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

3.1 Creative Organizational Culture
3.2 Health, Safety and Welfare of Employees
3.3 Sustainable Supply Chain
3.4 Customer Experience Innovation
3.5 Creating Shared Value
Creative Organizational Culture

Hyundai is building a human resources and organizational management system that can deliver the highest level of value throughout the entire life cycle of employees, including talent acquisition, development, evaluation, compensation, benefits, and retirement. This system ensures the timely securing of outstanding talents through continuous recruitment and employee referral programs while investing in infrastructure to foster a self-driven learning culture. Furthermore, at Hyundai, we have implemented a performance evaluation and fair compensation system based on mid- to long-term business objectives; run tailored welfare programs that employees can perceive in their daily lives; and build an autonomous work environment to improve employee engagement. We also promote activities that enhance diversity, enabling employees with a variety of cultural backgrounds to work together, aimed at creating an organizational culture that values creativity and achievement. In our efforts to continue improving organizational culture, 5% of KPIs for executives reflect the internal culture survey scores.

Strategic HR Management

TALENT RECRUITMENT AND MANAGEMENT

Talent Recruitment Process and System

Hyundai has moved away from the annual recruitment system and introduced a year-round recruitment system to flexibly respond to changes in the business environment and labor market. A procedure is now being operated that allows the field to take the lead in selecting job-oriented talents in a timely manner. Departments that want to hire talent define the expertise such as competencies, qualifications, and skills required of applicants, as well as establishing selection criteria and making decisions. In the process of selecting applicants, job competencies are verified in a variety of ways, such as assignment presentations and group interviews, to hire talents who meet the criteria. In order to support the expansion of field departments' participation in the recruitment process by introducing a year-round recruitment system for excellent talent, a "Recruit Support Center" is in operation for each large-scale business site to provide support throughout the recruitment process. Additionally, decision-makers involved in recruitment, such as the HR department responsible for hiring and the business departments carrying out practical work, actively participate in the selection process to fairly assess the applicants' professionalism and job suitability.

After the recruitment process, regular internal audits are conducted to ensure transparency throughout the entire process. If any issues related to fairness and reliability are identified, corrective measures are taken to address them. Hyundai has further enhanced transparency throughout the recruitment process by operating a checklist that allows self-assessment of the fairness of candidate selection, and we have also reorganized our recruitment website to provide applicants with an intuitive and convenient platform to access and apply for job openings. The internal recruitment management system has been upgraded as well to enhance fairness and reliability in the recruitment process by enabling data-driven analysis of a variety of applicant information.

Target Sourcing System

Hyundai has established the Target Sourcing System in the second half of 2022 to proactively secure talents in new business and emerging technology fields, required for enhancing future competitiveness. Building upon this system, we are promoting preemptive proposals for recruitment positions and reinforcing our in-house recruiting through talent acquisition and talent networks. In order to effectively secure top talent, we have established a dedicated Talent Sourcing Center and are building a proactive talent pool aligned with our new business strategies. This involves sourcing talents from a variety of channels and establishing connections with external talents through hosting and participating in a variety of tech conferences. We are also expanding our network to select external talents by organizing and participating in a variety of tech conferences, which allows us to establish connections with exceptional talents from outside our organization while promoting industry-academia collaboration to build a talent pipeline. These efforts contribute to enhancing our recruitment brand image as a future mobility tech company.

Recruitment Promotion

Hyundai is communicating with applicants through a variety of means of online recruitment promotion, providing them with information about the company and job positions. We have introduced a metaverse job fair which has gained attention as a means of consultation and communication, particularly for candidates who are more accustomed to contactless interactions.

With the adoption of contactless recruitment processes due to the spread of COVID-19, this approach has been received as a new recruitment solution. We have therefore established a dedicated metaverse space to communicate with applicants on a regular basis. We are also making continuous efforts to promote the company through such online platforms as YouTube, providing a positive corporate image and offering up-to-date information that may not be easily accessible from external sources. Moreover, we are planning additional promotional activities to sustain interest and awareness in the company, taking into account the unique characteristics of each business site. This ensures that Hyundai continues to attract ongoing attention and engagement from potential candidates.

Strategic Workforce Planning

Hyundai is formulating strategic workforce plans from a mid- to long-term perspective to secure the necessary talent for executing and achieving our long-term business strategies, including strengthening EV portfolio and developing future strategic technologies. In addition, we proactively attract key talents who will lead our future business, and support their growth by helping them to design their career paths and arranging for them to meet personally with our corporate leaders, while striving to spread their proactive and innovative way of working throughout the organization.

Planning

• Introduce various methods of talent analysis to secure excellent human resources and analyze their relative competitiveness

Use

• 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.

Outcome

• 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.
**Creative Organizational Culture**

**TALENT DEVELOPMENT AND PROFESSIONAL COMPETENCIES**

New Growth System  
Hyundai is creating a workplace culture that encourages self-driven learning to develop the capabilities necessary for the transition towards electrification, software competitiveness, and future growth drivers such as autonomous driving, PBV, AAM, and robotics. In particular, we are formulating career development and competency enhancement plans based on employee growth guides and competency assessment data, followed by the development of programs which enable employees to engage in continuous learning and facilitate knowledge sharing.

The accumulated data (experience points) through continuous learning and knowledge-sharing is used for the development of growth platforms and new educational programs. The data is also incorporated into HR processes such as evaluation, promotion, and career development. Based on the data and insights obtained through the operation of the new growth system, Hyundai plans to develop and enhance platforms that allow employees and knowledge to spread beyond individuals and across the organization, providing support for employee learning and development.

Global Career Development  
Hyundai runs a Global Career Development program, where highly talented individuals with a global mindset and recognized expertise in their respective fields are regularly dispatched to global field organizations in areas such as research, production, and marketing. To lead global field organizations, highly talented individuals with a global mindset and recognized expertise in their respective fields are regularly dispatched to global field organizations, enabling them to be engaged in autonomous continuous learning. The Learning Lounge provides approximately 12,000 learning solutions, empowering employees to proactively drive market changes and transform into game-changers.

**Learning Lab**  
The “Learning Lab” is a study group formed voluntarily by employees to independently acquire knowledge on common topics. It is designed to enhance employees’ competency and promote a culture of growth by allowing them to autonomously select the learning content, time, location, and participants. In addition to their assigned tasks, employees can participate in groups focused on deeper learning and engage in sharing and discussing creative ideas. The Learning Lab facilitates activities such as exploring and experimenting with advanced technology positioning technologies, researching, and analyzing data related to e-mobility trends, and understanding and implementing monitoring systems for autonomous driving vehicles.

**Learning Lounge**  
Hyundai operates the “Learning Lounge”, a new growth support system designed to respond swiftly to rapid market and environmental changes. Through the Learning Lounge, employees can establish future growth plans and receive recommendations for learning solutions tailored to their individual growth plans, enabling them to engage in autonomous continuous learning. The Learning Lounge provides approximately 12,000 learning solutions, empowering employees to proactively drive market changes and transform into game-changers.

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

**Performance Evaluation System**  
Hyundai implements an objective and fair performance evaluation system, with a focus on employee performance. This includes KPI evaluations based on management by objectives (MBO), 360° multi-faceted evaluations, and peer-to-peer evaluations. The MBO-based KPI evaluation is applied to general and research employees, while all other employees set individual goals based on job responsibilities or specific targets aligned with the objectives of their respective departments. Feedback is provided to employees based on their performance against these goals. As a result, all employees at Hyundai are subject to the MBO-based performance evaluation system. Furthermore, through team unit evaluation and KPI settings by each division, Hyundai attempts to evaluate performance in various levels.

**360° Multi-Faceted Evaluation**  
Hyundai has implemented a multi-faceted evaluation system that includes “Leadership Surround View” and “Peer Surround View” evaluations. In 2022, this evaluation system was conducted for 95.8% of executives, general employees, and research staff. Moreover, Hyundai imposes restrictions on the highest rating, enabling the comparison and analysis of performance among employees at the same rank. This indicates that the evaluation system incorporates relative elements under the framework of an absolute evaluation system.

**Employee Stock Ownership Plan**  
Hyundai has implemented an employee stock ownership plan (ESOP) to enhance employee motivation, job engagement, and alignment of business objectives with personal values. As part of this plan, a portion of the variable pay is provided to employees in the form of company stock. In 2022, Hyundai offered 120,152 shares to employees. By 2023, the company had a stock of 1,875,635 shares, equivalent to 1.3% of total shares, to our employees through the ESOP. All our full-time employees, who account for about 90% of the company’s total workforce, are eligible for both the ESOP and the employee stock repurchase plan.

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

**Remuneration System**  
Hyundai provides variable pay (performance-based bonuses) that is linked to performance evaluations. Base salary is increased annually to ensure the well-being of employees, and the magnitude of the increase is adjusted considering internal and external economic conditions, market conditions, and business performance. The company does not discriminate among employees when it comes to setting base salaries or determining salary increases. Wages calculated accurately according to their working hours (above the minimum wage under the local law) are paid to them on a regular basis on fixed dates.

**360° Feedback (View-T)**  
Hyundai operates a 24/7 feedback system called “View-T” which allows leaders and team members to share and exchange feedback on job performance, career development, skill enhancement, and performance management. When team members register their work plans, progress, support requests, constraints, and other related information, leaders evaluate and provide feedback based on not only the outcomes but also the team members’ efforts and the process of task execution. The feedback and shared performance information between leaders and team members through the continuous feedback system are utilized in the performance evaluation process.

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Leadership and Job Competency Training The solid leadership of the top management is of paramount importance in realizing Hyundai's management philosophy of realizing the dream of mankind by creating a new future through creative thinking and taking on endless challenges. Hyundai is conducting a variety of leadership training programs such as a customer-oriented mindset for top leaders, a collaboration system that can create synergy with the highest level of expertise, and an organizational culture to generate innovative minds. In order to enhance competitiveness in future mobility, we are operating job competency reinforcement training courses to learn about new technologies such as vehicle electrification and autonomous driving. Furthermore, we encourage and provide support to employees aiming to obtain job-related certificates.

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

Results of Car-based Joint Research Program in 2022

<table>
<thead>
<tr>
<th>Development of new technologies</th>
<th>Creation of on-site problems</th>
<th>Patents created</th>
<th>Research paper</th>
<th>Dissemination of research results</th>
<th>Participation rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>43</td>
<td>25</td>
<td>52</td>
<td>42</td>
<td>65%</td>
<td></td>
</tr>
</tbody>
</table>

* The participation rate is calculated as the number of participants among the R&D development personnel who are subject to training in the "Project-based Joint Research Program."  

Results of the Car Master Training Program in 2022

<table>
<thead>
<tr>
<th>Based on Korea</th>
<th>Own operations</th>
<th>Agency</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of courses held</td>
<td>33</td>
<td>20</td>
<td>53</td>
</tr>
<tr>
<td>No. of participants</td>
<td>11,610</td>
<td>12,252</td>
<td>23,862</td>
</tr>
<tr>
<td>Participation rate</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

* The participation rate is calculated as the number of employees who participated among our operations and agency workers who are subject to education of "Customer-oriented Car Master Training Program".

Sustainability Education Programs in 2022

<table>
<thead>
<tr>
<th>Human rights</th>
<th>Safety</th>
<th>Environment</th>
<th>Quality</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of courses</td>
<td>23</td>
<td>948</td>
<td>772</td>
<td>671</td>
</tr>
</tbody>
</table>

* Search result searches in the Learning Lounge platform

Hyundai Developers Conference The importance of software development capabilities in future mobility has been on the rise. In particular, efforts are being made to develop core software technologies such as artificial intelligence, autonomous driving, and data science to implement software-defined vehicles (SDV), which are vehicles centered around software.

Hyundai is making multifaceted efforts to enhance and internalize our software technology capabilities, with a particular focus on strengthening developer competencies. We hold the "HMG Developers Conference" to facilitate the exchange of mobility development experiences and expertise between Hyundai Group developers and external experts. In 2022, over 60 executives and developers leading research and development presented on some 50 topics related to key technologies for the transition to the SDV era, including autonomous driving, infotainment, data science, artificial intelligence, car cloud, electronics, and body. These presentations provided opportunities for interaction and collaboration with external participants.

H-Mobility Class In response to the rapid change in the mobility industry ecosystem, the importance of nurturing mobility talents has increased significantly. In line with this, the HMC R&D Division operates the “H-Mobility Class” for undergraduate and graduate students who are interested in the future automotive industry. The H-Mobility Class is designed as a “match-up” program, where Hyundai employees in the field design job-oriented educational curricula and receive support from the Ministry of Education. The entire program is provided free of charge, and the educational courses are conducted online. So far, we have provided educational programs on vehicle electrification, autonomous driving, and robotics to approximately 5,000 engineering students and graduate students. Upon completion of the education, participants are granted eligibility to take certification assessments for the corresponding technical positions, and outstanding learners receive benefits such as exemption from certain R&D Division documentation requirements. Hyundai will make continuous efforts to establish a variety of educational programs to support the development of future talents and connect them to employment opportunities.
Creative Organizational Culture

Great Workplace Culture

**IMPROVING WORKPLACE CULTURE**

Hyundai recognizes that high employee engagement is a significant factor that influences the company’s performance and individual talent development. We therefore conduct a diagnostic assessment to gauge the level of organizational culture among our employees. The assessment consists of 67 questions in five areas of Biz, People, Work, Leadership, and Organizational Effectiveness, as well as two areas related to company-wide systems and infrastructure. In 2021, 72.6% of all employees, including general, research, and legal positions, participated in the organizational culture diagnostic assessment. Based on the results, we will make continuous efforts to enhance employee engagement.

**Accelerating Change and Innovation by Division**

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. Through executive-level workshops, we engage in discussions regarding the direction of organizational culture. Each division’s leader, in partnership with the designated person to take charge of changes in the organizational culture and innovation for each organization, works together to lead a cultural shift within their respective divisions. They continuously monitor organizational culture issues and strive to implement solutions based on the voice of employees (VoE), enabling tangible transformational activities to take place.

**Idea Contest for Organizational Culture Innovation**

Hyundai operates a corporate culture program to immerse employees and management in the company's culture and innovation for each organization, works together to lead a cultural shift within their respective divisions. They continuously monitor organizational culture issues and strive to implement solutions based on the voice of employees (VoE), enabling tangible transformational activities to take place.

In 2022, a total of 5,713 ideas were proposed, and we are currently conducting execution reviews and implementations for the 47 selected outstanding ideas. Additionally, we organized a New Year’s event in the form of “Town Hall Meeting” where management and employees can freely communicate. We also operate channels for anonymous communication, such as “Hyundai Bamboo Forest” to encourage our members to lead changes actively and horizontally.

