



"for Tomorrow" initiative powered by Hyundai and UN Development Programme (UNDP)



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 competence, 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 with 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 in-depth 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.



Metaverse job fair

**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.

### Strategic Workforce Planning Process

<b>Planning</b>	<ul style="list-style-type: none"> <li>Introduce various methods of talent analysis to secure excellent human resources and analyze their relative competitiveness</li> </ul>
<b>Use</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>
<b>Outcome</b>	<ul style="list-style-type: none"> <li>Increase collaboration between departments through organizational network analysis</li> <li>Conduct organizational culture assessment and make improvements to analyze potential reasons for leaving the organization and establish countermeasures, etc.</li> </ul>

### Talent Analysis

<b>Employee Competency Analysis</b>	Performance Measure	<ul style="list-style-type: none"> <li>Review job performance and competency development of each employee based on key performance indicators (KPIs) on a constant basis</li> <li>Select outstanding talents, including employees who have consistently achieved exceptional results compared to their peers in the same job position and level, or exceeded performance targets</li> </ul>
	Skill Gaps Identifying	<ul style="list-style-type: none"> <li>Define competency requirements for each job position and level, and measure and manage individual employees' competency levels</li> <li>Identify outstanding employees based on quantitative measurements of competencies for each element</li> </ul>
<b>Internal Organization Analysis</b>	Network Analysis	<ul style="list-style-type: none"> <li>Identify inter-departmental relationships by analyzing frequency and time spent on inter-departmental collaborations as well as the efficiency and productivity of collaboration processes</li> <li>Select and manage departments that may feel excluded or isolated during the collaboration process</li> </ul>
	Employee Retention	<ul style="list-style-type: none"> <li>Conduct organizational culture assessments among employees to identify individual grievances, expectations, and potential turnover risks</li> <li>Improve personnel policies and welfare programs, and promote proactive communication to retain top talent</li> </ul>
<b>External Environment Analysis</b>	Competitive Intelligence	<ul style="list-style-type: none"> <li>Conduct regular monitoring of market conditions, including industry competition, emergence of potential competitors, and supply chain uncertainties</li> <li>Implement a continuous recruitment system to secure talents with required capabilities and skills</li> </ul>
	Recruiting & Hiring	<ul style="list-style-type: none"> <li>Generate interest from outstanding talents through online promotion and virtual job fairs in the metaverse</li> <li>Organize separate recruitment sessions for international master's and doctoral candidates to attract global top talents</li> </ul>

# Creative Organizational Culture

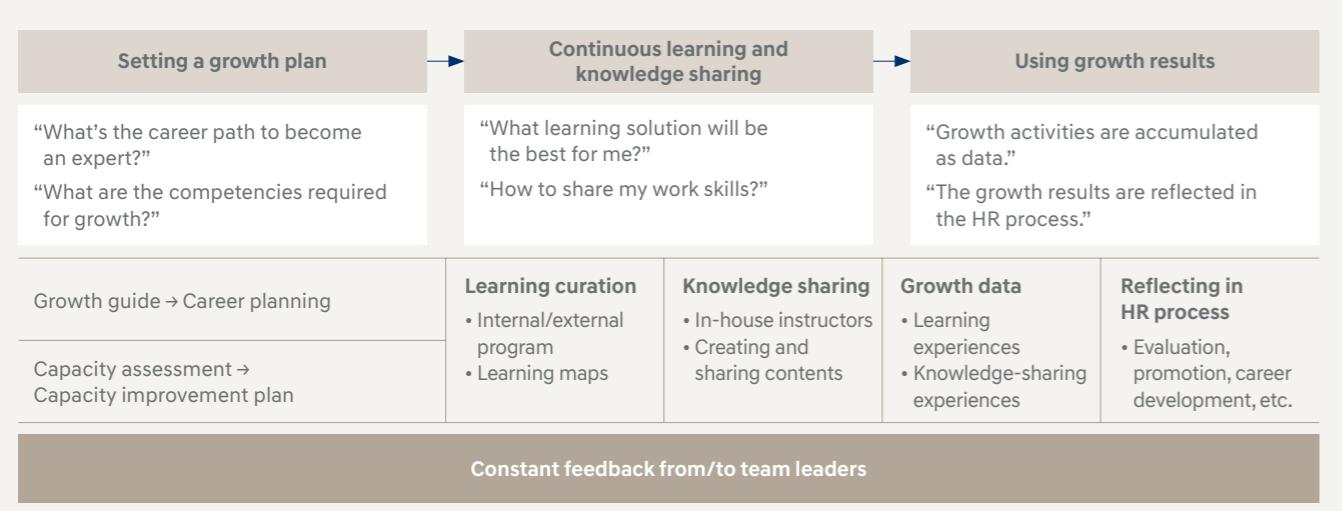
## TALENT DEVELOPMENT AND PROFESSIONAL COMPETENCIES

**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 experiences 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 over 50 overseas locations worldwide. This program allows employees to lead global field organizations in areas such as research, production, and sales, providing them with valuable opportunities to drive future business plans and generate results, serving as a significant opportunity for employees to grow into global talents.

### New Growth System



**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.

**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 location positioning technologies, researching, and analyzing data related to e-mobility trends, and understanding and implementing monitoring systems for autonomous driving vehicles.

**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 their 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.

**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.

### View-T System



**24/7 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.

**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.

**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.

**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 1,020,552 shares to employees. By 2022 we had granted a total of 2,857,635 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.

# Creative Organizational Culture

**Project-based Joint Research Programs** In collaboration with renowned research institutions at home and abroad, Hyundai is running a “project-based joint research” program. Through this program, we are strengthening R&D capabilities in future core technologies and address persistent issues in our products. The outcomes of these joint research efforts are then applied to our finished vehicles and advanced technologies. In addition, we have been organizing a variety of research dissemination seminars based on these research findings to foster technology internalization and enhancing their research and development capabilities.

**Customer-oriented Car Master Training Program** Hyundai focuses on customer-centricity through our “Car Master Training Program” to cultivate talents in sales, customer service, and service sectors from a customer experience perspective. We have established a service convergence education system to strengthen product knowledge (electric vehicles, luxury cars) and enhance consultation skills (CSR, CS) through training. This enables us to enhance customer touchpoint services. As a result, the Korean Customer Satisfaction Index (KCSI) has shown improved customer satisfaction in all passenger vehicle/RV sectors compared to the previous year. We have achieved consecutive wins in the passenger vehicle sector for 29 years and in the RV sector for 19 years.

## Results of Project-based Joint Research in 2022

Development of new technologies	Creation of solutions to on-site problems	Patents and research paper	Dissemination of research results	Participation rate
43	25	52	42	65%

## Results of Car Master Training Program in 2022

Based on Korea	Own operations	Agency	Total
Number of courses held	33	20	53
No. of participants	11,610	12,252	23,862
Participation rate	100%	100%	100%

## Sustainability Education Programs in 2022

	Human rights	Safety	Environment	Quality	Total
No. of courses	23	948	772	671	2,414

\* Keyword search results in the Learning Lounge platform

**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 effects with the highest level of expertise, and the establishment of an organizational culture that can generate innovative minds among members. Furthermore, in order to enhance competitiveness in future mobility beyond automobiles, we are operating job competency reinforcement training courses to learn about major core technologies such as vehicle electrification and autonomous driving.

**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.

## On/Offline Training for Leadership and Competency

	No. of courses (on/offline)	Percentage of learning hours
Leadership	995	1.4%
Job	15,638	84.2%
Organizational culture	230	0.6%
Onboarding	144	7.8%
Others	140	6.0%
<b>Total</b>	<b>17,141</b>	<b>100%</b>

## Education Offered through Learning Lounge in 2022

(Unit: No. of courses)

	Education, lectures, and Learning Lab
Company-related	Management/strategy (329), Product/automobile technology (956), Development process (28), Organizational and corporate culture (464)
Leadership-related	Continuous learning (1,007), Formal education (557)
Job-related	Quality/production-related (1,720), R&D (2,076), Strategic technology/ICT (524), Business-related (1,538)
Compulsory education	Compliance/security (126), Fire/safety, etc. (463)
External training	Offline lecture (462), Online learning such as e-learning (264)

## HMG 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.

## Discovery and Nurturing of External Startups

Hyundai has been active in the discovery and nurturing of external startups through its open innovation platform, ZER01NE. Through the ZER01NE ACCELERATOR program, we are promoting more than 100 collaborative projects with internal field teams, providing support for equity investments, product development, exhibitions, and investment attraction. Furthermore, we have been supporting the technological development of 31 technology startups by participating as an operating company in the TIPS (Tech Incubator Program for Startup) program<sup>1)</sup>, organized by the Ministry of SMEs and Startups, since 2015 until the present year of 2023. Hyundai aims to foster mutual growth and collaboration with startups by facilitating coordination with internal field teams, providing equity investments, and offering a variety of nurturing programs.



## Support for In-house Startups

Hyundai operates an in-house start-up system to support employees with creative ideas, discover promising new businesses and commercialize them. In 2000, we started operating “Venture Plaza”, an in-house startup fostering program, and since then, we have expanded the support field to include promising new businesses beyond automobiles. Through the in-house start-up system, we are achieving the effect of establishing a stable supply chain and creating jobs through the localization and mass production of future technologies. So far, 76 in-house startup teams have been selected and nurtured, and 30 companies have spun off. Among the spin-off companies is “Auton”, a KOSDAQ-listed company, and Hyundai supports the stable growth of the startups through open innovation even after the spin-off.

<sup>1)</sup> Program aimed at supporting the incubation of technology startups through the private-led-investment and government's matching support for R&D.

# Creative Organizational Culture

## Great Workplace Culture

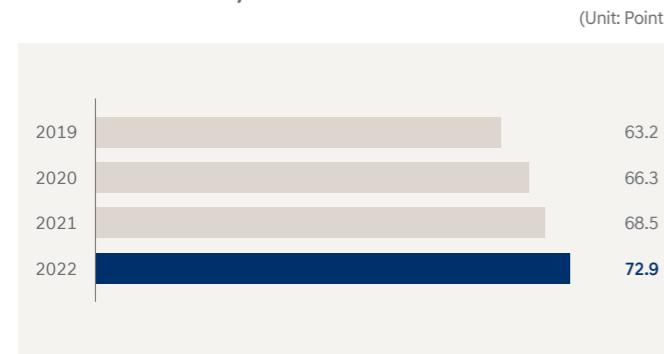
### IMPROVING WORKPLACE CULTURE

**Diagnosis of Organizational Culture** Hyundai recognizes that high employee engagement is a significant factor that influences the company's performance and individual talent development. We therefore conduct 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 2022, 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 continuous idea sharing platform called the "Hyundai Idea Contest" where all employees can freely participate at any time. Once a year, outstanding ideas are selected and rewarded, and the chosen ideas undergo a thorough review by field departments to develop concrete implementation plans and bring them to life.

### Results of Culture Survey



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 in Korea** 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.

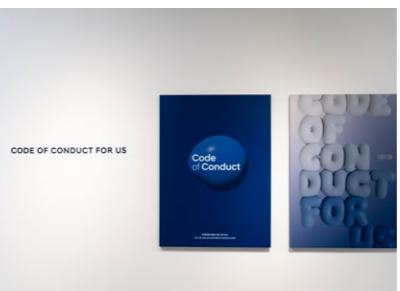
In 2022, Hyundai established the 4th Advisory Council for the Job Stability Committee, consisting of a total of six experts. With the acceleration of changes in the automotive industry, such as electrification and future mobility, and increasing internal and external uncertainties, the 4th Advisory Council 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.

**Labor Union Communication Overseas** Among Hyundai's overseas subsidiaries, unions have been established in Hyundai Manufacturing Czech (HMMC), Hyundai Motor Brasil (HMB), and Hyundai Motor India (HMI). Overseas subsidiaries in China have established the Chinese Trade Unions, a worker representative organization. Corporations with established labor unions engage in collective bargaining with labor unions in accordance with local labor-related laws and regulations. We hold regular or ad hoc meetings to find out the working conditions and welfare system that employees want, and based on this, we are trying to find an agreement from a viewpoint that is mutually reasonable and can satisfy both labor and management. Although there are no labor unions established in subsidiaries in the US, Russia, Turkey, and Indonesia, we listen to the voices of our employees through active and direct communication with them.

In addition, at the head office level, surveys and interviews are conducted among executives and employees of overseas subsidiaries on a biennial basis, and based on the results, improvement activities are conducted to enhance employees' satisfaction, trust, and pride in the company. Each overseas subsidiary is making efforts to preemptively resolve employees' grievances and requests by individually holding regular meetings between employees and management, operating grievance counseling centers, and touring the field sites.



