Participants (2021)	1,152	173	396	335
Type	Lectures, experiential learning, etc.	Counseling	Lectures and counseling (online)	Lectures and counseling (online)
Curricula	<ul style="list-style-type: none">Self-examination for awareness of changes and happiness in old ageCustomized education and consulting according to retirement plans	<ul style="list-style-type: none">One-on-one customized career counseling	<ul style="list-style-type: none">Channing perception about retirement and exploration of careers/ interestsFinancial diagnosis and planning	<ul style="list-style-type: none">Career analysis and decisions according to individuals' desired paths

Industrial Health and Safety

Guided by its vision of “Progress for Humanity”, Hyundai puts top priority on safety in its business activities, aimed at realizing its health and safety management policy of “providing a safe and healthy work environment to ensure the lasting value of life”. To this end, we are doing our utmost to establish a safety culture and prevent serious industrial accidents by taking all necessary health and safety measures preemptively, while each of our business sites operates a situation room to respond to the COVID-19 situation. In order not only to respond to COVID-19 but also to build a safer working environment, we upgraded aging facilities and protective devices in the safety, firefighting, environment and health sectors, with an annual budget increase of 573% compared to the previous year. We are also strengthening our health and safety management system through the management’s reinforced safety leadership, while also upgrading on-site safety management system by conducting comprehensive safety inspections in the first and second half of each year.

Strengthening Safety Leadership

Safety and Health Management System

In January 2022, Hyundai launched a general governance system for safety management by appointing a Chief Safety Officer (CSO, Vice President Dong Seock Lee). With the appointment of the CSO, it put the safety management organization under the direct control of the CEO while expanding the company’s safety-related budget.

With the safety managers of our business units, we set safety and health priorities and action plans on the basis of regular discussions about health-related issues and risks between the employees and managers of different business units. Hyundai evaluates progress toward safety and health goals in meetings between the industrial health and safety department staff and the company’s management and BOD at least once a quarter. In addition, we have established inspection and investigation procedures by industrial safety and health experts about work-related injuries, diseases, and accidents while establishing a company-wide safety and health management system. In order to establish an effective safety and health system, we conduct performance evaluations against industrial safety and health goals for those with safety-related responsibilities such as line managers, as well as the top executives.

 [Hyundai Motor Company Occupational Health & Safety Policy](#)

Ratio of Workplaces Certified for Occupational Health and Safety Systems (ISO 45001, etc.)



Workplace Safety and Health Performance

- Recorded zero serious accidents at domestic business sites for 4 consecutive years (2017-2020)
- Protected employees' health and minimized production loss with preemptive response to COVID-19
 - Ran the COVID-19 Situation Room, established a rapid response system for production lines, and upgraded the access/visitor management system
 - Conducted preemptive quarantine and diagnostic tests in case of suspected infection and joined forces with health authorities to conduct prompt epidemiological investigations and quarantine activities in response to a confirmed case
 - Set thermal imaging cameras at entrances and dining halls and CCTVs on shuttle buses

Preventing Serious Workplace Accidents

Hyundai strives to prevent serious industrial accidents by analyzing major types of work with a high risk of serious accidents and establishing appropriate safety management countermeasures and systems. During the past decade, jamming and vehicle crashes were the most frequent types of serious accidents at the company’s domestic manufacturing plants, while irregular construction work on holidays had a higher rate of serious accidents than ordinary work on weekdays. In response, as a way to secure facility safety, Hyundai conducts regular mobile safety inspections based on NFC technology, manages its risks continuously, and manages risk factors thoroughly via the CCTVs installed in all its safety blind spots. We also have installed human body detection sensors and alarms to ensure pedestrian safety, thereby reducing the risk of accident due to workers’ carelessness when operating vehicle-based loading and unloading machines such as forklifts. In addition, we have developed and applied safety management regulations for each stage from design to construction, bolstering the management of irregular construction work carried out during holidays.

Preventing Serious Accidents at Suppliers

In order to help our suppliers to improve their level of safety management, we support their safety training and run a reward system for suppliers with outstanding safety records in holiday work. To make sure of its suppliers’ appropriate safety management, Hyundai has developed a supplier safety management system which enables it to assess potential suppliers’ accident prevention capabilities in advance and select qualified suppliers in the first place. Hyundai has declared its commitment to safety management. Its management conducts on-site inspections on processes with risks of serious accidents. It continuously strives to prevent serious accidents by its suppliers. In 2022, it is planning to dispatch experts in safety diagnosis to its suppliers with records of serious accidents to share best practices of risk management with them.

Management of Leading Indicators for Industrial Accidents

In order to reduce the total number of accidents, Hyundai has introduced H-LWC (Hyundai-Lost Workday Case), a leading indicator for safety management, rather than the existing accident rate-centered indicators. As a result, it reduced the total number of accidents by 9% in 2021 compared to 2019. In addition, as H-LWC data can be used as analytical data to predict the occurrence of occupational accidents based on accumulated accident data, we have conducted a comprehensive analysis of the three major types of accidents (collision/falls/jamming) that occur at our workplaces and taken customized countermeasures, thereby reducing not only the total number of accidents but also the risks of serious accidents.

Assessment of the Safety and Health Management Level

Hyundai developed the H-SAT (Hyundai Safety Assessment Tool) in 2019, aimed at improving the level of health and safety management at all its domestic business sites, and since then it has been conducting health and safety assessment at all its domestic business sites. In terms of evaluation items, we have made the system more effective by continuously revising it to reflect new regulations in the safety, health, firefighting and environmental sectors, being strengthened every year, as well as the new obligations according to international trends. By aligning the evaluation results with the KPIs of our domestic business sites and structuring them to enhance the operability of on-site safety management, Hyundai has enhanced the safety leadership of our management and the effectiveness of on-site accident prevention efforts. In 2022, in order to encourage accident preventing activities for safer workplace to be activated, we will redirect the safety management evaluation system and KPIs management guides such as “intensification of disaster reduction targets by more than 5% year-on-year,” “realization of new shutdown accident indicators,” and “evaluation of leaders’ safety and health responsibilities”.

Composition of H-SAT

Areas	Management System Assessments	On-Site Workplace Inspections
Safety	Safety meetings by management, etc.	Robot protection devices, etc.
Health	Management of musculoskeletal diseases, etc.	Ventilation facilities, etc.
Firefighting	Emergency response systems, etc.	Fire-prone areas, etc.
Environment	Environmental facilities licensing, etc.	Air pollution prevention facilities, etc.

Comprehensive Emergency Response Drills

In order to maintain the ability to respond quickly in the event of an emergency, Hyundai conducts comprehensive emergency response drills semi-annually in each plant whose employees are obligated to participate in the drills. In 2021, we strived to minimize human and material damage due to COVID-19 by maintaining our employees’ ability to respond to emergency through non-face-to-face training and information sharing. In 2022, with the COVID-19 regulations being eased, we will resume regular comprehensive emergency response drills so that our employees can perform their duties promptly in the event of emergency such as fire, explosion, earthquake, or environmental accidents, while also establishing training evaluation standards to continuously improve the level of its training programs and secure the effectiveness of drills.

Spreading the Culture of Health & Safety

Appling Safe Design Standards

Hyundai has established on-site safe design standards to induce employees to engage in safe behaviors while seeking to apply them gradually. In the second half of 2020, the company piloted safe design standards for on-site passageways, leading to effectiveness in reducing accidents thanks to their improved visibility. Since 2021, we have applied the standards to other factory improvements in addition to their application to loading docks. The company is planning to establish and apply standards for entry prohibition signs to high-risk areas such as automated guided vehicles (AGVs) and for material handling lift tables. We will make it mandatory to apply the safe design standards to new plants, which is expected to help reduce occupational accidents at those locations.

COVID-19 Response

Hyundai has operated the COVID-19 Situation Room 24/7 since the early days of the pandemic, making every effort to prevent the risk of infection at its domestic and international business sites. The Situation Room has been monitoring the status of confirmed cases in the company’s workplaces and has taken emergency quarantine measures such as testing, isolation of contacts, and identification of symptomatic persons. In addition, we are doing our utmost to create a healthy environment throughout our workplaces by checking for fever on a one-to-one basis for both employees and visitors, implementing daily quarantine measures including the use of hand sanitizers and thermometers as well as operating thermal imaging cameras at its workplaces. Hyundai has also followed the government’s quarantine guidelines, such as social distancing and remote working, taking business environment into consideration.

Preventing Musculoskeletal Disorders with New Technologies

Hyundai is piloting a wearable device that can prevent musculoskeletal disorders in field workers. CEX, a chair-type wearable robot, assists knee joints to help employees maintain a sitting posture, whereas VEX, a wearable robot in the form of a suit, is equipped with a multi-link muscle compensation device to prevent musculoskeletal disorders in employees who work long periods of time looking up and lifting their arms. Since the fourth quarter of 2020, we had field-tested 10 of wearable devices with 104 people working at 36 processes in seven domestic plants. Based on the test results, we identified such issues as the need to reflect physical diversity and lower the operational difficulty and weight of equipment. In 2021, we conducted additional tests and collaborated with Hyundai Rotem to address the technical issues involved in wearable devices and now we are accelerating the commercialization. Hyundai will continue conducting analyses of various types of equipment and data and make active investments and improvements to prevent worker’s musculoskeletal disorders.

Safety and Health Training (Advanced Safety Training Curriculum)

Hyundai produced an “Advanced Safety Training Curriculum” so that all its employees can easily take safety and health training courses through an online platform. The online video training consists of 36 courses (6 intensive and 30 microlearning courses) dealing with safety rules, occupational accidents and serious accidents, among others. We have also produced VR safety education contents and built experiential training facilities so that our employees can gain more knowledge and experience about safety.

Safety and Health Training

Classification		Target	Training Hours	
Mandatory safety training	New hire training	New hires (some 1,200 persons/year)	8 hours and more	
	Special training	Those subject to special training (39 types)	16 hours and more	
	Regular training	All employees	On-site employees (some 28,000 persons)	6 hours and more per quarter
		Supervisors	On-site supervisors (some 1,300 persons)	16 hours and more per year
	Training on operational changes	Workers other than daily workers whose duty is changed	2 hours and more	
Competency/specialized training	Specialized training	Productive maintenance/ logistics staff, senior staff, etc. (some 3,350 persons)	About 8 hours a day	
	Competency-based training	Safety managers, safety promoters, etc. (some 400 persons)	Up to 2 nights and 3 days	
Psychological safety counseling	Psychological counseling and training	Employees, employee families, suppliers, etc. (some 1,470 persons)	About 1 hour each	

* Based on Ulsan Plantc

Safety and Health Activities by Business Site

Safety and Health Activities

To prevent serious accidents, Hyundai’s domestic plants conduct site-oriented safety inspections and safety training. Notably, it strengthened safety supervision on construction during holidays where accidents occurred frequently and attained accident-free construction during holidays in 2021 while carrying out a total of 3,646 installation projects during the year. To prevent fire risks involved with the mass production of eco-friendly vehicles, we conducted related fire safety inspections in the second half of 2021. We identified 101 areas of improvement by inspecting not only production plants, but also research institutes, maintenance shops, and eco-friendly vehicle facilities, which was followed by the categorization into three groups – management improvement, physical improvement, and process improvement. Going forward, we will make sequential improvements according to the mass production stage involved.

Meanwhile, we have continued training related to occupational health and safety. Despite difficulties due to COVID-19, we conducted online education for supervisors and special safety training for all employees with specially produced training videos on the prevention of serious accidents. In 2021, Hyundai also developed a non-face-to-face mobile safety education system that can be actively used in a pandemic situation. In 2022, we are planning to pilot VR training content and VR Experience Center to raise awareness of occupational accidents in the most vivid way. Meanwhile, Hyundai has continued to promote a smoke-free clean factory campaign launched in 2016, including the installation of smoking booths and smoking bells inside plants, the operation of in-house smoking cessation clinics and external non-smoking camps, guidance in smoking areas, and the promotion of smoke-free clean factories. We also conduct inspections of work environment at all our workplaces twice a year to identify any harmful factors such as noise and hazardous chemicals in a bid to monitor and constantly improve our work environment.

Investigation procedures and step-by-step actions in case of a safety accident

Step	Secure a Statement	Process Confirmation	Photo Shoot	Cause Analysis	Take Measures
Action	Securing the statement of the first eyewitness	Check the process and listen to the cause of the accident	Entire process and accident reenactment photography	Root cause analysis of accidents	Apply the most appropriate countermeasure after establishing several countermeasures

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

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

Ulsan Plant

The Ulsan Plant has conducted competency/specialized training beyond legal requirements in addition to psychological safety counseling. It provides specialized 8-hour-a-day training in five areas such as productive maintenance and traffic safety to approximately 3,350 employees in the productive maintenance and logistics departments in addition to five job competency training courses including essence/advanced training for about 400 people including safety managers and safety promoters.

Asan Plant

In September 2021, the Asan Plant signed an MOU with 30 suppliers, the Cheonan branch of the Ministry of Employment and Labor, and the Chungnam Headquarters of the Korea Occupational Safety and Health Agency to create an industrial accident-free automobile parts manufacturing industry. In order to eradicate industrial accidents, the Asan Plant provided safety diagnosis consulting services for its suppliers and held a seminar on preventing industrial accidents in the parts manufacturing industry in December 2021 and shared the results of its safety inspections.

Jeonju Plant

In the first half of 2021, the Jeonju Plant conducted a special safety inspection in preparation for the thawing period. It identified on-site risk factors such as cracks in external walls or oil barriers during the thawing period while taking improvement measures such as cleaning drains and repairing road asphalt immediately.

Human Rights Management

Hyundai supports and complies with international human rights and labor standards and guidelines, such as the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the Core Conventions of the International Labor Organization, and the OECD Due Diligence Guidance. It fulfills its social responsibilities through human rights management across its business while communicating and striving for human rights not only for its employees, but also for its stakeholders such as business partners and customers. Based on these efforts, we have enacted the Human Rights Charter and disclose our human rights risk assessment and human rights management implementation status in a bid to protect and promote the human rights of our employees and stakeholders.

Introduction of Human Rights Management

Human Rights Charter

Hyundai amended its Human Rights Charter in June 2021 to actively implement human rights management by preventing human rights violations and mitigating related risks in its business operations. The amended version contains Hyundai's commitments to preventing forced labor or child labor, respecting freedom of association and collective bargaining rights, and prohibiting discrimination. The Charter applies to all employees (including part-time workers) of Hyundai at all our domestic and overseas manufacturing plants and sales companies, subsidiaries and sub-subsidiaries, and joint ventures. Hyundai employees follow the Charter when dealing with suppliers and sales/service organizations while all its stakeholders in business relationships are encouraged to respect the Charter as well.

Hyundai strictly prohibits discrimination and workplace harassment under Articles 1 and 2 of its Human Rights Charter, and responds to confirmed violations according to the principle of zero tolerance. In addition, we conduct diversity education for all employees assigned to overseas posts and include it in basic training for team leaders and onboarding courses for those appointed as heads of overseas subsidiaries. We also run various training programs designed to raise our employees' awareness of diversity, such as cross-cultural seminars and team dynamics workshops.

 [Hyundai Motor Company Human Rights Charter](#)

Promoting Human Rights

In order to expand human rights management to all stakeholders including employees, Hyundai is diversifying its human rights curricula and accelerating the expansion of the cause. To promote employee understanding and awareness of human rights, we conduct human rights management training in addition to the sexual harassment prevention education that is mandatory by law. Through the training, we reveal our human rights management directions and action plans while encouraging our employees to report risks of human rights violations found in their workplaces.

We share information on our Human Rights Charter and action plans, human rights risk assessment procedures and results, etc. not only within the company, but also with our suppliers, sales and service organizations, and other business partners. Our Human Charter is available at our corporate website for everyone, and our employees can access to the company's human rights policies and other related information through the intranet (HR Lounge).

Policy on Prohibition of Discrimination and Harassment

In June 2022, Hyundai enacted the Hyundai Motor Company Policy on Prohibition of Discrimination and Harassment to prevent discrimination and harassment while conducting business and ensure that all its employees receive equal treatment without discrimination at all times.

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

Management Principles for Discrimination and Harassment Risk

(Reporting) Hyundai has established a reporting channel available 24/7 to eliminate discrimination and harassment and ensures the whistleblower confidentiality all the way from reporting to investigation and disciplinary actions.

(Training and diffusion) Hyundai aims to establish an organizational culture based on mutual respect and dignity by providing its employees with education on discrimination and harassment. Through the education, the company promotes a culture of mutual respect among employees and enables them to follow established procedures to deal with any occurrence of a violation.