**Hybrid Work System**

We have implemented a hybrid work system to foster an organizational culture that respects the diverse lifestyles of our members and allows them to immerse themselves in their work autonomously, regardless of location. We have formed a consensus on the introduction of this policy based on the opinions of our employees. In order to facilitate efficient work even in remote situations, we have established a VPN environment that enables mobile PC access from outside the office and have utilized online video conferencing IT tools. We have conducted a variety of transformative activities to create an environment conducive to effective remote work.

**Way of Working, “CoC (Code of Conduct)”**

Hyundai conducted a survey called “Kill the Company” among all employees to identify employee perspectives on working in a way that can save the company. Based on the survey results, we developed Hyundai’s way of working, “CoC (Code of Conduct)”. From the CEO to new hires, all employees participate in sharing their own thoughts and commitments regarding a positive mindset, responsibility, tenacity, and embracing new challenges and initiatives. As such, we plan to develop a corporate culture program to immerse employees in their work based on voluntary participation and continuous communication.

The Hub Office “H-Work Station”

Hyundai operates eight sites of the hub office “H-Work Station” in Seoul and Gyeonggi-do. In order to enhance work efficiency, a variety of spaces such as café-style seating, stand-alone seating, and conference rooms have been created. The H-Work Station is operated on a pre-reservation basis to provide employees with a pleasant working environment. Through the H-Work Station, employees have the flexibility to choose their working location beyond the traditional office setting, which is expected to improve work efficiency and job satisfaction.

**Labor Union Communication Vietnam**

Hyundai guarantees the rights that are fundamentally respected based on the Constitution, such as the right to organize, the right to collective bargaining, and the right to collective action for our workers. We have established and operates a collective bargaining consultation body and a labor-management council. In addition, we have formed the Future Change Response TFT and the Job Stability Committee to promote pre-discussions and consensus-building between labor and management regarding future changes. Hyundai is committed to enhancing trust between labor and management, establishing mature labor-management relationships, and fostering organizational culture innovation.

Based on these efforts, Hyundai has successfully concluded four years of peaceful collective bargaining since 2019.

In 2022, Hyundai established the 4th Advisory Council for the Job Stability Committee, consisting of a total of six experts. With the acceleration of changes in the automotive industry, such as electrification and future mobility, and increasing internal and external uncertainties, the 4th Advisory Council sought solutions for employment issues and crisis management. The 4th Advisory Council also played a role as mediators in resolving any differences of opinion between labor and management.
Creative Organizational Culture

PROMOTING EMPLOYEE DIVERSITY

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

Basic Principle of Diversity
Hyundai shall prohibit discrimination against employee's gender, race, ethnicity, nationality, cultural background, age, individual gender identity, differences in political and religious beliefs, awareness in social status, etc., without due reasons, and provide equal opportunities in employment, promotion, education, wages, and welfare.

Article 1. Gender
Hyundai shall treat all employees and stakeholders equally, regardless of gender, gender identity, sexual orientation, etc.

Article 3. Age
The employees of Hyundai shall respect and communicate with each other in an open manner, regardless of age.

Article 4. Disability
Hyundai shall not discriminate against employees based on disability or disease without reasonable grounds.

Article 5. Veterans
Hyundai honors veterans and their families, such as those of national merit and independence, during the recruitment process.

Key Diversity Programs

<table>
<thead>
<tr>
<th>Classification</th>
<th>Outline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Onboarding course for heads of overseas subsidiaries</td>
<td>This course covers discussions on the role of corporate leadership in building a &quot;healthy communication and working culture&quot; within an organization where members with diverse cultural backgrounds work together.</td>
</tr>
<tr>
<td>Expanaris Staff Assignment Course</td>
<td>This course includes conducting the GlobalSmart assessment to enhance understanding of the cultural diversity in which one will be assuming the post. Based on the assessment results, educational sessions are offered to enhance awareness and understanding of cultural diversity.</td>
</tr>
<tr>
<td>Cross Cultural Seminar</td>
<td>This seminar focuses on providing cross-cultural understanding and communication training for foreign executives.</td>
</tr>
<tr>
<td>Learning Lab</td>
<td>(R&amp;D Division) This program promotes learning and experience sharing and other activities aimed at enhancing organizational synergy.</td>
</tr>
<tr>
<td>Rememberence Day (R&amp;D Division)</td>
<td>This program provides education to newly appointed department heads, team leaders, and members with a focus on building a positive organizational culture based on communal understanding.</td>
</tr>
<tr>
<td>Connect-fit (R&amp;D Business Division)</td>
<td>This program facilitates experience sharing and career mentoring through connecting junior employees, who are scheduled for their initial rotation, with experienced senior employees.</td>
</tr>
</tbody>
</table>

Diversity Programs
Hyundai provides opportunities for enhanced communication and teamwork among diverse groups through workshops, training, and other activities. These programs have significantly improved the awareness of cultural diversity within the organization and have made a significant contribution to fostering a greater acceptance of diversity.

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

Key Diversity Programs

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<td>Millennials</td>
<td>• Think about a variety of ideas, solutions, and improvements using the strengths of the millennial generation</td>
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<td>Equality</td>
<td>LGBT+</td>
<td>• Provide training, career development, networking, and workplace collaboration opportunities for LGBT employees</td>
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<tr>
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<td>• Implement a forum where Hyundai employees, their spouses, their families, and supporters of U.S. Army veterans gather</td>
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Campaign Commemorating the International Women’s Day
Every year on March 8th, the world celebrates International Women’s Day honoring the social, economic, cultural, and political achievements of women worldwide. In commemoration of International Women’s Day, Hyundai created and distributed a playlist titled "Who drives the world?" to bring happiness to women traveling on the roads. The playlist features songs by diverse women musicians from around the world, including Lizzo, Miley Cyrus, Victoria Moné, and others. Through this engaging and meaningful campaign, Hyundai aimed to celebrate International Women’s Day.

*Who drives the world?* Playlist

Hyundai ERG Activities

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<tr>
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<td>LGBT+</td>
<td>• Provide training, career development, networking, and workplace collaboration opportunities for LGBT employees</td>
</tr>
<tr>
<td>Hyundai CARES</td>
<td>Disabled</td>
<td>• Provide ideas to raise awareness of Hyundai’s brand within the LGBTIQ community</td>
</tr>
<tr>
<td>Stars &amp; Stripes</td>
<td>Veteran</td>
<td>• Implement a forum where Hyundai employees, their spouses, their families, and supporters of U.S. Army veterans gather</td>
</tr>
</tbody>
</table>

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

Employee Resource Groups (ERG)

<table>
<thead>
<tr>
<th>Title</th>
<th>Target</th>
<th>Key activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women@Hyundai</td>
<td>Female</td>
<td>• Create an inclusive environment that grants independence to female employees, customers, and employees of partner companies</td>
</tr>
<tr>
<td>Hyundai@SOUL</td>
<td>Black and African American</td>
<td>• Discuss how to enhance the Hyundai brand image within the black and African American community</td>
</tr>
<tr>
<td>HANA (Hyundai Asian Network Alliance)</td>
<td>Asian</td>
<td>• Discuss methods to enhance the Hyundai brand image within the black and African American community</td>
</tr>
<tr>
<td>Amigos Unidos</td>
<td>Hispanic and Latin American</td>
<td>• Present innovative management ideas using the cultural intelligence of the Latino community</td>
</tr>
<tr>
<td>Young Leaders</td>
<td>Millennials</td>
<td>• Think about a variety of ideas, solutions, and improvements using the strengths of the millennial generation</td>
</tr>
<tr>
<td>Equality</td>
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</tr>
</tbody>
</table>
Human Rights Management

**Human Rights Management Governance**
We report on the revision and dissemination of the Human Rights Policy, the planning, execution, and outcomes of human rights risk assessments, risk mitigation and reduction measures, and the effectiveness of such measures to the ESG Committee and Sustainability Management Committee under the Board of Directors, in which the management participates. Our ESG Management and Procurement departments share responsibility of implementing the human rights management, and organically collaborate on managing human rights risk.

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

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

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

**Human Rights Education**
Hyundai has developed and implemented human rights education programs to promote compliance with the Human Rights Policy and enhance awareness of human rights. The human rights training programs offered by Hyundai encompass a total of 23 courses. These include not only compulsory education on such topics as sexual harassment prevention and improving awareness of disabilities but also broader education on the concept of human rights management, cases of human rights violations, legislation related to human rights, and industry trends in human rights management.

In addition, Hyundai organized briefings on “Supply Chain ESG Risk Assessment and Auditing” and “Conflict Minerals Management Process” specifically for our suppliers. These briefings aimed to explain the importance of human rights management and provide guidance on managing human rights risks. Furthermore, we provided online training courses on the Supplier Code of Conduct, which outlines the fundamental principles of human rights management that suppliers are expected to comply with. These principles include non-discrimination, humanitarian treatment, and management of working hours. The ESG briefings for suppliers saw the participation of 303 representatives, covering 100% of Hyundai’s domestic suppliers. The online training course had a participation of 1,123 supplier representatives in total.

**Human Rights Management in 2022**

<table>
<thead>
<tr>
<th>ESG Mindset Education (Korea)*</th>
<th>Number of employees subject to training</th>
<th>Ratio of participating suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td>About 75,000 people</td>
<td>Approximately 90.1%</td>
<td>Domestic - 100%</td>
</tr>
</tbody>
</table>

*Consisting of 5 areas -人权, ethics, safety, environment, and general ESG Education.

**Ethical Management Education**
- Purpose: To foster a shared understanding of ethical management and enhance the role of team leaders in promoting ethical sensitivity and improvement in the workplace.
- Target: All team leaders in Korea

**ESG Mindset Education**
- **Purpose**: To improve employees’ basic understanding and awareness of ESG
- **Target**: Approximately 75,000 people in general, research, legal, technical, maintenance, sales positions
- **Content**: Education on the concept and importance of ESG, best practices, etc.

**Education Roadmap**
- Watching ESG Mindset Videos
  - 410 companies (ESG overview, ethics, human rights, safety, environment)
- Sending Newsletter
  - Summary of video training content
  - Summary of ESG content specific to Hyundai
- Continuous learning
  - Providing continuous learning content through our internal learning platform “Learning Lounge”

**Human Rights Education in 2022**

**Grievance Handling Procedure**
- Improving reporting accessibility by operating a variety of communication channels such as mail, hotlines, and cyber audit office.
- If necessary, a person in charge of each region that has received the grievance provides counseling to the complainant, victim, witness, etc. and, if necessary, improves systems and procedures to prevent similar cases.
- Implement corrective and personal actions based on the zero-tolerance principle, and, if necessary, improve systems and procedures to prevent similar cases.

**Investigation and judgment**
- Improve personnel and system measures.
- Ensure compliance with procedures.
- Investigate complaints received within 5 days in accordance with procedures.
- If necessary, the person in charge of each department that has received the grievance provides counseling to the complainant, victim, witness, etc.
- HR Compliance
- HR Compliance
- Overseas
- ESG Procurement
- ESG Procurement

**Grievance Handling**
- Approximately 73,000 people
- Approximately 90.1%
- No. of participating suppliers: 400 companies (6,882 persons)
Human Rights Risks Management Process

Scope of Human Rights Risk Assessment: Hyundai prioritizes conducting human rights risk assessments for domestic business sites, including the headquarter, research institutes, Ulsan plant, Asan plant, Yeonji plant, as well as regional headquarters and subsidiaries in Europe, North America, Central and South America, India, China, and other overseas locations, covering business sites with more than 300 employees. This initiative already encompasses over 90% of Hyundai’s workforce. Moving forward, we aim to refine and enhance the indicators and standards for human rights risk assessment. In addition, the scope of assessments will be expanded to include distribution centers and subsidiaries, with the goal of achieving 100% coverage in conducting these assessments.

Human Rights Risk Assessment Targets: Taking into account factors such as employee composition, business operations and locations, products and services offered, environmental and community impact, as well as the sourcing of products and services from the supply chain, Hyundai has identified employees, women, children, migrant workers, workers in partner companies, and local residents as key subjects for assessing human rights risks.

Human Rights Risk Assessment Process: Hyundai strives to accurately identify potential human rights risks within the scope of our human rights risk assessment. To this end, we develop and implement our own indicators for human rights risk assessment and due diligence based on a variety of resources, from our own Human Rights Policy to all of the followings:

- Low Risks
- Potential Risks
- Women
- Immigrant and Suppliers

HUMAN RIGHTS RISK MANAGEMENT PROCESS

Document-based Human Rights Risk Assessment: Hyundai identifies potential human rights risks among a variety of worker groups through document-based assessments conducted in the form of surveys, based on our differentiated indicators and criteria for human rights risk assessment and due diligence. To facilitate the document-based assessments at each business site, we provide specific assessment criteria and requirements, ensuring an effective assessment process. The potential human rights risks identified through document-based assessments are further verified and validated through on-site inspections. In 2022, we conducted document-based assessments based on a total of 63 indicators. Going forward, we plan to maintain, expand, and streamline our indicators to proactively identify and address potential human rights risks within our business sites based on the implications derived from the results of human rights risk assessments.

Potential Risks

- Design of Human Rights Risk Assessment Indicators
- Identifying Potential Human Rights Risks
- Establishing Due Diligence Indicators

Human Rights Risk Assessment Indicators: Based on the preliminary assessment of human rights risks, Hyundai applies assessment and due diligence indicators differentiated by business site and stakeholder group. These indicators are continuously refined and strengthened to ensure a more accurate identification of risks. The pre-emptive identification of human rights risks has highlighted potential risks related to the working environment, working conditions, occupational health and safety, local communities, and the risk of conflict minerals within our supply chains. Specifically, there is an anticipated possibility of human rights risks related to child labor and female workers in the sourcing and supply chains of conflict minerals.

Document-based Human Rights Risk Assessment: To ensure the reliability of the document-based assessment results, Hyundai selects business sites for on-site inspections taking into consideration of various factors such as the location of the site, operational characteristics, worker composition, and impact on the local community. Particular attention is given to business sites where potential human rights risks are identified or where negative impacts are anticipated, prioritizing them for on-site inspections. On-site inspections are conducted by internal experts responsible for HR, safety, and organizational culture consulting by external experts in labor and law may be involved if necessary. To assess working conditions, a variety of documents are reviewed, and interviews are conducted with key personnel. Site visits are also conducted to verify the safety measures and working environment. Hyundai continuously improves the on-site inspection process to incorporate diverse perspectives and enhance the reliability of human rights risk assessments.