Hyundai Motor Group Town Hall Meeting (New Year's event)



CoC – Hyundai's way of working



H-Work Station

# 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.

 [Hyundai Motor Company D&I Policy](#)

### 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, weakness 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

Classification	Outline
Onboarding course for heads of overseas subsidiaries	This course covers discussions on the role of corporate leadership in building a "healthy communication and working culture" within an organization where members with diverse cultural backgrounds work together.
Expatriate Staff Assignment Course	This course includes conducting the GlobeSmart 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.
Cross Cultural Seminar	This seminar focuses on providing cross-cultural understanding and communication training for foreign executives.
Learning Lab	(All employees) Under this platform, members of the organization with similar interests and job roles come together for voluntary learning, experience sharing, and other activities aimed at enhancing organizational synergy.
Remembrance Day	(R&D Division) This program provides education to newly appointed department heads, team leaders, and members with a focus on building a positive organizational culture based on mutual understanding.
Connect-fit	(Korea Business Division) This program facilitates experience sharing and career mentoring through connecting junior employees, who are scheduled for their initial rotation, with experienced senior employees.

 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 Monét, and others. Through this engaging and meaningful campaign, Hyundai aimed to celebrate International Women's Day.



"Who drives the World?" Playlist

**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 hometown, can communicate and connect. Through the ERG program, we provide career development opportunities at the individual and team levels, cultural-based mentoring, and engagement in external activities such as community involvement. Hyundai hopes that these initiatives will not only have a positive impact within the company but also extend to the local community, spreading positive influence.

## Hyundai ERG Activities

Title	Target	Key activities
Women @ Hyundai	Female	<ul style="list-style-type: none"> <li>Create an inclusive environment that grants independence to female employees, customers, and employees of partner companies</li> <li>Implement mentoring programs and females-supporting activities aimed at career development from the perspective of female employees</li> </ul>
Hyundai @ Soul	Black and African American	<ul style="list-style-type: none"> <li>Discuss how to enhance the Hyundai brand image within the black and African American community</li> <li>Provide a variety of support to improve cultural competency of Hyundai management</li> </ul>
#BecauseAsian	Asian	<ul style="list-style-type: none"> <li>Discuss methods to enhance the Hyundai brand image within the Black and African American community</li> <li>Provide a variety of support for cultural competency improvement within Hyundai's executive leadership</li> </ul>
Amigos Unidos	Hispanic and Latin American	<ul style="list-style-type: none"> <li>Present innovative management ideas using the cultural intelligence of the Latino community</li> <li>Present ideas for Hyundai's future direction from the perspective of Latino employees</li> </ul>
Young Leaders	Millennials	<ul style="list-style-type: none"> <li>Think about a variety of ideas, solutions, and improvements using the strengths of the millennial generation</li> <li>Conduct a mentoring program for individual employee development and self-development</li> </ul>
Equality	LGBTQ+	<ul style="list-style-type: none"> <li>Provide training, career development, networking, and workplace collaboration opportunities for LGBTQ employees</li> <li>Share ideas to raise awareness of Hyundai's brand within the LGBTQ community</li> </ul>
Hyundai CARES	Disabled	<ul style="list-style-type: none"> <li>Improve the work life of the disabled and raise positive awareness of disability</li> <li>Support employees with congenital or acquired disabilities, middle-aged employees with disabilities due to aging, etc.</li> </ul>
Stars & Stripes	Veteran	<ul style="list-style-type: none"> <li>Implement a forum where Hyundai employees, their spouses, their families, and supporters of U.S. Army veterans gather</li> <li>Provide a safe and inclusive space where one can feel a sense of belonging</li> </ul>

# Creative Organizational Culture

## Human Rights Management

### BUILDING A FOUNDATION FOR 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, HR, Compliance 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 employees are expected 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.

 [Human Rights Policy of Hyundai Motor Company](#)

### Human Rights Management Governance



**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 disgust.

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

**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.

### Grievance Handling Procedure



Hyundai refers to "Principle 31" of the UN Guiding Principles on Business and Human Rights to verify the effective and efficient operation of the grievance handling procedure, encompassing channels, receipt, processing, actions, and prevention of recurrence.

**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, Hyundai's 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 courses had a participation of 1,123 supplier representatives in total.

### Human Rights Education in 2022

ESG Mindset Education (Korea) <sup>①</sup>	Number of employees subject to training	Approximately 73,000 people
	Training participation rate	Approximately 90.1%
Supplier ESG Briefing	Ratio of participating suppliers	Domestic - 100%
Online Training for Suppliers	No. of participating suppliers	410 companies (6,882 persons)

<sup>①</sup> Consisting of 5 areas – human rights, ethics, safety, environment, and general ESG. Education on the concept and importance of each area of human rights, best practices, etc.

### ESG Mindset Education

- Purpose:** To improve employees' basic understanding and awareness of ESG
- Target:** About 73,000 people in general, research, legal, technical, maintenance, and sales positions
- Content:** Education on the concept and importance of each ESG area, best practices, etc.

### Education Roadmap

#### Watching ESG Mindset Videos

- Composed of a total of 5 videos (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"

### 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

### Content

#### STEP 1.

Expanding principles and convictions to the individual → leader → organizational level

#### STEP 2.

Experiences in ethical decision-making situations and methods for upholding principles and convictions

#### STEP 3.

Establishing a plan to be reborn as a leader who protects and spreads principles and convictions

\* Plan to develop an ethical management training course specialized for expatriate staff and heads of overseas subsidiaries (targeted for the second half of 2023)



# Creative Organizational Culture

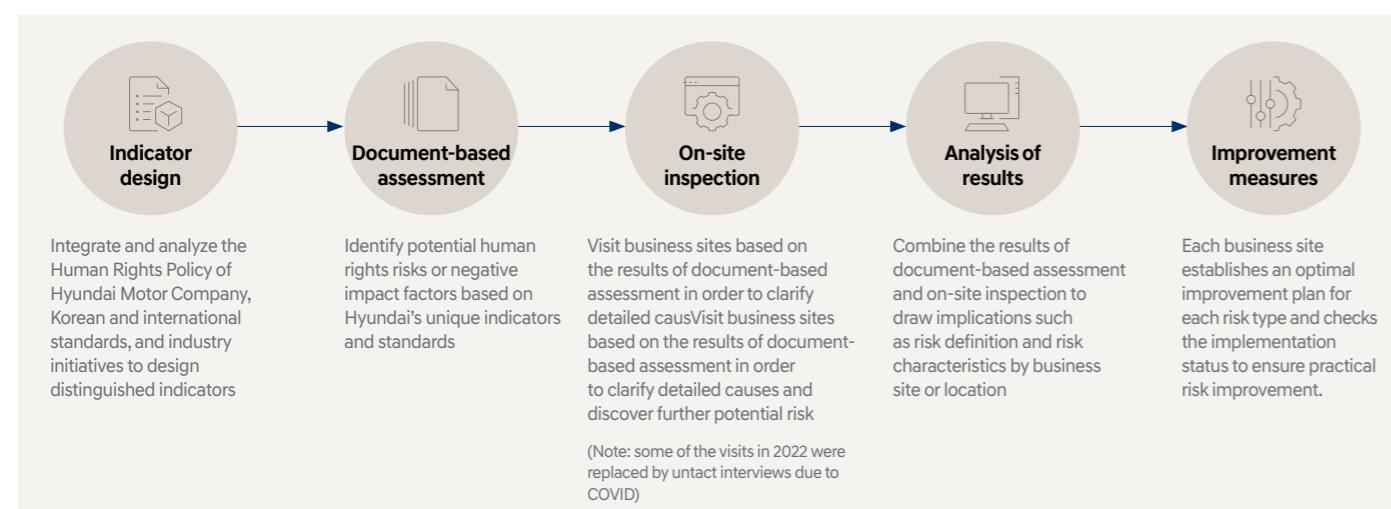
## HUMAN RIGHTS RISK MANAGEMENT PROCESS

**Scope of Human Rights Risk Assessment** Hyundai prioritizes conducting human rights risk assessments for domestic business sites, including the headquarters, research institutes, Ulsan plant, Asan plant, Jeonju 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.

**Design of Human Rights Risk Assessment Indicators** 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 variety of resources, from our own Human Rights Policy to all of the followings:

### Human Rights Risk Assessment Process



domestic and international human rights management standards, industry initiatives manuals, and best practices in similar industries, past grievances that have been reported and handled, input from employees, and a review process by third-party expert organizations.

**Prediction of Human Rights Risk** Prior to conducting document-based assessment and on-site inspections of human rights risks, Hyundai conducts research on the following: the legal and regulatory landscape regarding human rights in each country; investigative materials from domestic and international institutions and media related to human rights; documentation from industry initiatives on human rights; interviews and consultations with business site personnel to gather their insights and opinions. By investigating the internal and external environments, Hyundai aims to proactively anticipate potential human rights risks that could arise from a variety of groups, including employees, women, children, migrant workers, supplier employees, and local residents.

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 preemptive 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** 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 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.

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

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

	Classification	Results
Hyundai business sites	Ratio of business sites where human rights risks assessment was conducted <sup>1)</sup>	90.4
	Ratio of business sites where risks were identified	8.3
	Ratio of improvement measures and activities taken	50
Suppliers	Ratio of suppliers where human rights risks assessment was conducted	100
	Ratio of suppliers where risks were identified	2
	Ratio of improvement measures taken	100

<sup>1)</sup> Percentage of number of employees of business sites where the human rights risk assessment was conducted to total number of employees

# Creative Organizational Culture

**Results of Document-based Assessment and On-site Inspection** The results of document-based assessment and on-site inspections showed that the compliance rate for indicators at domestic and international business sites all exceeded 85%. Specifically, Korea showed a compliance rate of 96.3%, Europe 98.8%, North America 98%, Latin America 100%, China 93.1%, and India 93.7%. The European region has demonstrated leadership in minority protection and non-discrimination, with ongoing improvements in working conditions aligned with social safety nets. Manuals have been created and disseminated to guide workers in reporting and addressing human rights issues. In India and China, it has been observed that human rights management is still in the early stages due to national laws and regulations, social customs, and cultural backgrounds. In terms of specific areas of assessment and due diligence, risks have been identified in policy and systems, non-discrimination, humanitarian treatment, forced labor, and human rights of customers.

**Analysis of Document-based Assessment and On-site Inspection Results by Area** Based on the document-based assessment and on-site inspection results, potential risks have been identified in certain domestic and overseas business sites, including in the policy and system category. The evaluation of policy and system focuses on the internalization of Hyundai's Human Rights Policy through employee guidance and human rights-related education, rather than assessing actual risks. In addition, potential risks have been identified in the categories of non-discrimination and humanitarian treatment. To manage the identified risks, we have implemented company-wide distribution and education of the Human Rights Policy and are taking mitigating measures concerning the identified risk factors.

## Results of Human Rights Risk by Region



### Europe

Subsidiaries in Europe strictly prohibit discrimination based on gender, ethnicity, age, race, and other factors through our Code of Conduct. The company provides clear guidelines on how employees should act in the event of human rights risks, specifying the appropriate actions to be taken.



### North America

Both federal laws and state regulations provide detailed provisions for human rights protection. The country ensures national-level human rights protection for minorities, including gender, ethnicity, race, and sexual orientation.



### Central & South America

Subsidiaries in Central & South America have independently implemented human rights protection policies, including the establishment of policies, dissemination among 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

Although the formal caste system has been abolished, the influence of social stratification persists, and there is a need to address the societal awareness gap regarding workplace harassment and sexual harassment. Subsidiaries in India are actively reviewing and implementing company-wide policies that go beyond legal requirements to improve women's rights, including provisions for extended maternity leave and the operation of company childcare facilities.



### China

At the national level, there is a system in place for collecting and managing ethnic information of workers, and there is a lack of obligation for collective bargaining. The legislation regarding 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 started implementing employee assistance programs (EAP) for individual counseling and organizational diagnostics, aiming to address the psychological well-being of employees.

**Results of Human Rights Risk Assessment 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, tasks that require a significant amount of time or necessitate regulatory or systemic improvements or large-scale investments and structural changes are set as company-wide tasks, and long-term implementation plans are being developed from a strategic perspective.

**Plan to Advance Human Rights Risk Assessment** 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 assessment and 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 procedures 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 and response.

## Measures to Address Risks by Type

<b>Distribution of Human Rights Policy and Non-Discrimination &amp; Anti-Harassment Policy</b>	<ul style="list-style-type: none"> <li>Distribute the Human Rights Policy aimed at strengthening awareness of respect for human rights and spreading human rights management</li> <li>Establish and distribute the Non-Discrimination &amp; Anti-Harassment Policy to prevent discrimination and harassment in the workplace and raise awareness</li> </ul>
<b>Statement of salary in English</b>	<ul style="list-style-type: none"> <li>Provide pay slips in English, including wages, allowances, deductions, etc. for foreign workers</li> </ul>

## Measures to Address Risks by Region

<b>India</b>	<ul style="list-style-type: none"> <li>Operate company-wide complaint reception channels (HR, Audit Department) related to workplace bullying. Upon receipt, complaints are subjected to immediate investigation followed by disciplinary action, where appropriate.</li> <li>Operate in-house daycare facilities and guarantee maternity/parental leave to improve social awareness</li> <li>Build legal and institutional safeguards is underway to improve women's human rights (late-night commuting bus for females, external investigators, participation in investigation of sexual harassment cases, etc.)</li> </ul>
<b>China</b>	<ul style="list-style-type: none"> <li>Operate an offline grievance handling center to report and handle cases of workplace bullying and sexual harassment</li> <li>Consider implementation and introduction of EAP for individual psychological counseling and organizational diagnosis</li> </ul>

## Communication with Global Investors

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, Japan. 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, and we shared our current 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 (HMMA) in 2022. We identified that a third-party employment agency had 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, HMMA is in the process of divesting our ownership stake in SMART Alabama.