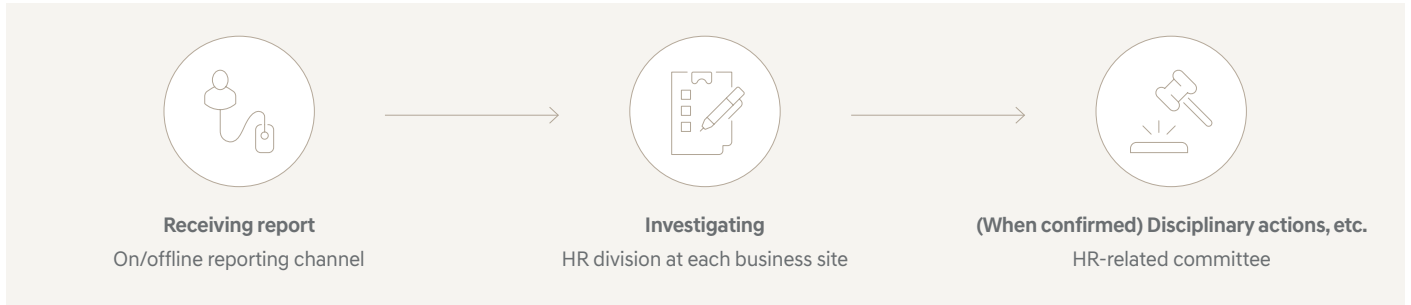
(Principle of zero tolerance) Hyundai addresses acts of discrimination or harassment with the principle of zero tolerance lest any such incident reoccurs.

(Corrective and disciplinary action) Hyundai takes appropriate corrective and disciplinary actions for any kind of discrimination, harassment, or other unlawful infringement in its workplaces, depending on the severity of the situation involved.

Measures to Mitigate Discrimination and Harassment Risk

Hyundai manages risks of discrimination and harassment through its management processes. It conducts incident investigations received through its reporting channels, while constantly ensuring that no discrimination or harassment incidents occur.

Discrimination and Harassment Management Processes



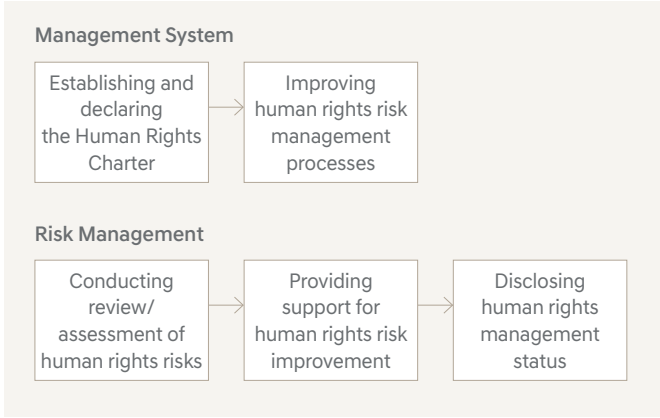
Human Rights Management System

Selecting Human Rights Risk Assessment Targets

Human Rights Risk Assessment Targets

Hyundai has selected its employees as well as its suppliers and joint ventures as targets of human rights risk assessment, developed indexes and conducted diagnosis about its major human rights violation risks during business activities.

Human Rights Risk Management Process



Human Rights Risk Assessment (Diagnosis and Due Diligence)

In order to proactively identify and prevent negative human rights impacts, Hyundai operates a human rights risk assessment process for its employees and suppliers. According to the process, we diagnose in advance of possible risk factors in our business operations, supply chain activities, and new business relationships (joint ventures). Through the preliminary diagnosis, forced labor, child labor, freedom of association, qualification for collective bargaining, and discrimination were recognized as major risk factors, and employees, women, children, indigenous people, migrant workers, and local communities were selected as the subjects to the human rights risk assessment.

We also conducted human rights risk assessments at our overseas business sites in North America, Latin America, Europe, India, and China in addition to business sites in Korea. As a result, some potential risks, such as lack of awareness of the Human Rights Charter at two of 16 overseas branches, were identified. In response, we are planning to distribute the Group Human Rights Charter to overseas business sites to help employees increase the importance and understanding of employee human right protection.

Going forward, we will make continuous efforts to advance risk management processes, such as discovering potential human rights risks, expanding human rights risk assessment targets, elaborating diagnosis process of human rights risks and due diligence, thereby preventing negative human rights impact occurring among our employees and supply chains.

Human Rights Risk Assessment Results and Improvement Measures

Hyundai will pay attention to areas identified through the risk assessment as “potential risk” and will strive to improve them. As part of the efforts, having recognized that there was a lack of awareness-raising activities related to human rights among its employees, Hyundai has taken various improvement measures. They include the dissemination of the Human Rights Charter among its employees through the intranet and the issue of English-language pay stubs to non-Korean staff so they can understand them clearly.

We have also conducted online ESG education (Korean/English) for employees at domestic business sites to raise their awareness of ESG and increase their understanding of the definition and importance of human rights management, as well as the Human Rights Charter.

Online Human Rights Violation Prevention Course

Composed of a total of five episodes, the online course includes the materiality and trends of ESG and key ESG agenda by module – ethics, human rights, safety, and environment. To make the content easier to understand, it contains plenty of infographics, expert interviews, and case studies.

Online Human Rights Violation Prevention Course



Preliminary Diagnostics of Human Rights Risk and Major Risks Identified

Human Rights Issues	Targets of Human Rights Risk Assessments					
	Employees	Women	Children	Immigrant and Contract Workers	Suppliers	Local ommunities
Work environments (including emotional labor, discrimination, freedom of association, etc.)	Low Risks	Low Risks	Low Risks	Low Risks	Potential Risks	Low Risks
Work conditions (including hours, pay, and child and forced labor, etc.)	Low Risks	Low Risks	Low Risks	Low Risks	Potential Risks	Low Risks
Health and safety (including workplace safety facilities, wearing safety equipment, etc.)	Low Risks	Low Risks	Low Risks	Low Risks	Potential Risks	Low Risks
Business impacts (environmental and social impacts on places near businesses)	Low Risks	Low Risks	Low Risks	Low Risks	Potential Risks	Low Risks
Conflict minerals (concerns about raw materials when procuring raw materials)	Low Risks	Potential Risks	Potential Risks	Low Risks	Potential Risks	Low Risks

Results of Human Rights Risk Assessment

Unit		2021
Hyundai business sites	Ratio of business sites where human rights impact assessment was conducted	90.4%
	Ratio of business sites with risks	8.3%
	Ratio of mitigation/improvement measures taken	100%
Tier-1 suppliers	Ratio of business sites where human rights impact assessment was conducted	20%
	Ratio of business sites with risks	5%
	Ratio of mitigation/improvement measures taken	100%

Major Efforts to Mitigate Human Rights Risks

ESG education	Activity: Developing ESG education programs for employees Key contents – Education about major ESG topics (environment/safety/ethics/human rights) – Education offered to 22,000 staff in general/research/legal positions, etc. (completion rate: 90.1%)
English pay stubs	Activity: Providing pay stubs in English to foreign nationals Key contents – English description of wages, allowances, etc. – English version of the payroll inquiry system
Amendment & distribution of the Human Rights Charter	Activity: Upgrading the Charter to the global standards Key contents – Amendment of the Charter in June 2021 – Headway in human rights risk diagnosis and management systems

Suppliers

Win-win Growth

For Hyundai to secure quality competitiveness and differentiated value, it is essential for its suppliers to have improved parts technology. We have therefore established a win-win growth system to help our suppliers to achieve stable and sustainable growth. In 2021, we continued to take various measures for win-win growth, such as running the Quality and Technology School, operating financial support programs, and offering education on cutting-edge technologies. Going forward, Hyundai will lead the way in promoting win-win growth with its suppliers and lay a foundation to stand tall in the global market.

Supporting Win-win Growth and Management Stability

Expanding a Culture of Win-win Growth

Fair-Trade Agreement

As part of its efforts to create a culture of win-win growth, Hyundai enters into a “fair trade agreement” with its suppliers every year. Since signing the first agreement in 2008, we have concluded the 13th agreement with our suppliers in 2021 on various issues such as adjustments according to the rise in raw material prices, funding programs, four major measures about subcontracting, and strengthening support for tier-2 and tier-3 suppliers.

Transparent Purchase Practices Center

Providing suppliers with guidelines on ethical conduct is important for Hyundai and its suppliers to establish a fair and transparent win-win partnership. To this end, Hyundai operates the Transparent Purchase Practices Center on the Hyundai Motor Group’s win-win growth website while operating a suggestion box for transparency and ethical practices so that its suppliers can voice their difficulties and propose various system improvements. We operate a suggestion box for tier-2 and tier-3 suppliers as a way to establish fair trade practices and strengthen transparency throughout supply chain.

Awarding Suppliers' Win-win Growth Efforts

Hyundai has been striving to promote the culture of win-win growth by examining and rewarding its suppliers' win-win growth performance since 2009 in the areas of payment terms and durable quality between tier-1 and tier-2 suppliers. In 2021, we held the “R&D Supplier Tech Day” to reward outstanding R&D suppliers as prominent partners in win-win growth.

Foundation of Korea Automotive Parts Industry Promotion

In 2002, Hyundai partnered with Kia and Hyundai MOBIS and launched the Foundation of Korea Automotive Parts Industry Promotion to strengthen its suppliers' capabilities. Hyundai has invested about KRW 6 billion a year in the Foundation, contributing to the overall improvement of its suppliers' quality, technology, and management. It has also dispatched the Quality and Technology Volunteer Group and the Supplier Assistance Group specialized in quality/technology/management consulting to enable its suppliers to improve their parts quality, technology, and management capabilities.

Supporting Joint Entry into Overseas Markets

Through the expansion of its overseas production, Hyundai contributes to increasing exports not only by its tier-1 suppliers with which it has direct relationships but also by tier-2 and tier-3 suppliers. We continue to seek win-win growth with suppliers overseas as well through various programs so that our global expansion can lead to more opportunities for them. We have entered the overseas markets together with a total of 749 suppliers (349 tier-1 suppliers and 400 tier-2 suppliers). In addition, our quality assurance provided supplies with opportunities to expand orders they receive from other car manufacturers. Hyundai has also enabled talents from suppliers to work overseas.

Four Major Criteria for Subcontracts

- Advisable conclusion of contracts
- New supplier registration and management
- Operations of the Internal Subcontract Deliberation Committee
- Advisable document issuance and preservation

Transparent and Ethical Practice Suggestion Box

- Operating a channel through which anyone can anonymously propose system improvements or report violations of the principles of transparency and ethics on the website of the Transparent Purchase Practice Center

Financial Support for Business Stability

Together with Kia, Hyundai pays its suppliers early to relieve financial difficulties on Lunar New Year and Korean Thanksgiving. To encourage its suppliers to pay tier-2 and tier-3 suppliers early, Hyundai reflects their performance in the evaluation of suppliers. In addition, we help suppliers strengthen their foundation for business stability through various financial support programs such as Win-Win Growth Cooperation Loan, Future Growth Mutual Fund, Future Growth Win-Win Fund, Win-win Mold Equipment Fund, and Dedicated Loan for Tier-2 and Tier-3 Suppliers. Notably, Hyundai has operated a new financial support program for its suppliers since 2020 by raising funds at the Group level for low-credit SME supplies suffering from the COVID-19 crisis. Also, we help suppliers relieve the burden of rising raw material prices such as steel plates, aluminum, and precious metals by reflecting the price fluctuations in the payment to the suppliers so that they can continue to supply high-quality parts.

Funding programs	Size (KRW billion)	Deposit (KRW billion)
Win-Win Growth Cooperation Loan (to overcome COVID-19 crisis)	238.0	68.0
Future Growth Mutual Fund	93.5	37.4
Future Growth Win-Win Fund	150.0	100.0
Win-win Mold Equipment Fund	75.0	50.0
Dedicated Loan for Tier-2 and Tier-3 Suppliers	72.3	72.3

Joint Entry into Overseas Markets with Suppliers



Supporting Suppliers' Capacity Building

Hyundai pursues win-win growth with its suppliers through various supplier competency enhancement programs. To ramp up its suppliers' competitiveness, we help them build smart factories. We also offer consulting and facility investment support, enabling them to digitize process data; reduce lead times, defect rates and disposal costs; and increase timely delivery and sales revenues.

In the area of the support for smart factory construction, Hyundai Motor Group contributed a total of KRW 24 billion from August 2015 to 2021 for high-tech intelligent factories that connect all processes from product planning to sales with ICT for approximately 1,100 SME suppliers. Hyundai also supports supplier participation in domestic and foreign auto parts exhibitions while matching them with overseas buyers through its supplier export marketing support program. In Korea, we support the cost of renting booths and consulting rooms at the Korea Automotive Industry Exhibitions as well as arranging one-to-one matching sessions. For overseas exhibitions, we pay all supplier expenses such as airfare and accommodation as well as registration fees.

The Supplier Recruitment Fair, which started in 2012, has supported suppliers having difficulties in securing talent while contributing to relieving the youth unemployment problem. The 2021 fair was participated by 287 suppliers including tier-2 and tier-3 suppliers. In addition, Hyundai helps its suppliers minimize their manpower shortage by operating an online recruitment support system dedicated to them year-round.

Nurturing Suppliers’ Competitiveness and Strengthening Networks

Reinforcing Training for Suppliers through the GPC

We opened the Global Partnership Center (GPC) in June 2020 to establish a virtuous cycle in which Hyundai Motor Group and our suppliers can grow together by helping them enhance their competencies and competitiveness in the world’s automotive industry. In addition to providing training programs targeting tier-1 and tier-2 suppliers, the Center provides training facilities and instructors to suppliers in need of their own training.

The Center offers 18 tracks and some 450 training programs in five categories – future competitiveness, leadership, basic job training, global competency, and industry expert training – for its tier-1 and tier-2 suppliers.

GPC Education Goals



Improving Quality/Technology of Tier-2 and Tier-3 Suppliers

Improving the quality and technology levels of tier-2 and tier-3 suppliers, who supply auto components to tier-1 suppliers is also a key factor in improving the quality of finished vehicles. To help improve their quality, technology and productivity as a way to enhance their global competitiveness, Hyundai dispatches its experts and transfers its expertise and know-how free of charge.

Technical Training (Quality and Technology)

Composition	Technical experts in various production areas
Duration & Frequency	Annually from 3 to 12 months, providing guidance on shortcoming related to manufacturing technologies free of charge
Areas	Cutting and processing, presses, heat treatments, welding, metal plating, forging, aluminum casting, PL injection, rubber, painting, electrical & electronics, IT, safety

Management Consulting (Supplier Support Group)

Composition	Professionals with experience in the automobile industry as senior executives
Duration & Frequency	Annually from 3 to 12 months, providing consultation regarding overall management free of charge
Areas	R&D, production, production technology, quality, logistics, cost, management support

Building Long-term Cooperation System

Win-win growth with suppliers is the source of competitiveness for finished vehicles. Hyundai therefore pursues win-win growth with tier-1 suppliers that supplies parts to it directly, tier-2 suppliers that supply parts to tier-1 suppliers, and general suppliers that deliver general products. The Win-Win Cooperation & Safety Promotion Team takes the lead in promoting win-win cooperation with the company's suppliers.

Hyundai is contributing to enhancing the competitiveness of the domestic auto parts industry by supporting its suppliers in the areas of finance, training, and welfare. Through a long-term cooperation system, we actively support them not only in production technologies but also in R&D efforts.