Preliminary Diagnostics of Human Rights Risk and Major Risks Identified

Human Rights Issues

<table>
<thead>
<tr>
<th>Employees</th>
<th>Women</th>
<th>Immigrant and Suppliers</th>
<th>Suppliers</th>
<th>Local communities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Risks</td>
<td>Low Risks</td>
<td>Low Risks</td>
<td>Low Risks</td>
<td>Potential Risks</td>
</tr>
<tr>
<td>Low Risks</td>
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</tr>
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</table>

Results of Human Rights Risk Assessment (Document-based & On-site)

<table>
<thead>
<tr>
<th>Classification</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio of business sites where human rights risk assessment was conducted</td>
<td>90.4</td>
</tr>
<tr>
<td>Ratio of business sites where risks were identified</td>
<td>8.3</td>
</tr>
<tr>
<td>Ratio of improvement measures and activities taken</td>
<td>50</td>
</tr>
<tr>
<td>Ratio of suppliers where human rights risk assessment was conducted</td>
<td>100</td>
</tr>
<tr>
<td>Ratio of suppliers where risks were identified</td>
<td>2</td>
</tr>
<tr>
<td>Ratio of improvement measures taken</td>
<td>100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Target of Human Rights Risk Assessments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
</tr>
<tr>
<td>Low Risks</td>
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Hyundai business sites

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1 Percentage of number of employees of business sites where the human rights risk assessment was conducted to total number of employees.
Results of Human Rights Risk by Region

Hyundai has diagnosed human rights risks at its domestic business sites, as well as joint venture company (Beijing Hyundai Motor Company), and 16 overseas business sites in North America, Central and South America, Europe, India, and China. This has enabled us to identify current status of human rights management at each region, and thus to develop improvement measures and implementation plans.

Measures to Address Human Rights Risks

Through document-based assessments and on-site inspections, improvement tasks are identified, and each business site establishes implementation plans for these tasks and takes relevant measures. For identified risks, the business site representatives discuss and establish improvement tasks, considering the timing, approach, and potential issues related to the implementation. The progress of implementing improvement tasks according to each business site is monitored to ensure a significant amount of time or necessary resources or training needs.

Human Rights Risk Management

Hyundai is committed to establishing a system to manage potential human rights risks that may arise at business sites and minimizing the negative impact of human rights risks on business operations. To identify and address actual issues with high operational impact and potential risks at business sites, we plan to enhance and achieve due diligence indicators. Through assessment and due diligence, identified human rights risks will be actively mitigated to prevent further dissemination and transmission. Since 2022, we have been incorporating the rates of human rights assessment and due diligence and the handling of grievances into KPIs of CEO and relevant departments responsible for human rights. Furthermore, we plan to enhance the efficiency of document-based assessments and on-site inspections. Prior to these procedures, pre-explanatory sessions on the procedure and indicators for assessment and due diligence will be conducted for site-specific personnel. We will also be providing training to strengthen the capacity for assessment and due diligence response.

Measures to Address Risks by Type

Distribution of Human Rights Policy and Non-Discrimination & Anti-Harassment Policy

- Distribute the Human Rights Policy aimed at strengthening awareness of respect for human rights and spreading human rights management
- Establish and distribute the Non-Discrimination & Anti-Harassment Policy to prevent discrimination and harassment in the workplace and raise awareness

Statement of salary in English

- Provide pay slips in English, including wages, allowances, deductions, etc. for foreign workers

Measures to Address Risks by Region

Europe

Subsidiaries in Europe strictly implement the codes of conduct on gender, ethnicity, race, and sexual orientation. In addition, we have policies to address the psychological well-being of employees, and operate employee assistance programs (EAP) for individual psychological counseling and organizational diagnosis, aiming to enhance the psychological well-being of employees.

Central & South America

Although the formal code of conduct has yet to be established, the influence of social identification policies, such as awareness education for workers, employees, and conducting education on preventing sexual harassment and workplace bullying. In this region, a variety of policies and regulations are being enacted to address labor-related issues and promote their resolution.

India

At the national level, there is a system in place for collecting and managing ethnic and gender-related information of workers, and there is a lack of obligation for collective bargaining. The handling of workplace harassment and sexual harassment is still in its early stages, and there is a lack of social awareness on these issues. Multiple subsidiaries in China have established implementing employee assistance programs (EAP) for individual counseling and organizational diagnostics, aiming to address the psychological well-being of employees.

China

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Hyundai held ESG non-deal roadshow (NDR) targeting global investors in August 2022 in Boston and San Francisco in the US, London and Edinburgh in the United Kingdom, Singapore, and Tokyo. Through these events, we shared our key activities related to supply chain ESG risk management, strengthening industrial safety and health, and assessing human rights risks. We received inquiries from global investors regarding human rights risk assessment, mitigation and improvement plans, and our strategy in responding to the implementation of the EU Corporate Due Diligence Directive. In addition, we plan to enhance our activities, achievements, and future plans. The demands and opinions of global investors will be considered in the development and planning process of human rights management activities, aiming to enhance sustainability. Going forward, we will expand communication with investors through a variety of channels based on the outcomes of the ESG NDR.

Measures and Activities to Address and Mitigate Child Labor in Suppliers

Hyundai conducted a comprehensive investigation and assessment of its overall supply chain in North America after confirming the employment of underage workers at two companies, SL Alabama and SMART Alabama, which have a cooperative relationship with Hyundai Motor Manufacturing Alabama (HAMMA) in 2022. We identified that a third-party employment agency misrepresented applicant information, and thus we immediately discontinued our business dealings with the respective employment agency.

In addition, SL Alabama agreed to establish a special audit committee to oversee compliance with relevant labor laws. Furthermore, HAMMA is in the process of developing our ownership stake in SMART Alabama.

HAMMA conducted investigations on 29 tier-1 suppliers in North America through interviews, on-site inspections, and other methods. HAMMA has also actively collaborated with the US Department of Labor to implement employment-related regulatory compliance training since March. The training covers Hyundai’s zero-tolerance policy regarding unfair employment practices, methods for verifying applicants’ identities during the hiring process, and compliance with the code of conduct for suppliers. In addition, we have instructed our suppliers to establish an anonymous grievance hotline for workers and provided education on prohibiting employment through third-party employment agencies. In addition, we cancel regular reports on the facts and follow-up actions regarding these issues through the Sustainability Management Committee. The Board has directed the company’s management to enhance the ESG management system, including the management of unfair employment issues, across all aspects of our business.
Hyundai places the highest value on the life and safety of all its employees and other stakeholders, thereby promoting activities aimed at enhancing health and safety based on firm principles and standards of health and safety. We have established a company-wide health and safety system in order to comply with the relevant laws and regulations, while identifying and improving hazards and risk factors so as to promote our employees’ health and enhance their working environments. We are also making active investment in human and material resources to implement mid-to-long-term roadmap, thereby achieving key performance objectives. Moreover, we will contribute to spreading a culture of health and safety built upon relevant laws and regulations, while identifying and improving hazards and risk factors, so as to promote our employees’ health and safety system in order to comply with the relevant laws and regulations, while identifying and improving hazards and risk factors, and support for subcontractor’s health and safety. Furthermore, both labor and management have agreed to actively cooperate on preventing major accidents and formed a joint labor-management work team for this purpose.

Strengthening Health and Safety Leadership

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

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

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

Results of the 2022 Safety Leader Seminar

<table>
<thead>
<tr>
<th>Date</th>
<th>Seminar Overview</th>
<th>No. of Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>First half</td>
<td>• Issues related to the Serious Accidents Punishment Act and safety trends</td>
<td>48</td>
</tr>
<tr>
<td></td>
<td>• Sharing of improved excellence cases and advanced safety technologies</td>
<td></td>
</tr>
<tr>
<td>Second half</td>
<td>• Dissemination of the safety policy of the CSO</td>
<td>63</td>
</tr>
<tr>
<td></td>
<td>• Safety leadership for me and my colleagues</td>
<td></td>
</tr>
</tbody>
</table>
Health, Safety, and Welfare of Employees

SPREADING THE CULTURE OF HEALTH AND SAFETY

Management of Leading Indicators for Industrial Accidents (H-UWC) Hyundai has introduced the leading indicator, “H-UWC (Hyundai-Lost Workday Case)”, as a shift from the traditional lagging indicator-based management of accident rates. This has enabled us to analyze accident types in advance and focus on the activities designed to reduce industrial accidents. Leading indicators are used to measure the processes and behaviors related to preventing industrial accidents. These indicators include safety consciousness and cultural level, equipment integrity, exceeding the scope of safe operations, improvement of health and safety management systems, and the effectiveness of activities to prevent industrial accidents from recurring. Through the management of leading indicators, the accident rate has been reduced by approximately 60% compared to 2019. In particular, the total number of safety accidents has been reduced by approximately 20% by focusing on reduction activities targeting specific types of workplace accidents.

Assessment of the Health and Safety Management Level (H-SAT)

Hyundai has set in place the “H-SAT (Hyundai-Safety Assessment Tool)”, a tool developed in-house in order to quantitatively evaluate and analyze the health and safety level of its business sites, address vulnerable areas, and raise the overall level of health and safety. The results of the evaluation are being used as a management reference for the future, with the H-SAT being continually reviewed and improved to reflect changing circumstances. The evaluation is composed of safety, health, fire, and environment sectors. It utilizes specific indicators such as equipment integrity, management of facilities, etc.

Application of Safety Design Criteria

Hyundai is establishing and expanding safety design criteria that include warnings for hazardous areas and facilities, instructions or guidance for emergency situations, and safe behaviors to be followed during work processes. Safety Design encompasses the development and application of measures based on the conditions and state of the workplace, such as restricted access, warnings for fire hazards and falling objects, the use of personal protective equipment, emergency evacuation procedures, and guidelines for safe behavior prior to commencing work. In addition, safety designs are attached to places or facilities that workers can easily recognize, and training is conducted on matters necessary for workers to understand the related contents. Safety design can be applied to various areas such as new construction and improvement projects in the workplace, logistics handling areas, automated transport systems, and lifts for material handling, among others. It is expected to show a high degree of effectiveness in reducing accidents.

Health and Safety Training

Hyundai ensures that all its employees are able to access health and safety training easily and conveniently via an online education platform. The online education videos, titled “Future Safety Education Content”, consist of six episodes, including six in-depth videos and 30 micro-learning videos. They cover various topics related to safety regulations, accident prevention, and major disaster prevention, providing diverse contents for employees. In particular, starting in October 2022, we further incorporate employee accessibility by enabling them to receive regular health and safety education via mobile devices. In addition, Hyundai operates VR experience-based safety education contents and facilities where employees can wear VR devices to experience simulated hazards in virtual reality, enhancing their awareness of safety. Hyundai also provides health and safety education to not only its employees but to all its subcontractors and SMEs in the same industry through the Global Partnership Center and the Foundation for Industrial Safety Partnerships. Furthermore, Hyundai requires all partner companies entering the workplace for work or construction purposes to complete pre-entry safety education.

Application of Wearable Devices

Hyundai is developing and adopting wearable devices with improved functionality and convenience to prevent musculoskeletal disorders among its workers. The first industrial wearable device, “CEX”, is a knee-joint assist robot designed to help workers maintain a seated posture. Despite its lightweight design of 1.6 kg, it can support a weight of up to 150 kg. In addition, it can be adjusted to suit the user’s height and posture, thereby reducing approximately 60% in the activation of the waist and lower body muscles, significantly improving work efficiency. Meanwhile, “VEX” is a vest-type wearable robot that assists workers who engage in overhead tasks for long periods. Weighing only 2.5 kg, it does not burden the worker, and its joint structure and springs are combined with body movements, enabling it to exert a force of up to 5.5 kg.

Launched by Hyundai Motor Group’s Foundation for Industrial Safety Partnerships

In September 2022, Hyundai, in partnership with six Group affiliates, established the Foundation for Industrial Safety Partnerships to enhance the safety management capabilities of SMEs in industries such as automotive parts manufacturing, steel, and construction. The Foundation’s mission is to support SMEs in establishing independent safety management systems and acquiring advanced safety management capabilities, with the aim of preventing safety accidents and major disasters, and eliminating the root causes of risks. The Foundation carries out projects to improve the overall safety level of industries, including small subcontractors, and to promote a culture of mutual safety, while fostering a strong commitment to safety as a top priority across the entire group of companies, as well as among subcontractors and SMEs.
Health and Safety Management Activities

Hyundai conducts risk assessments and health and safety diagnoses, measures noise and hazardous chemicals in the work environment, and provides emergency response training for workplace health and safety management. Based on these efforts, Hyundai is promoting safety measures, preventing health hazards, and enhancing its health and safety activities regarding the work environment, machinery, instruments, and facilities. In 2022, we strengthened construction safety supervision on holiday at domestic business sites by carrying out the 2022 off-site construction work. Furthermore, we conducted fire safety inspections at our production plants, research laboratories, service centers, and facilities related to eco-friendly vehicles. A total of 10 improvement measures were identified, and action plans have been developed for their implementation.

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

Health and Safety Management Activities

PROMOTION OF HEALTH AND SAFETY ACTIVITIES

Health, Safety and Welfare of Employees

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Health and Safety Management Activities

In particular, at our workplaces, we plan and promote health management campaigns, including smoking cessation clinics and smoking cessation camps, and we are also promoting smoke-free facilities.

Preventing Serious Accidents at Workplaces

Along with compliance with the relevant laws and regulatory requirements, such as the Serious Accidents Punishment Act, we plan and operate company-wide programs for the prevention of serious accidents based on domestic and international trends in major accident response. To prevent major accidents, we regularly conduct safety inspections to identify on-site hazards, store and manage the data obtained through these inspections in a database, and establish and implement major accident prevention measures based on analysis of the database. Furthermore, we establish and manage post-incident response measures and measures for preventing recurrence in the event of industrial accidents, including major accidents. We also distribute accident case studies and examples of excellent industrial safety management to ensure that accident prevention activities are continuously carried out on-site.

Preventing Serious Accidents at Subcontractors

To improve the safety management level of its subcontractors, Hyundai provides safety education and operates a reward system for excellent safety management partners. We also have developed a subcontractor safety management system that enables us to assess potential accident prevention capabilities in advance and select qualified subcontractors in the first place. To establish a safety management system for our subcontractors, we have carried out safety management activities such as registering subcontractors’ information, evaluating our subcontractors’ safety management competency (USAS), operating a safety council (106 meetings), and conducting joint inspections (48 times). In addition, we strive to help our subcontractors prevent serious accidents by conducting special construction safety training (3 sessions) for the CEOs of 120 construction companies and safety supervisor training for internal subcontractors (4 sessions).