HMMA conducted investigations on 29 tier-1 suppliers in North America through interviews, on-site inspections, and other methods. HMMA has also been actively collaborating 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. Our Board of Directors receives 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.

# Health, Safety and Welfare of Employees

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 participation and communication by sharing our progress and implementation status with all of our stakeholders including employees.

Health and Safety Management System (ISO 45001)-certified Workplace

100% of all manufacturing subsidiaries at home and abroad



## Strengthening Health and Safety Leadership

### HEALTH AND SAFETY SYSTEM

**Establishment of Health and Safety Governance** 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 workplaces 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 activity analysis. 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

Date	Seminar Overview	No. of Participants
First half	<ul style="list-style-type: none"> <li>Issues related to the Serious Accidents Punishment Act and safety trends</li> <li>Sharing of excellent improvement cases and advanced safety technologies</li> </ul>	48
Second half	<ul style="list-style-type: none"> <li>Dissemination of the safety policy of the CSO</li> <li>Safety leadership for me and my colleagues</li> </ul>	63

**Labor-Management Joint Declaration to Create a Safe Workplace** In April 2022, representatives of labor and management, including CSO, gathered to prioritize respect for employees' lives and announced a joint declaration of labor-management for the prevention of industrial accidents and the creation of a safe workplace. The joint declaration includes the establishment of a culture of voluntary safety management, joint efforts to prioritize safety, safety inspections for high-risk processes, identification and improvement of risk factors, expansion of continuous investment in safety, establishment of a systematic health and safety management system, promotion of activities to enhance safety awareness and improve risk factors, and support for subcontractors' health and safety. Furthermore, both labor and management have agreed to actively cooperate on preventing major accidents and formed a joint labor-management task force team to that end.

**Safety Leader Seminar** Hyundai conducted safety leader seminars (one in the first half and one in the second half of the year) to keep abreast of external trends related to the enforcement of the Serious Accidents Punishment Act and to strengthen its safety leadership and safety awareness. The CSO participated in these seminars to disseminate safety policies and foster a shared understanding among domestic and international safety professionals regarding the establishment of a safety culture and improvement of the company's health and safety management systems. Hyundai is taking the lead in creating a safe workplace through such efforts as enhancing on-site safety awareness and strengthening two-way communication.

### Directions of Safety Vision Strategy

Establishment of a safety culture		<ul style="list-style-type: none"> <li>Establish Hyundai's unique safety culture by realizing safety-first core values and developing it into a "Just Safety Culture" as an advanced company</li> </ul>
Advancement of safety training		<ul style="list-style-type: none"> <li>Advance the specialized training programs to raise the safety awareness of employees and strengthen their risk awareness capabilities in order to strengthen safety education beyond the level required by laws and regulations</li> </ul>
Leap towards the Global Best		<ul style="list-style-type: none"> <li>Establish future strategic tasks centered on the headquarters to expand global safety governance, and actively promote a pilot introduction of advanced cases, such as the safety management system (Safety Career)</li> </ul>
Field-based risk assessment		<ul style="list-style-type: none"> <li>Establish self-regulation by conducting risk assessment activities in which all employees participate, develop and advance employee capacity building programs for this purpose, and establish a system for identifying and improving harmful risk factors</li> </ul>
Strengthening labor-management cooperation		<ul style="list-style-type: none"> <li>Introduce various systems (Safety Merit System) to strengthen the capability to comply with labor-management health and safety standards and enhance labor-management cooperation.</li> </ul>
Win-win cooperation		<ul style="list-style-type: none"> <li>Reinforce various support measures (excellent partner discovery system, etc.) in order to raise the safety management capabilities of our partners to the same level as Hyundai</li> </ul>

**Safety Vision Strategy Roadmap** In December 2022, Hyundai conducted an in-depth diagnosis of the safety management system at its business sites, with the participation of safety experts engaged in research and consultation, and carried out a survey of global best practices. Based on the results, we developed a safety vision and strategy roadmap comprising a development plan for the safety management system. The safety vision and strategy roadmap also includes our long-term vision as well as phased and annual strategies for realizing its core safety values. It is also focused on strengthening the alignment between corporate core values and safety culture, enhancing safety education, improving safety communication and leadership, and promoting collaborative activities between labor and management.

In accordance with the safety vision strategy roadmap prepared based on the comprehensive in-depth diagnosis, we plan to carefully establish mid-to long-term implementation plans for each stage. We also plan to conduct in-depth diagnosis by industrial safety sector in order to come up with specific solutions for improving site safety. Furthermore, we will strengthen the management system for the five key safety elements (organization/manpower, budget, training, labor-management relations, and safety culture) with the aim of becoming a global top-notch safety company.

# Health, Safety and Welfare of Employees

## SPREADING THE CULTURE OF HEALTH AND SAFETY

**Management of Leading Indicators for Industrial Accidents (H-LWC)** Hyundai has introduced the leading indicator, “H-LWC (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 focuses on 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 9% compared to 2021. In particular, the total number of safety accidents has been reduced by approximately 21% 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 inhouse 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 linked to the KPIs of the management and business site managers, with the aim of enhancing health and safety leadership and promoting activities to prevent workplace accident. The evaluation is composed of safety, health, fire, and environment sectors. It utilizes specific indicators such as the achievement of accident reduction targets, the management of work stoppage accidents, and assessments of the health and safety roles and responsibilities of leaders.

## Composition of H-SAT

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

**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 increased employee accessibility to education 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 40% 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 kgf.

**Launching of 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 Training Programs in 2022

Classification		Target	Training Hours
Mandatory safety training	New hire training	New hires (5,516 persons)	8 hours and more per year
	Special training	Those subject to special training (39 types)	16 hours and more per year
	Regular training for all employees	On-site staff (33,045 persons)	6 hours and more per quarter
	Regular training for managers and supervisors	On-site supervisors (1,531 persons)	16 hours and more per year
	Training on operational changes	Workers who change work	2 hours and more
Competency/ specialized training	Competency-based training	Safety managers, safety promoters, etc. (253 persons)	Up to 2 nights and 3 days
Psychological safety counseling	Psychological counseling and training	Employees, employee families, subcontractors, etc. (1,449 persons)	About 1 hour each



VEX – vest-type wearable robot; and CEX – chair-type industrial exoskeleton robotic system

Business Plan of the Foundation for Industrial Safety Partnerships

Creation of a Sustainable Safety Ecosystem

1. Safety management system inspection and technical support projects aimed at preventing industrial accidents
2. Education and training support projects designed to foster professional human resources and improve quality among others
3. Safety information and data support projects, such as safety-related best practice seminars
4. AI-based utilization support projects, such as smart safety management technology
5. Awards for outstanding SMEs and for contributors to improving industrial management
6. Win-win cooperation fund support projects to vitalize business safety and safety management
7. Scholarship support for bereaved families of workers who have died in serious accidents
8. Other projects related to improving the overall safety level of the industry

# Health, Safety and Welfare of Employees

## PROMOTION OF HEALTH AND SAFETY ACTIVITIES

**Health and Safety Management Activities** Hyundai conducts risk assessments and health and safety diagnoses, measures noise and hazardous chemicals in the work environment, and provides emergency response training for workplace health and safety management. Based on these efforts, Hyundai is promoting safety measures, preventing health hazards, and enhancing its health and safety activities regarding the work environment, machinery, instruments, and facilities. In 2022, we strengthened construction safety supervision on holidays at domestic business sites, safely carrying out 3,646 cases of facility 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 101 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 treatment. We have developed measures and programs for the prevention of musculoskeletal disorders and continue to implement activities designed to improve employees' lifestyle habits and prevent job-related stress.

## Health and Safety Management Activities

Risk Assessment	Tags of Health and Safety Signs	Safety Measures for Working Environments	Safety Measures for Machinery, Equipment and Facilities	Preventive and Health Measures against Health Hazards	Provision of Personal Protective Equipment
We identify hazards and risks related to the work environment, machinery, equipment, raw materials, gases, vapors, and work procedures; and based on the findings, we implement preventive measures to mitigate risks and hazards.	We put the safety sign tags in identifiable locations to warn employees and visitors of hazardous or risky areas, facilities, or substances; and provide guidance on how to behave in emergency situations.	We set management criteria for areas where there is a risk of falls, collapses, drops, or other potential hazards; and perform regular maintenance and inspections.	We take protective measures that take into account the functions and characteristics of machinery, equipment, and facilities, and perform regular maintenance and inspections to eliminate potential hazards.	To prevent health hazards caused by raw materials, gases, vapors, high temperatures, noise, etc., we implement necessary preventive and health measures.	We provide appropriate personal protective equipment (PPE) for the work environment and ensure the availability and management of spare PPE. Wearing protective equipment is mandatory.
Health and Safety Diagnosis	Response to Emergencies	Management of Hazardous Substances	Activities for Health Promotion	Support for Health and Safety at Subcontractor	Investigation of Accidents
We conduct health and safety diagnoses of workplaces that have a high risk of safety accidents, such as falls, collapses, fires, explosions, and leaks of hazardous materials.	We conduct training based on emergency scenarios such as falls, collapses, fires, and leaks of hazardous materials. We also inspect the functionality of firefighting equipment on a regular basis.	We compile and provide a list of material health and safety information for the handling of hazardous substances. We also regularly measure and address physical and chemical hazardous factors, and implement improvement measures.	We conduct regular health check-ups and implement programs for the prevention of work-related diseases 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 close 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.

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 accidents 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 (1,515 cases), operating a safety council (160 times), and conducting joint inspections (48 times). In addition, we strived 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 leakages, 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.

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 2021, 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 accident (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.

## Main Activities to Prevent Serious Accidents at Workplaces

Classification	Description of Activities
Regular mobile safety inspections	<ul style="list-style-type: none"> <li>Continuous risk management by conducting mobile-based safety checks on a regular basis to ensure the safety of work processes and operating facilities</li> </ul>
Installation of smart motion sensors in blind spots	<ul style="list-style-type: none"> <li>Installation of smart motion sensors in safety management blind spots to identify risk factors and prevent accidents in advance</li> </ul>
Installation of human body detection sensors	<ul style="list-style-type: none"> <li>Installation of human body detection sensors, etc. to reduce the risk of accidents caused by workers' negligence when operating transportation machinery such as forklifts</li> </ul>
Development of safety management regulations	<ul style="list-style-type: none"> <li>Development of step-by-step regulations for managing non-routine construction work conducted during non-working hours, from design to construction</li> </ul>

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

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

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

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

# Health, Safety and Welfare of Employees

## Customized Welfare Benefits

### EMPLOYEE WELFARE SYSTEM

**Flexible Work Hours** Hyundai implements a flexible working-hours system that allows employees to choose their own most efficient working hours, taking into consideration the nature of their work. This flexible system applies to certain job positions, allowing employees to select their own start and end times for work within the available time slots, excluding mandatory working hours. 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.

**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 work environment. This allows our employees either to work-from-home arrangements or to work from designated shared spaces rather than traditional office settings.

