

Document No.	2025-S-10
Initial Enactment	2024.07.31
Last Update	2026.09.09
Managed by	Supply Chain Sustainability Management Team

Hyundai Motor Company

Responsible Raw Materials Sourcing Policy

2026.09

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1. General Provisions

a. Declaration and Purpose

Hyundai Motor Company is committed to procuring raw materials for its products and services in a manner that upholds social and environmental responsibilities. This commitment includes identifying and monitoring negative impacts, such as human rights abuses and environmental degradation, throughout the raw material supply chain. Where necessary, such negative impacts are prevented and mitigated to foster a sustainable supply chain.

Specifically, Hyundai Motor Company declares its adherence to the following standards and instruments and establishes this policy as a fundamental basis for ensuring compliance:

① International Standards and Guidelines

Including, but not limited to, “the Ten Principles of the UN Global Compact (UNGC),” “UN Guiding Principles on Business and Human Rights (UNGPs),” “OECD Guidelines for Multinational Enterprises,” “OECD Due Diligence Guidance for Responsible Business Conduct,” and “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas (CAHRAs).”

② International Conventions

Including, but not limited to, “ILO Core Conventions,” “International Covenant on Civil and Political Rights,” “International Covenant on Economic, Social and Cultural Rights.”

③ International Initiatives and Alliance Standards

Including, but not limited to, the “Responsible Business Alliance (RBA)” and the “Guiding Principles of the Drive Sustainability Initiative.”

④ Relevant Laws and Regulations

Including, but not limited to, the “EU Corporate Sustainability Due Diligence Directive (CSDDD),” “EU Corporate Sustainability Reporting Directive (CSRD),” “EU Deforestation Regulation (EUDR),” and “EU Battery Regulation (EUBR).”

b. Scope of Application

- ① This policy applies to Hyundai Motor Company's supply chain, which is defined to include its domestic and international operations (headquarters, regional headquarters, sales corporations, and production corporations), its subsidiaries, and stakeholders involved in or affected by Hyundai Motor Company's business activities, such as suppliers and distributors engaged at every stage

from vehicle design to production and distribution.

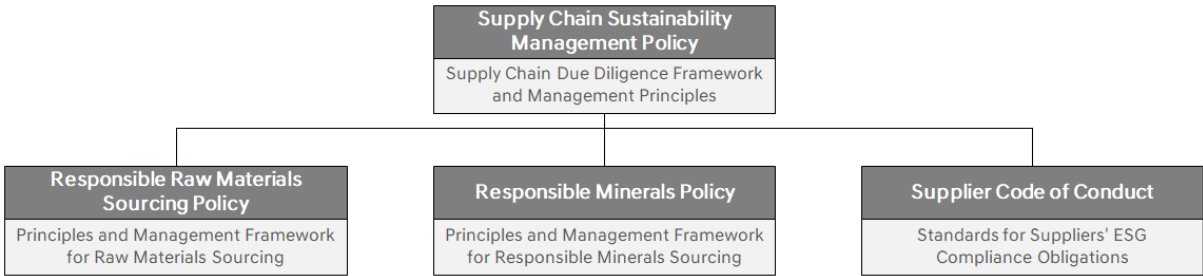
- i. All of Hyundai Motor Company's domestic and international operations and subsidiaries, as well as suppliers directly involved in raw material procurement (suppliers) and all entities within their downstream supply chains, shall comply with the provisions set forth in this policy within the scope of adherence to domestic laws and regulations and international standards.
 - ii. Hyundai Motor Company shall actively communicate and collaborate with all stakeholders within its supply chain to implement this policy, and all stakeholders within the supply chain shall participate in Hyundai Motor Company's efforts to establish a sustainable supply chain.
- ② The raw materials covered by this policy encompass all forms of raw materials and sub-materials used in product manufacturing.

c. Related Policies

This policy shall be referenced together with the internal policies that set out Hyundai Motor Company's commitment to and governance of responsible procurement. Such related policies include, but are not limited to, the following:

- i. the "Human Rights Charter";
- ii. the "Supply Chain Sustainability Management Policy";
- iii. the "Supplier Code of Conduct";
- iv. the "Responsible Minerals Policy".

Common procurement principles, due diligence processes, governance, and grievance handling standards not otherwise specified in this policy shall be governed by the "Supply Chain Sustainability Management Policy."