Comprehensive Emergency Response Drills

Hyundai has set in place a robust emergency response system to respond actively to emergency situations, including disasters such as fires, explosions, and leaks, as well as non-natural emergencies like cyber-attacks and information breaches. We conduct comprehensive emergency response drills twice a year, during the first and second halves of the year, with the participation of all employees at each workplace. This training is aimed at maintaining and improving employees’ ability to respond to emergency situations. It includes developing a schedule, creating scenarios for different situations, implementing response protocols for each emergency scenario, and organizing the participants into groups and assigning specific tasks to each group.

Support for Health and Safety Management

We conduct health and safety diagnoses of workplaces that have a high risk of safety accidents, such as falls, collisions, fires, explosions, and leaks of hazardous materials. We conduct training based on emergency scenarios such as falls, collisions, fires, and leaks of hazardous materials. We also inspect the functionality of firefighting equipment on a regular basis.

We conduct regular health check-ups and implement programs for the prevention of health hazards and health-related accidents, such as respiratory and musculoskeletal disorders, as well as managing job-related stress.

We have established a health and safety management system for subcontractors to substantiate risk assessments and have strengthened accident prevention through subcontract management including diagnosis, education, and consultation.

We conduct investigations of the causes of any accidents that may occur and develop measures to prevent their recurrence. We also perform statistical analysis of industrial accidents and incorporate them into our performance improvement goals.

Promotion of Preventive and Health Measures

We implement major accidents prevention measures based on analysis of the findings, we implement corrective measures to mitigate risks and hazards.

We set management criteria for areas where there is a risk of falls, collisions, drops, or other potential hazards, and perform regular maintenance and inspections to eliminate potential hazards.

To prevent health hazards caused by noise, dust, gases, vapors, high temperatures, etc., we implement necessary preventive and health measures.

We provide appropriate personal protective equipment (PPE) for the work environment to ensure the availability and management of spare PPE. Wearing protective equipment is mandatory.

We conduct training and provide guidance on safety, including active movements of the body to address physical and chemical hazardous factors, and implement improvement measures.

We compile and provide a list of material health and safety information for the prevention of hazardous chemicals in the work environment, such as respiratory and musculoskeletal disorders, as well as managing job-related stress.

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Main Activities to Prevent Serious Accidents at Workplaces

Installation of smart motion sensors in blind spots

Installation of smart motion sensors in blind spots to identify risk factors and prevent accidents in advance

Installation of human body detection sensors

Installation of human body detection sensors, etc., to reduce the risk of accidents caused by workers’ negligence when operating transportation machinery such as forklifts

Development of safety management regulations

Development of step-by-step regulations for managing non-routine construction work conducted during non-working hours, from design to construction

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

Step

Action

Investigation Classification

Regular mobile safety inspections

• Continuous risk management by conducting mobile-based checks on a regular basis to ensure the safety of work processes and operating facilities

Photo shoot

• Complete process and accident reenactment photography

Process confirmation

• Check the process and listen to the cause of the accident

Take measures

• Apply the most appropriate countermeasure after establishing several countermeasures

Cause analysis

• Root cause analysis of accidents

Support for Health and Safety Management

Installation of smart motion sensors in blind spots

• Installation of smart motion sensors in safety management blind spots to identify risk factors and prevent accidents in advance

Investigation of Accidents

Investigation of Accidents

Preventive and Health Measures

Preventive and Health Measures

Risk Management

Risk Management

Tags of Health and Safety Signs

Safety Measurements for Machines, Equipment and Facilities

Safety Measures for Machines, Equipment and Facilities

Preventive and Health Measures against Health Hazards

Prevention of Non-Functional Equipment

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The training coordinator evaluates whether the training is being conducted in accordance with the established standards and procedures. The evaluation criteria for the comprehensive emergency response drills are continuously revised to enhance the level and intensity of the training. The emergency response scenarios and response systems are also being updated by analyzing deficiencies and implications identified during the training.

Efforts to Prevent Industrial Accidents Involving Subcontractors

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

Hyundai has put in place a hybrid work system that utilizes IT technology to enable employees to work flexibly without being constrained by a specific location. To ensure smooth remote work, Hyundai has established a mobile PC environment, VPN access for external connectivity, and online video conferencing servers, thereby creating a virtual working environment. This allows our employees to work from work-home arrangements or to work from designated shared spaces rather than traditional office settings.

Hybrid Working Hours

Hyundai has implemented a flexible working-hours system that allows employees to choose their most efficient working hours, taking into consideration the nature of their work. This flexible system applies to certain job positions, allowing employees to select their own start and end times for work within the available time slots, excluding mandatory working hours. By enabling employees to determine their own efficient work hours through the flexible working-hours system, Hyundai aims to enhance employee engagement and support performance outcomes.

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Sustainable Supply Chain

With “Win-win Growth Agreement” leading supplier collaboration in the automotive industry, Hyundai enhances the foundation for win-win growth, through operating the Transparent Purchase Practices Center, Foundation of Korea Automotive Parts Industry Promotion, and Global Partnership Center. Based on a “Win-win growth agreement” aimed at leading win-win cooperation in the automotive industry, Hyundai operates the Transparent Purchase Practices Center, Foundation of Korea Automotive Parts Industry Promotion, and Global Partnership Center, thereby strengthening the foundation for win-win growth.

We are also establishing a systematic cooperation system with suppliers, the government, and relevant organizations for a successful transition to a future of mobility, including electrification and autonomous driving. In our efforts to promote automobile industry, we run capability-building programs for quality, technology, and overall management of suppliers; increase joint R&D activities and patent applications; provide financial and tax support, and facilitate business diversification. Going forward, we will establish a win-win growth model that goes beyond fair trade between large companies and SMEs, and thus develop competitiveness, productivity, and technological capabilities of the entire automotive industry.

Establishing a Win-win Growth Ecosystem

EXPANDING A CULTURE OF WIN-WIN GROWTH

Fair Trade Agreement

Hyundai signs “fair trade agreement” to eliminate unreasonable practices that may arise in supplier trade relations and to fully establish fair trade between Hyundai and suppliers. We share four major measures about subcontracting and the Supplier Code of Conduct, while also operating corruption and irregularity report channels, in order to prevent such unfair conduct as delayed payments. We strive to enhance the competitiveness of an industrial ecosystem by providing training, technology, and fund support to suppliers, and we are also improving payment conditions for tier-1 as well as tier-2 suppliers. Since signing the first agreement in 2008, we have concluded the 14th agreement with our suppliers in 2022.

Signing of a New Win-win Growth Agreement

In October 2022, Hyundai Motor Group entered a Win-win Growth Agreement in pursuit of “support for win-win in the automotive industry and enhanced competitiveness in the future mobility” with the Ministry of SMEs and Startups and Foundation of Korea Automotive Parts Industry Promotion. The agreement’s main content includes contribution funds to stabilize the supply chain of parts suppliers, spreading the payment linkage system, supporting the construction and advancement of smart factories, establishing joint investment-type R&D funds, matching startups with suppliers and supporting their technological cooperation, and providing consulting for suppliers’ business diversification and facilitating commercialization.

Building Long-term Cooperation System

Hyundai pursues win-win growth with tier-1 suppliers that supply parts to it directly, tier-2 suppliers that supply parts to tier-1 suppliers, and general suppliers that deliver general raw and subsidiary materials. Through a long-term cooperation system with suppliers, we actively support them not only in production technologies but also in R&D efforts. We provide suppliers with guidelines on ethical conduct and carbon neutrality and training, as a way to contribute to improving quality and technological competencies as well as to nurture talent in the automotive parts industry.

STRENGTHENING THE FOUNDATION FOR WIN-WIN GROWTH

Supplier Grievance Handling

Transparent Purchase Practices Center

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

Supplier Competency Building

Global Partnership Center

Global Partnership Center (GPC) is helping suppliers enhance their competencies and competitiveness in the world’s automotive industry based on the principle of “establishing a virtuous cycle in which Hyundai Motor Group and our suppliers can grow together.” In addition to providing training programs targeting tier-1–tier-2 suppliers, the Center provides training facilities and instructors to suppliers in need of their own training. It also offers 18 tracks and some 437 training programs in five categories: future competitiveness, global competency, leadership, nurturing automotive industry experts, and basic job training – for tier-1–tier-2 suppliers.

Supplier Training in 2022

(Unit: Persons)

<table>
<thead>
<tr>
<th>Classification</th>
<th>No. of Participants</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundation of Korea Automotive Parts Industry Promotion</td>
<td>Quality and Technology School</td>
<td>2,869</td>
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<td></td>
<td>General training, etc.</td>
<td>1,697</td>
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<td>GPC</td>
<td>Training by industry, etc.</td>
<td>63,082</td>
</tr>
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<td></td>
<td>Total</td>
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Foundation of Korea Automotive Parts Industry Promotion

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

Technical Training for Suppliers

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

Management Consulting for Suppliers

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

No. of Suppliers Received Technical Training or Management Consulting

(Unit: No. of companies)

<table>
<thead>
<tr>
<th>Year</th>
<th>Technical Training</th>
<th>Management Consulting</th>
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<tbody>
<tr>
<td>2018</td>
<td>108</td>
<td>54</td>
</tr>
<tr>
<td>2019</td>
<td>106</td>
<td>52</td>
</tr>
<tr>
<td>2020</td>
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<tr>
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<td>109</td>
<td>55</td>
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* As of 2022

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Direction of Foundation of Korea Automotive Parts Industry Promotion: Hyundai operates the Transparent Purchase Practices Center, Foundation of Korea Automotive Parts Industry Promotion, and Global Partnership Center to create a win-win growth model by providing guidelines on ethical conduct and carbon neutrality in order to establish a fair and transparent win-win partnership. To this end, Hyundai Motor Group operates the Transparent Purchase Practices Center on its win-win growth website while operating a “suggestion box for transparency and ethical practices” and “suggestion box for tier-2 and tier-3 suppliers” so that its suppliers can voice their difficulties and propose various system improvements. We are making utmost efforts to establish fair trade practices and strengthen transparency throughout the supply chain, such as implementing a “retaliation prohibition policy” so that even when a supplier reports Hyundai’s fair trade law violation to a relevant organization or raises an objection with content in a contract with Hyundai, we do not suspend trade with the supplier or restrict traded products and quantity.
Enhancing Quality Competitiveness

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

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

Activities to Improve Durability: Hyundai shares its know-how in enhancing durability with suppliers in order to help them effectively address their chronic issues (customer inconveniences and economic losses, such as claims and recalls). We have a technology meeting three times a year with suppliers to discuss their chronic issues (customer inconveniences and economic losses, such as claims and recalls). We also monitor suppliers’ delivery level in line with our quality standards.

Quality Education for Suppliers: Hyundai holds the “monthly supplier quality meeting” that is participated in by all local supplier representatives at all plants in Korea and abroad every month to secure and enhance suppliers’ quality reliability. At this meeting, we share best practices and matters that require improving concerning delivery quality. We also monitor the progress and effectiveness of implemented improvement measures. In addition, once mass production of a new vehicle is finalized, the head office dispatches an employee in charge of quality to the overseas plant to support supplier education, thus taking measures so that suppliers’ delivery level is in line with our quality standards.

Quality Management Seminars for Suppliers: Hyundai holds quality management seminars every year for the CEOs and employees of all its tier-1 suppliers. At the 2023 quality management seminar, we introduced cases of responsibilities, to quality issues in the US and explained about the quality management items that suppliers needed to manage in the country through a lecture by a three-party auditor (TPA). The Quality Division introduced Hyundai’s key quality assurance promotion strategies while the Procurement Division guided the roles of suppliers in strengthening the quality capabilities for new vehicle development and securing the quality competitiveness of mass-produced vehicle parts. Suppliers introduced examples and effects of improving qualitative quality and shared difficulties in responding to the transition to electrification and the knowledge they have gathered to overcome them.

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

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

Building Smart Factories: Hyundai implements a smart factory-building project for SME tier-2· tier-3 suppliers. The project uses ICT to integrate the entire production process, ranging from product planning to sales, to produce customer-tailored products at minimal costs and time. A total of KRW 71 billion was contributed to the project from 2019 to 2021 to provide consulting and facility investments required for building a smart factory to 660 suppliers so that they can switch to a smart factory. The smart factory-building project is expected to improve response time and delivery rate, as well as the status of production facilities of tier-3 suppliers. They include the basic level which enables partial standardization, data management, and real-time production information monitoring; mid-level which supports collected information based control and optimization of decision-making through simulations; and advanced level where monitoring and control-optimization takes place autonomously.

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

Benchmarking Advanced Technologies: Hyundai operates the technical material exchange system for safe storage of suppliers’ key technical materials and trade secrets, and proof of technology development in the event of leakage of a supplier’s key technology or a dispute. We develop technologies jointly with suppliers and then make patent application together to prevent the possibility of infringement upon small-to mid-sized suppliers’ technologies and patents. We also strive to protect suppliers’ technology directory or indirectly by providing online patent education on patent application and patent search methods and helping them reduce their patent cost.
Support to Shift to Future Vehicle Parts Business Internal combustion engine parts business faces a range of challenges due to the expansion of electrification and shift to autonomous driving. In our effort to help our suppliers preemptively respond to the future vehicle market by moving forward with business diversification, we built a comprehensive support system together with the Korea Automotive Technology Institute and Foundation of Korea Automotive Parts Industry Promotion. In addition, we operate the “automotive parts company innovation support” program that provides analysis of R&D capabilities and consulting on future direction, support for discovery and selection of new business items in relation to future vehicles, and support for patent analysis and business reorganization for SMEs that are preparing for expansion of the future vehicle parts business. We also have the “business reorganization partnership selection and support” program that provides necessary support for SMEs that are expanding their business in future vehicle parts to receive government approval on business reorganization. Incentives are provided to companies approved for business reorganization, including tax benefits, loan interest discounts, and application of additional points when applying to build a smart factory.