Average trading periods	Average trading periods with Hyundai/Kia: 34 years (the average lifespan of small and medium-sized Korean manufacturers: 12.3 years)
Growth in corporate size	Sales volume increased by 4.4 times. (2001-2021) ¹⁾
Joint entries into overseas markets	749 suppliers have entered overseas markets with Hyundai

¹⁾ Targets of analysis: Tier-1 parts suppliers (excluding affiliates and non-parts suppliers with less than 10% of dependence)

Training Support for Suppliers (2021)

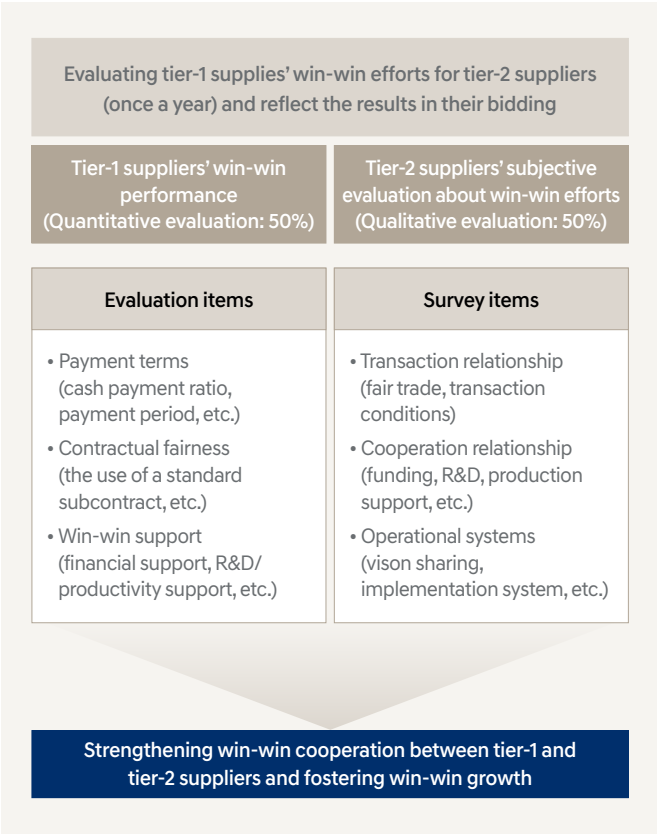
Classification		No. of participants in 2021	Remarks
Foundation of Korea Automotive Parts Industry Promotion	Quality and Technology School	2,604	22 customized training courses
	General training, etc.	7,033	General training, on-site training, etc.
Global Partnership Center	Training by industry, etc.	59,837	454 courses
Total		69,474	

*Training programs targeting all suppliers to foster their competitiveness

5-Star System for Win-win Cooperation

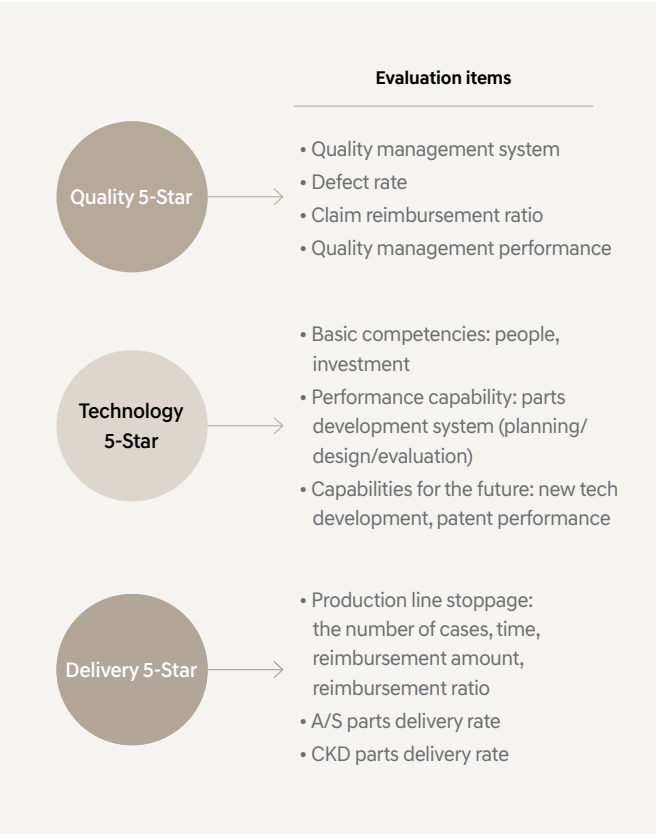
Hyundai launched the 5-Star Win-win Cooperation System in 2019 to promote compliance with fair trade and strengthen win-win cooperation in transactions between tier-1 and tier-2 suppliers. This system evaluates the efforts of tier-1 suppliers for win-win cooperation with tier-2 suppliers once a year and assigns grades to them, with the evaluation results reflected in the evaluation of their new car bids. Outstanding suppliers are rewarded with win-win cooperation awards.

Win-Win Cooperation 5-Star Evaluation Process



5-star System (Quality/Technology/Delivery)

Hyundai runs a five-star system to quantitatively evaluate suppliers' quality, technology, and delivery level, helping to ramp up their competitiveness. We also disclose evaluation results to offer incentives to outstanding suppliers and reinforce their motivation for improvement. The system not only improves the quality and technical competitiveness of Hyundai and its suppliers but also reduces their quality control costs while helping suppliers secure independent export capabilities.



R&D Technical Support

R&D technical support is a key win-win growth program whereby Hyundai shares its R&D know-how with its suppliers and helps them to meet their technological needs. The system enables the suppliers to lay the groundwork for the production of high-quality products by improving their R&D capabilities and empowering them to make technological upgrades on their own. In addition, we seek to improve supplies' approach to quality through training on past cases and function/design concepts while collecting and reflecting their improvement ideas during technical support process as part of our constant efforts to enhance communication and cooperation with them.

Guest Engineer Program

Hyundai operates a guest engineer program in which supplier engineers stay in its research center to participate in parts design and performance development for a certain period of time while it develops new vehicles. In 2021, a total of 31 suppliers dispatched an average of 440 engineers per month to Hyundai. Guest engineers learn about our product development know-how in the process of R&D collaboration for the design of new car parts and performance development. When they return to their companies, they play a key role in improving the company's technological prowess and increasing their development efficiency.

Building Smart Factories

A smart factory is an intelligent factory that integrates the entire production process of products with information and communications technology (ICT) to produce customized products that is cost effective and takes less time. To help suppliers build smart factories, Hyundai supports them in such areas as initial, intermediate, and final product inspection system; a lot tracking and management system; an error-proof system for their parts manufacturing plants; and digitizing their manufacturing processes.



We supported 450 companies from 2015 to 2018 to help them build smart factories. Since 2019, we have contributed KRW 5 billion every year to support about 650 companies. For the past three years, we have upgraded the program by increasing the amount of support from KRW 20 million to a maximum of KRW 100 million for each company. In 2022, we will continue to support suppliers through a separate assistance plan. Going forward, Hyundai will continue to offer its suppliers consulting services and facility investment to reduce inefficiencies in the production process, such as lead time and defect rate, while digitizing its process data to increase sales as a result.

Sharing Technology Patents

Technology sharing with suppliers is essential for Hyundai's product technology improvement and commercialization. Accordingly, Hyundai operates a free patent provision program to provide or transfer its patents to the suppliers free of charge as required by the suppliers. Patent rights are provided free of charge as follows: Hyundai shares the list of patent rights with its suppliers monthly, suppliers make application for patent rights transfer, and Hyundai offers them patent rights following reviews based on its on-site investigations and consultations. In particular, supplier applications of the transferred patent rights are shared at New Technology Exhibitions participated by Hyundai's R&D cooperation suppliers. We also contribute to improving suppliers' technological competitiveness by promoting the commercialization of the technologies transferred by Hyundai at free of charge and strengthening the win-win cooperation system.

Supply Chain ESG

Hyundai’s supply chain management strategy prioritizes its supplier’s quality, technologies, supply stability, compliance programs, and eco-friendly production systems. Based on the strategy, we evaluate and manage ESG risks that may occur in our supply chain, while offering suppliers training and other support to prevent risks in advance, aimed at building a sustainable supply chain. We operate an ESG evaluation process for suppliers to diagnose and resolve risks related to ethics, environment, labor, human rights, safety, and health that may arise in the process of procuring auto parts and raw and subsidiary materials while asking high-risk suppliers to establish improvement plans and take improvement measures. We also help suppliers strengthen their ESG capabilities so that they may secure sustainable competitiveness on the global stage. Supply chain ESG management status and related performance were reflected in the KPI of the executives in charge, and reported to the C-level leaders and Sustainability Management Committee (under the Board of Directors).

Promoting Supply Chain ESG

Supplier Code of Conduct

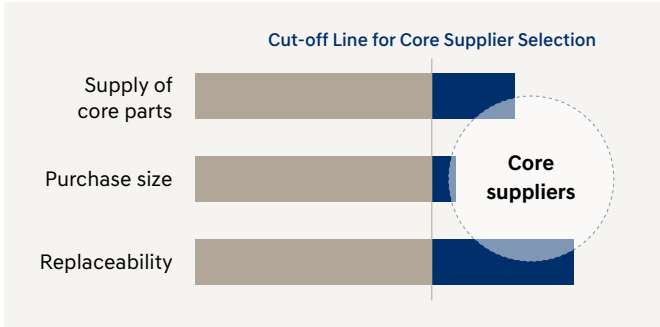
Hyundai presents the “Supplier Code of Conduct” as ESG standards that all its suppliers must comply with. The Code includes the purpose of the code, the target of application, and supplier responsibilities and roles, while presenting compliance standards in major areas of ESG such as ethics, environment, labor, human rights, safety, health, and management systems. By complying with the provisions of the Code for business decision-making and business operations, Hyundai suppliers are expected to establish a stable business relationship with it and grow into a company that is widely respected, thereby strengthening sustainability.

 [Hyundai Motor Company Supplier Code of Conduct](#)

Current Status of Hyundai Suppliers

Hyundai is trading parts with about 1,860 tier-1 suppliers worldwide, who produce parts for Hyundai not only in regions where the company runs its plants (Korea, USA, China, Europe, India, Latin America, Southeast Asia, etc.) but also in other regions. We manage the following as key suppliers – those that supply core technology parts (hydrogen fuel cell parts, battery parts, control parts, etc.) or require intensive management due to their superior technological prowess or the special characters of their parts (replaceability, etc.). As of 2021, 62 tier-1 companies and 20 tier-2 companies fall under this category. We include these suppliers in the priority group in terms of supply chain ESG as well.

Standards to Select Core Suppliers



Status of Supply Chain

	Classification	Detailed Classification	Number of Companies	Percentage of purchases
Tier 1 suppliers		Parts suppliers	1,860	100
		– Domestic	380	59
		– Overseas	1,480	41
		Core suppliers	62	65
Tier 2 suppliers		Core suppliers	20	-

Responsible Mineral Management

Responsible Minerals Management Policy

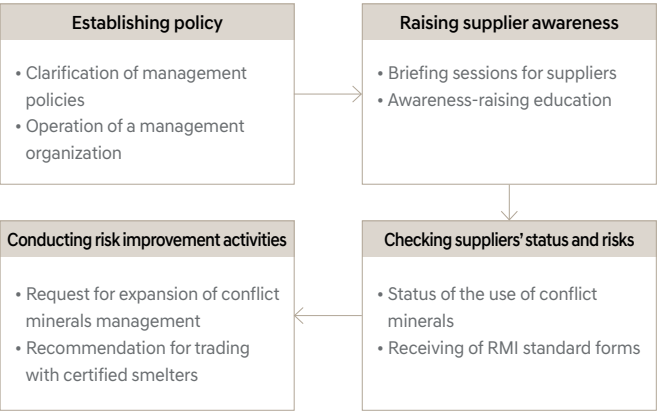
Hyundai has established a conflict minerals management system to prohibit the use of conflict minerals unethically mined in conflict zones. In accordance with the policy stipulated in the Conflict (Responsible) Minerals Report, Hyundai clearly states to inspect whether socio-environmental issues, such as human rights violations, ethical violations, and negative environmental impacts, occur when its parts contain conflict minerals (tin, tungsten, tantalum, gold) and strives to prevent the inclusion of such minerals. To minimize human rights violations and environmental destruction, it is crucial for Hyundai to establish a responsible supply chain management system and urge its suppliers to participate in it. We make every effort possible to fulfill responsibilities as a global company by actively participating in responsible minerals management for a sustainable future.

Complying with relevant laws and requirements, Hyundai continuously improves its responsible minerals management system. Hyundai’s conflict minerals (responsible minerals) policy is based on the OECD Due Diligence Guidance, the U.S. SEC’s requirements for companies in accordance with the Dodd-Frank Act, and the EU’s Conflict Minerals Regulations so that it can continue to conduct ethical and responsible management of conflict minerals and cobalt.

 [Hyundai Motor Company Conflict Minerals Report](#)

Conflict (Responsible) Minerals Management Process

Based on responsible and clear-cut policies, Hyundai runs a management process in line with the CMRT/CRT (Conflict Minerals Reporting/Cobalt Reporting Template), a standard format provided by the RMI (Responsible Mineral Initiative), and supports the OECD Due Diligence Guidance. Going forward, we will maintain a transparent and stable supply chain management system by making continuous efforts to ensure that our suppliers do business with smelters certified by the Responsible Minerals Assurance Process (RMAP).



Raising supplier awareness	Hyundai implements responsible minerals management policies, and urges its suppliers to comply with them. To this end we offer briefings/trainings to introduce responsible minerals procurement policies and raise awareness of suppliers. The Global Win-Win Cooperation Center is operating regular training courses for suppliers about our minerals management for suppliers according to the annual conflict minerals management plan, regulatory trends about conflict minerals, the introduction of RMI standard forms and the investigation plan, and the need to expand transactions with RMAP-certified smelters in a bid to raise awareness of the conflict minerals management.
Checking suppliers' status and risks	Hyundai requests CMRT/CRT data from its suppliers and conducts necessary monitoring continuously regarding their use of illegal or unethically mined/ distributed 3TG (tin, tantalum, tungsten, gold) conflict minerals and cobalt from conflict zones in 10 African countries (Democratic Republic of Congo, Rwanda, Burundi, Sudan, Angola, Uganda, Zambia, Central African Republic, Congo, Tanzania). It also checks the status of RMAP transactions based on CMRT/CRT data submitted by its suppliers.
Conducting risk improvement activities	Hyundai provides training to alleviate conflict minerals risks in its supply chain and to raise supplier awareness. We have also enacted the “Conflict (Responsible) Minerals Report” and the “Supplier Code of Conduct”. We work together with suppliers to minimize negative impacts on society and the environment by human rights violations and environmental destruction, which may occur during the mineral extraction process. It establishes an annual conflict minerals management plan to monitor the use of conflict minerals and smelters, recommending that all suppliers trade with RMAP-certified smelters. Further, Hyundai continuously strives to expand the implementation of its mineral purchasing policies by its suppliers' supply chains as well.

Supply Chain ESG Evaluation System

Supplier Risk Diagnostic Indicators

Hyundai has run a 5-star evaluation system (quality/technology/delivery/win-win cooperation) to secure the desired quality and safety of products and services and bolster fair trade and win-win cooperation between parts companies (tier1, tier-2, etc.), accumulating plenty of know-how in supply chain management.

Meanwhile, in relation to the supply chain ESG, Hyundai operates an ESG evaluation system to diagnose and resolve ESG risks that exist in its supply chain so that it can operate a sustainable supply chain beyond the existing concept of CSR. To this end, it has developed supplier ESG evaluation indicators for major ESG issues such as ethics, environment, labor, human

rights, safety, health, and management system, based on domestic and foreign laws and regulations, the OECD Due Diligence Guidance, the Responsible Business Alliance, and major initiatives in the automotive industry (Drive Sustainability, etc.) to achieve more accurate supply chain ESG diagnosis and make necessary improvements.

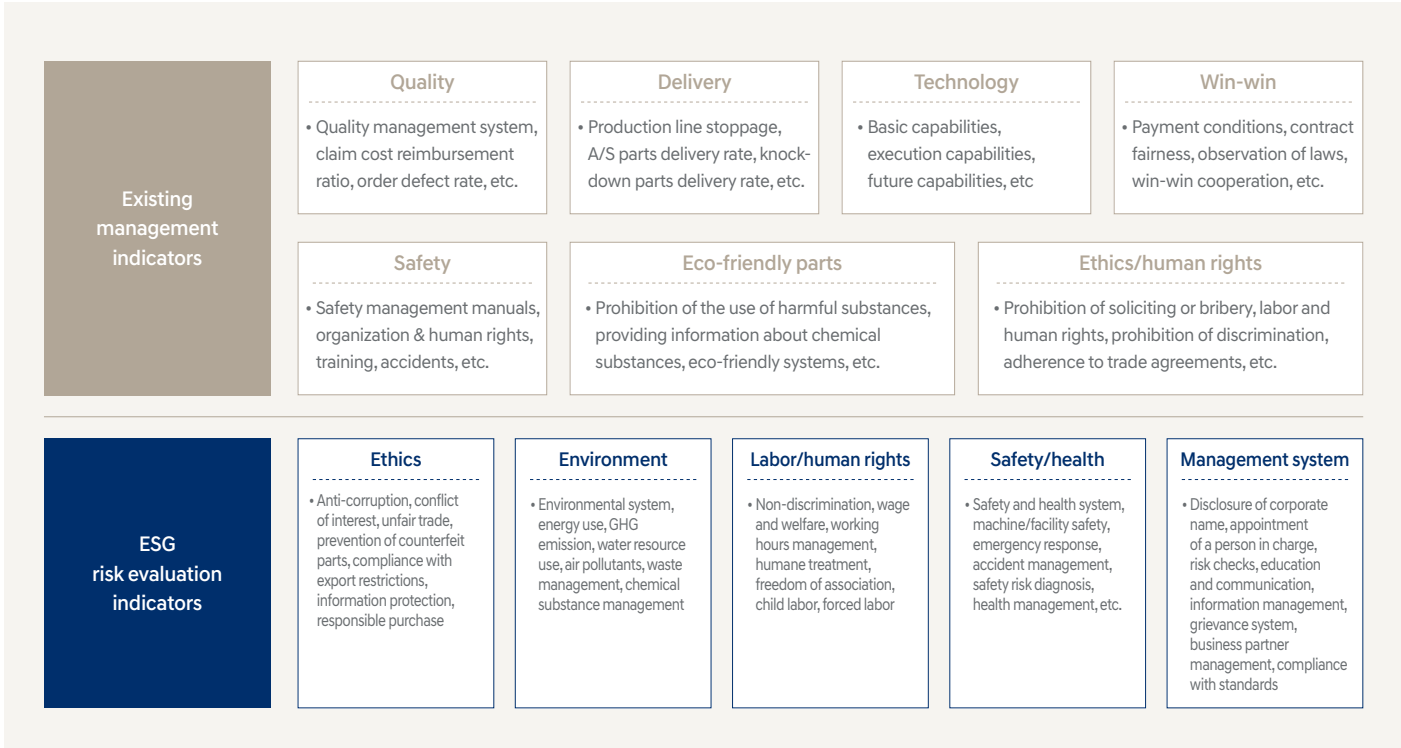
Written assessment

Hyundai conducts ESG risk assessments for its tier-1 and tier-2 core suppliers who must respond to each evaluation index and submit related evidence (data, content, etc.). The information entered by suppliers serves as basic data for identifying supplier ESG risks and classifying/managing high-risk suppliers.