### Support System for Maternity, Childcare, Family Care, and Employee Health

Classification	System	Description
Maternity	Reduced hours during pregnancy	<ul style="list-style-type: none"> <li>The daily working hours of employees in early pregnancy (within 12 weeks) or late pregnancy (beyond 36 weeks) are reduced by two hours. The reduction can be taken either as 2 hours after the start of the working day, 2 hours before the end of the working day, or 1 hour after the start of the working day plus 1 hour before the end of the working day.</li> </ul>
	Maternity leave	<ul style="list-style-type: none"> <li>Providing a 90 days maternity leave to female employees before and after childbirth (120 days for multiple pregnancies)</li> </ul>
	Bereavement leave	<ul style="list-style-type: none"> <li>Offering a leave whose period is determined by the pregnancy period in case of miscarriage or stillbirth</li> </ul>
	Partner's leave	<ul style="list-style-type: none"> <li>Offering up to 10 days of partner's leave within 90 days of childbirth</li> </ul>
	Child Happiness Travel	<ul style="list-style-type: none"> <li>Providing hotel lodgings and meals within six months before and one year after a childbirth to employees and their spouses, which includes up to two nights at hotels designated by the company</li> </ul>
Childcare facilities or contributions	Parental leave	<ul style="list-style-type: none"> <li>Providing up to two years of leave of absence for each child under the age of 8 or a child in second grade to both male and female employees</li> </ul>
	Reduced hours during childcare period	<ul style="list-style-type: none"> <li>For employees with children under the age of 8 or in the 2nd grade of elementary school, both male and female employees are eligible for a maximum of 2 years of reduced working hours per child. (The reduced working hours can be divided twice in the first year, and they can be divided once in the second year)</li> <li>The reduced working hours can be taken in conjunction with parental leave or separately, but the total usage of reduced working hours, including parental leave, cannot exceed 2 years.</li> <li>Employees can take a reduction of 2 or 4 hours before starting work, a reduction of 2 or 4 hours before the end of work, or a reduction of 2 hours after starting work plus 2 hours before ending work.</li> </ul>
	Providing breast-feeding time	<ul style="list-style-type: none"> <li>For female employees with infants under 1 year old, a paid lactation break of 120 minutes per day is provided</li> </ul>
	In-house daycare centers	<ul style="list-style-type: none"> <li>Offering married employees and the children of single-parent families access to in-house daycare centers – available at five locations: Headquarters, Ulsan Plant, Asan Plant, Jeonju Plant, and Namyang Technology Research Center</li> </ul>
Employee health	Workplace stress management	<ul style="list-style-type: none"> <li>Operation of the Talk Talk Center (a psychological counselling center) and the Employee Mindfulness Class (offering psychological counseling and emotional well-being programs that address childcare, job-related stress management, and conflict resolution within the workplace)</li> <li>Operation of an International SOS service for employees stationed overseas or GEP employees, as well as their accompanying family members (support for stress management)</li> </ul>
	Sports and health initiatives	<ul style="list-style-type: none"> <li>Operation of dedicated fitness centers (gymnasiums) and exercise programs for employees at our headquarters, the Ulsan, Asan and Jeonju plants, and the Namyang Research Center</li> </ul>
Family care	Family care leave	<ul style="list-style-type: none"> <li>Offering up to 90 days of family care leave per year to employees whose parents, children, spouses, or spouses' parents need care due to illness, accident, or old age</li> </ul>

### RETIREE SUPPORT PROGRAM

**Retirement Pension System** Hyundai is implementing a retirement pension scheme for all its employees to enable employees who are eligible for retirement to prepare for life after retirement and old age. The retirement pension is protected by the external accumulation of retirement pension reserves, and education on the relevant products is provided to subscribers to create a stable foundation for employees after their retirement.

**Retirement Planning** Hyundai operates various programs to support and assist employees with their post-retirement planning. These programs include differentiated future planning courses and specialized educational programs based on employees' positions and job functions, which have been provided to a total of 4,232 persons.

### Retirement Pension Asset under Management

Classification	As of 2021 year-end	As of 2022 year-end
Insurance products	5,840,100	5,985,348
Others	3,235	2,572
<b>Total</b>	<b>5,843,335</b>	<b>5,987,920</b>

(Unit: KRW million)

### Retirement Planning Programs in 2022

Targets	Managers or below (Union members)		Senior employees	
Course	Future planning 57-60	Counseling	Basic course in planning for life after retirement	Intensive course in planning for life after retirement
Age	57-60	57-60	59	60
Participants	2,716	775	351	390
Type	Lectures, experiential learning, etc.	Counseling	Lectures and counseling (online)	Lectures and counseling (online)
Curricula	<ul style="list-style-type: none"> <li>Self-examination for awareness of changes and happiness in old age</li> <li>Customized education and consulting according to retirement plans</li> </ul>	<ul style="list-style-type: none"> <li>One-on-one customized career counseling</li> <li>Re-employment, farming, self-development, lifetime design, business start, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Changing perception about retirement and exploration of careers/interests</li> <li>Financial diagnosis and planning</li> </ul>	<ul style="list-style-type: none"> <li>Career analysis and decisions according to individuals' desired paths</li> </ul>

# 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.

## Composition of the Transparent Purchase Practices Center Website

- Supplier Code of Conduct
- Guidelines on implementing carbon neutrality
- Four major measures about subcontracting
- Guidelines on retaliation prohibition
- Suggestion box for transparency and ethical practices
- Suggestion box for tier-2 and tier-3 suppliers

## 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 contributing 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.

### Outcome of Long-term Cooperation System

<b>Average duration of business relationship</b>	35 years (the average lifespan of small and medium-sized Korean manufacturers is 13 years)
<b>Size of corporate growth</b>	Sales volume increased by 4.4 times from 2001
<b>Joint entries into overseas markets</b>	730 suppliers have entered overseas markets with Hyundai

\* As of 2022

### Supplier Training in 2022

No. of Suppliers Received Technical Training or Management Consulting

(Unit: No. of companies)



### STRENGTHENING THE FOUNDATION FOR WIN-WIN GROWTH

#### Supplier Grievance Handling

**Transparent Purchase Practices Center** It is important for Hyundai to provide suppliers with guidelines on ethical conduct and carbon neutrality in order to establish a fair and transparent win-win partnership. To this end, Hyundai 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)

Classification	No. of Participants	Remarks
Foundation of Korea Automotive Parts Industry Promotion	Quality and Technology School	2,869 13 customized training courses
	General training, etc.	1,697 General training, on-site training, etc.
GPC	Training by industry, etc.	63,082 510 courses
<b>Total</b>		<b>67,648</b>

Supplier Training in 2022 (Unit: Persons)

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	General training, etc.	1,697 General training, on-site training, etc.
GPC	Training by industry, etc.	63,082 510 courses
<b>Total</b>		<b>67,648</b>

**Foundation of Korea Automotive Parts Industry Promotion** Hyundai operates the 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, forging) and non-metal suppliers (rubber, painting, electrical & electronics, IT) improve their parts quality and productivity. We anticipate these efforts will lead to improve suppliers’ quality defects, reduce raw material purchase costs, and increase productivity.

**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.

# Sustainable Supply Chain

## ENHANCING QUALITY COMPETITIVENESS

**5-Star System** Hyundai sets in place the “5-Star System” which quantitatively evaluates suppliers’ level of quality, technology, and delivery level to provide the evaluation results so that suppliers can set detailed improvement goals and achieve them. We provide incentives to 5-star-certified suppliers, such as giving 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 automotive parts quality and improve the quality of tier-2-tier-3 suppliers in the respective business areas. We evaluate tier-2-tier-3 suppliers based on process management activities, such as raw and subsidiary material inspection criteria, facility preservation and daily inspection activities, and creation and improvement of operation standards, as well as quality management activities, including finished product inspections, corrective measures, and continuous field improvements. The SQ Mark is provided to outstanding suppliers.

**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 to improve dependability issues that occur at suppliers. In addition, we are collaborating with around 100 tier-1 suppliers to resolve dependability issues.

## 5-Star Evaluation Items

Quality 5-Star	Technology 5-Star	Delivery 5-Star
• Quality management system	• Technology development personnel, investment	• Production line stoppage cases, time, reimbursement amount (ratio)
• Defect rate	• New technology development, patent	• A/S parts delivery rate
• Claim reimbursement ratio	• Parts development work system (planning/design/evaluation), etc.	• CKD parts delivery rate

**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 improvement 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 2022 quality management seminar, we introduced cases of responding 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 third-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.

## IMPROVING TECHNOLOGY DEVELOPMENT CAPABILITIES

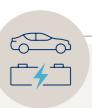
**R&D Technical Support for Suppliers** Hyundai runs a win-win growth program whereby it shares its R&D and technology development know-how with suppliers, and thus helps suppliers strengthen their capabilities in areas which need improvements. The supplier R&D technical support program consists of case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

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

**Building Smart Factories** Hyundai implements a smart factory-building project for SME tier-1-tier-2 suppliers. The project uses ICT to integrate the entire production process, ranging from product planning to sales, to produce customer-tailored products at minimal costs and time. A total of KRW 15 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 categorized into different levels in consideration of the status of production facilities of tier-1-tier-2 suppliers. They include the basic level which enables partial standardization, data management, and real-time production information monitoring; mid-level which supports collected information-based control and optimization of decision-making through simulations; and advanced level where monitoring to control-optimization takes place autonomously.

**Guest Engineer System** Hyundai sets in place a guest engineer system, through which parts suppliers’ research staff in charge of design/evaluation take part in our new car development process. We provide a free office space where supplier researchers can stay, as well as the facilities, equipment, and test sites needed for parts performance evaluation. We also transfer our parts design and performance development know-how. Through new car parts design and performance development collaboration, Hyundai and suppliers anticipate 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 escrow system for safe storage of suppliers’ key technical materials and trade secrets, and proof of technology development in the event of leakage of a supplier’s key technology or a dispute. We develop technologies jointly with suppliers and then make patent applications together to prevent the possibility of infringement upon small- to mid-sized suppliers’ technologies and patents. We also strive to protect supplies’ technology directory or indirectly by providing online patent education on patent application and patent search methods and helping them reduce their patent cost.



## R&D Supplier Tech Day

In October 2022, Hyundai held the “2022 R&D Supplier Tech Day”, where suppliers with outstanding new technologies were awarded and suppliers’ technologies were mutually exchanged, to strengthen suppliers’ R&D capabilities and promote joint growth based on mutual cooperation. We chose and rewarded four suppliers with significant R&D achievements, including a dual power supply controller for autonomous driving systems; coolant and refrigerant system parts modularization; integrated vehicle body-battery underbody structure; and high-voltage battery packs. In addition, a total of 32 suppliers participated in a video exhibition to introduce new technology and share 60 R&D cases. Useful information was also shared on ways of cooperation to develop global R&D competitiveness based on win-win growth.



# Sustainable Supply Chain

## STRENGTHENING A FOUNDATION FOR SUSTAINABLE GROWTH

**Making Cash Payments and Adjusting Raw Material Prices** Since 2006, Hyundai has been making payments in cash to SMEs with sales less than KRW 500 billion and in promissory notes (60 days) to large companies and SMEs with sales more than KRW 500 billion. Also, we make payments on a weekly basis. For large companies, SMEs, and SMEs that supply parts for exports, we make payments fully in cash once a month. In addition, to ease the burden on suppliers that is caused by raw material price increases, Hyundai absorbs the impact from raw material price changes. In case of steel plates and precious metal, we operate a system whereby we directly purchase the items at international prices and supply them to suppliers. In case of aluminum and plastics, we adjust payments made to suppliers according to international prices.

**Joint Entries into Overseas Markets and Support for Increased Exports** Hyundai is jointly entering overseas markets with suppliers to support their continued growth and globalization. As of the end of 2022, we expanded to global markets with a total of 730 suppliers, including 341 tier-1 suppliers and 389 tier-2 suppliers, through which suppliers have harnessed opportunities to receive orders from overseas OEMs. To help Korean parts suppliers increase overseas exports, we are supporting the establishment of joint logistics and proof-of-origin systems. We identify difficulties experienced by suppliers in the export process and continue to explore activities that make actual improvements.

## Major Fund Support Programs for Suppliers

<b>Future Growth Mutual Fund</b>	<ul style="list-style-type: none"> <li><b>Deposited KRW 37.4 billion, provided KRW 93.5 billion</b> <ul style="list-style-type: none"> <li>- Provide investment funds at low interest rates for quality and productivity improvements of tier-1 and tier-2 suppliers (Industrial Bank of Korea)</li> </ul> </li> </ul>
<b>Future Growth Win-Win Fund</b>	<ul style="list-style-type: none"> <li><b>Deposited KRW 100 billion, provided KRW 150 billion</b> <ul style="list-style-type: none"> <li>- Provide investment funds at low interest rates for quality and productivity improvements of tier-1 and tier-2 suppliers (Hyundai Commercial)</li> </ul> </li> </ul>
<b>Win-win Mold Equipment Fund</b>	<ul style="list-style-type: none"> <li><b>Deposited KRW 50 billion, provided KRW 75 billion</b> <ul style="list-style-type: none"> <li>- Support suppliers' financing based on new model mold and equipment collateral value and their interest rate stability</li> </ul> </li> </ul>
<b>Win-win Cooperation Fund</b>	<ul style="list-style-type: none"> <li><b>Provided KRW 50 billion</b> <ul style="list-style-type: none"> <li>- Support labor costs of tier-2 and tier-3 supplier workers with funds raised by Hyundai</li> </ul> </li> </ul>
<b>Dedicated Loan for Tier-2 and Tier-3 Suppliers</b>	<ul style="list-style-type: none"> <li><b>Provided KRW 200 billion</b> <ul style="list-style-type: none"> <li>- Provide investment funds intended to improve the management environment of tier-2 and tier-3 suppliers and operating funds at low interest rates</li> </ul> </li> </ul>

**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.

	<b>Support for Innovation of Automotive Parts Company in 2022</b>		<b>Business Reorganization Partnership and Support Program in 2022</b>
	<ul style="list-style-type: none"> <li>• Consulting to 20 companies making preparations</li> </ul>		<ul style="list-style-type: none"> <li>• Identified 27 support companies</li> <li>• Supported business reorganization approval for 27 companies</li> </ul>

## STRENGTHENING THE TIER-2 AND TIER-3 COOPERATION NETWORK

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

### 5-Star System for Win-win Cooperation

<b>Goal</b>	Win-win cooperation and joint growth between tier-1 and tier-2 suppliers
<b>Outline</b>	Evaluate tier-1 suppliers' win-win cooperation efforts toward tier-2 suppliers and reflect the results in the supplier selection (bidding) process (Evaluate once a year)

<b>Tier-1 suppliers' win-win cooperation activity performance (Quantitative evaluation: 50%)</b>	<b>Tier-2 suppliers' subjective evaluation about win-win cooperation (Qualitative survey: 50%)</b>
<ul style="list-style-type: none"> <li>• Payment terms (cash payment ratio, payment period, etc.)</li> <li>• Fair contract (use of a standard contract, etc.)</li> <li>• Win-win support (financial, R&amp;D, productivity support, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Transaction relationship (fair trade, transaction conditions)</li> <li>• Cooperation relationship (financial, R&amp;D, productivity support, etc.)</li> <li>• Operational systems (vision-sharing, implementation system, etc.)</li> </ul>

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

**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)

<b>Composition</b>	Technical experts in various production areas
<b>Duration &amp; Frequency</b>	3 to 12 months per year, providing guidance on shortcoming related to manufacturing technologies free of charge
<b>Areas</b>	Listen to supplier opinions on key quality/technology-related difficulties and supports improvements; and provide focused instruction on quality management system operation to improve suppliers' ability to respond to the Supplier-Quality Mark system

## Quality and Management Consulting (Supplier Support Group)

<b>Composition</b>	Professionals with experience in the automobile industry as senior executives
<b>Duration &amp; Frequency</b>	3 to 12 months per year, providing consultation on overall management, free of charge
<b>Areas</b>	Consulting on overall management, including managing production, managing quality, and pioneering overseas markets

# Sustainable Supply Chain

## Supply Chain ESG Management

### SPREADING ESG IN THE SUPPLY CHAIN

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

Suppliers must consider the matters presented in the Code of Conduct in their management decision-making and business operation processes, and actively respond to 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 examines 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.