5-Star System for Win-Win Cooperation

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

Majorsup Support Programs for Suppliers

Future Growth Mutual Fund
- Deposited KRW 37.4 billion, provided KRW 93.5 billion
  - Provide investment funds at low interest rates for quality and productivity improvements of tier-1 and tier-2 suppliers (Industrial Bank of Korea)

Future Growth Win-Win Fund
- Deposited KRW 100 billion, provided KRW 150 billion
  - Provide investment funds at low interest rates for quality and productivity improvements of tier-1 and tier-2 suppliers

Win-win Mold Equipment Fund
- Deposited KRW 50 billion, provided KRW 75 billion
  - Support suppliers’ financing based on new model mold and equipment collateral value and their interest rate stability

Win-win Cooperation Fund
- Provided KRW 50 billion
  - Support labor costs of tier-2 suppliers

Dedicated Loan for Tier-2 and Tier-3 Suppliers
- Provided KRW 200 billion
  - Provide investment funds intended to improve the management environment of tier-2 and tier-3 suppliers and operating funds at low interest rates

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

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

Technical Training (Quality and Technology)

Area
- Quality and Management Consulting (Supplier Support Group)

Composition
- Professionals with experience in the automobile industry as senior executives

Duration & Frequency
- 3 to 12 months per year, providing consultation on overall management, free of charge

Areas
- Consulting on overall management, including managing production, managing quality, and pioneering overseas markets

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

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- Consulting on overall management, including managing production, managing quality, and pioneering overseas markets

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

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

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

Technical Training (Quality and Technology)

Area
- Quality and Management Consulting (Supplier Support Group)

Composition
- Professionals with experience in the automobile industry as senior executives

Duration & Frequency
- 3 to 12 months per year, providing consultation on overall management, free of charge

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Basic Principles of the Supplier Code of Conduct

Enforcement and Amendment of the Supplier Code of Conduct

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

Supplier Code of Conduct

- **Ethics**
  - Transparent management and anti-corruption
  - Prevention of unlawful trade, etc.
- **Environment**
  - Establishment of an environmental management system
  - GHG and energy management, biodiversity, etc.
- **Labor and Human Rights**
  - Guarantee of freedom of association
  - Prohibition of child and forced labor, etc.
- **Safety and Health**
  - Establishment of an occupational health and safety management system
  - Response to emergency situations, etc.
- **Management Systems**
  - Transparent management and anti-corruption
  - Prevention of unlawful trade, etc.

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

Implementing ESG in Supplier Selection Process

Hyundai distributes standard guidelines on safety, health, and environmental management and the status of suppliers’ safety and environment accidents through ESG risk diagnosis and due diligence. We apply a penalty during supplier selection to suppliers that had an accident. When choosing a new supplier, we evaluate the supplier’s quality management system, financial structure, and management capabilities while also evaluating its ESG including safety and health, after which evaluation results are reflected in trade conditions.

Even suppliers we have been trading with can be subject to a penalty, such as bidding restrictions, according to evaluation results. In addition, we strengthened supply chain due diligence regulations and adopted the regulations to our website and basic contracts, thus demanding suppliers to comply with supply chain ESG-related standards.

Receiving ESG Documents for Supplier Registration

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

Current Status of Hyundai Suppliers

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

Tier-1 suppliers registered and managed in 2022 totaled 1,680 (purchase percentage of 65%), consisting of 380 suppliers in Korea and 1,300 suppliers overseas. Of the tier-1 suppliers, there are 47 core suppliers (purchase percentage of 65%). In addition to tier-1 suppliers, we identify tier-2 suppliers that have a significant impact on business operations. Number of core suppliers among tier-2 and lower suppliers stands at 24.

We make an effort to improve sustainability on an ongoing basis to fully comply with the Supplier Code of Conduct, and we create training programs on sustainability, on-site evaluations and feedback reports to support suppliers’ sustainable development.

**Cut-off Line for Significant Suppliers**

<table>
<thead>
<tr>
<th>Supply of core parts</th>
<th>Replaceability</th>
<th>Purchase size</th>
<th>ESG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significant suppliers</td>
<td>Significant suppliers</td>
<td>Significant suppliers</td>
<td>Significant suppliers</td>
</tr>
</tbody>
</table>

Cut-off Line for Significant Supplier Selection

- **Total hours**
  - 609 hours
- **No. of participating suppliers/No. of staff who received training**
  - 303 suppliers/1,123 persons
Sustainable Supply Chain

SYNOPSIS

Supply Chain ESG Diagnosis and Due Diligence

Risk Management and Due Diligence Process

Hyundai's supply chain ESG risk evaluation management consists of document-based assessment, on-site due diligence, high-risk supplier selection, and improvement and monitoring. We continue to improve diagnostic indicators in accordance with global trends to effectively identify potential ESG risks in the supply chain.

Composition of Risk Diagnostic Indicators

Hyundai established its unique supply chain ESG diagnostic indicators by using laws related to fair trade, environment/labor/safety and health/supply chain due diligence, the OECD Guidelines for Multinational Enterprises, EcoVadis, Responsible Business Environment Initiative (RBiA), Drive Sustainability, and other indices and standards. The supplier chain ESG risk diagnostic indicators consist of ethics, environment, labor, and human rights, and safety and health areas. In consideration of a supplier's size and whether it satisfies key indicators, we reflect the evaluation results in supply chain operation strategies.

Global Presence of Suppliers

Hyundai's suppliers are located across the globe, and continue cooperation to build a stable supply chain, including ESG.

Identification of Risks by Country, Business Type, and Subsidiary Material

We identify and manage risks by country where our suppliers are located, business type, supplied part, and raw and subsidiary material. To this end, we use materials disclosed by each country's government and research organizations as well as various media and social network materials.

Supply Chain Risk Diagnosis

Confirmed risks are managed by categorizing them based on each ESG area, including ethical, environmental, labor and human rights, and safety and health. We reflect these in deriving supply chain risk improvement measures and amending diagnostic indicators.

Supply Chain Management Strategies

Strategic Directions

Quality competitiveness

Delivery defect rate, claim reimbursement ratio, quality management, on-site evaluation of manufacturing processes, outsourcing management

Top Five Strategic Directions of Supply Chain Management

Performance Indicators

Supply stability

Basic competencies, performance competencies, capabilities for the future, reliability testing capabilities, 5/9 verification capabilities

Trade Fair

Smooth supply of parts (prevention of production line stoppage), A/S parts delivery rate, KD parts delivery rate

Eco-friendly Production System

Payment terms, contractual fairness, law/regulation compliance, win-win cooperation (support for win-win growth)

Environmental management system, energy consumption, air pollutant, waste, hazardous chemicals management

ESG Magazine

Supply Chain ESG Risk Diagnostic Indicators

Ethics

• Environmental management system

• Machine/instrument/facility safety

• Medical treatment

• Compliance with export restrictions

• Staffing

• Information protection

• Responsible purchase

• Air pollutants

• Water resources

• Chemical substances

• Energy and GHG emissions

• Workspace

• Wages

• Freedom of association

• Hazardous substance

• Prevention of child labor

• Prohibition of forced labor

• Harmful substance

• Accident management

• Non-discrimination

• Social stability

• Safety and health management system

• Safety diagnosis

• Legal protection

• Machine/instrument/facility safety

• Education and communication

• HSE/Quality/Environment

• Business partner management, etc.

Diagnosis and Due Diligence Aligned with Supply Chain Management Strategies

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

(Unit: Companies)

<table>
<thead>
<tr>
<th>Classification</th>
<th>No. of companies</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Document-based assessment of ESG risks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tier-1 suppliers</td>
<td>1,880</td>
<td>Purchase percentage of 100%</td>
</tr>
<tr>
<td>Tier-2 core suppliers</td>
<td>47</td>
<td>65% of tier-1 purchase percentage</td>
</tr>
<tr>
<td>Tier-2 suppliers</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>Identification of high-risk suppliers based on document-based assessment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tier-1 suppliers</td>
<td>13</td>
<td>Goal: Complete the written assessment of all core suppliers</td>
</tr>
<tr>
<td>Tier-2 core suppliers</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>On-site due diligence of ESG risks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tier-1 suppliers</td>
<td>35</td>
<td>Including 17 high-risk suppliers identified through the document-based assessment</td>
</tr>
<tr>
<td>Tier-2 core suppliers</td>
<td>1</td>
<td>Goal: Complete the on-site assessment of all high-risk suppliers</td>
</tr>
<tr>
<td>Improvement measures for high-risk suppliers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suppliers with negative impacts identified</td>
<td>14</td>
<td>Identified 1 core supplier among tier-1/tier-2 suppliers</td>
</tr>
<tr>
<td>Suppliers with established improvement plans agreed upon</td>
<td>14</td>
<td>Including the 1 core supplier</td>
</tr>
<tr>
<td>Suppliers that completed implementation of improvement plans</td>
<td>14</td>
<td>Including the 1 core supplier</td>
</tr>
</tbody>
</table>

Support Cases of Improving Risk Management

Support to strengthen ESG diagnosis/evaluation response capabilities

We shared improvement guidelines and best practices of ESG management so that suppliers can establish ESG risk improvement plans and take measures. In particular, we have been strengthening support needed for on-site improvement consulting since 2023 so that suppliers can develop the capabilities needed to manage and improve ESG risks.

Training to enhance capabilities in relation to carbon neutrality in the supply chain

Through the Global Partnership Center and Global Learning Center, Hyundai is providing training to around 360 suppliers on the outline of carbon neutrality, trends in Korea and abroad, method of calculating GHG emissions, and response measures regarding carbon information disclosures. We also run a program that supports equipment purchasing when a supplier replaces a carbon reduction facility that is needed at a business site as well as a consulting program that helps improve business site energy efficiency and curtail costs. We will continue to develop diverse carbon reduction programs and provide support so that they can be applied to suppliers, helping suppliers continually raise their carbon management levels to achieve carbon neutrality.

Global Supplier Day

In March 2023, we held the “Global Supplier Day” in Montgomery, US for suppliers in the region, semiconductor companies, facility suppliers, and others. This program has enabled us to strengthen cooperation with global suppliers and to share trend information on ESG risks that can arise in the supply chain. In particular, we shared cases related to supply chain ESG, including child labor issues in North America, thereby emphasizing the importance of supply chain ESG management.

ESG online training portal

To raise suppliers’ ESG awareness and strengthen their ESG capabilities, we operate the “ESG online training portal” that employees of all suppliers can use anytime. It provides content (ESG concept, trends in Korea and abroad, best practices, etc.) that is connected to our supply chain ESG risk diagnosis and due diligence items, including ethics, environment, labor and human rights, and safety and health.

Labor and human rights management training for the supply chain in North America

In partnership with the US Department of Labor, we offered a training program to the overall supply chain in North America with regards to compliance with worker employment-related regulations. Through this training program, we informed participants of Hyundai’s zero tolerance principle on unfair employment, and explained ways to check identity in the worker employment process, Supplier Code of Conduct compliance requirements, opening of an anonymous channel for grievance counseling, and prohibition of employment through a third-party employment broker.

Distribution of safety and health management guides

We have developed and distributed the “safety and health management guides” to help suppliers establish a systematic safety and health management system, such as creating an organization dedicated to safety and health; establishing a management system; increasing training and investments; identifying and addressing risks; and analyzing disaster factors and establishing reduction measures. We also create online safety and health training materials, which can be viewed by any of supplier employees.
Sustainable Supply Chain

RESPONSIBLE MINERALS MANAGEMENT

Conflict Minerals Management Governance

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

To this end, we have established management governance to operate a management process for compliance with policies and execution of social responsibilities in relation to conflict minerals. The Procurement Division’s Win-Win Cooperation & Safety Promotion Team supervises the operation of the conflict minerals-related management process and continually examines responsible mineral risks of each Purchase Division and supplier.

In addition, it closely collaborates with relevant departments, including the Sustainability Management Team that manages company-wide ESG risks. Important matters related to conflict minerals are supervised and reviewed by Sustainability Management Committee under BOD, and are also included in the KPIs for CEO as a way to ensure active management of the matters.

Conflict Minerals Management Policy

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

Conflict Minerals Management Process

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

Selection of High-Risk (Risk Management) Areas

Hyundai has classified 10 African countries (Democratic Republic of the Congo, Rwanda, Burundi, Sudan, Angola, Uganda, Zambia, Central African Republic, Congo, Tanzania) and other conflict areas as Conflict Affected and High Risk Areas (CAHRAs). We continue to monitor suppliers’ use of conflict minerals and cobalt that are illegally or unethically mined/distributed in these areas. We have also established a process for cases in which we inevitably source minerals from conflict areas, we confirm that there is no issue through an internal review before use.

Investigating the Conflict Mineral Status of Suppliers and Checking Risks

We investigated the status of suppliers that use tin, tantalum, tungsten, gold, and cobalt. For Tier-1 suppliers and electric vehicle battery suppliers (43 suppliers), we received CMRT/EMRT materials from lower-level suppliers that supply parts that used conflict minerals and cobalt. We listened to difficulties experienced by suppliers that were having difficulty in creating CMRT/EMRT materials or whose materials were insufficient. We also explained on several occasions the need to actively respond to the conflict minerals management process and recommended all suppliers subject to investigation to submit materials.

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

Despite our efforts, we explore alternative procurement options and take decisive actions, such as suspending relationships with suppliers who show reluctance to improve their practices. These endeavors exemplify our commitment to responsible sourcing and minimizing the impact of conflict minerals in our supply chain.

Disclosing Conflict Mineral Activity Details

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

Raising Supplier Awareness of Conflict Minerals

Beginning with the establishment of criteria and finalization of a schedule to investigate the Conflict Mineral status of suppliers in March 2022, we identified in advance, whether items that are used for major electric model production use conflict minerals or cobalt. In addition, we held briefing sessions and provided training to tier-1 and tier-2 suppliers that use conflict minerals, electric vehicle battery suppliers, and Hyundai employees in charge of purchasing with regard to the background of conflict minerals management, conflict minerals regulation trends in major countries, Hyundai’s conflict minerals management policy, CMRT/EMRT outline and investigation plan, and trading with RMAP-certified smelters as part of our activities aimed at raising overall awareness of conflict minerals management.
Hyundai is striving to achieve its quality philosophy of “producing defect-free vehicles without breakdowns” and develop new safety technologies that protect drivers, passengers, and pedestrians. To this end, we continue upgrading overall quality and safety systems not only by promoting preemptive quality and safety measures from the vehicle development stage but also by preventing any significant problems afterward through early detection, early improvement, and early after-sales actions. In particular, we are focused on building a sustainable safety management system by developing training programs, operating quality and safety reporting centers, analyzing safety information, and establishing safety test sites to strengthen our quality verification capabilities, which in turn will enable us to maximize customer satisfaction and build trust.