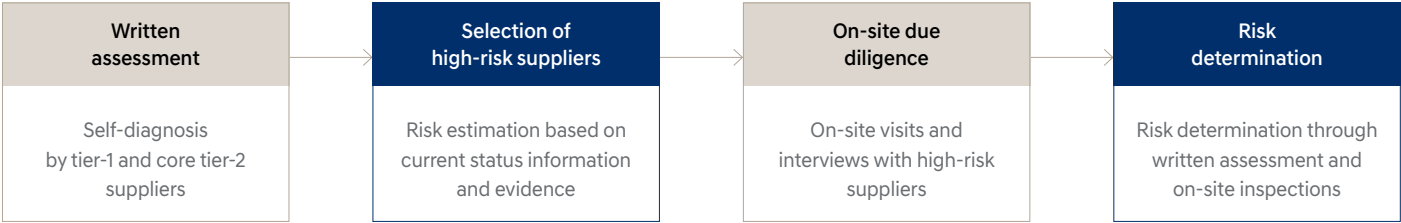
On-site Inspection of High-Risk Suppliers Risks

Following the analysis of assessment results, Hyundai and a third party (evaluation agency) visit the sites of the suppliers with high or potential ESG risks to verify the assessment results. In addition to on-site due diligence, the visit also serves to identify risks that could not be identified through written assessment. In addition, when visiting the site, the evaluation agency provides a consulting service to suppliers by suggesting improvement directions appropriate to supplier situations.

Composition of Supplier Risk Diagnostic Indicators



Diagnosis and Due Diligence Process for Suppliers' Risks



Results of Supplier Risk Assessment in 2021

	Classification	No. of companies	Remarks
Written assessment	Tier-1 suppliers	380	-
	Core tier-1 suppliers	62	-
	Core tier-2 suppliers	20	-
Selection of high-risk suppliers	Tier-1 suppliers	10	2.6% of those subject to written assessment
	Core tier-1 suppliers	10	16% of those subject to written assessment
	Core tier-2 suppliers	0	-
On-site due diligence	Suppliers subject to on-site due diligence	10	All high-risk suppliers
Improvement measures by high-risk suppliers	Suppliers that established improvement plans and completed the implementation	19 ¹⁾	All high-risk suppliers

¹⁾ Including 10 high-risk suppliers from ESG risk assessment and 9 high-risk suppliers from safety risk inspection other than ESG risk assessment

Risk Determination and Improvement

Hyundai conducts on-site due diligence on core suppliers and high-risk suppliers identified through the supplier ESG evaluation. For high risks, we demand the establishment of improvement plans and their immediate implementation. Hyundai continuously strengthens monitoring of supply chain ESG risks by expanding the number of suppliers subject to ESG evaluation and on-site due diligence. Furthermore, the 5-Star Win-win Cooperation System launched in 2019 has been conducting tier-1 suppliers' risk assessment every year, and its result has been reflected in the supplier selection process.

Helping High-risk Suppliers Make Improvement

Hyundai helps suppliers better manage ESG risks based on the diagnostic results in the areas of safety, health, and environment, where suppliers might be particularly vulnerable, in addition to ESG risk assessment outcomes. To strengthen suppliers' safety and health management, we conduct thorough inspection with in-house safety and health experts for 140 vulnerable suppliers; and distribute safety and health management guides, share best practices, hold seminars on the latest trends in safety and health, and offer three-hour education. In addition, to prevent environmental risks that its suppliers may face in the course of business operations, we support them in terms of the prohibition of the use of hazardous substances in the production process and parts and the registration of hazardous substances with the International Material Data System (IMDS).

Sustainability Improvement Goals for Supply Chain

Hyundai's supply chain management strategy prioritizes the establishment of the suppliers' criteria for quality, technology, supply stability, fair trade compliance, and an eco-friendly production system. Based on the criteria, we have established and manage goals for supplier safety and health, environmental management, and ESG risk assessment with an aim to improve ESG capabilities of the supply chain.

First of all, we help them to acquire certification from the safety and health management system (ISO 45001, formerly OHSAS 18001) and the environmental management system (ISO 14001, etc.) so that they can systematically manage fires, explosions, occupational accidents, spills of pollutants, damage to natural capital, etc. In addition, we distribute various safety and environmental guidelines to suppliers so that they can manage their own safety and environment. We also conduct safety and environmental inspections based on the guidelines to supervise the implementation status of their safety and environment management plans. For suppliers that have caused serious occupational accidents or environmental disasters in spite of these efforts, we impose penalties when renegotiating with them. Those whose business relationship has been suspended are allowed to resume business with Hyundai only after obtaining safety/environmental certification.

In addition, we conduct ESG risk assessments for suppliers every year to manage ESG risks that may arise from suppliers in the fields of ethics, environment, labor/human rights, and safety/health. Starting from 2022, we have expanded our evaluation target to all tier-1 suppliers, paving the way for supplier ESG evaluation to play a bigger role in addressing ESG risks involved in supply chain.

Supply Chain Sustainability Goals

Classification	Performance			Goal
	2019	2020	2021	
Acquisition of the certification for environmental management system by tier-1 suppliers	87%	91%	92%	100% by 2024
Expansion of tier1 suppliers ESG risk assessment range	-	20%	20%	100% by 2024
Support safety device installation to prevent suppliers' accident	-	-	New project	100% by 2024

Support for Field Trips to Outstanding Suppliers in Safety and Health

After identifying outstanding suppliers in safety and health management, Hyundai has conducted field trips to their workplaces with the supplier's safety executives and officers. We have provided them with an opportunity to apply the best practices based on their improvement directions established according to their unique circumstances.

Safety and Health Improvement Process for Suppliers

Pre-preparation for on-site inspection of suppliers
Preliminary identification of safety and health level

Externally-commissioned inspections

The lowest 50 suppliers in the preliminary identification

Joint inspection by Hyundai's purchase/safety organizations

The lowest 30 suppliers in the preliminary identification

Remedial action and monitoring

Additional on-site evaluation of suppliers with insufficient improvement records



Top 5 priorities in supply chain management strategies

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
- Compliance efforts
- Win-win cooperation (support for win-win growth)

Eco-friendly production system

- Eco-friendly production system
- Energy consumption management
- Air pollutant management
- Waste management
- Hazardous chemicals management

Customers

Product Quality Innovation

Hyundai aims to achieve “zero accidents”, protecting drivers, passengers, and pedestrians, based on its quality philosophy of “producing defect-free vehicles that will never break down” backed by cutting-edge safety technologies. To this end, we continue upgrading overall quality and safety systems not only by promoting preemptive quality and safety measures from the vehicle development stage, but also by preventing any significant problems afterward through early detection, early improvement and early after-sales actions. In particular, we will establish a sustainable safety management system designed to maximize customer satisfaction and strengthen trust by developing quality and safety training programs, operating quality and safety reporting centers, analyzing safety information, and establishing safety test sites.

Product Quality Management

Establishing Quality Management System

Hyundai seeks to create “customer safety” values by securing leading quality standards in the global market and strengthening quality management through technical preventive quality activities, among other initiatives. We have established a company-wide integrated quality management system to satisfy customers’ diverse quality and safety requirements, while each of our production sites operates their own quality management system to promote thorough quality control in all processes, including automobile design, parts development, process operation, pre-mass production, and mass production.

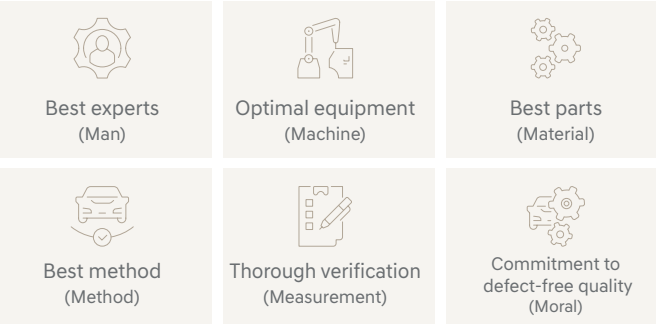
Quality Management Standards and Techniques

Hyundai has introduced and applied quality management techniques to strengthen its market competitiveness on the basis of “defect-free quality”. Our quality management techniques, aimed at providing customers with vehicles of the very highest quality in all fields, such as R&D, production, sales, and services, are supported by the best experts in each field (Man); optimal equipment (Machine); the best parts (Material); the best method (Method); thorough verification (Measurement); and commitment to defect-free quality (Moral). Moreover, in order to actively respond to the global shift toward electrification, we have established and applied specialized quality management standards and criteria for each type of vehicle including hybrids, EVs, and hydrogen EVs. We also make continuous efforts to upgrade quality management standards and criteria based on the data collected and analyzed in quality risk management processes, such as quality checks, case studies, and improvements.

Establishment of the Quality Management System (ISO 9001)



Quality Management Techniques to Produce Vehicles of the Highest Quality



Preemptive Management of Quality Risks

From the early design stage of new vehicle development, Hyundai preemptively inspects and manages parts suppliers as well as its own production process quality. Based on product drawings, we conduct a comprehensive review of parts in terms of functions, structures, reliability, and durability, while carefully analyzing our own processes and those of suppliers before issuing the final approval, thereby eliminating quality risks throughout production processes in advance. In addition to our own verification of test vehicles, Hyundai relies on the test drive opinions of customers and professional quality organizations to identify major issues and carry out improvement activities in parallel. Moreover, Hyundai holds quality inspection meetings on regular basis, and in particular, on the verge of new car models’ mass production, reports the quality risk assessment results and taken measures to the highest level of management.

Quality Risk Assessment – Identification and Improvement

Hyundai has established a control tower devoted to the management of vehicle quality risks in the production process. Whenever a quality risk is detected from information acquired through statistical process control, periodic inspections, and shipment pass rates, the control tower takes the lead in conducting joint investigations and taking the necessary countermeasures. Also, in order to prevent quality risks from occurring in the vehicle production process, we take thorough preventive measures, such as process management by suppliers, assessment of quality prevention activities, validation of quality inspection equipment, and reliability testing of parts.

Quality Mindset Campaign

Hyundai is carrying out the “Quality Mindset Campaign” with the purpose of spreading a quality culture throughout its entire car development, production and sales processes, while its employees internalize the quality-first mindset. The campaign serves as an opportunity for the company



Quality Mindset Campaign



Training aimed at strengthening quality verification capabilities



to listen directly to voice of customers (VOCs) on quality issues through various initiatives including “Customers’ Quality Diagnosis and Employees’ Input”, “Meetings between Customers and Employees”, and “On-site Meetings between Customers and Production Quality Officers.” Based on the VOC, Hyundai is conducting the New Vehicle Quality Assurance Program, among others, as a way to deliver products of perfect quality to its customers. We will continue to promote various quality improvement activities by promoting close communication with customers and their active participation.

Strengthening Quality Verification Capabilities

Hyundai provides annual training on the roles and major tasks involved in securing its pre-manufacturing quality, manufacturing quality, and market quality as a way to strengthen the verification capability of its overall quality value chain. To maximize the effectiveness of verification through enhanced verification capacity, each course includes not only basic theoretical education but also practical and experience-oriented education if necessary. In addition, 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.

Courses to Strengthen Quality Verification Capabilities

- Period: January - December 2021
- Participants: 1,086 people
- Courses: Controller quality verification expert training course (introduction to and analysis of the controller SW testing and the vehicle communication system, introduction to vehicle control system, etc.), vehicle vibration and noise theory and practice, automotive structures and disassembly and assembly, major ADAS technologies, introduction to EV battery systems, etc. (529 quality related courses are offered on “Learning Lounge”, available for all employees)

Quality Assurance and Management

Hyundai strives to enhance its quality assurance and management for the safety and protection of customers after product sales as well as quality management from vehicle development to production, thereby ensuring safety of customers and happiness of their families. In addition, we take quality improvement measures aimed at boosting customer satisfaction by identifying customers' specific complaints, while continuously reinforcing maintainability by evaluating the consistency of maintenance services and improving diagnosis methods, among others.

Blue Basic Inspection

Hyundai provides a free basic inspection service to Bluemembers customers to keep their vehicles in top condition – 8 times in 8 years for passenger vehicles, 7 times in 3 years for commercial vehicles. The basic inspections cover the engine room, the undercarriage and general inspections essential for customers' safety and convenience.

Warranty Repairs

Hyundai provides warranty repairs for vehicles that are within the warranty period within the scope of warranted mileage. If the cause of the vehicle's failure is technically found to be due to a defect in materials or workmanship, the vehicle may be subject to warranty repairs.

Emergency Road Service

Hyundai operates an emergency road service that offers on-site first aid, simple maintenance, and transportation to a designated repair shop in the event that a vehicle breakdown makes it difficult or impossible to drive. The emergency service is provided free of charge for up to six years after the shipment of vehicles within the warranty period.

Warranty Period for Free Repairs

Hyundai applies the free repair warranty period in consideration of the average life cycle, durability, and sustainability of each type of vehicle, such as passenger cars, SUVs, and commercial vehicles (trucks and buses). Recently, it has introduced a service that allows customers to select the warranty period according to their own driving patterns and habits. In particular, we maximize the sustainability of eco-friendly vehicles by extending the warranty period for the engine and power transmission parts of hybrids, EVs and hydrogen EVs. We are also contributing to minimizing air pollutant emissions with guarantees for catalyst devices, electric control devices, and other exhaust gas parts of older high-emitting models.

Voluntary Recall

Hyundai constantly monitors customer complaints and voluntarily recalls all the relevant vehicles to protect customers as soon as manufacturing defects assessed as highly likely to cause accidents are identified. When a vehicle recall is determined, we inform customers of the defects, corrective actions, and compensation including free service. We are also expanding sales guarantee provisions to proactively manage financial risks caused by recalls and quality assurance.

Warranty for Eco-friendly Car Engines and Power Transmission Parts

Classification	Model name	Warranty period
Hybrid exclusive parts	Grandeur Hybrid, Sonata Hybrid, IONIQ Hybrid, IONIQ Plug-in, AVANTE Hybrid	10 years / 200,000 km
EV exclusive parts	IONIQ Electric	10 years / 160,000 km

Voluntary Recall Status

(Unit: 10,000 units, KRW million)

	2018	2019	2020	2021
No. of recalled vehicles	157	196	623	272
Costs of recalls	170,700	78,000	305,200	1,442,300

Warranty Provisions

(Unit: KRW million)

	2018	2019	2020	2021
Provision warranty balance at the beginning of the period	5,226,297	5,177,128	5,447,307	8,514,173
Warranty costs during the period	1,765,815	2,261,010	1,963,782	2,551,716

* Based on consolidated financial statements

Product Safety Technology

Prevention of Safety Accidents

Advances in mobility, electrification, connectivity, and autonomous driving have expanded the purpose of automobiles from “transportation” to “space”, reflecting the latest changes in contemporary lifestyles, and expanding the scope of safety far beyond what was accepted as sufficient. Hyundai introduces advanced safety technologies that can not only prevent accidents from taking place in the first place but also protect occupants and pedestrians from potential dangers in advance. In addition, to respond to secondary accidents which may occur due to the diverse variables involved in primary accidents, we introduce new technologies in driver and occupant monitoring, response to hazardous environments, boarding and alighting safety, and remote vehicle management.