### Basic Principles of the Supplier Code of Conduct



- Transparent management and anti-corruption
- Prevention of unfair trade, etc.



- Establishment of an environmental management system
- GHG and energy management, biodiversity, etc.



- Guarantee of freedom of association
- Prohibition of child and forced labor, etc.



- Establishment of an occupational health and safety management system
- Response to emergency situations, etc.



- Transparent management and anti-corruption
- Prevention of unfair trade, etc.

### Hyundai Motor Company Supplier Code of Conduct

### Spreading and Disseminating ESG Among Suppliers

**Win-win Growth Newsletter** Hyundai produces the "win-win growth newsletter" to provide information on programs that we operate for win-win growth with suppliers and to share major policies and activities in the fields of occupational safety, information security, and sustainability management. The newsletter is issued every other month and distributed to all tier-1 suppliers through notices, the win-win growth portal (<http://winwin.hyundai.com>), and the website of Hyundai Kia Automotive Suppliers Association.

### Key Supply Chain Sustainability Management in 2022

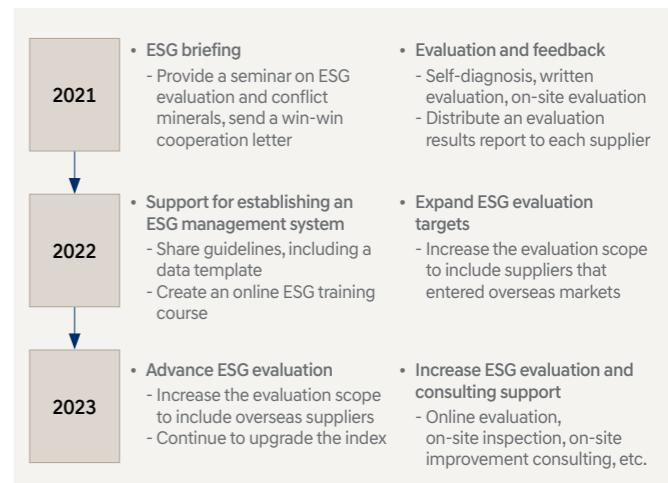
- February Made key plan on supplier ESG improvements in 2022
- May Made notice of guidelines on supplier execution of carbon neutrality
- October Shared the progress of supplier ESG evaluation and improvement in 2022



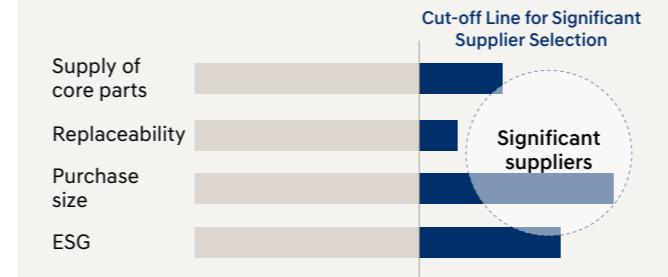
**Briefings and Online Training** We hold briefings and run training courses for suppliers to prevent ESG risks throughout the supply chain and improve suppliers' ESG capabilities. We operate online training courses that can be taken by all suppliers. We also hold various briefings for working-level ESG employees of suppliers and share information on index that should be managed in major ESG areas, including ethics, environment, labor and human rights, and safety and health, major trends, and best practices.

**Supplier ESG Improvement Roadmap** Hyundai created the "Supplier ESG Improvement Roadmap" to support suppliers' sustainable development and socially responsible activities. In accordance with the ESG improvement roadmap, we strengthened supplier ESG risk evaluation criteria and expanded ESG risk diagnosis and due diligence targets to include suppliers that entered overseas markets. In addition, we shared information with suppliers so that they can secure ESG capabilities and adopt major ESG regulations and policies, while also sharing a data management template.

### Supplier ESG Improvement Roadmap



### Criteria to Select Significant Suppliers



### Supplier ESG Capability-Building Training in 2022



### Evaluation and feedback

- Self-diagnosis, written evaluation, on-site evaluation
- Distribute an evaluation results report to each supplier

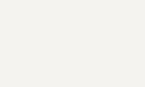
### Expand ESG evaluation targets

- Increase the evaluation scope to include suppliers that entered overseas markets

### Increase ESG evaluation and consulting support

- Online evaluation, on-site inspection, on-site improvement consulting, etc.

### No. of participating suppliers / No. of staff who received training



# Sustainable Supply Chain

## SUPPLY CHAIN ESG DIAGNOSIS AND DUE DILIGENCE

**Risk Diagnosis 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 risk 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 Alliance (RBA), Drive Sustainability, and other indices and standards. The supply 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.

### Steps of Risk Diagnosis and Due Diligence



**Risk Filter** Before a risk diagnosis and due diligence, Hyundai identifies, in advance, risks that it expects or are occurring in the supply chain. Hyundai chose 47 tier-1 core(significant) suppliers and 24 tier-2 core(significant) suppliers in 2022 after going through the prior identification process.

Global presence of suppliers	Hyundai's suppliers are located across the globe, and continue cooperation to build a stable supply chain, including ESG.			
Asia	52%	Europe	27%	Americas 20% Other 1%
Identification of risks by country, business type, part and raw and subsidiary material	We identify and manage risks by country where our suppliers are located, business type, supplied part, and raw and subsidiary material. To this end, we use materials disclosed by each country's government and research organizations as well as various media and social network materials.			
Analysis of supply chain ESG risk diagnosis	Confirmed risks are managed by categorizing them based on each ESG area, including ethics, environment, labor and human rights, and safety and health. They are reflected in deriving supply chain risk improvement measures and amending diagnostic indicators.			

**Document-based Assessment** Hyundai diagnoses supply chain ESG risks based on its unique, distinctive indicators and criteria. A document-based assessment is conducted using an online evaluation system that can be accessed by all suppliers in Korea and abroad. Suppliers respond to evaluation indicators by means of a self-diagnosis and attach documentary evidence. Supplier document-based assessment results serve as basic data for checking suppliers' ESG risks, choosing suppliers subject to on-site due diligence, and categorizing high-risk suppliers.

**On-site** Hyundai chooses suppliers that are subject to on-site due diligence by comprehensively considering countries where suppliers are located, business type, supplied parts and raw and subsidiary materials, and document-based assessment results. Primary on-site due diligence targets include suppliers that submitted insufficient responses and documentary evidence for the document-based assessment and suppliers that have been confirmed to have potential or actual ESG risks based on document-based assessment results. On-site due diligence and evaluations are conducted by ESG consulting and diagnosis and due diligence experts, in close collaboration with Hyundai's purchase sector.

During the on-site due diligence process, we checked the relevant supplier's systems and regulations to confirm measures regarding code of ethics, legitimate handling of wastes and pollutants, management of working hours and payment of salaries based on a working hour management system, hazard evaluations, and establishment of emergency situation response plans. We plan to review and apply ways to effectively identify concerning ESG risks at work sites during on-site visits.

**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.

### Supply Chain Management Strategies

Top five strategic directions of supply chain management	Strategic Directions	Performance Indicators
	<b>Quality competitiveness</b>	Delivery defect rate, claim reimbursement ratio, quality management, onsite evaluation of manufacturing processes, outsourcing management
	<b>Technological competitiveness</b>	Basic competencies, performance competencies, capabilities for the future, reliability testing capabilities, S/W verification capabilities
	<b>Supply stability</b>	Smooth supply of parts (prevention of production line stoppage), A/S parts delivery rate, KD parts delivery rate
	<b>Fair trade</b>	Payment terms, contractual fairness, law/regulation compliance, win-win cooperation (support for win-win growth)
	<b>Eco-friendly production system</b>	Environmental management system, energy consumption, air pollutant, waste, hazardous chemicals management

### Supply Chain ESG Risk Diagnostic Indicators

ESG risk diagnostic indicators	Ethics	Environment	Labor and human rights	Safety and health	Management system
	<ul style="list-style-type: none"> <li>Prohibition of corruption</li> <li>Prevention of unfair trade</li> <li>Prevention of counterfeit parts</li> <li>Compliance with export restrictions</li> <li>Information protection</li> <li>Responsible purchase</li> </ul>	<ul style="list-style-type: none"> <li>Environmental management system</li> <li>Energy and GHG</li> <li>Water resources</li> <li>Humane treatment</li> <li>Freedom of association</li> <li>Prohibition of child labor</li> <li>Prohibition of forced labor</li> <li>Chemical substances</li> </ul>	<ul style="list-style-type: none"> <li>Non-discrimination</li> <li>Wage and welfare</li> <li>Working hours</li> <li>Human treatment</li> <li>Freedom of association</li> <li>Prohibition of child labor</li> <li>Prohibition of forced labor</li> <li>Health management</li> </ul>	<ul style="list-style-type: none"> <li>Safety and health management system</li> <li>Machine/instrument/facility safety</li> <li>Emergency response</li> <li>Accident management</li> <li>Safety diagnosis</li> <li>Health management</li> </ul>	<ul style="list-style-type: none"> <li>Disclosure of corporate statement</li> <li>Appointment of a person in charge</li> <li>Risk checks</li> <li>Education and communication</li> <li>Information management</li> <li>Grievance system</li> <li>Business partner management, etc.</li> </ul>



# Sustainable Supply Chain

## Results of Supply Chain ESG Risk Diagnosis and Due Diligence

Classification		No. of companies	Remarks
Document-based assessment of ESG risks	Tier-1 suppliers	1,680	Purchase percentage of 100%
	Tier-1 core suppliers	47	65% of tier-1 purchase percentage
	Tier-2 core suppliers	24	
Identification of high-risk suppliers based on document-based assessment	Tier-1 suppliers	13	
	Tier-1 core suppliers	-	
	Tier-2 core suppliers	1	
On-site due diligence of ESG risks	Tier-1 suppliers	36	Including 13 high-risk suppliers identified through the document-based assessment
	Tier-1 core suppliers	1	
	Tier-2 core suppliers	2	
Improvement measures for high-risk suppliers	Suppliers with negative impacts identified	14	Identified 1 core supplier among tier-1-tier-2 suppliers
	Suppliers with established improvement plans agreed upon	14	Including the 1 core supplier
	Suppliers that completed implementation of improvement plans	14	Including the 1 core supplier

**Key Areas of Improvement** Hyundai conducted the on-site due diligence (evaluation) and thus identified key areas which need improvement as follows. We share evaluation result report with the average score of benchmark companies and the top score in addition to areas of weakness and areas for improvement for each company, thereby inducing them to make improvement.

Areas	Improvement required
Ethics	Have a responsible raw and subsidiary material procurement policy, track and manage conflict minerals
Environment	Environmental data index management, environmental management communication
Labor and human rights	Have a human rights charter, adopt a child labor prohibition policy
Safety and health	Establish safety and health governance, manage serious accident index

**Finalization of Risks and Establishment of an Improvement Plan** We are deriving improvement points to ease suppliers' ESG risks through on-site due diligence (evaluation). Immediate corrective measures are taken for matters that can be improved right away during an on-site due diligence. For other confirmed risks, we hold discussions with the respective supplier on the time and method of implementation and expected issues, and establish improvement tasks. In addition to conducting a supply chain ESG risk diagnosis and due diligence, we monitor whether suppliers implement improvement measures. We also actively provide support in case suppliers do not have enough ability to make improvements themselves.