### Customer Experience Innovation

**Product Responsibility**

**PRODUCT QUALITY MANAGEMENT**

Establishing Quality Management System  

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

Establishing an Integrated Quality Management System  

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

Quality Management Techniques  

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

Quality Management Process  

- Plan new vehicles by taking customer complaints into account, vehicle breakdown information, and other quality and safety issues.
- Establish quality requirements and quality management plans according to quality management techniques and standards.
- Review and verify parts function, structure, reliability, and durability with information from various quality management systems.
- Conduct in-house quality verification for test vehicles and collect quality improvement opinions from third-party agencies.
- Conduct preventive risk and prepare countermeasures in the areas of process management, regular vehicle inspections, shipment pass rate, etc.
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QUALITY ASSURANCE AND MANAGEMENT
Hyundai has expanded the scope of its quality assurance and management from quality control and vehicle development and production to include after-sales customer safety and protection.

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

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

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

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

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

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

Voluntary Recall Status

<table>
<thead>
<tr>
<th>Classification</th>
<th>Model name</th>
<th>Warranty period</th>
<th>No. of recalled vehicles</th>
<th>Costs of recalls</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hybrid</td>
<td>Grandeur, Sonata, IONIQ, AVANTE (Elantra), Tucson, IONIQ Hybrid, IONIQ Plug-in</td>
<td>10 years / 200,000 km</td>
<td>196 623 272 389</td>
<td>78,000 305,200 1,442,300 320,900</td>
</tr>
<tr>
<td>EV</td>
<td>KDN Electric, IONIQ Electric, IONIQ 5, IONIQ 6</td>
<td>10 years / 160,000 km</td>
<td>2,261,010 1,063,782 2,551,716 3,133,544</td>
<td></td>
</tr>
</tbody>
</table>

Warranty Provisions

<table>
<thead>
<tr>
<th>Classification</th>
<th>Provision warranty balance at the beginning of the period</th>
<th>Warranty costs during the period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hybrid</td>
<td>5,177,128 5,447,307 8,514,173 9,048,185</td>
<td>2,261,010 1,063,782 2,551,716 3,133,544</td>
</tr>
</tbody>
</table>

Scanning & Deep-Learning of Paint Inspection Sheets
The scanning & deep-learning of paint inspection sheets developed by AIRS Company, an in-house organization dedicated to AI, has incorporated AI technology into the automotive paintwork inspection process. The technology builds big data by quickly extracting information written on the checklist (inspection times, vehicle model, type of abnormality, location of abnormality). This helps to improve quality by quickly identifying problems that frequently occur in the painting process or errors that repeatedly appear in certain vehicle models without human intervention. Going forward, we plan to expand the application of this technology to other production processes and factories, such as under-vehicle inspection and vision inspection of finished vehicles.

Automatic Wheel Alignment Adjustment Technology
Hyundai is improving driving stability by incorporating AI technology into the wheel alignment adjustment process. Wheel alignment is the process of aligning the angles of the wheels of a vehicle. If it is not properly adjusted, the wheels will pull to one side or the steering will not be smooth, causing problems with normal driving. The automatic wheel alignment adjustment technology improves adjustment accuracy by utilizing deep learning in the process. AI learns past wheel alignment data and works with the predicted adjustment value. Through iterative learning, which is the process of passing data back to the computer, the technology can predict the optimal adjustment value every when given a new wheel angle.

In June 2022, following the proliferation of TikTok videos of Hyundai vehicle thefts in the U.S., victims filed a class action lawsuit in response to a series of thefts of older models without engine immobilizers. In response, we provided free software upgrades for anti-theft, subsidized the purchase of anti-theft devices to some vehicle owners who were unable to upgrade the software, and distribute over 65,000 wheel locks. In addition, we plan to provide cash compensation for damages not covered by insurance, while providing a variety of insurance options in collaboration with American Automobile Association to customers who have difficulties purchasing and maintaining insurance. All vehicles sold by Hyundai Motor America comply with the laws and regulations required by the US authorities, with the subsidiary doing its best to ensure customer safety and compensate for damages based on our corporate philosophy of putting customers first.

<table>
<thead>
<tr>
<th>Classification</th>
<th>No. of cases</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Inquiry</td>
<td>1,731,538</td>
<td>93.2%</td>
</tr>
<tr>
<td>2 Complaint</td>
<td>107,119</td>
<td>5.8%</td>
</tr>
<tr>
<td>3 Suggestion</td>
<td>13,537</td>
<td>0.7%</td>
</tr>
<tr>
<td>4 Compliment</td>
<td>1,857,575</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Classification</th>
<th>No. of cases</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Service</td>
<td>405,696</td>
<td>26.7%</td>
</tr>
<tr>
<td>2 Sales</td>
<td>412,043</td>
<td>26.6%</td>
</tr>
<tr>
<td>3 Quality</td>
<td>385,991</td>
<td>20.8%</td>
</tr>
<tr>
<td>4 Membership</td>
<td>200,359</td>
<td>10.8%</td>
</tr>
<tr>
<td>5 Support</td>
<td>199,284</td>
<td>8.6%</td>
</tr>
<tr>
<td>6 Others</td>
<td>104,089</td>
<td>5.6%</td>
</tr>
<tr>
<td>7 Reservation</td>
<td>91,652</td>
<td>4.9%</td>
</tr>
</tbody>
</table>
撞撃試験手順

製品安全技術

安全性試験基準（衝撃試験）

試験の目的を達成するため、すべての車両を安全性試験に従ってテストします。これらのテストは、車両が事故を防ぐために設計されたように、必要に応じて実施されます。

衝撃試験は、次の手順を踏みます。

1. 車両をテスト場所に設定
2. 車両をシステムに接続
3. 空気バッグを展開し、衝撃を受けた場合に使用
4. 車両を停止
5. 車両を減速
6. 車両を停止

これらの手順は、衝撃の影響を最小限に保ちながら、最高の安全性を確保します。

衝撃試験の結果

衝撃試験結果は、以下の通りです。

1. 車両の安全性を確認
2. 車両のダミーをテスト
3. 車両の形状を確認
4. 車両の安全性を確認

これらの手順により、衝撃試験は安全で効率的に行われます。
Driver Protection Devices that protect drivers and passengers in the event of an accident are just as important as multi-collision prevention automatic braking, advanced driver assistance, and autonomous driving redundancy systems that prevent accidents while driving. 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 Bus Safe Driving Campaign, and Connected Car Safe Driving Insurance Discount.

Pedestrian Protection The active hood system unveiled by Hyundai uses a hood multi-cone structure that allows the vehicle to detect a collision with a pedestrian and lift the bonnet to protect the pedestrian. When a pedestrian collides with a vehicle, the actuator under the bonnet moves, raising the bonnet by about 6 cm. The shock-absorbing space between the bonnet and the engine compartment can significantly reduce the risk of injury to the pedestrian's head. Preventing a pedestrian's head injury is a critical factor influencing a pedestrian's survival. In addition, the lower leg form and the engine compartment can significantly reduce the risk of injury to the pedestrian's knees in the event of a collision while preventing the pedestrian's head injury. It is the largest in the industry, enabling us to precisely measure even minute injuries in a variety of collision situations, contributing greatly to improving passenger safety performance. For your reference, when Hyundai develops a new vehicle model, it invests an average of 4,000 hours in evaluation and testing and KRW 10 billion in costs to ensure the highest level of crash safety.

VEHICLE SAFETY ASSESSMENT

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

2022 National Camp Accreditation Program In 2022, IONIQ 6, Hyundai’s dedicated EV model, and Genesis GV70 proved their excellent safety by obtaining the highest safety rating of 5 stars from Euro European New Car Assessment Program (NCAP), Europe’s leading vehicle safety assessment agency. Euro NCAP evaluates four main categories: adult occupant safety, child occupant safety, pedestrian collision safety, and safety assistance systems. Both the IONIQ 6 and GV70 received high marks for adult occupant safety and safety assistance systems, demonstrating their superior occupant protection features.

Winners of the 2022 NACP

<table>
<thead>
<tr>
<th>Region</th>
<th>Ratio</th>
<th>5-star (top rating)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Korea</td>
<td>100%</td>
<td>IONIQ 6, GV70</td>
</tr>
<tr>
<td>Europe</td>
<td>100%</td>
<td>IONIQ 6, GV70</td>
</tr>
<tr>
<td>U.S.</td>
<td>69.2%</td>
<td>18 models including Kona, Santa Fe, Elantra, Sonata, Tucson, Palisade, IONIQ 5, G80, GV80</td>
</tr>
</tbody>
</table>

1) Ratio: The number of vehicle models rated by the NCAP with a 5-star (top rating) divided by the total number of vehicle models rated by the Program

Main Functions of the Occupant Protection Airbag

Multi-collision Airbag

Hyundai’s world-first multi-collision airbag precisely calculates a variety of conditions such as the occupants’ unstable posture and speed when the impact is so weak that the airbag does not deploy in the first collision. In subsequent collisions, the reference impact strength is lowered or the timing of activation is adjusted to make the airbag easier and faster to operate.

Center Side Airbag

The center side airbag is mainly deployed between the driver and the passenger in the event of a side-impact collision to prevent the passenger from crossing to the other side, thereby preventing collisions between people as well as collisions with interior materials. Hyundai has applied the “thermal compression folding” method to achieve the world’s smallest and lightest form while maintaining safety and obtaining domestic and international patents for the related technology.

Hug Airbag

Developed by Hyundai to compensate for the limitations of fixed airbags for self-driving cars, the Hug airbag consists of three chambers that perform their respective roles. As if they were one body, the six chambers on the left and right protect the occupants. Going forward, we plan to refine the technology so that it can be applied to autonomous vehicles in the 4-5 stages.

2) Scale Test building 40,000m² Collision test site 2,900m²

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Customer Experience Innovation

Maximizing Customer Satisfaction

SERVICES BOOSTING CUSTOMER SATISFACTION

Customer Service Standard Guide

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

Reinforcing Customer Service Capabilities

Hyundai sets in place a “service convergence education system” to strengthen the CS capabilities of its employees in customer contact channels such as vehicle sales and service. In the ICT-based CS learning environment, our employees receive training related to customer service skills along with knowledge of vehicles. Most notably, Hyundai’s Domestic Business Division improves the company’s customer service capabilities by disseminating specific and practical customer service solutions called “CS Way” to the business sites.

Moreover, we introduce service trends and ways to improve Bluehands CS to those representatives who operate Hyundai’s official service suppliers “Bluehands” while sharing best practices in customer service and customized service plans according to various situations as part of training to improve customer service capabilities.

H-Map – Customer Communication Channel

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

CS Training Programs in 2022

<table>
<thead>
<tr>
<th>Educational Programs</th>
<th>No. of Attendees / Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>H-Map (service skills for visiting customers)</td>
<td>330</td>
</tr>
<tr>
<td>A stroke of genius (overcoming objections)</td>
<td>89</td>
</tr>
<tr>
<td>Skill of articulation</td>
<td>121</td>
</tr>
<tr>
<td>CS master (CS philosophy, responding to dissatisfied customers)</td>
<td>169</td>
</tr>
<tr>
<td>First meet with commercial vehicle customers</td>
<td>8</td>
</tr>
<tr>
<td>Customer service standards</td>
<td>35</td>
</tr>
<tr>
<td>On-site coaching by customer experience champion</td>
<td>85</td>
</tr>
<tr>
<td>Master’s explanation skills</td>
<td>141</td>
</tr>
<tr>
<td>Hole-in-the-wall approach to handling of customer dissatisfaction</td>
<td>44</td>
</tr>
<tr>
<td>CS Way</td>
<td>58</td>
</tr>
<tr>
<td>Service skills for dissatisfied customers</td>
<td>58</td>
</tr>
<tr>
<td>Business manners</td>
<td>58</td>
</tr>
<tr>
<td>One-line Counseling Center</td>
<td>All employees in sales and service divisions</td>
</tr>
</tbody>
</table>

Major Services Related to Connected Car

<table>
<thead>
<tr>
<th>Service</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remote Control</td>
<td>• Remotely controls air-conditioning, charging, locking the vehicle, checking parking location, transmitting destinations, home-to-car and car-to-home services, voice recognition to adjust various devices and functions in the vehicle, among others.</td>
</tr>
<tr>
<td>Safety &amp; Security</td>
<td>• Emergency rescue and accident handling support in the event of an airbag deployment accident, SOS emergency dispatch, theft tracking, burglary alarm notification, driver attention notification, rear passenger notification, among others.</td>
</tr>
<tr>
<td>Vehicle Management</td>
<td>• A/S linkage measures according to the vehicle diagnosis results, navigation software wireless update, automatic notification of battery discharge, driving habit analysis results and safety score guidance, among others.</td>
</tr>
<tr>
<td>Directions</td>
<td>• Fast and accurate directions using traffic condition and forecast information, real-time traffic situation information, search for destinations through portal sites, sharing the current location of the vehicle, among others.</td>
</tr>
<tr>
<td>Music Streaming</td>
<td>• Streaming service of music content platforms</td>
</tr>
<tr>
<td>Digital Key 2</td>
<td>• Door locking/unlocking, starting the vehicle using a smartphone and an NFC card key or a smartphone with UWB function</td>
</tr>
</tbody>
</table>

BlueLink – Connected Car Services

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

My Hyundai – Mobile Service

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

Genesis House New York

The “Genesis Space” provides unique differentiated experience for the luxury brand

Hyundai's customers who own commercial vehicles (trucks and buses) can use connected services such as vehicle control, breakdown notification SML, and maintenance requests through the specialized control system “BlueLink Fleet.” By harnessing the driving analysis data of a vehicle, along with real-time monitoring of vehicle control parameters such as speed, battery status, and voltage, it enables to enhance both safe driving practices and optimize vehicle operation efficiency. In particular, green house gas (GHG) emissions from vehicle operation are measured in real time while GHG emissions reduced when operating eco-friendly vehicles are provided as tree planting results. If the vehicle operating company is a company subject to carbon credit allocation or is participating in an external reduction project, the estimated revenue and cost are also provided by comparing the GHG reduction estimate with the target value.
Major Services

Visiting Before Service
- Visit a location designated by a customer and provides vehicle maintenance and advice 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

Customer Satisfaction in the Passenger Vehicle Category (Korea Customer Satisfaction Index)

<table>
<thead>
<tr>
<th>Year</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>89.9</td>
</tr>
<tr>
<td>2020</td>
<td>91.8</td>
</tr>
<tr>
<td>2021</td>
<td>92.8</td>
</tr>
<tr>
<td>2022</td>
<td>93.0</td>
</tr>
</tbody>
</table>

Differentiation of Customized Services

Based on the CS philosophy of “Connecting People with Quality Time,” Hyundai provides customized services for each customer. We provide optimized, customized services by digitizing the after-sales service required for vehicle maintenance. In addition to customized services for customers in overseas regional headquarters and sales subsidiaries, we also provide services for each vehicle model, such as vehicle maintenance, charging, and battery repair optimization for customers who purchase Hyundai EVs. Hyundai will do its best to enhance customer satisfaction by providing tailored services during all stages following vehicle purchase.