Multi-Collision Brake

The multi-collision brake reduces multiple collisions, such as secondary accidents, by operating the appropriate braking function on the vehicle when the airbag is activated during an accident involving a head-on or side collision. The system goes beyond the conventional accident avoidance or prevention features, as it conducts a post-accident assessment and protects not only the driver and passengers but also the surroundings of the accident vehicle.

Advanced Driver Assistance System

The advanced driver assistance system recognizes objects and movements with advanced sensors, cameras and radar, and warns the driver or controls the vehicle when a risk of collision is detected. Technically, the current system can maintain the proper distance from the vehicle in front and reduce speed by recognizing traffic cameras and signs.



Multi-collision prevention automatic braking



Multi-collision airbag system



Active hood system

Key Features of the Advanced Driver Assistance System

Forward Collision-Avoidance Assist	Give warning the risk of a forward collision or automatically assists with braking if a preceding vehicle rapidly decelerates or a vehicle or pedestrian appears in front
Lane Keeping Assist	Give departure warning or automatically provide steering assistance if a driver leaves the lane without operating the turn signal while driving at a certain speed or more
Blind-Spot Collision-Avoidance Assist	Give alert when there is a risk of collision with a vehicle behind while driving, and automatically assist with braking when there is a risk of collision with a vehicle nearby while reversing out of a parking space

Redundancy System

As driver intervention is being reduced according to the development of autonomous driving technology, it is essential to secure precise safety technology in preparation for emergency situations. Hyundai has developed an autonomous driving redundancy system that ensures the safety of passengers by safely driving and stopping the vehicle when a system failure is detected during autonomous driving. Redundancy refers to a dual configuration of steering, braking, power, and communication. When a function does not work properly, the redundancy system helps the vehicle to run smoothly and safely by replacing it with an assistive device. In addition to the redundancy system, Hyundai plans to develop an autonomous vehicle with high safety and reliability by integrating enhanced vehicle cyber security features and camera and lidar sensor pollution prevention technologies. By 2023, we will introduce a ride-hailing service using autonomous vehicles such as the IONIQ 5 robot, while expanding the autonomous driving ecosystem in cooperation with vehicle sharing platforms.

Driver Protection

While it is important to prevent accidents caused by vehicle driving through multi-collision prevention automatic braking, advanced driver assistance, and autonomous driving redundancy systems, devices designed to protect drivers and passengers in the event of an accident also play a crucial role. Hyundai ensures the safety of drivers and passengers by researching and developing devices that strengthen/utilize vehicle platform functions, apply collision prevention/mitigation technology, and reduce the rate of injury in the event of an accident. To help drivers make safe driving a habit, we run various programs such as the “Safe Driving Habit Guide Broadcast”, “School Vehicle Safe Driving Campaign”, and “Connected Car Safe Driving Insurance Discount.”

Multi-collision Airbag System

The multi-collision airbag system developed by Hyundai for the first time in the world precisely calculates a number of conditions such as the occupant's unstable posture and speed when the impact is so weak that the airbag does not deploy in the first collision. Improvements have been made to lower the force of the baseline impact or adjust the timing to activate the airbag more easily and quickly in crashes.

Third-generation Integrated Platform

The vehicle platform is an important factor that determines the basics of a car, such as design, driving performance, safety, and interior space. The third-generation integrated platform developed by Hyundai can secure interior space, enhance safety such as by maximizing the strength of passenger space, improve energy efficiency such as power/fuel efficiency, and realize stable driving performance in the driving environment.

Features of Hyundai’s Third-Generation Platform

Space-Securing Platform	Safety-First Platform	Energy-Efficient Platform	Stable Driving Performance
Engine room, seating, underfloor, luggage space, etc. have all been lowered	Rearranged body structure for dispersing energy during a collision	Reduced air resistance by positioning underbody lower and flattening it	Handling and stability nimbly responding to driver's intention

Models by Platform Type

Classification	K3 Platform	M3 Platform	N3 Platform
Applied car models	AVANTE	G80, G90, GV70, GV80	STARIA, SONATA, TUCSON

Pedestrian Protection

Hyundai is also taking the lead in developing technologies that can protect pedestrians in the event of a vehicle accident. We have developed and applied various technologies to mitigate the impact in the event of a collision with a pedestrian by improving the shape of the vehicle and the structure of the engine room, or to detect the moment of collision with a pedestrian and absorb the collision energy of the pedestrian by operating the hood, etc. We are also striving to develop technologies to identify pedestrians based on camera and LiDAR sensors and to prevent collisions between pedestrians and vehicles in advance by operating safety systems such as the active brake system.

Active Hood System

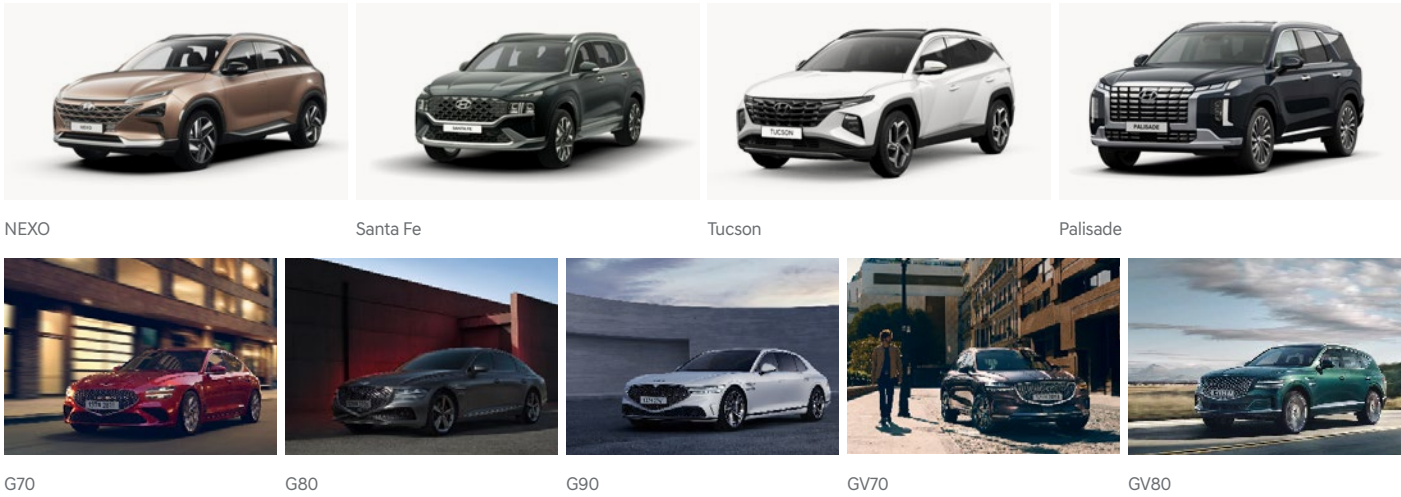
Hyundai's active hood system detects a collision with a pedestrian and raises the bonnet to protect the pedestrian. In the event of a collision between a pedestrian and a vehicle, the actuator under the bonnet moves, raising the bonnet by about 6 cm, and creates a shock-absorbing space between the bonnet and the engine room, thereby greatly reducing the degree of injury to pedestrians.

Automotive Safety Assessment

2022 IIHS Safety Assessment

On February 24, 2022, Hyundai won a “Top Safety Pick Plus (TSP+)” rating for nine car models and a “Top Safety Pick (TSP+)” rating for four models in the crash safety evaluation conducted by the Insurance Institute for Highway Safety (IIHS) of the USA. The IIHS conducts a comprehensive evaluation of the collision stability and collision prevention performance of vehicles launched in the US market every year, giving the vehicle with the highest level of safety the TSP+ rating and a vehicle with a good level of safety the TSP rating. The IIHS safety assessment covers collision impacts on the driver-side small overlap front, passenger-side small overlap front, moderate overlap front, and sides, along with an evaluation of roof strength, head restraint, forward collision avoidance system (vehicle-to-vehicle, vehicle-to-pedestrian), and headlamps.

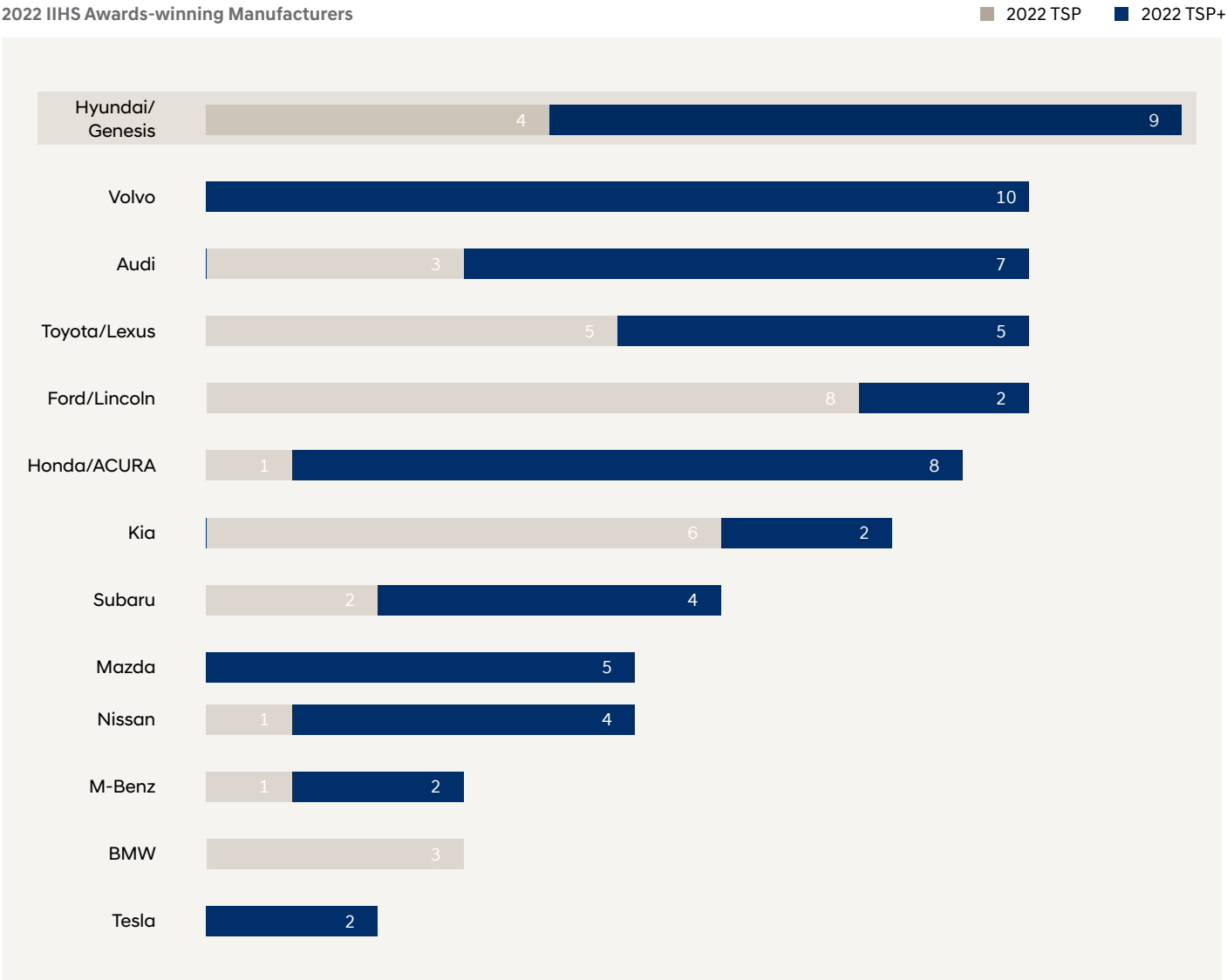
Hyundai’s Nexo, Santa Fe, Tucson, Palisade, and Genesis G70, G80, G90, GV70, and GV80 won the TSP+ rating, whereas Venue, Santa Cruz, Sonata, and AVANTE (US local name Elantra) received the TSP rating. Having once again proved the outstanding safety of Hyundai and Genesis through the results of the comprehensive IIHS crash test, Hyundai will uphold its commitment to be a brand that always puts customer safety first.



Winners of 2022 IIHS Safety Assessment

Classification	TSP	TSP+
Hyundai	Venue	NEXO
	Santa Cruz	Santa Fe
	Sonata	Tucson
	AVANTE (Elantra)	Palisade
Genesis	-	G70
	-	G80
	-	G90
	-	GV70
	-	GV80

2022 IIHS Awards-winning Manufacturers



* Based on the assessment results revealed on February 24, 2022

Customer Experience Innovation

Hyundai aims to become a beloved and trusted company by realizing mankind’s dream of “safe and free movement and a peaceful life” and sharing the fruits of its success with all customers around the world. While providing a valuable mobility experience by connecting various technologies and infrastructures and creating synergies, we are strengthening our service mindset of thinking from customer’s perspective, upgrading service quality to provide new solutions ahead of customer needs, and fulfilling customers’ need for eco-friendly, public interest value consumption in conjunction with its brand vision. We always care about customers and listen to their voices by having more dialogue with them.

Maximizing Customer Satisfaction

Promoting Global Service Strategy

In the mid- to long-term perspective, Hyundai is striving to provide optimized service programs for each segmented customer type, diversify its service bases so that customers can enjoy services anytime, anywhere, and realize a differentiated digital customer experience process throughout its after-sales service. To this end, we help our overseas subsidiaries, sales corporations, and newly established enterprises in particular to establish the direction of their customer service strategies. In line with our mid- to long-term electrification roadmap, we will set up an EV service model and continue to strengthen customer support so that EV users will not experience any inconvenience while driving, by optimizing its EV-devoted vehicle management, vehicle charging, and repairs of high-voltage batteries.

In 2021, we integrated passenger and commercial business divisions as part of function-oriented reforms, and are now striving to strengthen global passenger and commercial customer service, while also creating synergies through the reorganization. During the prolonged COVID-19 pandemic, we offered customer care tailored to the unusual circumstances, including non-face-to-face mobile vehicle repairs and proliferation of communication based on mobile apps and messenger services. Going forward, we will further advance global customer management with customized strategies that fully consider the characteristics of regional markets and the expectations of local customers.

Applying the Customer Service Standard Guide

As part of its efforts to continuously promote activities designed to improve customer satisfaction, Hyundai has launched a company-wide control tower to innovate customer experience and published the “Customer Service Standard Guide” based on the order of the customer service that they receive during the vehicle purchase process. The guide presents clear-cut instructions on customer response actions so that employees working in Hyundai’s customer contact channels can focus on key interaction elements and offer a uniform and excellent service at customer contact points.



Convergence Training for the Sales Sector Service

Hyundai has established an ICT-based convergence education system in order to bolster the competency of its employees in customer contact channels such as vehicle sales and product CS, and has also conducted knowledge-enhancing training on vehicles (electric vehicles, luxury vehicles) and customer consultation (CRM, CS) skills improvement training in an effort to nurture experts in vehicle sales, customer interaction, and customer service. As a result of its operation of the convergence education system for customer service in 2021, Hyundai’s customer satisfaction score (KCSI) increased by 1.0 point over the year.

Excessive Maintenance Prevention Program

Hyundai runs the “Excessive Maintenance Prevention Program” to prevent damages caused by the excess-provision or overcharging of services by the company and offer customers effective compensation in the event of damages. The program has further raised customer trust by reinforcing advance guidance on vehicle repair history and providing compensation of up to 1,000% for overcharged repair costs. In addition, we impose penalties on maintenance suppliers that charge excessively for repair costs in a bid to put a stop to their overcharging practices and restore the trust of customers.

Results of External Customer Satisfaction Surveys

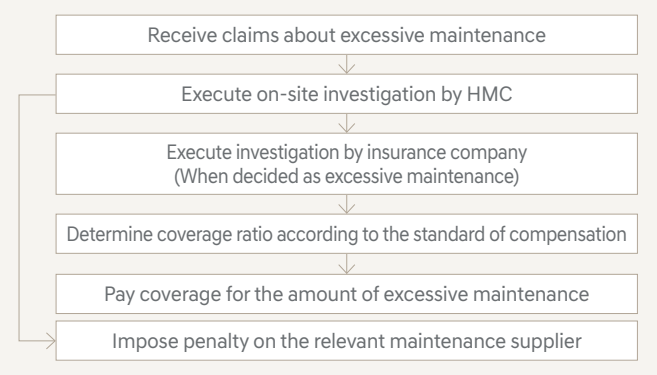
 National Customer Service Index (NCSI)	Evaluate customer satisfaction level by customer expectation, customer quality perception, customer value perception, customer complaint, and customer loyalty (may compare by nation, industry, and business)	Ranked first in five categories Semi-Medium, Medium, Semi-Large, Large, and RV
 Korean Standard-Quality Excellence Index (KS-QEI)	Evaluate quality excellence and satisfaction level by conducting survey to customers and experts	Ranked first in 12 categories Semi-Medium/Large/ Semi-Medium Passenger Vehicles, Compact/Semi-medium/Medium/Large SUVs, EVs, After-sales service, etc.