**Supply Chain Sustainability Goals** Hyundai has been making continued effort to expand the scope of the supplier ESG risk diagnosis and due diligence to improve its supply chain sustainability. In 2022, we conducted a supply chain ESG evaluation on all tier-1 suppliers around the world, and encouraged them to acquire environmental management system (ISO 14001) and safety and health management system (ISO 45001) certifications. In addition, we are providing a program that supports the establishment of safety facilities and security systems and the reduction of carbon emissions by 2025 to help suppliers improve their ESG capabilities.

Performance in 2022	Increase the scope of ESG evaluation targets (all tier-1 suppliers)	Environment, health, and safety management system certification (all tier-1 suppliers)
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## Supply Chain Sustainability Goals

Classification	Support provided to	Support duration
Establish safety facilities	Tier-1 and tier-2 suppliers	
Establish security systems	Tier-1 and tier-2 suppliers	2023-2025 (3 years)
Support for carbon emission reduction	Tier-1 suppliers	

\* Support target: Choose from tier-1-tier-2 suppliers by taking company size, business type, and other factors into consideration

## 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 disclosure. 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.

## 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.

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.

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.



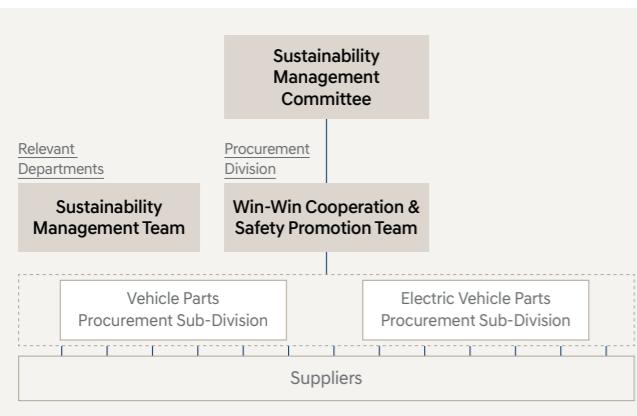
# Sustainable Supply Chain

## 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 Governance



## Conflict Minerals (Responsible Minerals) Policy

**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 policy 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 Mineral 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 conflicted 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.

## Conflict Minerals Management Process



# Customer Experience Innovation

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.

Status of Quality Management System (ISO 9001) Certification

No. of business sites subject to acquisition

14

Third-party certification rate

100%



## 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 customers' diverse quality and safety requirements, while each of our production sites operates their own quality management system to promote thorough quality management in all processes, including automobile design, parts development, process operation, pre-mass production, and mass production. 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 convert and update certifications in line with the conversion of quality management system standards.

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

### Quality Management Process



**Quality Management Standards for Electrified Vehicles** Hyundai has established quality management standards and criteria designed for each type of electrified vehicles, such as hybrid vehicles, EVs and FCEVs, in its efforts to actively respond to the global paradigm shift towards electrification. We manage our quality risks through continuous quality checks, case analysis, and improvement activities while continuously revising our quality management standards and criteria based on the data collected and analyzed.

**Preemptive Management of Quality Risks** From the early stage of new vehicle development, such as vehicle design, Hyundai conducts pre-verification of parts suppliers and inspects the quality of our own production processes to eliminate quality risks and related production process impediments in advance. Based on product drawings, we inspect the function, structure, reliability, and durability of parts. We issue the final approval through the inspection of supplier processes, self-inspection of production processes, etc. In addition to our own verification of test vehicles, the test-drive opinions of customers and professional quality organizations are utilized as guidelines to identify major issues and carry out improvement activities in parallel. Moreover, Hyundai holds quality inspection meetings on a regular basis, and reports the quality risk assessment results and taken measures to the highest level of management on the verge of new car models' mass production.

**Prevention of Mass Production Quality Risks** When a quality risk is detected from information acquired through statistical process control, periodic inspections, and shipment pass rates, we conduct joint investigations and take necessary countermeasures for quality improvement. Also, in order to prevent quality risks from occurring in the vehicle production process, we take thorough preventive measures, such as suppliers' process management, assessment of quality prevention activities, validation of quality inspection equipment, and reliability testing of parts. We have established a control tower devoted to the management of vehicle quality risks in the production process.

**Prior Verification of Quality Risks with the Participation of Employees** Hyundai runs an experiential program in which its employees experience its products and services from the customer's point of view, aimed at product perfection with higher standards while they feel rewarded and immerse themselves in their work. In 2022, our employees in a variety of sectors participated in the final quality inspection of new cars ahead of mass production as test drivers, for a total of six new models and full-change models (IONIQ 6, The all-new Grandeur, The all-new Kona ICE, G90, ELECTRIFIED GV70, and G70 SHOOTING BRAKE). They meticulously checked even the smallest details from the customer's point of view and strived to procure the highest level of quality.

**Quality Mindset Campaign** Through the Quality Mindset Campaign, Hyundai continues striving to internalize the quality-first mindset among its employees and build a quality culture throughout the entire process from vehicle development, production, sales and beyond. In order to minimize inconvenience through casual communication with customers, we conduct customers' quality diagnosis and employees' input; meetings between customers and employees; and on-site meetings between customers and production quality officers.

**Strengthening Quality Verification Capabilities** We enhance our verification capabilities throughout our quality value chain by regularly conducting training on roles and major tasks in the areas of pre-manufacturing quality, manufacturing quality, and market quality. Each course includes not only basic theoretical education but also practical and experience-oriented education if necessary. Furthermore, we offer expert courses on quality verification in collaboration with external educational institutions to verify new technologies following the transition to electrification and to strengthen the verification of quality issues from the customer's point of view.

### 2022 Quality & Safety Training Programs (Employees)

Quality related training	Target	Cycle	No. of trainees
Regular training (group training, e-learning, etc.)		Once a year	11,412
Continuous learning (videos, digital textbooks, etc.)	All quality related organizations	Constant basis	23,131
Quality-related certifications			82

# Customer Experience Innovation

## 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 catalyst 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.

## Warranty for Eco-friendly Car Engines and Power Transmission Parts

Classification	Model name	Warranty period
Hybrid	Grandeur, Sonata, IONIQ, AVANTE (Elantra), Tucson, KONA Hybrid, IONIQ Plug-in	10 years / 200,000 km
EV	KONA Electric, IONIQ Electric, IONIQ 5, IONIQ 6	10 years / 160,000 km

\* Based on passenger vehicles and SUVs

**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 (HMGICS) in April 2023. HMGICS serves as a test bed to develop and verify intelligent manufacturing platforms that incorporate AI and the IoT while the data obtained by the center is used to build E-FOREST, a smart factory ecosystem.

## Voluntary Recall Status

(Unit: 10,000 units, KRW million)

Classification	2019	2020	2021	2022
No. of recalled vehicles	196	623	272	389
Costs of recalls	78,000	305,200	1,442,300	320,900

## Warranty Provisions

(Unit: KRW million)

Classification	2019	2020	2021	2022
Provision warranty balance at the beginning of the period	5,177,128	5,447,307	8,514,173	9,048,185
Warranty costs during the period	2,261,010	1,963,782	2,551,716	3,133,544

**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 checklists (inspection time, 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 even when given a new wheel angle.



## Key Case of Quality VOC Response

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.

## VOC Filings in 2022



Classification	No. of cases	Ratio
1 Inquiry	1,731,538	93.2%
2 Complaint	107,119	5.8%
3 Suggestion	13,537	0.7%
4 Compliment	5,381	0.3%

## 2022 VOCs by Type



Type	No. of cases	Ratio
1 Service	495,996	26.7%
2 Sales	420,204	22.6%
3 Quality	385,991	20.8%
4 Membership	200,359	10.8%
5 Support	159,284	8.6%
6 Others	104,089	5.6%
7 Reservation	91,652	4.9%

# Customer Experience Innovation

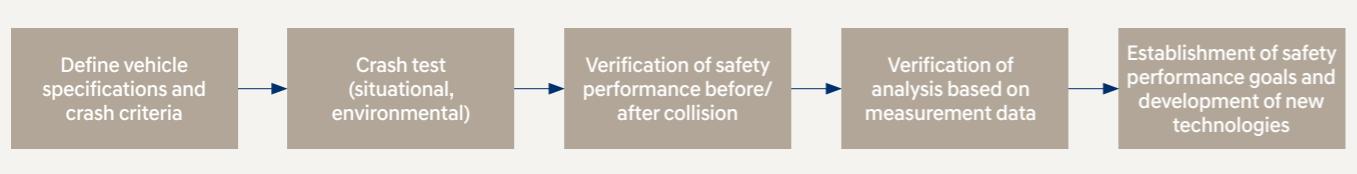
## PRODUCT SAFETY TECHNOLOGY

**Determination of Safety Specifications (Crash Test)** In order to ensure optimal crash safety, Hyundai established a 40,000-square-meter Safety Test Building at its Namyang R&D Center in 2005 and has since conducted approximately 650 crash tests per year. The Crash Test Site with an area of 2,900 square meters can perform tests required to tow vehicles weighing up to 5 tons at speeds of up to 100 kilometers per hour. In addition to achieving the highest level of passenger safety, the site is equipped with various test environments to respond to major crash safety assessments around the world. More than 500 collision analysis processes are performed to determine the safety specifications of a test vehicle while upwards of 100 tests are carried out until the vehicle is mass-produced. We conduct vehicle-to-vehicle crash tests and vehicle-to-structure crash tests in parallel. We also conduct crash tests that simulate a variety of accident situations, such as collisions on ramps, collisions with pedestrians, and collisions in diagonal directions.

After the crash test, we systematically verify the safety of the vehicle. The verification process is divided into the verification process immediately after the collision and the analysis process after the crash test. First, immediately after a collision, we focus on the speed of the vehicle and the area of impact to ensure that the vehicle meets the safety performance requirements. Subsequent analytical verification measures collision more accurately. Sensors applied to the dummy are used to calculate injury measurement data and measure the degree of body deformation to analyze overall vehicle safety. If an item is found that fails to meet the target requirements, the data is analyzed to identify the cause and an improvement plan is established accordingly. Depending on the collision part, close consultations are carried out with the relevant divisions while verification is repeated until the actual vehicle reflecting the improved specifications meets the final safety standards.

**Collision Preparedness (Structural and Construction Methods)** Hyundai enhances safety against collisions with a body structure that is divided into an annular structure and a sequential structure as well as a rigid body completed with the hot stamping method. The annular structure connects the horizontal and vertical parts of the body like a loop and weaves them like a skein of thread, allowing the vehicle to have solid rigidity and reduced weight.

## Crash Test Procedures



The sequential structure allows the car body to sequentially absorb the energy of a high-speed car colliding with another object. In the event of a head-on collision, the side member is first distorted to absorb energy, then the impact is transmitted to the fender apron, and at the same time, it is also transmitted to the top of the A-pillar to distribute the rest of the energy evenly. Furthermore, to ensure the even distribution of impact energy during side-impact collisions, bulkheads (partitions) are installed in areas where the impact is most likely to occur.

The hot stamping method technology increases the rigidity of the car body while reducing development costs. The material heated at a high temperature is pressed and cooled rapidly at the same time to ensure that the car body is quenched firmly. The body becomes 3-5 times stronger than before processing, so the passenger compartment is safely protected in the event of a collision.

**Collision Shock Dispersion (3rd-Generation Platform)** Hyundai's third-generation platform is designed to minimize the final energy received by passengers by efficiently dispersing collision energy in the engine compartment. We have developed a multi-skeleton engine compartment to minimize the impact transmitted to passengers in frontal and small-overlap collision situations and to reduce the impact energy to the other vehicle. We have increased the initial collision energy absorption rate by newly applying a "#"-shaped subframe to the front wide crash box and have ensured that not only the side members that support both sides of the engine room, but also the subframe and fender apron are organically woven together to allow the impact energy to be absorbed or dispersed in multiple paths. Furthermore, we have increased the dispersion effect by widening the subframe and strengthening the connection between the side members and the surrounding skeletal members. In particular, the additional application of the slide away behavior technology, which moves the wheels slightly outside the body in the event of a small overlap collision, has further reduced the possibility of occupant injury. It can significantly reduce secondary accidents as it maintains the driving direction while minimizing the impact energy transmitted to passengers.

## Prevention of Accidents

**Multi-Collision Brake** Hyundai uses a multi-collision braking (MCB) system to prevent secondary accidents. When a vehicle airbag deploys as a result of an initial crash, the system activates the appropriate braking function in the vehicle to mitigate multiple collisions. All of this is done in a fraction of the time, thanks to a third-generation CAN network with speeds of up to 200 MB per second. While the purpose of traditional safety technologies was to avoid or prevent accidents, the MCB plays an expanded role in determining the aftermath of an accident and protecting not only the occupants but also the surroundings of the accident vehicle.