[Supply Chain Management Policy Hierarchy]

2. Responsible Raw Materials Sourcing Principles

Hyundai Motor Company adheres to the following principles when procuring raw materials and requires the same level of compliance from all entities falling under [Section 1.b.i.](#)

a. Social Responsibility

- ① All forms of forced labor, child labor, modern slavery and human trafficking, discrimination, harassment, and other human rights violations are strictly prohibited. Continuous monitoring is conducted to prevent their occurrence, and immediate corrective action is taken as necessary.
- ② The rights of affected local communities, especially the principle of Free, Prior, and Informed Consent (FPIC) for indigenous communities, are respected. Negative impacts on local communities are minimized, and local community development is promoted.
- ③ Other general social responsibility principles, including freedom of association and the right to collective bargaining, compensation and working conditions, and occupational health and safety, shall be governed by the "Supply Chain Sustainability Management Policy" and the "Supplier Code of Conduct."

b. Environmental Responsibility

- ① Hyundai Motor Company conducts due diligence in accordance with the EUDR and applicable laws and regulations. Where deforestation-related risks are identified, Hyundai Motor Company takes appropriate measures, including additional verification, requiring corrective action, or suspending procurement.
- ② The dependencies and impacts on natural capital are assessed, and management measures for ecosystem conservation and the mitigation of nature loss are established with reference to the recommendations of international initiatives such as the Taskforce on Nature-related Financial Disclosures (TNFD).
- ③ Other general environmental responsibility principles, including climate change response, the management of water resources, soil, and air pollution, and noise and vibration, shall be governed by the "Supply Chain Sustainability Management Policy."

c. Ethical Responsibility

- ① Support for illegal armed groups is prohibited.
- ② Efforts are made to secure transparency regarding origin and traceability throughout the supply chain, and traceability is progressively strengthened, focusing on the key minerals managed by the Company.
- ③ Other general ethical responsibility principles, including anti-corruption and anti-bribery, legal compliance, and the protection of stakeholder information and intellectual property, shall be governed by the "Supply Chain Sustainability Management Policy" and the "Supplier Code of Conduct."

3. Responsible Raw Materials Management System

Hyundai Motor Company establishes and operates a comprehensive Responsible Raw Materials Management System for the effective implementation of this policy.

a. Responsible Raw Materials Management Process (Due Diligence)

- ① Throughout the raw material supply chain, efforts are made to trace the origin and supply routes of raw materials, and potential or actual human rights and environmental risks are identified and assessed, focusing on the key items managed by the Company. Where necessary, risk prevention and mitigation measures are implemented, and a process is operated that extends from the monitoring of the measures taken through to the disclosure of the overall management activity results.
- ② "Priority Raw Materials" are designated by comprehensively evaluating factors such as raw material usage, association with Conflict-Affected and High-Risk Areas (CAHRAs), inclusion of high-risk raw materials, social and environmental impacts, and applicability of international regulations. Enhanced due diligence procedures are applied to Priority Raw Materials.
- ③ Compliance with the "EU Deforestation Regulation (Regulation (EU) 2023/1115, 'EUDR') and related laws and regulations shall be ensured, and the following obligations shall be fulfilled in the procurement of raw materials subject to such regulation (limited to forest-related regulated items such as wood, rubber, palm oil, and leather):

i. Collection of Geolocation Information. Geolocation information (latitude and longitude) that

identifies the location of the land on which the relevant raw materials were produced shall be collected. The collected geolocation information shall be used to trace the origin of the raw materials and to verify whether deforestation has occurred.

ii. Verification of Deforestation-Free Production and Compliance with the Laws of the Country of Production.

It shall be verified that the raw materials were not produced on land subject to deforestation or forest degradation after December 31, 2020, and that they were produced in a manner consistent with the relevant laws of the country of production (including land use rights, environmental protection, the rights of indigenous peoples and local communities, and labor rights). For this purpose, deforestation risk shall be assessed using satellite monitoring data, third-party certification information, and supporting documentation submitted by suppliers, based on the collected geolocation information.

iii. Risk Management. Where the level of risk is non-negligible, risk mitigation measures shall be implemented; where the risk is not thereby resolved, the procurement of the relevant raw materials shall be discontinued.

iv. Submission of Due Diligence Statement. Before placing products containing the relevant raw materials on the EU market, a Due Diligence Statement shall be prepared and submitted in accordance with the applicable laws and regulations.

v. Record Keeping. The information, supporting documentation, and Due Diligence Statements collected or generated pursuant to this clause shall be retained for at least the period prescribed by the applicable laws and regulations (a minimum of five years).

vi. Suppliers' Obligation to Provide Information. Hyundai Motor Company may request suppliers to provide the information necessary for the implementation of this clause. Suppliers shall provide the requested information without delay, and such information shall be accurate and complete. Suppliers shall also be requested to obtain information of an equivalent standard from their own downstream supply chains.