 Korean Customer Satisfaction Index (KCSI)	Comprehensively evaluating overall consumer's satisfaction level on product and service by industry, satisfaction by item, and willingness to reuse (purchase)	Ranked first in passenger vehicle and RV categories
 Korean Standard-Service Quality Index (KS-SQI)	Comprehensively evaluating the fulfillment of customer expectation, offering of additional services, as well as reliability, attentiveness, activeness, and accessibility in service process	Ranked first in after-sales service category

Convergence Education System for the Sales Sector Service





Establishment of ICT-based educational facilities and learning environment			
Participated by 6,515 car masters as of 2021			
Enhancement of vehicle (product) knowledge		Enhancement of customer consultation skills (CRM, CS)	
Customer Satisfaction Level in Passenger Vehicle Category (KCSI) (Unit: Points)			
	2019	2020	2021
Score	89.9	91.8	92.8

Excessive Maintenance Prevention Program



Building Service Bases

Hyundai has built service bases which customers can easily and conveniently access anytime, anywhere for not only its maintenance services but various other differentiated services as well. As of the end of 2021, we ran approximately 1,400 service bases composed of direct service centers and official service suppliers (Bluehands) nationwide, in addition to some 370 Bluehands dedicated to EVs and some 500 Bluehands dedicated to Genesis.

Service Brands	
Bluehands	This network of Hyundai's official service suppliers is dedicated to improving the environment to enhance customer safety and convenience, as well as providing services at the place closest to the customers.
	
Bluemembers	This service for Hyundai owners provides customers with a fun and convenient vehicle service.
	
Blue Link	Hyundai's connected car service provides support to customers in remote vehicle control, safety and security, vehicle maintenance, route guidance, and concierge services.
	
	

We will open approximately 120 additional EV-dedicated Bluehands and build an EV maintenance infrastructure for some 500 EVs by the end of 2022, with the aim of making EV maintenance possible at all Bluehands across Korea by 2025, and securing up to 200 Bluehands dedicated to FCEVs.

Service Programs in Korea	
Visiting Before Service	Visit a location designated by a customer and provides vehicle maintenance and advice and assistance
Emergency Charging Service	Provide 7 kWh worth of free EV charging for stranded drivers, enough for 22-44 km of driving
Home-to-Home Service	Pick up vehicles where and when designated by customers and deliver them after repairs are made
Car Rental Service	Provide car rental service for customer convenience when repairs are needed during the warranty period
 Special Services for Genesis Car Owners	
Genesis Butler Service	Exclusive butler service for Genesis customers
Genesis Visiting Auto Care Service	Visit any location that customers desire and provide a replacement service for engine oil and other consumables
Genesis Airport Service	Provide Genesis customers using Gimpo International Airport with free car valet services, consumables replacement services while traveling
Genesis Home-to-Home Service	A home-to-home service, free of charge, as part of Genesis Mobility Care service

Strengthening Technical and Maintenance Capabilities of Service Bases

Hyundai makes continuous efforts to build customer trust in service quality by strengthening technical and maintenance capabilities of its directly-operated service centers and Bluehands. We aim to train the best engineers who can comprehensively deal with minor problems that may occur in vehicles, in addition to training engineers at service bases to enhance their basic competencies. We continue to upgrade maintenance manuals and vehicle manuals used by service bases, while holding regular workshops to share knowledge on technology and maintenance.

Hyundai Master Certification Program

Hyundai operates the Hyundai Master Certification Program (HMCP), a technology certification program, to nurture outstanding Bluehands engineers. For the HMCP expert qualification, Hyundai evaluates its engineers' technical capabilities in nine areas, including vehicle convenience devices, advanced driver assistance systems, audio/video/navigation systems, engines, vehicle communication, hydrogen EVs, EVs, hybrids, and Genesis-specific specifications. According to the outcome of evaluations, we issue four grades of qualifications – Levels 1 and 2 (Technician), Level 3 (Master), and Level 4 (Grand Master). In 2021, we held the “Grand Master Tech Festa” and awarded the HMCP level-4 qualification to 17 engineers.

Hyundai Master Certification Program Electrified

Based on the training and evaluation experience of HMCP, Hyundai has introduced Hyundai Master Certification Program Electrified (HMCPe) in a bid to further improve the quality of EV maintenance services and strengthen customer engagement. Through HMCPe, we secure expertise in EV diagnostics and repair technologies as a way to proactively provide customers with safe and professional maintenance in the most convenient way possible. In March 2022, we awarded the e-Master qualification to 2,032 engineers in recognition of their ability to perform independent electrification diagnosis and repair and conduct high-level work among HMCP grand masters of Bluehands nationwide.

Maintenance Manuals and Vehicle Manuals

Hyundai publishes vehicle maintenance manuals and electronic circuit diagrams, and distributes them to its directly-operated service centers, Bluehands, and individual car owners who can carry out repairs by themselves. After signing up to the domestic technical information website (gsw.hyundai.com), users can check electric circuit diagrams, diagnostic guides for each code, body manuals, maintenance manuals, wiring connectors, disassembly and assembly information, and individual product information. They can also move to the Hyundai MOBIS genuine parts inquiry site to obtain essential information on necessary parts. Hyundai will continue making its maintenance and vehicle manuals easily accessible to customers so that they can receive after-sales services quickly and accurately while reducing their vehicle maintenance costs.

Training Support for Bluehands Maintenance Personnel

Hyundai nurtures outstanding maintenance personnel in collaboration with vehicle maintenance educational institutions such as colleges and technical training institutes. The institutions offer technical education in various fields related to vehicles, such as vehicle maintenance, body repairs, and repair devices, while the company offers them support in the form of maintenance instructors, training vehicles, and textbooks. We also offer opportunities for talented people to be recruited by Bluehands.

Sustainable Brand

Brand Management System

Hyundai has built and operated a comprehensive brand governance system to enhance its corporate and product brand values, thereby managing its brands systematically. It has also established a brand strategy system that enables it to communicate consistently under the same direction, as well as a brand and trademark system for vehicles, technologies, and services called “Brand Architecture”. In addition, we have published the “Brand Image Guidelines” to specify visual implementation plans for our brands, which have been shared and observed by all departments.

While operating the Brand Management System (BMS) to raise the effectiveness of the brand strategy system, brand architecture, and brand image guidelines, we created the “Brand Home”, an in-house portal website, and established a help desk called “Brand Desk” to improve the quality of the company’s brand-related productions across all sectors.

Brand Tracking Study

Hyundai conducts the Brand Tracking Study (BTS) to track brand indicators in 33 major countries (sales markets). To measure (potential) customers’ awareness, understanding, and preference for Hyundai brands, we analyze indicators in such categories as the price, performance, quality, and eco-friendliness of each brand. In addition, by promoting global brand monitoring activities consisting of regular inspections of the application of its brands and trademark images, we ensure that company-wide brand/trademark strategies, systems, and guidelines are strictly applied worldwide.

BTS Indicators

Price	Customer acceptance of Hyundai vehicle prices compared to competitors' (based on a price perception survey)
Performance	Combined score of high-tech competence, design competence, etc. compared to the market average of 100 points
Quality	Combined score of good value, care-free ownership, service quality, etc. compared to the market average of 100 points
Eco-friendliness	Combined score of environmental friendliness, social responsibility, etc. compared to the market average of 100 points. Categorize and analyze green vehicles on aided awareness, brand perception, etc.

Brand Image Enhancement and Evaluation

In addition to the “brand value enhancement” marketing activities Hyundai carries out in connection with transition to a company specializing in smart mobility solutions, we aim to further enhance our brand image by conducting brand campaigns and communication activities that reflect sustainability efforts in eco-friendliness and public interest; reinforcing sales network efficiency centered on high-quality dealers; conducting online marketing in areas where COVID-19 remains prevalent; and promoting CSV activities to solve the problems currently facing the global community. In addition, after conducting brand image enhancement activities, we evaluate their contributions in the areas of corporate value, sales, and customer satisfaction.

“for Tomorrow” Global Project

Hyundai is running the “for Tomorrow” project in partnership with the United Nations Development Programme (UNDP) for a sustainable future. It is a “crowdsourcing” type of project that finds and implements solutions by gathering the collective intelligence of people from all over the world with the aim of creating a better tomorrow and solving global problems in the areas of transportation, housing, and the environment. Through the “for Tomorrow” project, Hyundai will continue to promote our brand vision, “Progress for Humanity”, and contribute to developing solutions that can help create a better tomorrow for humanity. Anyone around the world who wishes to participate in creating a better future can freely propose ideas through the “for Tomorrow” project platform at www.fortomorrow.org.

Hydrogen Campaign

The world is envisioning a future in which all forms of transport and technology are operated in a carbon-free, sustainable way. In order to realize the carbon neutrality agreed upon by the global community, the transition from fossil fuels to renewable energy is inevitable. Hyundai will achieve carbon-free green hydrogen production and conversion in its production processes as a way to compensate for instability in the supply of renewable energy. We are committed to building a hydrogen EV and hydrogen energy brand through internal and external communication, and by encouraging the entire global community to participate in the realization of carbon neutrality based on green hydrogen.

Promoting Brand Image at the Investor Daily Summit 2021

In July 2021, Hyundai participated in the Investor Daily Summit 2021 held in Indonesia and discussed ways to explore new business models and investment opportunities in Indonesia with key figures from the Asia-Pacific region. We gave a presentation on how to revitalize the eco-friendly car business, sharing our brand vision and future plans to lead the global eco-friendly car market. We have built the first automobile production plant in the ASEAN region in Indonesia, which will not only play a role in developing, producing, and selling strategic vehicles for the ASEAN market, but will also serve as a strategic base for emerging markets in Southeast Asia with EVs such as the IONIQ 5.

H2U (Hydrogen To You) Campaign to accelerate the transition to a hydrogen society

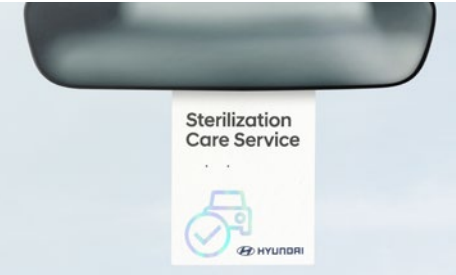
Together with influencers from diverse fields, Hyundai is conducting the “H2U (Hydrogen to You) Campaign” to promote the value of hydrogen EVs and hydrogen energy in Europe. Among the globally active influencers involved in the campaign include DJ and fashion designer Peggy Gou, tech YouTuber Alexibexi, and architectural photographer Konrad Langer, all of whom emphasize the urgency of transitioning to a hydrogen society and the importance of expanding hydrogen EVs and hydrogen energy to create a hydrogen ecosystem.

H2 Economy Campaign to emphasize the importance of the hydrogen society

In partnership with Bloomberg, a global media group, Hyundai is conducting the “H2 Economy Campaign” to promote the importance and accelerate the emergence of the hydrogen society. By communicating with opinion leaders around the world, the campaign aims to generate momentum for the hydrogen ecosystem and find ways to realize the hydrogen society while promoting Hyundai’s technological competitiveness in the hydrogen economy. According to a Bloomberg survey of 200 campaign audiences in the United States, about 80% of them positively evaluated hydrogen energy and Hyundai’s hydrogen technology, stating that they would be willing to purchase a hydrogen EV, thereby confirming the effectiveness of the H2 Economy Campaign.

“For tomorrow, we won’t wait” video by Hyundai x BTS

Since 2020, Hyundai has been conducting the “Global Hydrogen Campaign” with BTS, an internationally-acclaimed Korean boy band, under the slogan “Because of You” in order to spread the eco-friendliness and sustainability of hydrogen as a clean energy source of the future. In 2021, Hyundai and BTS jointly released a special video on the theme of “For tomorrow, we won’t wait” featuring activities that anyone can practice in their everyday life, such as picking up trash while exercising, zero waste, fashion recycling, growing plants, and using eco-friendly hydrogen vehicles. Going forward, we will continue engaging in activities in which everyone can participate for a better future while striving to communicate our sustainability vision as a way to exert a positive influence on the global community.



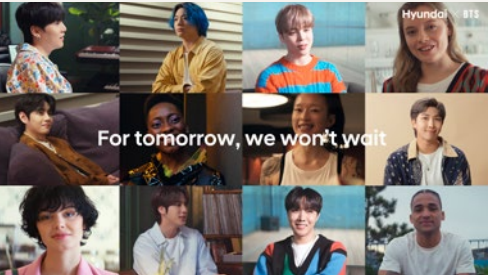
COVID-19



for Tomorrow



H₂U(Hydrogen To You) Campaign



HMG Driving Experience Program

Hyundai is operating the “HMG Driving Experience” program to give customers first-hand experience of various brands of Hyundai Motor Group, including Genesis and Kia. Since launching the program in 2019, Hyundai has provided theoretical and skills training on vehicle driving along with the opportunity to drive various models. In 2022, Hyundai opened the HMG Driving Experience Center, equipped with eight courses including four experience tracks and four experience zones. At the Center, customers can test-drive more diverse models and gain track experience, including emergency braking, handling, and high-speed driving, as well as an obstacle course featuring drifting, emergency situations, and ramps. In particular, the Center runs EV experience sessions designed to promote the potential of EVs and provide practical information necessary for customers' EV purchase plans.

“Longest Run” Contactless Race

Hyundai has been operating the “Longest Run”, an on/offline environmental campaign, participated by customers and the general public, since 2016. The 2021 Longest Run campaign was conducted in the form of contactless race, encouraging participants to run the course of their choice at the desired time while participating in eco-friendly missions through a dedicated application.

Those who successfully completed the race received eco-mileage to purchase eco-friendly products, while Hyundai used the participation fee for the “Contactless Race” to recycle wastes from automobile seats and tires. Going forward, we will expand customer participation-based eco-friendly campaigns with a particular focus on environmental issues including fine dust reduction, zero waste, and resource circulation.

Ethical Marketing and Product Labeling

In principle, in the process of marketing and communication, Hyundai aims to provide accurate and correct information; to prohibit false, exaggerated and reduced information on environmental and social impacts of products and services; to convey information considering those who are vulnerable to recognition and acquisition of information; to restrict the delivery of information that deliberately distorts or attacks our competitors or their products and services in the same industry. We comply with relevant laws and regulations related to advertisement review when establishing marketing and public relations strategies for various countries through preliminary reviews and locals' feedback about their unique ethical, social, and cultural norms. In addition, Hyundai labels information on the safety, quality and environmental impact of its products in order to fully satisfy customers' right to know.

Information Protection

Customer Information Management System (CPO, Technical & Physical Measures)

Hyundai operates the Personal Information Protection Committee, a company-wide consultative body that establishes and oversees its customer privacy protection systems. The Committee is chaired by the head of the Hyundai Information Security Center, who also serves as the company's Chief Privacy Officer (CPO), and is composed of working-level members from the departments in charge of privacy management processes as well as legal and IT experts in privacy protection. The Committee meets officially once a year, and also holds working-level committee meetings to deal with issues related to privacy protection whenever necessary.

Launched in October 2020, the Security Compliance Team (the team dedicated to personal information protection) monitors the performance of IT-related maintenance operators and personal data processing consignees, as well as Hyundai's overall performance, and distributes the company's privacy protection policies and guidelines to privacy officers in each department for regular training and scrutiny. Also, through the operations of the Personal Information System (PIS) and the Security Assurance Management System (SAMS), we safeguard our customers' personal information systematically. The PIS prevents leaks of personal information by restricting access to files to authorized personnel when personal information needs to be extracted from or processed in the company's personal information processing system. The SAMS is designed to ensure that all the company's personal information processing systems undergo a pre- and post-impact assessment by the Security Compliance Team, which evaluates the adequacy of the systems through legally authorized processes.

In 2022, we will further strengthen measures against violators of the privacy regulations. To this end, we will enact and amend the privacy protection regulations, thereby specifying that disciplinary requests can be made in the case of violations of the relevant laws and regulations, list cases of privacy violations, and also establish criteria for the measurement of risks related to privacy protection.

Privacy Policy of Hyundai Motor Company

Response to Data Regulations

In 2020, Hyundai established a direction for improving its data-related company-wide management measures in line with the increasingly strict regulations following the amendment of the three acts related to data protection. In accordance with this improvement direction, we created a dedicated team for data protection, which has implemented plans to figure out the company's data management status and improve the various processes as part of our systematic and proactive response to the stricter regulations.