Special Services for Genesis Car Owners

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 Engineers’ Technical and Maintenance Capabilities

Since 2012, Hyundai has been running the Hyundai Master Certification Program (HMCP), an independent technology certification system, to offer maintenance services of top-notch quality through the cultivation of exceptional engineers. Technical certification consists of four levels according to engineer competency – Level 1 (Technician), Level 3 (Master), and Level 4 (Grand Master). In 2022, a total of 26 people obtained Level 4 (Grand Master) following the evaluation of expertise in a total of seven categories, including EVs, FCEVs, engines, vehicle networks, and advanced driver assistance systems, during the practical test.

Excessive Maintenance Prevention Program
In 2012, Hyundai launched an excessive maintenance prevention program to provide reasonable maintenance services. If any suspicious repairs or excessive maintenance activities are detected during the maintenance process, we offer compensation up to tenfold based on the findings of an investigation conducted by an external insurance company. We strive to prevent recurrences by imposing penalties on excessive maintenance suppliers, thereby striving to provide our customers a sense of security about our transparent customer service.

Directions for Improving the Quality of Technical and Maintenance Services

Hyundai strives to improve the quality of technical and maintenance services provided by its directly managed service centers and “Bluehands” engineers. We train the best engineers who can comprehensively deal with problems that may occur in vehicles, in addition to training engineers to enhance their basic competencies in maintenance. We also continue to upgrade maintenance manuals and vehicle manuals according to technology development and new vehicle launches while running workshops to share relevant knowledge.

Hyundai Master Certification Program Electrified (HMCPe)
Hyundai operates the Hyundai Master Certification Program Electrified (HMCPe), a technology certification program, to nurture maintenance personnel specializing in vehicle electrification. Bluehands engineers complete courses such as electrification basics, electrification customer response skill-up, and diagnostic convocation training according to their competencies. The e-Technician certification is given to engineers who understand the electrification function and the overall system and can respond to customers smoothly whereas the e-Master certification is given to engineers who understand the entire field of electrification and are capable of independent diagnosis, high-level repairs, and high-tech work.

Maintenance Manuals and Vehicle Manuals
Hyundai offers online access to vehicle maintenance information. We provide maintenance manuals and electronic circuit diagrams to customers who purchase vehicles, directly-managed service centers, and Bluehands engineers through our domestic technical information website (gsw.Hyundai.com). After a simple membership registration, customers can access information necessary for vehicle maintenance and search for necessary (genuine) parts, which has helped improve the convenience of self-maintenance.

IMPROVING THE QUALITY OF TECHNICAL AND MAINTENANCE SERVICES

Excessive Maintenance Prevention Program
- Reinforcing Engineers’ Technology and Maintenance Capabilities
- Training of Bluehands Maintenance Personnel
- Efficient Vehicle Maintenance Personnel

Strengthening Engineers’ Technical and Maintenance Capabilities
- Hyundai Master Certification Program
- Hyundai Master Certification Program Electrified

Training Support for Bluehands Maintenance Personnel
- Hyundai nurtures outstanding engineers through mutual exchange of information and human and material resources necessary for maintenance education with various specialized institutions such as the Ministry of Employment and Labor, universities, and vocational schools while hiring highly qualified engineers who have completed professional training. In addition, we have signed an MOU with the Ministry of Employment and Labor to train eco-friendly vehicle maintenance personnel and are working hard to cultivate excellent talent.

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ESG Magazine

69
Customer Experience Innovation

Sustainable Brand

**BRAND MANAGEMENT**

Hyundai's brand management system (BMS) supports the effective operation of its Brand Strategy System, Brand Architecture, and Brand Image Guidelines. The Brand Strategy System guides the company-wide direction for consistent external communication. The “Brand Architecture” defines the brand and trademark system (usage method, etc.) of vehicles, technologies, and services. We suggest how to visually implement the brand in detail by developing and distributing the Brand Image Guidelines as a manual.

**Brand Tracking Study**

We conduct a Brand Tracking Study (BTS) to check customers’ brand awareness, purchase intention, satisfaction, etc. based on price, performance, quality, and eco-friendliness for each brand. Most notably, in terms of brand preference, we examine not only the reliability, competitiveness, service, and affordability of our brands, but also their eco-friendliness, social responsibility, and authenticity factors. Additionally, we identify the market competitiveness of our brands by evaluating the market value of our brand vehicles to our customers. The results of the brand tracking study are used as basic data for establishing a brand strategy for each sales region. We also reflect them in the marketing process, such as deriving customer communication messages.

Tracking Study of Eco-friendly Brand
Hyundai conducts surveys on customer purchase intentions, awareness, preference, and attribute information (innovativeness, convenience, eco-friendliness, etc.) for eco-friendly vehicle (HEV, PHEV, EV) brands (IONIQ, Nexo). In addition, we conduct global brand monitoring through which we inspect the application and utilization of brands and trademark images on a regular basis, which enables us to manage whether brand strategies, systems, and guidelines are being applied correctly in the field. We also operate an in-house portal “Brand Home” and a help desk “Brand Desk” to conduct brand quality management activities, such as reviewing the use of brands in promotional materials produced by each business division and support division. Hyundai aims to continually enhance its brand management system, with a focus on enhancing the value of its corporate brands and products, and implementing systematic management practices.

Analysis of Brand Tracking Study Results

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

**BRAND ENHANCEMENT ACTIVITIES**

Sustainability-based Brand Campaign
Hyundai conducts marketing activities to enhance its brand value in line with its determination to transform itself into a smart mobility solution company. Additionally, we are strengthening the efficiency of our sales network with a focus on high-quality dealers while promoting various CSV activities to overcome problems such as environmental pollution and climate change that mankind is experiencing. Following the implementation of sustainability-focused initiatives to enhance our brand image, with an emphasis on eco-friendliness and public benefits, we assess the impact of these activities on key business metrics, including vehicle sales growth, customer satisfaction improvement, and enhanced corporate value.

“for Tomorrow” Global Project
“for Tomorrow” is a global sustainability campaign powered by Hyundai and the United Nations Development Program (UNDP). Launched in 2020, the “for Tomorrow” campaign aims to increase the world’s capacity to accelerate the achievement of the 2030 Sustainable Development Goals agreed upon by the United Nations. To commemorate the second anniversary of the “for Tomorrow” platform in 2022, we joined forces with local teams from many countries including Vietnam, Sierra Leone, Peru, India, the U.S. Together, we created a documentary with an inspiring story on grassroots innovation to combat the sustainability challenges we all face, and presented it at the Lincoln Center’s Walter Reade Theater in New York, in celebration of the 77th United Nations General Assembly.

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Sustainable Brand

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Hyundai is operating the “HMG Driving Experience Program” to give customers first-hand experience of various brands of Hyundai Motor Group, including Kia and Genesis. Opened in 2022, the “HMG Driving Experience Center” is the largest driving experience center in Korea and has eight experience courses including a braking course, a high-speed main circuit, an off-road, a round-turning course, and a kick plate course. Starting from the 2023 season, we plan to expand opportunities to experience Hyundai Motor Group’s EVs by adding IONIQ 6 and EV6 GT vehicles to the EV Experience Program.

N Brand’s Electrification Vision

Since its launch as a High-performance sub-brand of Hyundai Motor Company, the N brand has consistently pursued pure driving pleasure from the customer’s perspective. Hyundai has established a vision to reflect the three core elements of N vehicles (cornering maneuvers, everyday sports cars, and racetrack driving ability) that can maximize the fun of driving pursued by the N brand in the EV era. In 2023, the N brand plans to launch its first electric high-performance car, the IONIQ 5 N. Starting with the launch, it will continue to conduct research and development aiming to realize high-performance sensitivities in a hydrogen society beyond the electrification era.

**Brand Tracking Study Items**

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

*“for Tomorrow” campaign*

**N Vision 74- high-performance hydrogen fuel cell hybrid “Rolling Lab”**
HYDROGEN CAMPAIGN

“H2U” Campaign for a Hydrogen Society  Hyundai is running the “H2U (Hydrogen to You) Campaign” mainly in Europe to promote the value of FCEVs and hydrogen energy, and to emphasize the urgency of transitioning to a hydrogen society and the importance of creating a hydrogen ecosystem. Influencers from various fields such as science YouTuber and researcher Jacob Beaufempt, German fashion model Toni Dreher-Adenuga, future mobility journalist Don Dahlmann and Mobile Geeks co-founder Nicole Scott are at the forefront of promoting the infinite value of hydrogen through the H2U campaign.

“Dear My Hero” - Hydrogen Cleaning Truck  “Dear My Hero” is an integral component of the Big Idea Campaign by Hyundai Motor Group, dedicated to advancing new technologies that seek to revolutionize the challenging working conditions faced by sanitation workers, promoting a safer and healthier environment for them. A hydrogen cleaning truck is an eco-friendly vehicle that runs on electricity by combining hydrogen and oxygen. It produces less noise and vibration than conventional internal combustion engine cleaning trucks while emitting less heat and dust. Hyundai will continue to strive to contribute to creating a more comfortable and safe life through hydrogen, an eco-friendly energy.

ETHICAL MARKETING

Advertising & Marketing Ethics Declaration  Hyundai announced its “Advertising & Marketing Ethics Declaration” to induce customers to make the right decision to purchase products and services and to create a healthy advertising and marketing environment. Accordingly, Hyundai prohibits misrepresentation or omission of product/service information, exaggeration or reduction of product and service utility, unfair comparison of competitors or products, deceiving consumers, and advertising and marketing activities that do not protect the information vulnerable. We also encourage outsourcing companies that are entrusted with advertising and marketing by Hyundai to respect the Declaration.

Hyundai's hydrogen-powered commercial vehicles unveiled at the H2 MEET 2022

At the “H2 MEET 2022”, Korea’s premier hydrogen industry exhibition held in August 2022, Hyundai showcased hydrogen energy solutions designed for universal applicability, emphasizing their potential to benefit “Everyone, Everything, Everywhere”. Moreover, we unveiled a cutting-edge hydrogen commercial vehicle that showcased the company’s advancements in hydrogen-based future technologies. To showcase Hyundai’s technology for hydrogen-powered commercial vehicles, we exhibited hydrogen fuel cell buses, police buses, cleaning trucks, sprinkler trucks, and multicopter drones. In addition, we introduced our hydrogen fuel cell-based M. Vision Tug vehicles, and hydrogen-based carbon-neutral steelmaking process. We also spared no effort to discover new sources of demand for hydrogen-based mobility with governments, and domestic and foreign hydrogen industry-related organizations.

Product Information Labelling in Major Markets

<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>Korea</strong></td>
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<tr>
<td>Product</td>
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<tr>
<td>Environment</td>
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<td>Safety</td>
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</tbody>
</table>
Creating Shared Value

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 a 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 Initiative

CSV IMPLEMENTATION SYSTEM

In 2022, Hyundai unveiled "Hyundai Continue", a global CSV initiative for sustainable management focused on three main areas – earth, mobility, and hope – based on which various activities are being carried out as part of this initiative at business sites in Korea and overseas.
CSV Activities

Creating Shared Value

Waste Plastic Collection and Upcycling

Hyundai has been carrying out waste plastic collection and upcycling projects in Indonesia since August 2022, with the goal of addressing environmental problems in the nation which produces tones of plastic waste every year. In partnership with Save the Children and Plasticity, we have offered environmental education and installed collection bins at 10 middle and high schools in Jakarta, Indonesia, as well as two RPTRAs which are child-friendly integrated public spaces. We also plan to produce and provide upcycling goods using the collected waste plastic. In addition, we have been operating a waste recycling center in Bekasi, Indonesia since October 2022. In this way, Hyundai is helping Indonesian communities to build a circular economy by reducing waste in their villages and using it as a valuable resource.

2022 Key Achievements

We have installed 15 plastic collection bins in major schools and public spaces in Jakarta, and provided environmental education to 8,300 children. We also have established a waste recycling center in Bekasi which was recognized as the best case of CSR in West Java in 2022.

Future Plans

In 2023, we will expand the installation of plastic collection bins while continuing to provide children with environmental education related to plastic collection.

Marine Waste Collection and Upcycling

Hyundai has been carrying out upcycling projects such as collecting marine wastes and recycling them to make textile products since 2021, aimed at preserving marine ecosystems in Europe, Africa, and Korea. Together with our cooperative partner, Healthy Seas, we are working to restore the marine ecosystem by collecting lost fishing nets, one of the many kinds of waste that threaten the marine ecosystem. The collected ghost nets are regenerated into a nylon fiber called ECONYL® by the textile producer Aquafil. ECONYL® is used as a floor mat material for IONIQ 5 and IONIQ 6 vehicles sold in Europe, as well as in the production of various other products such as socks, swimwear, sportswear, and carpets. Leveraging our experiences and know-how in launching and operating these projects, we will continue to expand eco-friendly activities and take the lead in building a global circular economy.

2022 Key Achievements

Since 2021, we have collected more than 100 tons of marine wastes and recycling them to make textile products since 2021, aimed at preserving marine ecosystems in Europe, Africa, and Korea. Together with our cooperative partner, Healthy Seas, we are working to restore the marine ecosystem by collecting lost fishing nets, one of the many kinds of waste that threaten the marine ecosystem. The collected ghost nets are regenerated into a nylon fiber called ECONYL® by the textile producer Aquafil. ECONYL® is used as a floor mat material for IONIQ 5 and IONIQ 6 vehicles sold in Europe, as well as in the production of various other products such as socks, swimwear, sportswear, and carpets. Leveraging our experiences and know-how in launching and operating these projects, we will continue to expand eco-friendly activities and take the lead in building a global circular economy.

Future Plans

Together with the HMG Materials Research & Engineering Center, we plan to expand the application of materials recycled from marine waste. To minimize carbon emissions, we will strengthen our prior search of suitable areas for collection activities while considering introducing drones and electric boats for our collection activities.

IONIQ Forest

Hyundai launched the IONIQ Forest project in 2016 and has been creating eco-friendly forests around the world to absorb carbon and conserve biodiversity. In 2022, we planted a total of 8,000 trees in Hongcheon, Gangwon-do to create a new eco-friendly forest of 16,000m² also while creating a natural garden covering 300m² at the National Sinuido Recreation Forest in Gunsan, Jeollabuk-do. In the IONIQ Forest Hongcheon, we planted Korean fir trees, which have been designated as an endangered species by the International Union for Conservation of Nature (IUCN); black locust trees, which are a source of pollen for honey bees whose population has declined dramatically in recent years; and ash trees, a fire-resistant species.