**Advanced Driver Assistance System** Equipped with advanced driver assistance systems (ADAS), Hyundai analyzes risk factors and prevents accidents in advance. ADAS accurately recognizes objects and movements around the vehicle using a front camera mounted on the windshield, front and rear radars. It warns the driver or controls the vehicle when a collision risk is detected. ADAS has advanced to the level where vehicles drive at a distance from the vehicles in front of them in their own lane while the camera recognizes traffic signs and slows down to meet the prescribed speed.

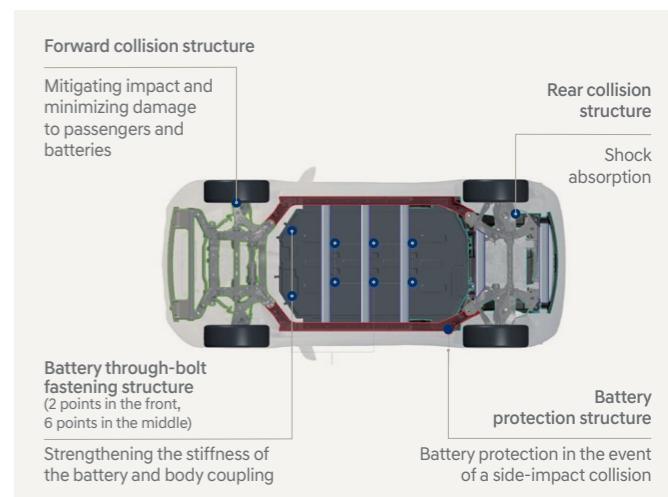
## Key Features of ADAS

<b>Forward Collision-Avoidance Assist (FCA)</b>	Warns and automatically assists with braking when a risk of collision is detected, such as when the preceding vehicle rapidly decelerates or a stopped vehicle or pedestrian appears in front
<b>Lane Keeping Assist (LKA)</b>	Warns and automatically assists steering if the driver leaves the lane without operating the turn signal switch while driving above a certain speed
<b>Blind-Spot Collision-Avoidance Assist (BCA)</b>	Gives an alert when there is a risk of collision with a vehicle behind while driving, and automatically assists with braking when there is a risk of collision with a vehicle nearby while reversing out of a parking space

**Safety Features for the EV-dedicated Platform** "E-GMP", Hyundai's EV-dedicated platform, features Hyundai's commitment to passenger safety. The platform uses the battery pack as a structure increasing body rigidity while aluminum extrusions applied inside the side sills distribute impact in the event of a side collision to ensure safety. In addition, the rear member is deliberately deformed to absorb shocks in order to prevent accidents caused by battery damage in a rear-end collision, and at the same time, the lower member is reinforced with hot-stamped steel plates to prevent deformation of the safety zone. A lattice-structured battery case and a protective lower cover are also added to perfectly cope with any collision energy that may occur in driving situations.

**Redundancy System** As driver intervention is being reduced according to the development of autonomous driving technology, it is essential to secure precise safety technology in preparation for emergency situations. Hyundai has developed an autonomous driving redundancy system that ensures the safety of passengers by safely driving and stopping the vehicle when a system failure is detected during autonomous driving. Redundancy refers to a dual configuration of steering, braking, power, and communication. When a function does not work properly, the redundancy system helps the vehicle to run safely by replacing it with an assistive device. We plan to speed up the development of level 4 autonomous driving element technologies, including redundancy systems, with the goal of internalizing autonomous driving technology by 2025.

## E-GMP Safety Features



# Customer Experience Innovation

**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 lower stiffener features increase safety by minimizing the bending of the pedestrian's knees in the event of a collision while preventing the pedestrian from entering under the vehicle after the collision, preventing the first impact followed by the second impact. They lower the possibility of a secondary accident in which, in a collision with a vehicle, the pedestrian will fall into the road in the direction the vehicle was traveling and be hit again by the vehicle.

## 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 NCAP (European New Car Assessment Program), 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

Region	Ratio <sup>1)</sup>	5-star (top rating)
Korea	100%	IONIQ 6, GV70
Europe	100%	IONIQ 6, GV70
U.S.	69.2%	18 models including Kona, Santa Fe, Elantra, Sonata, Tucson, Palisade, IONIQ 5, G80, GV80

<sup>1)</sup> 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

Scale	Test building
	40,000 m <sup>2</sup>
Collision test site	2,900 m <sup>2</sup>
No. of crash tests	About 650 times per year
Performance	Maximum speed 100 km/h Maximum weight 5 tons



Crash test site of Hyundai Motor Group (Safety Test Building at Namyang R&D Center)



## Main Functions of the Occupant Protection Airbag

<b>Multi-collision Airbag</b>	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.
<b>Center Side Airbag</b>	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 obtained domestic and international patents for the related technology.
<b>Hug Airbag</b>	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 stage.

# Customer Experience Innovation

## Maximizing Customer Satisfaction

### SERVICES BOOSTING CUSTOMER SATISFACTION

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

**Reinforcing Customer Service Capabilities** Hyundai sets in place a “service convergence education system” to strengthen the CS capabilities of its employees in customer contact channels such as vehicle sales and service. In the ICT-based CS learning environment, our employees receive training related to customer service skills along with knowledge of vehicles. Most notably, Hyundai’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.

### CS Training Programs in 2022

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

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-Ear – Customer Communication Channel** Hyundai operates “H-ear” (<https://hear.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.

**Bluelink – Connected Car Service** 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 as 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 pick-up and charging services.



“Genesis Space” providing unique differentiated experience for the luxury brand

The “Genesis Space” provides a unique customer experience with the Genesis brand philosophy. It features a design where customers can experience the unique elegance and sensibility of Genesis. “Genesis House New York”, unveiled in 2021, is a complex brand base that includes not only a car showroom, but also a restaurant, a library, a concert hall, and a terrace garden, with an aim to be a “cultural oasis” that satisfies the need for daily relaxation and artistic inspiration. Visitors can experience a variety of vehicles, including the entire Genesis lineup and concept cars that embody the future brand vision. The Genesis Space extends the Genesis brand spirit to customers while providing a differentiated experience unique to Genesis with superior customer service.



Genesis House New York

### Major Services Related to Connected Car

<b>Remote Control</b>		<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<b>Safety &amp; Security</b>		<ul style="list-style-type: none"> <li>• Emergency rescue and accident handling support in the event of an airbag deployment accident, SOS emergency dispatch, theft tracking, burglar alarm notification, driver attention notification, rear passenger notification, among others.</li> </ul>
<b>Vehicle Management</b>		<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<b>Directions</b>		<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<b>Music Streaming</b>		<ul style="list-style-type: none"> <li>• Streaming service of music content platforms</li> </ul>
<b>Digital Key 2</b>		<ul style="list-style-type: none"> <li>• Door locking/unlocking, starting the vehicle using a smartphone and an NFC card key or a smartphone with UWB function</li> </ul>

### Bluelink Fleet

Hyundai’s customers who own commercial vehicles (trucks and buses) can use connected services such as vehicle control, breakdown notification SMS, 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 customer 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.



# Customer Experience Innovation

**Building Service Bases** Hyundai does its utmost to ensure that customers can enjoy the best “CAR-LIFE” anytime, anywhere through a service base that instills trust and confidence in its customers. We have strengthened our after-sales service accessibility by establishing 1,200 Bluehands, official service suppliers nationwide, in addition to the numerous directly-run high-tech service centers. Furthermore, for the ever-increasing number of EV owners, we have expanded the number of “Bluehands” dedicated to EVs to approximately 500 while increasing the number of those dedicated to FCEVs to over 70.

## Service Brands

<b>Bluehands</b>	<ul style="list-style-type: none"> <li>Hyundai's official service suppliers</li> <li>- This network of Hyundai's official service suppliers is dedicated to improving the environment for the safety and convenience of customers, as well as providing services closest to customers.</li> </ul>
	<ul style="list-style-type: none"> <li>Services for Hyundai vehicle owners</li> <li>- Launched in 2007, these services for Hyundai vehicle owners provide various members-specific programs as well as vehicle management services to support customers' fun and convenient CAR-LIFE.</li> </ul>
<b>Bluemembers</b>	<ul style="list-style-type: none"> <li>Hyundai Connected Car Service</li> <li>- Hyundai's connected car service taps into the latest IT and communication technology to provide remote control, safety security, vehicle management, and navigation services.</li> </ul>
<b>Bluelink</b>	<ul style="list-style-type: none"> <li>Hyundai Connected Car Service</li> <li>- Hyundai's connected car service taps into the latest IT and communication technology to provide remote control, safety security, vehicle management, and navigation services.</li> </ul>

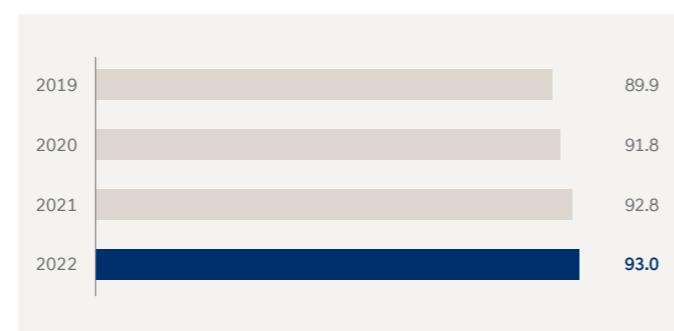
## Major Services

<b>Visiting Before Service</b>	<ul style="list-style-type: none"> <li>Visit a location designated by a customer and provides vehicle maintenance and advice and assistance</li> </ul>
<b>Emergency Charging Service</b>	<ul style="list-style-type: none"> <li>Provide 7 kWh worth of free EV charging for stranded drivers, enough for 22-44 km of driving</li> </ul>
<b>Home-to-Home Service</b>	<ul style="list-style-type: none"> <li>Pick up vehicles where and when designated by customers and deliver them after repairs are made</li> </ul>
<b>Car Rental Service</b>	<ul style="list-style-type: none"> <li>Provide car rental service for customer convenience when repairs are needed during the warranty period</li> </ul>

**External Customer Satisfaction Evaluation** On the back of its efforts to provide products and services that satisfy its customers, Hyundai has achieved outstanding results in the National Customer Satisfaction Index (NCSI), Korea Customer Satisfaction Index (KCSI), Korean Standard Quality Satisfaction Index (KS-QEI), and Korean-Standard Service Quality Index (KS-SQI), among others.

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

(Unit: Points)



**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 management, 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

<b>Genesis Visiting Auto Care Service</b>	<ul style="list-style-type: none"> <li>Visit any location that customers desire and provide a replacement service for engine oil and other consumables</li> </ul>
<b>Genesis Airport Service</b>	<ul style="list-style-type: none"> <li>Provide Genesis customers using Gimpo International Airport with free car valet services, consumables replacement services while traveling</li> </ul>
<b>Genesis Home-to-Home Service</b>	<ul style="list-style-type: none"> <li>A home-to-home service, free of charge, as part of Genesis Mobility Care service</li> </ul>

## IMPROVING THE QUALITY OF TECHNICAL AND MAINTENANCE SERVICES

### Strengthening Engineers' Technical and Maintenance Capabilities

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 (HMCP)** Since 2012, Hyundai has been running “HMCP (Hyundai Master Certification Program),” 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 1-2 (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 responsible 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 recurrence 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



#### Strengthening Maintenance Capabilities

- Reinforcing Engineers' Technology and Maintenance Capabilities
- Training of Bluehands Maintenance Personnel



#### Nurturing Outstanding Talent

- Hyundai Master Certification Program
- Hyundai Master Certification Program Electrified



#### Setting Maintenance Standards

- Excessive Maintenance Prevention Program
- Maintenance Manuals and Vehicle Manuals

**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.

**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](http://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.

# Customer Experience Innovation

## Sustainable Brand

### BRAND MANAGEMENT

**Brand Management System** 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.

**HMG Driving Experience Program** Hyundai is operating the "HMG Driving Experience" program to give customers first-hand experience of various brands of Hyundai Motor Group, including 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 sensibilities in a hydrogen society beyond the electrification era.

### Brand Tracking Study Items

Price	• Customer acceptance of Hyundai vehicle prices compared to competitors' (based on a price perception survey)
Performance	• Score analysis of warranty level, after-sales service quality, reliability, etc. (based on the market average of 100 points)
Quality	• Score analysis of warranty level, after-sales service quality, reliability, etc. (based on the market average of 100 points)
Brand	• Score analysis of brand reputation, authenticity, tradition, awareness, etc. (based on the market average of 100 points)
Sustainability	<ul style="list-style-type: none"> <li>• Score analysis of eco-friendliness, social responsibility, mobility vision, innovativeness, prospects, etc. (based on the market average of 100 points)</li> <li>• Separate analysis of the impact of eco-friendly vehicle models on aided awareness, brand perception, etc.</li> </ul>



"for Tomorrow" campaign



N Vision 74- high-performance hydrogen fuel cell-hybrid "Rolling Lab"

# Customer Experience Innovation

## HYDROGEN CAMPAIGN

**“H<sub>2</sub>U” Campaign for a Hydrogen Society** Hyundai is running the “H<sub>2</sub>U” (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 Beaumtemps, 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 H<sub>2</sub>U 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.