Cybersecurity Scheme

Hyundai complies with the information protection laws and regulations. We have established a cybersecurity system to protect our trade secrets and the nation's core technologies, launched dedicated security organizations, and appointed the Chief Information Security Officer (CISO), who refrains from holding concurrent positions in accordance with the Act on the Promotion of Information and Communications Network Utilization and Information Protection. To prevent cyber-security incidents, we post security regulations on groupware and review them once a year, while offering various training and education courses and conducting campaigns.

Labeling Obligations

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

Major Information Security/Cybersecurity Activities in 2021

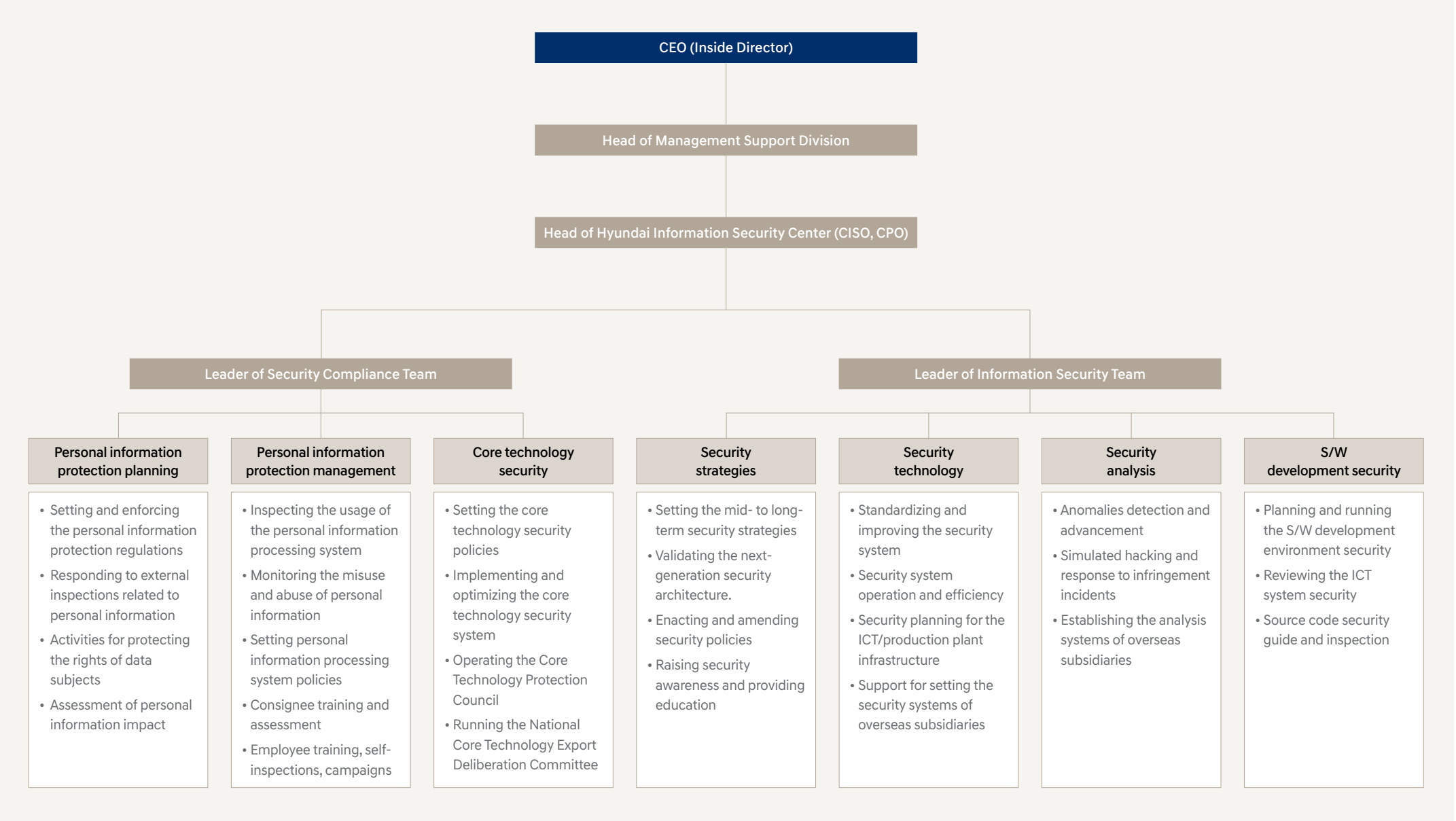
- Specified incident response procedures according to the business continuity plan (BCP) in the Security Incident Prevention and Response Guidelines and conducted biannual inspections
- Participated in the 2021 cybersecurity simulation training organized by KISA (Korea Internet & Security Agency) in May 2021
- Conducted phishing training for employees on a quarterly basis
- Distributed a monthly security newsletter to all employees and conducted the Code of Conduct campaign
- Conducted annual online security training for employees, as well as ransomware response training whenever necessary



Analysis of Cyber Asset Vulnerability

In order to improve the vulnerability of its cyber assets, Hyundai runs a security review process and checks the infrastructure, sources, mock hacking, etc. prior to system launch, while improving its inspection standards in order to address system vulnerabilities in new and current operating systems as well as DevOps environments, which are constantly being developed. We also regularly inspect personal information and core data handling system and take security measures against any vulnerabilities that are detected, in addition to conducting developer training on upgraded application security guidelines twice per year. Moreover, all domestic business sites have been remaining certified since they first acquired the ISO 27001 certification in 2006. Overseas business sites are seeking certification according to the standards of their respective country.

Organization of Hyundai's Information Security Center



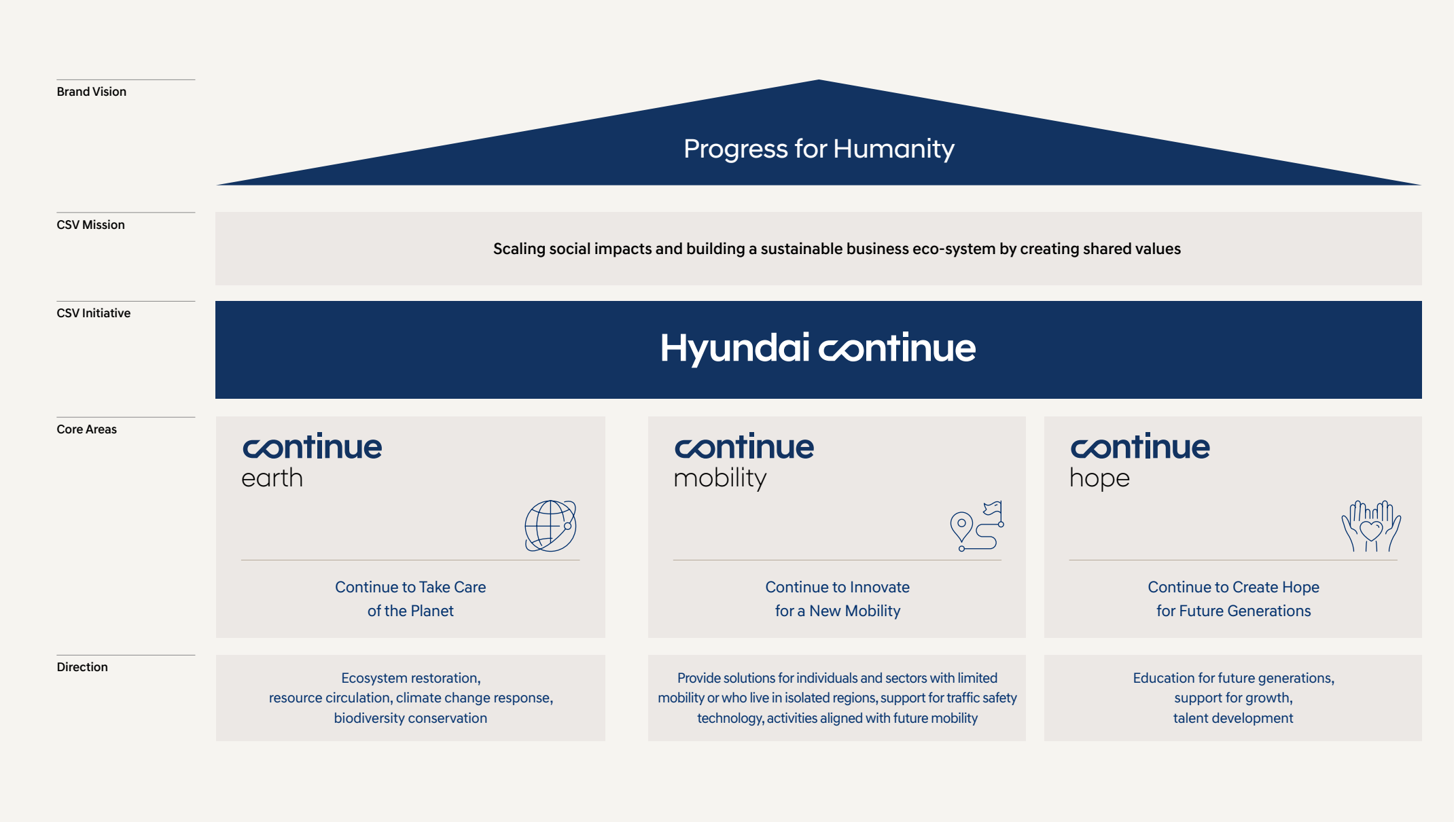
Social Contribution

CSV Initiative

Hyundai aims to expand its positive social impact and build a sustainable corporate ecosystem by creating shared value (CSV). To this end, we launched the “Hyundai Continue” initiative which represents our commitment to the sustainable future. We will grow together with local communities by creating social value and solving social problems in connection with mobility business. We will also continue our efforts to promote harmonious coexistence with the planet, provide freedom in mobility and connections, and deliver hope for future generations.

Moving forward, Hyundai will strive to create a virtuous cycle of connection by thinking and working together with various global partners as well as our employees, customers, and local communities.

CSV Strategy System



CSV Activities

Earth



1 European Marine Ecosystem Restoration and Upcycling

2 Hyundai Green Zone in China

3 Hyundai Green Zone in China

Marine Ecosystem Restoration and Upcycling

Commemorating World Oceans Day, Hyundai Motor Europe carried out marine plastic and waste net collection activities to help restore the marine ecosystem. In Ithaca, Greece, Hyundai worked with its partner Healthy Seas to support marine cleanup and waste net collection, as well as providing the eco-friendly Kona EVs to the European sustainability tour hosted by DAN, a non-profit organization, to help divers move safely.

In partnership with Healthy Seas, we continue working to restore marine ecosystems by collecting the multitude of discarded fishing nets that pollute the world’s oceans as part of our efforts to tackle plastic pollution. We launched the project in 2021, and collected 78 tons of waste nets in seven European countries – Germany, UK, France, Italy, Spain, Greece, the Netherlands – together with 72 divers. In addition to collecting waste nets, we produce textile products from recycled marine waste as part of eco-friendly upcycling and resource circulation activities. The waste nets are regenerated into a nylon fiber called ECONYL® by the textile producer Aquafil. ECONYL®, a material that is used in diverse products such as socks, swimwear, sportswear, and carpets, is also used as a floor mat material for IONIQ 5 sold in Europe.

Hyundai x Healthy Seas | The Journey To Ithaca

IONIQ Forest Sinsido

For five years from 2016, Hyundai joined forces with Tree Planet to plant 23,250 trees on landfill site in the Incheon metropolitan area in a bid to reduce fine dust there. The trees in the “IONIQ Forest” are estimated to absorb 225 tons of carbon dioxide and 1,100 kg of fine dust per year. In two years since 2019, we also carried out a project to reduce fine dust in classrooms by creating forests at 924 classrooms in 33 elementary schools in the metropolitan area as a means of environmental education for the next generation.

In 2021, Hyundai launched a project to preserve biodiversity in the National Sinsido Recreation Forest in Gunsan, Jeollabuk-do. As part of the project, we built a forest path designed to preserve native plants in the national recreation forest and provided a number of IONIQ 5 to allow visitors to enjoy a first-hand experience of an eco-friendly vehicle.

In partnership with Tree Planet, Hyundai has planted 3,400 trees including young trees all over the island and camellia trees along the path to the solar observatory in the recreation forest. We have also made it possible for disabled and elderly persons to experience the eco-friendly mobility of IONIQ 5 on a 4.2 km loop along with a special tour guide for them. In addition, we conduct volunteer activities, such as tree planting and beach plogging, together with the local community.

In 2022, while continuing to operate the IONIQ Forest Sinsido project, Hyundai plans to participate in various eco-friendly activities related with forests and trees in collaboration with diverse partners.

IONIQ Forest Sinsido

Restoring the Natural Environment and Building Biogas Facilities in India

Since September 2020, Hyundai Motor India (HMI) has been striving to restore the natural environment around its Chennai Plant and create employment opportunities. In the Hyundai Greenery Belt near the Plant located in the SIPCOT Industrial Park in Irungattukottai, HMI has raised 5,200 indigenous trees and vegetation while planting 5,000 seedlings to preserve biodiversity around the local community. Also, by selling the fruit grown on these fruit trees, the local community benefits from Hyundai’s efforts in terms of job creation and income generation.

Furthermore, HMI recycled some of the waste (approximately 40 tons) from its plant and offices to make 1,500 desks and benches and donated them to 25 nearby schools. In 2022, it is building a waste-to-energy recycling facility with Saahas, a local waste treatment NGO, to respond to the local government’s eco-friendly CSR policy and share biogas generated from waste with the local community.

Hyundai Green Zone in China

The Hyundai Green Zone is a global ecological project to restore dry alkaline (salt) lakes in Inner Mongolia, the source of China’s yellow dust clouds, to grassland. In 2021, Hyundai kicked off the 3rd phase of the Hyundai Green Zone project in cooperation with the China Green Foundation, which aims to restore a desertified lake and 670,000 square meters of degraded grasslands in Caiyongchun and Uranchapu City, Inner Mongolia. With the 3rd project, Hyundai plans to conduct research aimed at measuring the carbon absorption of grasslands while carrying out a public forest creation project. Together with the China Foundation for Poverty Alleviation, we are also planning to create “zero-carbon lodging villages” to increase the income of nearby low-income villages.

We carried out the first phase (2008-2013) of the Hyundai Green Zone project in the Chakanor and Apakachi regions of Inner Mongolia. In the second phase (2014-2020), we created grasslands in the Zhenglan Qi, Baoshadainao Nur, and Haginor regions of Inner Mongolia, and transferred the ecological restoration technology required to prevent desertification to the local government.

The Hyundai Green Zone project has involved the participation not only of our employees but also of customers and university student volunteer groups. In recognition of such contributions to Chinese society, Hyundai was ranked first in the automotive industry for the sixth consecutive year in the “2021 CSR Development Index Evaluation” of the CSR Research Center of the Chinese Academy of Social Sciences. In the overall corporate rankings, we ranked third, up one place from last year.

Longest Run

The Longest Run is an on- and offline-linked eco-friendly social contribution campaign launched by Hyundai in 2016 to reduce fine dust. By 2020, some 100,000 eco-runners had participated in the creation of the IONIQ Forest at a landfill site in the Incheon metropolitan area. As interest in climate and environmental change has increased in recent years, the Longest Run has gone one step further from reducing fine dust to “carbon neutral practices.” Even amid the COVID-19 crisis, we have continued to provide people with opportunities to participate in environmental protection and improve their personal health through the “contactless run” based on dedicated applications.

In 2021, Hyundai reinforced eco-friendly elements by recycling clothes donated by participants into running T-shirts and making commemorative medals with soap, while the “Eco Mileage Shop” offered the participants various eco-friendly gifts with the mileage they accumulated when running and completing various eco-friendly missions. The Longest Run will continue working for a clean environment together with customers as a genuine eco-friendly movement.

Environmental Preservation Near Business Sites

Hyundai has been carrying out a variety of eco-friendly CSV activities designed to minimize the impact of its production activities on the surrounding environment of its business sites while also strengthening ties with local communities. The Ulsan Plant aims to preserve the surrounding biodiversity by participating in the Ulsan-type migratory bird management platform building project to protect the endangered long-billed plover and the eagle (a natural monument). Meanwhile, the Asan Plant planted 3,300 azaleas in the Yeongsinsan Arboretum; the Jeonju Plant provided seedlings and fertilizers to nearby schools so that they could create green curtains on campus, as well as offering them eco-friendly education using plants; and the Namyang R&D Center planted 50 cypress and maple trees in Mado-myeon, Hwaseong-si as part of the Gyeonggi Provincial government’s project to reduce fine dust emissions.