We are creating the IONIQ Forest project not only in Korea but also in North America, Brazil, Mexico, Germany, Serbia, Turkey, and the Czech Republic. IONIQ Forest North America is conducting activities using IONIQ 5 and IONIQ 6, as well as employee volunteering. IONIQ Forest Brazil aims to restore the Atlantic Forest by planting 100,000 trees, and operates a research forest near our Brazilian plant with the aim of developing a methodology for restoring rainforests in cooperation with Sao Paulo’s de Queiroz College of Agriculture. Meanwhile, IONIQ Forest Czech Republic is providing regular care of typical mountain meadow by planting seedlings, hay raking and monitoring rare species to preserve the biodiversity of the Beskydy Mountains.

Through its global IONIQ Forest project, Hyundai has planted approximately 210,200 trees as of 2022. Going forward, we will continue to carry out various eco-friendly activities – such as restoring ecosystems, responding to climate change, and conserving biodiversity – with various partners around the world to promote coexistence between the Earth and humanity.

2022 Key Achievements

With the creation and expansion of the IONIQ Forests in Hongcheon-gun and in Sinido of Jeollabuk-do, some 11,000 trees have been planted in a total area of 36,000m², absorbing about 85 tons of carbon dioxide and 250kg of fine dust, while producing additional oxygen that can be consumed by some 6,000 people every year. Over the past three years, Hyundai has planted a total of 215,923 trees not only in Korea and overseas, including the US, Mexico, and Germany.

Future Plans

We aim to plant one million trees recommended by 2024. To this end, we will plant 214,929 trees in Korea, North America, Brazil, Mexico, and Serbia by 2023. In April 2023, we promoted the IONIQ Forest North American project at the New York Motor Show. Going forward, we will expand our contribution areas and induce stakeholders’ participation through active publicity.

Marine Waste Collection

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Creating Shared Value

**CSV Activities**

**Rehabilitation Support Using a Wearable Robot (X-ble MEX)**

Hyundai is taking the lead in overcoming the physical limitations and improving the mobility of people with reduced mobility by offering rehabilitation support for patients with paraplegia, using robotics technology. HMG Robotics Lab has developed a wearable robot called “X-ble MEX” that assists lower muscle reconstruction and joint movement for people with limited mobility. In January 2023, we obtained permission for medical devices from the Ministry of Food and Drug Safety, and also completed the certification of batteries as a power source for walking assistance. In April 2023, we plan to support rehabilitation training programs for traffic accident patients.

**Driving Rehabilitation Support Using Virtual Driving Simulators**

Hyundai has been running a virtual reality driving experience social contribution program since February 2019, 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, we have used the simulators in the rehabilitation of victims of traffic accidents. In 2022, we expanded the cooperative relationship to Chungnam National University Hospital and Pusan National University Hospital. In 2023, we plan to promote rehabilitation support activities by providing simulators to Seoul Rehabilitation Hospital.

**H-Special Movement Project**

Hyundai donates eco-friendly vehicles and provides customized mobility solutions to local governments that operate welfare vehicles for the disabled to improve the mobility of the vulnerable. In November 2022, we donated an electric vehicle (EV), specialized for the visually impaired, to the daily mobility support center for the disabled in Chungcheongbuk-do. The donated vehicle was developed by applying Braille and voice guidance convenience specifications to the IONIQ 5, an eco-friendly EV, to help visually impaired people move about more safely and conveniently. It is expected that this eco-friendly welfare vehicle for the visually impaired using IONIQ 5 will contribute to promoting the mobility rights of the disabled in the province.

**Supporting Underprivileged Areas, Using Mobility**

Leveraging our mobility to help Foodbank, aimed at resolving the imbalance in the supply of food ingredients due to income inequality in downtown and suburban areas in the Middle East. Using Hyundai STARIA, in partnership with local Foodbank and colleges, we have supplied food ingredients and nutritional kits to marginalized areas with low accessibility from March to April 2022 in five cities – two in the UAE (Aljun in March and Sharjah in April) and three in Saudi Arabia (Riyadh, Jeddah, and Dammam in April). In particular, we donated STARIA to NGOs in those cities to assist their donation activities during Ramadan, when Muslims practice coexistence and sharing.

**Future Plans**

In 2023, we plan to deliver a total of 2,000 boxes of food ingredients, a 40% increase from the previous year, and donate four Hyundai Mighty vehicles for NGO activities.
Creating Shared Value

CSV Activities

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 goal of enhancing national competitiveness. The H-Mobility class consists of three courses of future strategic technologies such as vehicle electrification, autonomous driving, and robotics, with each course being composed of basic education and advanced education. Launched in 2022, the robotics course includes a hackathon as one of its in-depth education programs designed to provide trainees with project experience and opportunities to improve their practical capabilities. We provide recruitment benefits (exemption from application review) to trainees who are selected as excellent learners after completing advanced education.

2022 Key Achievements

In 2022, we opened a new robotics course and operated an H-mobility class for a total of 1,585 trainees.

Future Plans

In 2023, we plan to open software (SW) lecture in addition to autonomous driving course to contribute to strengthening the trainees’ SW capabilities and fostering their mobility skills.

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. The curriculum is composed of content on eco-friendly mobility and sustainability to enhance the students’ understanding of mobility-related occupations. In order to resolve inequality in career education opportunities, priority is given to schools in rural areas, special schools, and alternative schools. In 2022, we organized a creative experiential learning for elementary school students as a regular program in order to make education fun and easy from the perspective of children.

2022 Key Achievements

In 2022, we expanded the target range of activities beyond essential funding, including transportation and education.

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H.I.R.E.

H.I.R.E. stands for Hyundai Initiative for Robotics Excellence, a robotics talent training program that Hyundai Motor Manufacturing Alabama has been promoting since 2020. The H.I.R.E. program is run in conjunction with the Montgomery public education system to provide education on robotics to middle and high school students, with the goal of creating a pool of future talents for the growing technology-based industries in Montgomery and the River Region. H.I.R.E. enables students to move beyond learning the scientific principles related to engineering design to develop their teamwork, leadership, coding, and literacy skills, while supporting them in their dream of forging a career in a robotics-based industry by helping them to get into robotics at an early age.

2023 Key Achievements

All 10 middle schools in Montgomery participated in the program held in January 2022, and a total of 90 students received robotics education. In August, the program was expanded to include a total of eight high schools in Montgomery, and in November of the same year a total of 17 teams participated in the H.I.R.E. Robotics Competition.

Future Plans

Hyundai Motor Manufacturing Alabama (HMMA) plan to expand the H.I.R.E. program in collaboration with the education system in central Alabama.

Hyundai Hope on Wheels & Help for Kids

Hyundai Motor America (HMA) conducts the Hope on Wheels campaign to support pediatric oncology research and raise awareness about childhood cancer with its dealers participating in the campaign. Launched in 1998 with the aim of creating a happy future in which children do not suffer from cancer, this campaign is currently being carried out across the United States.

Hyundai Motor Company Australia (HMCA), together with its dealers, is running the Help for Kids program, which provides financial and vehicle support to children’s charities. The program has been ongoing since 2014, providing children and families in Australia with a range of activities beyond essential funding, including transportation and education.

2022 Key Achievements

In 2022, the Hope on Wheels campaign donated USD 15 million and supported the research of 1,100 pediatric oncologists, while the Help for Kids program raised funds from donations over AUD 11 million between 2014 and 2022.

2023 Key Achievements

In 2022, the dealer networks participating in Hope on Wheels increased their fund-raising from USD 14 to USD 22 per vehicle sold, while the network of Australian dealers participating in Help for Kids decided to increase their fund-raise from AUD 7.5 per vehicle sale to AUD 10 in August 2022, which is expected to lead to an increase in the donation amount.

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Future Plans

While continuing to support the Korea Archery Association, Hyundai intends to establish a sponsorship with the World Archery Association and support it until 2025. Based on this, we will contribute to improving the competitiveness of archery in Korea by expanding the archery base and fostering promising archers.

As social distancing was eased in 2022, various volunteer activities were conducted in which our employees could actively participate. Leading example includes H-pop-up trucks operated at our headquarters, Namyang R&D Center, and Ulsan Plant. H-pop-up trucks is designed to promote development rights and participation rights for children in local children's centers nationwide. 55 employees who participated in the activity set up a play experience booth where children could enjoy VR experiences and traditional games, as well as conducting creative craft activities such as making wooden cars. In June 2022, Hyundai's Ulsan Plant resumed its various face-to-face volunteer activities such as balloon art instruction at a local children's center and hand and foot massage service for people with intellectual disabilities, as well as volunteering at soup kitchens. In addition, they conducted various volunteer activities and delivered donations as part of H-Local Partner, a community-based social contribution activity.

CSV Activities

Employee Volunteering

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2022 Key Achievements

In 2022, 5,592 Hyundai employees participated in 627 volunteer activities for a cumulative total of 15,016 hours.

Art for Hope

Art for Hope is an art revival program operated by Hyundai Motor India. It was launched to provide financial support to artists who had lost their livelihood after ceasing their creative activities due to the COVID-19 pandemic, and to increase access to the arts by building a platform for youth, women, and local artists. It has developed into a flourishing artist support program that grants a total of INR 4 million to 35 teams of artists who are active in various arts fields across the 17 states of India, based on proposals for community art projects on the theme of “Hope, Solidarity, Gratitude”. It currently supports traditional Indian arts, crafts, and performances. In particular, it is developing into a platform for young artists belonging to the underprivileged classes.

2022 Key Achievements

As of the end of 2022, the program supported five types of traditional arts and four archive projects in India providing financial support for a total of 60 teams (120 artists), and attracting more than 3,700 exhibition visitors. In parallel with the program, we made 12 environmental and social issues to be the subject of public deliberation in local communities, while inducing people to be aware of social issues through art. It was well received for it enabled persons with visual impairment or development disorders to enjoy the exhibition and provided audiences with interactive workshop and guided tours.

Disaster Relief

Hyundai fulfills its social responsibility by taking active part in supporting damage recovery in the event of disasters or accidents globally. In Korea, we donated funds to assist the recovery from the Uljin-Samcheok wildfire in March 2022, the heavy rains in central Korea in August 2022, and the Gangneung wildfire in April 2023. Overseas, we provided help through donations for the recovery from the Indonesian earthquake in November 2022 and the devastating earthquake in Turkey in February 2023. These are good examples to show that we make continued efforts to support recovery from disasters both in Korea and abroad. In addition, if disasters or accidents occur near our business sites and subsidiaries, Hyundai employees work hard to help the affected local communities recover from the damages by conducting fundraising activities on their own or by providing relief goods at the discretion of each business site.

2022 Key Achievements

In March 2022, Hyundai donated about KRW 2.3 billion to assist the recovery from wildfire in Uljin and Samcheok, and provided KRW 900 million each to help the victims of heavy rainfall in the central region in August 2022 and the wildfire in Gangneung in April 2023. Overseas, we donated IDR 2 billion in November 2022 for earthquake relief in Indonesia. In February 2023, we helped victims affected by the earthquakes in Turkey by donating USD 1 million and supporting life-saving equipment, daily necessities, and other goods, worth EUR 0.5 million total.

Korea Archery Association

Since 1985, Hyundai has been supporting the operating expenses of the Korea Archery Association while providing various awards to the national team when it achieves outstanding results in international competitions. Moreover, Hyundai has used the technological resources of its research institute to develop a shooting machine that can not only sort out bad arrows but can also apply a precision-analysis technology to identify abnormal or defective parts, thus enabling the national squad to achieve a very high level of skill and continue its development. In 2019, Hyundai launched a new Ulsan shooting range, which is the only one of its kind in South Korea. It is equipped with a high-tech training system that uses artificial intelligence to analyze and improve the performance of the archers. This system provides real-time feedback to the archers, allowing them to practice and improve their techniques. In addition, Hyundai also provided financial support to the Korea Archery Association while providing various awards to the national team.
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

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, we support a large-scale solo exhibition by an esteemed Korean artist as well as related seminars and publication activities. In 2022, the MMCA Hyundai Motor Series 2022: Choe U-Ram - Little Ark exhibition was held, and various programs were conducted during the exhibition period, including critic and artist talks, collaborative performances with choreographers and musicians, to communicate with the audience.

Hyundai has also been supporting “PROJECT HASHTAG” 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. In 2022, the PROJECT HASHTAG 2022 presented a showcase of the geopolitical significance of underground party spaces and cultural and social issues in virtual ecosystems from the perspective of young creators.

Tate

The “Hyundai Commission,” made possible by the long-term partnership between Tate and Hyundai, is a series of site-specific installations by international artists for Tate Modern’s Turbine Hall. In 2022, artist and poet Cecilia Vicuña created two monumental new sculptures for Hyundai Commission: Cecilia Vicuña: Brain Forest Quipu. Continuing her long-standing work with the Andean tradition of the quipu, quipu sculptures hung 27 meters from the ceiling at opposite ends of the Turbine Hall combined with audio and digital installations. This multi-part installation was an act of mourning for the destruction of the forests, the subsequent impact of climate change, and the violence against Indigenous people, and also an opportunity to create a space for new voices.

The “Hyundai Tate Research Centre: Transnational” 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 to facilitate collective research and intellectual exchange.

Los Angeles County Museum of Art

Since 2015, in partnership with Los Angeles County Museum of Art (LACMA), “The Hyundai Project at LACMA” has been supporting exhibitions and lab projects, aimed at promoting the convergence of technology and art, as well as research activities in Korean art history. As part of this partnership, the The Space Between: The Modern in Korean Art exhibition was held in September 2022. This exhibition featured about 150 works of art that reflect the historical uniqueness of Korea’s modern era and was based on long-term research and planning through our partnership program. By showcasing modern art works reinterpreted by Korean artists influenced by foreign cultures and contemporary works by overseas artists, the exhibition presented an integrated perspective on modern Korean art.

We also support innovative exhibitions and creative activities that converge art and technology through the “Art + Technology exhibition” and the “Art + Technology Lab.” The selected artists for the “Art + Technology Lab” have been working on activities that incorporate rapidly growing new technologies such as blockchain, metaverse, and NFTs. In addition, many artists have been implementing various ideas into their works with the help of technology consultations from companies such as Hyundai Motor Company, Google, SpaceX, and Snapchat.

Creating Shared Value