- ④ Activity results are reported to management at least once a year; provided, however, that where due diligence reveals a significant risk, it is reported to management immediately. Following a review of the effectiveness of the management process, a plan for its improvement is established and implemented as necessary.
- ⑤ Detailed provisions, such as implementation procedures and methods, comply with the “Hyundai Motor Company Supply Chain Sustainability Management Policy.”

b. Supply Chain Capacity Building and Partnership

- ① Training and guidelines are provided to suppliers to enable them to meet the requirements of this policy. Technical and management support is offered for capacity building as necessary.
- ② Partnership is pursued with various stakeholders, including external experts, industry initiatives (such as RMI, RBA, GBA, Drive Sustainability), and civil society organizations, to build a sustainable supply chain.

c. Performance Management and Monitoring

- ① Mid-to-long-term performance targets are established for this policy, with their progress and effectiveness regularly monitored using quantitative and qualitative indicators.
- ② Based on the monitoring results, the appropriateness of targets is reviewed. As necessary, targets are adjusted, and improvement measures are established and implemented as necessary.

d. Third-Party Verification and Certifications

- ① Independent third-party audits of supply chain due diligence and procurement practices are conducted as needed, with corrective actions implemented based on the audit results.
- ② The use of raw materials with eco-friendly certifications, sustainability certifications, or credible industry standards is encouraged, alongside the expansion of transactions with certified smelters/refiners.

4. Governance and Capacity Building

a. Roles of the Management Committee, the Board of Directors, and Executives

- ① Risks related to raw material procurement are managed under the oversight of appropriate governance bodies, such as the Management Committee and the Board of Directors, with the Supply Chain Sustainability Management Team overseeing day-to-day operations. Detailed matters concerning governance and responsibilities, including the roles of the Board of Directors and executives, shall be governed by "Section 5. Governance and Capacity Building" of the "Hyundai Motor Company Supply Chain Sustainability Management Policy."

b. Training and Support

- ① Continuous training on the principles and due diligence procedures of this policy is conducted for all executives and employees involved in raw material procurement to promote awareness and enhance capabilities.

5. Grievance Mechanisms

Hyundai Motor Company operates accessible, transparent, and secure grievance channels to allow concerns about potential or actual negative impacts arising from raw material procurement to be raised.

a. Grievance Submission and Handling

- ① All grievances may be submitted anonymously, and the contents of reports are kept confidential. Retaliation against individuals who raise grievances is strictly prohibited. Detailed matters concerning the investigation and handling of grievances, the protection of the rights of the reporting party, and the remediation of victims shall be governed by “Section 8. Grievance Mechanisms” of the “Hyundai Motor Company Supply Chain Sustainability Management Policy.”

b. Representative Grievance Channels

- ② Channels are provided for all stakeholders, including executives and employees, suppliers, local community members, and civil society organizations, to report grievances.

Hyundai Motor Company Grievance Channels

- [KOR/Global] Supply Chain Sustainability Management Team - Grievances (Win-Win Cooperation Center → Supply Chain ESG Center → Grievances) (<https://winwin23.hyundai.com>)
- [KOR] Procurement Planning Team - Transparent Procurement Report Center (Win-Win Growth → Fostering a Win-Win Growth Culture → Transparent Procurement Report Center) (<http://winwin.hyundai.com/coportal/system/clean.html>)
- [KOR/Global] Audit Planning Team - Cyber Audit Office (<https://audit.hyundai.com>)

6. Disclosure and Reporting

Hyundai Motor Company transparently discloses the implementation and performance of its "Responsible Raw Materials Sourcing Policy." Relevant information, such as the implementation status of this policy, the outcomes of the management process (due diligence) and identified risks, details of grievance handling, and improvement efforts, is disclosed annually through the company's website, sustainability report, and other appropriate channels.

The disclosed information is presented in a manner easily understandable by all stakeholders, and complies with relevant laws and regulations and international reporting standards.

7. Policy Review and Updates

This policy and the Responsible Raw Materials Management System are promptly reviewed, revised, and updated at least every two years or when significant changes occur. This process reflects international standards, laws, the regulatory environment, and changes in supply chain risks. The revised policy is transparently disclosed to all stakeholders through the company's website, sustainability report, and other appropriate channels.