Mobility



Virtual Driving Simulators for Driving Rehabilitation Support

Since February 2019, Hyundai has been running a virtual reality driving experience social contribution program designed to help drivers overcome their fear of driving and build their self-confidence. The driving simulators used in the program are designed to enable driving practice in various environments and situations including city centers, highways, national roads, and alleyways. Since 2021, in cooperation with the National Rehabilitation Center, the company has used the simulators in the rehabilitation of traffic accident patients. In the first half of 2022, Hyundai signed agreements with Chungnam National University Hospital and Pusan National University Hospital to include them in the program. We will continue to help drivers who experience fear and difficulty through virtual driving experiences that enable them to drive again and improve their mobility.

Supporting Underprivileged Regions Using Mobility in the Middle East

Hyundai carried out food bank support activities using its mobility to reduce the gap between rich and poor and support marginalized regions in the Middle East. From March to April 2022, in five cities in the UAE and Saudi Arabia (Ajman, Sharjah, Riyadh, Jeddah, Dammam), We joined forces with local food banks and universities to STARIA and supply food materials, including nutrition kits, to people in underprivileged areas with low accessibility.

In particular, during Ramadan, practicing coexistence and sharing, we donated STARIA to NGOs for each city to help them improve the mobility required for their activities, as a way to solve such problems as income inequality and food insecurity. In collaboration with four universities and volunteer organizations in each region, Hyundai carried out a variety of community services including packaging and transporting 2,000 boxes of donated foods and goods, sharing the importance of social responsibility with local communities.

Shucle

In 2021, Hyundai launched the “Shucle” service in Eunpyeong, Seoul and Sejong City to make the short-distance everyday trips of local residents safer and more convenient. As of April 2022, 340,483 residents have used this innovative community mobility service, enabling them to experience the convenience of a new transportation mode and left positive reviews of the service.

In December 2021, we started providing the service in Paju through the Gyeonggi-do Demand Responsive Transit (DRT) pilot project. By providing a service similar to public transportation, rather than the existing form of community mobility, Shucle was able to get closer to the public. Going forward, Shucle's DRT service will be expanded to the entire Gyeonggi-do province, particularly to people with limited mobility such as the elderly and the disabled, so that more people can move around more conveniently.

Wheel Share

The Wheel Share program provides electric wheelchair conversion kits free of charge for a short period of time to disabled people so that they can travel freely with their families. The kits are available at transportation hubs, mega cities such as Seoul and Busan, and the three largest airports in Gimpo, Gimhae and Jeju.

In 2021, in cooperation with the Gyeongbuk Culture and Tourism Corporation, Hyundai opened a new Wheel Share rental office in Gyeongju, one of the major tourist destinations in Korea, as well as launching a caretaker-operated kit to strengthen its support for the elderly and vulnerable on the road. Under the banner of “breaking down the barriers to travel”, we plan to continue our efforts to revitalize travel for people with disabilities and produce videos to raise awareness of barrier-free travel for all. During the four-year period from 2018 to 2021, a total of 2,983 people with disabilities used the Wheel Share service.

Hyundai Motor Group's Wheel Share – Breaking Down the Barriers of the Disabled to Travel

H-Special Movement Project

The H-Special Movement project offers eco-friendly school buses to special needs schools. Hyundai selected three special needs schools in Seoul and donated a STARIA van customized for the disabled, thereby ensuring students' safe commuting to school and providing customized solutions to those with limited mobility. We also provide a vehicle safety inspection service for schools that have applied for the special vehicle care service. Going forward, we will explore various ways to make commuting to school more convenient for a larger number of schoolchildren.

Dental Trailer Sorriso Cidadang in Brazil

Since 2014, Hyundai Motor Brasil has been conducting social contribution activities using a mobile dental treatment trailer named “Sorriso Cidadang” (meaning citizen's smile) in collaboration with the Piracicaba Metal Workers Union (STMP). In 2021, due to the closure of schools during the COVID-19 crisis, the dental service cared for 1,789 firefighters and police officers in Piracicaba. As of 2021, a total of 59,308 people had benefited from the service.

Drive-in MOVING THEATER

Since 2015, Hyundai, in collaboration with Hyundai Motor Club, has been conducting the “Moving Theater” campaign to visit culturally underprivileged areas, install movable screens, and screen movies. In 2020, we switched the service to a drive-in MOVING THEATER amid the COVID-19 pandemic in order to allow residents to continue enjoying their cultural life during difficult times. We invited local residents as well as the underprivileged to screenings of the latest movies while offering them free snacks prepared and packaged by volunteers. In 2020, we opened a MOVING THEATER in Seongnam in conjunction with a local welfare center. In 2021, in partnership with Jangsu-gun, Yeongyang-gun, and Yeongdeok-gun district offices, we provided local residents in culturally underprivileged areas with an opportunity to experience the MOVING THEATER.



1 Supporting Underprivileged Regions Using Mobility in the Middle East

2 Breaking Down the Barriers of the Disabled to Travel <Wheel Share>

3 Drive-in MOVING THEATER



Hope



Hyundai Hope on Wheels in North America

Since 1998, Hyundai Motor America's sales subsidiary has been running the Hope on Wheels campaign together with its dealerships. The campaign, which supports childhood cancer research, was started to create a happy future in which children no longer suffer from cancer. The campaign has expanded across the United States, raising USD 185 million (approximately KRW 226.5 billion) in cumulative donations as of the end of 2021.

Hyundai Help for Kids in Australia

Help for Kids is an activity in which Hyundai Motor Company Australia (HMCA) joins hands with its dealers to help children and their families in Australia with donations made at the time of car sales. HMCA not only donates cash to support their livelihood but also subsidizes their vehicle purchases as well as offering them necessary education along with its support and collaboration with a total of ten charities, including Ronald McDonald House Charities Australia. The donations raised for Help for Kids from 2014 to 2020 exceeded USD 10 million. Hyundai will continue to carry out various “Hope” activities to promote the growth of future generations.

H-Mobility Class

Since 2020 Hyundai has been operating the H-Mobility Class to nurture science and engineering college (graduate) students in Korea into future talents, with the ultimate goal of enhancing national competitiveness. The H-Mobility Class program is designed to promote understanding of future technologies, such as vehicle electrification and autonomous driving, and to foster professional human resources, while providing intensive training and employment benefits (including exemption from candidate screening) to outstanding students.

In 2021, Hyundai offered 1,550 students a series of courses in various fields associated with vehicle electrification, such as fuel cells, batteries, power conversion, and motor technology, as well as those with autonomous driving, such as cognition, judgment, control, communication and network technology. In 2022, we plan to expand the courses to include robotics such as kinematics, control, sensors, estimation, and robot joint angles.

Future Mobility School

Hyundai signed an MOU with the Ministry of Education to launch the Future Mobility School in 2016. It is a free-semester middle school providing specialized career education based on theory, practice and experience, with the aim of allowing young people to understand the automobile industry and explore the related occupations. In 2018, we reorganized the curriculum with the focus on hydrogen energy and eco-friendly future cities, which are essential for a deeper understanding of the future automobile industry. The Future Mobility School prioritizes admissions from students from rural schools, special needs schools, and small schools in order to help resolve inequality in career education opportunities. In 2022, the School included a creative experiential learning course for elementary school students in its curriculum and began to teach technical content on the subject of clean mobility and sustainability in an easy and fun way at children's level.

Vision Drive

Hyundai's Namyang R&D Center runs Vision Drive to support career planning for future generations. Vision Drive consists of vision mentoring by employees, while the Vision Festival is held with the participation of celebrities.

The vision mentoring program provides students with opportunities to explore career paths in the automobile industry while attending lectures on automobile history, technology, and future mobility given by Hyundai employees. In 2021, 2,257 sixth graders from 27 elementary schools took part in the program in western Hwaseong. The Vision Festival features career lectures of celebrities from various fields and an opportunity to meet and speak with the celebrities. In 2021, the festival included a lecture by a renowned YouTuber Dotty and broadcast it live so that many more students could watch.

Hyundai Dream Center

Hyundai has been operating the “Hyundai Dream Center” since 2013 with the goal of helping educated young people in developing countries to achieve economic independence by providing them with professional automobile maintenance education and internships for competency development. Starting with “Hyundai Dream Center No. 1” in Ghana in 2013, Hyundai is now running a total of seven dream centers in Ghana, Indonesia, Cambodia, Vietnam, the Philippines, Peru and Kenya, with the latest center in Kenya launched in 2021. As of 2022, the Hyundai Dream Center has educated 1,975 people, produced 1,309 graduates, among them 726 found jobs, thereby creating social value by nurturing skilled automobile professionals and creating jobs in developing countries.

Safe Road Traffic Project in Russia

Since 2017, Hyundai has been operating the “Safe Road Traffic Project”, in which children learn about traffic safety, in collaboration with Russia's Main Directorate for Traffic Safety and the Ministry of Education of the Russian Federation. In 2021, we offered education to 16,700 children, 16,900 parents, 165 daycare centers, and 14,500 teachers. We also launched an online game simulator program to deliver online courses in more intriguing and safer ways.

Kid's Auto Park

In 2009, Hyundai established a Kid's Auto Park in Seoul, followed ten years later by the largest children's traffic experience center in Ulsan. At various educational facilities including a virtual auto experience hall, a license test center, and an auto booth, Hyundai provides programs tailored to children's eye level, such as a mini-motorcar driving experience, pedestrian safety information, and stereoscopic images promoting road safety. In 2021, a total of 8,841 children (cumulative total of 178,976 children) visited the park, which plays a key role in preventing child traffic accidents and raising safety awareness in society.

Traffic Safety Song with Robocar Poli

In 2011, Hyundai produced an educational animation entitled Traffic Safety Story with Poli, which included information on getting on and off vehicles, safety in blind spots, pedestrian safety, bicycle safety, and traffic lights, and has since aired it in 82 countries. In 2021, we produced a traffic safety musical animation entitled “Traffic Safety Song with Poli”, thereby introducing new traffic safety issues such as the use of car seats to the existing curriculum, which includes the wearing of seat belts. We will continue to help children to acquire road safety knowledge by watching fun and easy-to-follow musical animations anytime, anywhere.

 [Traffic Safety Song with Poli](#)





Community



Sponsoring the Korea Archery Association

Since 1985, Hyundai has been sponsoring the Korea Archery Association, sparing no expense in providing financial support for the stable operation of the association, as well as rewarding the national archery team for its outstanding results in international competitions. The company has used the technological capabilities of its research institute to develop a shooting machine that sorts out bad arrows, and applied a precision analysis technology to identify abnormal or defective parts, enabling the national squad to achieve a very high level of skill and continue beating their personal records. We also sponsor a number of leading archery tournaments, including the Archery World Cup and the World Archery Championships. In 2021, we delivered rewards to the national archery team in recognition of its outstanding results at the Tokyo Olympics.

Employee Volunteer Corps

Hyundai boasts 143 employee volunteer groups striving for win-win growth with local communities by serving in various H-affiliated facilities around the country. In 2021, they were unable to conduct many face-to-face volunteer activities due to COVID-19, yet they continued to make meaningful contributions to Hyundai's local communities, such as purchasing agricultural products from the areas concerned and delivering gift vouchers and cash donations to the facilities. For example, volunteers at the Ulsan Plant conducted various volunteer activities such as painting, balloon art, hand and foot massage, and talent donation in partnership with local social welfare facilities. Meanwhile, employees from the Asan Plant shared the difficulties of local residents through continuous communication and helped elderly people living alone or raising grandchildren in rural areas through various programs, including the delivery of goods and donations during national holidays. Hyundai and its employee volunteers will continue sharing with those in need.

H-Local Partner

In 2018, the labor and management of Hyundai's Ulsan Plant signed an MOU with the Buk-gu District Office of Ulsan City to provide customized assistance to people in welfare blind spots in collaboration with members of the city's Buk-gu community. In 2021, they carried out a variety of activities that reflected the needs of each neighborhood, such as holding birthday parties for elderly people living alone and providing gift packages to children from low-income households. In addition, they delivered 2,000 samgyetang (ginseng chicken soup) lunchboxes along with messages of support to senior citizens at local senior centers and people working in COVID-19 vaccination centers. In winter, they donated daily necessities such as rice, electric rice cookers, and hot water mats to 32 low-income families, kimchi refrigerators to 10 local children's centers, and kimchi to 350 low-income seniors.

Volunteer Service HYU(休)

Amid the difficulties with the face-to-face volunteer service caused by the COVID-19 pandemic, Hyundai conducted various non-face-to-face volunteer activities with its employees. One such activity was “eco-friendly plogging”, in which approximately 500 employees participated with their families at the company's domestic business sites to reduce 1.2 tons of GHG emissions and donate as many seedlings as the number of participants. In addition, Hyundai employees conducted a “kit production service” in which they could cooperate with their families at home in making upcycled dolls using recycled cotton wool and donate them to local children's centers and facilities for children with disabilities. In 2022, we plan to promote activities that allow our employees to participate more actively in line with the easing of the COVID-19 restrictions.



Global Partnership for Arts and Culture

Hyundai supports a wide range of exhibitions and programs in partnership with art institutions around the globe to offer a greater number of audiences the opportunity to enjoy and experience art.

National Museum of Modern and Contemporary Art, Korea (MMCA)

In partnership with the National Museum of Modern and Contemporary Art, Korea (MMCA), Hyundai has been holding the “MMCA Hyundai Motor Series” since 2014 to expand the boundaries of Korean art. Every year, Hyundai supports a large-scale solo exhibition of an esteemed Korean artist as well as a related seminar and publication activities. In 2021, the MMCA Hyundai Motor Series 2021: MOON Kyungwon & JEON Joonho – NEWS FROM NOWHERE, FREEDOM VILLAGE exhibition was held. As part of the exhibition, the “Mobile Agora” talk program was also held to discuss contemporary crises, future alternatives and the role of art after disasters with experts in different fields from around the world.

Hyundai has also been supporting “PROJECT #” since 2019 to discover next-generation creators in Korea and support their experimental and creative activities. Two teams are chosen every year to be provided with a grant of KRW 30 million, a studio, and exhibition opportunities. Through the PROJECT HASHTAG 2021, two selected teams exhibited artworks reflecting concerns of Gen Z and millennials regarding online experiences and environments that were heavily influencing and rapidly reshaping human values in the post-pandemic era.



MOON Kyungwon & JEON Joonho, NEWS FROM NOWHERE: FREEDOM VILLAGE, 2021, 2 channel HD film installation, color, sound, 14min 35 sec. Courtesy of the artist. Photograph by LEE JINCHUL, Image provided by MMCA

Tate

The Hyundai Commission is a series of site-specific installations by international artists for the Turbine Hall, at the heart of Tate Modern. In 2021, “Hyundai Commission: Anicka Yi” populated the Turbine Hall with machines, transforming the space with the artist’s vision of a new kind of ecosystem. Moving through the air, the floating machines prompted audiences to think about new possibilities for machines and our futures.

The Hyundai Tate Research Centre: Transnational, established in 2019, continues to encourage new perspectives on global art histories and critical research to highlight global exchanges of artists and ideas. Including an annual symposium, the Hyundai Tate Research Centre: Transnational hosts research events, both offline and online, to facilitate collective research and intellectual exchange.



Hyundai Commission: Anicka Yi: In Love With The World Tate Modern 2021. Photo © Tate (Ben Fisher Photography)

Los Angeles County Museum of Art (LACMA)

Hyundai began a ten-year partnership with the Los Angeles County Museum of Art (LACMA) in 2015, “The Hyundai Project at LACMA.” The most recent project as part of this initiative Barbara Kruger: Thinking of You. I Mean Me. I Mean You, opened in March 2022. As the artist’s most comprehensive exhibition in more than 20 years, it showcases reinterpretations of her most renowned works from the 1980s to 1990s by combining new technologies, and also has significance in that it features a variety of new public art works outside the museum, one of which is Untitled (Car) in collaboration with Hyundai’s IONIQ 5.

LACMA’s presentation of exhibitions that highlight the convergence of art and technology as well as the Art + Technology Lab are core to the partnership that brings art and technology together. Through the Art + Technology Lab, artists had been given grants for cutting edge projects while melding art and technology in unique ways. Some of these worked on projects that incorporated rapidly-growing technologies such as blockchain, metaverse platforms, and NFTs, including the “Rocket Factory” NFT collection by Tom Sachs. Participating artists are receiving technical advice from Hyundai, Google, SpaceX, and Snapchat, which provides support for realizing their ideas into artworks.



Barbara Kruger, Untitled, 2020, digital print on vinyl, courtesy of the artist and Hyundai Motor Company, installed as a part of Barbara Kruger: Thinking of You. I Mean Me. I Mean You., Los Angeles County Museum of Art, March 20, 2022–July 17, 2022, photo © Museum Associates/LACMA