H<sub>2</sub>U (Hydrogen to You) Campaign



Dear My Hero Campaign



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

## ETHICAL MARKETING

**Hydrogen Commercial Vehicle Unveiled at “H2 MEET 2022”** At the “H2 Meet 2022”, Kores'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.

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

**Labeling of Product Environment and Safety Information** Hyundai transparently discloses not only environment-related information, such as GHG emissions and the amount of water used during the entire vehicle manufacturing process, but also safety-related information such as seat belts, occupant detection systems, and car seat attachment devices. We strictly prohibit the dissemination of false, exaggerated, or understated information on the environmental and social impacts of our products and services while striving to ensure the right to know of our customers by labeling relevant information.

## Product Information Labeling in Major Markets

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

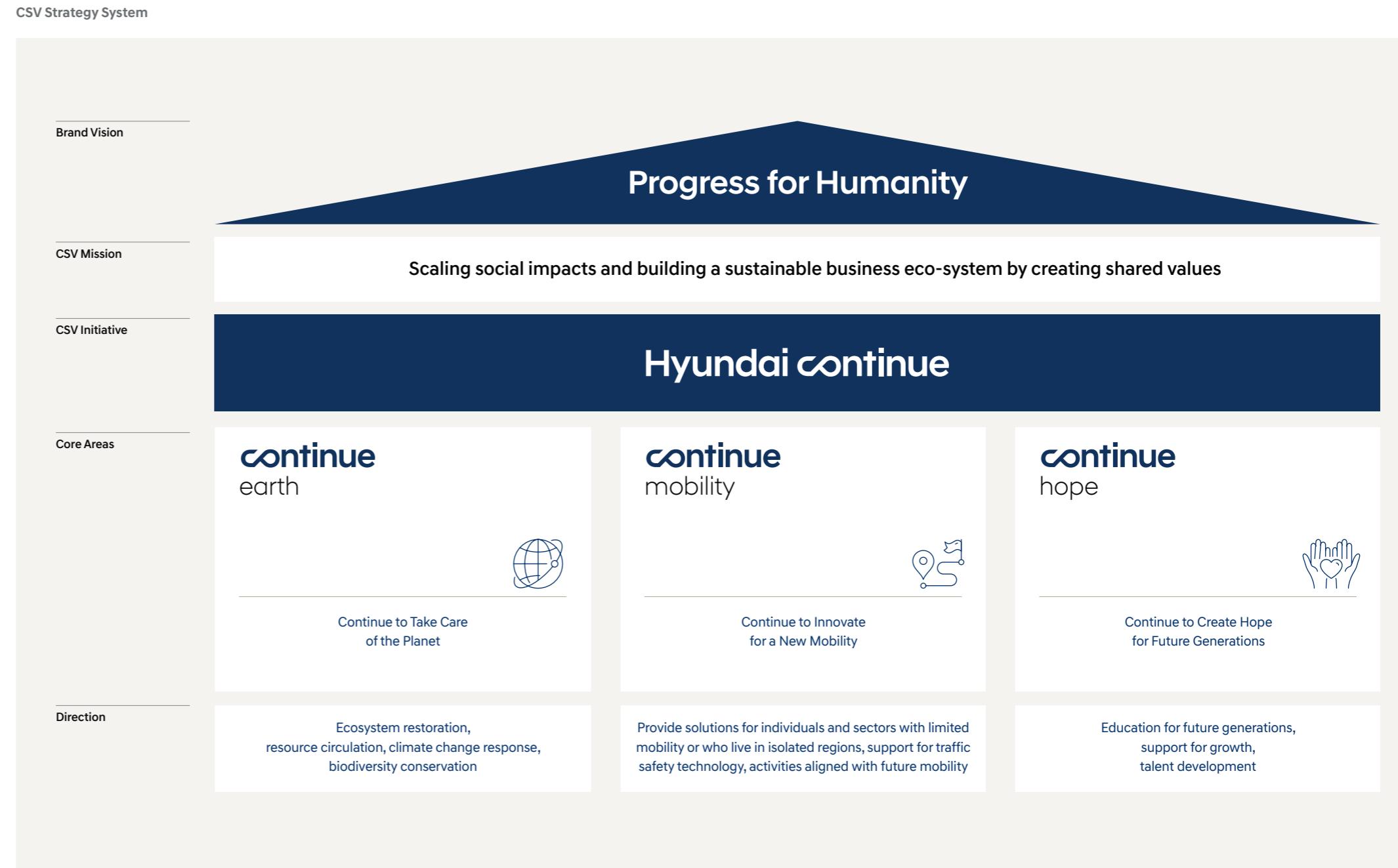
# Creating Shared Value

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

**Implementation of CSV Strategy** 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.



# Creating Shared Value

## CSV Activities

### 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. In partnership with Save the Children and Plasticpay, 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 waste in eight European countries as well as Korea over some 20 occasions. We have also worked with major broadcasters such as the Discovery Channel to produce documentaries about the subject.

**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 Sinsido 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.

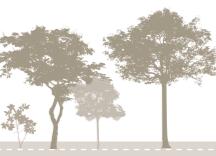
We are creating the IONIQ Forest project not only in Korea but also in North America, Brazil, Mexico, Germany, Serbia, Turkey, and the Czech Republic. IONIQ Forest North America is conducting activities using IONIQ 5 and IONIQ 6, as well as employee volunteering. IONIQ Forest Brazil aims to restore the 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 210,000 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 Sinsido of Jeollabuk-do, some 12,000 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 worldwide by 2024. To this end, we will plant 314,929 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.



Earth



# 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 medical wearable robot called "X-ble MEX" that assists lower muscle reconstruction and joint movement for people with limited mobility. In January 2022, 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 signed an MOU with Asan Medical Center and the National Rehabilitation Center to cooperate in conducting rehabilitation treatment and related research for paraplegic patients using X-ble MEX. Moving forward, Hyundai will promote activities designed to support the mobility of people with reduced mobility by actively incorporating not only wearable robots but also other future mobility solutions with the goal of improving human life.

**2022 Key Achievements** We plan to deliver two wearable robots each to the Asan Medical Center and the National Rehabilitation Center for the rehabilitation treatment of paraplegic patients and related research.



### 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.

**2022 Key Achievements** We have signed agreements with Chungnam National University Hospital and Pusan National University Hospital to operate rehabilitation training programs for traffic accident patients.

**Future Plans** In the first half of 2023, we plan to donate a new simulator to the Seoul Rehabilitation Hospital where it will be used to treat patients who need rehabilitation.



### 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 (Ajman 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.

**2022 Key Achievements** Using four STARIA vehicles, we delivered a total of 2,000 boxes of food ingredients in partnership with four universities and local volunteer groups in the regions.

**Future Plans** In 2023, we plan to deliver a total of 2,800 boxes of food ingredients, a 40% increase from the previous year, and donate four Hyundai Mighty vehicles for NGO activities.



### 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.

**2022 Key Achievements** We donated three IONIQ 5 vehicles specialized for the visually impaired to the daily mobility support centers for the disabled in Chungju City, Jecheon City, and Boeun-gun. The donation was particularly meaningful in that it was the first ever donation of environmentally-friendly welfare vehicles for the visually impaired in Korea.

**Future Plans** We plan to expand the IONIQ 5 EV supply project to local governments that operate welfare vehicles for the visually impaired.



# 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 2,805 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 industries. 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 regular program in order to make education fun and easy from the perspective of children.



### 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.

**2022 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.

**Future Plans** In 2023, 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-raising 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.

Hope 



# Creating Shared Value

## CSV Activities



### Employee Volunteering



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.

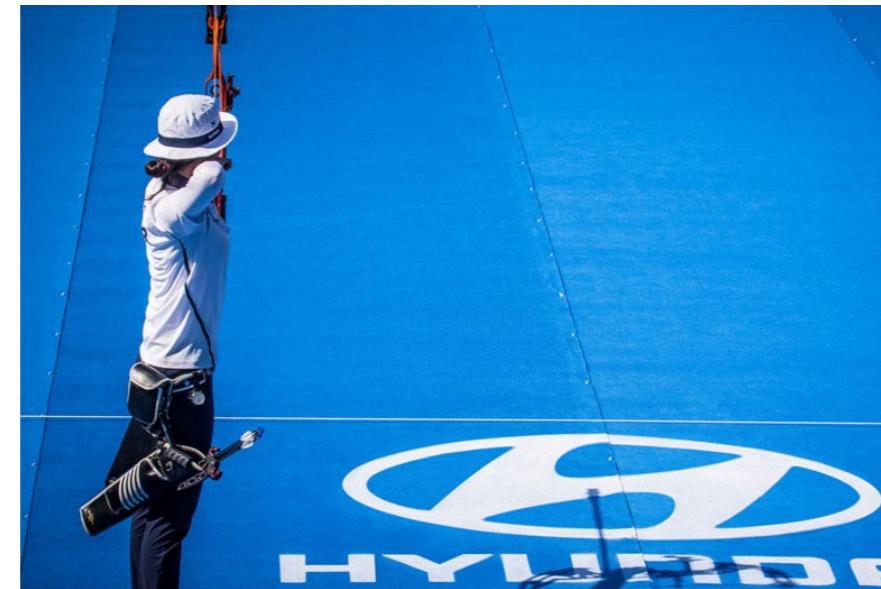
**2022 Key Achievements** In 2022, 5,592 Hyundai employees participated in 627 volunteer activities for a cumulative total of 15,016 hours.

### 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 beating their personal records. We also sponsor a number of leading archery tournaments, including the World Archery Championships.

**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.

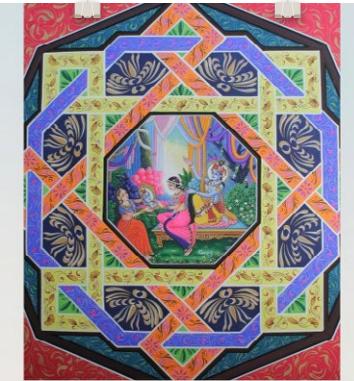


### Art for Hope



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.



### Art for hope 2023

Applications open  
September 1 - 15, 2022.  
Apply: [www.hyundaiartforhope.com](http://www.hyundaiartforhope.com)



### Disaster Relief



Hyundai fulfills its social responsibility by taking an 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.



# Creating Shared Value



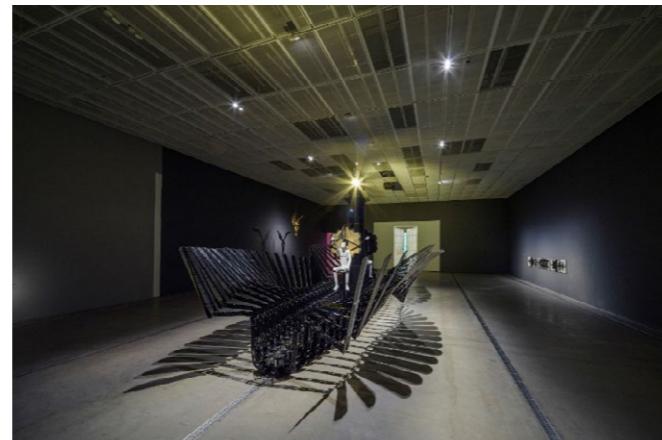
## Global Partnership for Arts and Culture

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.

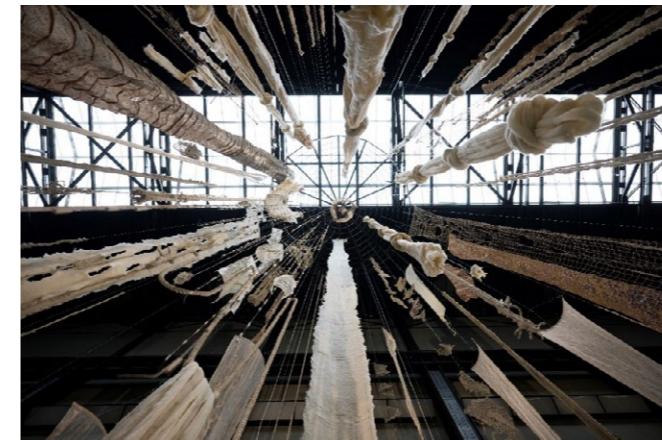


*MMCA Hyundai Motor Series 2022: Choe U-Ram - Little Ark, Little Ark*, 2022, recycled cardboard boxes, metallic material, machinery, electronic device (CPU board, motor), 210 x 230 x 1272cm. Image provided by MMCA

### 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.



*Hyundai Commission: Cecilia Vicuña: Brain Forest Quipu* © Cecilia Vicuña, Installation View at Tate Modern 2022. Photo © Tate (Ben Fisher)

### 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.



*The Space Between: The Modern in Korean Art*, Installation photograph, Los Angeles County Museum of Art, Sep 11, 2022-Feb 19, 2023. Photo © Museum Associates/LACMA